FINANCIAL REPORT 2009

NOVAVISIONS AG

LETTER TO SHAREHOLDERS

The crisis year 2009 has been successfully overcome and we are well set up for 2010

Dear Shareholders,

In economic terms the year 2009 was one of the most turbulent in history. Let us hope that we have now put the worst of it behind us! In that year of crisis Novavisions made calm, level-headed and also successful progress, closing the year with a positive result. We consider ourselves well prepared for the future.

Some assets were disposed of at a profit last year. Of particular note is the sale of the majority stake in the NovaStor companies to management. In addition to a reasonable price for the transaction, which resulted in a profit for Novavisions, the sale enabled several other targets to be met. Firstly, the strategy determined by the Board of Directors and adopted at the Annual General Meeting in May 2009 was implemented, meaning that Novavisions will now only hold minority stakes in companies. Secondly, Novavisions is convinced that financially committed management will make NovaStor even more successful and that this will have a particularly positive effect on the value of the substantial minority stake still held by Novavisions. Thirdly, the deal created liquidity that can be used for further investments.

As well as NovaStor, MultiCom and Finanzkontor Zürich AG, both important components of the portfolio, also worked hard in 2009. MultiCom reported an operating result that roughly matched the previous year's strong figures. Finanzkontor Zürich AG is a young, alternative investment vehicle and also put in an above-average performance.

Shortly after the financial year 2009 came to a close the equity investment in petshop.de added another very promising company to the portfolio. The necessary financing was arranged without difficulties. This shows that Novavisions is well set up and capable of taking action when the opportunities are right.

Now that all majority stakes have been sold, 2009 will be the last year for which a mixed balance sheet is reported, including consolidated results of subsidiaries. Not least the elimination of this factor meant that in the second half of the year costs were reduced considerably; a process which can be continued in the first quarter of. Total costs for 2010 will be nearly half those for 2009.

The value of Novavisions and therefore of the share depends primarily on the valuation of the portfolio companies. Novavisions has a very positive opinion of all the investments, as all companies have worked well in a difficult period, are at least break-even on an operating basis and have a sound financial base.

Novavisions examines other investment opportunities as they arise. We are confident that we will be able to make an additional strategic investment in 2010. Planning and execution will be carried out with great caution.

NOVAVISIONS AG

Result

Following a loss of EUR 1.13m in 2008, a profit of EUR 0.86m was generated in 2009. The equity ratio stands at 72.3% and reflects the company's continual financial improvement.

Portfolio valuation

The carrying amounts of the portfolio investments correspond to market values. From the current perspective, all the companies in the portfolio will achieve positive results in 2010. This should have a good effect on the portfolio valuation.

Prospects for 2010

The Board of Directors is expecting positive developments. It should nevertheless be remembered that Novavisions has operating expenses that lead to operating losses without changes in the portfolio valuation. These can be recouped very rapidly if the changes in the portfolio take place. We would nevertheless like to take this opportunity of reminding shareholders of this normal feature of a venture capital company. Increasing the value of the investment sustainably while keeping management costs low is the core of the value creation process which Novavisions strives to achieve. With the balanced portfolio and management expenses of only around €300,000 this is now a realistic objective.

Thanks

Our thanks are due for the confidence placed in us. We thank the staff of the various portfolio companies for their great commitment and their professionalism, which is particularly important in these difficult economic times.

Yours sincerely,

Novavisions AG

Adrian Knapp	Jean-Christoph Probst
CEO/Chairman	Chief Financial Officer

THE COMAPANY

Novavisions AG is an investment company specialised in consulting and investments in the technology sector. In addition to the overall idea and the sustainable potential of the technology, the decision to invest will depend primarily on the management and the people involved. Novavisions takes an active role in the investment but does not aim for holding majority stakes.

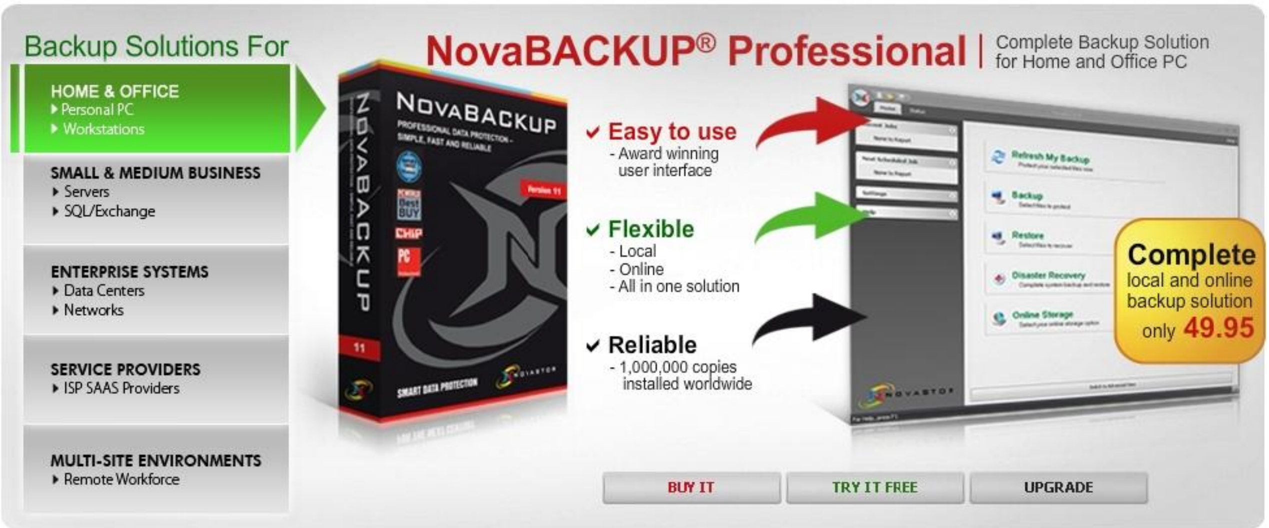
NOVAVISIONS AG, OVERVIEW

In thousand EUR

		Restated
	01.-12.09	**01.-12.08**
	EUR	**EUR**
Net operating income	461	-240
General & administrative expenses	-672	-917
EBTDA	-211	-1'157
Depreciation	-18	-21
Operating Result (EBT)	-229	-1'178
Profit/Loss from continued operations	-35	-1'399
Profit/Loss from discontinued operations	897	274
Profit/Loss for Period	**862**	**-1'125**
Earnings per GDR, diluted	0.04	-0.05
GDRs, diluted		
- average in circulation	24'077'470	24'077'470
- in circulation as per spot date	24'077'470	24'077'470
	31.12.09	**31.12.08**
Equity capital	5'275	4'364
Equity ratio	***72.3%***	***49.4%***
Balance sheet total	7'291	8'835

MAJOR INVESTMENTS

NovaStor is headquartered in Switzerland but it also owns offices/operations in the United States and in Germany. NovaStor is a leading provider of award winning software solutions for data availability and protection. NovaStor's products, which comprises online/offline data protection, data recovery and the long-term, legally-compliant storage meet the requirements of different end-users starting from individuals over small and medium-sized business users to large enterprises.



NovaStor is provides in the growing SaaS/Cloud Market – with approx. 1.000 active Service Providers – one of the market leading solutions. Through a recently launched initiative www.storageline.com, NovaStor offers an industry first, strategic growth package for service providers with the worldwide first Storage as a Service (SaaS)-Portal). Amongst others the offering of a professional Backup Software for free on www.storageline.com enables high clicks of potential customers. NovaStor is available at www.novastor.

Selected Awards and Certifications

Selected References

Finanzkontor Zürich AG invests in severely undervalued assets of all kinds. Its broadly diversified portfolio, which covers all asset classes such as equities, bonds, property, shipping partnerships, precious metals and commodities, is intended to offer an above-average medium to long-term return at lower volatility and minimal risk.

The company invests in publicly listed and non-listed asset classes. Finanzkontor Zürich AG is therefore able to purchase shares in the secondary market for shipping partnership interests and property for instance. But attractive pre-IPO investments, i.e. companies preparing for a flotation, can also be included in the portfolio. This means there are no barriers to an optimal portfolio allocation and the company can respond flexibly in all market phases.

As a shareholder of Finanzkontor Zürich AG one does not have to worry about rebalancing the portfolio and benefits from the fact that the work is carried out by real professionals. As the company is based in Switzerland, all transactions to redeploy capital within Finanzkontor Zürich AG can be performed in a tax-efficient manner. Finanzkontor Zürich AG can be reached www.zfk-ag.ch.

MultiCom Software Oy improves and integrates software technologies (from NovaStor amongst others) for important Finnish companies such as TietoEnator and Cap Gemini. The company is based in Lappeenranta in Eastern Finland, near St. Petersburg and constitutes an important hub in the innovative Finnish mobile market, which continues to set global trends. In 2008 MultiCom Software Oy achieved a double digit revenue growth and the profit rose super proportionally. MultiCom Software Oy has been profitable for years. MultiCom can be reached at www.multicom.fi.

Selected References

NEW INVESTMENTS AFTER REPORTING PERIOD

With more than 10,000 articles for dogs, cats, birds, small animals, horse-riding, aquariums and terrariums, **Petshop.de** is one of the largest German online shops for pet supplies. Petshop.de GmbH can draw on logistics support from BTG Systemlogistik Group, the largest wholesale purchasing alliance for pet supplies in Germany and Austria, giving the company considerable strategic advantages.

In 2009 petshop.de reported year-on-year revenue growth of around 63%. The number of new customers also grew at a double-digit rate. Petshop.de can be found at www.petshop.de.

MANAGEMENT AND BOARD OF DIRECTORS

As of December 31, 2009, the Management and the Board of Directors at Novavisions' Group comprised the following persons:

Board of Directors

Adrian Knapp, Chairman has a Master's in Business Economics. After a commercial education and employment outside of the IT industry, including an extended period abroad, he began his career in IT in 1987. In 1991 he was co-founder of Dicom AG, an International IT company which went public on AIM London in 1995. In 1994 he joined COPE AG, a Swiss based IT firm he co-founded. Cope went public on Nasdaq in 1998 and merged with Mount10 in 2001. Mount10 went public on Neuer Markt, Frankfurt in 2000. Mount10 bought the American NovaStor in 2005. In 2006 he was the main initiator of Novavisions AG. He is also member of the Board of Directors of Finanzkontor Zürich AG.

Markus Bernhard, Member of the Board of Directors graduated from the University of St. Gallen (HSG) as a licensed Business Economist HSG. He worked for Revisuisse Pricewaterhouse between 1991 and 1997. During this period, he became a Certified Public Accountant. in September 1997 he became Chief Financial Officer of COPE, Inc. and was the main driver in the IPO processes of COPE (Nasdaq 1998) and Mount10 (Neuer Markt Frankfurt, 2001). He served as CFO for Novavisions till March 2007. In April 2007 he became CFO of mobilezone holding ag, the leading Swiss based independent mobile phone provider.

Peter Urs Naef, Member of the Board of Directors is the owner and partner of Naef Partners AG in Zurich, Switzerland. He is also a member of the board of directors of Engelberg Titlis Tourismus AG in Engelberg, Switzerland, of The Guide Company in Zürich, Switzerland, of Swiss Equity Medien AG in Bern, Switzerland and a member of the Advisory Board of the Swiss Economic Forum. Peter Urs Naef joined the Board of Directors of today's Novavisions AG in 2002.

Sascha Magsamen, Member of the Board of Directors holds a Master of Science in Economics (FH). After graduating he worked as business editor for print magazines such as "Euro am Sonntag", "Die Telebörse" as well as the business newspaper "Börsen-Zeitung". 2004 he moved from Economic Journalism to Investment Banking. At Dresdner Kleinwort Wasserstein he was in the bank's own share trading with focus on second-line stocks in the DACH region. At the function of a director he left the instituton end of 2009. Sascha Magsamen is member of the management board of Impera Total Return AG in Frankfurt since 2010. Sascha Magsamen started his activities as an entrepreneur in the media sector in 1995. As from 2001 he co-founded and financed more than a dozen SMBs. He serves in several Boards of Directors.

Management

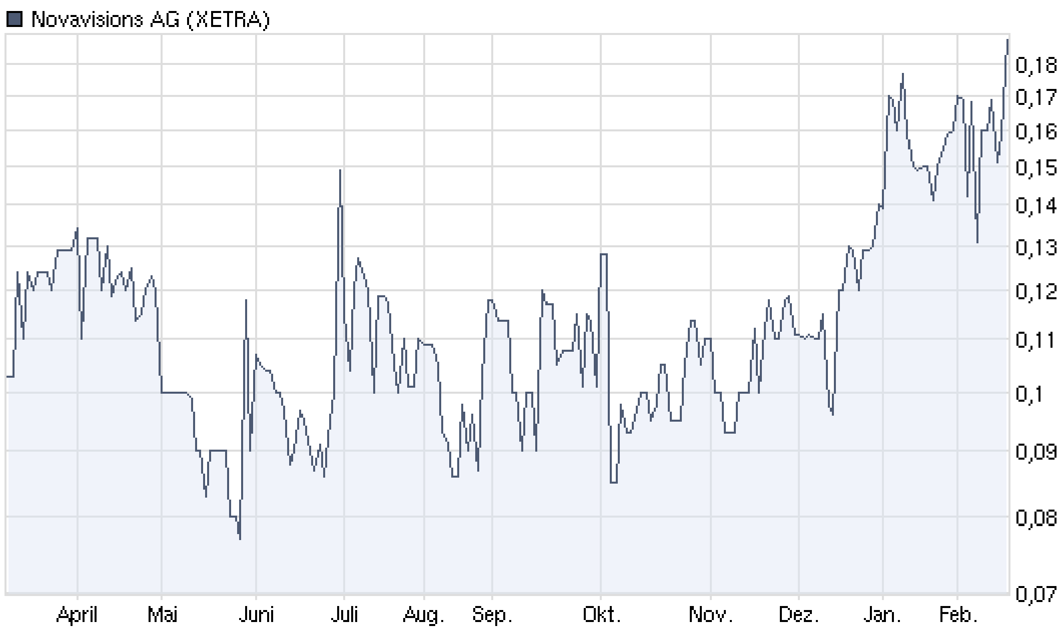
Adrian Knapp, Chief Executive Officer
Jean-Christophe Probst, Chief Financial Officer

NOVAVISIONS SHARES

The share price of Novavisions has developed as follows:

Highest price (Xetra) 14.04.09: EUR 0.22
Lowest price (Xetra) 27.05.09: EUR 0.07

Prime Standard (12 months)



Investor Relations:

Would you like to receive Novavisions‘ newsletter? Get in contact with us:

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or register yourself directly on out homepage:
http://www.novavisions.com/content/anmeldung_d.asp?seiid=6

FINANCIAL REPORT 2009

Consolidated Balance Sheet (IFRS)

			Restated	
		31.12.09	31.12.08	01.01.2008
A S S E T S		EUR	EUR	EUR
Long-term assets				
Tangible fixed assets	E 4	5'540	23'327	40'338
Investements	E 5	4'931'477	81'017	0
Investments in associated companies	E 6	860'775	852'695	722'078
Long-term loans	E 15	1'200'715	0	0
Long-term assets, total		**6'998'507**	**957'039**	**762'416**
Short-term assets				
Assets of discontinued operations	G 1	0	7'863'674	7'756'288
Short-term loans	E 3	0	202	1
Prepaid expenses and other short-term current assets	E 2	27'086	9'426	118'739
Accounts receivables from sales & services		6'959	0	0
Cash and cash equivalents	E 1	258'857	4'217	60'322
Short-term assets, total		**292'902**	**7'877'519**	**7'935'350**
Assets, total		**7'291'409**	**8'834'558**	**8'697'766**

Notes in the appendix are part of the consolidated statement.

CONSOLIDATED BALANCE SHEET (IFRS)

		31.12.09	Restated 31.12.08	01.01.08
EQUITY & LIABILITIES		**EUR**	**EUR**	**EUR**
Equity Capital				
Subscribed capital	E 14	5'472'299	5'472'299	5'472'299
Capital reserve		2'131'561	4'118'974	7'278'324
Own shares			0	-41'650
Retained earnings		-2'722'202	-5'571'226	-7'613'724
Cumulative exchange rate difference		393'090	343'981	-104'633
Equity Capital, Shareholders of Novavisions AG		**5'274'748**	**4'364'028**	**4'990'616**
Minority stakes		0	0	20'935
Equity capital, total		**5'274'748**	**4'364'028**	**5'011'551**
Long-term liabilities				
Bonds	E 11	958'151	1'037'265	698'537
Long-term provisions		0	0	344'071
Deferred tax liabilities	E 7	30'773	184'480	0
Long-term liabilities from continued operations		**988'924**	**1'221'745**	**1'042'608**
Short-term liabilities				
Liabilities of discontinued operations	G 1	0	2'412'065	2'295'657
Short-term bonds	E 11	159'000	0	0
Accounts payable from sales and services		10'593	46'127	14'538
Short-term provisions	E 8	94'327	0	0
Other short-term liabilities	E 9	657'164	591'836	225'015
Deferred revenue	E 10	98'026	146'977	108'397
Deferred short-term tax liabilities	E 7	8'627	51'780	0
Short-term liabilities, total		**1'027'737**	**3'248'785**	**2'643'607**
Liabilities, total		**2'016'661**	**4'470'530**	**3'686'215**
Equity and Liabilities, total		**7'291'409**	**8'834'558**	**8'697'766**

Notes in the appendix are part of the consolidated statement.

CONSOLIDATED INCOME STATEMENT (IFRS)

		01.-12.09	Restated 01.-12.08
		EUR	EUR
Net result from investments	F 1	14'066	-554'046
Revaluation at fair value	F 1	325'216	0
Net result from associated companies	E 6	7'189	55'881
Dividend income	F 1	22'792	20'527
Interest income	F 1	15'236	46'643
Income from sale of fixed assets	F 1	180'502	118
Other income	F 1	89'460	158'162
Interest expense	F 1	-155'679	-222'088
Other financial expenses	F 1	-36'394	0
Net foreign exchange gain/loss	F 1	-1'459	125'447
Net operating income		**460'929**	**-369'356**
General and administrative expenses	F 2	-671'626	-787'391
Earnings before taxes, depreciation and amortization		**-210'697**	**-1'156'747**
Depreciation	E4	-18'159	-20'918
Earnings before taxes		**-228'856**	**-1'177'665**
Income taxes	F 3	193'573	-221'853
Net result from continued operations		**-35'283**	**-1'399'518**
Net result from discontinued operations	G 2	**896'894**	**274'330**
Total net result		**861'611**	**-1'125'188**
of which attributable:			
to shareholders		861'611	-1'104'253
to holders of minority interests		0	-20'935
Earnings per GDR	F 4		
undiluted		**0.036**	**-0.047**
continued operations		-0.001	-0.058
discontinued operations		0.037	0.011
diluted		**0.036**	**-0.047**
continued operations		-0.001	-0.058
discontinued operations		0.037	0.011
Average of GDRs in circulation:			
undiluted		24'077'470	24'077'470
diluted		24'077'470	24'077'470

Notes in the appendix are part of the consolidated statement.

Consolidated Statement of Comprehensive Income (IFRS)

	01.-12.09	01.-12.08
	EUR	EUR
Net result	**861'611**	**-1'125'188**
Other comprehensive income:		
Currency translation differences	49'109	448'614
Other comprehensive income	**49'109**	**448'614**
Total comprehensive income	**910'720**	**-676'574**
of which attributable:		
to shareholders	910'720	-655'639
to holders of minority interests	0	-20'935

Consolidated Statement of Changes in Equity (IFRS)

EUR	Subscribed capital	Capital reserves	Own Shares	Net profit	Cumulative exchange rate difference	Minority stake of equity capital	TOTAL
Balance 31.12.07	**5'472'299**	**7'278'324**	**-41'650**	**-7'613'724**	**-104'633**	**20'935**	**5'011'551**
Cost of increase in capital	0	208	0	0	0	0	208
Assignment of net result	0	-3'159'558	0	3'159'558	0	0	0
Sale of own shares	0	0	41'650	-12'807	0	0	28'843
Net result	0	0	0	-1'104'253	448'614	-20'935	-676'574
Balance 31.12.08	**5'472'299**	**4'118'974**	**0**	**-5'571'226**	**343'981**	**0**	**4'364'028**
Assignment of net result	0	-1'987'413	0	1'987'413	0	0	0
Net result	0	0	0	861'611	49'109	0	910'720
Balance 31.12.09	**5'472'299**	**2'131'561**	**0**	**-2'722'202**	**393'090**	**0**	**5'274'748**

The share capital as of December 31, 2009 is CHF 8‘427‘114.50 divided into 2‘407‘747 bearer shares (31.12.08: 2’407’747 bearer shares) of CHF 3.50 each which is converted at historical cost.
For further information see appendix pos. E14.

NOVAVISIONS AG

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

		01.-12.09	Restated 01.-12.08
		EUR	EUR
Profit/loss before taxes		-228'856	-1'177'665
Depreciation of fixed assets and amortisation of intangible assets		18'159	20'918
Net result investement		-14'066	554'046
Revaluation at fair value		-325'216	0
Discounting of bonds		77'310	-145'336
Financial revenue from associated companies		-7'189	-55'881
Financial result		119'110	-99'740
Gain on disposal of fixed assets		-180'502	-118
Gain on disposal of investements		-6'959	0
Change in other current assets		-17'458	109'113
Change in accounts payable for goods and services		-35'534	31'589
Change in other short-term liabilities		-147'359	608'958
Change in provisions		94'327	-558'549
Taxes paid		-268	0
Off-set elimination of discontinued operations		-445'300	165'626
CASH FLOW FROM OPERATING ACTIVITIES		**-1'099'801**	**-547'039**
Purchase/disposal of fixed assets and intangible assets		179'860	-657
Purchase/Disposal of investments		1'252'070	54'000
Granting and repayment of loans		1'532	3'597
Interests received		1'763	537
Dividends receivd		22'792	20'527
CASH FLOW FROM INVESTMENT ACTIVITIES		**1'458'017**	**78'004**
Sale of own shares		0	29'268
Net expeditures/payments from bonds/loans		-37'111	449'000
Interests paid		-70'738	-61'355
CASH FLOW FROM FINANCING ACTIVITIES		**-107'849**	**416'913**
Foreign exchange differences		4'273	-3'983
NET CHANGE IN CASH AND CASH EQUIVALENTS		**254'640**	**-56'105**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**4'217**	**60'322**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**258'857**	**4'217**
CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS			
NET CHANGE IN CASH AND CASH EQUIVALENTS		**254'640**	**-56'105**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**4'217**	**60'322**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**258'857**	**4'217**
CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS			
NET CHANGE IN CASH AND CASH EQUIVALENTS	G 3	**-706'975**	**274'895**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**813'825**	**538'930**
Disposal of cash through deconsolidation		-106'850	0
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**0**	**813'825**

The notes in the appendix are part of the consolidated statement.

CONSOLIDATED APPENDIX

A CORPORATE DATA

General

The headquarters of Noavisions AG (Novavisions for short) is located at Grundstrasse 12 in Rotkreuz/Kanton Zug (Switzerland). The company was established on entry into the commercial register on 16 December 1999.

Presentation of financial reporting

In August 2007 the Board of Directors voted to realign Novavisions AG as a pure investment company. This resolution has since been implemented, with the result that the company now only holds minority stakes. In the present report the existing majority stakes and their operations are therefore presented as consolidated companies until the date of their deconsolidation, but only summarily under “discontinued operations”.

The reporting date is 31 December and the accounting period starts on 1 January and ends on 31 December.

This financial report was approved by the Board of Directors on March 24, 2010.

B REPORTING STANDARDS

The consolidated financial statements for Novavisions AG are based on uniform accounting and measurement principles. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated income statement is based on historic cost to the Group. Certain assets are held at fair value from the outset.

Preparing consolidated financial statements in accordance with IFRS requires estimates to be made. Applying accounting and measurement methods throughout the company also requires management to make assessments. Estimates subject to a material risk of restatement within twelve months and other far-reaching discretionary decisions are listed in D 19.

Newly applied International Financial Reporting Standards

The following new or revised IFRS and IAS are applicable as of 1 January 2009:

IFRS 8	Operating Segments (replaces IAS 14). The standard redefines segment reporting and requires disclosure of explanatory information on the operating segments, products and services provided, geographical distribution and information on major clients. This leads to additional disclosures but not to any fundamental change in segment definition.
IAS 1 (amended)	Presentation of Financial Statements. New in particular are clearer distinctions between changes in equity that reflect profit or loss and those relating to transactions with shareholders.

These changes had no financial effects on the financial statements for the reporting period.

The introduction of or amendments to the following standards had no material effect on the financial statements for Novavisions:

IFRS 2 (amended)	Share-based Payment
IAS 23 (amended)	Borrowing Costs
IFRS 1 (amended)	First-time Adoption
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IAS 32 (amended)	Financial Instruments: Presentation
IAS 39 / IFRIC 9	Embedded Derivatives

International Financial Reporting Standards (IFRS) applicable in future

The following new and revised standards and interpretations have been adopted but only come into effect at a later date and have not been applied in advance in the present consolidated financial statements. Their effects on the Group‚s financial reporting have not yet been analysed systematically. The anticipated effects mentioned therefore only represent an initial assessment by Group management.

Effective date and planned application from the financial year 2010 or later

The introduction of the following standards could have an effect on Novavision‚s future financial statements:

IFRS 3 (amended)	Business Combinations: Key changes relate to accounting for ancillary acquisition costs, which in the revised standard are to be recognised as an expense in the income statement, the measurement of minority interests, recognition of business combinations achieved in stages and accounting for contingent consideration.

For the following standards the effects on Novavision‚s financial statements cannot yet be determined with sufficient certainty:

IAS 27 (amended)	Consolidated and Separate Financial Statements under IFRS
IAS 39	Financial instruments: Recognition and Measurement, including rules on the use of the fair value option
IFRIC 17	Distributions of non-cash assets to owners
IFRIC 18	Transfers of Assets from Customers
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

C CONSOLIDATION PRINCIPLES

1. Investment portfolio and group of consolidated companies

Up to 30.6.2009 the consolidated financial statements were made up of the separate financial statements for Novavisions AG and those of directly and indirectly controlled domestic and foreign companies (subsidiaries). Until this date the financial statements for Group companies were fully consolidated, i.e. assets, liabilities, income and expenses were included in full. When control was relinquished as of 30.6.2009 all majority equity investments were deconsolidated.

Equity interests in companies in which the Group can exercise a significant influence on operating and financial decisions (associated companies) are accounted for using the equity method. The acquisition costs are offset by changes in equity attributable to the share of capital in the company (see consolidated income statement). Significant influence normally exists when an investor holds a voting share of at least 20%. A company is consolidated for the first time from the acquisition date (change of control) or the date of establishment during a financial year. After a disposal the company is consolidated up to the date of the change of control in significant cases (in the case of a liquidation; up to the date of liquidation).

Investment portfolio as per 31.12.

Name / Headquarters	*Country*	*Share 2009*	*Share 2008*	*Capital stork*		*Valuation*
NovaStor AG, Rotkreuz	Switzerland	16.6%	0%	CHF	100’000	fair value
NovaStor Corporation, Simi Valley (CA)	USA	49%	100%	USD	0	fair value
NovaStor Software AG, Rotkreuz	Switzerland	30%	100%	CHF	100'000	fair value
NovaStor GmbH, Hamburg	Germany	100%	100%	EUR	25'565	fair value
Finanzkontor Zürich AG (Risch), Rotkreuz	Switzerland	2.9%	4.3%	CHF	2‘683‘200	fair value 1)
Multicom Software Oy, Lappeenranta	Finland	40%	40%	EUR	166'912	Equity method
Mount10 PCM GmbH, Rotkreuz	Switzerland	24%	24%	CHF	55'000	Equity method

1) The capital increase that took place on 29 April 2009 of nominally CHF 894,400 from authorised capital, precluding share-holders, subscription rights, diluted Novavisions’ equity stake from 4.3% to 2.9%.

Consolidated group:
The consolidated group includes the following companies:

Name / Headquarters	*Country*	*Share 2009*	*Share 2008*	*Capital stock*		*Cons. method*
Novavisions AG, Rotkreuz	Switzerland			CHF	8‘427‘115	
Multicom Software Oy, Lappeenranta	Finland	40%	40%	EUR	166'912	Equity method
Mount10 PCM GmbH, Rotkreuz	Switzerland	24%	24%	CHF	55'000	Equity method

In the previous year and in the first half of 2009 the following companies were also included in the group of consolidated companies:

Name / Headquarters	*Country*	*Share 2009*	*Share 2008*	*Capital stock*		*cons. method*
NovaStor Corporation, Simi Valley (CA)	USA	49%	100%	USD	0	Full consolidation 1)
NovaStor Software AG, Rotkreuz	Switzerland	30%	100%	CHF	100'000	fair value 1)
NovaStor GmbH, Hamburg	Germany	100%	100%	EUR	25'565	fair value 1)
Finanzkontor Zürich AG (Risch), Rotkreuz	Switzerland	2.9%	4.3%	CHF	2‘683‘200	fair value 2)

1) In 2009 this company’s operations were designated as discontinued operations and fully consolidated in the income state-ment up to 30 June 2009. The balance sheet item was deconsolidated as of 30 June 2009 as control over these companies was relinquished in June 2009. Since then the companies have been held at market value.

2) In 2008 this company’s operations were consolidated in the income statement up to 31 March. The balance sheet item was deconsolidated as of 1 April 2008, as the majority stake in the company was sold in March 2008. Since then the company has been held at market value.

2. Reporting date

All consolidated companies close their annual financial statement on 31 December. The fully consolidated separate financial statements for the consolidated companies are prepared in accordance with a uniform basis of recognition and measurement principles.

Exchange rates

The resprective group exchange rate tables are used for foreign currency translations.

in EUR	ISO-Code	Unit	2009		2008	
			31.12.	Average	31.12.	Average
Swiss Francs	**CHF**	1	1.4842	1.5095	1.4860	1.5825
US-Dollar	**USD**	1	1.4336	1.3919	1.3920	1.4702

3. Consolidation methods

Transactions between group companies, the resulting receivables and liabilities as well as interim profits contained in assets from within the Group are eliminated. Acquisitions are accounted for under the purchase method. At initial consolidation the identifiable net assets and contingent liabilities of the relevant company are recognised at their fair values as of the acquisition date (including minority interests). A positive difference between the Group's share of the revalued equity and the acquisition costs of the acquisition is recognised as acquired goodwill. This is subjected to an impairment test annually or more frequently if there is an indication that it may be impaired. For this purpose goodwill is attributed to a cash-generating unit (the smallest identifiable group of assets which generates cash independently of other assets) from the acquisition date. The impairment test consists of comparing the higher of fair value less costs to sell and value in use for each cash-generating unit with the carrying amount of the net assets plus attributed goodwill in the consolidated financial statements as of the same date. Novavisions AG makes the comparison with values in use, as fair values less costs to sell cannot be reliably determined. Any impairment is recognised in profit and loss and shown separately. It is not reversed if the impairment ceases to exist. If additional shares are acquired in an existing subsidiary this is not treated as an acquisition but as a transaction with minority shareholders. Any difference between the acquisition costs of these shares on the acquisition date and the pro rata share of additional equity (in the financial statements of the company for consolidation purposes, i.e. without revaluation) is offset against capital reserves. If shares in an existing subsidiary are sold, the difference between the proceeds for these shares as of the sale date and the pro rata share of company equity is recognised in profit and loss, i.e. in the income statement. Deferred variable purchase price components are revalued as of the reporting date. Measurement differences due to a different assessment of the deferred purchase price component which will be payable are recognised by restating goodwill accordingly. Interest is recognised as a financial expense in the income statement. Under the equity method the capital consolidation takes place in a separate account. There is no revaluation and no other consolidation procedures, as the information required is generally not available. As of the reporting date the investee company is reviewed for indication of impairment and if appropriate subjected to an impairment test as described above. Any impairment is recognised in the financial result. The difference from capital consolidation (goodwill) is subject to a separate impairment test as it is part of the carrying amount for the investment. If the associated company is over-indebted the equity method is no longer applied as the Group has no obligation to make good losses (i.e. the carrying amount for the investment is zero).

D ACCOUNTING PRINCIPLES

1. General

The asset and liability items are measured under consideration of the provisions of IFRS. Any striking changes in the accounting policies applied are explained respectively.

2. Historical cost concept

The annual financial statement is based on the historical cost concept. Unless otherwise indicated, assets and liabilities are posted at their nominal value minus any necessary adjustments.

3. Currency translation

The individual companies prepare their financial statements in their functional currency. Monetary assets and liabilities held in foreign currencies are translated at the reporting date. Exchange rate gains and losses resulting from transactions and from the translation of balance sheet items are recognised in the income statement. Derivative financial instruments used to hedge such balance sheet items are measured at fair value, whereby changes in fair value are also recognised in profit or loss.

The consolidated financial statements are prepared and presented in euros. For the purposes of consolidation, financial statements in foreign currencies for foreign subsidiaries are translated as follows: balance sheets at spot rates on the reporting date, income statements and cash flow statements at average rates for the financial year. Translation differences resulting from differing translation of balance sheets and income statements and from the translation of Group loans with equity characteristics in foreign currencies are recognised directly in Group reserves without effect on profit or loss – the cumulative amount is shown separately. On disposal of a foreign subsidiary the relevant cumulative translation differences are recognised in the income statement.

4. Income statement

The income statement has been created according to the total expenditure format.

5. Pension ogligations

The Novavisions group provides pension schemes for employees in accordance with national legislation. They are outsourced to establishments and foundations that are financially independent of the Novavisions group.

In Switzerland, the Novavisions group bears the costs of benefits for all employees and their surviving dependents in accordance with legal requirements. The benefit obligations and the assets used to cover them are held by legally independent collective foundations of insurance companies. The organization, management and financing of the benefit schemes are based on Swiss insurance law (BVG), the foundation instruments and the applicable pension regulations.

In the case of schemes with defined benefit plans, the present value of expectancy based on seniority, expected salary and pension development, and expected return on the capital investment is periodically calculated by independent insurance experts according to the projected unit credit method.

The differences in comparison between the benefit obligations and benefit assets, as well as between the employer contributions paid and the net pension expenses are insignificant. Employer's contributions have been recorded as expenditure.

6. Borrowing costs

Borrowing costs are expensed directly to the income statement. Borrowing costs on items of property, plant and equipment under construction are capitalised.

7. Affiliated persons and companies

Transactions with affiliated persons and companies (related parties) are handled on terms that conform to the market. “Related persons” is understood to mean the members of the entity’s board of directors as well as the member of group management. “Related companies” is understood to mean entities where members of the board of directors have a significant influence. Further disclosures on related parties are given in the notes E 6, E 16 and H 6.

8. Financial investments

Financial investments are divided into financial assets and liabilities held at fair value through profit and loss, financial investments held to maturity, loans and receivables and financial assets available for sale.

The assets and liabilities held at fair value through profit and loss are either held for trading or explicitly classified as such. The financial investments held for trading are purchased with the aim of earning a profit on short-term price fluctuations. The financial investments held to maturity are financial assets with a fixed term which the Group is able and willing to hold to maturity.

The available-for-sale financial assets are non-derivative financial instruments which are either assigned to this category or do not belong to another category. Following initial recognition, financial investments and loans and receivables held to maturity are carried at amortised cost using the effective interest method. The available-for-sale financial investments are carried at fair value following initial recognition and changes recognised in equity. Permanent and ongoing impairments are recognised in profit and loss.

All financial instruments are initially recognised at fair value including transaction costs. All purchases and sales are recognised on the settlement date (i.e. the date on which the asset is transferred) as realised net gains or losses on assets. Following initial recognition the financial assets and liabilities at fair value through profit and loss are carried at fair value and changes are shown as unrealised net gains or losses in the appropriate reporting period.

The fair value of publicly listed financial instruments is based on available listed prices. If financial instruments are not traded on an active market alternative valuation methods are used. These refer to recent transactions between willing and independent third parties or cash flow valuations or similar. Minority interests are carried at fair value if they have not historically been accounted for under the equity method as associated companies.

All gains and losses on the purchase and disposal of securities are recognised in the income statement as realised net gains and/or losses on securities as of the settlement date. Changes in the fair value of securities are recognised in the income statement as unrealised net gains and/or losses on securities in the period they arise. Securities are no longer recognised when the rights and obligations have been transferred to the counterparty.

Dividends are recognised when Novavisions becomes legally entitled to receive the dividend.

9. Cash and cash equivalents

Cash and cash equivalents are posted at their nominal value. They include cash in hand, cash in post office and bank accounts.

10. Trade receivables

Trade receivables are classified as loans and receivables in line with IAS 39. Default risks are accounted for using impairment losses and expected recoverable amounts.

11. Inventories

Inventory is normally valued at the average acquisition costs. If the net sale value is lower, appropriate value adjustments are made.

12. Ordinary taxes and deferred taxes

Ordinary taxes are calculated on taxable earnings using the applicable tax rate. Deferred taxes are calculated for temporary differences between the financial statements for tax purposes and the consolidated financial statements. In so doing the group applies the 'liability method' by which deferred taxes are calculated using the tax rates applicable at the time the taxes are likely to be due. Deferred tax assets are only recognised when their recovery can be expected.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associates are recognised unless the timing of the reversal of the temporary differences can be controlled by the group and it is likely that the temporary differences will not be reversed in the foreseeable future.

13. Recording and depreciation of tangible and intangible assets

13.1 Leased items

A lease arrangement is classified as an operating lease if all the risks and benefits associated with proprietorship predominantly remain with the lessor. Lease payments under operating lease arrangements are recognised as expenses in a straight line over the term of the lease contract.

Novavisions' leasing arrangements mainly involve vehicles. The terms of these operating lease contracts are generally between three and five years. NovaStor has not entered into any obligation to take over the lease items at the end of the term. The lease payments are recognised as costs in the income statement.

13.2 Tangible fixed assets

Tangible fixed assets are valued at purchase or production costs minus scheduled and non-scheduled depreciation. The costs of borrowed capital are not applied in determining the purchase or production costs, because they cannot be directly assigned to the respective assets. Depreciation is basically linear over the expected effective life.

The following depreciation periods apply:

Tangible assets	3 to 5 years
Leasehold improvements	10 years, but at most the period of the tenancy agreements

Tangible assets include computing systems, movable property, furnishings, office equipment, communication equipment, and system software.

Low-value property items with purchase costs of EUR 500 or less are debited directly from the income statement in the purchase year. Maintenance costs are recorded directly as expenses.

13.3 Intangible assets

Intangible assets (except goodwill, see consolidation methods) are capitalised at acquisition or production cost, and are generally subject to linear depreciation over their anticipated useful life.

The depreciation periods applying are as follows:

Licenses	5 years
Software technology on acquisition date	10 years
Trademarks on acquisition date	10 years

Currently no temporally determined intangible assets exist.

13.4 Impairment of non-current assets

Intangible assets or goodwill which have an indefinite useful life are not subject to scheduled depreciation: they are reviewed annually to see whether any impairment has occurred. Assets that are subject to scheduled depreciation are checked to see whether a reduction in value is required if events or changes in circumstances indicate that the book value may possibly no longer be realisable. Impairment losses are recognised by posting the book value that exceeds the realisable amount. The realisable amount is the higher of the two following figures: the fair value of the asset minus sales costs, or the asset's value in use. For testing intrinsic value, assets are combined at the lowest level for which cash flows can be identified separately (cash generating units).

13.5 Non-current assets held for sale

Non-current assets held for sale are reclassified and restated at fair value through profit and loss if this is lower than the carrying amount.

13.6 Impairment (except Goodwill)

Intangible assets (except goodwill) and items of property, plant and equipment are examined for indications of impairment as of the reporting date. If necessary the carrying amount of these assets is compared with the higher of its fair value less costs to sell or value in use. Any impairment is recognised in profit and loss and disclosed separately. If the value subsequently and demonstrably increases the impairment is reversed through profit and loss.

14. Liabilities

Liabilities are initially recognised at market value and subsequently at amortised cost. Liabilities in foreign currencies are translated at the rate on the reporting date and difference due to exchange rate movements recognised in profit and loss.

For the purposes of subsequent measurement the following categories of financial instruments as liabilities are distinguished:

Financial liabilities at fair value through profit and loss
These include financial liabilities designated as at fair value through profit and loss on initial recognition. Changes in fair value in the reporting period are recognised in the financial result.

Liabilities held at amortised cost
These are measured at amortised cost using the effective interest method.

Financial liabilities designated as hedged items
If the conditions for using hedge accounting are met, hedged items and hedging instruments are accounted for so that changes in their respective fair values offset one another. The Group does not use hedge accounting.
On recognition financial liabilities are fundamentally held at fair value (plus direct transaction costs if applicable - except for items held at fair value through profit and loss).

The Group currently only holds the following categories:

Loans and receivables
To the extent that the consolidated financial statements include partnerships under German law the partners' termination rights under statute and the partnership agreement do not allow for equity to be recognised in line with IAS 32. In this case the Group recognises the net asset value attributable to the partners as measured at fair value within liabilities.

Liabilities measured at amortised cost
These correspond to accounts payable and other liabilities in the balance sheet. Accounts payable and other liabilities are always current liabilities. The classification as current or non-current liabilities depends on whether they are payable within one year or longer. Nominal values are equivalent to amortised cost. Fair values are roughly equivalent to the carrying amounts as they largely correspond to the estimated outflow of resources (apart from the effect of discounting), the terms are market standard and the Group is capable of making interest and principal repayments as agreed.

15. Advance payments

Advance payments received are posted as advance payments within the framework of agreements, which are not accounted for in terms of current sales on the balance sheet date. They are treated as income following acceptance testing by the customer.

16. Instruments of credit/loans

When instruments of credit with options are issued, the loan portion is calculated on the basis of the market interest rate of comparable instruments of credit without options. After initial posting, the loan portion is reported at the amortized cost value. The issue costs are divided into a loan portion is reported at the amortized cost value. The issue costs are divided into a loan portion and an equity portion at the same ratio as the credit instrument. The amortization of the discount and issue cost share is debited from the consolidated result over the term of the credit instrument. The value assigned to exchange options on initial posting as equity capital remains unchanged during the subsequent reporting periods.

17. Provisions

Provisions are posted at their nominal value. The value that appears most probable on careful consideration of the factual frame is set aside. Discounting is only performed if the time of outflow can be reliably determined and the effect is substantial.

18. Earnings per share (GDR)

The earnings per GDR has been determined as the quotient of the net profit for the period and the weighted average of GDRs in circulation. The diluted earnings per GDR are determined in the same way as the earnings per GDR, but the weighted average of GDRs in circulation is increased by the number of GDRs that would have to be issued if the exercisable options were to be exercised whose exercise price is below the GDR's market value.

19. Estimates

In the consolidated financial statements certain estimates and assumptions must be made which affect the balance sheet assets and liabilities, the disclosure of other obligations on the reporting date and the recognition of income and expenses during the reporting period. The actual amounts can vary from the estimates.

Going concern:
The consolidated financial statements have been established based on the principle of going concern. The going concern is widely depending on the covering of the liquidity needs (notes E 13.1).

Wide-ranging uncertainty with estimates:
Quantifying the effects of uncertainty (sensitivity analysis) for the following estimates is barely feasible. However, it cannot be ruled out that adjustments made in response to actual events will have a material effect at short notice on the balance sheet items affected.

Measurement of equity investments:
The fair value of non-quoted equity investments is measured by the Board of Directors using standard valuation methods (discounted cash flow, multiple analysis etc) based on market data as of the measurement date.
Every company valuation based on future cash flows requires various estimates to be made (see E 5). Expectations of future performance and changes in individual parameters have an effect on the result: this alone can in certain circumstances lead to a write-down or a write-up.

Impairment of intangible assets (except goodwill), items of property, plant and equipment or equity interests in associated companies:
A judgement must be made as of the reporting date as to whether there is an indication of impairment. If this is the case, the higher of fair value less costs to sell and value in use is to be compared to the carrying amount in the consolidated financial statements. To estimate value in use - on the basis of future cash flows - estimates must be made. Under certain circumstances changes in these alone can result in an impairment.

Current and deferred income taxes:
The amount and existence of postponed and deferred taxes depends on legal interpretations, the estimate of taxable profit in the reporting year, the tax rate (e.g. progressive rates), assessment procedures, future taxable profits and future legal changes. For deferred tax assets the future taxable profit also has to be estimated. If things turn out differently, this has an effect on future tax expenses.

Share-options:
The fair value of share options issued to employees and executives are recognised as payment on the date of distribution. On calculation of the fair value of the share options has bee renounced as the exercise price is far out of the money.

Miscellaneous:
Elsewhere too, accounting is often dependent on estimates (e.g. the course of business in investee companies, useful life of intangible assets and items of property, plant and equipment, amounts of provisions or contingent liabilities.

20. Financial risk (notes E 13)

20.1 Liquitity risk

The liquidity risk is that Novavisions is unable to satisfy its financial obligations when they fall due. Liquidity is monitored on a continuous basis.
Farsighted liquidity control comprises the guarantee of adequate liquidity reserves and usable financial assets as well as the possibility to make use of credit facilities.
As of 31 December 2009 no credit lines existed.

20.2 Interest risk

The interest change risk pertains primarily to long-term, interest-bearing loans. NovaStor used no financial instruments to protect against the interest change risk in the year under review.

20.3 Measurement risk

Novavisions holds equity investments in companies and accordingly is exposed to measurement risk. The development of the companies is monitored continuously.

20.4 Default risk

Financial instruments which may possibly expose Novavisions to a concentration of loss risks are primarily cash and cash equivalents and trade receivables. Banking relationships exist only with first class financial institutions. Novavisions monitors the credit standing of its customers on a continuous basis.
The default risk of the loan to NovaStor AG depends on the performance and the liquidity of the NovaStor companies. The management of Novavisions does not consider the default risk to be significant.

20.5 Foreign currency risk

The foreign currency risks arise from financial instruments whose currency deviates from the functional currency of the respective group company (see E 15).
Novavisions did not deploy any financial instruments to hedge the foreign currency risk in the reporting period.

21. Management of capital

The capital managed by the group corresponds to the consolidated equity. The objectives pursued by Novavisions in the management of capital are as follows:

- to safeguard a healthy and solid balance sheet structure on the basis of going concern values;
- to secure the requisite financial leeway for future investments and acquisitions;
- to achieve an appropriate return on investment.

Novavisions monitors equity on the basis of the equity ratio. It corresponds to equity expressed as a percentage of the balance sheet total.

The equity ratio as of 31.12.2009 is 72,3% (as of 31.12.2008: 49,4%).

SEGMENT REPORTING

Novavisions' operations consist of one segment. Therefore no segment reporting is available.

Discontinued operations are presented from a geographical perspective. On this we refer to the appropriate comments in the Notes under G2.

EFFECTS OF THE RESTATEMENT ON THE FINANCIAL STATEMENTS

The goodwill attributed to the associated companies as of 31.12.2007 and 31.12.2008 has been reclassified from non-current assets (equity investments) to associated companies.

The reclassification of non-current provisions to other current liabilities as of 31.12.2008 meant that the discounted amounts were again held in full at their nominal value. Deferred taxes on this item, including the translation difference, were therefore reduced for the previous year 2008.

Assets and liabilities of discontinued operations were reclassified in the consolidated balance sheet to current assets and current liabilities of continuing operations respectively.

The effects on the consolidated financial statements are shown in the following tables.

BALANCE SHEET	Restated			Restated		
	31.12.08	Restat.	31.12.08	01.01.2008	Restat.	31.12.07
A S S E T S	EUR		EUR	EUR		EUR
Long-term assets						
Tangible fixed assets	23'327		23'327	40'338		40'338
Investments / long-term assets	81'017	-574'622	655'639	0	-516'194	516'194
Investments in asscociations companies	852'695	+574'622	278'073	722'078	+516'194	205'884
Long-term assets, total	**957'039**		**957'039**	**762'416**		**762'416**
Short-term assets						
Assets of discontinued operations	7'863'674	+7'863'674	0	7'756'288	+7'756'288	0
Short-erm loans	202		202	1		1
Prepaid expenses and other short-term assets	9'426		9'426	118'739		118'739
Cash and cash equivalents	4'217		4'217	60'322		60'322
Short-term assets of continued operations	**7'877'519**	+7'863'674	**13'845**	**7'935'350**	+7'756'288	**179'062**
Assets of discontinued operations	**0**	-7'863'674	**7'863'674**	**0**	-7'756'288	**7'756'288**
Assets, total	**8'834'558**		**8'834'558**	**8'697'766**		**8'697'766**

NOVAVISIONS AG

BALANCE SHEET	Restated			Restated		
	31.12.08	**Restat.**	**31.12.08**	**01.01.08**	**Restat.**	**31.12.07**
E Q U I T Y & L I A B I L I T I E S	**EUR**		**EUR**	**EUR**		**EUR**
Equity capital						
Subscribed capital	5'472'299		5'472'299	5'472'299		5'472'299
Capital reserve	4'118'974		4'118'974	7'278'324		7'278'324
Own shares	0		0	-41'650		-41'650
Retained earnings	-5'571'226	-84'217	-5'487'009	-7'613'724		-7'613'724
Cumulative exchange rate difference	343'981	-5'471	349'452	-104'633		-104'633
Equity capital, Shareholders of Novavisions AG	**4'364'028**	**-89'688**	**4'453'716**	**4'990'616**		**4'990'616**
Minority interests	0		0	20'935		20'935
Equity capital, total	**4'364'028**		**4'453'716**	**5'011'551**		**5'011'551**
Long-term liabilities						
Bonds	1'037'265		1'037'265	698'537		698'537
Long-term liabilities / provisions	0	-132'830	132'830	344'071		344'071
Deferred tax liabilities	184'480	-67'285	251'765	0		0
Long-term liabilities from continued operations	**1'221'745**	**-200'115**	**1'421'860**	**1'042'608**		**1'042'608**
Short-term liabilities						
Liabilities of discontinued operations	2'412'065	+2'412'065	0	2'295'657	+2'295'657	0
Accounts payable from sales & services	46'127		46'127	14'538		14'538
Short-term provisions	0	-270'347	270'347	0	-214'774	214'774
Other short-term liabilities	591'836	+508'370	83'466	225'015	+214'774	10'241
Deferred revenue	146'977		146'977	108'397		108'397
Deferred short-term tax liabilities	51'780	+51'780	0	0		0
Short-term liabilities from continued operaions	**3'248'785**	**+2'701'868**	**546'917**	**2'643'607**	**+2'295'657**	**347'950**
Liabilities from discontinued operations	**0**	**-2'412'065**	**2'412'065**	**0**	**-2'295'657**	**2'295'657**
Liabilities, total	**4'470'530**	**+89'688**	**4'380'842**	**3'686'215**		**3'686'215**
Equitiy and Liabilities, total	**8'834'558**		**8'834'558**	**8'697'766**		**8'697'766**

INCOME STATEMENT	01.-12.08	Restatement	01.-12.08
	EUR		EUR
Net result form investments	-554'046		-554'046
Net result form investments in associated companies	55'881		55'881
Dividend income	20'527		20'527
Interest income	46'643		46'643
Income from disposal of fixed assets	118		118
Other income	158'162		158'162
Interest expense	-222'088	-129'211	-92'877
Net foreign exchange gain/loss	125'447	6'415	119'032
Net operating income	**-369'356**	**-122'796**	**-246'560**
General and administrative expense	-787'391	24'019	-811'410
Earnings before taxes, depreciation and amortization	**-1'156'747**	**-98'777**	**-1'057'970**
Depreciation	-20'918		-20'918
Earnings before taxes	**-1'177'665**	**-98'777**	**-1'078'888**
Income taxes	-221'853	14'560	-236'413
Net result from continued operations	**-1'399'518**	**-84'217**	**-1'315'301**
Net result from discontinued operations	**274'330**		**274'330**
Total net result	**-1'125'188**	**-84'217**	**-1'040'971**
of which attributable:			
to shareholders	-1'104'253	-84'217	-1'020'036
to holders of minority interests	-20'935		-20'935
Earnings per GDR			
undiluted	**-0.047**	**-0.003**	**-0.043**
continued operations	-0.058	-0.003	-0.055
discontinued operations	0.011		0.011
diluted	**-0.047**	**-0.003**	**-0.043**
continued operations	-0.058	-0.003	-0.055
discontinued operations	0.011		0.011
Average of GDRs in circulation:			
undiluted	24'077'470		24'077'470
diluted	24'077'470		24'077'470

EQUITY CAPITAL

EUR	Subscribed capital	Capital reserves	Own Shares	Net profit	Cumulative exchange rate difference	Minority stake of equity capital	TOTAL
Balance 31.12.07	**5'472'299**	**7'278'324**	**-41'650**	**-7'613'724**	**-104'633**	**20'935**	**5'011'551**
Cost of increase in capital	0	208	0	0	0	0	208
Assignment of net result	0	-3'159'558	0	3'159'558	0	0	0
Disposal of own shares	0	0	41'650	-12'807	0	0	28'843
Net result	0	0	0	-1'020'036	454'085	-20'935	-586'886
Balance 31.12.08	**5'472'299**	**4'118'974**	**0**	**-5'487'009**	**349'452**	**0**	**4'453'716**
Restatement				-84'217	-5'471		-89'688
Net result (restated)	0	0	0	-1'104'253	448'614	-20'935	-676'574
Balance 31.12.08 (restated)	**5'472'299**	**4'118'974**	**0**	**-5'571'226**	**343'981**	**0**	**4'364'028**

CASH FLOW STATEMENT

	Restated 01.-12.08	**Restatement**	**01.-12.08**
	EUR		**EUR**
Profit/loss before taxes	-1'177'665	-98'777	-1'078'888
Depreciation of fixed assets and amortisation of intangible assets	20'918		20'918
Net result investments	554'046		554'046
Discounting bonds	-145'336		-145'336
Financial revenue from associated companies	-55'881		-55'881
Financial result	-99'740	-6'415	-93'325
Gain on sale of fixed assets	-118		-118
Change in other current assets	109'113		109'113
Change in accounts payable for goods and services	31'589		31'589
Change in other short-term liabilities	608'958	508'370	100'588
Change in provisions	-558'549	-403'178	-155'371
Set-off elimination of discontinued operations	165'626		165'626
CASH FLOW FROM OPERATING ACTIVITIES	**-547'039**		**-547'039**
Investment in fixed assets and intangible assets	-657		-657
Disposal of investments	54'000		54'000
Granting/Repayment of Loans	3'597		3'597
Interests received	537		537
Dividends receivd	20'527		20'527
CASH FLOW FROM INVESTMENT ACTIVITIES	**78'004**		**78'004**
Sale of own shares	29'268		29'268
Net expenditures / payments from bonds/ loans	449'000		449'000
Interests paid	-61'355		-61'355
CASH FLOW FROM FINANCING ACTIVITIES	**416'913**		**416'913**
Foreign exchange differences	-3'983		-3'983
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-56'105**		**-56'105**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**60'322**		**60'322**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**4'217**		**4'217**

E NOTES TO THE BALANCE SHEET

	31.12.09 EUR	31.12.08 EUR

1. Cash and cash equivalents

Cash and cash equivalents	258‘857	4‘217
Total	258‘857	4‘217

Average interest on CHF bank current accounts was 0.125% (2008: 0.125%) EUR bank current accounts had an average interest of 0.25% (2008: 0.25%)
.

2. Accruals and other current assets

VAT- / tax receivables	7‘984	26
Receivables from sicial establishments	0	2‘454
Other receivables	4‘021	0
Accruals	15‘164	6‘946
Total	27‘086	9‘426

As of 31.12.2009 prepaid expenses of EUR 15,164 were recognised for services for 2010 (2008: EUR 6,946 for services not yet offset). Other receivables include expenses reinvoiced to customers.

3. Current loans

Third party loans	0	1
Loans to associated companies	0	201
Total	0	202

4. Tangible assets

Acquisition costs in EUR	Furnishings	IT equipement	Total Tang.Assets
1. Januar 2008	**227'540**	**260'399**	**487'939**
Additions	0	700	700
Disposals	0	0	0
Currency difference	25'755	29'475	55'230
31. Dezember 2008	**253'295**	**290'574**	**543'869**
Additions	0	655	655
Disposals	-768	-1'828	-2'596
Currency difference	294	365	659
31. Dezember 2009	**252'821**	**289'766**	**542'587**

Depreciatons in EUR	Furnishings	IT equipement	Total Tang.Assets
1. Januar 2008	**196'999**	**250'602**	**447'601**
Annual depreciation	13'601	7'317	20'918
Disposals	0	0	0
Currency difference	23'752	28'271	52'023
31. Dezember 2008	**234'351**	**286'191**	**520'542**
Annual depreciation	14'790	3'369	18'159
Disposals	-768	-1'828	-2'596
Currency difference	523	419	942
31. Dezember 2009	**248'897**	**288'150**	**537'047**

Book value in EUR	Furnishings	IT equipement	Total Tang.Assets
1. Januar 2008	**30'542**	**9'796**	**40'338**
31. Dezember 2008	**18'944**	**4'383**	**23'327**
31. Dezember 2009	**3'924**	**1'616**	**5'540**

	31.12.09 EUR	31.12.08 EUR	01.01.08 EUR

5. Equity investments

restated

	31.12.09 EUR	31.12.08 EUR	01.01.08 EUR restated
Equity investments in third parties	4,931,477	81,017	0
Total	4,931,477	81,017	0

Restatement:
The goodwill attributable to associated companies of EUR 516,194 as of 31.12.2007 and EUR 574,622 as of 31.12.2008 was reclassified from non-current assets (equity investments) to associated companies (see E 6).

Measurement of equity investments (apart from associated companies) at fair value

Measurement was made at the end of the reporting year using the DCF method and based on the companies, five-year financial planning. For the period from year 5 the nominal amount in year 4 was extrapolated using a conservative estimate of the growth rate. For the 2009 measurement these growth rates were between 0% and 1% (2008: 0% to 1%). The cash flow forecasts are based on the relevant revenue expectations and the operating earnings in the 5-year budgets approved by the Board of Directors.
The parameters on which measurements are based come from publicly available financial databases. Sensitivity analyses were carried out for changes in these assumptions of +/- 1% and did not result in any impairment.

The following assumptions were used for the measurements:

in EUR	Growth rate	WACC	Fair Value 31.12.09	31.12.2008
Germany	0,5%	14,7%	2.817.378	0
Switzerland	0,5%	13,7%	892.909	81.017
USA	0,5%	14,4%	1.221.190	0
Total equity investments			4.931.477	81.017

6. Associates

	31.12.09 EUR	31.12.08 EUR	01.01.08 EUR restated
Beginning of period	852‘695	722‘078	679‘453
Exchange rate difference	891	74‘736	-19‘181
Additions	0	0	92‘000
Disposals	0	0	0
Financial result from associated companies	7‘189	55‘881	-30‘194
End of period	860‘775	852‘695	722‘078

Restatement: (notes E 5)

Financial information Multicom Software Oy:	31.12.09 EUR	31.12.08 EUR
Assets	1‘266‘081	2‘201‘671
Liabilities	552‘893	1‘558‘274
Equity	713‘188	643‘398

Financial information Mount10 PCM GmbH:	31.12.08	31.12.07
Assets	87‘912	41‘389
Liabilities	18‘369	4‘977
Equity	69‘543	36‘412

At the time the consolidated financial statements were prepared no information was available for the reporting period 2009 on Mount10 PCM GmbH, as its financial statements had not yet been drawn up. This equity investment is held at EUR 0 (2008: EUR 0).

7. Deferred taxes

	31.12.09 EUR	31.12.08 EUR Restated
Start of period	236,260	0
Currency difference	-3,019	14,407
Current period	-193,841	221,853
End of period	39,400	236,260
of which current	8,627	51,780

Restatement:

The reclassification of non-current provisions to other current liabilities as of 31.12.2008 meant that the discounted amounts were again held in full at their nominal value. Deferred taxes on this item, including the translation difference, were therefore reduced for the previous year 2008 by EUR 15,505 to EUR 236,260 (see also E 9 and F 3).

The deferred taxes relate to the following balance sheet items:

Equity investments	0	142,168
Other current liabilities	8,627	51,780
Non-current loans	30,773	42,312
Total	39,400	236,260

Loss carry-forwards exist for EUR 8.2 million from the years 2002-2008 for which no deferred tax assets have been recognised in the balance sheet. The loss carry-forwards begin to expire for tax purposes in 2011.

2010	0
2011	1,520,371
2012	0
2013	3,222,733
2014	2,175,616
2015	1,296,295
later	0
Total loss carry-forwards	8,215,015

	31.12.09 EUR	31.12.08 EUR	01.01.08 EUR restated

8. Current provisions

Provision for value-added tax	94,327	0	0
Total	94,327	0	0

Change:

Start of period	0	0	0
Currency difference	1,581	0	0
Addition	92,746	0	0
Utilisation	0	0	0
Reversal	0	0	0
End of period	94,327	0	0

A new provision of EUR 92,746 was made in the reporting period 2009 for VAT arrears for the years 2004-2008 including the expected accrued interest.

9. Other current liabilities

Social security obligations	0	3,966	0
VAT	0	31,921	0
Out-of-court settlement of a liability	472,664	508,370	214,774
Liability under a call option	163,736	0	0
Miscellaneous liabilities	20,764	47,579	10,241
Total	657,164	591,836	225,015

Restatement:
The non-current portion of the liability for the out-of-court settlement reached in 2007 was reclassified to current liabilities as of 31.12.2008.
Miscellaneous liabilities include liabilities from other operating services or agreements.

Measurement of call options

The call options granted to NovaStor AG for additional shares in NovaStor companies were measured using the Black-Scholes method. The measurement resulted in a liability of EUR 164,000.

	31.12.09 EUR	31.12.08 EUR
Start of period	0	0
Currency difference	2,744	0
Current period	160,992	0
End of period	163,736	0

The measurements are based on the following assumptions (see also E 12):
Risk-free interest rate – US swap rate, 5 years, 2.614%, Euro swap rate, 5 years: 2.449%
Annualised volatility: 10%
Discount for illiquidity, restricted marketability: 80%
Exercise period: 5 years

As corresponding market data cannot be reliably determined for non-quoted companies, volatility and discount are based on the following assumptions:

To determine volatility the average was taken of non-quoted companies and a peer group of quoted companies. As the NovaStor companies are not listed on any stock exchange, the individual companies would need to be separated for a sale and call options have been granted for some of the shares, their marketability is severely restricted and the discount correspondingly high.

If instead of the actual assumptions the measurements were based on a volatility of 25% and a discount of 50%, this would result in a liability of EUR 482,000. This would reduce equity and earnings by EUR 319,000.

10. Accrued expenses

	31.12.09 EUR	***31.12.08 EUR***
Wages, personnel, social security	29,855	78,446
Auditing and advisory	37,731	21,030
Interest expense on bonds	24,916	27,107
Other accrued expenses	5,524	20,394
Total	98,026	146,977

Accrued expenses (wages, social security, outstanding invoices, auditing of financial statements etc) cover all identifiable obligations to third parties. They have been recognised for their likely settlement amount.

11. Bonds

Convertible bond (2009: current borrowing)	159,000	142,155
Bond with performance tracker (nominal: 1,090,000)	958,151	895,110
Total	1,117,151	1,037,265

The bond issued on 17 June 2008 with a nominal value of EUR 1,090,000 matures on 16 June 2011. The bond pays interest at 4% and is held under non-current borrowing.

The carrying amounts of non-current borrowing have been discounted to their present value. The effective interest rate is 11.2% (2008: 10.6%).

Of the convertible bond with a nominal value of EUR 800,000 extended on 20 October 2007 and maturing on 19 October 2010, paying interest at 7%, EUR 641,000 were repaid in advance in 2008. As of 31.12.2009 the outstanding amount was reclassified as current borrowing at nominal value.

A total of 151,429 options for co-ownership shares (GDRs) were issued in connection with the convertible bond. This corresponds to a strike price of EUR 1.05 per GDR. The options can be exercised up to 19 October 2010.

	31.12.09 EUR	31.12.08 EUR

12. Financial instruments

The following table shows the carrying amounts of all financial instruments by category. They are roughly equivalent to fair value in accordance with IFRS.

	31.12.09 EUR	31.12.08 EUR
Cash and cash equivalents	258,857	4,217
Total cash and cash equivalents	258,857	4,217
Trade receivables	6,959	0
Loans	1,200,715	202
Miscellaneous receivables*)	19,192	6,946
Total loans and receivables	1,226,866	7,148
Equity investments **)	4,931,477	81,017
Assets held at fair value through profit or loss	4,931,477	81,017
Other current liabilities ***)	163,736	0
Financial liabilities at fair value through profit or loss	163,736	0
Trade payables	10,593	46,127
Convertible bond	1,249,000	1,249,000
Miscellaneous current / non-current liabilities	685,781	738,813
Liabilities held at amortised cost	1,945,374	2,033,940

*) The balance sheet items prepaid expenses and other current assets include receivables from tax and social security authorities of EUR 7,894 (200: EUR 2,480), that do not fall within the scope of IAS 39 and are therefore not included in this table (E 2).

**) All equity investments with the exception of associated companies are designated as at fair value through profit or loss.

***) The liability from the measurement of the call options included in other current liabilities has been designated as a liability at fair value through profit and loss.

Fair value hierarchy

As of 31 December 2009 the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	31.12.2009	Level 1	Level 2	Level 3
Equity investments	4,931,477	0	91,819	4,839,658
Assets held at fair value through profit or loss	4,931,477	0	91,819	4,839,658

Liabilities measured at fair value

	31.12.2009	Level 1	Level 2	Level 3
Other current liabilities	163,736	0	0	163,736
Liabilities held at fair value through profit or loss	163,736	0	0	163,736

The Group uses the following hierarchy to identify and disclose the fair values of financial instruments according to the way they are measured:

Level 1: Quoted (unadjusted) prices on active markets for assets or liabilities of the same type.

Level 2: Methods for which all input parameters with a significant effect on the fair values measured can be observed either directly or indirectly.

Level 3: Methods using input parameters that have a significant effect on the fair values measured and are not based on observable market data.

During the reporting period to 31 December 2009 there were no reclassifications between measurements of fair value in levels 1 and 2 and no reclassifications from or to measurements of fair value in level 3.

13. Financial risks

13.1 Liquidity risk

The following table shows the contractual terms (including interest) of the financial liabilities:

31 December 2009

	Total	Up to 1 year	1 to 3 years	Over 3 years
Trade payables	10,593	10,593	0	0
Bonds	1,347,330	213,730	1,133,600	0
Miscellaneous current / non-current liabilities	794,530	713,340	81,190	0
Liabilities held at amortised cost	2,152,453	937,663	1,214,790	0

31 December 2008

	Total	Up to 1 year	1 to 3 years	Over 3 years
Trade payables	46,127	46,127	0	0
Bonds	1,402,060	54,730	1,347,330	0
Miscellaneous current / non-current liabilities	825,315	604,353	220,962	0
Liabilities held at amortised cost	2,273,502	705,210	1,568,292	0

Securing the required liquidity depends on exit opportunities for equity investments, the capability of portfolio companies to distribute dividends, the repayment of the loan made to NovaStor AG and the possibility of extending the bond that is repayable in the near term and/or raising new cash funding. The Board of Directors and management are convinced that funding requirements can be covered by selling shares in equity investments, dividend income from those equity investments, service income and payments of interest and principal from NovaStor. Current costs are to be reduced substantially in 2010. Various negotiations are underway regarding longer payment schedules for the other liabilities. The convertible bond of EUR 159,000 repayable in the short term is expected to be extended.

The banks at which the credit balances are held have a good rating (Moody's long-term credit rating: Aa3).

13.2 Measurement risk

The equity investments and the loan are subject to measurement risk. Most of the portfolio investments are not listed on a stock exchange. Their current market values are therefore uncertain.

If Iit should become necessary to sell this investment quickly in order to secure liquidity or due to other unforeseeable constraints, this could lead to considerable write-downs and/or losses on disposal.

In the previous year 2008 the majority shareholdings were consolidated. Their assets rather than the value of the investment were recognised. Risks in connection with the investments therefore extended to measurement risks for individual assets of discontinued operations.

The value of the loan depends on the performance of the NovaStor companies and their ability to repay the loan.
The Board of Directors and management consider that the loan maintains its value.

The following table shows the maximum measurement risk for the consolidated balance sheet:

	31.12.09 EUR	***31.12.08 EUR***	***01.01.08 EUR restated***
Current assets	292,902	1,521,973	1,734,047
Loans	1,200,715	0	0
Property, plant and equipment	5,540	52,199	112,941
Intangible assets	0	1,391,196	1,690,762
Equity investments in third parties	4,931,477	81,017	0
Goodwill	0	4,935,478	4,437,938
Associated companies	860,775	852,695	722,078
Deferred tax assets	0	0	0
Total	7,291,409	8,834,558	8,697,766

Restatement:
The goodwill attributed to the associated companies has been reclassified from non-current assets (equity investments) to associated companies (see E 5).

In the previous year 2008, intangible assets and goodwill were included in assets held for sale. The former consisted of development costs, software and trademarks.

Capitalised development costs, software and trademarks were amortised on a straight-line basis in accordance with accounting principles and regularly reviewed for impairment. As of 31.12.2009 no intangible assets were recognised in the balance sheet.

	31.12.09 EUR	31.12.08 EUR

13.3 Default risk

The maximum default risk on financial instruments is equal to the carrying amounts of the individual financial assets. No guarantees or similar obligations exist which could increase the risk above the carrying amounts. The maximum default risk as of the reporting date was as follows:

	31.12.09 EUR	31.12.08 EUR
Loans	1,200,715	202
Miscellaneous receivables *)	19,192	6,946
Total loans and receivables	1,219,907	7,148

*) Not including receivables from tax and social security authorities (see E12).

13.4 Foreign exchange risk

Foreign exchange risk relates primarily to provisions, group loans and bonds not held in the functional currency of the relevant group company.
As of 31 December 2009 changes in balance sheet items translated from foreign currencies due to a movement of +/- 5 per cent in exchange rates would have increased or decreased net income as shown in the following table:

Effect on net income/loss before taxes in

EUR *EUR*

2009

Exchange rate movement on balance sheet items in:	**USD**	**EUR**
5%	0	-74,721
-5%	0	74,721

2008

Exchange rate movement on balance sheet items in:	**USD**	**EUR**
5%	-157	-72,019
-5%	157	72,019

The following table shows the sensitivity of shareholders’ equity. A change in shareholders’ equity invested in Swiss francs US dollars due to exchange rate movements of +/- 5 per cent would have increased or decreased Group equity as shown. This analysis assumes that all other variables, in particular interest rates, remain unchanged.

	Effect on equity in	
	EUR	EUR

2009

Exchange rate movement on equity invested in:	CHF	USD
5%	234,044	0
-5%	-234,044	0

2008

Exchange rate movement on equity invested in:	CHF	USD
5%	231,656	-17,827
-5%	-231,656	17,827

14. Shareholders' equity

Share capital
As of 31 December 2009 the share capital of CHF 8,427,114.50 is divided into 2,407,747 bearer shares of CHF 3.50 (2008: 2,407,747 bearer shares). Translating this amount at historic exchange rates gives a figure of EUR 5,472,299 as of 31 December 2009.
Co-ownership shares (GDR) in the company are listed on the Frankfurt stock exchange. 10 co-ownership shares correspond to one bearer share in Novavisions AG.

Authorised capital
The Board of Directors is entitled to increase share capital by a maximum of CHF 3,500,000 by issuing up to 1,000,000 bearer shares at any time up to 4 May 2010.

Contingent capital
Share capital can be increased by a maximum of CHF 997,500 by issuing up to 285,000 bearer shares. The contingent capital ensures that conversion and/or option rights can be exercised for bearer shares in Novavisions AG.

15. Sale of shares

On 30 June 2009 contracts were signed with the newly established NovaStor AG, in which related parties hold a minority stake, for the sale of shares in the three existing NovaStor companies. The price for the shares sold came to CHF 3.6 million (EUR 2.4 million). Options exist for the sale of additional shares. Control over the NovaStor companies was relinquished by means of these options.
A loan was made to NovaStor AG for CHF 1.8 million (EUR 1.2 million) in connection with the sale. It bears interest at 2.5% and is to be repaid over 5 years.

16. Related parties

In 2008 Novavisions AG made a loan of EUR 200 to Mount10 PCM GmbH that was repaid in full in 2009. Otherwise, only discontinued operations carried out transactions with associated companies in 2008 and 2009 (apart from the sale of company shares mentioned in E 15).

Total remuneration of Group management:

	Salaries incl. social security	Expenses for staff benefits	Total
2009:	EUR 223,670	EUR 16,322	EUR 239,992
2008:	EUR 250,551	EUR 17,527	EUR 268,078

Board of Directors remuneration:

	Salaries incl. social security	Expenses for staff benefits	Total
2009:	EUR 22,324	EUR 0	EUR 22,324
2008:	EUR 27,673	EUR 0	EUR 27,673

No share-based payments were made in the reporting period 2009 or in the previous year.

17. Events after the reporting date

On 5 January 2010 Novavisions acquired 25% of the shares in Petshop.de GmbH. Novavisions financed the transaction by issuing a convertible bond in a private placement. The nominal volume was EUR 2 million and the coupon is 0%. The conversion price is EUR 0.23 per GDR and the bond is repayable on 31.12.2014.

18. Risk assessment

The Board of Directors discussed the topic of risk assessment and appointed company management to implement it accordingly. The objective is not to avoid all risks, but to create room for manoeuvre that should contribute to making consistent use of existing opportunities and increasing the performance of the business. Risk management helps to achieve the company's goals by creating transparency about the risk situation (as the basis for strategic and operating decisions), by identifying possible threats to the company's assets, earnings and financial position and by taking steps to keep risks within acceptable limits.

Regular reports on the risks and opportunities identified are made to the Board of Directors of Novavisions AG as part of this risk assessment process.

F NOTES ON THE INCOME STATEMENT

1. Net income/loss

Net income from equity investments
Net income is made up as follows:

	2009 EUR	2008 EUR
Gains/losses on disposal of equity investments	0	-91,844
Gain on the disposal of securities	1,500	0
Impairment losses on equity investments	0	-257,099
Impairment losses on loans	12,566	-205,103
Net income from assets	14,066	-554,046

Measurement at fair value through profit or loss
Following the deconsolidation of the NovaStor companies the measurement of equity investments and call options granted at fair value led to a net profit of EUR 325,216 (2008: EUR 0). This is composed of an increase of EUR 486,208 in the value of the equity investments less the expenses for the call options of EUR 160,992.

Dividend income
A dividend of von EUR 22,792 (2008: EUR 20,527) was paid by Multicom Software Oy in the reporting period.

Interest income
In 2009 interest income from banks came to EUR 263 (2008: EUR 537), from associated companies to EUR 0 (2008: EUR 46,106) and from the loan to NovaStor AG to EUR 14,973 (2008: EUR 0).

Gain on the disposal of property, plant and equipment
Non-capitalised trademarks no longer used by Novavisions were sold for EUR 160,000. The remaining gains of EUR 20,502 (2008: EUR 118) stemmed from the disposal of fully depreciated property, plant and equipment.

Other income
In 2009 other income consisted of the discount effect on bonds (EUR 0, 2008: EUR 145,336) and service income of EUR 89,460 (2008: EUR 15,101), less reductions of EUR 0 (2008: EUR 2,275).

Interest expense

	2009 EUR	Restated 2008 EUR
Banks & other	2,668	1,010
Interest on arrears	13,249	0
Accrued interest on other current liabilities	0	129,211
Bonds (incl. discounting)	139,762	91,867
Total	155,679	222,088

Interest expenses result from the use of credit lines and interest for outstanding bonds. Interest on arrears relates to the late payment of VAT returns for the years 2004-2008. The accrued interest effect stems from the reclassification of the liability from the out-of-court settlement reached in 2007 to current liabilities (see E 9, Restatement). Average interest on bank overdrafts in Swiss francs was 8.5% (2008: 9%).

Other financial expenses
Other financial expenses recognised in 2009 of EUR 36,394 (2008: EUR 0) consist of fundraising commissions.

Foreign exchange gains/losses

In 2009 exchange rate book losses totalling EUR 1,459 were recognised in profit and loss (2008 restated: book gains of EUR 125,447). Foreign exchange gains/losses reflect the effect of exchange rate movements on the loans and bonds not held in the functional currency of Novavisions AG.

2. Administrative expenses

	2009 *EUR*	*2008* *EUR* Restated
Staff expenses	336,980	411,496
Office space	55,207	48,055
Marketing & public relations	31,887	59,827
Miscellaneous administrative expenses	247,552	268,013
Total administrative expenses (without depreciation and amortisation)	671,626	787,391

Staff expenses include salaries, profit-sharing payments, provisions for holiday entitlement, outside staff, training and other personnel expenses.
Cost-cutting measures were implemented in the 2009 reporting period that reduced administrative expenses significantly.

Pension contribution expenses in the financial year 2009 came to EUR 19,861 (2008: EUR 23,383) and the costs of option plans in the reporting year were EUR 0 (2008: EUR 0).

Miscellaneous administrative expenses include costs of business travel, vehicles, telecommunication, leasing, consultancy and others. In the 2009 reporting period this item also includes the increase in provisions of EUR 79,497 for late payment of VAT in the years 2004-2008. The related interest on arrears was recognised in interest expenses (see also E 8 and F 1).

3. Income taxes

		Restated
Current taxes	268	0
Deferred taxes	-193,841	221,853
Total	-193,573	221,853

The following table shows the difference between effective income taxes and expected income taxes, derived by multiplying net income before taxes by the expected tax rate:

Income tax analysis

		Restated
Loss before taxes	-228.856	-1.177.665
Expected tax income	33.733	173.588
Tax rate	*14,7%*	*14,7%*
Tax effects of:		
Unrecognised deferred taxes	-26.696	-173.588
Non-taxable income	186.536	-221.853
Group tax income /expense	193.573	-221.853

Restatement:
The reclassification of non-current provisions to other current liabilities as of 31.12.2008 meant that discounted amounts were again held in full at nominal values. This reduced deferred tax expenses in the previous year 2008 by EUR 14,560 to EUR 221,853 (see also E 7 and E 9).

4. Earnings per co-ownership share

The outstanding options for shares in Novavisions AG do not dilute earnings per share as the strike prices are well above the current share price.

The outstanding options were not taken into account when calculating the average number of co-ownership shares in circulation. The relevant earnings are those shown in the income statement, as no further components need to be added. These have been divided by the number of GDR.

The restatement reduced both basic and diluted 2008 earnings per co-ownership share by EUR 0.003.

G DISCONTINUED OPERATIONS

1. Assets and liabilities for disposal

	31.12.09	31.12.08
ASSETS	EUR	EUR
Long-term assets		
Tangible fixed assets	0	28'872
Intangible assets	0	6'324'038
Deferred taxes	0	2'636
Long-term assets, total	**0**	**6'355'546**
Short-term assets		
Accruals and other short-term assets	0	133'794
Accounts receivables from sales & services	0	560'509
Cash and Cash equivalents	0	813'825
Short-term assets, total	**0**	**1'508'128**
Assets from discontinued operations	**0**	**7'863'674**

	31.12.09	31.12.08
LIABILITIES	EUR	EUR
Short-term liabilities		
Accounts payable from sales & services	0	214'195
Deferred revenues, advance payments	0	1'852'632
Other short-term liabilities	0	345'238
Short-term liabilities, total	**0**	**2'412'065**
Liabilities from discontinued operations	**0**	**2'412'065**

In the consolidated balance sheet the assets and liabilities of discontinued operations have been reclassified into short-term assets respectively liabilities of continued operations.

2. Segments of discontinued operations

The discontinued operations are divided into two segments from a geographic perspective.

Balance sheet items and performance figures for the two geographical segments are split according to the location of the assets and liabilities as well as the location where earnings are recognised.

In Tsd. EUR

	Europe		USA		Elimination/ Others		TOTAL	
	01.-06.09	2008	01.-06.09	2008	01.-06.09	2008	01.-06.09	2008
Sales revenue								
Third party revenue	1'288	2'702	845	1'951	0	0	2'133	4'653
Revenue other segments	732	1'567	110	336	-842	-1'903	0	0
Total revenue	2'020	4'269	955	2'287	-842	-1'903	2'133	4'653
Result								
EBITDA	313	269	58	-96	0	-2	371	173
Deprectiation	-42	-116	-53	-105	0	0	-95	-221
Additional depreciation	0	0	0	0	0	0	0	0
EBT	1'268	536	-370	-261	0	-2	898	275
Result	1'267	535	-370	-261	0	0	897	274
Other information	**31.12.09**	**31.12.08**	**31.12.09**	**31.12.08**	**31.12.09**	**31.12.08**	**31.12.09**	**31.12.08**
Total assets	0	8'406	0	896	0	-1'428	0	7'874
Total liabilities	0	2'354	0	1'253	0	-1'195	0	2'412
Investments	5	8	15	10	0	0	20	18
Bad dept loss	0	0	0	59	0	0	0	59

	2009 EUR	***2008 EUR***
Profit (2009: 6 months) / los from operating activities	207‘982	-70‘209
Profit from deconsolidation	688‘912	344‘539
Net profit of discontinued operations	896‘894	274‘330

3. Cash flow from discontinued operations

	01.-06. 2009 EUR	***2008 EUR***
Cash Flow from operating activities	23‘478	204‘430
Cash Flow from investment activities	-709‘398	48‘883
Cash Flow from financing activities	-27‘213	17‘770
Exchange rate differences	6‘158	3‘812
Total	-706‘975	274‘895

H OTHER DETAILS

1. Other financial obligations

Leasing and rental obligations

The company especially rents and leases office space and plant. The contracts have varying terms of validity. In some cases there are extension options. In various contracts rent increases are dependent on the consumer price trend and the mortgage interest rates. Rental is treated as operating expense.

On the balance sheet date the following minimum rental payments resulted from non-terminable, non-balanced rental and leasing contracts:

	2010	2011	2012	2013	2014
Leasing obligations	16‘557	9‘658	0	0	0
Rent obligations	35‘766	35‘766	35‘766	0	0
Total	52‘323	45‘424	35‘766	0	0

In the reporting year EUR 57‘613 (2008: EUR 53‘170) were recorded as expense for leasing and rental in the consolidated annual report.

2. Pledged assets

Deposits are solely contained within the discontinued activities. There were no pledged assets as of 31 December of the reporting period.

3. Securities

As of December 31, 2008 the company had no outstanding securities.

4. Stock options

The following table shows the development oft he options over the past two years:

	2009		2008	
	Options	Exercise price	Options	Exercise price
Outstanding options on 01.01.	617’110	€1.52	617’000	€1.52
Issued	0	-	0	-
Exercised	0	-	0	-
Expired	384‘110	€1.10	0	
Balance 31.12.	233’000	€2.20	617’110	€1.52
Thereof exercisable as per 31.12.	233‘000	€2.20	617’110	€1.52

The exercise price is a balanced average price. In 2009, the total revenue from exercising options was 0 (2008: EUR 0)

The allocated share options were not measured or recognised for reasons of materiality. Based on the management estimate no expenses were recognised.

No options have been issued since 2006. There are no vesting conditions for the options that have been issued before. All options grant entitlement to 1 GDR (global depository receipt) each.

The composition of the outstanding options on 31 December 2009 was as follows:

Exercise price	Options	Expiration	Average exercise price
€2.20	233’000	31.12.2011	€2.20
Total	233‘000		€2.20

In connection with the convertible bonds 2007/10, additional 151‘429 options for GDRs have beeen issued and may be exercised
.

5. Major shareholders

According §26 of the German Securities Trading Act WpHG obliges the company to publish the attainment or crossing of threshold values for voting interests of 3%, 5%, 10%, 20%, 25%, 30%, 50% or 75% immediately, at the latest within 4 calendar days, in a national newspaper authorized by the stock exchanges. The time limit begins when the company becomes aware that the voting interest of the respective shareholder has reached or crossed the threshold value in either direction.

The following summary reflects the shareholder structure (<5.0%) known to the company as per 31 December:

	2009		***2008***	
Name	**GDR**	**%**	**GDR**	**%**
Adrian Knapp	2'180’422	9.06	1'780’422	7.39
Credit Suisse	3‘150‘000	13.08	3‘150‘000	13.08
M.M. Warburg	1‘211‘510	5.03	1‘211‘510	5.03

NOVAVISIONS AG

6. Security holdings of executive organs

The following table provides information on the security holdings (GDR) and options on GDRs of members of executive management and the board of directors of Novavisions AG on 31 December 2009:

Name	**Position**	**Catetgory of securities**	**Quantity**
Knapp Adrian	Chairman and CEO	GDR Options on GDR	2'180'422 70'000
Bernhard Markus	Member of board of directors	GDR	221'231
		Options on GDR	25'000
Naef Peter Urs	Member of board of directors	GDR	0
		Options on GDR	40'000
Sascha Magsamen	Member of board of directors	GDR	0
		Options on GDR	0

7. Angaben zum Verwaltungsrat und Konzernleitung

Board of Directors:	Adrian Knapp	Chairman
	Markus Bernhard	Member
	Peter Urs Naef	Member
	Sascha Magsamen	Member
Group Management:	Adrian Knapp	Chief Executive Officer
	Jean-Christophe Probst	Chief Financial Officer