

OnVista

OnVista Group

Annual Report **2006**

Reaping and sowing.





Reaping and sowing.

2006 was the most successful year yet in the corporate history of the OnVista Group. We grew strongly with the OnVista, Onmeda and Ligatus brands – and advanced our earnings even more strongly. They form the basis for further growth. With a comprehensive innovation offensive, we are laying the seeds for substantial rewards in the future. We intend to bring the constant cycle of reaping and sowing, sowing and reaping to a higher level, again and again. For the benefit of all stakeholders.



OnVista at a Glance

Sales and earnings position	2002	2003	2004	2005	2006
Sales (€ mill.)	12.58	10.84	6.95	9.74	14.06
EBITDA (€ mill.)	1.44	-1.31	0.54	1.36	2.24
Depreciation on tangible and intangible assets (€ mill.)	2.63	3.76	0.52	0.53	0.71
EBIT (€ mill.)	-1.19	-5.07	0.02	0.83	1.53
EBT (€ mill.)	0.15	7.50	0.92	1.61	2.72
Group net income (€ mill.)	2.45	5.73	0.42	-0.49	1.58
Return on sales (%)	19.5	52.9	6.1	-5.0	11.3
Financial position					
Group cash flow (€ mill.)	1.16	-1.87	-2.08	17.00	10.65
Group operating cash flow (€ mill.)	0.37	1.22	2.05	2.15	2.92
Investments (€ mill.)	2.05	3.18 ¹	4.88	1.07	1.42
<i>in tangible assets (€ mill.)</i>	<i>0.23</i>	<i>0.20</i>	<i>0.19</i>	<i>0.24</i>	<i>0.20</i>
<i>in financial assets (€ mill.)</i>	<i>0.01</i>	<i>1.81¹</i>	<i>1.67</i>	<i>0.00</i>	<i>0.00</i>
Liquid funds ² (€ mill.)	27.46	24.99	22.61	40.09	41.15
Assets and capital structure					
Balance sheet total (€ mill.)	43.10	47.62	47.98	50.01	51.99
Capital to asset ratio ³ (%)	93.8	96.3	95.4	91.4	41.4
Return on equity ⁴ (%)	6.1	12.5	0.9	-1.1	7.4
Return on assets ⁵ (%)	5.7	12.0	0.9	-1.0	3.0
Shares					
Group cash flow per share (€)	0.17	-0.28	-0.31	2.54	1.59
Group operating cash flow per share (€)	0.06	0.18	0.31	0.32	0.44
Earnings per share (€)	0.37	0.86	0.06	-0.07	0.24
Dividend per share (€)	0.00	0.00	0.00	0.10	0.10
Highest / lowest price (€) ⁶	6.85/3.35	6.51/3.55	7.11/4.90	8.60/5.40	17.04/7.67
Market cap as at year-end ⁶ (€ mill.)	32.2	35.2	42.5	53.9	111.6
Employees					
Total as at 31 Dec. ⁷	133	41	52	61	86
Personnel expenses (€ mill.)	7.45	7.29	2.69	3.30	5.00
Sales per employee ⁷ (€ mill.)	0.09	0.09	0.15	0.18	0.19

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

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

² Cash and cash equivalents plus available-for-sale financial assets

³ Shareholders' equity/balance sheet total

⁴ Net result for the year/shareholders' equity

⁵ Net result for the year/balance sheet total

⁶ 2002: Frankfurt trading floor, from 2003: Xetra

⁷ In permanent employment, full time equivalent

About OnVista/Executive Bodies

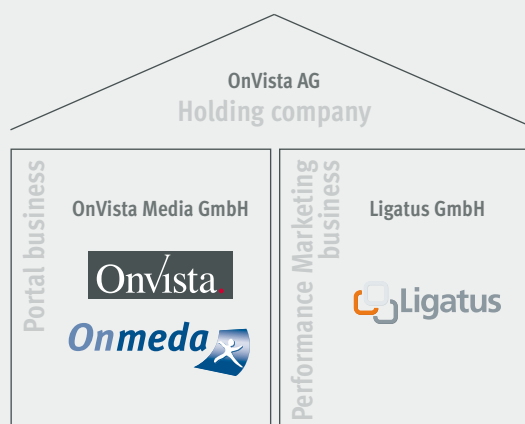
The **OnVista Group** is an internet company.

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, the leading bank-independent finance portal in Germany, and 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 customers via the internet for their products and services both effectively and at low cost in connection with its **Performance Marketing business**. To this end, Ligatus GmbH, a wholly-owned subsidiary of OnVista Media GmbH, uses its steadily growing premium network for performance marketing. The company places advertisements of its customers on high quality portals like 'n-tv.de', 'Spiegel Online' and 'sueddeutsche.de'. Highly developed optimisation software ensures that the advertised offerings are placed where they are most popular in each case. Depending on the billing model,

Ligatus GmbH generates revenues from each click on advertisements placed by the company or from each address left by a potential customer.

On 22 March 2007, the day this annual report went to press, OnVista AG acquired Ad2Net AG, one of the largest independent online advertising sales firms in Germany. The company is not yet included in the structure of the group shown below.



OnVista Group as at 31.12.2006

Executive bodies

Executive Board

Fritz Oidtman

Spokesman for the Board up to 27 June 2006

Michael W. Schwetje

Member of the Executive Board

(Media and Finance) up to 27 June 2006

Sole Director since 27 June 2006

Supervisory Board

Dr. Paul-Bernhard Kallen

Chairman

Managing Director at various companies within the Burda Group

Dr. Johannes Meier

Deputy Chairman

Member of the Executive Committee at Bertelsmann-Stiftung (Bertelsmann Foundation) (up to 27 June 2006)

Prof. Dr. Bernhard Schwetler

University Professor at Handelshochschule Leipzig (Commercial College Leipzig) (up to 27 June 2006)

Fritz Oidtman

Deputy Chairman

Managing Director (since 27 June 2006)

Stephan Schubert

Entrepreneur (since 27 June 2006)

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Milestones

2006	June	Spokesman for the Board Fritz Oidtmann resigns from the Executive Board of OnVista AG and moves to the Supervisory Board. Stephan Schubert, co-founder and member of the Executive Board until 2003, is also appointed to the Supervisory Board. Sole Director with immediate effect is Michael W. Schwetje, previously Director of Media and Finance at OnVista AG.
	June	The annual general meeting adopts a special distribution in the amount of € 3,75 per share. A regular dividend is also paid for the first time.
	December	The OnVista Group sells its stake in IS.Teledata AG and can now focus on its fast growing profitable internet activities.
2005	September	Launch of the Ligatus brand, the fast growing and already profitable Performance Marketing business of the OnVista Group, and spin-off into the independent subsidiary Ligatus GmbH.
	June	Medicine-Worldwide becomes Onmeda, the healthcare portal with the greatest breadth and depth of information on the German internet.
2004	March	With the takeover of the healthcare portal Medicine-Worldwide, the OnVista Group opens up an additional revenue source and turns into a provider of special interest portals beyond the financial sector, financed through advertising.
2003	November	Amalgamation of OnVista Technologies GmbH and IS Innovative Software AG under IS.Teledata AG. The merger creates Europe's biggest provider of internet based financial market information systems.
2002	December	The reorganisation is successful – return to profitability.
	September	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	August	The capital market related sharp decline in the company's performance calls for reorganisation.
1999	February	OnVista AG goes public. The issue is 80 times oversubscribed.
	November	Transformation into OnVista AG paves the way for a stock market flotation. Burda Beteiligungs-Holding GmbH acquires a 10% stake.
1998	November	First customer licence for financial information. This lays the foundation for the Technologies business segment.
	September	The finance portal www.onvista.de goes online.
	May	Stephan Schubert, Michael W. Schwetje and Fritz Oidtmann set up OnVista.de Finanzanalyse GmbH & Co. KG.



Dynamics and earnings growth continue

Dear Shareholders and Business Partners,

It is said of sportsmen they are 'having a run' if they are successful over a longer period of time. This also applies to the OnVista Group, whereby we are running long-distance and in a remarkably consistent top form. During the 2006 stage, we improved sales by 44% and all performance categories far overproportionally, while also creating 25 new jobs.

At the root of it are for us favourable general conditions – the increased use of the internet, the trend towards online advertising, the positive market mood and the situation in the health sector. We align our products precisely to defined growth sectors as well as customer and user requirements and achieve sustained top quality.

In the five years up to the end of 2006, the stock market valuation of OnVista AG almost quadrupled. In the last year alone, our shareholders benefited from an impressive doubling of our share price as well as a high special dividend distribution at the beginning of 2007. For the first time, we also distributed profits for the financial year 2005 which we intend to continue for the year under review.

■ Start of innovation offensive

We are not resting on the excellent market position and accomplished successes achieved – doubling of sales and trebling of pre-tax income in two years. We operate in extremely fast changing markets, which are also highly competitive, and will do everything in our power to further increase our earnings in the coming years. In the interest of all stakeholders, we are now laying the foundation to this end. With an innovation offensive that spans across the entire company, we have clearly defined three strategic directions of thrust:

Firstly, we intend to make full use of organic growth opportunities in our existing Portal and Performance Marketing businesses, by increasing advertising revenues as well as through new revenue sources. Secondly, inorganic expansion through acquisitions is also on the agenda. Immediately prior to this annual report going to press, we took an important step in this respect with the acquisition of the online advertising sales company Ad2Net AG. And thirdly, we plan to map out and realise a wide range of different internet business concepts by ourselves.

■ Continued profitable growth

With our far-reaching innovation offensive, we are consolidating and defining our ambitious medium term growth target more precisely, under which we plan to achieve

20-40% annual growth in sales and overproportional growth in profits up to the end of the decade. Our projections for 2007 are in tune with these targets – sales in excess of € 17.5 million, which would correspond to an increase of more than 20%, and at least € 2.5 million operating income, a good 60% above the previous year. These figures do not yet take into account the sales and profit contribution from the newly acquired company Ad2Net.

■ Changes in the Executive Board and Supervisory Board

As part of our sole focus on the internet business, the overriding co-ordination and strategy related duties, which previously had been performed by Fritz Oidtmann, ceased to exist. He therefore decided to resign from the Executive Board at the end of the annual general meeting in 2006. Since then, I have been managing our company as sole Director, supported by two General Managers at OnVista Media GmbH and Ligatus GmbH.

At the same time, we wanted to continue to secure the expertise of Fritz Oidtmann as well as Stephan Schubert – both co-founders, shareholders and members of OnVista AG's Executive Board for many years as well as members of the Executive Board of IS.Teledata AG until the sale of the affiliate – through their involvement in our Supervisory Board. The unselfish relinquishment of the two long term Supervisory Board members Dr. Johannes Meier and Professor Dr. Bernhard Schwetzler made this possible. At the required elections to fill vacancies, Fritz Oidtmann and Stephan Schubert were elected by the annual general meeting as members of the Supervisory Board of OnVista AG. At this point, I would like to again thank all parties involved very much for their valuable support over the years. My special thanks go to my long term business partners Fritz Oidtmann and Stephan Schubert. It is important to me to make it clear to our shareholders that without their commitment, inspiration and farsightedness, OnVista would not be where it is today so very successfully. I look forward to our continued co-operation in a different environment.

I would also like to thank our customers and our shareholders – some of whom have been loyal to us for many years and are putting their trust in us – as well as our employees who, with great commitment and dedication, again performed outstandingly in 2006!

Yours sincerely

Michael W. Schwetje

“We stand at the beginning of an innovation offensive“

The focus on the internet business seems to pay off. You exceeded your planning targets very clearly in 2006, although they were already ambitious.

Michael W. Schwetje: “For the OnVista Group, 2006 was indeed extremely good. We had originally set our sights on a sales increase of a good 25% and an overproportional rise in pre-tax income of 35%. After raising our projections in the interim, we still exceeded these targets after an excellent fourth quarter and in the end even managed 44% and respectively 70% in the year as a whole.“



Michael W. Schwetje (40) is sole Director of OnVista AG. 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.

What are the reasons behind this success?

Michael W. Schwetje: “It’s a combination of internal and external reasons. Recently, and most likely also in the foreseeable future, the general conditions have provided us with a fertile basis – from the increasing use of the internet to the trend toward online advertising right through to the market mood and the situation in the health sector. That’s great but naturally not enough to guarantee success. For this, we work very hard, by tailoring our products precisely to growth sectors as well as customer and user requirements, while offering them in a recognised high quality, which gives us an excellent position in the market place. Behind all this is a very good team with top technical and social competence – not least the result of our careful staff selection process.“

What was the situation in the Portal business? Where there any significant innovations?

Michael W. Schwetje: “Our two portals for finance and health are recording unexpected high growth rates and continue to represent the main pillar of our business. The OnVista finance portal had well over a third more page impressions than in the previous year and was undoubtedly also able to extend its market leadership as a result of sensibly rounding off its product range. Today, OnVista is twice as big as the second ranked finance site. We continue to generate income mainly through advertising, but no longer just from financial service providers but increasingly also from providers of high quality durables and consumer products. Revenues generated with web site users through paid services also made a notable contribution for the first time. Sales of the web site grew strongly and reached a high single digit million amount. And what’s particularly important is that the finance portal is highly profitable. Since our business model includes considerable economies of scale, profits rose overproportional to the volume of business. The finance portal continues to be our most important revenue source and enables us to invest in both the existing business and in further diversification.

Since its relaunch, Onmeda is now firmly established in the market. The number of users is rising, they remain longer on the web site and generate more page impressions. Although the development in both advertising and licensing income was very encouraging and sales of the healthcare portal rose to a high six digit amount, it is still burdened by a slightly negative result, as expected. A result of our targeted investments in high quality content, such as the Onmeda medicine adviser, self-tests and popular subjects like pregnancy and birth.“

And what’s been happening in the Performance Marketing business?

Michael W. Schwetje: “Ligatus increased its partner network from 70 to 100 web sites and more than doubled its advertising reach in 2006. Our reinforcement of the sales team to actively address companies and in particular media agencies has brought us many new customers; as well as financial service providers, for the first time also from the automotive, telecoms and tourism sectors. In percentage terms, sales grew in distinct double digits to an amount in the mid-region of single digit million, but still lower than expected. Our problem was that we were unable to acquire sufficient advertising space to service the entire customer demand. We’re working intensively on removing this ‘service bottleneck’. Profit contribution was positive again, although not as high as expected.“

What are the main targets of the business segments for 2007?

Michael W. Schwetje: "A lot is going to happen in the Portal business, especially at OnVista! Innovations and income diversification are both on the agenda. On the one hand through additional customers from the durables and consumer goods sectors, to reduce our dependency on advertising investments from the finance sector. On the other hand through more paid services and transaction proceeds, to turn users increasingly into customers. For example, we plan to enter into collaboration with an established online broker in the course of this year. Users will then be able to trade securities very conveniently direct from our web site, whereby OnVista participates through commission payments.

According to our planning, Onmeda will achieve the leap into profitability in 2007, although we will continue to invest in content, for instance indications with high reach and discussion forums, in order to increase the number of page impressions. At the same time, we plan to step up advertising and content sales.

Since mid-2006, we've also been using our acquired marketing know-how for third parties. For instance, we've taken on online advertising sales for the German web site of the fund rating agency Morningstar, as well as for the recipe site 'daskochrezept.de' and the classical music site 'klassik.com'. In March, we added the internet TV investment channel 'Deutsches Anleger Fernsehen' – the so-called IPTV is a highly viable medium. In 2007, we intend to expand this line of business, which was still at a very low level in 2006. Immediately prior to this annual report going to press, we took a big step forward in this respect with the acquisition of Ad2Net AG, which ranks among the largest independent German online advertising sales companies, with around 100 web sites.

At Ligatus – the Performance Marketing business – the expansion of reach is the foundation for everything else and therefore the key focus of our efforts. Although financial service providers will continue to represent the core in terms of customers, here too we also intend to address agencies – as at OnVista – and to step up business with non-financial customers."

What kind of figures do you envisage for the OnVista Group as a result?

Michael W. Schwetje: "Within the OnVista Group as a whole, we're aiming at sales in excess of 17.5 million Euro in 2007 – not taken into account yet the just recently acquired company Ad2Net. After the high growth in sales

in 2006, this would mean a further increase of more than 20%. Our operating result, i.e. EBIT, is expected to grow three times stronger as a result of the scaling potential, namely by over 60% to more than 2.5 million Euro."

Let's take a look beyond the current year. Do you intend to further expand your product portfolio in 2008? Will the OnVista Group change its character again?

Michael W. Schwetje: "We'll continue to pursue our strategy, which we 'realigned' only at the end of 2005. This means, we want to permanently be a company focused on the internet. In this respect, we will not change our character fundamentally. But we stand at the beginning of an innovation offensive that will change individual features of the company over a period of time, whereby we'll try out new business models and products – but always on the internet.

In this respect, we're pursuing three directions of thrust. Firstly, organic growth opportunities in the existing business, where we plan to firmly exploit the major opportunities offered by the booming online advertising market. In this area, we're striving for innovations at our portals and in the Performance Marketing business, to open up new revenue sources for the OnVista Group. Secondly, inorganic growth opportunities through acquisitions; after the very recent acquisition of the advertising sales firm Ad2Net, we have our eye particularly on additional portals. And thirdly, interesting business models also beyond portals financed by advertising and performance marketing. We plan to develop and realise a wide range of different business concepts in the future."

What sales and profit targets do you pursue in the medium term?

Michael W. Schwetje: "In line with the motto of this annual report – 'reaping and sowing', we aim to both grow and generate decent profits also in the next few years, while also investing and preparing the field for new profitable business. We're taking calculable risks with our entrepreneurial initiatives. Not every one of these concepts needs to be a resounding success in itself, but we do set great store on a favourable opportunity-risk ratio. In summary, we hope to position the OnVista Group more broadly as a result, to reduce the dominance of the successful finance portal and to decrease dependency on the capital market. We'll exploit the growth opportunities which the finance portal continues to offer with just as much determination. All this serves to achieve our medium term growth target, according to which we're aiming at 20-40% annual growth in sales and overproportional growth in profits up to the end of the decade."



Determination.

Ambitious targets clearly exceeded

Group Structure

■ Listed holding company

The OnVista Group is an internet company. The group essentially consists of the listed holding company **OnVista AG** and its wholly-owned subsidiary **OnVista Media GmbH** and its wholly-owned subsidiary **Ligatus GmbH**. Added to this are a number of smaller subsidiaries and affiliates which are of minor commercial importance to the OnVista Group.

Within the framework of segment reporting, we differentiate two segments – Corporate Services and Media.

The **Corporate Services segment** comprises OnVista AG, a number of wholly-owned subsidiaries and one affiliated company reported at equity. OnVista AG is not an operating company and consequently does not generate any revenues. The company carries out market listed related duties and manages the

group's liquid funds. 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 liquid funds.

We successively reduced our investment in Lang & Schwarz Wertpapierhandelsbank AG in the year under review to a stake of 1.6% as at 31 December 2006 (prev. year: 3.2%).

We newly established OnVista New Business Development GmbH as a wholly-owned subsidiary of OnVista AG. The purpose of the company is to develop concepts and projects in the area of internet applications with a high degree of innovation and

discernible market potential. The aim is to create media services which will in future form part of the OnVista Group's portfolio and generate strategic benefits for the group.

In the year under review, we also newly established OnVista Financial Services GmbH as a wholly-owned subsidiary of OnVista AG, which is not yet commercially active.

■ Operating business in the Media segment

We generate our entire group sales in the **Media business segment**, which comprises our internet activities, namely our operating business. 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 and the healthcare portal www.onmeda.de. On the other hand, Ligatus GmbH enables companies to win customers via the internet effectively and at low cost for their products and services with its performance marketing services. To this end, Ligatus uses its premium network of high quality partner web sites. Another wholly-owned subsidiary of

OnVista Media GmbH, IFVB Institut für Vermögensbildung GmbH, distributes a subscription only electronic stock market report in cooperation with the finance portal. The company's sales volume is of minor importance.

Economic Climate ■ Best situation for years

In 2006, the economy in Germany gained momentum which was underestimated by the specialist research institutes. Although expectations for the development of the gross domestic product in real terms ranged from +1.0% to +1.7% and therefore above the result of the previous year (+0.9%), they were, according to the German Office of Statistics Destatis, still impressively exceeded with an actual growth rate of 2.7%, the strongest rise since the boom year 2000.

Internationally too, this is an achievement Germany can be proud of again. At the beginning of March, Eurostat quoted a 2.6% growth rate for GDP in the Eurozone in 2006, compared to 1.4% in 2005. In the USA, economic growth at 3.3% meant the level of the previous year (3.2%) was well maintained, and for the world as a whole, UNO anticipates 3.8% compared to 4.0% in the previous year.

For OnVista's development of business, special sectoral situations embedded in the general international and primarily German economy, as well as social and long term technological trends are important:

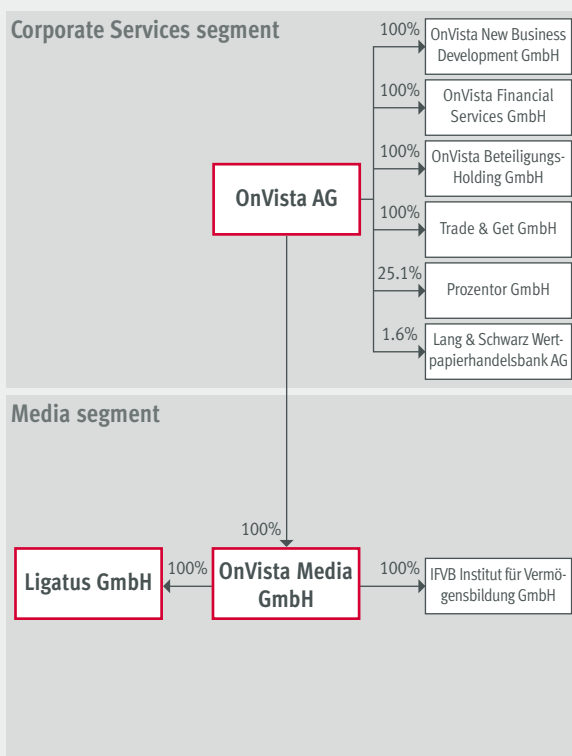
- Use of the internet medium
- The general climate in the advertising market
- The development of online advertising in particular
- Mood and trends in the financial services sector
- The situation in the healthcare sector

In relation to the business model and the activities of OnVista, this range of environments in Germany has been positive across the board in the financial year 2006.

■ The internet medium becomes an integral part of life

For an internet company, the degree of acceptance of the medium as such by the public is crucial. There are a number of periodically updated studies to determine the proliferation of the internet, although each offers slightly differing data due to different methodical approaches,¹ it can be pointed out that around

¹ Compare, for example, the periodically published studies AGOF internet facts (online research association), ARD/ZDF Online Study and (N)onliner Atlas (TNS Infratest/Initiative D21)



OnVista Group structure as at 31.12.2006

60% of the population in Germany is online. Compared to the rest of Europe, this puts us in the top third. The share continues to increase steadily, whereby the growth curve has flattened out. On average, around 2 percentage points have been added annually since 2004.

The time internet users spend online is increasing even more sharply. For 2006, the European association of online marketing companies EIAA has established that the time German users spend on the internet on an average weekday increased by 14% to 2 hours and 4 minutes. Although this puts Germany still below the European average by 12 minutes, the gap is closing. This shows how much the internet has now become a natural part of life for the majority of the population.

■ Advertising climate overall positive – internet advertising is booming

”The mood in the advertising market is positive throughout“ – is the way Nielsen Media Research sums up the advertising year 2006. Gross advertising investments in traditional media² rose by a solid 5.1% similar to the previous year (+5.3%) and totalled € 20.1 billion. In addition to the general good economic situation, other contributing factors were the Football World Cup and the pending increase in VAT at the turn of the year. The German advertising association (ZAW), which records the net advertising revenues³ of traditional media, does however expect a large part of this growth to have disappeared in increased discounts. ZAW estimates an actual growth of just under 2%. In 2005, the net increase was just 1%.

In addition to the general influence of the economy, advertising on the internet is undergoing a special structural development within the positive advertising climate. Agencies and advertisers are increasingly discovering the trailblazing opportunities of online advertising in terms of target group accuracy, efficiency and measurability. Accordingly, the by far disproportionate growth trend continued once again in 2006 and was even significantly more dynamic. Nielsen Media Research has calculated gross advertising expenditure for traditional online advertising⁴ of a good € 692 million, two thirds more than in the previous year (€ 418 mill.).

Since the Nielsen statistic systematically captures only some of the advertising carriers, BVDW (federal association of digital business) projects these figures for the

market as a whole and for traditional online advertising in 2006 reports € 903 million, 69% more than the year before (€ 535 mill.). Added to this are circa € 1 billion for performance marketing⁵ (prev. year: € 500 mill.), which means that online advertising as a whole totals € 1.9 billion, 85% more than in 2005 (€ 1.035 bn.⁶).

As a result, advertising expenditure for the media category internet in Germany grew 16-times as fast as that for traditional media. The share in the overall advertising pie rose accordingly from 4.4% to almost 9%. Despite this massive increase there is still a big gap between this quota of the total advertising investments and the share in the time budget spent by the German population as a whole for media use. This share already totals almost 15%⁷ – a minimum target figure for the online advertising share in the medium term.

■ Positive mood in the financial markets

The by far most important pillar for the OnVista Group is income from advertising placed by us for customers on our web sites OnVista and Onmeda as well as in the partner network of Ligatus. With the finance portal OnVista and with Ligatus, our main focus is on financial service providers as advertisers. Especially at www.onvista.de we are increasingly adding companies from the entertainment electronics, automotive, tourism and luxury goods sectors. The healthcare portal Onmeda offers a highly target group specific advertising platform mainly to providers from the pharmaceutical and medical sectors, for example the researching pharmaceutical industry, manufacturers of generic medicines, health insurance companies, online pharmacies and clinics, but also bordering sectors like cosmetics, diet and baby products.

A look at the financial sector shows that the banks' retail banking operations are undergoing a sustained revival. This trend was also reflected in the advertising budgets of the financial institutions. According to Nielsen Media Research, advertising expenditure from financial service providers (including insurance companies) rose to € 1.1 billion – an increase of 11%, well double the sector average.

This development was supported by yet another positive stock market year with clear double digit index growth rates⁸ and a brisk primary market with 75 IPOs as well as almost double the issuing total of around € 7.5 billion. Although the number

² Print, television, radio, posters

³ Gross advertising expenditure less volume discounts and agency commission

⁴ The term 'traditional online advertising' describes so-called display ads. Performance marketing, namely sales oriented direct marketing programs, are not taken into account.

⁵ With regard to search word marketing and affiliate marketing, BVDW takes into account only the most popular varieties of performance marketing.

⁶ In the annual report 2005, we reported € 885 million; the figure was markedly revised upwards in the meantime by BVDW.

⁷ Time Budget 12 study from SevenOne Media

⁸ Please also refer to chapter 'Shares', page 36 f.

of equity investors (direct shareholders and equity fund holders) in Germany fell by half a million (10.3 million at the end of 2006), this does not affect the reach of our finance portal, since it is used by experienced and active investors. Even the publicly offered funds, which for a time lamented a considerable outflow in the order of billions, were able to attain an additional € 11 billion in net terms for the year as a whole, according to BVI (German Association of Investment and Asset Management). The winners were once again certificates. According to the industry association Derivative Forum, the market volume as a whole, invested by private investors in certificates at the end of the year under review, totals around € 110 billion, 30% more than twelve months previously. This product category is currently being heavily promoted both in print and online media, from which OnVista benefits especially.

■ Trend towards greater individual responsibility in public health service

More than ever before, the healthcare sector, which has undergone radical changes for a number of years, was a key subject of examination and discussion in politics and society. The pharmaceutical and healthcare market was under pressure and with total sales of € 34.2 billion remained at last year's level. The number of packages sold even fell by 2.6% to 1.84 billion.⁹ Experts warn that despite the healthcare reforms coming into force on 1 April 2007, costs for the healthcare system in Germany will explode over the next few years, so that the pressure for reform will not lessen. Surveys show a dwindling trust of citizens in the problem solving competence of politics. Further cuts in services by the statutory health insurance institutions are feared in the foreseeable future, and an increasing number of people are preparing themselves of also having to take greater individual responsibility when it comes to healthcare, just like with pension provisions. The legislative interventions in the system over recent years have already changed the behaviour noticeably. Already almost two thirds of all German citizens are trying to help themselves at the onset of an illness.¹⁰ But this also with a strict eye on the purse; sales of OTC products in 2006 fell by 2.9% to € 5.7 billion.¹¹ Parallel to this, people are not as quick to consult a doctor and the number of staff away sick is at its lowest level ever. The consequence of this is that patients have to rely on obtaining information. In addition to advice from the pharmacist, other sources of information are gaining on importance, namely books, magazines and increasingly also specialist services on the internet, such as our healthcare portal Onmeda.

But also irrespective of the cost trend, a positive health awareness has been spreading through the country for many years and in light of an ever more digital world is increasing the demand for a broad range of information on the subject of health and illness, especially on the internet. Almost 80% of all German internet users have already made enquiries about medical information on the web and half of these are planning to consult the internet even more frequently about health related issues.¹² We are convinced that this is only the start of a sustained trend.

The environment described places a lot of challenges and opportunities on the healthcare sector and particularly the pharmaceutical industry. Similar to the finance sector, communications with consumers must be strongly enhanced, both qualitative and quantitative. Advertising spend for pharmaceutical consumer advertising grew far overproportionally by 13% to well over € 600 million in 2006. Online advertising's share amounts to just under one percent. Those in charge of sales and advertising do, however, increasingly recognise the opportunities offered by the medium internet. There is still a lot of growth potential for the future in this area.

■ Business Performance

■ Strong growth all around

2006 was a year when the OnVista Group grew strongly and was able to reap the fruit of its labours over recent years, while at the same time investing in the future and sowing the seeds for new business. Supported by a very positive market environment, we increased sales in all three profit centres in double digit percentage points and further improved our profitability despite intensive development projects and the large number of new employees. Below the line, we increased group sales by 44% and the group pre-tax income by 70%. In the course of the year, we raised our annual projections announced on the occasion of the publication of the annual report 2005 and still managed to exceed our targets.

■ Group sales rise by 44%

In the financial year 2006, **group sales** amounted to € 14.06 billion. Compared to the previous year (€ 9.74 billion) this corresponds to a rise of 44%. We were also able to steadily increase our revenues over the four quarters. Since we initially expected

⁹ TrendReport Pharma from A.C. Nielsen, February 2007

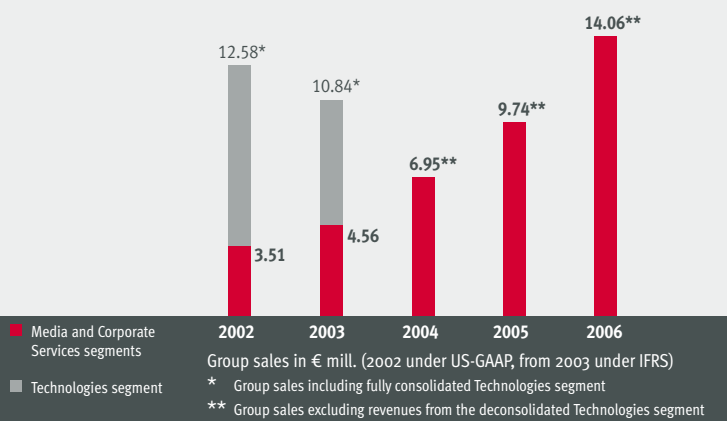
¹⁰ Study 'Health Care Monitoring 2006' from the market research institute psychonomics AG

¹¹ TrendReport Pharma from A.C. Nielsen, February 2007

¹² Survey by the market research firm Dialago for Handelsblatt from autumn 2006

sales to come in at over € 12.5 million, we are very pleased with this development. The leap in sales to this unexpected degree is attributable mainly to a rate of increase in the Portal business, which we had not anticipated at this level.

Sales doubled within two years



Earnings Position

■ Again underproportionate increase in costs

In total, the increase in costs was lower compared to our revenues. In the financial year 2006, the **operating expenditure**¹³ amounted to € 11.99 million and therefore exceeded last year's figure (€ 9.14 mill.) by 31%.

When one looks at the operating expenditure in accordance with the cost of sales method customarily adopted under IFRS, it is clear the development in individual cost items was heterogenous. While research and development expenditure (+77%) as well as marketing and selling expenses (+59%) rose overproportionally, the increase in the cost of production (+15%) and primarily the general administration expenses (+4.8%) was much lower than the growth in sales. On the one hand, the new cost structure reflects the economies of scale anchored in our business and on the other hand shows that we again invested in the year under review – in additional staff and in product development.

The **cost of production** continues to account for the largest part. In 2006, these amounted to € 4.18 million compared to € 3.63 million in the previous year. 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. Happily, the smallest increase was recorded in **general administration expenses**.

In the year under review, these totalled € 2.33 million (prev. year: € 2.22 mill.). The **marketing and selling expenses** rose from € 2.04 million in the previous year to € 3.26 million. The fact that we expanded our sales team in order to work a larger part of the growing advertising market in particular had an impact on the figures. In 2006, costs incurred for **research and development**¹⁴ amounted to € 2.22 million (prev. year: € 1.25 mill.).

Under the cost of production method, **personnel expenditure** still represents the main pool of costs. In the period under review, personnel expenditure rose slightly overproportionally to € 5.00 million (prev. year: € 3.30 mill., +51%).¹⁵ The increase is due to the creation of new jobs, especially in sales.

Depreciation on fixed assets and amortisation of intangible assets rose by 34% from € 0.53 million in the previous year to € 0.71 million in 2006.

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 in all categories

As announced, we were able to realise overproportionate growth in income from the increase in sales. This is where the scalability of our business model comes to the fore. We were thus able to steadily increase the operating income over the four quarters.

EBITDA (Earnings Before Interest and Taxes + Depreciation and Amortisation) of the OnVista Group grew by 64% to € 2.24 million in the financial year 2006 (prev. year: € 1.36 mill.).

The increase in **EBIT** (Earnings Before Interest and Taxes) was even more distinct, namely 84%. In the year under review, it amounted to € 1.53 million (prev. year: € 0.83 mill.). The EBIT margin rose steadily over the four quarters and in the financial year 2006 as a whole stood at 11% (prev. year: 8.5%).

With a rise of +70%, we also increased the **group pre-tax income (EBT)** noticeably more than sales. In 2006, EBT totalled € 2.72 million (prev. year: € 1.61 mill.). As a result, we not only exceeded our annual projections ('more than € 2.0 million') announced during the presentation of the annual report 2005 but also the

¹³ Total of production costs, marketing and selling expenses, general administration expenses and R&D expenditure

¹⁴ For details on our R&D activities please refer to page 20 of the Management Report (section 'Research and Development')

¹⁵ Please see also page 19 f. of the Management Report (section 'Employees') and chapter 'Employees', page 34 f.

increased estimate of 'more than € 2.3 million' from November 2006. In contrast to the key operating performance figures, EBT also includes our interest income which rose to € 1.22 million (prev. year: € 0.81 mill.).

The **group net income** also improved significantly. After being negative in the previous year due to a one-time tax effect (€ -0.49 mill.) it totalled € 1.58 million in the financial year 2006.

All earnings figures noticeably increased



■ Dividend of € 0.10 planned

The individual accounts of OnVista AG under HGB (German Commercial Code) showed a net income for the year in the amount of € 1.13 million (prev. year: € 1.00 mill., +12%). The accumulated profit relevant to the ability to pay a dividend totalled € 2.58 million (prev. year: € 2.13 mill., +21%). The good earnings position and high capital resources available enable OnVista AG to again pay its shareholders a dividend for the financial year 2006. 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 (prev. year: € 0.67 mill.). Under the proposal, which is subject to approval by the annual general meeting on 13 June 2007, the dividend per share amounts to € 0.10 (prev. year: € 0.10).

Segments

■ Media segment: Profitability increased despite investments

If one breaks down the group figures to the segment level, it clearly shows the extent of success in our operating business. In the Media business segment, we were able to improve all relevant key figures and ended 2006 noticeably above plan. **Total sales** for the segment rose from € 9.75 million in the previous year to € 14.07 million, an increase of 44%.

The figure includes **internal sales** in the amount of € 9k (prev. year: € 9k). Especially positive is the fact that revenues rose steadily over the four quarters. Even the generally seasonally related reduction in advertising revenues in the summer quarter did not materialise in the year under review.

Both businesses – the Portal and Performance Marketing businesses – grew by double digit percentage points in the year under review. The growth rates were unexpectedly high at our two portals, which benefited from an absolute boom in the online advertising market and in particular from high demand for so-called display ads.¹⁶ The Performance Marketing business also grew markedly, although at a lower rate than the Portal business and slightly below our expectations. The clearly better part of our total revenues was therefore still contributed by the Portal business in 2006.

Due to the investments in IT and new employees, costs¹⁷ in the Media segment rose by 35% but underproportional to sales. We were therefore able to increase profits significantly. The **segment result**¹⁸ rose by 77% to € 2.78 million (prev. year: € 1.57 mill.). The **profit to sales ratio** improved to 20% (prev. year: 16%).

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

■ Finance portal: Revenue sources diversified

A contributing factor to the excellent performance was the extremely 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 activities in the stock market.

¹⁶ The term 'display ads' has become generally accepted as a technical term for illustrated, branding oriented advertising media such as big size banners and wallpaper. The term is used in differentiation to transaction oriented advertising media, which are generally subject to performance related pricing, for example pure text links or other performance marketing advertising tools.

¹⁷ The figure also includes all administration expenses, which can be allocated directly to the business segment, for instance for human resources and accounting.

¹⁸ Since taxes for individual segments are not shown in the accounts, the figure represents the pre-tax result.

However, internal factors also had an impact, such as the further development of our finance portal¹⁹ in terms of content. Compared to the previous year, www.onvista.de was able to increase the average number of page impressions²⁰ by 36% and further extend its leading position.²¹ OnVista is now almost twice the size of the number two in the market.

However, much more important for the sales situation at www.onvista.de 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 markets themselves, the development also benefits 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 market. Because the advertising industry concentrates its spend on the top offerings in each segment.

We also specifically broadened our customer base in advertising sales. In addition to financial service providers, we are now also promoting cars, travel, electronic entertainment products and other high quality goods on OnVista. Stronger agency sales focused on new customer groups in the year under review, combined with a price and product policy tailored specifically to non-financial customers, were the decisive factors of success in this respect. These customers choose OnVista as an advertising environment not on the basis of closeness as regards subject matter but because they are able to reach a large number of above average high income and educated men, who are appropriate as a target group for their products.

Over and above addressing new advertising clients in 2006, we began to diversify the revenue sources of the finance portal. In the year under review, we generated relevant B2C revenues for the first time.²² One important step was the launch of MyOnVista, a comprehensive registration only section, in November 2005. The strategy, under which we tie users even more strongly to our portal through MyOnVista and aim to turn them into paying customers in the long term, has paid off. Today, 170,000 users have registered and a four digit number are using billable services, such as real time

prices. Other paid services are in the pipeline. Despite this encouraging success we expect advertising revenues to remain the main source of income and paid services to contribute only around 5% to the portal's sales in the medium term.

We obtain another type of B2C revenues from collaborations with financial service providers, where we receive a share of the transaction proceeds generated by our partners via our web site. In 2006, several certificates were marketed solely via www.onvista.de by issuers. For each certificate taken up by OnVista users, we received a share in the managed assets. We are currently considering other financial products and structures where OnVista participates in third party sales proceeds. We anticipate that the transaction revenue source will contribute around 10% to the finance portal's sales in the medium term.

■ Healthcare portal: Established in the market

Following the comprehensive relaunch and renaming of our healthcare portal in June 2005, we were able to reap the benefits of our development work in 2006. After Onmeda initially had to accept a drop in reach immediately after the relaunch as expected,²³ the web site recovered again from December 2005 onward. Three factors contributed to the recovery. Firstly, the expansion in terms of content and the improvements of the web site were positively received by users. We were also able to keep visitors on the web site for longer periods, which means we managed to increase the ratio between page impressions and visits as planned. Secondly, we improved the ability to find Onmeda in search engines through a systematic adaptation of the web site and brought more users to the portal. And thirdly, we increased the awareness of Onmeda through targeted marketing and PR campaigns. In the third quarter of 2006, 645,000 different users visited Onmeda each month. This corresponds to an increase of 40% compared to the last quarter in the previous year (Q4/05: 460,000).²⁴ Page impressions, which plunged as low as 3.7 million after the relaunch (September 2005), continually ranged between 7.1 and 9.7 million per month in 2006.

In the year under review, we invested further in the content of the healthcare portal. For instance, 2006 saw the launch of a comprehensive medicine adviser and a range of self-tests as well as the expansion of non-medical related subject areas with potentially high reach, such as the section Pregnancy & Birth. Our investments in quality are paying off. The maga-

¹⁹ Please also refer to the chapter 'Brand Portfolio – OnVista', page 28 f.

²⁰ 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.

²¹ Please also refer to chapter 'Brand Portfolio – OnVista', page 28 f.

²² 'B2C' = Business-to-Consumer (consumer business) – in differentiation to 'B2B' = Business-to-Business (corporate business)

²³ This was due to the name change which, for technical reasons, had a temporarily negative effect on our placement in the search engine ranking.

²⁴ Unique users according to AGOF (German online research association). Figures are assessed quarterly for one average month and published with a lot of delay. The most recent available data at the time this annual report went to press stems from the period July – September 2006 (AGOF internet facts 2006-III), the first available data for Onmeda stems from the period October – December 2005 (AGOF internet facts 2005-IV).

zine 'Computer Bild', for instance, chose Onmeda as winner in a test of the eight largest healthcare portals in Germany. Onmeda was the only web site to receive the overall mark 'good' from the medical experts commissioned to conduct the test.

In the year under review, we strengthened both advertising sales of our healthcare portal and the content licensing area and increased our revenues as planned. New advertising clients originated not only from the pharmaceutical industry but also from adjoining sectors like cosmetics and body care as well as diet. Overall, it is evident that the pharmaceutical industry is still very heavily focused on traditional media in its marketing approach. Since the healthcare portal generated almost exclusively sales from licence agreements at the time of acquisition, advertising – as aimed at by OnVista – is now the most important source of revenue for Onmeda. New content licensing customers included the general interest portals AOL and MSN as well as the e-health specialist InterComponentWare AG for the electronic healthcare record LifeSensor.

■ Start of advertising sales activities for external web sites

In the second half of 2006, we started to market web sites not operated by OnVista. Our first partner was the German web site of Morningstar, one of the most renowned international fund rating agencies and provider of high quality fund's information. By the end of the year, we were able to add further partners to the marketing portfolio with 'klassik.com' and the recipe site 'DasKochrezept.de'. We plan to win other portals and to increase our importance in the advertising market as a result. In terms of organisation, we have established advertising sales activities for external web sites within the Portal business in our Agency Sales unit. This way, we are using our marketing know-how and sometimes long term contacts to advertising clients and media agencies to generate additional income. Consequently, this project is associated with relative little expense and minor risks but quite a number of opportunities. Right now, it is not possible to quantify the business potential which may be released as a result. Advertising sales activities for external web sites did not yet have any appreciable impact on the annual accounts for 2006.

■ Ligatus: Network reach more than doubled

As announced, Ligatus greatly expanded its premium

network in the year under review. Around 30 new web sites joined Ligatus. While there were still 70 partners in December 2005, the number has now risen to around 100 – all of them online media with particularly high reach and a strong image. These partners sell advertising space to Ligatus which is not taken up by the more expensive CPT business²⁵, and generate additional revenues without any selling expenses. As well as the online offspring of the weekly newspaper 'Die Zeit', the IT information portal 'Computerwoche.de', the news platform 'Reuters.de', and the European nature documentary channel 'Terranova' as well as the weather portal 'Wetter-Online' entered into collaboration agreements with Ligatus. In addition, the satisfaction of existing partners also paid off. Many placed Ligatus advertising tools in additional relevant subject areas of their web sites. All essential reasons why the Performance Marketing company was able to increase the number of monthly ad impressions (advertising inserts) within the space of one year from 700 million (Q4/05) to more than 1.6 billion (Q4/06).

At the same time, Ligatus expanded and specifically differentiated its customer base with a bigger sales team. In addition to financial service providers, automotive and telecommunication companies as well as providers in the tourism sector banked on the performance marketing services of Ligatus for the first time. Advertisers from these market sectors are able to reach high income customers via the Ligatus smart boxes on partner web sites. The list of customers ranges from well-known banks like Commerzbank and Postbank to fund management companies like Fidelity and insurance companies like Cosmos Direkt right through to Lexus, Lufthansa and T-Mobile. The finance sector continues to represent the overall largest number of customers. Targeted addressing of media agencies also proved lucrative, where performance marketing components are gaining on importance within media plans. In 2006, we were able to win a large number of new customers via this channel.

Despite the many new partnerships entered into there was excess of demand; which means there was insufficient advertising space to service all enquiries from customers. One reason was that more providers of performance marketing tools are competing for the same advertising space, while demand from the traditional CPT business area rose. Potential partners were therefore less reliant on revenues which can be realised through performance marketing than in the previous year. To overcome this obstacle to growth, Ligatus on the one hand

²⁵ In contrast to performance marketing, traditional online advertising is generally paid in accordance with the fixed CPT model (CPT = cost per thousand contacts), i.e. the cost of the advert is not connected to the number of times it is clicked.

strengthened the team who acquire and support partner web sites and on the other hand worked on increasing the efficiency of the available reach. To this end, the technical platform was continually updated to guarantee profitable placement of the advertising media. In addition, Ligatus further enhanced its know-how in the design of advertising tools to counter the trend of falling click rates. The more efficient the operation of the Ligatus system the more competitive we can be with partners and customers.

In view of the exceptional good quality of the potential customer contacts delivered by Ligatus and the high demand from customers, we were able to increase our prices in the course of the year by 20-30%. This allows us to also offer our partners higher revenues and to make the integration of Ligatus even more attractive for them.

■ Corporate Services segment: Almost break-even result

The Corporate Services segment ended the financial year 2006 slightly negative. Contrary to originally announced, the **holding costs**²⁶ could not be fully compensated by the **financial result** attributed to this segment (€ 1.10 mill.; prev. year: € 0.69 mill.; +59%). Below the line, the **segment result** totalled € -55k (prev. year: € 69k).

Individual segment contributions to the group

	Media	Corporate Services	Consolidation	Group
Total sales	14,072	0	-9	14,063
Other operating income	189	464	-361	292
Operating expenditure	-10,879	-1,609	370	-12,118
Depreciation, amortisation and special write-downs	-701	-9	0	-710
Operating result (EBIT)	2,680	-1,154	0	1,526
Financial result	98	1,099	0	1,197
Segment result (EBT)	2,778	-55	0	2,723

Simplified segment reporting 2006
Figures in €k

Financial Position

■ Liquid funds largest asset item

At the end of the financial year, the **balance sheet total** stood at € 51.99 million and rose by 4.0% compared to the previous year (€ 50.01 mill.).

Liquid funds²⁷ continue to represent the largest asset item with a share of 79% of total assets. As a result of the positive business trend, liquid funds increased as at 31 December 2006 to € 41.15 million (prev. year: € 40.09 mill., +2.6%). We reduced the security holdings by € 9.59 million in net terms, to hold sufficient cash funds in readiness for the special distribution on 16 January 2007. On 31 December 2006, other short term assets amounted to € 2.74 million (prev. year: € 1.95 mill., +41%), namely 4.5% of the balance sheet total. All in all, OnVista had **short term assets** amounting to € 43.89 million at the end of the year under review (prev. year: € 42.04 mill., +4.4%).

Long term assets totalled € 8.10 million (prev. year: € 7.97 mill., +1.6%) and still represented 16% of total assets unchanged to the previous year. The investment in Lang & Schwarz Wertpapierhandelsbank AG, which in 2005 was still capitalised under other long term assets with a book value of € 0.40 million, was reduced through a partial disposal. After the company went public in September 2006, the shares became fungible and we were able to sell already almost fifty percent of our holding at a price distinctly above the book value. Since there was no longer the intention on the balance sheet date to hold the shares long term and the investment is no longer considered a strategic investment, the shares were reclassified to short term assets. **Tangible assets** increased slightly to € 0.33 million (prev. year: € 0.29 mill., +11%). **Intangible assets** rose to € 4.42 million (prev. year: € 3.74 mill., +18%). We primarily invested in a new IT infrastructure for our Portal business and two important new developments outside the existing portals.²⁸

The **other long term assets** (unchanged € 1.80 mill.) relate to receivables from the sale of the shares in IS.Teledata AG. This amount is under notary administration to cover any guarantee claims for up to four years, i.e. latest up to the end of 2009.

²⁶ The Corporate Services segment incorporates only the Executive Board and the PR & Investor Relations department. Here, only costs related to the holding function and in particular the company's market listing are posted, for instance the cost for the annual general meeting and consultancy fees in connection with M&A activities or for the development of new business models. Services rendered by OnVista AG for OnVista Media GmbH or Ligatus GmbH, such as press relations for their respective products on the other hand, are settled internally and reported in the Media segment.

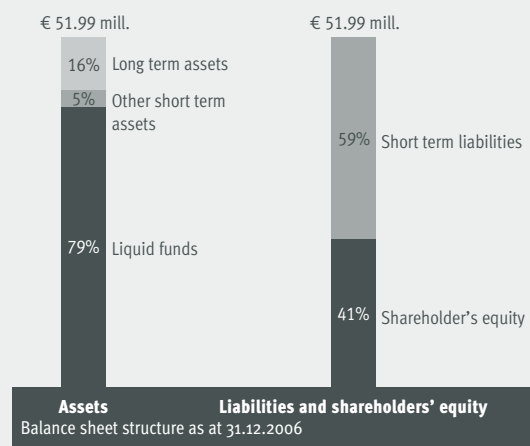
²⁷ Liquid funds are made up of the balance sheet items 'cash and cash equivalents' and 'available-for-sale financial assets' (formerly: 'other securities').

²⁸ Please also refer to the Management Report section 'Research & Development', page 20.

■ Capital to asset ratio reduced due to special distribution

The most noticeable change in the liabilities section of the balance sheet is the decrease in the **capital to asset ratio** from 91% to 41%. The background to this is the special distribution from capital reserves on 16 January 2007. As a result of the capital increase passed by the annual general meeting in June 2006 with a subsequent capital reduction, **capital reserves** in the amount of well over € 25 million were converted into short term liabilities of the company to its shareholders. As a result, **shareholders' equity** as at 31 December 2006 then totalled only € 21.51 million (prev. year: € 45.73 mill., -53%). Correspondingly, **short term liabilities** rose from € 4.29 million to € 30.48 million. Immediately after payment of the special dividend which has now been distributed, the balance sheet total reduced so that the capital to asset ratio has risen again also on the basis of the unchanged equity, although not to the level prior to distribution. With regard to short term liabilities, income tax liabilities in the amount of € 2.16 million (prev. year: € 1.64 mill., +32%) and the increase in trade accounts payable to € 1.67 million (prev. year: € 0.87 mill.) also carried weight. As in the previous year, OnVista did not have any **long term liabilities**.

Sound balance sheet ratios



■ Cash flow positive

In the year under review, the **cash flow from operating activities** was again distinctly positive. As a result of the positive operating business, we recorded a substantially higher inflow of funds totalling € 2.92 million than in the previous year (€ 2.15 mill., +36%).

The **cash flow from investment activities** was highly positive at € 8.62 million (prev. year: € 14.65 mill., due to sale of investment). This was due in particular to the conversion of securities into cash and cash equivalents in preparation for the special distribution on 16 January 2007. On the other hand, we invested cash and cash equivalents on a larger scale in mortgage bonds at the beginning of the year under review, which stemmed from the sale of the investment in IS.Teledata at the end of 2005. In net terms, we recorded an inflow of funds from the sale of securities in the amount of € 10.05 million.

Investments in intangible assets (€ 1.23 mill., prev. year: € 0.83 mill., +48%) **and in tangible assets** (€ 0.20 mill., prev. year: € 0.24 mill., -20%) on the other hand resulted in a reduction in cash funds. OnVista invested significantly more in intangible assets than in the previous year. In addition to internally developed software, two important development projects outside the existing Portal business in particular carried weight here, as well as work on a new IT infrastructure for our Portal business. The **cash flow from financing activities** was negative at € -0.90 million (prev. year: € 0.20 mill.), due to the first time distribution of profits (€ -0.67 mill.) and servicing of stock options (€ -0.23 mill.).

In net terms, this resulted in a highly positive **consolidated cash flow** of € 10.65 million (prev. year: € 17.00 mill., -37%). In the course of the year under review, **cash and cash equivalents** rose by 59% to € 28.71 million (prev. year: € 18.06 mill.). The figure does not include the freely disposable mortgage bonds in the amount of € 12.44 million (prev. year: € 22.03 mill., -44%). These represent a highly secure, short term disposable investment in which we have invested a substantial proportion of our liquid funds, but by definition are not shown as a balance sheet item in the cash flow account.

■ Employees Growth path creates new jobs

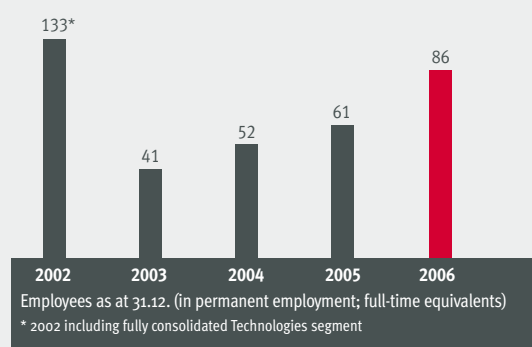
As at 31 December 2006, the OnVista Group employed 86 staff, compared to 61 one year earlier.²⁹ Consequently, staffing levels rose by 25 or 41% in a year-on-year comparison on the balance sheet date. On average, the OnVista Group employed 76 staff in the year under review. The annual average in 2005 still stood at 53 (+43%). Most of the new jobs were created in the Portal business, although staffing levels were increased in all areas of the company. A large number of new positions were created in particular

²⁹ Number of permanent employees, full-time equivalents

in the different sales departments, while new jobs in the central administration departments were below average.

As a result of the increase in the average number of employees, **personnel expenditure** rose by 51% to € 5.00 million (prev. year: € 3.30 mill.). The **personnel expenditure ratio** amounted to 36% of total sales (prev. year: 34%). **Sales per head** stood at € 185k (prev. year: € 184k).³⁰

Once again jobs created



Research and Development ■ R&D activities intensified

³⁰ For details on human resources development and the focal points of HR please refer to the chapter 'Employees' on page 34 f.

³¹ 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.

³² Expenses charged to expenditure in the P&L account in the period under review. Predominantly personnel expenditure related to IT development and depreciation of internally developed software but also external development and programming costs. Please also refer to page 14 of the Management Report, section 'Earnings Position'.

³³ See also Management Report, section 'Segments', page 15 f., and chapter 'Brand Portfolio - OnVista', page 28 f.

In 2006, our **investments in research and development**³¹ totalled € 1.23 million (prev. year: € 0.77 mill.). **R&D expenses**³² amounted to € 2.22 million (prev. year: € 1.25 mill.), which corresponds to 16% of total sales (prev. year: 13%). The strong increase of 77% in R&D expenses and 60% in R&D investments is due especially to the development of a new IT infrastructure for the Portal business, programming of features for our existing portals OnVista and Onmeda as well as the development of entirely new projects.

As an annual average in 2006, around 24 (prev. year: 23) staff dedicated at least part of their time to research and development activities. As was the case in the previous year already, we also made use of external consultancy and programming services for development projects, to set a fast pace of growth and at the same time not to increase our fixed costs by more than necessary. We set great store on developing success critical know-how internally, such as the further development of the derivative section on the finance portal. On the other hand, we were able to buy in 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. We specifically built up appropriate know-how among our staff through mixed project groups which have 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 2007 as well.

■ IT infrastructure investments for the Portal business

A key focus of our R&D activities in the year under review was the development of a new IT development environment for our Portal business. This project is scheduled over a period of several years with the aim of creating a multi-portal capable platform. The platform contains standards for all similarly stored processes, such as registration and payment processing, while still leaving maximum scope for individual portal specific requirements. We have integrated efficient quality assurance in the environment. Based on this platform, we shall in future be able to develop new portals internally in the shortest possible time.

■ Start of innovation offensive

In addition, we used our development capacities for the enhancement of OnVista and Onmeda. The biggest projects at OnVista were the introduction of two billable products, Realtime.Basic and Realtime.Xetra® in connection with MyOnVista³³ as well as the redesign of the derivative section. The most important internal development at Onmeda was the introduction of new software in the forum section, which significantly improves ease of use for heavily utilised forums and at the same time mobilises users to return to the web site more frequently.

We also used external programming capacities for two important new developments outside the existing portals. Both innovative projects will go online in 2007 and offer revenue opportunities outside the existing business. The two projects mark the beginning of an innovation offensive, with which we sow the seeds for future rich harvests. We intend to devise and realise a wide range of business concepts in the future. In this respect, we will also take calculable risks. Not every one of these concepts must be a resounding success per se, but we do set great store on a favourable opportunity-risk ratio. In summary, we hope to position the OnVista Group more broadly as a result, in order to cut the

dominance of the successful finance portal and reduce dependency on the capital market.³⁴ We will utilise the growth opportunities which the finance portal continues to offer with just as much determination.

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 which continuously monitors the risks to the company, while prescribing countermeasures to be initiated in the event specific guideline limits are exceeded. 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 examination of the OnVista Group. This means, planning assumes that risks will not materialise (real case), and the risk assessment describes the negative change in the planned figures which can be expected if risks materialise (worst case). 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 business – 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.

■ Aiming at risk offset

As in the past, no risks exist in any area that could pose an acute risk to the viability of the OnVista Group. However, there are more risks than in the previous year, which 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

³⁴ See also Management Report, section 'Risk Report', on this page

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 effect on the risk situation. The development of new internet business models and their possible failure has been included as an additional risk. All in all, the risk situation is minimally worse compared to the previous year.

■ Focus on sales risks

Sales risks continue to represent the key area of risk for OnVista. As a result of the current and planned growth for the coming years, sales risks – defined as a deviation from plan – have generally increased. For example, it is possible competition could intensify for both our portals and Ligatus and we may lose major customers.

To reduce dependency on major customers, we have put in efforts in all areas to diversify the customer structure. At Ligatus for instance, we opened ourselves up to customers outside the financial services sector for the first time in 2006, by targeting companies from the automotive, tourism and IT/telecoms sectors. In the Portal business, we primarily stepped up our agency sales, which have been expanded to an important second acquisition channel – in addition to our traditionally strong direct customer sales teams, who mainly support companies from our inherent customer sectors, finance and pharmaceuticals. This way, we were increasingly able to acquire campaigns for the finance portal from non-financial customers, for example from the automotive and entertainment electronics sectors.

In addition, we started to turn users into customers at our finance portal. On the one hand, we have now also launched billable investor services on top of our continuing cost-free information services, such as real time prices. Through collaborations with issuers of derivatives, on the other hand, we have increasingly participated in transaction proceeds since 2006, realised by our partners from certificates marketed via our web site. We plan to develop both revenue sources, paid services and transactions.

Our healthcare portal already has two significant revenue sources with advertising sales and content licensing. In 2006, we broadened the customer base

in both fields. As well as pharmaceutical advertising, Onmeda increasingly ran campaigns for cosmetics, baby articles and foodstuffs. And we won additional key licensing customers, like AOL, MSN and Inter-ComponentWare AG.

As well as the described diversification, we have put in efforts to differentiate ourselves from the competition through high product and service quality and to keep customer satisfaction high overall. To this end, we not only monitor the competition but also systematically analyse feedback from our customers and try to translate our findings quickly into action.

While the customer base of our portals is predominantly made up of major corporations with excellent credit ratings – 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 policy for Ligatus customers.

All in all however, we were able to compensate the increased risks through investments in the quality of our services and in customer contacts and managed to keep the risk rating in the sales area within reasonable bounds.

■ Procurement and economic risks take second place

In the last two years, **procurement risks** have increasingly 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 advertising relevant 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 strengthen support. By improving the underlying IT platform, we are also increasing the achievable earnings and consequently the share in revenues we are able to pay our partners. At Onmeda and OnVista, the procurement risk can be disregarded. Interactive Data Managed Solutions AG (formerly: IS.Teledata AG), in which we held a stake up to the end of 2005,

continues to be the most important data supplier for our finance portal. However, we have safeguarded the delivery volume and prices through long term contracts, so that the risk is still minor even after the sale of the investment.

General economic risks continue to represent a key risk area for us. 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 of OnVista. However, a protracted economic downturn and/or slump in the capital markets 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 also started to open up new customer groups in the Performance Marketing business and to reduce our dependency on the capital market. Additional portals or realisation of entirely new internet business concepts could have further positive effects in this respect.

■ Other risks secondary

Risks from research & development increased slightly, albeit at an overall low level. These risks result from our greater business volume and our development activities in existing areas. One fundamentally new risk for the OnVista Group is the development of new business concepts outside our existing business models and their potential failure.

In addition to the risks described from the general economic environment as well as from the sales, procurement and R&D area, we are also exposed to additional risks in the categories **market sector**, **legal** and **production** as well as **other** risks. 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.

There are no imminent risks at all from the areas **financing** and **investments**. Following the sale of the investment in Interactive Data Managed Solutions AG (formerly: IS.Teledata AG) in 2005, only a 1.6% stake

in Lang & Schwarz Wertpapierhandelsbank AG is shown in the assets section of our balance sheet.

■ Potential Acquisition Obstacles

■ Investments of more than 10%

The following shareholders each have a share of more than 10% of the voting capital:

- Burda Digital Ventures GmbH, Munich
- Stephan Schubert
- Michael W. Schwetje

■ Authority of the Executive Board regarding share issue and buyback

In accordance with the resolution passed by the annual general meeting on 29 June 2004, the Executive Board 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, by up to a total of € 3.35 million either through a one-time or multiple tranches, under exclusion of the shareholders' subscription rights.

Under the resolution passed by the annual general meeting on 27 June 2006, the Executive Board was authorised in accordance with § 71 paragraph 1 no. 8 of the German Stock Corporation Act to purchase OnVista shares other than for the purpose of trading with treasury stock, up to a value of 10% of the company's capital stock with the approval of the Supervisory Board and up to 26 December 2007, either on the stock market or on the basis of a public offer addressed to all shareholders of the company.

■ Restrictions with regard to the transfer of shares

A contractual agreement exists between the founders of OnVista AG – Fritz Oidtman, Stephan Schubert, Michael W. Schwetje – and Burda Digital Ventures GmbH, which also holds a stake in the company, under which the parties grant each other advanced purchasing and joint selling rights, in case one of the parties disposes of more than 1% of the company's capital stock in any one calendar year.

■ Composition of the subscribed capital

The capital stock of OnVista AG amounts to € 6,700,000. It is made up of 100% ordinary shares, issued in form of 6,700,000 denomination

shares with a book value of € 1.00 each. The rights and obligations of the shares are subject to the regulations of the Stock Corporation Law. Each share certifies one vote. All shares are entitled to a dividend payment.

■ Appointment and recall of the Executive Board

Under German law, the Supervisory Board appoints and dismisses members of the Executive Board. No additional provisions on the appointment and recall of the Executive Board have been made in the articles of association of OnVista AG.

■ Changes to the articles of association

Under German law, changes to the articles of association must be adopted by the annual general meeting as a matter of principle. According to the articles of association however, the Supervisory Board of OnVista AG is authorised to decide changes to the articles of association which solely concern their version.

Other Statements Required by Law

■ Main features of the remuneration system for the Executive Board

All members of the Executive Board have an income plan 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 the performance targets of OnVista AG. A relationship between the fixed and variable remuneration, whereby the variable component amounts to almost 50% of the total remuneration, is aimed at. The desired ratio is determined at the start of each calendar year.

The members of the Executive Board may receive stock options on OnVista shares as a long term performance component. However, the Executive Board has not received any more stock options since the financial year 2004. The Supervisory Board is of the opinion that the Executive Board is sufficiently motivated through shares and the further issue of stock options will not bring any additional value. The number of stock options offered is orientated on the aforementioned targets being reached. The 'OnVista Stock Option Plan 2001' forms the basis for granting stock options. In terms of content, the stock options are equal with the stock options offered also to

employees of OnVista AG or employees at affiliated companies. The precise structuring of the option plan is set out in detail in the notes of this annual report (item 13.).

The amount and composition of the Executive Board remuneration in the financial year 2006 have been set out in detail in the notes of this annual report (item 24.).

■ Main features of the remuneration system for the Supervisory Board

All members of the Supervisory Board receive a fixed remuneration for every full financial year of their membership in the Supervisory Board. The Chairman receives one and a half times the amount. Members of the Supervisory Board who are members for less than a full financial year receive the fixed remuneration pro rata temporis. Members of the Supervisory Board also receive a refund for all their expenses.

The amount and composition of the Supervisory Board remuneration in the financial year 2006 have been set out in detail in the notes of this annual report (item 24.).

Supplementary Report ■ Special dividend distributed

On 16 January 2007, OnVista AG distributed a special dividend from capital reserves as announced. Each share was allotted € 3.75. The annual general meeting passed the appropriate resolution on 27 June 2006. In the view of the Executive Board and the Supervisory Board of OnVista AG, the liquid funds of well over € 39 million prior to the distribution were not required in full for the planned growth. After distribution, funds in the amount of around € 16 million remain in the company, calculated on the basis of the liquid funds as at 31 December 2006. This is, especially also in light of the payment streams to be expected in future from the operating business, sufficient to achieve the ambitious growth targets for the coming years both organically and through acquisitions.

■ Online advertising sales company Ad2Net acquired

On the day this annual report went to press (22 March 2007), OnVista AG took over the Cologne based company Ad2Net AG retroactively as at 1 January of this year. The company is one of the largest independent online advertising sales firms in Germany. The marketing portfolio currently includes more than 100 web sites, which together achieve well over 1 billion page impressions per month. In 2006, Ad2Net generated sales in the mid-region of single digit million and also operated profitably. The purchase price totals € 4.5 million plus a performance related component, which is not payable until 2008. The acquisition was in line with our goal to extend the lucrative advertising sales of third party web sites started in 2006. With this acquisition, we were able to take an important step towards becoming a more broad-based internet company. Because of the coincidence of the date the contract was signed and the press date falling on the same day, reporting in respect of this transaction in the management report is limited to this section alone within the supplementary report.

Beyond this, no other events occurred after the balance sheet date and before the press date for this annual report (22 March 2007) which are of material importance for the company and which would therefore be subject to reporting requirements. The first few weeks of the new year have fulfilled our expectations described in the perspective.

Perspective

■ General conditions increasingly favourable

After the German Office of Statistics Destatis revised its calculation of GDP growth upward for 2006 as a whole in mid-February as a result of the unexpectedly strong fourth quarter, a number of research institutes, business associations and banks were encouraged to raise their projections for 2007. The majority take the view that although the increase in the rate of VAT will lead to a certain dent in demand, further noticeable growth in Germany can still be expected with regard to the year as a whole. Nevertheless, national and international predictions remain somewhat below the growth rates in 2006. In November of last year, the committee of experts anticipated 1.8% GDP growth in Germany for 2007. The Munich institute for economic research (ifo) raised its expectations from 1.9% to 2.0% mid-February 2007, and the German Chamber of Commerce and Industry (DIHK) even

assumed 2.3% at the same time, after German companies had rated the current business situation in a survey with as much confidence as last recorded in autumn 1991. According to the projections on hand, our planning for the current financial year is based on around 2.0% economic growth. For 2008 we also anticipate moderate economic growth.

■ Importance of online advertising set to increase further

According to the specialist predictions of the advertising industry, the ongoing encouraging economic situation will in turn be reflected in an overproportional increase in advertising spend. Nielsen Media Research expects gross advertising investments in traditional media to rise slightly below last year's rate of 5.1%, whereby the new year has already started very encouragingly compared to 2006, with 5.6% growth in January. The German advertising association (ZAW) assumes net advertising revenues for traditional media to increase by 1-2%.

For OnVista, the further development of advertising on the internet is even more important than the general advertising climate. We have already described the longer term relevant trends in this area (development of internet use in Germany and structural, 'autonomous' growth of online advertising) at the beginning of the management report, and they continue to apply in the current year too.

The specific projections for 2007 are again very positive. The federal association of digital business (BVDW) expects gross online advertising revenues to rise again by around one third to well over € 2.5 billion.

■ Continued positive development in the capital market foreseen

A general positive market sentiment, a brisk primary market, prosperous personal banking business for financial service providers, ongoing boom of the certificates market and further growth in personal pension provisions are the cornerstones already outlined for the year under review (page 12 f.) regarding our anticipated development of the financial market. All of this should stimulate the advertising enthusiasm of product providers and give online finance advertising a further push. The perfect environment in particular for OnVista and Ligatus to enable further profitable growth.

In the less cyclical health sector, the background conditions which we illustrated on page 13 and which are favourable for Onmeda apply in the longer term.

In our view, the growing importance of the internet medium as an advertising vehicle has the greatest potential for possible positive budget variances. In the event the shift of advertising budgets from traditional media to the internet occurs faster than currently anticipated, the OnVista Group – as a company with online advertising as its main source of revenue – will reap the benefits and potentially grow even more dynamically than currently predicted.

■ Portal business once again with double digit growth rates

According to our assessment, the Portal business will once again develop very well, given the booming online advertising market and the good market position of both our portals. We expect it to grow in the region of double digit percentage points. Onmeda will achieve a higher growth rate in percentage terms and OnVista will make a higher contribution to growth in absolute terms.

■ OnVista diversifies revenue sources

At 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. Through our agency sales, we also plan to win more branded goods providers outside the financial sector as customers. These companies are increasingly switching their marketing programmes from traditional media to the internet and plan their budgets on the basis of reach and target group affinities. In this respect, OnVista benefits from its positive ratings with sought-after target groups, such as above average high-income and educated men.

In addition, we are specifically working on opening up new revenue sources for the finance portal. On the one hand, the aim is to turn even more users into customers, for example through paid services in connection with MyOnVista. On the other hand, we will specifically enter into collaboration agreements with financial service providers who realise transaction proceeds with OnVista users in which we participate through shared revenue models. During the course of the year we expect to start a comprehen-

sive collaboration with an established online broker. OnVista users will then have the opportunity to trade securities from within the finance portal. The new brokerage functions increase the ease of use for our users, who are now able to buy and sell securities directly from within an information page without having to change web sites. OnVista will make money on each transaction processed by its users via our cooperating online broker. The B2C revenues will still be at a low level in 2007 compared to advertising revenues but in future are to contribute 5% (paid services) and 10% (transactions) respectively to sales generated by the finance portal.

■ Onmeda profitable for the first time

In 2007, we plan to raise the awareness of our healthcare portal www.onmeda.de even further, particularly with advertising clients and agencies. We will continue to largely invest the revenues generated by us through advertising and content licensing in the further development of the web site, but overall will also operate at a profit for the first time. Our focus lies on indicators with the potential of strong reach as well as discussion forums. In addition, we will increase the usability of the web site through careful adjustments and further improve the ability to find Onmeda on search engines. The key aim of both measures is to increase the number of page impressions of Onmeda to enable us to service the increased demand for advertising. Both revenue sources, advertising sales and content licensing, are expected to grow, but with advertising advancing at a distinctly greater rate.

■ Third party advertising sales to be expanded

We also aim to expand advertising sales of external web sites. The infrastructure, competence and contacts developed by us in recent years in online advertising sales of our own portals can be used to grow in this interesting business. We therefore plan to increase staffing levels and win over additional partners as well as increasing our commission revenues. These are expected to still range in the lower six digit region in 2007.

■ Ligatus steps up expansion of reach

In 2007, Ligatus is also expected to grow by double digit percentage points and somewhat stronger than the Portal business. We are also concentrating our sales activities on financial service providers as

well as addressing customers from the automotive, telecommunications and travel sectors. We will continue to pursue our policy of working closely with media agencies which book campaigns with Ligatus priced according to performance. For the economic development it will be important to extend the reach of the partner network through the acquisition of new partners and the expansion of additional space with existing partners. We will also try to generate additional leads for our customers via a web site of our own, launched in the first quarter of 2007. To increase the efficiency of our advertising space, we are continuously working on the optimisation algorithm used for placement of advertising tools, which forms the heart of our IT platform.

■ Sales of more than € 17.5 million envisaged

Overall, we expect sales to total more than € 17.5 million in 2007. The corporate acquisition described in the supplementary report is not yet included in this projection. After the enormously strong growth in 2006, this would correspond to a further leap in sales of at least 24%. This puts us within the order of our medium term forecast. On the occasion of our annual accounts press conference in April 2006, we had announced our plan to grow by 20-40% annually over the next few years.

The OnVista finance portal will continue to be the main pillar of sales, with revenues in the upper region of single digit million. Onmeda will gain on importance and for the first time generate revenues beyond the million mark. Ligatus is expected to contribute around one third to group sales, namely revenues in the mid-region of single digit millions. The new development projects planned for 2007 will still carry very little weight in terms of sales.

■ Overproportional growth in EBIT

Due to the scalability of our business models, we are able to achieve this level of sales with an underproportionate rise in costs, which means the operating result will grow more strongly than sales. According to our planning, the **group EBIT** will grow to more than € 2.5 million. This would correspond to a rise of at least 64%. Here too, we have not yet included the effects of the business acquisition described in the supplementary report.

Since the liquid funds have fallen to around a third as a result of the special distribution in January 2007,

interest income will reduce accordingly (prev. year: € 1.21 mill.). We anticipate to overcompensate this fall with an excellent operating result. Below the line, we expect a **group pre-tax income** of more than € 2.9 million and consequently an increase of well over 7%.

While the **Corporate Services segment** will place a minor burden on the group result due to the declining financial result, the **Media segment** will make a highly positive contribution to profits. Within the Media business segment, both the Portal business and the Performance Marketing business will operate at a profit. We expect the highest profit margins at our flagship www.onvista.de, while Onmeda will operate at a profit for the first time.



Yield.

OnVista even more profitable

■ Market leadership pays off

Among bank-independent financial web sites, www.onvista.de has been the undisputed market leader for the last six years. Users value the web site as a high quality and fast source of information, which creates transparency in the financial markets. The core target group includes experienced private investors and heavy traders but OnVista is also used by financial experts like customer advisors of banks, institutional investors and independent financial intermediaries. The finance portal predominantly generates revenues through traditional online advertising.

After the already very strong financial year 2005, OnVista advanced at an even faster pace of growth in the year under review and at a distinctly higher level in absolute terms. Because of economies of scale, profitability again rose markedly. This was essentially due to the excellent market environment which, on the one hand, stood out through a booming online advertising market and on the other hand through a sus-

tained positive sentiment at the stock exchange. Both factors resulted in a substantial increase in advertising budgets of financial service providers.

■ Reach and popularity further increased

Internal factors too contributed to the business success of OnVista, for example the highly positive development in reach. On average, the finance portal achieved 88.2 million page impressions per month, 36% more than in the previous year (2005: 65.0 mill.).¹ The comparison with all financial services measured under the IWW ranking – including major general interest portals like 'T-Online' and 'Spiegel Online' – shows that OnVista is twice as big as the number two in the market. In January 2006, OnVista broke the mark of 100 million page impressions for the first time. In addition to high reach, the target group reached also makes our finance portal extremely interesting for the advertising industry. The AGOF internet facts² – a generally recognised standard in reach – prove that www.onvista.de attracts primarily high income, educated men.

¹ According to IWW measurements (Informationsgesellschaft zur Feststellung und Verbreitung von Werbeträgern e.V.)

² Each quarter, the German online research association (Arbeitsgemeinschaft Online-Forschung e.V. (AGOF)) reports the number of unique users surfing a particular web site together with their socio-demographic characteristics. The figures from AGOF complement the IWW figures.



■ OnVista does not rest on its top position

In 2006, we again extended our information services and further developed OnVista. To this end, we analysed the daily feedback from our users in a structured way. But market research studies, like our annual user survey, also brought forth many suggestions, which we were able to translate into new services and functions on www.onvista.de. One focal point in 2006 was to bring more transparency into the certificate market. For this reason, we redesigned our derivatives section and added numerous key figures and search functions. Also new are the certificate ratings from the German ratings agency Scope, which can be retrieved via OnVista for around 45,000 investment certificates. In the year under review, we also greatly expanded the information services for the price projection system ArimaxX, which has proved successful for many years, in cooperation with Prozentor, a specialist for forecast systems and statistical analysis tools. Based on statistical mathematical time series analyses, ArimaxX shows how prices of 1,500 different stocks and the key German indices may develop in the short and medium term.

■ Introduction of exclusive paid services

We also further developed the range of price information in the stocks and indices sections. Since 2006, users can view the Xetra® order book in near time. Many private investors are also interested in being able to react very quickly to price changes. In the year under review, we therefore integrated comprehensive real time information in the finance portal. In particular, we developed two billable services in real-push quality, which enable prices to be shown in real time and with automatic page refreshment. Realtime.Basic primarily comprises several hundred indices from the German Stock Exchange. The more comprehensive package, Realtime.Xetra®, also provides the price trend of all German stocks listed in the Xetra® system as well as prices of all stocks traded on the floor of the

Frankfurt Stock Exchange. In addition, the service offers investors an insight into the real time Xetra® order book. The launch of these two products marked an important step towards turning users into customers and to expand our business-to-consumer business as an additional revenue source. As a result, we generated relevant sales with users for the first time.

■ Advertising customer structure diversified

Against the background of the excellent market mood, the advertising spend of our customers also increased. Since the advertising industry concentrates its spend on the top services in each segment, the finance portal receives an above average share of the online advertising spend of financial service providers. In addition, we specifically broadened the customer base in advertising sales. As well as financial services, we are now also advertising cars, travel, electronic entertainment products and other high quality goods on OnVista. Our intensified agency sales targeted at new customer groups was a decisive factor for success. Customers outside the finance sector book OnVista because of the web site's high quality target group, while financial service providers look for advertising environments within OnVista, which have the greatest possible affinity to their specific products as regards subject matter.

■ OnVista expands B2C business

In collaboration with a number of derivatives issuers, we started to market certificates again via www.onvista.de for the first time in 2006 after a long break. For each certificate which in the framework of these cooperations is marketed via our web site, we receive a share in the managed assets. We are currently considering other financial products where OnVista participates in third party sales proceeds. In addition to certificates, we are also looking at a collaboration with an online broker, which is scheduled to start in 2007. We anticipate that the transaction revenue source will be able to contribute around 10% to the finance portal's total sales.

Our strategy, to tie users even more closely and to turn them into customers in the long term through MyOnVista – the password protected, individual section on www.onvista.de launched in 2005 – has paid off. Other billable services are therefore already in the pipeline. Despite our success, we foresee a share of only around 5% of www.onvista.de total sales for this area of business-to-consumer business. Online advertising will remain the most important source of revenues for our finance portal for the foreseeable future.



Homepage www.onvista.de



Quality.

Onmeda widely accepted

■ Healthcare portal established in the market

The healthcare portal Onmeda has been part of the OnVista Group's media portfolio since March 2004. Its main source of revenue is advertising sales. Onmeda generates additional income through licensing of medical content for third party internet services. The web site provides scientifically sound and easy to understand information for laypersons on all aspects of health and well-being. The established health adviser on the internet gets to the root of 700 clinical pictures, delivers information on all aspects of doctor's appointments and contains an interactive medicine adviser. Subjects like pregnancy, prevention, diet and fitness too are well covered by Onmeda. Medical specialists provide free advice in more than 30 forums. Onmeda carries the renowned seals from afigs and HONcode, which show consumers which healthcare services on the net they can trust. The quality of the services is ensured by an independent editorial team, made up of experienced experts in their respective fields.

¹ As the reach of Onmeda has been published by IWW (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V.) only since September 2005, it is not possible to provide a full comparison with the previous year.

■ Awareness increased

2006 was the most successful year yet for Onmeda. After a comprehensive relaunch in the previous year, the portal has now firmly established itself in the market and increased its awareness. As well as the expansion and optimisation with regard to content, we improved the ability to find Onmeda on search engines and launched targeted marketing and PR campaigns. We were therefore able to steer the attention of more users to the service and at the same time keep them on the web site for longer, which means we generated more page impressions per user. The newly designed content also awakened the interest of additional licensing customers. Together with reach we also increased the appeal of the portal for the advertising industry.

In 2006, the healthcare portal achieved an average of 7.4 million page impressions¹ per month. After the relaunch, the number had plunged to 3.7 million (September 2005)



but did recover again quickly. Compared to all healthcare services measured under the IVW ranking – including major general interest portals like ‘T-Online’ and ‘Focus Online’ – Onmeda was not able to establish itself among the top three as planned it nevertheless ranked among the top five. The AGOF internet facts show that 645,000 different users² visited the web site each month in the third quarter of 2006, 40% more than in the fourth quarter of the previous year (460,000). Equally important to advertising clients is the high quality target group ‘health aware women’, which can be reached particularly effectively via www.onmeda.de.

■ Content continually improved and expanded

We also used the past year to optimise and expand the content on www.onmeda.de. New for instance is the interactive medicine adviser Questimed, with information on more than 5,000 prescription only and over-the-counter medicaments. Questimed informs users about which preparations help in case of aches and pains, their effect and the cost of comparable medicaments. In addition, we added new software to the online forums, which are predominantly supported by experts in their field, increasing among others usability and as a result user loyalty – our main aim. For example, users now have the option to automatically (via email) receive information on new entries in their chosen forums.

In 2006, we also expanded non-indication related subjects with potentially high reach on Onmeda, such as pregnancy, prevention, diet and fitness. We also added a range of popular self-tests and newsletters. At the forefront of each update of the healthcare portal are always the quality and reliability of the content. The fact that quality counts is demonstrated by our test victory at ‘Computerbild’. Together with medical experts, the publication assessed the eight largest German healthcare web sites in August 2006, among others in respect of the scope of the service, the value

of information and user friendliness. Onmeda was the only portal to receive the overall mark ‘good’. The editorial team particularly recommended the medicine adviser. For us, the quality seal is an important award to show the high quality and informative nature of the healthcare portal’s content, especially in the content licensing business.

■ Online advertising is main revenue source

In the year under review, we expanded advertising sales as the main source of revenues and further increased sales as planned. New advertising clients on the one hand came from the pharmaceutical industry, such as manufacturers of generic medicaments, health insurances, online pharmacies and clinics. On the other hand, we were able to increase advertising revenues from adjoining sectors like cosmetics and body care as well as diet. Overall, it is evident that the pharmaceutical industry is still very heavily focused on traditional media in its marketing approach. Since the healthcare portal generated almost exclusively sales from licence agreements at the time of acquisition, advertising – as aimed at by OnVista – is now the most important source of revenues. Nevertheless, licensing continues to be an important mainstay. New content licensing customers included, for example, the general interest portals AOL and MSN as well as the e-health specialist InterComponentWare AG for the electronic healthcare record LifeSensor and a number of health insurance institutions, such as Deutsche BKK, BKK Gesundheit and SDK.

■ Break-even planned for 2007

In 2007, Onmeda is expected to operate at a profit for the first time. We plan to increase our revenues from advertising and content licensing but largely reinvest them in the further development of the web site. Our focus lies on indicators with the potential of high reach as well as on discussion forums. In addition, we will increase the usability of the web site through careful adjustments and further improve the ability to find Onmeda on search engines. The key aim of both measures is to increase the number of page impression of Onmeda to make us even more interesting for advertising clients. We are also working on placing online marketing more strongly into the awareness of the pharmaceutical industry. To this end we launched, among others, the quarterly customer magazine ‘Pharma online’, which we use to inform those in charge of marketing in the pharmaceutical industry of the opportunities offered by the internet as an advertising medium.

² Unique users according to AGOF. Each quarter, the German online research association AGOF (Arbeitsgemeinschaft Online-Forschung e.V.) 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. The most recent available data at the time this annual report went to press stems from the third quarter of 2006, the first available data for Onmeda stems from the fourth quarter of 2005.



Homepage www.onmeda.de



Efficiency.

Ligatus opens up new customer groups

■ Innovative business model

The performance marketing specialist Ligatus grew once again dynamically in 2006 and became an important pillar of the OnVista Group, in addition to the Portal business. The business model was first introduced under this brand in September 2005.

In the online sector, the term performance marketing is mostly used to describe forms of advertising aimed at winning customers, which are paid according to performance, generally per click, per generated potential customer contact or per order placed. Ligatus enables companies to win customers for their products and services both efficiently and cost-effectively via the internet. To this end, we use our steadily growing premium network. Ligatus places advertisements of its customers on portals like 'n-tv.de', 'Spiegel Online' and 'sueddeutsche.de'.

¹ In contrast to performance marketing, traditional online advertising is generally paid in accordance with the fixed CPT model (CPT = cost per thousand contacts), i.e. the cost of the advert is not connected to the number of times it is clicked.

Customers only pay on performance, for example per click or per generated potential customer address.

■ Network reach more than doubled

In the year under review, we were able to substantially expand our partner network. While the network still comprised around 70 web sites in December 2005, the number had already risen to around 100 one year on. These are all online media with a particularly high reach and strong image. Our partners sell advertising space to Ligatus which is not taken up by the higher priced CPT business¹ and generate additional revenues without any selling expenses. As well as the online offspring of the weekly newspaper 'Die Zeit', the IT information portal 'Computerwoche.de', the news platform 'Reuters.de', the European nature documentary channel 'Terranova' and the weather portal 'WetterOnline' entered into



collaboration agreements with us in 2006. In addition, the satisfaction of existing partners also paid off. Many placed Ligatus advertising tools in additional relevant subject areas of their web sites. These are essential reasons why we were able to more than double the number of monthly page impressions (advertising inserts) within the space of one year from 700 million (Q4/05) to more than 1.6 billion (Q4/06).

We also expanded and specifically differentiated the customer base as planned in the year under review. In addition to financial service providers, automotive and telecommunication companies as well as providers in the tourism sector banked on our performance marketing services for the first time. Advertisers from these market sectors are able to reach potential customers with high income on our partner web sites via Ligatus Smart Boxes. The list of customers ranges from well-known financial service providers like Fidelity and insurance companies like Cosmos Direkt right through to Lexus, Lufthansa and T-Mobile. The finance sector continues to represent the overall largest number of customers.

■ Investments pay off

In order to specifically expand the customer base we enlarged our sales team. However, an even greater call for action arose in the area of reach in the year under review, where we experienced a real bottleneck. Because despite the many new partnerships entered into, there was insufficient advertising space to service all enquiries with customers. One reason was the continued strong online advertising boom, which have made advertising space in high quality environments a scarce commodity. As a result, the demand from the traditional CPT business area rose and potential Ligatus partners were less reliant on revenues realised through performance marketing than in the

previous year. The level of competition within this market segment also rose, which means more providers of performance marketing tools are competing for the same advertising space. Ligatus therefore strengthened the team who acquire and support partner web sites. We also took on additional staff in product management, where we are enhancing our know-how in the design of advertising tools to counter the trend of falling click rates. Overall, we increased our staffing levels from 12 to 18 employees in the year under review.

To overcome the described obstacle to growth, we worked on increasing the efficiency of the network reach in addition to the recruitment of new staff. To this end, the technical platform was continually updated. This enabled us to increase the performance of the adverts placed and at the same time automate a growing number of handling processes. The Ligatus IT platform distributes the advertising media to the different partner web sites and registers the number of clicks and potential customer contacts generated. An optimisation algorithm forms the intelligent core of the platform which ensures individual advertising campaigns become ever more successful over time. This guarantees our web site partners attractive additional revenues, which they receive from the advertising space used by us. Customers in turn benefit from a high return on investment, since their offerings are in each case placed where they are most popular. In view of the exceptional good quality of the potential customer contacts delivered and the high demand from customers, we were able to increase our prices in the course of the year by 20-30%. This allows us to also offer our partners higher revenues and to make the integration of Ligatus even more attractive for them.

■ Ligatus launches own web site

We will concentrate our sales activities on financial service providers also in the future. In addition, we are addressing advertising customers from the automotive, telecommunications and travel sectors. However, for the positive development of Ligatus it will be important to increase the reach of the premium network through the acquisition of new web sites and additional space at existing partner sites. We will also try to generate additional leads for our advertising customers via our own web site, which went online in the first quarter of 2007 under the name of www.ligatus.de.



Ligatus Smart Box at 'Spiegel Online'



Collective success.

Vigorous growth in human resources

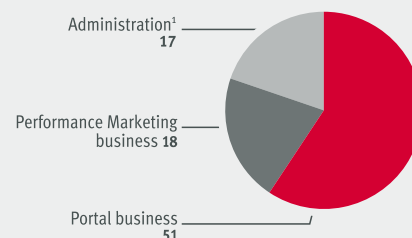
■ Integration of many new employees

Having already created a total of 20 new jobs in the two previous years, we were able to add a further 25 in the year under review alone. At the end of 2006, we counted 86 staff calculated on the basis of full-time equivalent positions. This equates to a rise of 41% compared to the end of 2005 (61). We increased staffing levels in all corporate divisions. Most of the intake was needed in the operating business, with the number of staff at our portals (with an emphasis on the OnVista finance portal) growing from 35 to 51 (+46%) and those in Performance Marketing by 50% from 12 to 18. The number of employees dealing with administrative tasks increased underproportionally by just 3 to 17 (+21%). Expansion of the sales departments in all divisions was particularly strong. Altogether, we doubled our sales team in the year under review. This includes two university graduates who joined us within the framework of our new sales trainee programme. During their training period, they pass through all our sales departments and are qualified as OnVista spe-

¹ Jobs from the Media and Corporate Services segments are bundled under the term 'Administration'. On the one hand this relates to staff who take care of administrative tasks necessary for the operating business, i.e. Controlling and Legal Affairs, and on the other hand to staff performing holding company functions, i.e. Investor Relations.

cific sales professionals. At a time when apprenticeships continue to be scarce, it is particularly encouraging that we were able to increase the number at OnVista from 1 to 3.

Majority of the team in the Portal business



86 employees (full-time equivalent calculation) as at 31.12.2006

In the year under review, personnel expenditure rose by 51% to € 5.00 million (prev. year: € 3.30 mill.). The overpropor-

tional growth is due mainly to the further increase in performance related bonus payments compared to the previous year, as a result of the exceptional positive business development. Based on an average number of 76 employees in 2006 (prev. year: 53), per head staff costs totalled € 66k, 6.5% higher than the previous year's figure (€ 62k). Sales per employee rose marginally by 0.5% to € 185k (2005: € 184k).

■ Demanding assessment of applicants

As a result of the high demand, the recruitment, selection and employment of suitable staff was again a focal point of human resources. We were looking mainly for graduates in business management with internet experience and a key industry focus on health and finance as well as sales professionals specialised in online marketing. In this respect, we continue to have the advantage that OnVista enjoys a very good reputation in the relevant segments of the job market. This is the result of university contacts maintained over many years as well as our intensive promotion of talent. We have been offering students and university graduates the opportunity of practical work experience² for many years. Since we keep in touch with many of our trainees at the end of their employment this has already resulted in a number of permanent jobs, four each in the last two years alone. When selecting applicants, we proceed very carefully despite the growing scarcity in the market, in order to identify not only professionally but also socially competent candidates who fit into our open-minded corporate culture.

■ Equal treatment a matter of course

The German 'General Equal Treatment Act' (AGG), which came into force in August 2006, plays an important part in staff management in general and staff assessment in particular. Its aim is "To prevent or eradicate discrimination for reasons of race or ethnic origin, gender, religion or world-view, handicap, age or sexual identity". The standards laid down in the AGG are part of our moral standards and a matter of course for us anyway, but from a corporate perspective the AGG nevertheless is seen as further bureaucratisation. Our Human Resources department and executives have therefore been trained accordingly and we also informed all members of staff in writing about the AGG.

■ Emphasis on team building

When the number of employees rises by 40% in a single year, the challenge of integrating new colleagues into the existing team is especially great. An important con-

tribution is made by our internal communication tools, which are aimed at transparently conveying details of the business performance, goals, decisions and projects to all employees and to promote their identification with the company. Key measures include staff meetings every three months, a quarterly online newsletter, complemented by news flashes on special occasions, our monthly 'Welcome Day' for newly joined colleagues, and an annual 'Staff Info Day', where individual departments present themselves with their present performance and future strategies. In order to promote team building beyond the organisational segment boundaries, we carried out a series of team events. This gave employees the opportunity to gain experiences outside their work environment through play, which strengthen cohesion, communication and identification.

■ Modern 'proposal scheme' for innovations

Also new is our staff innovation initiative. OnVista plans to continue to grow and is therefore continuously looking for new business ideas that match our corporate strategy. In this connection, we would like to make greater use of the 'hidden reserves' buried in the know-how of our employees, and to also include staff in the innovation process who are not specifically responsible for business development. Many of our employees have many years experience in the online sector and show a keen interest in the subject internet also privately. Most are above average dedicated staff who identify with the company very strongly. Using a structured, multi-tier process, employees have the opportunity to put forward and specify their ideas and – if the rough concept is convincing and fits into the strategy of the OnVista Group – to finally transform these into a detailed concept. The programme has been well received, which is already borne out by the first proposals put forward after a short period of time.

■ Many thanks!

But our employees demonstrate their great commitment and excellent performance also on a daily basis. With their expertise and enthusiasm, inventiveness and above average dedication, they contributed to OnVista exploiting market opportunities and equally to our ability to further develop the business dynamically and profitably. For this, the Executive Board expresses his appreciation and grateful thanks.

² When awarding practical training posts, OnVista fulfils the criteria of the 'Fair Company' initiative launched by the Handelsblatt magazine for new recruits 'karriere'.

Stock market valuation doubled in 2006

■ Share price rises fifth year in a row

Embedded in a positive international market climate, the performance of the German equity market in 2006 was above average. Carried by a robust economy and rising corporate profits – both above projections – as well as by take-over fantasies, the leading German indices far exceeded the previous year-end. The DAX rose by 22%, MDAX by 29% and the SDAX by 31%. And although our reference index TecDAX also advanced markedly by almost 26%, the performance of OnVista shares was even four-times better in comparison. With a closing price of € 16.65¹ on 29 December 2006, our shares stood 107% above the previous year's value (€ 8.05). The increases in the last five years were progressive with 9, 13, 21, 27 and now 107% and demonstrate impressively the sustainability of the upward movement.

With 6.7 million outstanding capital stock, our market capitalisation rose from around € 54 million at the end of 2005 to more than € 111 million at the end of the year under review. This equates to an increase in value of 280% over the last five years.

■ Special distribution pushes price up at year-end

Overall, the price trend was relatively volatile. We recorded our annual low on the first day of trading in 2006 with € 7.67. From then on, the price rose until 16 March, the day we announced the positive 2005 annual accounts, up to a temporary high of € 15.25. An ambitious view of the prospects for the financial year 2006 and subsequent years on the occasion of our annual press conference at the

¹ All OnVista prices relate to Xetra daily closing prices.

beginning of April and confirmation of our planning mid-May were not able to prevent the gradual slip in the share price at normal unit sales down to a temporary low of € 8.98 at the start of August. The turnaround came mid-August with the report on the above plan performance in the first half of the year. The Q3 report, in which we raised our annual profit projections by 15%, provided additional impetus. The price was also driven up strongly especially toward the end of the year by the announcement of a special capital distribution scheduled for 16 January 2007, which our small shareholders were generally able to receive tax-free. This culminated in an annual high of € 17.04 on 13 December.

On 11 January 2007, a few days prior to the special distribution, the share price stood at its highest since the end of November 2000 with € 18.25. As can be observed quite often with such dividend payments, the price fell more strongly after the day of disbursement than purely theoretically would have been the case 'ex dividend'. The share price fell – also driven by the sharp fall at the stock markets in early March – down to € 9.06, but recovered again and on 22 March (at the time of going to press) stood at € 11.21.

■ Shareholder structure unchanged

With just under 57%, the majority of shares are held at an almost unchanged level by the three OnVista founders. The good 43% free float includes Burda Digital Ventures GmbH, which has supported us as an institutional investor already since shortly prior to the stock market flotation in 2000. Between the reporting dates for our annual general meetings in 2005 and 2006, the company's 21.1% holding remained unchanged. The company did not receive any notifications in the year under review regarding reportable shareholdings and related changes.

■ Dividend proposal for € 0.10 per share

The individual operating result of OnVista AG under HGB (German Civil Code) is applicable for the ability to pay a dividend. The net income for the year of OnVista AG amounts to € 1.13 million (prev. year: € 1.00 mill.). The accumulated profit, including the profit brought forward from the previous year, total € 2.58 million (prev. year: € 2.13 mill.). The Executive Board and the Supervisory Board intend to continue with the participation in profits of shareholders, which was introduced only last year. They will propose a dividend of € 0.10 per share to the annual general meeting on 13 June 2007 in Cologne (prev. year: € 0.10). The profit distribution for the financial year 2006 therefore adds up to € 0.67 million. Based on the year-end price, the dividend yield amounts to 0.6%.

Key figures of OnVista shares	2002	2003	2004	2005	2006
EBT per share ¹ (€)	0.02	1.12	0.14	0.24	0.41
Earnings per shares ¹ (€)	0.37	0.86	0.06	-0.07	0.24
Number of shares (mill.)	6.70	6.70	6.70	6.70	6.70
Price earnings ratio	13	6	106	–	69
Highest price ² (€)	6.85	6.51	7.11	8.60	17.04
Lowest price ² (€)	3.35	3.55	4.90	5.40	7.67
Year-end price ² (€)	4.80	5.25	6.35	8.05	16.65
Market capitalisation as at 31 Dec. ² (€ mill.)	32.16	35.18	42.55	53.94	111.56
Lowest unit trading per day ³	240	0	0	0	600
Highest unit trading per day ³	191,110	99,866	48,120	115,861	78,833
Average unit trading per day ³	13,667	7,224	4,190	7,597	11,787

¹ 2002: US-GAAP, from 2003: IFRS

² Closing price; 2002: Frankfurt trading floor, from 2003: Xetra

³ On the basis of Xetra and Frankfurt trading floor only

In total, namely including the special distribution already effected, shareholders of OnVista AG are likely to be paid € 3.85 per share in 2007.

■ Annual general meeting decides changes in the Supervisory Board

Since the sale of the investment in IS.Teledata AG (former Technologies segment) in December 2005, OnVista AG has focused on the internet business (Media segment). As a result, the function of overriding coordination of the two business segments, which was the responsibility of Director Fritz Oidtmann, ceased to apply and the corporate strategy was now largely identical to the strategy of the Media segment, which up to then had been successfully managed by Director Michael W. Schwetje. Consequently, Fritz Oidtmann decided to resign from the Executive Board at the end of the annual general meeting 2006.

In order to continue to secure the expertise of both Fritz Oidtmann and Stephan Schubert for our company, both co-founders, shareholders and members of the Executive Board of OnVista AG for many years as well as members of the Executive Board of IS.Teledata AG up to the sale of the associated company, the Supervisory Board proposed that both be appointed members of the supervisory body. To make this possible, the Supervisory Board members Dr. Johannes Meier and Professor Dr. Bernhard Schwetzler were selflessly willing to resign from office. At the required election to fill vacancies, the annual general meeting followed the proposal of management and elected Fritz Oidtmann and Stephan Schubert as members of the Supervisory Board. The Supervisory Board continues to be chaired unchanged by Dr. Paul-Bernhard Kallen.

■ Analyses and media reports

OnVista continues to be permanently covered by the two research firms HSBC Trinkaus & Burkhardt and Independent Research. Both firms raised their upside price objectives from € 8.05 (HSBC) and € 9.40 (Independent Research) as at the end of 2005 to € 14.00 and € 12.90 respectively in January 2007. The recently published objectives relate for the first time to the price ex dividend, namely after deduction of € 3.75 per share. You can find the studies on our web site www.onvista-group.de > Investor Relations > Research. We endeavour to win additional analysts in 2007 who will monitor OnVista AG on a regular basis, to improve the perception of the company in the capital market.

The positive business trend, special distribution and new products also met with a wide response in many print and

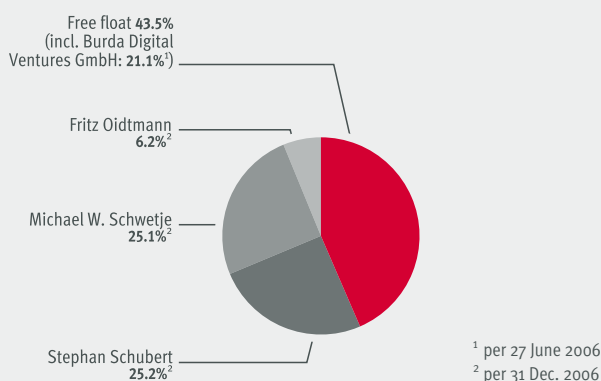
online media. We were particularly closely monitored by 'Börsen-Zeitung' which, among others, ran the headlines 'A lot of cash for OnVista shareholders', 'OnVista full of ambition and confidence', 'OnVista makes leap in earnings' and 'Optimism increases at OnVista'. Further press quotes (in German language only) can be found online at www.onvista-group.de > Presse > Pressespiegel.

■ Invitation to engage in dialogue

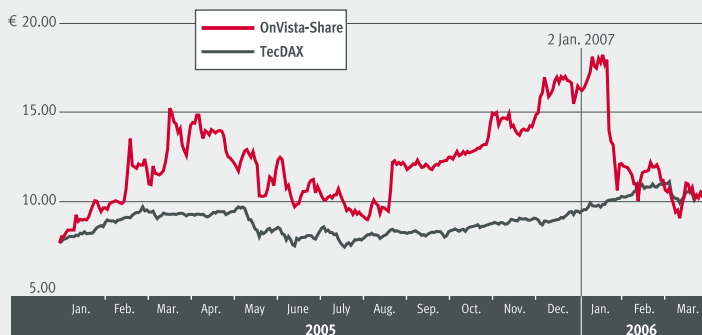
A willingness to communicate is one of our basic principles and is also demonstrated by our conduct with (potential) shareholders as well as analysts and journalists. You will find details of your contact on page 69 – we look forward to speaking with you! Our financial calendar and the core stock market data for our shares can also be found on this page. With regard to the subject of Corporate Governance, please refer to our report on page 67 f.

Solid shareholder structure

Shares in stock capital



Profit growth and special distribution push share price up



Development of OnVista share price (Xetra closing price in €) and TecDAX (normalised on 2 Jan. 2006) 2 Jan. 2006 – 22 March 2007

Focus on strategic corporate development

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 five 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 the group 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. For instance, the Supervisory Board dealt in detail with the expansion of the Performance Marketing business Ligatus. Further organic and inorganic growth opportunities in the Portal business were also thoroughly reviewed. In addition, the diversification of the OnVista Group outside existing business models was discussed intensively. Naturally, the economic and financial performance of the core business as well as 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.

■ Unqualified audit certificates

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 § 315a HGB (German Commercial Code).

At its meeting on 22 March 2007, the Supervisory Board discussed the 2006 financial statements of OnVista AG as well as the 2006 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 2006, prepared by the Executive Board, as well as the consolidated financial statements as at 31 December 2006, prepared by the Executive Board. The annual financial statements are herewith adopted. The Supervisory Board also accepts the recommendation of the Executive Board regarding the allocation of the accumulated profit of OnVista AG. We are pleased that the good earnings position and high capital resources available again enable OnVista AG to pay its shareholders a dividend for the financial year 2006. In addition, the Supervisory Board also kept itself informed about the active risk management policy of OnVista AG.

■ Changes in the Executive Board and the Supervisory Board

The year under review saw changes in the composition of the Executive Board and the Supervisory Board. Since the departure of the Spokesman for the Board, Fritz Oidtmann on 27 June 2006 – as a result of the dissolution of the Technologies business segment, the business of the OnVista Group has been managed by Michael W. Schwetje alone. To enable the election of Fritz Oidtmann and Stephan Schubert, both co-founders and material shareholders of OnVista AG, onto the Supervisory Board, my long term Supervisory Board colleagues Dr. Johannes Meier and Prof. Dr. Bernhard Schwetzler were willing to resign their seats on the Supervisory Board on conclusion of the annual general meeting 2006. The general meeting of shareholders followed the proposal of management and since 27 June 2006, the Supervisory Board has therefore been made up of Dr. Paul-Bernhard Kallen (Chairman), Fritz Oidtmann (Deputy Chairman) and Stephan Schubert.

■ Gratitude for exceptional commitment

I would like to take these changes in personnel as an opportunity to express my personal appreciation to the departed committee members. As co-founder, member of the Executive Board and shareholder, Fritz Oidtmann was close to OnVista right from the start. He experienced and helped shape all stages in our company's young history. I would like to thank Mr. Oidtmann on behalf of all shareholders for his commitment and valuable contributions during the set-up and further development of the OnVista Group. At the same time, Michael W. Schwetje, also a founder member of the Executive Board and shareholder of OnVista AG, has already proven his successful management of the OnVista Group as sole Executive Director, supported by two newly appointed General Managers at the two operating companies. I would like to express my warmest thanks to the two Supervisory Board members who departed during the year under review for their congenial and effective cooperation based on trust over the past six years. With their commitment and dedication that by far exceeded the norm, they made a significant contribution to OnVista AG's ability to successfully master the challenges of the past years and today being well positioned with a healthy core business. This also earns both of them the thanks of all shareholders.

We would like to thank the Executive Board and all employees of OnVista for their exceptional dedication and commitment in the year under review. Our thanks also go to OnVista's shareholders for their confidence in the company. Together, we will continue to work towards profitable growth for OnVista through innovations in both our existing business and in new segments.

Cologne, 22 March 2007



Dr. Paul-Bernhard Kallen
Chairman of the Supervisory Board

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Consolidated Financial Statements 2006 under IFRS

Balance Sheet

ASSETS

€	31.12.2006	31.12.2005
Short term assets		
Cash and cash equivalents [5]	28,706,899	18,061,130
Available-for-sale financial assets [9]	12,441,069	22,029,740
Trade accounts receivable [6]	1,921,895	1,208,522
Amounts due from associated companies	8,347	8,997
Income tax receivables	417,647	0
Other short term assets [7]	394,119	733,840
Total short term assets	43,889,977	42,042,228
Long term assets		
Other long term financial assets	0	400,000
Tangible assets [8]	325,536	293,716
Intangible assets [8]	4,418,224	3,738,676
Deferred taxes [19]	1,555,009	1,735,453
Other long term assets [9]	1,800,906	1,800,906
Total long term assets	8,099,675	7,968,751
Total assets	51,989,652	50,010,980

The brackets [] refer to the corresponding notes on pages 45–65, which form an integral component of the consolidated financial statements.

Consolidated Financial Statements 2006 under IFRS

Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY

€	31.12.2006	31.12.2005
Short term liabilities		
Trade accounts payable [10]	1,688,611	871,063
Advance payments received [10]	30,087	242,023
Other short term accrued liabilities [11]	210,000	1,133,587
Income tax liabilities [19]	2,159,808	1,638,456
Other short term liabilities [10]	26,390,969	409,451
Total short term liabilities	30,479,476	4,294,581
Shareholders' equity [12]		
Subscribed capital	6,700,000	6,700,000
Capital reserves	14,582,929	39,927,055
Reserve for stock options	253,805	220,309
Treasury Stock	-207,321	-191,643
Accumulated other comprehensive income	202,252	-2,586
Accumulated profit/loss (-)	-21,488	-936,735
Total shareholders' equity	21,510,177	45,716,399
Total liabilities and shareholders' equity	51,989,652	50,010,980

The brackets [] refer to the corresponding notes on pages 45–65, which form an integral component of the consolidated financial statements.

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Profit and Loss Statement

€	1.1.2006 – 31.12.2006	1.1.2005 – 31.12.2005
Sales [14]	14,062,580	9,743,732
Cost of production	-4,178,814	-3,626,852
Gross profit	9,883,766	6,116,880
Marketing and selling expenses	-3,261,347	-2,046,546
General administration expenses	-2,326,526	-2,220,762
Research and development expenses [17]	-2,218,562	-1,250,684
Other operating income	291,733	507,691
Other operating expenses	-842,812	-274,669
Operating income/loss (-) (EBIT)	1,526,252	831,910
Interest income [16]	1,218,241	806,949
Interest expenditure	-20,448	0
Income/expenditure (-) from companies reported at equity [4]	0	593,242
Loss (-) from the sale of companies reported at equity	0	-625,058
Currency exchange gains/losses (-)	-600	-530
Pre-tax income/loss (-)	2,723,445	1,606,512
Taxes on income [19]	-1,141,168	-2,098,343
Net income/loss (-)	1,582,278	-491,831
Loss carried forward	-936,735	-444,904
Dividend distribution [12]	-667,031	0
Accumulated profit/loss (-)	-21,488	-936,735
Earnings per share (basic/diluted) [26]	0.24	-0.07
Weighted average shares outstanding (basic)	6,675,998	6,646,171
Weighted average shares outstanding (diluted)	6,725,202	6,646,171

The brackets [] refer to the corresponding notes on pages 45–65, which form an integral component of the consolidated financial statements.

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Cash Flow Statement

€	1.1.2006 – 31.12.2006	1.1.2005 – 31.12.2005
Net income/loss (-)	1,582,278	-491,831
Depreciation, amortisation and write-downs on intangible assets and tangible assets	710,071	528,694
Income tax charge/refund (-)	1,141,168	2,098,343
Interest income/expenditure (-)	-1,197,793	-806,949
Loss from asset disposals	456,251	625,058
Income/expenditure (-) from companies reported at equity	0	-502,162
Gain from the disposal of short term financial assets	-178,251	-48,402
Other non-cash changes	28,904	67,857
Decrease/increase (-) in assets and increase/decrease (-) in liabilities and shareholders' equity:		
Trade accounts receivable	-713,373	-583,036
Amounts due from associated companies	650	87,054
Other assets and prepaid expenses	208,682	-303,141
Trade accounts payable	232,034	238,405
Other liabilities and deferred income	-218,850	393,897
Other accruals	545,808	25,009
Income tax received/paid (-)	-986,002	-9,649
Proceeds from interest	1,332,535	832,900
Payments from interest	-20,448	0
Cash flow from operating activities	2,923,662	2,152,047
Investments in tangible fixed assets	-195,510	-243,301
Investments in intangible assets	-1,225,930	-827,433
Proceeds from the sale of companies reported at equity	0	15,157,300
Proceeds from other financial assets	0	1,080,000
Proceeds from the disposal of short term financial assets	29,949,380	4,005,000
Investments in short term financial assets	-19,904,000	-4,525,814
Cash flow from investment activities	8,623,941	14,645,752
Investments in treasury stock	-616,075	0
Proceeds from the disposal of treasury stock	381,272	197,380
Dividends paid	-667,031	0
Cash flow from financing activities	-901,834	197,380
Change in cash and cash equivalents	10,645,769	16,995,179
Cash and cash equivalents at the beginning of the financial year	18,061,130	1,065,951
Cash and cash equivalents at the end of the period ¹	28,706,899	18,061,130

¹ The cash and cash equivalents on 31.12.2006 do not include the readily disposable mortgage bonds in the amount of € 12,441k, since these are not counted as cash equivalents.

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Statement of Changes in Shareholders' Equity

€	Subscribed capital	Capital reserves	Reserve for stock options	Treasury stock	Accumulated other comprehensive income	Accumulated profit/loss (-)	Total shareholder's equity
As at 1.1.2005	6,700,000	39,749,099	152,453	-429,097	55,534	-444,904	45,783,085
Other comprehensive income	0	0	0	0	-58,120	0	-58,120
Net loss	0	0	0	0	0	-491,831	-491,831
Total comprehensive income	6,700,000	39,749,099	152,453	-429,097	-2,586	-936,735	-549,951
Allocation to reserves for stock options	0	0	67,856	0	0	0	67,856
Subsequent reduction of IPO expenses	0	202,000	0	0	0	0	202,000
Treasury stock	0	0	0	237,454	0	0	237,454
Disposal of treasury stock	0	-24,044	0	0	0	0	-24,044
As at 31.12.2005	6,700,000	39,927,055	220,309	-191,643	-2,586	-936,735	45,716,399
Other comprehensive income	0	0	0	0	204,838	0	204,838
Net income	0	0	0	0	0	1,582,278	1,582,278
Total comprehensive income	6,700,000	39,927,055	220,309	-191,643	202,252	645,543	1,787,116
Allocation to reserves for stock options	0	0	33,496	0	0	0	33,496
Treasury stock	0	0	0	-15,678	0	0	-15,678
Dividends	0	0	0	0	0	-667,031	-667,031
Capital increase from capital reserves	25,125,000	-25,125,000	0	0	0	0	0
Distribution from capital reduction	-25,125,000	0	0	0	0	0	-25,125,000
Disposal of treasury stock	0	-219,125	0	0	0	0	-219,125
As at 31.12.2006	6,700,000	14,582,929	253,805	-207,321	202,252	-21,488	21,510,177

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 and is listed in the regulated market (Prime Standard) of the German Stock Exchange.

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 27 June 2006 prevail.

Changes under corporate law

With memorandum of association of 8 August 2006, OnVista AG established OnVista Financial Services GmbH as sole shareholder. The company was registered at the District Court in Cologne on 19 October 2006 (HRB 58814). In addition, OnVista AG established OnVista New Business Development GmbH on 11 October 2006 also as sole shareholder. The company was registered at the District Court in Cologne on 7 November 2006 (HRB 58933).

Objectives of the Company

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

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 EURk (€k).

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 must be applied in the EU.

OnVista makes use of the exemption option presented under § 315a 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 6 March 2007.

Since the preparation of the consolidated financial statements 2005, a number of new or revised standards and interpretations have been published by IASB, which must be compulsory applied as from 1 January 2006:

- Amendments to IAS 19 – Mathematical Insurance Gains and Losses, Group Budgets and Disclosure Requirements
- Amendments to IAS 39 – Collateral Accounts Presentation for Future Uncertain Payment Flows from Scheduled Intragroup Transactions

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- Amendments to IAS 39 – Valuation Option for Relevant Fair Value
- Amendments to IAS 39 and IFRS 4 – Financial Guarantees
- IFRS 6 – Exploration and Evaluation of Mineral Resources
- IFRIC 4 – Determination of Contractual Leasing Relationship
- IFRIC 5 – Rights to Share in Funds for Waste Disposal, Restoration and Environmental Rehabilitation
- IFRIC 6 – Obligation for Disposal of Electrical Appliances and Electronic Devices
- IFRIC 7 – Application of the Restatement Approach under IAS 29 Accounting in Countries with High Inflation (from 1 March 2006)
- IFRIC 8 – Scope of Application of IFRS 2 (from 1 May 2006)
- IFRIC 9 – Revaluation of Imbedded Derivatives (from 1 June 2006)
- IFRIC 10 – Interim Reporting and Impairment (from 1 November 2006)

Application of the new standards had no effects on the presentation of the asset, financial and earnings position.

In addition, new or revised standards have been published by IASB since the preparation of the consolidated financial statements 2005, which must be compulsory applied from 1 January 2007 or later:

- Amendments in IAS 1 – Disclosure Requirements Regarding Management of ‘Business Equity’
- IFRS 7 – Financial Instruments – Disclosures
- IFRS 8 – Operating Segments
- IFRIC 11 – Intragroup Transactions and Transactions with Treasury Stock under IFRS 2
- IFRIC 12 – Service Licence Agreements

The Company did not make use of the option to apply the standards early. Early application of the standards would not have any material effects on the presentation of the asset, financial and earnings position.

2. Material accounting and valuation principles

The material accounting and valuation principles are set out below.

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 for impairment, 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 capital 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.

The goodwill in the Media segment in particular is subject to valuation uncertainties (please refer to section 8.).

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. Additional commercial credit insurance was taken out for the subsidiary Ligatus GmbH.

Revenue recognition

Sales in the 'Media' segment are recognised at the time services related to advertising placements are rendered. 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.

Interest income

Interest income is reported pro rata, using the actual interest method.

Dividend income

Dividend income is recorded at the time the right to receipt of the payment originates.

Cost of outside capital

The cost of outside capital is charged to expenditure.

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.

Financial assets

Financial assets are divided into the following categories:

- a) Receivables and loans
- b) Available-for-sale securities

Securities and investments are valued at their relevant fair value, provided these can be reliably determined. Any unrealised gains and losses from securities 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 the relevant fair value can not be reliably determined for these securities, they are valued at cost price. In the event of impairment, all securities and investments are written down and reflected in the profit and loss account.

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 one to six years. Impairment losses arise if the obtainable amount for 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.

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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 assets'). The cash generating business units are oriented towards the segments.

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.

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 assets

Assets are valued at acquisition cost, less depreciation. Impairment costs arise if the realisable amount of the asset is lower than its book value (IAS 36.8). Under IAS 36.18, 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.

Deferred taxes

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. Losses carried forward 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 2006, 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 subline. 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, 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 be reliably assessed. The amount reported as an accrued liability represents the best possible estimate of the expenditure required to fulfil the current obligation on the balance sheet date. The best possible estimate of the expenditure required for the fulfilment of the current obligation is the amount the Company would have to pay, when viewed prudently, to fulfil the obligation on the balance sheet date or to transfer the obligation to a third party on that date.

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').

Foreign currency conversion

Foreign currency transactions are first converted with the exchange rate at the time of the transaction. Any translation adjustments arising from the settlement of monetary items or conversion of monetary items at exchange rates which differ from the original exchange rates are reported as expenditure or income for the period under review.

Segment definition

Segments are defined on the basis of product and market specific differences. Differentiating features are, on the one hand, risk and income structure and on the other hand internal financial reporting and management structure. In terms of organisation, the segments are separated within the OnVista Group and have been spun off into independent companies. The segments are not divided by geographic aspects since services are rendered solely in the domestic market.

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

Entities included in consolidation in addition to OnVista AG refer to the following subsidiaries:

Company	Head office	Interest held %
OnVista Beteiligungs-Holding GmbH	Cologne	100
OnVista Media GmbH	Cologne	100
Trade & Get GmbH	Cologne	100
IFVB Institut für Vermögensbildung GmbH	Cologne	100
Ligatus GmbH	Cologne	100
OnVista Financial Services GmbH	Cologne	100
OnVista New Business Development GmbH	Cologne	100

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.

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4. Companies included at equity

In the financial year 2006, the following company was included under the equity method:

	Interest held %	Share in equity 31.12.2006 €	Acquisition costs €	Accumulated additions €	Accumulated devaluation/loss €	Sales proceeds €	Investment book value €
PROZENTOR GmbH	25.1	0	510,000	0	510,000	–	0

In the previous year, 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
							0

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

The investment in IS.Teledata AG was sold to Interactive Data Corporation, Bedford, Mass., USA, in the financial year 2005. The net sales proceeds amounted to €k 17,055, of which €k 15,157 flowed into the Company as cash payments in 2005 and € 97k at the beginning of 2006, and a further €k 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 € 593k was accrued from equity accounting of IS.Teledata AG. On this basis, the sale resulted in a paper loss in the amount of € 625k. No liquid funds were disposed of in connection with the sale.

In the financial year 2006, the operating results of companies reported at equity in the balance sheet were transferred to the consolidated statement of income as follows:

€	2006	2005
PROZENTOR GmbH	0	0
IS.Teledata AG	0	593,242

The operating results were transferred on the basis of the company's preliminary, unaudited annual accounts.

B. Notes to the consolidated balance sheet

5. Cash and cash equivalents

Cash and cash equivalents refer to time and notice deposits as well as money market investments with an original maturity of less than three months in the amount of €k 28,015 (prev. year: €k 17,215) and to credit balances with banks in the amount of € 692k (prev. year: € 846k). The actual interest rate on the balance sheet date averaged 3.4%.

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 2006, provisions for bad debts amounted to € 328k (prev. year: € 453k).

7. Other short term assets

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

€k	31.12.2006	31.12.2005
Deferred interest	171	303
Prepaid services	152	197
Suppliers and debit balances	66	43
Receivables from investment disposal	0	97
Other	5	94
Total	394	734

Other short term assets include amounts totalling € 171k (prev. year: € 303k), which are legally created only after the balance sheet date. These amounts relate to deferred interest.

8. Intangible assets and tangible assets

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

In the financial year 2006, OnVista capitalised development costs in the amount of € 191k (prev. year: € 209k), which arose in connection with programming and the enhancement of tools for the OnVista web sites. 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 2006 amounted to € 276k (prev. year: € 292k).

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 €k 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 2006, 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% (prev. year: 2%) for the extrapolation of the cash flow forecast and a pre-tax discounting rate of 12.6% (prev. year: 8.2%) across the entire period. A variation of the premiss in bands customary in the market would not have any effect on the outcome of the impairment test, i.e. it would also not result in the need for any write-downs.

Furthermore, as part of the acquisition of A Med-World AG, a portion of the purchase price in the amount of € 255k 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 2006 amounted to € 40k (prev. year: € 40k).

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

€k	Internally developed software	Acquired software	Goodwill	Payments on account	Total
Acquisition cost or cost of production					
Initial status 1.1.2005	2,166	1,236	2,895	0	6,297
Additions	177	59	0	591	827
Disposals	0	0	0	0	0
Final status 31.12.2005/ Initial status 1.1.2006	2,343	1,295	2,895	591	7,124
Additions	191	1,060	0	672	1,923
Disposals	0	0	0	0	0
Reclassification	0	492	0	-1,189	-697
Final status 31.12.2006	2,534	2,847	2,895	74	8,350
Amortisation/write-backs					
Initial status 1.1.2005	1,593	1,057	360	0	3,010
Amortisation	277	99	0	0	376
Disposals	0	0	0	0	0
Final status 31.12.2005/ Initial status 1.1.2006	1,870	1,156	360	0	3,386
Amortisation	276	270	0	0	546
Disposals	0	0	0	0	0
Final status 31.12.2006	2,146	1,426	360	0	3,932
Book value 31.12.2006	388	1,421	2,535	74	4,418
Book value 31.12.2005	473	140	2,535	591	3,739

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

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

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

€k	Leasehold improvements	Hardware	Other operating and business equipment	Total
Acquisition cost or cost of production				
Initial status 1.1.2005	625	1,660	189	2,474
Additions	0	184	59	243
Disposals	0	0	-72	-72
Final status 31.12.2005/ Initial status 1.1.2006	625	1,844	176	2,645
Additions	0	152	43	195
Disposals	0	0	-41	-41
Final status 31.12.2006	625	1,996	178	2,799
Depreciation/write-backs				
Initial status 1.1.2005	615	1,492	164	2,271
Depreciation	2	91	59	152
Disposals	0	0	-72	-72
Final status 31.12.2005/ Initial status 1.1.2006	617	1,583	151	2,351
Depreciation	2	115	47	164
Disposals	0	0	-41	-41
Final status 31.12.2006	619	1,697	157	2,473
Book value 31.12.2006	6	299	21	326
Book value 31.12.2005	8	262	24	294

9. Financial assets and other long term assets

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

	Date of acquisition	Nominal value 31.12.2006 €	Value on 31.12.2006 €	Value on 31.12.2005 €	Unrealised accumulated gains €	Unrealised accumulated losses €
AHB Rheinboden AG (3.69%)	6.5.2004	3,000,000	3,000,000	3,000,000	0	0
Berlin-Hannoversche Hypothekbank AG (3.65%)	30.6.2004	4,500,000	4,500,000	4,500,000	0	0
Hypo Real Estate Bank AG (3.51%)	18.10.2004	0	0	3,500,000	0	0
LRP Landesbank Rheinland Pfalz (3.25%)	19.11.2004	0	0	4,525,200	0	0
HSBC Trinkaus & Burkhardt KGaA (4%)	25.11.2004	0	0	4,000,000	0	0
HSBC Trinkaus & Burkhardt KGaA (variable)	13.5.2005	500,014	498,263	495,540	0	1,751
Depfa Deutsche Pfandbriefbank AG (3.25%)	5.12.2005	0	0	2,009,000	0	0
HSBC Trinkaus & Burkhardt KGaA (4%)	28.12.2006	3,898,000	3,898,000	0	0	0
Total		11,898,014	11,896,263	22,029,740	0	1,751

As in the previous year, OnVista AG does not hold any securities as at 31 December 2006 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 2006 in the amount of € -2k (prev. year: € 5k) has been recorded under other comprehensive income. With the sale of securities, the Company generated a loss in the financial year 2006 in the amount of € 447k (prev. year: profit of € 48k). The sales resulted in deposits totalling €k 29,949 (prev. year: €k 4,005). These disposals led to a net change in other comprehensive income before tax in the amount of € -9k (prev. year: € -67k).

As at 31 December 2006, OnVista holds 51,300 shares of Lang & Schwarz Wertpapierhandelsbank AG. Up to now, these have been recorded under other long term financial assets. However, since there is no longer the intention on the balance sheet date to hold the shares in Lang & Schwarz Wertpapierhandelsbank AG in the long term and the stake is no longer viewed as a strategic investment, the shares have been reclassified as short term assets. The securities are valued at their fair value on the balance sheet date. The unrealised gain in the financial year in the amount of € 341k, taking into account deferred taxes, has been recorded under other comprehensive income. The sale of 49,500 shares in Lang & Schwarz Wertpapierhandelsbank AG generated income in the amount of € 178k in the financial year.

Investments included at cost amounted to € 0k (prev. year: € 400k) and relate to the following companies:

	Interest held %	Share in nominal capital €
ALTUS Media AG	12.88	9,457
Kontrast Abwicklungsgesellschaft mbH (formerly: Price Contrast GmbH)	2.50	650

Insolvency proceedings are in progress at both ALTUS Media AG and Kontrast Abwicklungsgesellschaft mbH.

Other long term assets include receivables from the sale of the shares in IS.Teledata AG from 2005 in the amount of €k 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. In the first instance, they are reported at their relevant fair value net of transaction costs. In subsequent periods, they are valued at the continued cost of acquisition. In the financial year 2006, € 928k were reclassified from provisions to liabilities, since in these cases the liability had clearly originated on the balance sheet date and the amount of the liability was already known on the reporting date (see also section 11.).

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In 2006, liabilities developed as follows:

€k	1.1.2006	Reclassifi- cation	Additions	Depletion	Release	31.12.2006
Trade accounts payable	871	351	1,689	-1,146	-76	1,689
Advance payments received	242	0	30	-242	0	30
Other short term liabilities	409	577	26,391	-950	-36	26,391
Total	1,522	928	28,110	-2,338	-112	28,110

The other short term liabilities include €k 25,125 which were distributed to the shareholders of OnVista AG on 16 January 2007 as part of the resolution to increase and simultaneously reduce the capital stock of OnVista AG (see also section 12.).

11. Other accruals

In the financial year 2006, other accruals developed as follows:

€k	1.1.2006	Reclassifi- cation	Additions	Depletion	Release	31.12.2006
Bonus payments	459	-364	80	-95	0	80
Cost of the annual general meeting and the annual report	110	0	130	-110	0	130
Outstanding suppliers' invoices	314	-314	0	0	0	0
Annual audit fees	42	-42	0	0	0	0
Residual paid leave	10	-10	0	0	0	0
Other	198	-198	0	0	0	0
Total	1,134	-928	210	-205	0	210

All other accruals have a residual maturity of up to one year. Accruals for bonus payments were set up for possible bonus payments to the Executive Board of OnVista AG which are still subject to uncertainty in terms of a decision by the Supervisory Board of OnVista AG. Provisions for the annual general meeting 2007 and the annual report 2006 are subject to the uncertainty of agreements yet to be concluded with service providers and suppliers.

In the financial year 2006, € 577k were reclassified from accruals to other short term liabilities and € 351k from accruals to trade accounts payable, since in these cases the liability had certainly originated on the balance sheet date and the amount of the liability was already known on the reporting date.

12. Shareholders' equity

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

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

Number of shares issued

As at 31 December 2006, 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.

Subscribed capital

The annual general meeting of OnVista AG decided on 27 June 2006 to increase the company's capital stock by way of a capital increase from corporate funds (§§ 207 ff. AktG – German Stock Corporation Act) from € 6,700,000 by € 25,125,000 to € 31,825,000 through capitalisation of reserves in the partial amount of € 25,125,000 (deed no. 783/2006 of the Notary Dr. Christoph Neuhaus, Cologne). The capital increase was effected without the issue of new shares.

In addition, the annual general meeting of OnVista AG decided to reduce the capital stock available after the capital increase from corporate funds has taken effect in the amount of € 31,825,000 by way of a regular capital write-down (§§ 222 ff. AktG – German Stock Corporation Act) of € 25,125,000 to € 6,700,000. The capital stock was reduced in a way that the pro rate share in the capital stock attributable to each share has been reduced to € 1.00. The capital was reduced in order to repay part of the capital stock to the shareholders in a way whereby an amount of € 3.75 is paid for every share which exists on the day of payment.

The resolutions regarding the increase and subsequent reduction of the capital stock took effect on 4 July 2006 on entry in the Register of Companies. Payment was effected at the end of a six months protection period for creditors on 16 January 2007.

Treasury stock

Under a resolution passed by the annual general meeting on 14 June 2005 (deed no. 706/2005 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 13 December 2006, 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 27 June 2006 (deed no. 783/2006 of the Notary Dr. Christoph Neuhaus, Cologne) and replaced by an identical authorisation, which is valid up to 26 December 2007.

In the financial year 2006, OnVista AG purchased a total of 54,314 treasury stock within the scope of the share buyback programme. The purchase price of the shares amounted to € 616,019. In the months of March, May, August and November 2006, the Company disposed of a total of 63,440 treasury stock. The loss realised on the sale in the amount of € 219,125 has been set off against capital surplus in shareholders' equity without any effect on profit and loss.

As at 31 December 2006, OnVista AG holds a total of 19,439 treasury stock at a purchase price of € 207,321. This figure represents 0.29% of the Company's capital stock. The market value of these shares as at 31 December 2006 amounts to € 323,659. 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').

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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.

Dividends

In the financial year 2006, dividends in the amount of € 667k were distributed to the shareholders of OnVista AG (prev. year: € ok). This corresponds to € 0.10 per share.

Accumulated other comprehensive income

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

€k	Before taxes	Tax effect	Net
Unrealised gains/losses (-) arising from the valuation of securities at market prices:			
1.1.2005	92	-37	56
Change in unrealised gains/losses (-)	20	2	-18
Net of realised gain/losses (-)	67	-27	41
Unrealised gains/losses (-), total	5	-8	-3
Accumulated other comprehensive income as at 31.12.2005	5	-8	-3
Unrealised gains/losses (-) arising from the valuation of securities at market prices:			
1.1.2006	5	-8	-3
Change in unrealised gains/losses (-)	343	-136	207
Net of realised gains/losses (-)	-9	7	-2
Unrealised gains/losses (-), total	339	-137	202
Accumulated other comprehensive income as at 31.12.2006	339	-137	202

13. 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'.

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 'Share-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.

Movements in stock options granted to eligible employees in the financial year 2006 are as follows:

	2006		2005	
	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	218,315	8.97	343,000	12.14
Granted	0	0.00	0	0.00
Exercised	63,440	6.01	35,435	5.58
Expired	73,750	14.50	34,500	9.20
Lapsed	0	0	54,750	30.85
Still existing at year-end	81,125	6.26	218,315	8.97
Exercisable at year-end	6,500	6.65	67,253	16.06

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

	2006		2005	
	Number of options on OnVista shares	Average subscription price €	Number of options on OnVista shares	Average subscription price €
	0	20.19	43,500	20.19
	20,000	6.42	52,440	6.42
	41,625	5.64	81,375	5.64
	19,500	6.91	41,000	6.91
	81,125	6.26	218,315	8.97

The options have an average residual life of 2.0 years (prev. year: 2.9 years).

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

	2002	2003	2004
Expected average dividend yield	0.0%	0.0%	0.0%
Expected volatility	72.22%	78.35%	48.50%
Risk-free investment interest	6.0%	5.0%	4.0%
Exercise price of OnVista shares	€ 4.75	€ 4.18	€ 5.12
Expected timeframe up to the date of exercise of the 'OnVista Stock Option Plan 2001'	2, 3, 4 and 5 years	2, 3, 4 and 5 years	2, 3, 4 and 5 years

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

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:

€k	2006	2005
Commitment on 28.1.2003	21	40
Commitment on 28.1.2004	12	28
Total	33	68

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 € 253,805 (prev. year: € 220,309).

C. Notes to the consolidated profit and loss statement

14. Sales proceeds

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

€k	2006	2005
Technologies	0	0
Media	14,063	9,744
Corporate Services	0	0
Total	14,063	9,744

Sales proceeds include income from the exchange of advertising services in the amount of € 289k (prev. year: € 171k).

15. Personnel expenses

The following personnel expenses are included in the consolidated profit and loss statements for the financial years 2006 and 2005:

€k	2006	2005
Wages and salaries	4,375	2,887
Social security	620	412
Total	4,995	3,299

Wages and salaries also include expenses arising from the OnVista stock option plan in the amount of € 33k (prev. year: € 68k).

16. Interest income

In the year under review, the Group generated interest income from financial assets in the amount of €k 1,218 (prev. year: € 807k).

17. Research and development

In the year under review, the Group charged to expenditure research and development costs in connection with programming and the enhancement of tools for OnVista's web sites and the performance marketing system in the amount of €k 2,219 (prev. year: €k 1,251).

18. Advertising costs

In the year under review, the Group charged to expenditure advertising costs in the amount of € 372k (prev. year: € 295k).

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%.

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

€k	31.12.2006	31.12.2005
Deferred tax assets:		
Spin-off gains less fiscal goodwill amortisation	1,784	1,956
Total deferred tax assets	1,784	1,956
Of which:		
with a residual maturity of < 1 year	137	150
with a residual maturity of > 1 year	1,647	1,806
Deferred tax liabilities:		
Web site development costs	-132	-187
Intangible assets	-75	0
Unrealised price gains on securities	-1	-7
Other	-20	-27
Total deferred tax liabilities	-228	-221
Of which:		
with a residual maturity of < 1 year	-59	-54
with a residual maturity of > 1 year	-169	-167
Deferred taxes on the asset/liabilities side, net	1,556	1,735

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

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

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

The following table shows a reconciliation between the respective expected tax expenditure and/or income for each financial year and the respective actual tax expenditure and/or income reported. For the calculation of the expected tax expenditure and/or income, the applicable overall tax rate of 39.9% in the financial year 2006 (prev. year: 39.9%) has been multiplied by the pre-tax income.

€k	2006	2005
Expected tax expenditure/income (-)	1,087	641
Expenses from stock option plan	13	27
Non-deductible operating expenses	12	80
Disposal of financial assets	0	1,378
Result from at equity investments	0	-207
Other	29	179
Tax expenditure/income (-) reported	1,141	2,098

The actual tax rate in the consolidated profit and loss account amounts to 41.9% (prev. year: 130.6%).

The deferred tax expenditure/tax income for the financial years 2006 and 2005 is made up as follows:

€k	2006	2005
Change in deferred tax assets and liabilities	180	143
Tax effects without any impact on profit/loss		
Disposal of treasury stock set off directly against capital reserves	0	-16
Unrealised gains on marketable securities (available-for-sale securities)	-129	7
Change in deferred tax assets and liabilities effecting net income	51	134
Change in deferred tax assets and liabilities resulting from the acquisition of consolidated subsidiaries	0	9
Deferred tax expenditure/income (-)	51	143

The tax expenditure includes current taxes in the amount of €k 1,090 (prev. year: €k 1,955). As at the reporting date, tax liabilities amount to €k 2,160 (prev. year: €k 1,638). These are set off by income tax receivables in the amount of € 418k (prev. year: € 0k).

20. Depreciation, amortisation and write-downs

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

€k	Depreciation on acquired assets		Amortisation of internally created assets		Total	
	2006	2005	2006	2005	2006	2005
Profit and loss statement item						
Cost of production	88	63	0	0	88	63
Marketing and selling expenses	38	29	0	0	38	29
General administration expenses	61	107	0	0	61	107
Research and development expenses	247	52	276	277	523	329
Total	434	251	276	277	710	528

D. Other notes

21. Segment reporting

Details are presented on the basis of business segments. The OnVista Group renders services in two segments – Media and Corporate Services (other business services).

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 were presented in the previous year. 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.

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In the financial year 2006, the sales, performance and financial situation in each segment is as follows:

€k	Media	Corporate Services	Consolidation	Group
External revenues	14,063	0	0	14,063
Internal revenues	9	0	-9	0
Segment revenues	14,072	0	-9	14,063
Other operating income	189	464	-361	292
Operating expenses	-10,879	-1,609	370	-12,118
Depreciation of tangible assets and amortisation of intangible assets	-701	-9	0	-710
<i>- of which special write-downs</i>	0	0	0	0
Operating income/loss (-)	2,680	-1,154	0	1,526
Financial result	98	1,099	0	1,197
Segment income/loss (-)	2,778	-55	0	2,723
Segment assets	3,428	50,076	-3,069	50,435
Segment liabilities	2,686	30,113	-2,320	30,479
Deferred taxes	0	1,555	0	1,555
Investments in tangible assets and intangible assets	1,115	320	0	1,435

The following summary shows the comparable figures for the financial year 2005:

€k	Media	Technologies	Corporate Services	Consolidation	Group
External revenues	9,744	0	0	0	9,744
Internal revenues	9	0	0	-9	0
Segment revenues	9,753	0	0	-9	9,744
Other operating income	256	0	594	-342	508
Operating expenses	-8,070	0	-1,172	352	-8,891
Depreciation of tangible assets and amortisation of intangible assets	-483	0	-46	0	-529
<i>- of which special write-downs</i>	-45	0	0	0	-45
Operating income/loss (-)	1,456	0	-624	0	832
Financial result	113	-32	693	0	775
<i>- of which from at equity investment</i>	0	-32	0	0	-32
Segment income/loss (-)	1,569	-32	69	0	1,607
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 tangible assets and intangible assets	1,071	0	0	0	1,071

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

In the Media segment, 12% (prev. year: 15%) of total sales were invoiced to customers outside Germany. However, services were rendered solely in Germany. Consequently, there is no secondary reporting from a geographic aspect.

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

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 2006, rental expenditure amounted to € 267k (prev. year: € 206k). Leasing expenditure arising from lease agreements related to technical equipment amounted to € 60k in the financial year 2006 (prev. year: € 45k).

As at 31 December 2006, 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:

€k	Minimum rental and leasing payments	Other payment commitments	Total
2007	319	600	919
2008	319	600	919
2009	200	600	800
2010	14	600	614
2011	14	0	14
Subsequent years	14	0	14
Total	880	2,400	3,279

The following financial commitments arose in the previous year:

€k	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
Total	995	3,000	3,995

23. Related party transactions

In the financial year 2006, no reportable events occurred in connection with natural persons or legal entities closely associated with the Group.

Consolidated Financial Statements 2006 under IFRS

Notes

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** (up to 27 June 2006)
- **Michael W. Schwetje**

Neither member of the Executive Board holds any Supervisory Board mandates.

In the financial year 2006, total remuneration for the Executive Board amounted to € 246k (prev. year: € 168k). A performance related payment for the Executive Board resulted in expenditure totalling € 131k in the financial year 2006 (prev. year: € 100k).

Remuneration for the Executive Board is not shown individually. The annual general meeting of OnVista AG decided on 27 June 2006 not to disclose information for the next five years required under § 285 sentence 1 no. 9 lit. a) sentence 5-9 as well as § 314 paragraph 1 no. 6 lit. a) HGB (German Commercial Code).

The Executive Board member Friedrich Oidtmann resigned from the Executive Board at the end of the annual general meeting on 27 June 2006 and moved to the Supervisory Board.

As in the previous year, the Executive Board was not granted any stock options for OnVista shares in 2006.

The number of OnVista shares held by members of the Executive Board on 31 December 2006 is as follows:

	Michael W. Schwetje
OnVista shares	1,678,580
Stock options	5,000

The Supervisory Board was made up as follows in the financial year:

- **Dr. Paul-Bernhard Kallen**, Managing Director of various companies within the Burda Group, Chairman
- **Dr. Johannes Meier**, Member of the Board of the Bertelsmann Foundation, Deputy Chairman (up to 27 June 2006)
- **Prof. Dr. Bernhard Schwetzer**, University Professor, Commercial College Leipzig (up to 27 June 2006)
- **Friedrich Oidtmann**, Managing Director, Deputy Chairman (since 27 June 2006)
- **Stephan Schubert**, Entrepreneur (since 27 June 2006)

Dr. Paul-Bernhard Kallen is also Chairman of the Supervisory Board of Tomorrow Focus AG. Messrs. Friedrich Oidtmann and Stephan Schubert do not hold any other Supervisory Board mandates.

In the year under review, total remuneration for the Supervisory Board amounted to € 35k (prev. year: € 35k).

The number of OnVista shares held by members of the Supervisory Board on 31 December 2006 is as follows:

	Dr. Paul-Bernhard Kallen	Friedrich Oidtmann	Stephan Schubert
OnVista shares	12,000	416,600	1,695,197
Stock options	0	5,000	0

Members of the Supervisory Board were not granted any stock options for OnVista shares in the financial year under review.

25. Employees

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

	2006	2005
Permanent employees (full-time equivalents)	76	53

26. Earnings per share

Basic earnings per share and diluted earnings per share for the financial years 2006 and 2005 are calculated as follows:

	2006	2005
Group income/loss (-) (€k)	1,582	-492
Weighted average of shares issued – basic (k)	6,676	6,646
Weighted average of shares issued – fully diluted (k)	6,725	6,646
Basic earnings per share (€)	0.24	-0.07
Diluted earnings per share (€)	0.24	-0.07

For the financial year 2006, 81,125 stock options of the 'OnVista Stock Option Plan 2001' were included in the calculation of the diluted earnings per share, since the exercise price of the options exceeded the market price of the shares on the balance sheet date. The dilution effect was calculated in accordance with the treasury stock method under 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:

	31.12.2006	31.12.2005
Number of in-the-money stock options	81,125	174,815
Average offer price of options (€)	6.55	6.31
Total value of in-the-money options (€)	531,478	1,103,045
Repurchase price (as closing price of OnVista shares on the last day of trading) (€)	16.65	8.05
Dilution effect (number of shares)	49,204	0

In accordance with the 'OnVista Stock Option Plan 2001', 6,500 options may be exercised as at 31 December 2006.

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 2006.

28. Subsequent events

On 16 January 2007, OnVista AG effected a special distribution from capital reserves as announced. The dividend for each share was € 3.75. The annual general meeting passed the relevant resolution on 27 June 2006.

On 22 March 2007, OnVista AG has taken over retroactively as at 1 January 2007 100% of the shares of AdzNet AG, Cologne.

29. Auditor's fee

In accordance with the decision of the annual general meeting on 27 June 2006, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Cologne, was appointed to audit the annual accounts 2006 of OnVista AG and the OnVista Group. In the consolidated financial statements 2006, € 40k (prev. year: € 42k) have been allowed in fees for the audit of the parent company and subsidiaries as well as the OnVista Group.

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

OnVista AG has submitted the declaration required for 2006 under § 161 AktG (German Stock Corporation Act) and has made the details available to all shareholders.

Cologne, 22 March 2007
The Executive Board

Consolidated Financial Statements 2006 under IFRS

Auditor's Opinion

We have audited the consolidated financial statements prepared by OnVista AG, Cologne – made up of the balance sheet, the profit and loss statement, 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 2006. 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) in observance of the principles of generally accepted audit procedures in Germany laid down by the institute of German auditors (IDW) and in additional observance of the International Standards on Auditing (ISA). 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, 22 March 2007

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



(Pollmann)
Certified Public Accountant



(ppa. Stramitzer)
Certified Public Accountant

Corporate governance recommendations largely observed

In 2006, the subject of corporate governance was again discussed extensively in public. Discussions were mainly restricted to one of around 80 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. The wording of the Code was changed in a few points on 12 June 2006. For example, in contrast to the version of 2005, components of the law regarding corporate integrity and modernisation of the right of avoidance (UMAG) were embodied in the Code – entry 'Smooth handling of the annual general meeting – as well as adaptations with regard to the law concerning the disclosure of Executive Board compensation (VorstOG).

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 2006. The full statement can be viewed on our web site www.onvista-group.de, in the section Investor Relations > Mandatory Disclosures > Corporate Governance.

Statement of compliance

OnVista adheres to all recommendations laid down in the Code (version of 12 June 2006), 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.)
- Up to 2005, OnVista was active in two business segments. Since the sale of the investment in IS.Teledata AG (Technologies business segment) in December 2005, OnVista AG has been concentrating on its internet business (Media business segment). As a result, the Board responsibilities related to the second business segment and the overriding co-ordination of the business segments have ceased to apply. One Director is therefore sufficient for the management of the remaining business. (4.2.1.)
- 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.)
- 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 paid to 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 is being declared. (5.4.7.)

Executive board remuneration report

■ Main features of the Executive Board compensation system

All members of the Executive Board have an income plan 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 shares as a long term performance component. However, the Executive Board has not received any further stock options since the financial year 2004. The Supervisory Board is of the opinion that the Executive Board is sufficiently motivated through shares and the further issue of stock options will not bring any additional value. The number of stock options offered is orientated on the aforementioned targets being reached. The 'OnVista Stock Option Plan 2001' forms the basis for granting stock options. In terms of content, the stock options are equal with the stock options offered also to employees of OnVista AG or employees at affiliated companies. The precise structuring of the stock option plan is set out in detail in the notes of this annual report (item 13.).

■ Executive Board compensation in the financial year 2006

In the financial year under review, the Executive Board was made up of Friedrich Oidtmann (up to 27 June 2006) and Michael W. Schwetje. The Executive Board member Friedrich Oidtmann resigned from the Executive Board at the end of the annual general meeting of OnVista AG on 27 June 2006 and moved to the Supervisory Board.

Corporate Governance Report

Remuneration for the Executive Board in the financial year 2006 totalled € 246k (prev. year: € 168k). Added to this was a performance related payment in the amount of € 131k (prev. year: € 100k). As in the previous year, the Executive Board was not granted any stock options for OnVista shares in 2006.

As at 31 December 2006, the Executive Board of OnVista AG held 1,678,580 shares and 5,000 stock options.

At the end of the year under review, the value of stock options granted to members of the Executive Board amounted to € 35,529.

On 27 June 2006, the ordinary general meeting of OnVista AG decided with a two-thirds majority to dispense with a detailed declaration of Executive Board compensation for a period of five years.

Supervisory Board remuneration report

■ Main features of the Supervisory Board compensation system

All members of the Supervisory Board receive a fixed remuneration for every full financial year of their membership in the Supervisory Board. The Chairman receives one and a half times the amount. Members of the Supervisory Board who

are members for less than a full financial year receive the fixed remuneration pro rata temporis. Members of the Supervisory Board also receive a refund for all their expenses.

■ Supervisory Board compensation in the financial year 2006

In the financial year under review, the Supervisory Board was made up of Dr. Paul-Bernhard Kallen, Chairman, Dr. Johannes Meier, Deputy Chairman (up to 27 June 2006), Prof. Dr. Bernhard Schwetzler (up to 27 June 2006), Friedrich Oidtman, Deputy Chairman (since 27 June 2006) and Stephan Schubert (since 27 June 2006).

Total compensation for the Supervisory Board in the year under review amounted to € 35k (prev. year: € 35k). No stock options for OnVista shares were granted at all.

Directors' dealings

Under § 15a of the German Securities Trading Act (WpHG), persons with executive responsibilities, such as members of the Supervisory Board and Executive Board of OnVista AG as well as persons closely related to them, are committed to disclose the purchase or sale of OnVista shares or related financial instruments, in particular derivatives.

In the financial year 2006, we received notification of the following transactions:

Date	Type of transaction	Number of shares	Price €	Volume of business €	Reporting party
17.3.2006	Sale	5,316	14.62	77,737.57	Michael W. Schwetje
31.3.2006	Sale	1,500	15.00	22,500.00	Dr. Johannes Meier
19.7.2006	Purchase	500	9.53	4,765.00	Dr. Paul-Bernhard Kallen
19.7.2006	Purchase	500	9.64	4,820.00	Dr. Paul-Bernhard Kallen
19.7.2006	Purchase	1,400	9.62	13,468.00	Dr. Paul-Bernhard Kallen
19.7.2006	Purchase	1,400	9.60	13,440.00	Dr. Paul-Bernhard Kallen
19.7.2006	Purchase	1,400	9.67	13,538.00	Dr. Paul-Bernhard Kallen
19.7.2006	Purchase	1,400	9.60	13,440.00	Dr. Paul-Bernhard Kallen
20.7.2006	Purchase	1,300	9.70	12,610.00	Dr. Paul-Bernhard Kallen
28.11.2006	Sale	8,000	16.03	128,210.00	Dr. Paul-Bernhard Kallen
28.11.2006	Purchase	1,000	16.00	16,000.00	Dr. Paul-Bernhard Kallen
29.11.2006	Sale	3,684	16.80	61,907.00	Michael W. Schwetje
29.11.2006	Sale	3,500	17.00	59,500.00	Stephan Schubert
30.11.2006	Sale	4,000	17.04	68,155.00	Dr. Paul-Bernhard Kallen
11.12.2006	Sale	4,000	16.80	67,250.00	Dr. Paul-Bernhard Kallen
12.12.2006	Sale	500	17.00	8,500.00	Dr. Paul-Bernhard Kallen

All transactions have been published on our corporate web site www.onvista-group.de in the section 'Investor Relations'. OnVista AG did not have any other notifications on the purchase and sale of OnVista shares or related financial instruments on hand.

Financial Calendar/Core Stock Market Data/Imprint

Financial calendar 2007

Annual accounts press conference and analyst briefing	18 April 2007
Three months report 2007	10 May 2007
Annual general meeting 2007	13 June 2007
Six months report 2007	14 August 2007
Nine months report 2007	14 November 2007

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 AG
Index memberships	CDAX, GEX, Prime All Share, Technology All Share, Prime IG Internet

Order service financial publications

On request, we would be pleased to send you a copy of the individual annual accounts 2006 for OnVista AG under HGB – German Commercial Code (available in German language only).

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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.

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