syskoplan

LIVING NETWORK

Annual Report 2007

syskoplan at a glance

Criterion		12.31.2007	12.31.2006	Change
Contined activities				
Sales	Euro mill.	57.5	45.2	27%
EBITDA	Euro mill.	7.30	5.31	37%
EBIT	Euro mill.	5.89	4.15	42%
EBT	Euro mill.	6.23	4.60	35%
Net income for the year	Euro mill.	3.07	2.14	44%
Earnings per share (undiluted)	Euro	0.65	0.48	35%
Return on sales revenue (EBITDA)	%	12.7%	11.7%	
Return on sales revenue (EBIT)	%	10.2%	9.2%	
Return on sales revenue (EBT)	%	10.8%	10.2%	
Payroll employees (average)		395	326	21%
Payroll employees (year end)		403	353	21%
Group figures				
Balance sheet total	Euro mill.	50.3	41.7	21%
Equity capital	Euro mill.	28.5	24.4	17%
Liquid funds	Euro mill.	17.6	19.0	– 8%
Change in cash	Euro mill.	– 1.73	– 0.30	
Cash Flow according DVFA/SG	Euro mill.	4.61	4.48	3%
Consolidated net income for the year	Euro mill.	2.98	2.21	35%
Number of shares	mill.	4.73	4.44	7%
Earnings per share (diluted)	Euro	0.63	0.50	27%

syskoplan – Living Network

Our activities focus on providing companies with customer-centric IT solutions with long-term benefits. We expand, refine and integrate standard applications to create a customized solution for each customer.

Our success rests on

- motivated, competent employees,
- satisfied customers,
- technological superiority and innovation and
- a sound financial position.

Our business dealings are hallmarked by

- customer orientation and cost-effectiveness,
- flexibility and reliability,
- creativity and fairness,
- enthusiasm and boldness,
- intelligence and experience,
- innovation and consistency,
- care and speed.

We are organized in line with a network principle which combines the strengths of a large company such as professionalism, a methodical approach and shared service with the flexibility and customer proximity of small, specialized units. These companies

- share the values at the heart of the syskoplan Group,
- develop and strengthen existing methods and
- nurture new ideas.

Content


Living
07

Network

1 | The syskoplan Group in Financial Year 2007

1.1 Letter from the Chairman of the Executive Board

Dear shareholders, customers, business partners and colleagues:

This past year has been one of the most successful since our company was established:

+ We increased our sales by 27% to EUR 57.5 million. That is the highest figure in syskoplan AG's 25-year history.
+ Our EBITDA rose by 37% to EUR 7.3 million. In relation to sales, we succeeded in improving it by one whole percentage point to 12.7%. That is an outstanding figure, even in comparison with our competitors.

„Our success over the last year is the result of the great dedication shown by all our staff who once again displayed an impressive level of innovativeness, drive, and customer orientation."

Dr. Manfred Wassel

Our success over the last year is the result of the great dedication shown by all our staff who once again displayed an impressive level of innovativeness, drive, and customer orientation. We would like to express our heartfelt thanks for their valuable contribution.

We will also ensure that our shareholders share in our success: the Executive and Supervisory Boards will propose distributing dividends of 30 cents per share at the Annual General Meeting in May 2008. That is a 15% increase compared to the previous year.

A Review of 2007

The formal part of this annual report gives you a comprehensive overview of the 2007 financial year in figures. As Chairman of the Executive Board, I would therefore like to take this opportunity to look back on the past year in qualitative and strategic terms.

Without neglecting day-to-day business, last year we transformed our organization into a network of companies which focus on either particular sectors or specific technologies. All of the units within the network act very independently and have much greater decision-making powers. We need this specialization in order to hold our own among the competition. We have become a "best-in-class chain" whose individual companies can draw on the economic substance and well-known name of the syskoplan umbrella brand.

Despite maintaining the companies' individuality, there are various cultural principles and rules which apply to everyone. These include, for example, a uniform approach to reporting, IT infrastructure, basic HR policy, and branding. This helps to keep the organization's form manageable despite its complexity.

The organization as a network also allows us to diversify and offer a greater range of specialties by broadening our horizons. Not merely allowing variety, but actively promoting it is a key element of our new structure. The network acts as an incubator in this sense, nurturing and supporting entrepreneurs who have a viable idea and see an opportunity to build up something new right from square one. The resulting potential increase in value benefits all those involved in the network – the clients, shareholders and, of course, the companies themselves. In addition to this, we keep strengthening our network by acquiring established, profitable companies which give us an opening in particular sectors or technologies.

Last year, we also took several steps in this regard. From today's perspective, I consider it to be a successful and encouraging development, although such a fundamental change in the organization cannot be implemented without conflicts of some kind. Four new companies have begun doing business – discovery sysko, cluster sysko, comit sysko, and ibex sysko – and their work is beginning to bear fruit.

As hoped, the acquisition of Xuccess Consulting considerably strengthened our position in the financial service sector. Xuccess also boasts considerable expertise in Microsoft technologies, which was another major reason for intensifying relations with this software supplier.

In the past two years, we have more than doubled our earnings per share. Unfortunately, the share price did not follow this positive development. Although the syskoplan share is now developing in line with the share indices (DAX or TecDAX) and is clearly outperforming some other IT companies, it remains unsatisfactory on the whole. With our decision regarding dividends, we hope to underline that we believe our performance development is sustainable. We are confident that, in the medium term, the stock exchange will also honor the value created within the Group.

Values

The syskoplan Group now combines the strength of a large company with the agility and customer proximity of specialized units. Nevertheless, the organizational form is just a means to an end. Our aim is to create value for our clients with successful projects, to offer our staff good prospects by giving them responsibility for interesting projects, and to give our shareholders an appropriate rate of return on their invested capital. Those are the principles behind syskoplan's values.

„In the past two years, we have more than doubled our earnings per share."

Dr. Manfred Wassel

Our clients know that they have to stand out in the market. This is the only way to gain a competitive edge. They appreciate the value added by efficient, tailored IT support. The IT itself is based on standardized yet flexible and individual solutions. Efficiency and automation ensure economic feasibility. Traditionally, syskoplan addresses this situation according to the principle of "as much standardization as possible, as much individuality as necessary."

Both within and outside the Group, competence, courage, fairness, and commitment form the basis of the work done by all units within the network. Sustainable economic success makes us a consistent and reliable long-term partner for our clients.

Our Plans

You may initially have wondered why the dividend is "only" increasing by 15% although our profit has improved by over 30%. There is a simple explanation: by means of aggressive growth, we hope to generate sales of over EUR 90 million by the end of 2009. At the same time, we aim to maintain a double-digit EBITDA margin. The existing units should contribute to this with annual growth of around 10% – a figure we have already achieved. They will be complemented by new companies as well as further acquisitions of existing companies.

The members of the Executive Board and the chairman of the Supervisory Board of syskoplan AG from left to right.: Dr. Manfred Wassel, Dott. Daniele Angelucci, Dott. Mario Rizzante (Supervisory Board), Dr. Jochen Meier

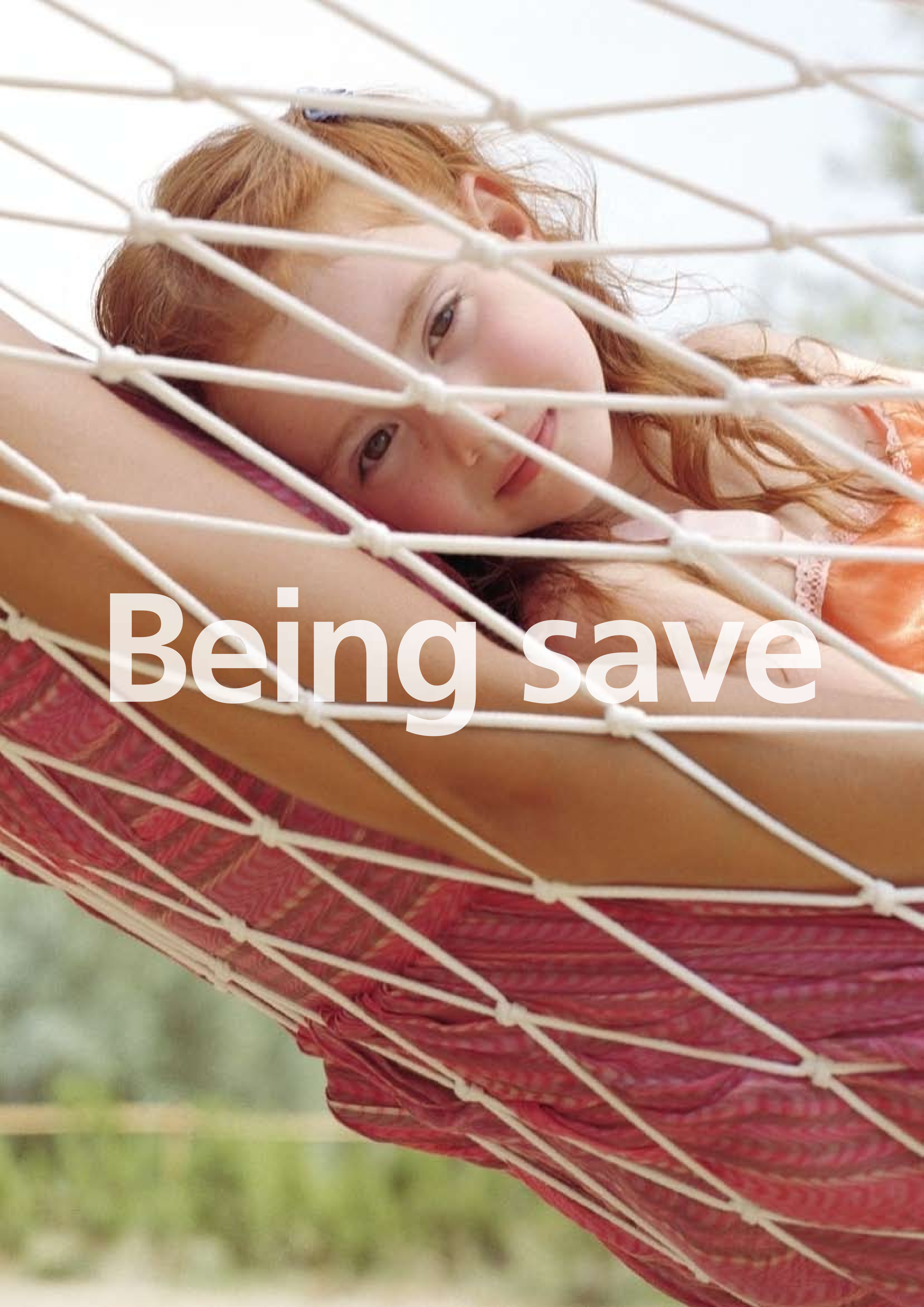
The long-term survival of our company amidst the competition is dependent on recruiting knowledgeable staff. Ideas, creativity, and innovations are crucial for our future success. Competitive remuneration packages and the opportunity to work on exciting, international projects make us an attractive employer. The continuing professional and personal development of our staff is of great importance to us. We hope to recruit over 120 new employees in 2008.

All in all, the market offers us many more opportunities than risks. As we move towards the future, we will continue to make the most of our opportunities in a sound, sustainable, and reliable way in order to warrant the trust you have placed in us. We hope you will maintain your links with the company and share in syskoplan's bright future.

Sincerely yours,

Dr. Manfred Wassel
Chairman of the Executive Board of syskoplan AG

Being save



1.2 The Advent of Web 2.0

The Web and Business Evolving

Dion Hinchcliffe is Founder and Chief Technology Officer for the Enterprise Web 2.0 advisory and consulting firm Hinchcliffe & Company, based in Alexandria, Virginia. A veteran of software development, Dion has been working for two decades with leading-edge methods to accelerate project schedules and raise the bar for software quality.

„Web 2.0 represents the fullest realization yet of the Internet's long-term potential to change the way we live our lives and operate our businesses."

Dion Hinchcliffe

He has extensive practical experience with enterprise technologies and he consults, speaks, and writes prolifically on IT and software architecture. Dion still works in the trenches with enterprise IT clients in the federal government and Fortune 1000. He also is the creator of Web 2.0 University, which provides the world's leading educational solutions in Web 2.0, Enterprise 2.0, and Ajax for private corporations and for the general public. He also speaks and publishes about Web 2.0 and Enterprise 2.0 on a regular basis. Dion has co-authored about Web 2.0: Web 2.0 Design Patterns: What entrepreneurs and Information Architects Need to Know. He is also currently blogs on the popular ZDNET Enterprise 2.0 Blog at http://blogs.zdnet.com/Hinchcliffe/and the Web 2.0 Blog at http://web2.socialcomputingmagazine.com/.

Web 2.0 represents the fullest realization yet of the Internet's long-term potential to change the way we live our lives and operate our businesses. Driven by a mass change in the behavior of consumers online and refinements in the way we build online services, we are watching the largest and most participatory network in history transform the way we think about economics, business, technology, and especially society. From the early days of the Web up until now, we have seen several discrete stages of the Internet improve the way we locate information, communicate amongst ourselves, and shop for our needs. Recently the Web has undergone another generational change, sometimes referred to as Web 2.0, as we've come to better understand how the rules for success have been redefined by the online world.

This has increasingly begun challenging the market leaders across many industries, including media, retail, finance, software and others.

Although many people in the technology industry like to define Web 2.0 by comparing it to what earlier forms of the Internet were not, it is perhaps more appropriate to examine Web 2.0 as a widespread change in focus. The focus is now on activities at the edge of the network –people- instead of at the center -businesses and large organizations. Web 2.0 is the accentuation of the most valuable benefits of the Web, as the iterative label "2.0" would suggest. Where Web 1.0 focused more on networks of computers, this new generation places primacy on networks of people, with a key focus on user contribution, collaboration, and community within an environment of transparency and inclusion.

The Three C's: Contribution, Collaboration, and Community

The so-called "architecture of participation" that characterizes the most effective examples of Web 2.0, such as Facebook, Xing, and YouTube, illustrates the importance of user contribution as opposed to simple user consumption, which dominated the previous model of the Internet. In the early days of websites, both internal and external, the design of online services was aimed at helping users acquire centrally produced information, rather than in having a central role in participating in its creation and publication.

One important and widely covered trend driving the Web 2.0 phenomenon is the widespread adoptions of blogs. "Blog," which is short for "weblog" is a simple online diary comprised of user-generated information organized in reverse chronological order and that allows other users to comment on it. There are now more than 70 million tracked blogs on the Web, with 120,000 new blogs created every day and a daily posting volume of 1.4 million posts.[1] Blogs, along with wikis, represent the two most powerful and fundamental Web 2.0 platforms and had a central role of a historically significant event in early 2006: Most information on the Internet was now generated on the edge of the network by consumers instead of centrally produced by institutions.

As Robert Scoble and Shel Israel point out in their book Naked Conversations,
The most important aspect of the blog is that it is conversational. While nothing beats face-to-face meetings, the realities of global business and relationships make it impossible to have such meetings with every customer, prospect, or potential investor. Phones, faxes, emails, SMS, and IM all extend the conversation, as do online forums, bulletin boards, and chatrooms. But none of them lets one person converse with many people in multiple locations from any point where he or she has a computer and Internet access—not until blogging.[2]

Similarly, wikis have done for collaboration what blogs have done for user conversations. Where blogs are primarily a contributory tool, wikis bridge the gap between contribution and collaboration. The word Wiki itself simply means „fast", and wikis have emerged as one of the most popular tools for collaborative authoring and editing, as well as a potent method for harnessing network effects to produce some of the world's largest and most up-to-date knowledge bases. The now ubiquitously recognized Wikipedia is perhaps the best-known wiki and has enabled millions of contributors worldwide to create an almost one billion word online encyclopedia, and that is just in the English language.

„The Three C's: Contribution, Collaboration, and Community"

Dion Hinchcliffe

Wikis are able to generate quality content by leveraging network effects – a concept that reflects a network's ability to generate value in an exponential fashion – within a community or organization. Users can easily create and edit articles, niche dictionaries, and internal knowledge bases on a much broader scale than can small teams of dedicated technical writers. This level of contribution and collaboration also builds into systems a sort of stickiness that draws members of loose networks into a tighter orbit.

Additionally, Web 2.0 is community-centric, and the most successful Web 2.0 platforms and applications recognize that although individuals drive Internet traffic, they do so in a community context and thrive

[1] Source: Technorati, State of the Live Web, April 2007.

[2] Robert Scoble and Shel Israel, Naked Conversations, John Wiley & Sons, Inc., Hoboken, New Jersey, 2006, p. 27.

Working on

when they can be a part of a larger body of people. Indeed, the popularity of consumer social networking sites like MySpace and Facebook are evidence of the staying power of Web properties that have a community focus.

In fact, communities drive the contribution and collaboration of users on the Internet. YouTube, for example, is comprised of millions of user-submitted videos, but is predicated on the community that surrounds online video. For many videos on YouTube, there are sometimes hundreds of comments, replies, and video responses, once again illustrating the stickiness of Web 2.0.

But community also plays a significant role in the business version of Web 2.0, also referred to as Enterprise 2.0. Businesses are finding that by building communities, internally with employees and externally with customers, vendors, and partners, they are able to create network effects that can accomplish multiple goals such as increased sales, heightened productivity, greater brand identification, customer and employee loyalty, and more pervasive goodwill. Individuals see themselves making a contribution that is used across the organization and begin to view themselves directly woven into part of something larger, making them more engaged, productive, and participatory. Early case studies of Enterprise 2.0 adoption are confirming many of these outcomes even as businesses grapple with how best to apply these new models for communication and collaboration in their organizations.

Through user contribution, collaboration, and the building of user communities, organizations can harness collective intelligence and leverage network effects. Additionally, all of this must take place in an environment of openness and with a culture of inclusion. Web 2.0 breeds a radical dedication to transparency, which is likely why blogging is heavily regulated or even outlawed in certain countries living under despotic regimes.

One of the other well-known aspects of Web 2.0 is that products and information are in a state of "perpetual beta," that is, it is always being incrementally improved, gaining feedback, and improved again, the outcome has a naturally more "in-process" flavor to it. This reduced level of polish and completeness in conjunction with an overall richness in volume and detail is a classic outcome of applying Web 2.0 concepts.

And although balancing the less predictable nature of Web 2.0 with richer outcomes may be simply two sides of the same coin, it seems to be part of the intrinsic nature of the new world of peer production, where consumers themselves are the most prolific and relevant producers. And far from being without value or substance – Web 2.0 products tend to have the style and format all their own that many in the consumer and business worlds are beginning to become accustomed to. Yet this is also part of its appeal, and the reason that Web 2.0 is so accessible to the masses: their contribution matters more now than any time in history and increasingly the businesses of the future will be the successful curators of this content.

Impact of Web 2.0

Because of the increasingly pervasive Internet, we now live in a world where information is essentially free to distribute. A person with access to a computer and the Internet can now disseminate information to a mass audience on a global scale. And it is not just information in the form of the written word, but movies, music, and even software. Simultaneously, the hardware infrastructure that drives the Internet has become largely commoditized and even the smallest of operations can afford to host its own website or deliver music and video content over the Internet. Software too is evolving. The Web is becoming increasingly self-service, and with the advent of mashups, new combinations of existing software applications and data sources, like the popular site Housingmaps.com, users are even able to create their own software applications with little or no ability to create software in the traditional sense.

All of these developments have combined to enable business to leverage new business models around something know as the The Long Tail of product demand. The Long Tail represents the bulk of goods which are in demand but individually sell only in small quantities. But in aggregate, the products are the most valuable part of the industry or market. Previously, such options were unprofitable for businesses to produce, but the Web has changed this dramatically. For example, online DVD rental firm Netflix has an inventory of 55,000 DVD titles whereas the average brick and mortar Blockbuster store has just about 3,000 titles. Amazon offers more than 3.7 million books titles compared to the average Borders store with 100,000. Rhapsody, the online music seller is able to offer its customers over 1.5 million tracks in contrast to the mere 55,000 tracks carried in the music section of the average Wal-Mart.[3]

Only the Web, with its egalitarian distribution costs, makes it possible for companies like Amazon to carry such a number of titles. But more importantly, it is Web 2.0 that helps make it a profitable endeavor. In order to sell more of the less popular titles, Amazon has built a vast community around its product. Through commenting, user ratings, and recommendations, that is through its participatory framework, it is able to educate its customers about products they might be interested in buying but do not yet know anything about.

This model is now available to millions of businesses, at least those that understand and leverage these new economic models. This leads to another important aspect of Web 2.0, which is access to existing economies of scale for the distribution of information and software. Amazon spent years and millions of dollars building a hardware infrastructure that enable it to process millions of transactions, store the input of its users, analyze that input, and redistribute it. They are now reselling these economies of scale to the general public in the form of their S3 and EC2 services. Start-up ventures, corporations, even government agencies no longer have to build their own storage and computing infrastructure, but can purchase these now commodities from Amazon. In this way, as companies open up their products, services, and infrastructure build upon, Web 2.0 reflects a new era of openness and partnership, in a more dynamic and freeform way than we would have thought possible in the 20th century.

In this way, Web 2.0 is not only affecting how businesses approach sales and hardware, but it has also altered the human resources framework in an enterprise context. Internal collaboration through blogs and wikis has begun to eliminate silos of information in the enterprise and create more inclusive and effective work environments. These new social and highly collaborative settings where everyone – inside an organization or across the Web – is allowed and even encouraged to participate, provide feedback, and collaborate with one another have helped to decentralize decision-making and management processes in many organizations that adopt Enterprise 2.0 philosophy and technique.

Even the traditional role of IT departments is beginning to evolve as a result of Web 2.0. Enterprise mashups, where users are able to take pieces of software and data sources and combine them on the fly to create new functionality and even entirely new pieces of software, empower workers to design their own tools and implement them without waiting on the heavy backlogs facing many IT departments. This, combined with the power of blogs and wikis, aids in enabling a phenomenon known as crowdsourcing, where an ad hoc group of users on the network becomes ultimately responsible for outcomes that have

3 Anderson, Chris, The Long Tail, Hyperion, New York, New York, 2006, S. 23.

traditionally been outsourced to more expensive third-party organizations.

The same tools that are changing the way people within an organization communicate with each other, collaborate with each other, and interact with each other are also changing the way the business communicate with their customers, market to their customers, and sell to their customers. In fact, Web 2.0 has increasingly made marketing and branding a collaborative effort between business and customer, dramatically altering the traditional marketing paradigms. Unlike in previous times when businesses had to spend millions of dollars on market research, customer surveys, and other time consuming and costly endeavors, the Web 2.0 era creates a fluid and ongoing feedback loop between business and customer through blogging, customer communities, and mobile communication.

Businesses are beginning to realize that their best branding agents and salespeople are not just the commissioned sales fleets and traditional marketing staff but also their loyal customers and passionate followers. Thousands, even millions of dedicated customers show off their favorite brands on their Facebook profiles and MySpace pages, write about them in their blogs, leave high ratings on recommendation sites, and link their friends to favored brands over instant messenger.

Companies around the world, such as SAP and its one million registered online members, have begun enlisting evangelists to engage their customers in online communities, interact with them, gain feedback from them, and perhaps most importantly for the bottom line, empower them to support, market, and improve the products they offer. By leveraging these network effects, businesses are able to communicate with more people with less cost and even more valuably. And they are doing so by using the warm market of their existing customers rather than impersonal television or newspaper ads created by expensive marketing agencies.

Furthermore, because the Internet now exists beyond the platform of a single device, Web 2.0 is additionally characterized by its ability to reach people on an almost 24 hour basis. Most cellular telephones and all smart phones are equipped with Internet capabilities. Businesses seeking to benefit from the full power and influence of Web 2.0 understand the importance of reaching people through text messaging and the mobile Internet. It should be unsurprising that YouTube was an out-of-the-box feature of Apple's iPhone and that Facebook has created a special application just for the Blackberry. This model not only revolutionizes access to the consumer, but also the consumer's access to the business and to other consumers.

Conclusion

Some have described Web 2.0 as the "user revolution" and thousands of print pages have been written to describe how the Web is helping enable anyone to reach out and participate in shaping the world of business, the consumer space, and the government. Yet all of these stand to benefit tremendously from the advent of Web 2.0, if they choose to adapt. But for those who do more than merely adapt, and instead embrace Web 2.0, major opportunities for growth and innovation are in evidence. Organizations can leverage the collective intelligence of their workers and the marketplace to produce significantly better results than previous production models, taking advantage of new markets that were previously unprofitable, and building relationships with their customers, partners, and employees in a much closer and more sustained way. It is because of its power to achieve these ends that Web 2.0 is not merely a milestone in technology advancement, but rather the nascence of new social, economic, and business paradigms that has begun to have a long-term impact on all of us

Scoring

1.3 Success with Xuccess

Interview with Rainer Geckeler and Joachim Wardenga

Xuccess Consulting GmbH supports large, well-known companies by offering solutions for complex specialist and technical issues in two strategic fields of business: "Bank Management and Reporting" and "IT Consulting." The consultancy firm has been growing rapidly since 2001 and now has more than 60 employees. It has offices in Munich, Frankfurt, Hamburg and Berlin. Xuccess has been part of the syskoplan network since early 2007.

„Xuccess has been part of the syskoplan network since early 2007"

Joachim Wardenga, Rainer Geckeler

What areas does Xuccess focus on?

We primarily offer consulting services in two areas. The "Bank Management and Reporting" division offers services specializing in banking regulatory compliance, bank management, and the resulting reporting requirements. Teams of consultants help our clients from the financial service sector to fulfill statutory regulatory requirements and analyze what these requirements have in common with the demands of general bank management. In this context, it is important to us not to stop short and merely make conceptual proposals: if necessary, we also see to the implementation and accompany the client when the system goes live.

The Xuccess "IT Consulting" division offers system architecture and integration services and is specialized on the Microsoft corporate platform. Microsoft's integration products SharePoint and BizTalk are playing an increasingly important role in this work. In many major projects, our consultants have provided clients with the knowledge and the necessary equipment to implement their integration projects based on these products and to develop a long-term technology strategy. This expertise is underlined by the fact that Xuccess is a Microsoft Gold Certified Partner.

What sets Xuccess apart?
Why do clients choose you?

Because our services focus on two specialized areas, we have specific in-depth knowledge which few other consulting firms can match. This clear profile is precisely what defines the way we are perceived by the market: with our extensive consulting and specialist knowledge, we can solve complex problems and successfully conclude projects. Of course there are also critical situations in our projects. In such cases, the kind of open communication we maintain both within and outside of the company is called for. This helps us to find practicable solutions in conjunction with the client. In addition, our clients appreciate the fact that our colleagues share their expertise, meaning that the company's whole pool of knowledge is available for their projects. We're quite famous for that.

Why does a company as successful as Xuccess decide to become part of a network?

We had two major reasons for deciding to join the network. First, if we are to acquire large-scale projects, it is important to be able to offer clients a wide range of resources and know-how. Second, the network offers us better opportunities for further development within the company. Another important consideration was that the network ethos is taken seriously at syskoplan. That is evident from the way the individual companies retain their own identities. There is no central hierarchical management in the network – instead, it consists of a wide range of know-how compiled under one roof. That is of major importance to us.

We are now feeling the first synergy effects of belonging to the network. For example, we can now offer our clients a wide range of consulting services and take on larger projects. Thanks to the partner companies' regular communication, their different know-how is pooled, allowing us to offer new service packages. In other words, one year down the line, joining the network was the right thing to do. As part of a listed company, however, we are now finding out for ourselves what regulatory requirements really mean. For example, we now also have to supply information for a risk management system. That was quite a hurdle initially, but we got there in the end. And in the future, the routine we have already established as a result will make our work easier.

What is your conclusion after a year in the network? Are the two corporate cultures compatible?

Absolutely. We are both very staff-oriented and open, and we value courteous dealings with one another. The fact that staff fluctuation at Xuccess has not changed despite the many changes over the last year is testimony to how well the integration is working. And that is a real credit to the positive corporate culture at Xuccess. Our staff appreciates the good atmosphere, the very flat hierarchies, and the freedom to shape their own development within the firm. In the consulting sector, there is often fierce competition between colleagues, but not here. The company's – and therefore consultants' – success is based on a strong sense of collegiality and team spirit.

What's next for Xuccess?

The highly positive response from our clients makes us optimistic about the future. We will continue to pursue our growth strategy in conjunction with the other network companies and stay on track for further success by recruiting highly qualified consultants and promoting the further development of our staff.

We breathe life into the "Living Network" slogan, which is also something the Executive Board actively encourages. We maintain close contact with the partner companies affiliated with syskoplan AG and Reply S.p.A., syskoplan AG's Italian parent company. In future, we will make even greater use of our joint potential.

It is difficult to say what effect the current subprime crisis and its impact on the free market will have on our customer environment. At the moment, anything is possible – from a general unwillingness among clients to invest due to depreciation requirements to a growing demand in the field of regulatory compliance and/or risk management. Perhaps the crisis will also prompt more mergers in the banking market, which could mean an increase in the need for consulting.

1.4 Building Bridges with cluster sysko

Interview with Dr. Thomas Greutmann and Jörg Stephan

cluster sysko GmbH was established in 2007 and specializes in system integration and consulting in the Microsoft environment. Its focal points are business intelligence, integrating Microsoft technologies into SAP, and .NET development projects.

„We increase the user benefit by innovatively optimizing the systems our customers already use."

Jörg Stephan,
Managing Director
cluster sysko GmbH

How would you describe the work done by cluster sysko GmbH?

Essentially, we build bridges which link different worlds with one another. cluster sysko specializes in system integration and consulting in the Microsoft environment. Microsoft has also developed from a purely software and technology company to an attractive supplier of business solutions. We build on that. One of our focal points is business intelligence solutions for data warehousing, reporting, analysis, and planning, plus – in many cases – integration with SAP. We also work on projects with .NET solutions. In the long term, we aim to build up a comprehensive range of solutions encompassing all Microsoft technologies.

In your experience, what is it like working with Microsoft?

Our relationship with Microsoft is very good. cluster sysko is an interesting partner for Microsoft because our affiliation with the syskoplan Group gives us the kind of size and access to SAP that other suppliers do not have. Microsoft's network of partners is rather fragmented, so they are interested in large partners who have a clear strategy and are able to meet major clients on equal terms. At the moment, Microsoft's corporate division is experiencing a shift. While the focus was previously on desktop PCs and network issues, Microsoft is now starting to support business processes by offering solutions. We are the right partner for these activities.

What customer base does cluster sysko operate with?

cluster sysko primarily works with large clients. For example, our work for Henkel predominantly involves processing controlling-related projects, while we focus on risk management for NRW Bank. In addition, for the Berlin-based insurance association BVV, we complete reporting and analysis projects for various areas. Our projects are usually very long term. We tend to complete new projects for new clients while our existing clients usually need further development and system maintenance as time goes by.

What are the benefits for customers who choose cluster sysko?

We increase the user benefit by innovatively optimizing the systems our customers already use. In other cases, we supply entirely new solutions. Each project is very different. For example, .NET components are very helpful for smaller projects. This is one of the best development environments on the market for individual solutions. In future, we will sharpen our focus on projects with new Microsoft technologies.

Microsoft recently presented an interesting product in this segment – MS Performance Point Server 2007. We positioned ourselves as an innovator here at an early stage. We have also seen some interesting ideas in the field of Web 2.0 technologies which we aim to use early on.

What aspects of your work are you particularly proud of?

We are seen as outstanding specialists for SAP integration in the Microsoft environment. There are plenty of Microsoft partners who cannot offer that service in this form as they concentrate strongly on Microsoft but not on SAP. Of course, I'm also very proud of our publication "Corporate Planning with Performance Point Server," which was published by Microsoft Press last November. It was the first book in the world on this topic.

Let's talk about the "Living Network." How would you rate the cooperation within the syskoplan/Reply network?

One of the decisive advantages of the network is the huge range of know-how it pools. If we need specialists from other areas for projects, we have access to them. Likewise, other companies approach us for help with their upcoming Microsoft projects. Approximately 25 percent of our employees are also involved in other projects within the network. For example, we completed the evaluation phase of a project for the Berlin-based insurance association BVV inside the network when it came time to decide which technologies should be used in the future.

cluster sysko has an Italian "cousin" in the form of cluster Reply. Are there any joint projects?

Not as yet since the projects are organized on a regional scale and because Microsoft has a country-specific structure rather than a pan-European approach. In other words, joint marketing and sales activities have to be coordinated with Microsoft's country divisions. The client situations have not yet given rise to international projects requiring closer cooperation, but we are well prepared for them. However, cluster sysko and cluster Reply do exchange know-how, and we can still learn a thing or two from our colleagues in Italy.

„One of the decisive advantages of the network is the huge range of know-how it pools."

Dr. Thomas Greutmann,
Managing Director
cluster sysko GmbH

What are the plans for cluster sysko in the next few years?

In future, we will cover new areas. Take the topic of messaging migration, for example. cluster Reply has developed a tool which enables the migration of whole e-mail systems. We will also make use of this. The same applies to SAP integration with SharePoint, which has now reached a certain "maturity" and will play a greater role for us in the future. I have also already mentioned Web 2.0. Our aim is to be able to cater to Microsoft solutions which go beyond business intelligence and software development.

1.5 The syskoplan Share

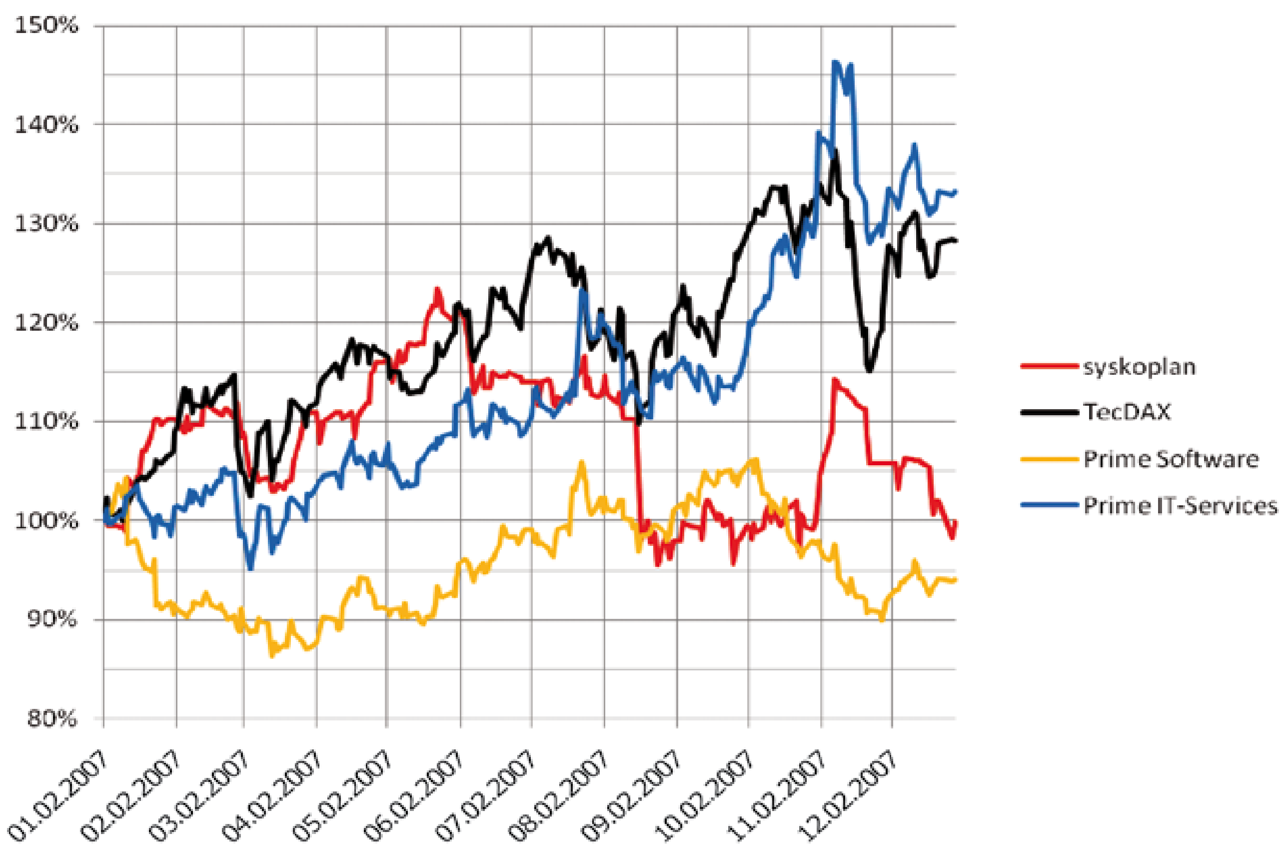
Stock Markets in 2007

The German stock markets experienced very positive developments again in 2007. The German share index DAX saw growth of 21% on balance since the beginning of the year and closed on the last day of trading in 2007 at 8,067 points, close to its highest value. Growth on the TecDAX was even stronger, with the index climbing 28% to 974 points in the course of the year. However, the consequences of the US real estate crisis were clearly felt in the summer and towards the end of the year.

Share Price at Previous Year's Level

With a closing price of EUR 7.83 on 12/31/2007, the syskoplan share ended the year roughly on par with its value at the beginning of the year. The share price therefore developed below the TecDAX or the sub-index for IT service companies. Until early August, however, it outperformed the indices at times. Although the earnings per share have more than doubled in 2 years, the share since suffered from sales by institutional investors, most of whom slashed their holdings of smaller, less liquid stocks due to the real estate crisis. In this context, the closing date effect also had an impact; until early March, developments were clearly converging.

Relative Development of the syskoplan Share Price



Key Figures, syskoplan Share

		2005	2006	2007
Equity capital	EUR million	4.2	4.4	4.7
Number of shares	million	4.2	4.4	4.7
Options issued (cumulative)	thousand	290.5	194.0	134.0
Market capitalization	EUR million	34.23	35.47	36.80
Free float	%	39.58	39.49	43.34
Shares traded [1]	thousand	5.0	6.2	4.5
Year-end price	EUR	8.15	8.00	7.83
Highest	EUR	8.24	8.70	9.69
Lowest	EUR	5.67	7.00	7.49
Earnings per share for the year	EUR	0.30	0.50	0.65
Dividends	EUR	0.26	0.26	0.30 [2]
Total dividend payout	EUR million	1.09	1.15	1.42
Dividend yield [3]	%	3.2	3.3	3.8

[1] Daily average [2] Proposal submitted to Annual General Meeting [3] Based on year-end price

At the year's end, syskoplan AG's market capitalization was EUR 36.8 million compared with EUR 35.4 million at the end of the previous year. As the share price remained virtually unchanged, the greater market capitalization was attributable to the increase in equity capital from EUR 4.4 million to EUR 4.7 million.

With 1.1 million shares traded, the syskoplan share's trading volume decreased in 2007. 1.6 million shares were traded in the previous year, which was hallmarked by the mandatory purchase offer from Reply.

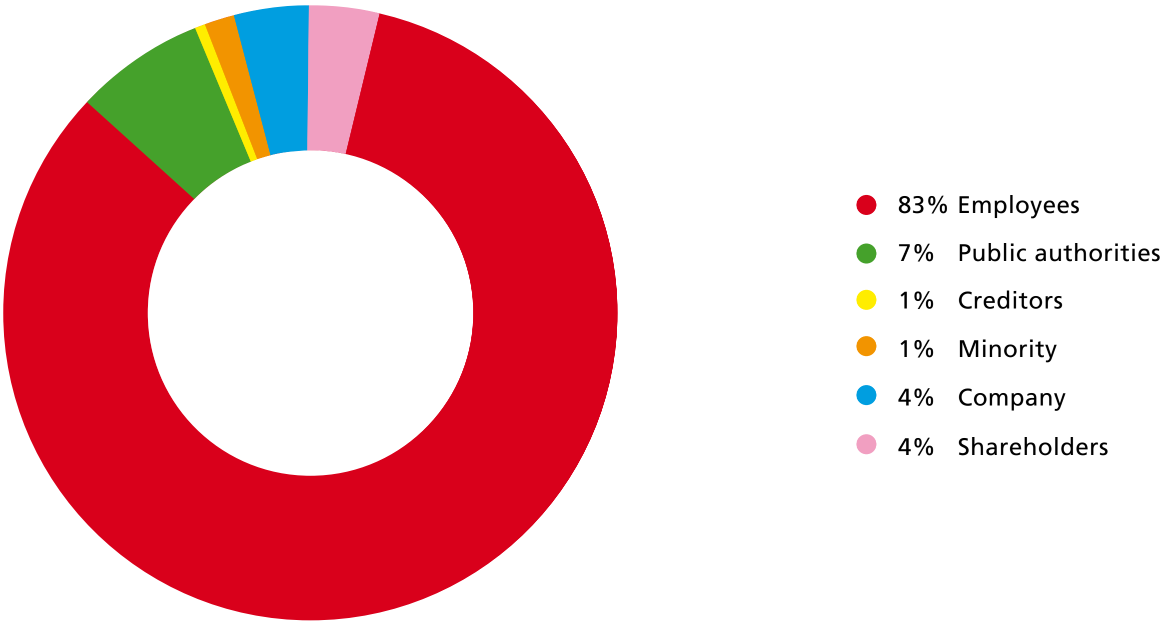
On an average trading day in 2007, 4,454 shares were exchanged (previous year: almost 6,240 shares).

Dialog with Investors and Analysts

syskoplan AG maintains ongoing and open dialog with investors. In addition to the Annual General Meeting, the company provides its shareholders with extensive financial information in the form of quarterly and annual reports as well as with press releases on all subjects of immediate interest.

We also organize annual congresses and telephone conferences in which investors and financial analysts discuss the company's current business and its prospects with the management. In 2007, we also established contacts with a number of investors in France and Italy.

Value Added 2007: EUR 37.7 mill.



Employee Shares

Value awareness should not be limited to the management, as every single employee contributes to the company's success and towards increasing its value.

To help them identify with their employer and let them benefit from its share performance, syskoplan AG gives its employees the opportunity to purchase employee shares. All available tax benefits were used again in 2007. Tax benefits are only available when employees pay for the shares themselves. Employees who have bought syskoplan shares have therefore made a conscious decision in favor of an equity investment.

Of those employees entitled to buy shares, 46% took advantage of the offer, showing their confidence in syskoplan AG.

Value Added Statement

In its value added statement, the syskoplan Group explains how its economic performance was created and used.

Value added is calculated by subtracting the necessary outlays for material costs, depreciation, and other expenses from the company's result. The value added is broken down into the shares allocable to each of the individual stakeholders.

In 2007, the company's result increased by 27% to EUR 58.8 million. After deducting purchased materials and services, the syskoplan Group's value added came to EUR 37.7 million (up 28% on the previous year). As is typical for the service sector, it was equivalent to 64% of the company's result. Of this value added, EUR 31.3 million or 83% went towards staff. 4% was utilized for the shareholders,

Michael Lückenkötter, Head of IR and Mergers & Acquisitions

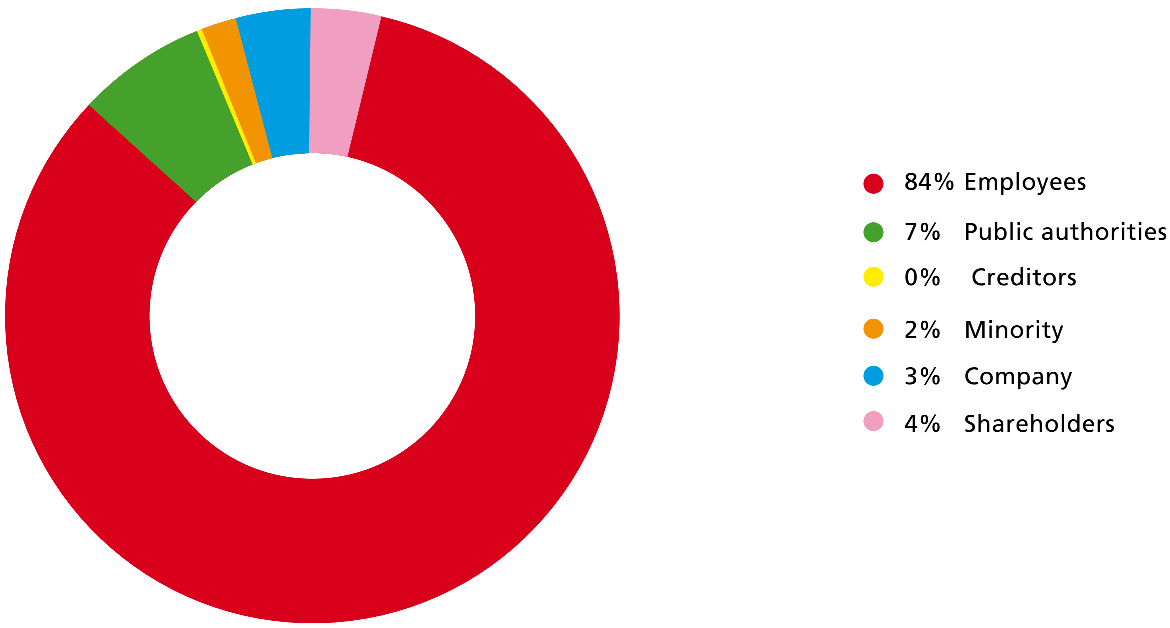
7% for public authorities, 1% for creditors, and minority shareholders were entitled to 2%.
The company retained EUR 1.5 million (= 4%) as a reserve.

The increase in the share due to creditors resulted from changes in the present value of the additional performance-related purchase price payments for the acquired companies.

Dividends

It is a fundamental element of the corporate philosophy at syskoplan AG that shareholders should benefit from the company's operative business in the form of dividends. Following the favorable developments in 2007, the Executive Board has proposed paying dividends of EUR 0.30 per share for the 2007 financial year. This corresponds to a 15% increase. The company will retain the rest of the net income for the year to fund its planned future growth. Based on syskoplan's closing share price of EUR 7.83, this amounts to a dividend yield of 3.8%.

Value Added 2006: EUR 29.5 mill.




Living M
07

Network

2.1 Management Report of syskoplan Group for Financial Year 2007

1. The syskoplan Group

syskoplan group has established itself as a renowned software integrator and consulting partner. Parent company syskoplan AG was founded in 1983 and has been listed on stock markets including the Frankfurt Stock Exchange since November 2000. Operating in German-speaking Europe, the company works on software projects with large companies and market leaders, with a particular focus on finding integral solutions for customer-oriented management. syskoplan provides solutions which enable its clients to provide qualitatively superior customer services, giving them a competitive market edge. Customer-centric management is central to syskoplan's business concept. It refines, extends and integrates standard software for customer-specific IT-solutions. This approach secures investments and rapid implementation.

As at December 31, 2007, the syskoplan group of companies employed 403 staff members. In the 2007 financial year, its sales totaled EUR 57.5 million. In addition to existing investments, the syskoplan company network was extended in 2006 and 2007 by macrosInnovation, Interactiv, discovery sysko and Xuccess Consulting. Apart from that in 2007 business units from syskoplan AG have been spun off into cluster sysko, comit sysko and ibex sysko. Apart from the registered office of syskoplan AG at Gütersloh the group is working at the following locations: Minden, Düsseldorf, Hanover, Munich and Hamburg).

In focusing on selected industries and an outstanding position in the area of SAP-based CRM-systems syskoplan is able to differentiate against the competition in Germany. Via partnerships with leading software suppliers like Microsoft or SAP syskoplan is showing excellent technological competence. This ensures an above-average profitability level compared to the competitors. Regularly syskoplan is preferred partner in implementing CRM-projects due to

+ nearly 25 years of experience generating a multitude of successfully managed reference projects,
+ a complete knowledge in holistic projects (resulting from a know-how covering not only CRM but also business intelligence, supply chain management and IT-management) and
+ a SAP-expertise resulting from a close development partnership with this software supplier.

2. General Economic and Sector Trend

The German economy developed positively in 2007. With a projected increase of 2.5%, the growth rate of the gross domestic product was only slightly lower than in 2006 (2.9%). The economy coped admirably with the impact of various tax increases on private households, the ever-stronger euro, rising interest rates, and the soaring oil price. This was primarily thanks to the strong momentum provided by foreign trade and the extensive investment activities of companies. The labor market's recovery continued unabated.

Very positive developments were also seen in the market for IT services in 2007. According to research by Gartner Research, the western European market for IT consulting, application development, deployment, and integration grew by 5.5% to EUR 66.2 billion in 2007. Developments on the German market lagged slightly behind those in Europe with a 4.4% growth rate, taking the market volume to EUR 11.1 billion. Gartner Research anticipates market growth of approximately 5.5% again in Western Europe in 2008. In Germany, growth in the market relevant for syskoplan AG is expected to increase slightly.

According to BITKOM findings – German Association for Information Technology, Telecommunications and New Media e.V. – the German market for IT services is set to grow 4.9% in 2008, i.e. by the same rate as in 2007. In the software market – one which is important for syskoplan as today's license sales are tomorrow's IT projects – BITKOM expects growth in 2008 to be only slightly lower than in 2007 at 5.8% (6.0%).

Gartner Research's annual survey of company IT officers shows that businesses' IT demands are continuing to increase. CIOs expect that IT firms will have to evolve from suppliers of functioning technology to developers of solutions which give their clients a decisive competitive edge. In this context, aspects such as "improving business processes," "attracting and retaining new customers," and "developing new products or services (innovation)" are currently at the top of the agenda.

3. The Structure of the syskoplan Network

In 2007, the syskoplan Group was systematically restructured into a network of companies in order to combine the strength of large companies with the agility and customer proximity of highly specialized units. The network is based on three fundamental principles:

+ Focused business units sustain the operative business. These are either legally independent or virtual units in the form of dependent Profit Centers that are managed like companies.
+ The business units work together in Market Centers. The Market Centers focus on a sector, a sub-sector, or an industry community such as SAP.
+ Cross-divisional functions such as finance, marketing, HR, IT, or investor relations are centrally operated by departments within the syskoplan holding company.

As the business units focus on individual specializations (sectors, applications, process groups, technologies), we can provide first-class expertise paired with extensive experience. This in turn helps us to maintain a high level of quality and the corresponding benefits for customers.

Each business unit works as an independent company within the network. At the same time, their affiliation within the network provides them with a corresponding size, economic substance, and reputation.

Incorporating the companies into an international network gives them access to supplementary specialist know-how. This has allowed us to fulfill additional customer needs in both Italy and Germany. Examples include syskoplan providing SAP CRM support for Iveco in Italy and the use of Italian IXOS skills at VW Financial Services. In addition to this, it allows us to cite such expertise when approaching internationally-oriented clients and partners. Examples include Ferrero, Vodafone, or Siemens, but also Microsoft and SAP.

In the course of establishing the syskoplan network, 100% of the shares in Xuccess Consulting GmbH were acquired in the 2007 financial year. Xuccess is specialized in management consultancy dealing with regulatory reporting for banks and also offers IT consultancy in the Microsoft technology environment. The company is a Microsoft Gold Certified Partner. In addition to this, three new start-ups were founded: ibex sysko GmbH, cluster sysko GmbH, and comit sysko GmbH. In the 2007 financial year, profit and loss transfer agreements were concluded with these start-ups and with discovery sysko GmbH, which was founded in the previous year.

The operative business of syskoplan group is managed by monitoring sales and EBITDA margin (earnings before interest, taxes and depreciation related to sales). During the last financial years these figures developed as follows:

	2007	2006	2005	Delta 07/06	Delta 06/05
Sales	57,472	45,227	40,334	27%	12%
EBITDA margin	12.7%	11.7%	11.2%	+ 1%-point	+0.5%-points

Sales figures in Euro thsd.

On a unit level, syskoplan manages its operative business by monitoring the gross output per employee per working day and the net operating income of each operational unit.

Gross output per employee per working day standardizes sales by syskoplan's own staff (only the contribution margin of freelance transactions is taken into account) for the number of employees and the number of available working days in the reporting period. This indicator is a good way of evaluating capacity utilization and per diem rates, and enables comparisons to be made within the Group.

The net operating income of an operational unit shows the unit's sales in relation to the costs directly allocable to it as multi-stage contribution costing. If each unit achieves a certain performance target, the Group-wide goals will also be reached.

4. Sales Trend

The operational business of syskoplan group continued to accelerate in 2007. In addition to intensifying business with existing clients, the Group was able to acquire some interesting new customers.

In April, syskoplan won a competitive bidding process at AXA Winterthur against strong competition. syskoplan intends to use this customer as a key reference for CRM in the insurance sector. At the same time, this is also a good entry point into the financial services domain in Switzerland. At VW Financial Services UK, the existing central contract management for automobile financing with end customers was migrated to SAP NetWeaver technology. This basis will enable further development of the business relationship with VW FS UK. At NRW.BANK, we achieved the successful going live of the risk controlling database. We have won a new customer in the SAP Business Intelligence area with Zimmer GmbH in Winterthur. At Deutz AG, a software system was introduced on the back of our "SLAM" tool which allocates IT and telecommunication expenses precisely and by origin to individual cost centers and service purchasers within the company. The system has been in operation since May of this year. At Weidmüller and another well-known customer, we have been awarded a project in the SAP Master Data Management area.

is4 has gained another small new customer in the computer center sector. Since September 2007, we are taking over the operation of the SAP systems. The duration of the contract is five years. At Freiberger, the feasibility study for the APO implementation was successfully completed. is4 is intensifying the partnership with CAS. The first customer implementation projects have already begun. At Kühne, a selection study for a SW system for CRM was completed and CAS software was chosen.

An integrated customer service system based on mySAP CRM 4.0 was successfully introduced at HSE24, one of Germany's leading home shopping companies, under the name "*KIK, der Kunde ist König*" (the customer is king). The project began in 2006 with the aim of improving customer service at HSE24. Many legacy systems dealing with complaints, advising, and processing service calls were replaced. By introducing mySAP, CRM customer calls can now be dealt with more quickly and transparently. As well the certified SAP add-on as//p was introduced at two Swedish subsidiaries of the printing and service company Nässjötryckeriets in order to configure complex print and service products. Implementing the configuration and calculation tool as//p gives the sales force a central workplace for handling inquiries and orders. Integrating it into SAP's ERP system ensures that the downstream processes run efficiently.

The partnership with the Bavarian content management specialists ContentServ is progressing well. ContentServ provides a cross-media CMS system including integration with the Adobe IndesignServer. An implementation project for CMS by ContentServ is currently underway at Miele. cm4 is responsible for the integration of all product information on the data providing systems. cm4 is using its SEAL product (a generic integration layer for product data information) as a project accelerator.

A preliminary study on introducing RR Analyzer at Landesbank Berlin has been successfully brought to a close by SAP and Xuccess. After the results were presented, LBB decided to purchase the RR Analyzer. macrosInnovation is carrying out a project for APO Bank in Düsseldorf with its partner T-Systems. At macrosSolution client Vereinsbank Victoria Bauspar AG, the macros mailbox/file DMS successfully commenced operations in June.

In the 2007 financial year, syskoplan Group sales increased from EUR 45.2 million to EUR 57.5 million, representing a 27% rise. 8%-points hereof were due to organic growth. The rest was allotted to the acquisition of Xuccess Consulting contributing EUR 8.8 million to group sales.

The increase in sales in 2007 was due not only to additional employees. 5%-points were determined by a further improved sales productivity. The sales generated per FTE employee came to EUR 146 thousand, vis-à-vis EUR 139 thousand in the year before. This represents a very good figure in comparison with other market players.

5. Personnel Trend

As at December 31, 2007 the number of employees in the group increased by 14% to 403. The several members of the corporate bodies are included in this. Converted into full-time equivalents, the number of employees in the syskoplan Group increased by 21% to 395 in 2007. 41 additional employees resulted from the acquisition of Xuccess.

6. Disclosures as per § 315 Section 4 of the German Commercial Code (HGB)

The share capital of syskoplan AG is divided into 4,729,090 individual bearer shares, each with an accounting par value of 1 euro in the capital stock. Each share grants one vote at the Annual General Meeting. Restrictions with regard to voting rights or transfers of shares do not exist.

A resolution was passed at the Annual General Meeting on September 20, 2000, to implement a conditional capital increase of up to EUR 300,000 by issuing up to 300,000 new individual bearer shares for the exercise of subscription rights under a share option plan. 13,893 subscription rights were exercised in the 2007 financial year, resulting in the issuing of 13,893 new individual bearer shares with a nominal value of EUR 1.00 each from the conditional capital.

The Annual General Meeting on May 20, 2005, authorized the Executive Board to increase equity capital by up to EUR 2,100,000 (approved capital) in the period to

May 20, 2010, with the Supervisory Board's approval. Following a Supervisory Board decision on 02.05.2007, the approved capital was utilized to increase the company's equity capital by EUR 279,581.00 to EUR 4,715,197.00 by issuing 279,581 new individual bearer shares with a nominal value of EUR 1 each. As at December 31, 2007 the approved capital still available amounted to EUR 1,595,834.

The Italian IT conglomerate Reply S.p.A., Turin, Italy, informed the Executive Board of syskoplan AG on January 23, 2006, that it had exceeded the threshold of 50% of the voting rights in syskoplan AG on January 19, 2006. As at December 31, 2006, Reply S.p.A. holds 60.4% of the syskoplan shares either directly or indirectly. Iceberg S.A., Luxembourg, Luxembourg, informed us that the voting rights held by or assigned to Reply S.p.A. are attributable to Iceberg S.A. as per § 22 Section 1 Sentence 1 No. 1 and Sentence 2 of the Securities Trading Law (WpHG). Alika s.r.l., Turin, Italy, informed us that the voting rights assigned to Iceberg S.A. are attributable to Alika s.r.l. Dott. Mario Rizzante also informed us that the voting rights held by Alika s.r.l. are attributable to him.

As at December 31, 2007 the shareholding of Reply S.p.A. amounts to 56.66% of the voting rights.

The number of members on the syskoplan AG Executive Board is determined by the Supervisory Board. The Supervisory Board can appoint a member of the Executive Board as Chairman. Executive Board members are appointed and dismissed in line with §§84 and 85 of the German Stock Corporation Law (AktG).

Any change to the articles of incorporation must be based on a resolution passed at the Annual General Meeting (§133 of the German Stock Corporation Law [AktG]). Changes to the articles of incorporation are passed with a simple majority of the votes cast and, if no capital majority is required, with a simple majority of the equity capital present, unless compelling legal requirements demand a higher majority. The Supervisory Board has been granted the authorization to make changes which only affect the wording (§179 of the German Stock Corporation Law [AktG]).

The Annual General Meeting on May 16, 2007, authorized the Executive Board to acquire own shares of up to 10% of the then equity capital of EUR 4,437,856,00 in accordance with § 71 Section 1 No. 8 of the AktG until October 31, 2008. Together with other own shares owned by the company or apportioned to the company according to §§ 71a ff of the AktG, shares acquired on the basis of this authorization may not exceed 10% of the current equity capital of the company at any time. The authorization may not be used by the company for trading in own shares.

syskoplan AG has made no substantial stipulations which would apply to a change in the controlling interest following a takeover bid. syskoplan AG has not made any arrangements with its Executive Board members or staff regarding compensation in the case of a takeover bid. However, the Executive Board members Dr. Wassel and Dr. Meier have been promised additional payments should their employment cease.

7. Shares and Options Held by Board Members

At the end of 2007, Dr. Wassel held 2 syskoplan shares (previous year: 2 shares). Dr. Jochen Meier held 1 syskoplan share (previous year: 1 share). In early 2004, the Executive Board resolved to forgo the allocation of share options. Due to cancelation of the options granted in 2000 the number of options held by the Executive Board reduced in 2007 to 1,224 each.

As at December 31, 2007, the Supervisory Board Chairman Dott. Mario Rizzante held 2,679,604 syskoplan shares, which are indirectly attributable to him according to § 22 of the Securities Trading Law (WpHG). At the end of 2007, Dr. Niels Eskelson held 500 shares and Dr. Gerd Wixforth 4,200 shares in syskoplan AG. The remaining members of the Supervisory Board hold no shares. No options were issued to the members of the Supervisory Board.

syskoplan AG held 2,750 own shares at the end of the 2007 financial year.

8. Remuneration Report

The Supervisory Board is responsible for concluding contracts with the Executive Board members and therefore setting their remuneration. The Supervisory Board's remuneration is based on the articles of incorporation and is set by the Annual General Meeting. Further details are contained in the remuneration report which can be found in the Corporate Governance report on the pages 43 et seq. This remuneration report audited by the auditor is part of the management report.

9. Investment Activities

A further EUR 1 million was invested in tangible fixed assets especially in data processing equipment. syskoplan invested a further EUR 0.5 million in software reported as intangible assets. After depreciation the book value of acquired and self-developed software amounted to EUR 0.5 million.

As in previous years, last year several syskoplan employees had the opportunity to collaborate on development projects with our technology partners SAP and Microsoft. syskoplan's long-standing close collaboration with the SAP development division in particular secures detailed knowledge and contacts that can play a crucial role in taking a project forward in critical phases.

In February 2007 syskoplan AG acquired 100% of the shares in Xuccess registered in Gilching near Munich. The purchase price was below EUR 10 million and encompassed a cash payment and shares and also included an earn-out. As a result, syskoplan AG has increased its capital in 2007 by issuing 279,581 new shares with a nominal value of EUR 1.00 each at an issue price of EUR 7.69 per share. They are subject to a lock-up agreement. Xuccess specializes in business consulting in the context of banking regulatory reporting and also offers IT consulting for Microsoft environments. The company is a Microsoft Gold Certified Partner. In the last financial year, Xuccess's 40 employees generated a turnover of EUR 8.8 million; the company's EBT margin runs into double figures.

With the acquisition, syskoplan has further extended its range of services in the banking/financial service provider sector. Xuccess's activities in the Microsoft environment will make an important contribution towards the company's plans to further consolidate Microsoft expertise within the syskoplan network of companies.

As of October 1, 2007, syskoplan AG increased its share in the Cologne-based company Interactiv GmbH & Co. KG on the occasion of a retirement of a shareholder to a 93% stake. Interactiv develops mobile services and applications commissioned by clients. The award-winning mobile media portal JOCA is a solution which allows TV viewers, radio listeners and readers to enter competitions or order products via their cell phones, for example. JOCA therefore allows the media and the advertising industry to establish direct, interactive customer contact. In future, Interactiv will also play a more prominent role as a service provider in the field of mobile applications and business processes.

10. Asset Position, Financial Position, Earnings Position

10.1 Asset and Financial Position

The syskoplan Group's balance sheet total increased by 21% to EUR 50.3 million last year.

In the same period, the proportion of the balance sheet total accounted for by current assets fell from 66% to 59%. This development is mainly attributable to the increase in non-current assets and not to a decrease in current assets. Accounts receivable followed the business development and rose by 57% to EUR 10.9 million. Liquid funds fell by 8% to EUR 17.6 million. Other current assets fell by 11% to EUR 1.4 million, mainly due to the disposal of current financial assets.

Non-current assets amounted to EUR 19.8 million at the end of the year under review (previous year: EUR 13.0 million). They now account for 39% of the balance sheet total (previous year: 31%). Due to the acquisition of Xuccess the goodwill rose to EUR 12.5 million. Other intangible assets and property, plant and equipment rose to EUR 4.9 million (previous year: EUR 4.5 million). Following the usage of loss carry forward during the positive business course deferred tax assets fell from EUR 0.5 million to EUR 0.4 million. The ratio of non-current assets to equity amounts to 137%.

On the liabilities side of the balance sheet, short-term debt rose from EUR 7.8 million to EUR 10.4 million following the expansion of the business activities. In relation to the balance sheet total they now account for 21% (previous year: 19%). Mainly due to higher provisions for labor costs provisions rose by 26% to EUR 3.9 million. As well accounts payable increased to EUR 1.4 million following EUR 0.5 million the year before. This increase was primarily due to expansion of the scope of consolidation via acquisition of Xuccess. Other short-term liabilities rose by 34% to EUR 5.1 million.

Long-term debt increased by 25% to EUR 11.4 million. Here the increase in long-term provisions containing the performance-related additional purchase price components for the acquisitions of macros and Xuccess has to be mentioned. Minority interest remained nearly constant amounting to EUR 3.6 million.

The equity ratio reduced slightly from 59% to 57% in the year under review. Via several capital measures the share capital has been increased. On the one hand the exercise of 13,893 subscription rights by employees of syskoplan under a share option plan has to be mentioned. On the other hand the 6% increase of share capital is mainly due to the capital increase issuing 279,581 new shares against contribution in kind for the acquisition of Xuccess Consulting. The premium which was generated in excess of the nominal value of the new issued shares lead to an increase of capital reserves by 11% to EUR 19.1 million. Due to the positive business course of syskoplan group other surplus reserves rose by 66% to EUR 4.6 million.

10.2 Liquidity Situation

Despite substantial investments and profit distributions to shareholders, the syskoplan group's liquidity in the financial year 2007 was still very high. In the year under review, an inflow of funds totalling EUR 2.2 million was generated from operating activities. In the previous year an operative inflow of funds of EUR 3.1 million was reported. The decline in this item despite of a risen EBIT is the result of an increase in working capital and tax prepayments. In relation to sales cash flow from operating activities declined from 7% to 4%.

Investment activities in 2007 resulted at group level in a EUR 2.0 million outflow of funds. One year previously, this item was an outflow of EUR 1.0 million. Investments mainly affected the cash component of the acquisition of Xuccess and subsequent performance-related purchase price payments for the acquisition of macrosInnovation in the year before.

The outflow of funds in connection with financing activities amounted to EUR 1.9 million (previous year: EUR 2.4 million). The payment of a dividend and withdrawals of minority shareholders have to be mentioned here.

Overall, liquid assets fell by EUR 1.4 million to EUR 17.6 million in 2007. The ratio of liquid assets to current liabilities was 170% in 2007. In the previous year, it was 244%. Calculating receivables and other quickly realizable items into this ratio, the figure is 288% as opposed to 353% in 2006.

syskoplan group in financial year 2007 was able and until now is able to discharge all of its payment obligations at every time.

11. Earnings Position

In the year under review syskoplan group developed very positively with regard to profitability. This is expressed via an EBITDA margin which further increased from 11.7% to 12.7%.

The sales of syskoplan group increased from EUR 45.2 million to EUR 57.5 million, an increase of 27%. Organic growth accounted for 8%-points of this development. The rest was due to the acquisition of Xuccess Consulting contributing EUR 8.8 million to group sales.

The cost of revenue amounted to EUR 40.8 million, 27% above the level of the previous year where EUR 32.1 million were posted. Gross earnings amounted to EUR 16.7 million following EUR 13.1 million the year before. Gross margin (gross earnings related to sales) is constantly amounting to 29%.

Selling and marketing costs increased by 14%, bringing them to EUR 5.9 million. Administrative costs were up 35%, totalling out at EUR 5.5 million. An analysis of the total costs of the group shows an increase of 26% to EUR 52.2 million, mainly due to the changes in the scope of consolidation. Personnel expenses rose by 27% to EUR 31.3 million. The cost of purchased services rose from EUR 4.8 million to EUR 6.5 million. Other operating expenses (without services bought in) rose by 20% year on year to EUR 14.4 million.

The operating result (EBIT) was EUR +5.9 million in 2007 against EUR 4.2 million in the previous year. Pretax earnings (EBT) amounted to EUR 6.2 million (previous year: EUR 4.6 million) allowing for the financial result that declined by EUR 0.1 million.

After taxes and minority interest syskoplan group's net income from continued operations totaled EUR 3.1 million in the year under review (previous year: EUR 2.1 million). Related to one share this equals EUR 0.65 following EUR 0.48 the year before. Including the results of discontinued activities in the US the net profit amounted to EUR 3.0 million (previous year: EUR 2.2 million).

12. Risk Reporting

A systematic risk management system at syskoplan group helps to identify and optimize risks and to transform them into opportunities. As part of its corporate strategy, the firm's risk policy is geared towards systematically and continuously increasing the company's value. It stipulates that the company's continuing existence should be safeguarded. The Group's name and reputation are also of great importance, as is the "syskoplan" brand.

Whatever risk strategy is adopted, it is always preceded by an analysis of the risks and the opportunities associated with them. In the Group's key competencies, it deliberately takes and accepts risks which are reasonable, clear-cut, and controllable, provided they are also expected to entail a corresponding increase in value.

The aggregate total risk may not exceed syskoplan AG's existing risk coverage potential.

In fulfilling its overall responsibility, the Executive Board of syskoplan AG has established the framework for efficient risk management by issuing Group-wide guidelines. As the managers of operational units, the partners have direct responsibility for the early identification, management, and communication of risks. The same applies to the managers of the holding company departments. In particular, the holding company is responsible for assessing cross-divisional issues and possible cumulative effects entailed by various risks. A Group-wide risk inventory is conducted every year. Throughout the year, syskoplan AG examines its business objectives and risk management measures using the control systems, procedures, and reporting standards which it has implemented. These checks include, for example, monthly review meetings which also entail on-going evaluations of the sales pipeline in order to quantify the balance sheet item "other clients." This item serves as a way of posting the planned business volume for which the client/project is as yet unknown. Regular reports advise on the status of and any changes in major risks. Risk management instruments are continuously developed further.

syskoplan's current risk inventory has analyzed the major risks to syskoplan AG and the companies within its network on a decentralized basis. The central, most significant risks are the aspects of integrating holdings, project quality, client dependencies, sales, recruiting staff, innovation risks, and the management structure. All of these are typical risks for IT service providers. The risk inventory shows that there are no risks which pose a threat to syskoplan AG's survival as of the balance sheet date, December 31, 2007.

With its activities, syskoplan group is exposed to typical business risks. In particular, these include decreasing demand and fluctuations in the hourly rates for consultancy services. syskoplan AG counters these risks by taking action in the field of sales and capacity management, including the use of freelance personnel. Projects are closely monitored so as to counteract potential budget overruns on fixed-price projects. The managers of the operational units' keep a close eye on technological developments. They are supported by the holding company's central departments, who work with various market research companies.

In terms of financial management, we maintain liquidity at all times using standard financial planning tools. syskoplan AG works with various domestic banks with an excellent credit standing to ensure that there is no risk of default on liquid assets. As some of the liquid assets are invested on a floating rate basis, there is a risk of interest rate fluctuations. As regards debtors, developments in the backlog of receivables are monitored continuously. Default risks are adequately covered by the existing value adjustments. Within receivables, there is a risk concentration as regards a number of major customers. However, given the credit standings of these major customers, we do not foresee any risks.

Skilled and committed employees are crucial success factors for the company's further development. syskoplan is continuing to position itself as an attractive employer in order to build up and strengthen its workforce. It also aims to retain its staff long term. The company's staff development activities include attractive incentive systems, the early identification and support of candidates with potential, and the creation of good career prospects.

There are no pending or threatened court proceedings which would substantially impair syskoplan AG's financial position. As a result, syskoplan AG does not expect its business developments to suffer any major setbacks in this context.

If the overall economic situation continues to worsen in the course of the year, this will also have an impact on economic activity within the IT industry. syskoplan AG is taking this into account by operating a demand-oriented staff deployment system.

The continued existence of syskoplan AG is not endangered by any factors relating to substance or liquidity. This assessment is supported by the analysis of business trends and liquidity presented here. The existing liquidity portfolio and the equity base are a more than adequate foundation for the implementation of our strategic goals. There are no identifiable risks which pose a threat to the company's survival in future.

13. Outlook

Economic developments can be expected to lose some of their momentum in 2008. Growth is projected at 1.7% for 2008 – compared with 2.5% in 2007 – and would therefore return to normal. In assessing future trends, further developments in the U.S. property crisis and its effect on European markets constitute the main source of uncertainty. It is possible that IT projects could be delayed or cut back if problems in the financial sector persist and are transferred to other sectors. Thus far, there has been no impact on syskoplan's business.

In the last financial year the syskoplan group achieved an increase in sales of 27%. The syskoplan Group is on course to achieve its goal of generating sales exceeding EUR 90 million by the end of 2009 while retaining a double-digit EBITDA margin. The growth shall be achieved organically (including start-up initiatives) and by means of selected acquisitions. Both for 2008 and 2009 we expect organic growth to amount to 10% respectively. EBITDA-margin in both years shall at least amount to 10%. The liquidation of our subsidiaries in the US shall be completed in 2008. syskoplan is in a good position to embark on this development both in terms of the IT market and the state of the syskoplan Group.

Analyses of the environment in the IT service sector remain positive; the market for IT services continues to grow. The major software suppliers from IBM and SAP to Microsoft and Oracle showed good license sales figures in Q4 2007. This can be expected to generate consultancy projects in due course. In addition to this, the credit crunch has clearly prompted valuations for mergers and acquisitions to return to normal.

syskoplan made a lot of progress towards establishing a network of focused units in 2007. The Group now combines the strength of large companies with the agility and customer proximity of highly specialized units. To its customers, syskoplan stands for high-quality projects which are completed in a fair and customer-oriented fashion based on partnership. This claim is supported by feedback provided by customers during the studies conducted regularly by the Experton Group. We were also able to set up a number of major flagship projects in 2007. With its sound financial structure and profitability, the company has the necessary substance to fund its additional planned purchases, even if banks start enforcing a more restrictive lending policy.

All in all, syskoplan has established a very good position, even in comparison to its competitors. As a result, it can be optimistic and confident as 2008 – its 25th anniversary year – begins.

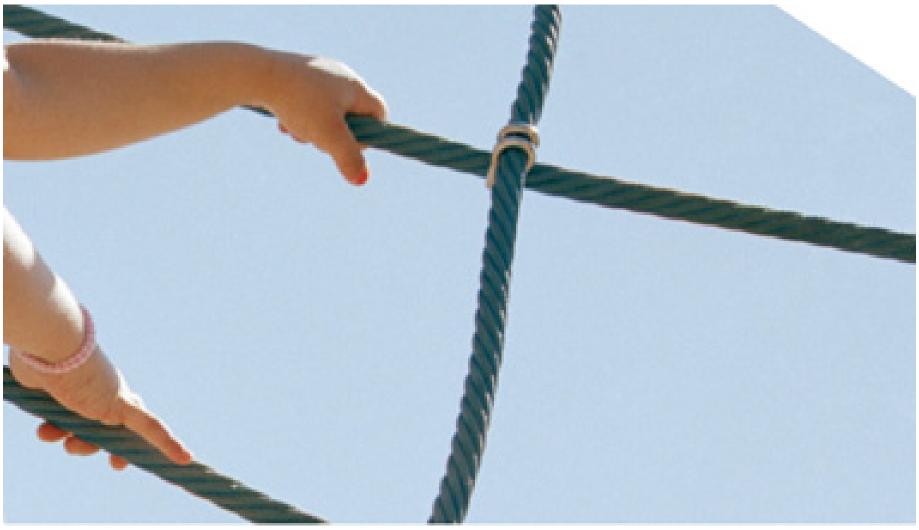
14. Special Events After the Balance Sheet Date

No substantive events occurred after 12.31.2007 that affect the asset, financial and earnings position.

Gütersloh, February 28, 2008

syskoplan AG

The Executive Board



2.2 The Boards

Executive Board

In the year under review the following individuals were members of the Executive Board:

Dr. Manfred Wassel, Gütersloh
Chairman of the Executive Board
Corporate Strategy, Marketing, Communications, Investor Relations

Dott. Daniele Angelucci, Gütersloh
Finance, Mergers & Acquisitions, Reply Network

Dr. Jochen Meier, Löhne
Operations, Sales, Personnel

Supervisory Board

In the year under review the following individuals were members of the Supervisory Board:

Dott. Mario Rizzante
Chairman
Turin, Italy
President of Reply S.p.A.

Dr. Niels Eskelson
Deputy chairman
Paderborn
Consultant

Dr. Stefan Duhnkrack
Hamburg
Partner Heuking Kühn Lüer Wojtek

Dott. Riccardo Lodigiani
Turin, Italy
Senior partner at Reply S.p.A.

Dott. Tatiana Rizzante
Turin, Italy
Senior partner at Reply S.p.A.

Dr. Gerd Wixforth
Gütersloh
Retired city manager

2.3 Report of the Supervisory Board

In the 2007 financial year, the Supervisory Board once again took great care to perform its duties in accordance with the law and with the company statutes. It advised the Executive Board regularly on the management of the business undertaking and monitored the management of the business. The Supervisory Board was directly involved in all decisions of fundamental importance to the business.

The Executive Board informed the Supervisory Board in detail about all the relevant aspects of corporate planning and strategic development, about the course of business, and about the Group's position. Whenever business developments differed from the plans and objectives, the Supervisory Board was given an explanation of each individual deviation, which it subsequently reviewed using the documents provided. The Supervisory Board made decisions on business transactions requiring its consent under the rules of procedure issued for the Executive Board. Wherever required by the law and the company statutes, the Supervisory Board voted on the Executive Board's reports and proposed resolutions following thorough checks and deliberations.

Aside from the Supervisory Board meetings, the Chairman and other members of the Supervisory Board maintained regular contact with the Executive Board. They received prompt updates on the latest developments in the business position and on key business events.

In the 2007 financial year, four regular meetings were held (March 21, May 16, September 4, and December 5, 2007). No Supervisory Board member attended fewer than half of these meetings. In addition, the Supervisory Board made several decisions on the basis of circulating documents and in the context of telephone conferences.

Wide Range of Issues Covered by the Supervisory Board

Given the size of syskoplan AG and of the Supervisory Board itself, it has been decided not to form committees. The plenary discussions regularly covered the sales, earnings and workforce trends within the Group and its various units, plus the financial position and all shareholding and investment projects. The meeting on March 21, 2007 focused primarily on the annual and consolidated financial statements for 2006 and corporate planning for the 2007 financial year. The Supervisory Board examined funding to promote the development of the start-up companies within the Group. In addition to this, the Supervisory Board requested detailed information about the activities and business orientation of Xuccess Consulting, which was acquired in early February. The Supervisory Board used its meeting on May 16 to scrutinize the business situation and the planned continued development of macrosInnovation. The agenda for the meeting on September 4, 2007 included business developments plus a detailed report by the Executive Board on the status of the Group's M&A activities, and the results of the staff survey. Furthermore, the Supervisory Board examined the pension entitlement granted to the Executive Board and its reinsurance. In the meeting on December 5, 2007, the Executive Board updated the Supervisory Board on the latest plans for the 2008 financial year. A concept was discussed to enable partners to acquire an equity share in their business unit. In addition to this, the agenda featured a progress report on the risk management system, fraud and corruption, and defining auditing focal points for the 2007 annual audit.

Declaration of Conformity with the Corporate Governance Code

At its meeting on December 05 the Supervisory Board dealt in detail with the implementation of the German

Corporate Governance Code at syskoplan AG. At that meeting, the Executive Board and the Supervisory Board adopted an updated declaration of conformity in accordance with § 161 of the German Stock Corporation Act (AktG). This was posted on the website to be permanently accessible to shareholders.

In implementing the code, the Supervisory Board concerned itself at several meetings with examining its efficiency. It examined in particular the structure of the reporting system to the Supervisory Board, as well as its composition and organization.

Further information can be found in the corporate governance report drawn up jointly by the Executive Board and the Supervisory Board.

Audit of the Financial Statements and Consolidated Financial Statements

The financial statements for 2007 and management report of syskoplan AG were audited by the appointed auditor, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. The auditor found that the annual financial statements were in accordance with proper bookkeeping and with statutory requirements and established that the risks of future development are described accurately in the management report. He certified this in an unqualified audit opinion. The aforesaid also applies to the consolidated financial statements drawn up in accordance with IFRS and to the management report for the Group.

The auditor also examined the syskoplan AG early risk recognition system as required by § 317 Section 4 HGB. As the result of his examination, the auditor established that the system takes account of the management's obligations in the operative field and the strategic field as laid down by law for the purpose of control and transparency in companies.

All documents pertaining to the financial statements, the auditor's audit opinions and their annexes and the Executive Board's proposal for the application of profit were submitted to the Supervisory Board in time. It examined them and discussed them in detail at the meeting held on March 12, 2008. The auditors took part in the discussion of the financial statements and the group statements. They reported about the essential results of the examinations and were at the disposal for questions and supplementary information to the supervisory board.

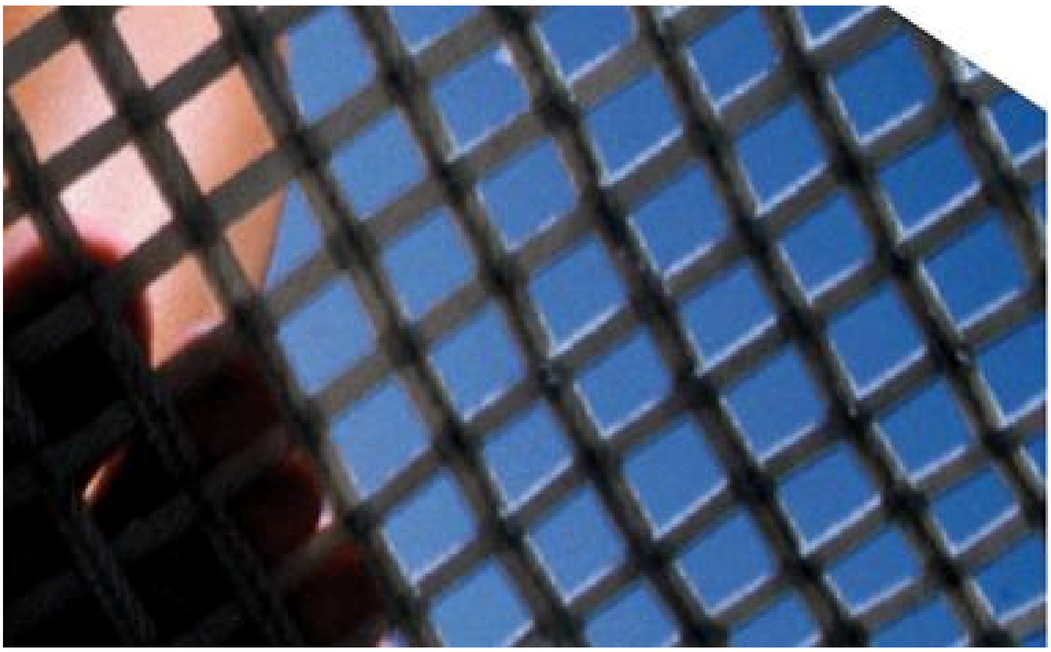
After an own check of the financial statements, the group statements and the management report and the group management report the supervisory board has agreed to the result of the examination by the auditor and noticed that objections were not to be made. The Supervisory Board approved the consolidated financial statements for 2007 and the financial statements for 2007 of syskoplan AG along with the management report of syskoplan AG and of the group. The financial statements are therefore final.

The dependency report of syskoplan AG set up by the Executive Board was also audited by the auditor. It has confirmed in his obligatory examination and judgment, that the actual details of the report are correct, for the legal transactions listed in the report the consideration of the company was not unreasonably high and for the measures mentioned in the report no circumstances fundamentally argue for another judgment than the one made by the Executive Board. After its own examination the Supervisory Board arrives at the final conclusion that the dependency report is complete and correct and that no objections arise against the final statement of the Executive Board according to § 312 sect. 3 AktG.

The Supervisory Board wishes to thank the Executive Board and all employees of syskoplan Group companies for their exceptional personal commitment in the past financial year.

Gütersloh, March 12, 2008
The Supervisory Board

signed Dott. Mario Rizzante
Chairman



2.4 Report on Corporate Governance

syskoplan has long been committed to recognized standards of good and responsible corporate management. The principles of corporate governance are for implementing responsible leadership and control of business undertakings with a view to long-term value enhancement. Respect for shareholders' interests, efficient cooperation between Executive Board and Supervisory Board and open and transparent corporate communications are especially important to syskoplan AG.

With the attention of these principles syskoplan would like to confirm the confidence shown in the company by customers, employees and shareholders. These principles undergo continuous further development.

1. Declaration of Conformity with the German Corporate Governance Code

The Executive Board and the Supervisory Board issued the following declaration of conformity in accordance with § 161 of the German Stock Corporation Act (AktG) on December 05, 2007:

„ The Executive Board and the Supervisory Board of syskoplan AG declare that syskoplan AG has followed or follows the recommendations of the government commission on the German Corporate Governance Code published by the German government on November 26, 2002, in the official part of the electronic Federal Gazette, version dated June 14, 2007, and published on June 20, 2007, subject to the following limitations:

+ The D&O insurance policies taken out by syskoplan AG on behalf of Executive Board and Supervisory Board members do not provide for any deductible (point 3.8 of the code). The Executive Board and the Supervisory Board take the view that no increase in the care with which business decisions are made is to be expected from the agreement of a deductible.
+ The stock option plan adopted by syskoplan in 2000 does not include any reference parameters (point 4.2.3). However, it does include an exercise barrier relating to the syskoplan share price. The final tranche under this plan was issued in 2004. The Executive Board and the Supervisory Board take the view that it makes sense to allow this plan to run its course unaltered.
+ The share option plan adopted by syskoplan AG in 2000 does not include any possibility of a value limitation to take account of extraordinary developments (point 4.2.3). Until 2003, board members of syskoplan AG received the same number of options as other executives. The Executive Board did not take out any share options in 2004. Besides, the absolute number of options granted is strictly limited. The Executive Board and the Supervisory Board therefore take the view that no further limitation in terms of value is necessary.
+ Executive Board and Supervisory Board do not regard the publication of candidate suggestions on the Supervisory Board chairmanship (number 5.4.3) in the run-up to an election as useful. The suitability of the candidates suggested to the general meeting for election to the Supervisory Board should generally be carried out carefully and independently of another duty perhaps to be assumed. Apart from that the Supervisory Board is authorized to elect the chairman from its middle by the statute decided on by the general meeting.
+ The remuneration of members of syskoplan AG's Supervisory Board does not include a remuneration component to take account of membership of subcommittees since no such committees were set up. Nor does the remuneration of syskoplan AG's Supervisory Board include a variable component geared to the economic position and performance of syskoplan AG (point 5.4.7 of the code). The Ex-

ecutive Board and the Supervisory Board take the view that no increase in the efficiency of the Supervisory Board's work is to be expected from agreeing remuneration components of this kind.

+ Prior to submitting a proposal for election, the Supervisory Board or, respectively, the Audit Committee shall according to point 7.2.1 of the code obtain a statement from the proposed auditor stating whether, and where applicable, which business, financial, personal and other relationships exist between the auditor and its executive bodies and head auditors on the one hand, and the enterprise and the members of its executive bodies on the other hand, that could call its independence into question. This statement was obtained on the first election in 2006. The obtaining was omitted on the re-election in 2007 but shall be requested annually in the future.

The Executive Board and Supervisory Board further declare that syskoplan AG anticipates its compliance with the recommendations of the Governmental Commission on the German Corporate Governance Code as dated June 15, 2007 and published by the Federal Justice Ministry in the official section of the electronic Federal Gazette on July 20, 2007, with the exceptions 1 to 5. "

2. German Corporate Governance Code Suggestions

syskoplan AG also follows the suggestions in the Corporate Governance Code, with six exceptions. They refer to the online broadcasting of the General Meeting, which is not undertaken at present, and the remuneration of the Executive Board and the Supervisory Board. The remuneration rules of syskoplan AG do not provide for a performance-related component based on long-term company performance for members of the Executive Board and the Supervisory Board.

In 2007 three additional suggestions emerged with regard to the arrangement of the contracts of the Executive Board which syskoplan is not complying due to already existing contracts. They concern rules for the sizing of severance payment caps and for the sizing of payments in case of change of control.

3. Remuneration report [1]

The Supervisory Board is responsible for concluding contracts with the Executive Board members and therefore setting their remuneration. The Supervisory Board's remuneration is based on the articles of incorporation and is set by the Annual General Meeting.

3.1 Executive Board Remuneration

The Executive Board's remuneration is geared to responsibilities and performance. It comprises three components: a fixed remuneration, a variable bonus and a pension package. The ratio of fixed remuneration to bonus is roughly 80:20, with the variable component being linked to the achievement of target earnings at Group level (EBT adjusted for special effects and external shareholders' interests). The fixed remuneration is paid in the form of a monthly salary. If applicable, an installment of the variable component is paid in November. Any remaining amounts are paid at the beginning of the new year after the financial statements have been drawn up. The Executive Board has received no share-based remuneration since 2004.

In addition to a pension entitlement and accident insurance, Executive Board members receive benefits in kind such as the use of company cars. The company also insures Executive Board members against civil and criminal claims in connection with the performance of their function (up to a maximum of EUR 10 million)

[1] The remuneration report as printed here is an integral part of the consolidated management report and was audited by the auditor.

and assumes responsibility for the costs of legal defense in connection with such a claim and any taxes payable on those costs.

Remuneration paid to the Executive Board members in the 2007 financial year amounted to EUR 1,662 thousand following EUR 1,190 thousand the year before.

The amounts paid to individual Board members are listed in the table below. Please note that Dott. Angelucci became a member of the Executive Board in September 2006. He dedicates 80% of his working hours to syskoplan and spends the rest of his time on tasks within the Reply S.p.A. network.

Executive Board Remuneration in 2007

In Euro thsd., options in units	Fixed sum	Bonus	Benefits in kind	Total	Options	Annual pension entitlement**)	Change in pension reserves
Dr. Manfred Wassel	493	126	18	637	0	69	35
Dott. Daniele Angelucci	348	88	9	445	0	0	0
Dr. Jochen Meier	435	113	32	580	0	48	16
Total	**1,276**	**327**	**59**	**1,662**	**0**	**117**	**51**

*) These pension entitlements become payable at the age of 65.

For the purpose of comparison, the figures for the 2006 financial year were as follows:

In Euro thsd., options in units	Fixed sum	Bonus	Benefits in kind	Total	Options	Annual pension entitlement**)	Change in pension reserves
Dr. Manfred Wassel	478	63	17	558	0	65	35
Dott. Daniele Angelucci*	104	16	4	124	0	0	0
Dr. Jochen Meier	422	56	29	508	0	46	16
Total	**1,005**	**135**	**51**	**1,190**	**0**	**111**	**51**

*) Payments to Dott. Angelucci began in September 2006.

**) These pension entitlements become payable at the age of 65.

The company does not pay social security contributions for members of the Executive Board. No loans or advances were granted to Executive Board members in the year under review.

Dr. Wassel and Dr. Meier were last allotted share options in the 2003 financial year under the syskoplan AG share option plan. Both of them still hold options issued at that time at the conditions listed below:

Exercise price in Euros	Year of issue	Number	Exercise price	Expiry date
Dr. Manfred Wassel	2001	624	21.16	04.12.2008
	2002	300	22.08	04.22.2009
	2003	300	6.71	04.24.2010
	Total	**1,224**		
Dr. Jochen Meier	2001	624	21.16	04.12.2008
	2002	300	22.08	04.22.2009
	2003	300	6.71	04.24.2010
	Total	**1,224**		
Dott. Daniele Angelucci	**Total**	**0**		

Due to the way in which the syskoplan share price has developed in the past years, only the options issued in 2003 are valuable.

Dr. Wassel and Dr. Meier are entitled to further payments should their employment cease. Should Dr. Wassel's contract – which runs until 12.31.2009 – not be extended at today's conditions for reasons beyond Dr. Wassel's control, Dr. Wassel is entitled to 65% of the total remuneration (including fixed and variable components) he received in the last 5 years. This compensation increases by 5% for each additional 5 years after 1.1.2010.

Should Dr. Meier's contract – which runs until 12.31.2009 – not be extended at today's conditions for reasons beyond Dr. Meier's control, Dr. Meier is entitled to 45% of the total remuneration (including fixed and variable components) he received in the last 5 years. This compensation increases by 5% for each additional 5 years after 1.1.2010.

3.2 Supervisory Board Remuneration

In line with § 9 of the articles of incorporation, in addition to the reimbursement of expenses incurred in connection with attending Supervisory Board meetings, members of the Supervisory Board receive a fixed remuneration of EUR 10,000 per full financial year. The Supervisory Board Chairman receives twice this amount and his deputy receives one and a half times this amount.

In addition, the company insures the Supervisory Board members against civil and criminal claims in connection with the performance of their function as board members (up to a maximum of EUR 10 million) and assumes responsibility for the costs of legal defense in connection with such a claim and any taxes payable on those costs. Supervisory Board members do not receive share options under the existing option plan.

No loans or advances were granted to members of the Supervisory Board in the year under review.

Supervisory Board Remuneration

In Euro thsd.	2007	2006
Dott. Mario Rizzante, member since 2.16.2006, Chairman since 5.24.2006	20	16
Dr. Niels Eskelson, Chairman until 5.24.2006, Deputy Chairman since 5.24.2006	15	17
Dr. Stefan Duhnkrack, since 2.16.2006	10	9
Dott. Riccardo Lodigiani, since 2.16.2006	10	9
Dott. Tatiana Rizzante, since 2.16.2006	10	9
Dr. Gerd Wixforth	10	10
Members having left at beginning of 2006	0	3
Total	**75**	**74**

4. Securities Held and Traded by Representatives of the Company

In financial year 2007 no members of the Executive Board, members of the Supervisory Board, other individuals with management responsibilities or their dependents informed the Company of the sale or purchase of syskoplan AG shares or of any financial instruments based on those shares with a total transaction value exceeding EUR 5,000 in the current financial year.

As of December 31, 2007 members of the Executive Board and Supervisory Board held the following shares and share options:

	Number of	
Body	**Shares**	**Options**
Executive Board	3	2,448
Supervisory Board *)	2,684,304	0

*) of which 2,679,604 indirect attribution according to § 22 WpHG

Further details are available in the notes to the consolidated financial statements under number 38.

5. Remunerations paid to the Members of the Supervisory Board

Unless as a remuneration of the office in the Supervisory Board, syskoplan AG has not paid any remunerations to the Supervisory Board members or granted advantages in connection with services, particularly advisory and procurement services rendered personally. We point out supplementarily that the Supervisory Board member Dr. Stefan Duhnkrack is a partner of Heuking Kühn Lüer Wojtek (HKLW) who is advising syskoplan AG and its subsidiaries in legal matters. The legal advisory services of HKLW used in the year 2007 did not fall in his office as a Supervisory Board member and have all been approved by the Supervisory Board. Legal advisory services in his office as a Supervisory Board member of syskoplan AG have not been charged by Dr. Duhnkrack.

6. syskoplan AG's Share Incentive Program

In the general meeting held on September 20, 2000, a share option plan for employees was adopted, of which the final tranche was issued in 2004. A renewal of the share option plan is not currently planned. According to the terms of the plan in the year 2000, the final options will be exercisable up to 2011. Further details of the share option plan are available in the notes to the consolidated financial statements under number 36.

2.5 Consolidated Annual Financial Statements

Group Income Statement for Period of January 1, to December 31, 2007

				Financial Year
All figures in Euro thsd.	**Note**	**2007**	**2006**	**Change**
Continued operations				
Revenues	(25)	57,472	45,227	27%
Cost of revenues	(26)	40,768	32,097	27%
Gross profit from sales		**16,704**	**13,130**	**27%**
Selling and marketing expenses	(26)	5,948	5,226	14%
General administrative expenses	(26)	5,531	4,086	35%
Other operating income		747	420	78%
Other operating expenses		82	84	–2%
Operating income (EBIT)		**5,890**	**4,154**	**42%**
Interest income		569	538	6%
Interest expenses	(27)	249	87	> 100%
Other financial earnings (+ = expense)	(27)	15	–7	> 100%
Financial earnings		**335**	**444**	**–25%**
Result from continued operations before tax (EBT)		**6,225**	**4,598**	**35%**
Income tax	(28)	2,525	1,877	35%
Result for the year before earnings allocations to limited partners		**3,700**	**2,721**	**36%**
Earnings to be allocated to limited partners of subsidiaries		630	582	8%
Profit from continued operations after tax		**3,070**	**2,139**	**43%**
Discontinued operations				
Result from discontinued operations	(29)	–92	68	
Net profit		**2,978**	**2,207**	**35%**
Of which to be allotted to: shareholders of syskoplan AG		2,978	2,207	35%
Minority interests		0	0	
		2,978	**2,207**	**35%**
Earnings per share (Euro)	(37)			
from continued operations				
undiluted		0.65	0.48	35%
diluted		0.65	0.48	35%
From continued and discontinued operations				
undiluted		0.63	0.50	26%
diluted		0.63	0.50	26%
Weighted average shares				
undiluted		4,725,323	4,433,417	7%
diluted		4,734,033	4,444,461	7%

Group Balance Sheet on December 31, 2007

Assets (all figures in Euro thsd.)	Note	31.12.2007	31.12.2006	Change
Non-current assets				
Goodwill	(6)	12,474	6,408	95%
Other intangible assets	(6)	523	445	18%
Property, plant and equipment	(6)	4,407	4,048	9%
Financial assets	(7)	1,944	1,616	20%
Deferred taxes	(8)	413	491	–16%
Total non-current assets		**19,761**	**13,008**	**52%**
Current assets				
Trade accounts receivable and other assets	(9)	10,864	6,914	57%
Financial assets	(7)	255	1,176	–78%
Current tax assets		374	0	
Other non-financial assets	(10)	784	415	89%
Cash at bank and cash in hand	(11)	17,614	19,049	–8%
Total current assets		**29,891**	**27,554**	**8%**
Assets from discontinued operations	(29)	660	1,095	–40%
Assets		**50,312**	**41,657**	**21%**

Liabilities (all figures in Euro thsd.)	Note	31.12.2007	31.12.2006	Change
Equity capital				
Share capital	(12)	4,729	4,436	7%
Additional paid-in capital	(13)	19,096	17,152	11%
Surplus reserves	(14)	4,573	2,750	66%
Reserve for hedges	(15)	87	0	
Treasury stock	(16)	–22	–12	–83%
Equity held by shareholders in syskoplan AG		28,463	24,326	17%
Minority interest	(17)	38	45	–16%
Total equity capital		**28,501**	**24,371**	**17%**
Shares of other shareholders in the limited liability capital of subsidiaries	(18)	3,620	3,565	2%
Long-term debt				
Bank loans	(19)	1,408	1,627	–13%
Pension obligations	(20)	2,233	2,124	5%
Long-term provisions	(21)	3,738	1,766	> 100%
Other long-term financial liabilities	(23)	343	0	
Total long-term debt		**7,722**	**5,517**	**40%**
Short-term debt				
Short-term provisions	(21)	3,904	3,089	26%
Tax liabilities		0	146	–100%
Bank overdrafts and bank loans	(19)	223	200	12%
Trade accounts payable	(22)	1,410	493	> 100%
Other short-term financial liabilities	(23)	1,363	1,237	10%
Other liabilities	(24)	3,500	2,652	32%
Total short-term debt		**10,400**	**7,817**	**33%**
Total debt		**21,742**	**16,899**	**29%**
Debt from discontinued operations	(29)	69	387	
Liabilities		**50,312**	**41,657**	**21%**

Statement of Cash Flows for Period of January 1, to December 31, 2007

All figures in Euro thsd.	1.1.-12.31.2007	1.1.-12.31.2006
Cash flow from operating activities		
Result for the year	2,978	2,207
Income tax	2,525	1,877
Result from discontinued operations	92	–68
Earnings to be allocated to limited partners of subsidiaries	630	582
Interest income	–335	–444
Operating income	**5,890**	**4,154**
Depreciation on non-current assets	1,404	1,158
Other non-cash income	46	–7
Change in provisions	–598	–254
Profit from the disposal of non-current assets	0	–2
Change in receivables and other assets	–2,907	1,939
Change in liabilities	1,590	–2,890
Interest payments made	–3,227	–87
Interest payments received	–253	538
Income tax expenses	569	–905
Net Cash flow from operating business of discontinued operations	–344	–560
Cash provided by operating activities	**2,170**	**3,084**

All figures in Euro thsd.	1.1.–12.31.2007	1.1.–12.31.2006
Cash flow from investment activities		
Outpayments for investments in tangible and intangible assets	–913	–822
Outpayments for investments in other financial assets	–187	–187
Outpayments for the acquisition of subsidiaries	–1,949	–2,589
Inpayments from the sale of non-current assets	29	15
Inpayments from the sale of financial assets	900	0
Net Cash flow from investment activities of discontinued activities	163	2,594
Cash flow from investment activities	**–1,957**	**–989**
Cash flow from financing activities		
Dividends paid to shareholders	–1,155	–1,092
Dividends paid to minority shareholders	–575	–623
Inpayments from the sale of treasury stock	191	170
Outpayments for the purchase of treasury stock	–100	–88
Outpayments for issuing of new shares	–14	0
Other inpayments in capital reserve	0	145
Outpayments for the amortization of financial liabilities	–200	–182
Outpayments for the amortization of financial leasing liabilities	–92	0
Net Cash flow from financing activities of discontinued activities	0	–726
Cash flow from financing activities	**–1,945**	**–2,396**
Change in cash and cash equivalents	**–1,732**	**–301**
Cash and cash equivalents at beginning of period	19,702	20,003
Cash and cash equivalents at end of period	**17,970**	**19,702**
Minus cash and cash equivalents in the assets of discontinued operations	–356	–653
Cash and cash equivalents in balance sheet	**17,614**	**19,049**

Statement of Changes in Shareholders' Equity for the Financial Year as at December 31, 2007

All figures in Euro thsd.	Common stock	Capital reserve	Surplus reserves	Reserve for hedges
Status as at 1.1.2006	**4,200**	**15,242**	**1,635**	**0**
Differences from the currency conversion of foreign subsidiaries' financial statements directly booked to equity	0	0	0	0
Result for the year	0	0	2,207	0
Total result of the period	0	0	2,207	0
Expenses from honoring share options included in the profit and loss statement	0	22	0	0
Dividends	0	0	–1,092	0
Issuing of new shares	236	1,743	0	0
Changes to the consolidated group	0	0	0	0
Sale of own shares	0	0	0	0
Other changes	0	145	0	0
Status as at 1.1.2007	**4,436**	**17,152**	**2,750**	**0**
Profits from cash flow hedges directly booked to equity	0	0	0	87
Result for the year	0	0	2,978	0
Total result of the period	0	0	2,978	87
Dividends	0	0	–1,155	0
Issuing of new shares	293	1,958	0	0
Changes to the consolidated group	0	–14	0	0
Sale of own shares	0	0	0	0
Other changes	0	0	0	0
Status as at 12.31.2007	**4,729**	**19,096**	**4,573**	**87**

Translation adjustment	Treasury stock	Equity held by shareholders in syskoplan AG	Minority interest	Total shareholders' equity
–194	**–15**	**20,868**	**24**	**20,892**
194	0	194	0	194
0	0	2,207	0	2,207
194	0	2,401	0	2,401
0	0	22	0	22
0	0	–1,092	0	–1,092
0	0	1,979	0	1,979
0	0	0	21	21
0	3	3	0	3
0	0	145	0	145
0	**–12**	**24,326**	**45**	**24,371**
0	0	87	0	87
0	0	2,978	0	2,978
0	0	3,065	0	3,065
0	0	–1,155	0	–1,155
0	0	2,251	0	2,251
0	0	–14	0	–14
0	–10	–10	0	–10
0	0	145	–7	–7
0	**–22**	**28,463**	**38**	**28,501**

Statement of non-current Assets Movements in Financial Year 2007

Acquisition- or Production Costs

A. Financial year 2007 **all figures in Euro thsd.**	**01.01.2007**	**Additions due to Acquisition of Subsidiaries**
I. Goodwill	7,917	6,066
II. Other intangible assets		
1. Acquired Software	2,579	0
2. Self-provided software	2,085	0
	4,664	0
III. Tangible assets		
1. Land and buildings	4,011	0
2. Other plant and equipment	3,758	140
3. Assets from financial leasing	0	0
	7,769	140
IV. Total non-current assets	**20,350**	**6,206**

B. Financial year 2006 **all figures in Euro thsd.**	**01.01.2006**	**Additions due to Acquisition of Subsidiaries**
I. Goodwill	1,509	6,408
II. Other intangible assets		
1. Acquired Software	2,749	7
2. Self-provided software	2,535	0
	5,284	7
III. Tangible assets		
1. Land and buildings	4,011	0
2. Other plant and equipment	4,737	63
3. Assets from financial leasing	0	0
	8,748	63
IV. Total non-current assets	**15,541**	**6,478**

Book Transfers to Discontinued Operations	Additions	Disposals	12.31.2007
0	0	0	13,983
0	506	102	2,983
0	0	0	2,085
0	506	102	5,068
0	0	0	4,011
0	407	327	3,978
0	615	0	615
0	1,022	327	8,604
0	**1,528**	**429**	**27,655**

Book Transfers to Discontinued Operations	Additions	Disposals	12.31.2006
0	0	0	7,917
0	374	551	2,579
–505	78	23	2,085
–505	452	574	4,664
0	0	0	4,011
–430	370	982	3,758
0	0	0	0
–430	370	982	7,769
–935	**822**	**1,556**	**20,350**

Statement of non-current Assets Movements in Financial Year 2007 (2)

Accumulated Depreciation

A. Financial year 2007 all figures in Euro thsd.	**01.01.2007**	**Book Transfers to Discontinued Operations**
I. Goodwill	1,509	0
II. Other intangible assets		
1. Acquired Software	2,182	0
2. Self-provided software	2,037	0
	4,219	0
III. Tangible assets		
1. Land and buildings	835	0
2. Other plant and equipment	2,886	0
3. Assets from financial leasing	0	0
	3,721	0
IV. Total non-current assets	**9,449**	**0**

B. Financial year 2006 all figures in Euro thsd.	**01.01.2006**	**Book Transfers to Discontinued Operations**
I. Goodwill	1,509	0
II. Other intangible assets		
1. Acquired Software	2,380	0
2. Self-provided software	2,246	–489
	4,626	–489
III. Tangible assets		
1. Land and buildings	694	0
2. Other plant and equipment	3,852	–358
3. Assets from financial leasing	0	0
	4,546	–358
IV. Total non-current assets	**10,681**	**–847**

Depreciations of Financial Year	Disposals	12.31.2007
0	0	1,509
421	95	2,508
0	0	2,037
421	95	4,545
142	0	977
506	305	3,087
133	0	133
781	305	4,197
1,202	**400**	**10,251**

Depreciations of Financial Year	Disposals	12.31.2006
0	0	1,509
341	539	2,182
303	23	2,037
644	562	4,219
141	0	835
373	981	2,886
0	0	0
514	981	3,721
1,158	**1,543**	**9,449**

Statement of non-current Assets Movements in Financial Year 2007 (3)

Book Values

A. Financial year 2007 **all figures in Euro thsd.**	**12.31.2007**	**01.01.2007**
I. Goodwill	12,474	6,408
II. Other intangible assets		
1. Acquired Software	475	397
2. Self-provided software	48	48
	523	445
III. Tangible assets		
1. Land and buildings	3,034	3,176
2. Other plant and equipment	891	872
3. Assets from financial leasing	482	0
	4,407	4,048
IV. Total non-current assets	**17,404**	**10,901**

B. Financial year 2006 **all figures in Euro thsd.**	**12.31.2006**	**01.01.2006**
I. Goodwill	6,408	0
II. Other intangible assets		
1. Acquired Software	397	369
2. Self-provided software	48	289
	445	658
III. Tangible assets		
1. Land and buildings	3,176	3,317
2. Other plant and equipment	872	885
3. Assets from financial leasing	0	0
	4,048	4,202
IV. Total non-current assets	**10,901**	**4,860**

2.6 Notes to the Consolidated Annual Financial Statements for 2007

General Information

As the parent company, syskoplan AG produces consolidated financial statements. The consolidated financial statements as at December 31, 2007, were drawn up in line with § 315a of the German Commercial Code (HGB) in connection with EU Regulation 1606/2002 dated July 19, 2002. They therefore comply with the International Financial Reporting Standards (IFRS) valid on the balance sheet date which have been adopted by the EU.

syskoplan AG itself is included in the group statements of the majority shareholder of Reply S.p.A., Turin, Italy. The group statements of Reply S.p.A. are published and filed in the Registro delle Imprese di Torino under the number 97579210010 partita I.V.A. 08013390011. The group statements for the biggest circle of enterprises are built by Alika s.r.l., Turin, Italy. The group statements of Alika s.r.l. are filed in the Registro delle Imprese di Torino under the number 07011510018.

The consolidated financial statements are in euros. All figures are in Euro thsd. The financial year of syskoplan AG and all subsidiary firms included in the consolidation scope represents the legal year.

Accounting and Valuation Methods

1. Adoption of new Standards

In the year under review, the Group used IFRS 7 *Financial Instruments: Disclosures* and the corresponding revision of IAS 1 *Presentation of Financial Statements*. Use of these standards is compulsory for financial years which begin on or after January 1, 2007. As a result of using IFRS 7 and the revised version of IAS 1, further disclosures became obligatory regarding the Group's financial instruments presented in these financial statements and its capital management.

International Financial Reporting Interpretations Committee (IFRIC) published 4 interpretations that have to be used in the current fiscal year:

+ IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*;
+ IFRIC 8 *Scope of IFRS 2*;
+ IFRIC 9 *Reassessment of Embedded Derivatives*; and
+ IFRIC 10 *Interim Financial Reporting and Impairment*.

Complying with these interpretations for the first time led to no changes in the Group's accounting and valuation methods.

The following standards and interpretations were published and adopted by the European Union prior to December 31, 2007, but have not yet come into effect. They have not been taken into account in these financial statements:

+ Change to IFRS 2 *Share-based remuneration* (to be used for financial years beginning on or after January 1, 2009);
+ IFRS 8 *Operating Segments* (to be used for financial years beginning on or after January 1, 2009)
+ IFRIC 11 *IFRS 2: Group and Treasury Share Transactions* (to be used for financial years beginning on or after March 1, 2007);

IASB and IFRIC also approved the following standards and interpretations which were not compulsory for the 2007 financial year and have not as yet been adopted by the European Union.

+ Change to IAS 1 *Presentation of Financial Statements* (to be used for financial years beginning on or after January 1, 2009)
+ IAS 23 (revised) *Borrowing Costs* (to be used for financial years beginning on or after January 1, 2009);
+ Changes to IAS 23 *Borrowing Costs* (to be used for financial years beginning on or after January 1, 2009)
+ IFRIC 12 *Service Concession Arrangements* (to be used for financial years beginning on or after January 1, 2008)
+ IFRIC 13 *Customer Loyalty Programmes* (to be used for financial years beginning on or after July 1, 2008)
+ IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (to be used for financial years beginning on or after January 1, 2008)

These new standards and interpretations are not expected to have any effect on the consolidated financial statements of syskoplan AG as regards the Group's asset, financial and earnings position in the period in which they are first applied.

2. Presentation of the Accounting and Valuation Methods

The group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

2.1 Consolidation Principles

The consolidated financial statements incorporate financial statements for syskoplan AG and the fully-consolidated subsidiaries.

When acquiring a subsidiary, the identifiable assets, debts, and contingent debts of the subsidiary in question are evaluated at their current market value at the time of acquisition. If the acquisition costs exceed the current market value of the identifiable assets minus debts and contingent debts transferred, the difference is entered as goodwill. Following an additional check, any negative difference between the cost of acquiring the company and the identifiable assets, debts, and contingent debts transferred (i.e. a discount on acquisition) is recorded in the acquisition period with an effect on earnings. The stake held in the acquired subsidiary by minority shareholders is evaluated with their share of the net current market value of the identified assets, debts, and contingent debts.

The results of subsidiaries which have been acquired or disposed of in the course of the year are included in the consolidated profit and loss account as of the date they were effectively acquired or until such time as they were effectively disposed of.

When additional shares are acquired in subsidiaries which were already fully consolidated in the consolidated financial statements before the increase in the stake held, any positive or negative differences resulting from the consolidation of the investment are offset against equity with no effect on net income.

If necessary, the subsidiaries' annual financial statements are adjusted in line with the accounting and valuation methods used by the Group.

All inter-company receivables, debts, and intermediate results within the Group are eliminated in the course of consolidation.

Minority shares in the net worth (excluding goodwill) of fully consolidated limited liability companies are reported separately as part of equity. The minority shares consist of the value of such shares on the day of the original merger and the minority share of the changes in equity since the date of the merger. Any losses allocated to the minorities which exceed their share in the subsidiary's equity are offset against the Group's share. Shares held by limited partners in subsidiaries outside the Group with the legal structure "GmbH & Co. KG" are recorded at their current market value under liabilities as "Shares of other shareholders in the limited liability capital of subsidiaries."

2.2 Goodwill

The goodwill which arises when a subsidiary is acquired is reported at acquisition cost when it is added. In subsequent periods, it is recorded at acquisition cost minus all accumulated expenses which impair its value.

For the purpose of impairment testing, the goodwill is divided between all of the Group's cash-generating units which are expected to benefit from the use of synergies arising from the merger. An annual impairment test must be carried out for the cash-generating units which are allocated part of the goodwill. If the amount which can be generated by a cash-generating unit is below the unit's book value, the extent of the impairment in value should first be assigned to the book value of the unit's goodwill and then – if it is used – to the unit's other assets on a pro rata basis. Any impairments in value which affect the goodwill cannot be reversed at a later date if the reasons for them become obsolete.

2.3 Earnings Recognition

Sales revenues are assessed at the current market value of the counter-performance received or to be received minus reductions, income tax, and other such deductions.

For projects invoiced based on actual scope, sales revenues are reported once work has been completed in accordance with the underlying contractual agreements and payment is expected from the client.

For fixed-price projects ("time and material"), sales revenues are reported using the percentage of completion method. The percentage of completion is determined by comparing the work done on the relevant project (in hours) prior to the balance sheet cut-off date with the full extent of the work to be completed (in hours). The work completed (in hours) is evaluated using the hourly rate derived from the fixed price to be charged for the expected total work to be completed.

Other income is recorded when it is sufficiently probable that the company will benefit economically from the transaction and the amount of such income can be reliably determined. Interest income is reported using the effective yield method.

2.4 Leasing Relationships

Leasing relationships are classified as finance leases when the conditions of the lease transfer all the risks and rewards associated with the property to the lessee. All other leasing relationships are classified as operating leases.

In the period to December 31, 2007, syskoplan AG predominantly had operating leases. Payments made for operating leases are offset against the result for the current period using the straight-line method for the duration of the lease in question. Assets relating to finance leases are reported at either their current market value at the beginning of the lease or the present value of the minimum lease payments, whichever is lower. A liability of the same value is recorded to the lessor. The capitalized assets are depreciated using the straight-line method for the duration of the lease or the expected useful life, whichever is shorter. Finance lease payments are divided into interest expenses and repayment of the leasing obligation in such a way that interest is constantly paid on the remaining liability. Interest expenses are recorded in the profit and loss account and affect net income.

2.5 Foreign Currencies

The Euro is the functional currency for all European Group companies.

The functional currency of the US Group companies is the US dollar. This is converted into the reporting currency, the Euro. Equity is translated at historic cost, other balance sheet items at balance sheet date prices, and profit and loss account items are converted at average prices for the year. The syskoplan Group ceased its US activities in the previous year. As a consequence, currency translation differences which were previously recorded under equity with no effect on net income were realized in line with IAS 21.48 ff. Translation differences in the reporting year were also recorded as affecting net income.

Transactions which a Group company concludes in a currency other than its functional currency are initially converted to the functional currency using the spot rate on the day of the transaction and reported in the balance sheet. On each subsequent balance sheet cut-off date, monetary assets or debts originally in a currency other than the functional currency are valued at the current price. The resulting currency rate differences are recorded as affecting net income.

2.6 Costs for Pension Plans

Payments for defined-contribution pension plans are recorded as expenses once employees have provided the service which entitles them to said contributions.

For defined-benefit pension plans, the cost of providing benefits is calculated using the method of ongoing single premiums which involves an actuarial valuation being conducted on each balance sheet cut-off date. Actuarial profits and losses which exceed 10% of the current market value of the Group's defined-benefit obligations or 10% of the plan assets' current market value (whichever is higher) are distributed over the average expected remaining time until retirement of the employees covered by the plan. This affects net income. Any service cost recalculations are immediately recorded in the figure with an effect on net income if the benefits are already non-forfeitable. Otherwise, they are distributed on a straight-line basis throughout the average time span until the revised benefits become non-forfeitable.

The defined-benefit obligation recorded in the balance sheet for a pension plan represents the present value of the defined-benefit obligation adjusted for unrecorded actuarial profits and losses and service cost recalculations. The current market value of the existing plan assets is subtracted from this figure.

The life insurance policies concluded by the Group company is4 GmbH & Co. KG to cover pension obligations were mistakenly treated as qualified reinsurance policies in the previous year. The reinsurance policies are not pledged to the employees. Thus the requirements for treatment as qualified reinsurance policies are not met, so the claim arising from the insurance EUR 1,432 thousand is now posted under other non-current assets. The previous year's figure has been adjusted (EUR 1,378 thousand). This did not affect the result for the year or the EPS.

2.7 Income Tax

Income tax expenses are the sum of the current tax expenses and deferred taxes.

Current tax expenses are calculated on the basis of the annual income on which tax is payable. Taxable income differs from the net profit recorded in the profit and loss account because this does not take into consideration expenses and earnings which become taxable in subsequent years, remain exempt, or are tax-deductible.

Deferred taxes are calculated on the basis of the tax rates which apply in the various countries at the time of realization or the rates which can be anticipated.

Deferred taxes are the expected tax expenses or tax benefits resulting from the difference between the book values of the assets and debts in the annual financial statements and the amount stated when calculating the taxable income.

In line with the balance sheet-oriented liability method, deferred taxes are accrued on temporary differences between the amounts reported in the consolidated financial statements and the tax valuations. Furthermore, deferred taxes are capitalized on tax loss carryovers if these are likely to be used.

The book value of deferred taxes is verified on the cut-off date each year and reduced if it is no longer probable that sufficient taxable income will be available to recoup the claim either in full or in part.

Deferred taxes are recorded with an effect on net income with the exception of positions which are entered straight into equity capital.

2.8 Tangible Fixed Assets

Tangible assets are reported at acquisition cost minus scheduled straight-line depreciation and reductions in value. Subsequent acquisition costs are capitalized. Maintenance costs are recorded as expenses. Financing costs are not capitalized.

The periods of depreciation reflect the assets' expected useful life – between 5 and 10 years for company equipment and 25 years for the building in Bartholomäusweg, Gütersloh.

2.9 Self-Constructed Intangible Assets – Research and Development Costs

A self-constructed intangible asset is only capitalized if all of the following conditions are fulfilled:

+ The asset created is identifiable (own software)
+ It is probable that the constructed asset will bring economic benefits in the future
+ The development costs of the asset can be reliably determined.

Self-constructed intangible assets are capitalized at manufacturing cost and subject to scheduled depreciation using the straight-line method. Manufacturing costs include directly attributable personnel and material costs. All intangible assets carried on the books have a finite useful life; the period of depreciation is always three years.

2.10 Intangible Assets Acquired against Payment

Intangible assets acquired against payment are reported at the cost of acquisition minus scheduled straight-line depreciation and reductions in value. The useful life is three years.

2.11 Impairment in Value of Tangible and Intangible Assets Other than Goodwill

On each balance sheet cut-off date, the book value of tangible and intangible assets is verified in order to establish whether there is anything to suggest an impairment in the value of these assets. If such indicators are present, the recoverable amount of the asset is estimated in order to ascertain the extent of any impairment in value.

The recoverable amount is either the current market value minus disposal costs or the use value, whichever is greater. When calculating the use value, the projected future cash flows are discounted with the current pre-tax discount rate. The discount rate reflects any risks specific to the asset that are not taken into account in the cash flows.

If the estimated recoverable amount for an asset exceeds the book value, the book value for the asset is reduced to the recoverable amount. The impairment in value is recorded on net income.

Should the value later recover, the book value of the asset (or cash-generating unit) is increased to the new estimated recoverable amount. The book value may not increase above the value which would have been determined had the value of the asset (or cash-generating unit) not been impaired in previous years. Any write-up in value is recorded on net income.

2.12 Financial Assets

syskoplan distinguishes between the following types of financial assets: trade accounts receivable, work in progress from fixed-price projects, securities, holdings, and other financial assets. In addition to this, as per IAS 19, the financial assets include the current market value of the asset values from life insurance policies concluded to finance pension obligations.

Financial assets are reported and eliminated on the trading day. This is the day when a financial investment is bought or sold, i.e. when the terms of the contract stipulate that the financial investment will be made available. The first amount reported is the current market value plus transaction costs. This does not apply to financial assets categorized as “evaluated at current market value with an effect on net income.” In such cases, the first amount reported is the current market value; transaction costs are not taken into account.

Financial assets are placed in one of the following categories:

+ financial assets evaluated at current market value with an effect on net income
+ financial investments held until final maturity
+ financial assets held as available for sale
+ loans and receivables.

The financial assets are classified depending on their type and purpose. They are categorized on acquisition.

Financial assets are evaluated at current market value with an effect on net income if the financial asset is either held for trading purposes or if it is voluntarily designated as being evaluated at current market value with an effect on net income. The syskoplan Group does not make use of the option of designating assets in this way.

A financial asset is classed as being held for trading purposes if it was acquired primarily with the intention of selling it in the near future or if it is a derivative which has not been designated as a hedging instrument and is effective as such. Within the syskoplan Group, the sub-category “held as available for sale” solely contains securities. The securities are reported at the current market value, i.e. the official price on the balance sheet cut-off date. Changes in value are recorded with an effect on net income.

No financial assets were allocated to the category "held until final maturity" within the syskoplan Group.

The Group's unconsolidated holding in DOCS.ON GmbH is categorized as "financial assets held as available for sale." Financial assets classified as such are always reported at their current market value. As there is no active market for DOCS.ON GmbH, the holding is evaluated at acquisition cost.

Trade accounts receivable and other receivables plus other financial assets (with the exception of derivatives) are categorized as "loans and receivables." Loans and receivables are reported at net book value according to the effective yield method minus any value impairments.

Work in progress from fixed-price projects is included as other receivables under trade accounts receivable and other receivables. This is valued in accordance with the degree of completion on the balance sheet date. This is calculated by comparing the work completed with the full extent of the work to be completed unless this would distort the way in which the level of progress is presented. Partial payments received by the balance sheet cut-off date are netted out with the work in progress. Fixed price orders with an adverse balance are recorded in the other liabilities.

All in all, the book value of the financial assets can be broken down into categories as follows:

All figures in Euro thsd.	Short-term		Long-term	
	12.31.2007	12.31.2006	12.31.2007	12.31.2006
Holdings	0	0	7	5
Available for sale	**0**	**0**	**7**	**5**
Securities	0	900	408	223
Held for trading purposes	**0**	**900**	**408**	**223**
Trade accounts receivable	9,761	6,442	0	0
Work in progress from fixed-price projects	1,103	473	0	0
Other	254	276	10	10
Loans and receivables	**11,118**	**7,191**	**10**	**10**
Asset values from life insurance policies	0	0	1,432	1,378
Recorded at fair value as per IAS 19	**0**	**0**	**1,432**	**1,378**

No assets were re-categorized either in the reporting year or the previous year. Financial assets are not pledged as collateral. There is no collateral for the financial assets. Apart from the trade accounts receivable, none of the financial assets are overdue or impaired in value. Value adjustments affecting trade accounts receivable are made for existing individual risks. They are recorded in a separate account.

2.13 Financial Liabilities

syskoplan divides financial liabilities into the following categories: shares in the limited liability capital of subsidiaries held by other shareholders, liabilities from bank loans, trade accounts payable, and other financial obligations.

Financial liabilities are categorized as either “liabilities evaluated at current market value with an effect on net income” or “other financial liabilities.”

Financial liabilities are categorized as “liabilities evaluated at current market value with an effect on net income” if they are either “held for trading purposes” or voluntarily designated as being “evaluated at current market value with an effect on net income.” The syskoplan Group does not make use of the option of designating liabilities in this way.

Financial liabilities are categorized as being “held for trading purposes” if they were entered into with the principal aim of buying them back in the near future or if they are derivatives which have not been designated as hedging instruments and are effective as such. The syskoplan Group had no financial liabilities “held for trading purposes” in the 2007 financial year or the preceding year.

“Other financial liabilities” at the syskoplan Group include liabilities from bank loans, trade accounts payable, shares in the limited liability capital of subsidiaries held by other shareholders, and other financial liabilities.

Shares in the limited liability capital of subsidiaries held by other shareholders are categorized as “other financial liabilities” because the shareholders of an unincorporated firm must legally be afforded a call right. The owners have the right to call for repayment. In line with the requirements of IAS 32, financial instruments which entitle the holder to return them to the issuer in return for liquid funds or other financial means (puttable instruments) are to be recorded as financial liabilities.

Other financial liabilities are first recorded at their current market value minus transaction costs. They are subsequently reported at net book value according to the effective yield method; interest rate expenses are recorded in line with the effective yield rate. When assessing shares in the limited liability capital of subsidiaries held by other shareholders for the first time, the present value of any pay-off obligation is to be used as the current market value. The net book value is recorded by calculating the current market value on each balance sheet cut-off date. Changes in the current market value are reported in the profit and loss account with an effect on net income.

The book value of the liabilities classified as “other financial liabilities” totaled EUR 8,367 thousand (previous year: EUR 7,122 thousand).

The Group takes a financial liability out of the books once the Group’s obligations have been discharged or annulled or once they have become time-barred.

2.14 Derivative Financial Instruments

Derivatives are initially reported at their current market value on conclusion of the contract and subsequently updated on each balance sheet cut-off date. The profit or loss resulting from the valuation is immediately recorded with an effect on net income unless the derivative has been designated as a hedging instrument by means of hedge accounting and is effective as such. In this case, the point at which the valuation results are recorded with an effect on net income depends on the type of hedging relationship.

The syskoplan Group has concluded two interest rate swaps. Interest rate swaps are posted at the present value of future, estimated, and discounted cash flows. Yield curves derived from the quoted interest rates are used for the estimates and discounts.

The interest rate swaps have been designated as hedging instruments for the cash flow from floating-rate bank loans (cash flow hedges). At the start of the hedging relationship, the relationship between the mainstay business and the hedge is documented, including risk management objectives and the corporate strategy which forms the basis on which the hedging relationships have been concluded. In addition, when a hedging relationship commences and during the course of the relationship, regular reports are produced examining whether the hedging instrument designated in the hedging relationship is largely effective as regards the cash flows generated by the mainstay business. The current market value of the interest rate swaps – reflecting the effective portion which actively hedges the cash flow risk – is posted under equity. This does not affect net income.

2.15 Provisions

Provisions are made for legal and de facto obligations based in the past, if it is likely that the Group will be obliged to fulfill this obligation and a reliable estimate of the amount to be paid can be made. Provisions are entered at the probable cost of settlement (best estimate), taking into account all identifiable risks. Long-term provisions are discounted to reflect their present value.

2.16 Share-Based Remuneration

Under IFRS 2, share options for all plans granted after 11.7.2002 and not exercisable as of 1.1.2005 are to be recorded as an expense. The option value (fair value) is to be divided pro rata temporis over the lock-up period. Deferred taxes are therefore not taken into account, as the differences are permanent. This affects the fourth and fifth tranches of syskoplan's share option plan for 2003 and 2004. In 2007, no expenses (previous year: EUR 22 thousand) were recorded for share options. In future financial years, no further personnel expenses will arise from the share options issued.

2.17 Estimates

When producing the financial statements, it is sometimes necessary to make estimates and assumptions. This primarily affects verifying the value of goodwill, evaluating deferred tax assets on tax carry forwards, assessing the current market value of the pay-off obligations to minority shareholders in is4 GmbH & Co. KG, and valuing a number of provisions – especially pension provisions and provisions for performance-related purchase price obligations. There were no alterations to estimates in 2007 which affected the consolidated net income.

3. Corrections to Errors in the Previous Year

The life insurance policies concluded by the Group company is4 GmbH & Co. KG to cover pension obligations were mistakenly treated as qualified reinsurance policies in the previous year. As they do not meet the requirements for treatment as qualified reinsurance policies, the claim arising from the insurance is now put at EUR 1,432 thousand and posted under other non-current assets. The previous year's figure has been adjusted (EUR 1,378 thousand). This did not affect the result for the year or the EPS.

The following changes in disclosure have been exercised:

Partial retirement provisions and anniversary provisions are accounted under the long-term provisions. In the financial statements of last year the partial retirement provisions were accounted with EUR 395 thousand under the short-term other provisions. We refer to (21).

The provisions for purchase price adjustments were accounted completely under the short-term provisions in the previous year. Last year's disclosure was adapted to the actual maturity and a fund of EUR 1,052 thousand was restated into the long-term provisions. We refer to (21).

The liabilities against employees result from travelling expenses and overtime done. Last year's disclosure was adapted in the way of restating a fund of EUR 646 thousand from the short-term other provisions into liabilities. We refer (23).

The Consolidated Entity and Company Acquisitions

4. The Consolidated Entity

Five companies were added to the consolidated entity in the reporting year, taking the total to fourteen:

syskoplan AG, Gütersloh	Share in %	Currency	Equity Capital 12.31.2007	Profit/loss 2007	
syskotool GmbH, Gütersloh	100	EUR '000	413	56	
syskoplan Consulting Inc., Delaware	100	EUR '000	134	187	
syskoplan Holdings Inc., Delaware	100	EUR '000	456	13	
cm4 GmbH & Co. KG, Gütersloh**	100	EUR '000	500	548	
cm4 Verwaltungs-GmbH, Gütersloh	100	EUR '000	38	–3	
Is4 GmbH & Co. KG, Minden**	51	EUR '000	3,741	1,136	
Is4 Verwaltungs-GmbH, Minden	51	EUR '000	63	1	
macrosInnovation GmbH, Munich	100	EUR '000	905	628	
macrosSolution GmbH, Munich	74.9	EUR '000	11	–3	
Interactiv GmbH & Co. KG, Cologne**	92.4	EUR '000	–93	–30	
Interactiv GmbH, Cologne	73.7	EUR '000	25	–5	
discovery sysko GmbH*	100	EUR '000	25	–157	***
cluster sysko GmbH*	100	EUR '000	25	–28	***
comit sysko GmbH*	100	EUR '000	25	–23	***
ibex sysko GmbH*	100	EUR '000	25	109	***
Xuccess Consulting GmbH	100	EUR '000	1,515	1,107	

* For those companies where a profit and loss transfer agreement has been made the exemption as to disclosure according to § 264 III HGB is used.

** For these commercial partnerships the exemption as to disclosure according to § 264 III HGB is used.

*** Pre transfer of profit or loss

The companies Xuccess Consulting GmbH, cluster sysko GmbH, comit sysko GmbH and ibex sysko GmbH entered the consolidation scope for the first time in 2007.

As of October 1, 2007, syskoplan AG increased its share in the Cologne-based company Interactiv GmbH & Co. KG by 7.4%. It now holds a 92.5% stake.

As part of a capital increase by Interactiv Verwaltungs GmbH, syskoplan AG ramped up its share to 73.7%.

The Irish subsidiary syskoplan Ltd. was liquidated in 2007. The final consolidation result posted in the consolidated financial statements with an effect on net income is EUR 10 thousand.

5. Details of the Companies Acquired in the Year under Review as per IFRS 3

On 2/6/2007, syskoplan AG concluded a share purchase and capital contribution agreement with the shareholders of Xuccess Consulting GmbH, based in Gilching near Munich. This involves syskoplan acquiring 100% of the share capital of Xuccess. The company will first be consolidated on January 12, 2007, the day on which syskoplan assumes control.

Xuccess is a specialist management consultancy for regulatory reporting for banks and also offers IT consultancy in the Microsoft environment. The company is a Microsoft Gold Certified Partner. With its 40 employees, Xuccess contributed EUR 8,755 thousand to the Group's sales revenues in the 2007 financial year; its profit contribution came to EUR 844 thousand.

The purchase price includes cash and a share component and involves an earn-out. As a result, syskoplan AG has increased its capital by EUR 279,581. This was entered in the Commercial Register on 10/25/2007. The number of shares has therefore increased by 279,581 new shares, each with a EUR 1.00 proportion of the equity capital. Existing Xuccess shareholders hold subscription rights. This move has increased syskoplan AG's capital stock to EUR 4.715 million. The new shares are entitled to participate in profits as of January 1, 2007. They are subject to a lock-up agreement. Due to the profit contributions made in the past, syskoplan assumes that the results expected from Xuccess will significantly overcompensate for the slight dilution.

With the acquisitions, the following assets and debts were transferred to syskoplan:

All figures in Euro thsd.	Book value	Current Market Value
Property, plant and equipment and other intangible assets	127	127
Holdings	13	13
Receivables and other assets	1,379	1,593
Cash at bank	802	802
Other reserves	–968	–968
Liabilities	–767	–767
Deferred tax liabilities	0	–81
Tax liabilities	–179	–179
Net assets acquired	**407**	**540**
Total purchase price		6,604
Goodwill		6,064
Total purchase price settled by:		
Cash		2,150
Shares		2,150
Earn-out amount		2,026
Directly attributable costs		278
		6,604
Net cash flow from the acquisition:		
Cash payment		2,428
Cash at bank acquired		802
Total cash flow		**1,626**

The surplus of acquisition costs compared to the posted time-value of net assets is materially due to the existing employee know how that is not to be separated from the goodwill.

Please refer to item (12) concerning the issuing of shares.

No acquisitions were made after the balance sheet date.

Notes to the Consolidated Balance Sheet

6. Goodwill, Other Intangible Assets, and Property, Plant and Equipment

The development of goodwill, other intangible assets, and property, plant and equipment can be seen in the fixed-asset movement schedule attached as an annex to the Notes.

For the purpose of impairment testing, goodwill was allocated to the following cash-generating units:

All figures in Euro thsd.	12.31.2007	12.31.2006
Xuccess Consulting GmbH	6,064	0
macrosInnovation GmbH	4,652	4,652
Interactiv GmbH & Co. KG	1,745	1,745
discovery sysko GmbH	13	11
	12,474	**6,408**

The cash-generating units correspond to the acquired subsidiaries.

In the 2007 financial year, the reported goodwill figures were subject to an impairment test based on the use value. These use values were based on the following fundamental assumptions:

In the impairment tests for the first phase cash flow prognoses were used showing a detailed planning period of 5 years. The cash flow prognoses were based on the current business plans of the units to be valued. These were available in detail covering at least 3 coming years for companies being founded or recently acquired firms. Other units which have belonged to the Group for a longer period are subject to the syskoplan Group's annual budget planning. For such companies, plans were available for the 2008 financial year.

For further financial years for which no detailed plans were available, annual further sales increases were projected based on the individual situation of the company in question (market potential, intensity of competition, the company's competitive position, etc.). Similarly, suppositions were made concerning the development of each company's operating margin (EBIT margin) which take its individual situation and business prospects into account. For the second phase no further growth was assumed.

An average cost of capital of 10.6% (pre-tax) was discounted from the expected cash flows. This cost of capital figure takes account of syskoplan's specific situation (very little borrowing, consulting sector, listed on the stock exchange, correlation with the overall equity market).

Assessing the value of goodwill is associated with uncertainty.

7. Financial Assets

The financial assets are composed as follows:

	Current		Non-current	
All figures in Euros thsd.	**12.31.2007**	**12.31.2006**	**12.31.2007**	**12.31.2006**
Holdings	0	0	7	5
Other securities	0	900	408	223
Interest rate swaps	0	0	87	0
Reinsurance cover under life policies	0	0	1,432	1,378
Other	255	276	10	10
	255	**1,176**	**1,944**	**1,616**

No impairments were implemented on the financial assets. The financial assets do not include any overdue assets.

The holdings were categorized as financial assets held as available for sale. As in the previous year, the holdings included a stake in DOCS.ON GmbH, Stuttgart. The amount of the holding increased by 5% in 2007 to 25%. As of December 31, 2006, DOCS.ON GmbH had equity of EUR 44 thousand, generating net income of EUR 17 thousand in the 2006 financial year (according to the German Commercial Code, HGB). The holding is valued at acquisition cost as the current market value due to a non-existent market could only be reliably determined via concrete selling negotiations. The holding is not treated as an associated company as syskoplan does not have a significant influence on the company. The holding did not result in any profits or losses during the reporting period or in the previous year.

Long-term securities are recorded at their current market value and categorized as financial assets held as available for sale. They cover shares in money market funds to hedge pension claims and part-time work in the run-up to retirement. Their book value corresponds to the current market value. The profit and loss account does not include any profits or losses from the securities.

Please refer to items (15) and (19) concerning the capitalized current market value of the interest rate swaps.

The other financial assets are categorized as loans and receivables entered at net book value. Their book value corresponds to the current market value. The profit and loss account does not include any profits or losses from the securities apart from interest income of EUR 1 thousand (previous year: EUR 0 thousand).

8. Deferred Tax Claims

Listed below are the major deferred tax assets recorded by the Group. Movements during the current and past financial year are also shown:

All figures in Euro thsd.	12.31.2007	12.31.2006
Opening inventory	491	933
arising from events affecting net income	3	–282
arising from addition of new companies	–81	0
arising from discontinued fields of activity	0	–160
	413	**491**

Deferred tax assets and liabilities are balanced out if there is a claim to offset actual tax refund claims against tax liabilities and if the deferred taxes relate to this income tax.

In July 2007, the Bundesrat (upper house of the German Parliament) passed the 2008 Corporate Tax Act. The consolidated financial statements for syskoplan AG take the resulting reduction in income tax rates from 2008 into account by reducing the tax rate for deferred taxes. The difference resulting from the tax rate change was recorded with an effect on net income.

The deferred tax claims as of December 31, 2007, arose from:

All figures in Euro thsd.	12.31.2007
Tax carry forwards	189
Provisions	337
Sum of deferred tax assets	**526**
Provisions	113
Sum of deferred tax liabilities	**113**
Net amount of deferred tax assets	**413**

A tax rate of 30.0% (previous year: 38.0%) is used for the German Group companies. In addition to the uniform rate of corporate income tax, this includes the solidarity surcharge and an average rate of trade tax.

Deferred taxes were reported for the full amount of domestic corporate income tax (EUR 37 thousand) and trade tax (EUR 1,307 thousand) carry forwards existing as of December 31, 2007.

9. Trade Accounts Receivable and Receivables

All figures in Euro thsd.	12.31.2007	12.31.2006
Trade accounts receivable	9,780	6,490
Impairments	19	48
	9,761	6,442
Fixed-price projects with a credit balance due from customers	1,103	473
	10,864	**6,914**

Invoices for services rendered are usually payable within 30 days. Depending on the project situation, the time allowed for payment can vary greatly. Interest is not usually charged on arrears. In each individual case, the need for impairments is assessed and these are conducted if necessary. Past experience shows a very low default rate.

No valuation adjustments were conducted on the trade accounts receivable totaling EUR 712 thousand (previous year: EUR 174 thousand) which were overdue on the balance sheet date as no significant change in these debtors' creditworthiness was identified and repayment is expected for the outstanding amounts. The Group has no collateral for these open items. On average, the receivables in question are 61 days old (previous year: 51 days). The arrears analysis below illustrates the age pattern of the delinquent but unimpaired trade accounts receivable:

All figures in Euro thsd.	12.31.2007	12.31.2006
Less than 90 days	4,644	3,872
> 90 days less than 180 days	577	58
> 180 days less than 1 year	98	4
> 1 year	12	68
Total	**5,331**	**4,002**

Valuation adjustments developed as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
At the beginning of the year	48	85
Write-ups	29	37
At the end of the year	**19**	**48**

Losses on receivables came to EUR 15 thousand (previous year: EUR 3 thousand).

When determining the value of trade accounts receivable, each change in credit standing between the granting of credit and the balance sheet cut-off date is taken into account. There is a certain credit risk concentration as VW Group companies account for 26% of the receivables. The Executive Board is confident that no risk provisioning is necessary over and above the impairments already recorded. The book value shown above therefore reflects the Group's maximum default risk for trade accounts receivable. The book value of the trade accounts receivable corresponds to the current market value.

The age pattern of the impaired receivables is as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
60 to 90 days	0	0
90 to 120 days	0	0
Over 120 days	19	48
Total	**19**	**48**

Fixed-price projects with a credit balance due from customers include work in progress assessed according to its percentage of completion (POC), offset against the partial payments received.

All figures in Euro thsd.	12.31.2007	12.31.2006
Capitalized production costs from fixed-price projects	1,405	2,344
plus PoC result	692	988
minus partial payments	–994	–2,859
Fixed-price projects with a credit balance due from customers	**1,103**	**473**
Net income from partial payments in excess of the total costs incurred and realized profits	–1,135	–881
Fixed-price projects with an adverse balance (included in other liabilities)	**–1,135**	**–881**

The sales revenues include EUR –1,144 thousand (previous year: EUR –151 thousand) from changes in future receivables from production projects. The book value of the fixed-price projects with a credit balance due from customers corresponds to the current market value.

10. Other Non-Financial Assets

As in the previous year, the other non-financial assets result from the assignment of payments made in the year under review which relate to expenses for the following financial year.

11. Cash at Bank and Cash in Hand

Cash and cash equivalents are made up as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Cash	8	3
Fixed-term deposits and overnight money	11,379	14,361
Balance on current accounts	6,227	4,685
	17,614	**19,049**

12. Subscribed Capital

The subscribed capital (equity capital) of syskoplan AG is divided into 4,729,090 individual fully paid-up, no par value shares. Arithmetically, each individual bearer share has a 1 euro stake in the capital stock. All the shares grant identical rights; no preferred stock is issued.

The number of shares in circulation has developed as follows:

Number of shares	2007	2006
At the beginning of the financial year	4,435,616	4,200,000
Capital increase from approved capital	279,581	224,585
Capital increase from conditional capital (share option plan)	13,893	11,031
At the end of the financial year	**4,729,090**	**4,435,616**

12.1 Announcements as per § 21 of the Securities Trading Law (WpHG)

In accordance with § 21 of the Securities Trading Law (WpHG), we were obliged to publish the following announcements:

Reply S.p.A., Turin, Italy, informed us on January 23, 2006, that it had exceeded the thresholds of 5, 10, 25 and 50% of the voting rights in syskoplan AG. Iceberg S.A., Luxembourg, Luxembourg, informed us on January 23, 2006, that it had exceeded the thresholds of 5, 10, 25 and 50% of the voting rights in syskoplan AG, as the voting rights held by Reply S.p.A. are attributable to Iceberg S.A. Alika s.r.l., Turin, Italy, informed us on January 23, 2006, that it had exceeded the thresholds of 5, 10, 25 and 50% of the voting rights in syskoplan AG, as the voting rights held by Iceberg S.A. are attributable to Alika s.r.l. Dott. Mario Rizzante, Turin, Italy, also informed us on January 23, 2006, that he had exceeded the thresholds of 5, 10, 25 and 50% of the voting rights in syskoplan AG, as the voting rights held by Alika s.r.l. are attributable to him.

12.2 Approved Capital

The Annual General Meeting on May 20, 2005, authorized the Executive Board to increase equity capital by up to EUR 2,100,000 in the period to May 20, 2010, with the Supervisory Board's approval. This capital increase may be implemented by issuing new shares on one or several occasions in exchange for cash and/or non-cash capital contributions. The Executive Board made partial use of this authorization in the 2007 financial year and issued 279,581 new individual bearer shares in exchange for a non-cash capital contribution (a stake in Xuccess GmbH). The current market value of these shares was EUR 7.69 each. In the 2006 financial year, 224,585 new individual bearer shares were issued in exchange for a non-cash capital contribution (a stake in macrosInnovation GmbH). The current market value of these shares was EUR 8.46 each. Following the capital increases in 2006 and 2007, the remaining approved capital totals EUR 1,595,834.

12.3 Conditional Capital

A resolution was passed at the Annual General Meeting on September 20, 2000, to implement a conditional capital increase of up to EUR 300,000 by issuing up to 300,000 new individual bearer shares to employees, executives and members of the Executive Board. The new individual bearer shares issued as a result of this resolution are entitled to participate in profits from the beginning of the financial year in which they are issued. In total, 205,055 share options were granted. Following this resolution, 24,924 (previous year: 11,031) individual bearer shares were issued through December 31, 2007, leaving remaining conditional capital of EUR 134,035 (previous year: 183,384).

Please see section 32 for further details regarding this share option plan.

13. Additional Paid-In Capital

In comparison to the previous year, capital reserves are composed as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Premium from the issue of shares minus issuing costs	18,767	16,823
Other shareholder contributions	329	329
	19,096	**17,152**

The increase in additional paid-in capital results from a sum of EUR 1,958 thousand which was generated above and beyond the nominal value when issuing shares from the conditional and approved capital. The cost of issuing shares came to EUR 14 thousand. With a sum of EUR 473 thousand the capital reserve refers to the statutory reserve according to § 150 II AktG in the amount of 10% of the share capital.

14. Revenue Reserves

The equity capital statement shows how revenue reserves have developed. The payment of dividends is based on the individual financial statements of syskoplan AG produced in accordance with the German Commercial Code (HGB). The Executive Board proposes paying dividends of EUR 0.30 per share, which is equivalent to a total dividend outpayment of EUR 1,419 thousand as at 12/31/2007. This total is likely to change prior to the Annual General Meeting in May 2008 as any other options which are exercised could change the equity capital.

15. Reserves for Hedges

The reserves from hedges cover profits from the effective portion of cash flow hedges (interest rate swaps). The cumulative profits or losses from hedges transferred to reserves from hedges are included in the profit and loss account if the hedged transaction also affects net income or – in the case of non-financial mainstay business – causes a change in the book value in line with the accounting principles used. No profits and losses from the equity are recorded with an effect on net income in the profit and loss account for the reporting period. In the year under review, an amount of EUR 87 thousand (previous year: EUR 0 thousand) was recorded directly in equity. No ineffective portions were included in the result for the period.

Please see section 19.

16. Treasury Stock

As at January 1, 2007, the company held 1,481 shares of treasury stock, which were sold on March 29, 2007 for EUR 8.60 each. In addition, 12,000 shares were purchased on December 04, 2007, at a cost of EUR 8.30 per share to be sold on to employees. Of these, 9,250 shares were sold to employees for EUR 8.30 per share; 2,750 shares are capitalized in the annual financial statements as treasury stock at EUR 7.83 per share. The treasury stock acquired amounted to 0.25% of equity capital (4,729,090 shares), the treasury stock sold accounted for 0.23%, and the treasury stock held in the company's inventory on the balance sheet date amounted to 0.06% of equity capital.

17. Other Shareholders' Equity

Other shareholders' equity includes the shares held by minority shareholders in is4 Verwaltungs GmbH, macrosSolution GmbH, and Interactiv Verwaltungs GmbH. In the reporting period, the stake held by other shareholders in Interactiv Verwaltungs GmbH dropped by EUR 7 thousand due to a capital increase for which syskoplan AG alone was eligible. Other shareholders' equity accounts for EUR 0 thousand of the consolidated net income for the year.

18. Shares in the Limited Liability Capital of Subsidiaries Held by Other Shareholders

This item covers the minority share in is4 GmbH & Co. KG and the minority share in Interactiv GmbH & Co. KG.

The minority share in is4 GmbH & Co. KG is recorded at the current market value in line with the stipulations of the partnership agreement concerning the pay-off claims of a shareholder who wishes to withdraw their investment. The current market value was calculated by the Group based on a company valuation using the DCF method. The cash flow prognoses were based on the current business plans of is4 GmbH & Co. KG. An average cost of capital of 10.6% was discounted from the expected cash flows. Due to positive developments at is4 GmbH & Co. KG, the current market value of the minority share has increased by EUR 58 thousand.

The valuation of the minority share in Interactiv GmbH & Co. KG is recorded at the book value of the pro rata assets and debts in line with the stipulations of the partnership agreement concerning the pay-off claims of a shareholder who wishes to withdraw their investment. As Interactiv GmbH & Co. KG – which is still in the start-up phase – remains over-indebted due to initial losses and the minority shareholders have no obligation to make further contributions, the pay-off claim was recorded at EUR 0 thousand, as in the previous year. In the reporting year, the Group acquired additional shares in Interactiv GmbH & Co. KG. The pay-off of EUR 11 thousand had an impact on consolidated net income.

Overall, the item developed as follows:

All figures in Euro thsd.	12.31.2007
At the beginning of the year	3,565
Payment of the profit share for 2006	–575
Profit share for 2007	572
Increase in time-value of minority shares	58
At the end of the year	**3,620**

19. Bank Overdrafts and Bank Loans

All figures in Euro thsd.	12.31.2007	12.31.2006
Interest accrued	23	0
Short-term portion of long-term loan obligations	200	200
Long-term loan obligations	1,408	1,627
	1,631	**1,827**

The long-term loans are due as follows:

All figures in Euro thsd.	< 1 year	1 to 5 years	More than 5 years	Total	Interest rate	Securities
Euro credit	85	85	0	170	variable	Land charge
Euro credit	115	460	863	1,438	variable	Land charge
	200	**545**	**863**	**1,608**		

Loans are subject to interest equivalent to the six-month EURIBOR plus a margin of 0.7%. The floating-rate loans are hedged by means of interest rate swaps which transform the variable interest payments into fixed interest payments of 3.73% p.a. or 4.28% p.a. The interest rate swaps and interest payments on loans occur simultaneously. The amount transferred to equity is recorded with an effect on net income throughout the period in which the variable interest payments on debts affect the profit and loss account.

Loans are reported at net book value. The current market value of the loans corresponds roughly to the book value. Their purpose is to finance the building in Gütersloh. The land charges mentioned are registered for this property. Annuity payments were made in time. All other terms of the loan contracts were complied with.

Taking into account the interest rate swaps, the future payments for settlement and interest are as follows:

All figures in Euro thsd.	< 1 year	1 to 5 years	More than 5 years	Total
Euro credit	95	91	0	186
Euro credit	177	657	1,021	1,855
	272	**748**	**1,021**	**2,041**

20. Pension Obligations

The figure shown for the Group's obligations in the balance sheets was determined by netting the asset values from reinsurance cover under life policies with the pension provisions. From this the liability of the group is composed as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Present value of pension obligations	2,834	3,042
Current market value of plan assets (asset value of reinsurance cover under life policies)	727	665
Financial status	**2,107**	**2,377**
Actuarial losses not included in the balance sheet	126	–253
Obligations shown on the balance sheet	**2,233**	**2,124**

Shown below are changes in the pension obligations:

All figures in Euro thsd.	12.31.2007	12.31.2006
At the beginning of the financial year	3,042	2,547
Current service cost	61	56
Interest expenses	140	126
Actuarial profits (–) and losses	–379	183
Payments made	–31	–12
Company mergers	0	142
At the end of the financial year	**2,833**	**3,042**

All pension obligations as at December 31, 2007, were calculated using the 2005G guideline tables by Klaus Heubeck. The pension obligations were evaluated as at December 31, 2007. The calculations were based on the following assumptions:

Interest rate:	5.25% p.a. (previous year: 4.50%)
Rate of entitlement increase (if applicable):	1.50% p.a. (previous year: 1.50%)
Rate of benefit increase:	1.50% p.a. (previous year: 1.50%)

Pension obligations are partly reinsured by means of qualified insurance policies. Their current market value has developed as shown below:

All figures in Euro thsd.	12.31.2007	12.31.2006
At the beginning of the financial year	665	607
Expected revenues from plan assets	11	8
Employer's contributions	51	50
At the end of the financial year	**727**	**665**

Contributions totaling EUR 52 thousand are expected for 2008.

The profit and loss account shows the effects of the pension obligations and the reinsurance policies as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Current service cost and interest expenses	–201	–182
Payments made	31	12
Expected revenues from plan assets	115	107
	–55	**–63**

In addition to this, there are reinsurance policies to finance pension obligations which do not meet the requirements for a qualified insurance policy. They are entered at their current market value (EUR 1,432 thousand; previous year: EUR 1,378 thousand) and recorded under long-term financial assets. No contributions were made towards these policies.

21. Other Provisions

Other provisions are made up as follows:

All figures in Euro thsd.	Short-term		Long-term	
	12.31.2007	12.31.2006	12.31.2007	12.31.2006
Personnel	2,404	1,297	750	714
Guarantees	180	733	0	0
Purchase price adjustments	213	322	2,988	1,052
Other	1,107	737	0	0
	3,904	**3,089**	**3,738**	**1,766**

The long-term provisions include provisions for part-time work in the run-up to retirement and anniversary bonuses. Provisions for part-time work in the run-up to retirement amounting to EUR 395 thousand were reported under other short-term provisions in the previous year's financial statements. The provisions for anniversary bonuses are calculated using actuarial principles based on an interest rate of 5.25%. The short-term provisions for personnel primarily cover gratuities, bonuses, and profit sharing. Obligations of EUR 646 thousand arising from overtime work were recorded under other provisions in the previous year. As the amount and due date of these obligations are known, they are reported under other financial liabilities in the reporting year. The previous year's figure has been adjusted.

The provisions for purchase price adjustments cover the earn-out components of acquiring shares in macrosInnovation GmbH, InteracT!V GmbH & Co. KG, and Xuccess GmbH. In the previous year, these provisions were allocated in full to short-term provisions. The previous year's figure has been adjusted to the actual due date. Both here and in the case of provisions for guarantees, the main source of uncertainty is the amount of the obligation.

Overall, short-term provisions developed as follows:

All figures in Euro thsd.	As of 01.01.2007	Expansion of the consolidated Group	Utilized	Reversal	Addition	As of 12/31/2007
Personnel	2,011	565	–1,391	–354	2,323	3,154
Guarantees	733	0	–652	0	99	180
Purchase price adjustments	1,374	2,026	–322	0	123*	3,201
Other	737	176	–913	0	1,107	1,107
Total	**4,855**	**2,767**	**–3,583**	**–354**	**3,871**	**7,642**

* Accumulation

22. Trade Accounts Payable

Trade accounts payable are posted at net book value. They are payable within one month. The current market value corresponds roughly to the book value.

23. Other Financial Liabilities

With the exception of liabilities resulting from finance leases and amounts due to minority shareholders, other financial liabilities are due within one month. They are posted at net book value. Their current market value corresponds roughly to the book value. They can be broken down as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Amounts due to staff	993	937
Amounts due to minority shareholders	204	289
Amounts due from finance leases	494	0
Other	15	11
	1,706	**1,237**
Of which		
Long-term	343	0
Short-term	1,363	1,237
	1,706	**1,237**

The amounts due to staff are the result of travel expenses and overtime work rendered. The previous year's figure was adjusted by reclassifying an amount of EUR 646 thousand from other short-term provisions to liabilities.

The amounts due to minority shareholders primarily relate to the minority shareholder in is4 GmbH & Co. KG and concern distributable profit shares from previous years which have not yet been distributed. The amounts are payable as soon as a corresponding shareholders' resolution has been passed.

The amounts due from finance leases relate to agreements for leasing computing center components. As the lessor retains ownership, they are secured against the objects of the leases. The agreements do not entail any conditional installment payments, any extension or purchase options or any price adjustment clauses.

All figures in Euro thsd.	**Minimum lease payments**		**Present value of the minimum lease payments**	
	12.31.2007	**12.31.2006**	**12.31.2007**	**12.31.2006**
Remaining term:				
Up to 1 year	177	0	151	0
1–5 years	365	0	343	0
Over 5 years	0	0	0	0
	542	**0**	**494**	**0**
Of which, shown as				
Long-term			343	0
Short-term			151	0
			494	**0**

24. Other non-financial liabilities

Other non-financial liabilities are composed as follows:

All figures in Euro thsd.	**12.31.2007**	**12.31.2006**
Fixed-price projects with an adverse balance	1,135	881
Deferred income	863	384
Income tax payables	790	752
Wage and church tax payables	701	629
Social security payables	11	7
	3,500	**2,653**

Notes to the Consolidated Profit and Loss Account

25. Revenues

Regarding the breakdown of revenues we refer to the business segment reporting (31).

26. Cost of Revenues, Sales Costs and Administrative Expenses

All figures in Euro thsd.	2007			
	Cost of revenues	Sales costs	Administration costs	Total
Personnel expenses				
Wages and salaries	21,567	2,693	2,398	26,658
Social security	3,428	413	382	4,222
Pensions	258	32	31	321
Other	96	12	13	122
	25,349	**3,150**	**2,823**	**31,323**
Cost of purchased services	6,529	0	0	6,529
Other costs				
Depreciation	1,169	49	186	1,404
Advertising costs	0	1,147	0	1,147
Travel costs	3,375	445	429	4,250
Vehicle costs	2,620	299	311	3,230
Other	1,726	857	1,781	4,364
	15,419	**2,797**	**2,707**	**20,924**
Total costs	**40,768**	**5,948**	**5,531**	**52,246**

All figures in Euro thsd.	2006			
	Cost of revenues	Sales costs	Administration costs	Total
Personnel expenses				
Wages and salaries	16,839	2,125	1,748	20,712
Social security	2,984	363	309	3,656
Pensions	113	24	17	154
Other	115	15	13	143
	20,051	**2,526**	**2,088**	**24,666**
Cost of purchased services	4,778	0	0	4,778
Other costs				
Depreciation	937	42	180	1,159
Advertising costs	0	1,384	0	1,384
Travel costs	2,704	351	311	3,366
Vehicle costs	2,388	268	254	2,910
Other	1,239	654	1,252	3,146
	12,046	**2,699**	**1,997**	**16,742**
Total costs	**32,097**	**5,226**	**4,086**	**41,408**

Leasing expenses amounted to EUR 3,091 thousand in 2007 (previous year: EUR 3,358 thousand) and were mainly incurred for IT hardware and software and for vehicles. Depreciation includes EUR 133 thousand (previous year: EUR 0 thousand) depreciation on capitalized objects of leases.

27. Financial Earnings

The interest income relates solely to the valuation category of loans and receivables. Of the interest income, EUR 568 thousand (previous year: EUR 538 thousand) is derived from interest on cash at bank and EUR 1 thousand (previous year: EUR 0 thousand) from interest charged on loans to employees.

Interest expenses are composed as follows:

All figures in Euro thsd.	2007	2006
Interest accrued on purchase price liabilities (earn-out)	123	0
Interest on loans	84	86
Interest on obligations from finance leases	29	0
Other interest expenses	13	1
	249	**87**

As in the previous year, other financial earnings solely cover currency gains and losses from loan claims and receivables.

There were no earnings or expenses from fees.

28. Income Tax

28.1 Break Down of Tax Expenses

Tax expenses can be broken down as follows:

All figures in Euro thsd.	2007	2006
Current taxes	2,570	1,380
Taxes relating to other periods	–42	125
Deferred taxes	–3	372
	2,525	**1,877**

The tax expenses for the financial year can be reconciled with the profit stated in the consolidated profit and loss account as shown below:

28.2 Reconciliation statement for taxes on income

All figures in Euro thsd.	2007		2006	
Result from continuing activities before tax	6,225		4,598	
Tax at domestic rate	2,366	38.00%	1,747	38.00%
Tax effect of non-deductible expenses when determining the taxable profit	108		46	
Tax expense out of period	–42		125	
Corporation tax on minority shares	–153		–152	
Tax rate reduction for deferred tax items	89		0	
Other deviations	157		111	
Tax expenses and effective tax rate for the financial year	**2,525**	**40.60%**	**1,877**	**40.80%**

29. Notes to the Discontinued Fields of Activity

At the beginning of 2006, the Executive Board and Supervisory Board resolved to discontinue the activities of the two US subsidiaries, syskoplan consulting Inc. and syskoplan Holdings Inc. In the course of 2006, all related measures were undertaken, such as terminating all existing contracts with employees, clients, etc. The two US companies will be liquidated in 2008.

The results of the US subsidiaries included in the consolidated financial statements are composed as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Revenues	0	705
Cost of revenues	0	–889
Gross profit/loss	**0**	**–184**
Profits from the sale of holdings	0	1,555
Other expenses	–180	–1,003
Earnings before tax	**–180**	**368**
Income tax expenses	88	–300
	–92	**68**

The assets and debts of the discontinued fields of activity can be broken down as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Receivables and other assets	17	124
Tax claims	132	
Purchase price payment to escrow account	154	318
Cash	356	653
Assets	**660**	1,095
Other provisions	–54	–86
Tax payables	0	–231
Other liabilities	–15	–70
Liabilities	**–69**	–387

30. Managing Capital and Financial Risks

30.1 Capital Risk Management

The syskoplan Group manages its capital with the aim of maintaining sufficient equity to finance its plans for growth. As capital the group equity capital is considered.

To 58% (previous year: 61%) syskoplan group's assets are financed via equity. Non-current assets are completely financed via equity, current assets to 36%. This capital equipment allows syskoplan to finance the implementation of its strategy by assets without borrowing. This also applies to acquisitions necessary for the growth of the group as already shown during the last 2 years. So in future the group will cover a broader segment of the market thus being able to increase sales and EBIT. This approach needs an appropriate market research and analysis which is time-consuming. At present the liquidity as far as not needed for the current business is invested risk-free at renowned domestic banks as day-to-day money or as fixed deposits.

30.2 Financial Risk Management

The seriousness and extent of financial risks faced by the syskoplan Group are analyzed in the course of internal risk reporting. These risks for the syskoplan Group primarily entail the risk of default, the exchange rate risk, and the interest rate risk.

30.3 Liquidity Risk

Due to the Group's capital and internal financing resources, the liquidity risk is deemed low. Financial liabilities are funded using the available cash when they become due. With regard to the maturity of liabilities please refer to the notes to the balance sheet.

30.4 Default Risk

Default risk denotes the risk of a loss for the Group if a contracting party is unable to fulfill its contractual obligations. The syskoplan Group enters into business relationships with creditworthy contracting parties in order to minimize the risk of a loss arising from non-performance. Collateral is not normally obtained. When checking creditworthiness, the Group uses available financial information and its own business records to assess its clients. The Group's risk exposure is continuously monitored. The book value of the financial assets reported in the consolidated financial statements minus any impairments represents the Group's maximum default risk.

All figures in Euro thsd.	12.31.2007	12.31.2006
Cash at bank	17,606	19,046
Trade accounts receivable and other receivables	10,864	6,914
Other financial assets	2,199	2,792
Financial assets from discontinued fields of activity	528	1,095
	31,197	**29,847**

The default risk on cash is limited as it is only held at domestic banks which belong to a deposit guaranty fund. In addition to this, cash at bank is distributed between a number of credit institutions. As of 12/31/2007, the maximum amount invested at any one bank was EUR 3,063 thousand.

When determining the default risk on trade accounts receivable and other receivables, each change in credit standing between the granting of the credit and the balance sheet cut-off date is taken into account. There is a certain credit risk concentration as VW Group companies account for 26% of the receivables. The Executive Board is confident that no risk provisioning is necessary over and above the impairments already recorded as all of the debtors are clients with an excellent credit standing.

The default risk on the securities included in other financial assets is also low because they consist of shares in money market funds from issuers with an excellent credit standing.

30.5 Exchange Rate Risk

Some Group transactions are conducted in a foreign currency, resulting in risks from exchange rate fluctuations. These are analyzed every month when the financial statements are prepared. Exchange rate risks are not hedged as they are not considered substantial.

On the balance sheet date, the book value of the Group's financial assets and debts denominated in foreign currencies was as follows:

All figures in Euro thsd.	Assets		Debts	
	12.31.2007	12.31.2006	12.31.2007	12.31.2006
Continuing fields of activity				
Pound sterling	739	0	0	0
Swiss franc	497	0	0	0
US dollar	174	19	0	0
Others	298	0	0	0
	1,708	19	0	0
Discontinued fields of activity				
US dollar	660	1,095	69	387
	2,368	**1,111**	**69**	**387**

The Group is mainly exposed to exchange rate risks involving the US dollar, the pound sterling, and the Swiss franc. The following table shows the Group's sensitivity to a 10% rise or fall in the exchange rate between the Euro and the foreign currencies in question. In the Executive Board's opinion, the 10% shift is a reasonable potential exchange rate fluctuation. The sensitivity analysis only covers outstanding monetary items denominated in foreign currencies. It adjusts their conversion at the end of the period to reflect a 10% change in the exchange rates.

All figures in Euro thsd.	Effect of the US dollar		Effect of the pound sterling		Effect of the Swiss franc	
	2007	2006	2007	2006	2007	2006
Result for the year	43	41	42	0	28	0
Equity	43	41	42	0	28	0

30.6 Interest Rate Risk

Interest rate differentials trigger a cash flow risk as regards floating-rate bank loans. This has been counteracted by concluding two interest rate swaps with matching amounts and maturities. By concluding the interest rate swaps, the variable interest payments have been transformed into fixed interest payments.

With the exception of liabilities from finance leases, the other financial liabilities are non-interest bearing. There is an interest rate-induced risk of changes in value for the liabilities from finance leases. However, the Group does not consider this significant.

Interest rate differentials also give rise to a risk of changes in value for fixed-term deposit investments and the shares held in money market funds. The risk of changes in value for fixed-term deposit investments is managed by generally choosing a very short investment horizon. Due to the amount invested, the risk of changes in value for fixed-term deposit investments is not considered significant.

The sensitivity analyses shown below were produced using the interest rate risk exposure for derivative and non-derivative instruments as of the balance sheet date. For floating-rate liabilities, the analysis is prepared on the assumption that the outstanding amount payable as of the balance sheet date was outstanding for the whole year. An interest rate increase or decrease of 50 basis points is also assumed. In the Executive Board's opinion, this represents a reasonable potential change in interest rates.

If interest rates had been 50 basis points higher/lower but all other variables had remained constant, the net income for the year ending December 31, 2007 would drop/rise by EUR 48 thousand (2006: decrease/increase of EUR 48 thousand). The Group's equity would drop/rise by EUR 48 thousand (2006: decrease/increase of EUR 48 thousand).

31. Segment Reporting

Following discontinuation of the Group's activities in the USA in the previous year, the Group has been organized into business segments. This involves distinguishing between the two main activities, consulting and IT-operations. The business unit IT-Operations comprises – apart from the date centre outsourcing activities (share of revenues approx. 80%) – activities in the fields of application management (approx. 10%) and consulting services close to data centres (approx. 10%). The unit Application Management was attributed to the unit IT-Operations in 2007. The numbers of the previous year have been adopted so far.

The operating profit of the segment IT-Operations considerably depends on the business situation of the units Application Management and Consulting. Due to high utilization in 2007 the operation profit of the segment IT-Operations showed an increase above-average.

All figures in Euro thsd.	**Continuing fields of activity: segments**					
	IT-Operations			**Consulting**		
	12.31.2007	**12.31.2006**	**Change**	**12.31.2007**	**12.31.2006**	**Change**
Sales	10,468	10,424	0%	54,798	42,138	30%
of which internal:	1,774	1,695	3%	6,019	5,640	7%
of which external:	8,694	8,729	0%	48,779	36,498	34%
EBIT	1,221	880	39%	4,669	3,270	43%
EBT	1,264	936	35%	4,961	3,668	35%
Earnings from continued operations	1,021	760	34%	2,679	2,001	34%
Assets	6,259	4,098	53%	43,393	36,464	19%
Liabilities	3,262	1,694	93%	18,480	15,205	22%
Investments	1,219	413	> 100%	449	420	7%
Depreciation	553	339	63%	851	820	4%
Employees (FTE)	50	50	0%	345	276	25%

All figures unconsolidated

The following reconciliation statement is presented according to IAS 14.67:

Reconciliation with consolidated figures

All figures in Euro thsd.	**Reconciliation**		**Consolidated figures**	
	12.31.2007	**12.31.2006**	**12.31.2007**	**12.31.2006**
Revenues	7,793	7,335	57,472	45,227
EBIT		3	5,890	4,154
EBT		6	6,225	4,599
Earnings from continued operations	630	622	3,070	2,139
Assets		1	49,652	40,279
Liabilities			21,742	9,265
Investments		0	1,668	833
Depreciation		0	1,404	1,158
Employees (FTE)		0	395	326

Figures in the reconciliation column for revenues, assets and liabilities essentially refer to consolidation figures. The sales relationships between segments involve pooling human resources for customer projects and providing computer center services. Staff services are invoiced at project-specific daily rates. Computer center services are billed on the basis on contracts concluded between the Group companies.

32. Key Accounts

In 2007, more than 10% of total sales were generated with Volkswagen Bank. This single customer accounted for 16% (previous year: 17%) of total sales (consulting segment).

In addition, we draw attention to the fact that 20% of sales in 2007 were to the VW Group (previous year: 24%).

33. Number of Employees, Executive Board and Supervisory Board Members

33.1 Employees

In 2007, an average of 406 staff members were employed in the Group (previous year: 338).

33.2 Executive Board

The members of the company's Executive Board in 2007 were:

+ Dr. Manfred Wassel, (Chairman), strategy, marketing, communications, investor relations
+ Dr. Jochen Meier, operations, sales, human resources
+ Dott. Daniele Angelucci, finance, mergers & acquisitions.

Executive Board Remuneration
Remuneration for key managers which must be declared in line with IAS 24 covers the salaries paid to active members of the Executive Board and the Supervisory Board of the syskoplan Group. In the 2007 financial year, the Executive Board received remuneration as follows:

All figures in Euro thsd.	12.31.2007	12.31.2006
Regular salaries	1,662	1,190
Interest-independent change in pension provisions (service costs)	51	51
Share-based remuneration	0	0

The service cost for pension accruals for active Executive Board members is listed under payments following cessation of employment. As at December 31, 2007, no loans or advances had been granted to Executive Board members.

For further details on Executive Board remuneration, please see the management report and the corporate governance report.

Options Held by the Executive Board
Dr. Wassel and Dr. Meier were last allotted share options in the 2003 financial year as part of the syskoplan AG

share option plan. Both of them still hold options issued at that time at the conditions listed below:

Exercise price in Euros	Year of issue	Number	Exercise price	Expiry date
Dr. Manfred Wassel	2001	624	21.16	04.12.2008
	2002	300	22.08	04.22.2009
	2003	300	6.71	04.24.2010
	Total	**1,224**		
Dr. Jochen Meier	2001	624	21.16	04.12.2008
	2002	300	22.08	04.22.2009
	2003	300	6.71	04.24.2010
	Total	**1,224**		
Dott. Daniele Angelucci	**Total**	**0**		

Due to the way in which the syskoplan share price has developed over the last several years, only the options issued in 2003 are valuable.

+ *Other Posts Held by Executive Board Members*

In the 2007 financial year, the members of the Executive Board sat on the following supervisory boards and comparable controlling bodies in Germany and abroad:

+ Dr. Manfred Wassel: Advisory Board, Interactiv GmbH & Co. KG, Munich
+ Dr. Jochen Meier: Advisory Board, is4 GmbH & Co. KG, Minden (Chairman)
+ Dott. Daniele Angelucci: No other appointments

33.3 Supervisory Board

+ *Supervisory Board Members*

In the year under review, the following were members of the Supervisory Board of syskoplan AG:

+ Dott. Mario Rizzante, President of Reply S.p.A., Turin, Italy (Chairman)
+ Dr. Niels Eskelson, management consultant, Paderborn (Deputy Chairman)
+ Dr. Stefan Duhnkrack, partner at the joint legal practice Heuking Kühn Lüer Wojtek, Hamburg
+ Dott. Riccardo Lodigiani, senior partner at Reply S.p.A., Turin, Italy
+ Dott. Tatiana Rizzante, senior partner at Reply S.p.A., Turin, Italy
+ Dr. Gerd Wixforth, retired city manager, Gütersloh.

Other Posts Held by Supervisory Board Members

In the year under review, the members of the Supervisory Board were also members of other supervisory boards and comparable controlling bodies in Germany and abroad. Their posts are listed below:

+ Dott. Mario Rizzante	No other appointments
+ Dr. Niels Eskelson	No other appointments
+ Dr. Stefan Duhnkrack	NetBid Industrie-Auktionen AG, Hamburg, member of the Supervisory Board
+ Dott. Riccardo Lodigiani	No other appointments
+ Dott. Tatiana Rizzante	No other appointments
+ Dr. Gerd Wixforth	Teutoburger WaldEisenbahn AG

Supervisory Board Remuneration

In line with § 9 of the articles of incorporation, in addition to the reimbursement of expenses incurred in connection with attending Supervisory Board meetings, members of the Supervisory Board receive a fixed remuneration of EUR 10,000 per full financial year. The Supervisory Board Chairman receives twice this amount and his deputy receives one and a half times this amount.

No loans or advances were granted to members of the Supervisory Board in the year under review.

The members of the Supervisory Board received remuneration as follows:

All figures in Euro thsd.	**12.31.2007**	**12.31.2006**
Regular salaries	75	73
Long-term remuneration components	0	0

34. Corporate Governance Code

In December 2007, the Executive Board and the Supervisory Board issued a declaration of conformity in accordance with § 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to shareholders on the company’s website.

35. Other Financial Obligations

In 2007, payments of EUR 3,091 thousand (previous year: EUR 3,358 thousand) relating to lease agreements (operating leases) were recorded as an expense. These agreements do not entail any conditional installment payments, any extension or purchase options or any price adjustment. From rental agreements on office space rental payments of EUR 831 thousand (previous year: EUR 637 thousand) were posted as expenses.

These lease and rental agreements give rise to the following minimum lease payment obligations in future:

All figures in Euro thsd.	2007	2006
Within one year	2,330	2,940
Within 2 to 5 years	3,327	2,829
Over 5 years	0	0
	5,657	**5,769**

The lease obligations primarily cover vehicles and IT hardware leased by is4. The vast majority of the IT hardware is leased on to customers. There are no further material contingent liabilities.

As of 12/31/2007, there were guarantees with a total value of EUR 2,150 thousand to the existing shareholders of Xuccess Consulting GmbH, based in Gilching. The guaranties were designed to act as collateral for the implementation of the capital increase and the transfer of the resulting shares. Due to the shares transferred in 2007, the guarantees were not exercised and expired on 1/31/2008.

36. Share Option Plan

The Annual General Meeting held on September 20, 2000 agreed on a share option plan for employees which came to an end with the final tranche from 2004. The plan has the following basic features:

A maximum of 300,000 subscription rights will be issued to employees. The annual tranche may not exceed 30% of the total volume (90,000 subscription rights).

Subscription rights may be exercised after the expiry of a holding period of two years and only within the following five-year period (exercise period). The date of issue is the date of notification.

Five tranches have been issued so far, the first on October 5, 2000, the second on April 12, 2001, the third on April 22, 2002, the fourth on April 24, 2003, and the fifth on April 7, 2004. The first tranche fell due in 2007. No options were exercised from this tranche. For this reason, no further details of this tranche are provided.

The exercise price for the first tranche is 110% of the placement price. For the second and each subsequent tranche, it is 110% of the average closing price (Xetra trading) on the five trading days before the rights were issued.

A Black-Scholes binomial model was used to ascertain the fair value. The assumptions made for this purpose can be found in the “Share option plan overview” table.

The number and weighted average exercise price of the issued options developed as follows:

	Number		Weighted average exercise price (Euro)	
	2007	2006	2007	2006
At the beginning of the financial year	183,384	199,937	16.45	15.95
Options granted	0	0		
Options exercised	13,893	11,031	7.3	7.15
Options expired	35,446	5,522		
Exercisable options outstanding at the end of the financial year	**134,045**	**183,384**	**15.32**	**16.45**

Share Option Plan Overview	Second tranche	Third tranche	Fourth tranche	Fifth tranche
Fair value of subscription right	8,81	7,70	2,96	3,01
Exercise price	21,16	22,08	6,71	7,63
Dividend yield	2% p.a.	2% p.a.	2% p.a.	3% p.a.
Term	5 years	5 years	5 years	5 years
Interest rate	4,50%	4,80%	3,40%	3,20%
Volatility during holding period	71% then 49%	50% then 46%	65%	61,20%
Dilution factor	99%	99%	99%	99%

All figures in Euros

Apportionment of Subscription Rights Issued:

Second tranche (2001 financial year)

	Number of beneficiaries	Number of options
Executive Board members	2	1,248
Executives	62	38,594
Employees	236	33,657
Supervisory Board	0	0
Total	**300**	**73,499**

Third tranche (2002 financial year)

	Number of beneficiaries	Number of options
Executive Board members	2	600
Executives	83	24,795
Employees	232	23,217
Supervisory Board	0	0
Total	**317**	**48,612**

Fourth tranche (2003 financial year)

	Number of beneficiaries	Number of options
Executive Board members	2	600
Executives	73	21,945
Employees	248	22,860
Supervisory Board	0	0
Total	**323**	**45,405**

Fifth tranche (2004 financial year)

	Number of beneficiaries	Number of options
Executive Board members	2	0
Executives	78	33,985
Employees	249	37,422
Supervisory Board	0	0
Total	**329**	**71,407**

No expenses were recorded for share-based remuneration transactions in 2007.

37. Earnings per Share

All figures in Euros	2007	2006
Relating to the period result		
- undiluted	0.63	0.50
- diluted	0.63	0.50
Relating to the period result for continuing business activities		
- undiluted	0.65	0.48
- diluted	0.65	0.48

The undiluted earnings per share are calculated by dividing the result for the year (2007: EUR 2,978 thousand, previous year: EUR 2,207 thousand) by the average outstanding capital stock (2007: 4,725,323 shares, previous year: 4,433,417 shares). The average outstanding capital stock for 2007 differs from the number of outstanding shares as at 12/31/2007 (4,729,090) because 279,581 shares were issued from the approved capital on October 25, 2007, and 13,893 shares were issued from the conditional capital in the course of 2007 (shares included pro rata temporis as at the end of each quarter).

The diluted earnings per share are calculated by dividing the result for the year (2007: EUR 2,978 thousand, previous year: EUR 2,207 thousand) by the average outstanding capital stock plus the common stock (2007: 4,734,033 shares, previous year: 4,444,461 shares), which may have a diluting effect.

At syskoplan, only shares issued under the share option plan (see note 32 above) could have a diluting effect. There is no diluting effect for tranches 2 to 3 of the share option plan because the syskoplan share price was EUR 7.83 on 12/31/2007 and therefore lower than the exercise price for tranches 2 to 3. Tranches 4 and 5, on the other hand, have a diluting effect because their exercise price is below the average annual price of the syskoplan share.

Based on the number on subscription rights issued per tranche, the exercise price for each, and the average share price for the year, there are 3,230 common shares which could have a diluting effect in the fourth tranche and 917 common shares which could result in dilution in the fifth tranche. The figure of 4,734,033 common shares used to calculate the diluted result is determined by taking the average figure of 4,725,323 outstanding common shares used to calculate the undiluted earnings and adding the common shares from the fourth and fifth tranches of the share option plan, which may have a diluting effect.

When considering instruments which may have a diluting effect in the future (conditional capital), please note tranches 2 to 3 (cf. note 32 above).

38. Relationships with Associated Companies and Individuals

Associated companies and individuals are - apart from the subsidiaries of syskoplan AG - Reply S.p.A. – the direct majority shareholder of syskoplan AG – the members of the Consiglio di Amministrazione and the Collegio Sindacale of Reply S.p.A., and the members of the Executive Board and Supervisory Board of syskoplan AG. Furthermore, Iceberg S.A., Alika s.r.l, and Dott. Mario Rizzante are considered associated individuals as they are indirect majority shareholders.

These companies and individuals hold the following shares and options as at December 31, 2007:

		Number of	
Person	**Function**	**Shares**	**Options**
Dr. Manfred Wassel	Chairman of the Executive Board	2	1,224
Dr. Jochen Meier	Member of the Executive Board	1	1,224
Dott. Daniele Angelucci	Member of the Executive Board	0	0
Dott. Mario Rizzante	Chairman of the Supervisory Board	2,679,604	0
Dr. Niels Eskelson	Deputy Chairman of the Supervisory Board	500	0
Dr. Stefan Duhnkrack	Member of the Supervisory Board	0	0
Dott. Riccardo Lodigiani	Member of the Supervisory Board	0	0
Dott. Tatiana Rizzante	Member of the Supervisory Board	0	0
Dr. Gerd Wixforth	Member of the Supervisory Board	4,200	0
syskoplan AG	Treasury stock	2,750	0

Please refer to note 33 for further details of the remuneration paid to the members of the Executive Board and Supervisory Board.

No significant business dealings or transactions were concluded with companies belonging to the Reply Group and their direct or indirect parent companies.

39. Auditing Fees

As per § 315 of the German Commercial Code (HGB) in conjunction with § 314 Section 1 No. 9 of the German Commercial Code (HGB), the auditing fees recorded as an expense in the financial year are to be reported as follows in the IFRS notes to the consolidated financial statements:

All figures in Euro thsd.	12.31.2007	12.31.2006
Auditing	209	135
Other certification services	9	0
Tax advisory services	3	24
Other services	24	37
Total	**254**	**195**

40. Special Events after the Balance Sheet Date

discovery sysko GmbH entered an increase in capital in the Commercial Register on January 2, 2008. The capital increase was subscribed by Mr. Wolfgang Klein, Managing Director of discovery sysko GmbH. Following the capital increase, Mr. Klein now holds a 20% equity stake in discovery sysko GmbH.

No further significant events have occurred after 12/31/2007 that affect the company's asset, financial and earnings position.

41. Approval of the Financial Statements

The Executive Board approved the financial statements on February 28, 2008. They will be submitted to the Supervisory Board for approval at their meeting on March 12, 2008 and subsequently approved for publication.

Gütersloh, February 28, 2008

syskoplan AG
The Executive Board

We confirm that – to the best of our knowledge – the consolidated financial statements present an accurate picture of the group's asset, financial and earnings position in line with the applicable principles of financial reporting. Furthermore, we confirm that the management report for the group accurately presents the course of business – including the operating result – and the group's situation, and that it describes the opportunities and risks entailed in the group's likely development.

Gütersloh, February 28, 2008

syskoplan AG
The Executive Board

2.7 Auditors' Report on the Consolidated Financial Statements

We have issued the following unqualified auditors' report on the consolidated financial statements and Group Management Report of syskoplan AG, Gütersloh, for the year ended December 31, 2007:

„We have audited the consolidated financial statements prepared by syskoplan AG, Gütersloh, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement, segment reporting and notes, and the Group Management Report for the business year from January 1 to December 31, 2007. The preparation of the consolidated financial statements and the Group Management Report in accordance with IFRS, as adopted by the EU, and the additional requirements of German Commercial Law pursuant to Section 315a (1) of the German Commercial Code, are the responsibility of Company's Management Board. Our responsibility is to express an opinion on the consolidated financial statements and on the Group Management Report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code and generally accepted standards in Germany for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework, and in the Group Management Report, are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group Management Report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of syskoplan AG, Gütersloh, comply with IFRS, as adopted by the EU, the additional requirements of German Commercial Law pursuant to section 315a (1) of the German Commercial Code and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the consolidated financial statements and as a whole provides an appropriate view of the Group's position and appropriately presents the opportunities and risks of future development."

Frankfurt/Main, March 3, 2008

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Drewes)
Wirtschaftsprüfer

(ppa. Meyer)
Wirtschaftsprüfer


Growing
opportunities

2.8 Financial Statements of syskoplan AG according to German Commercial Code – Abstract

Balance Sheet as at December 31, 2007

All figures in Euro thsd. **Assets**	**12.31.2007**	**Previous Year**
A. Fixed Assets		
I. Intangible assets	56	71
II. Tangible assets	437	551
III. Financial assets	18,839	11,919
Total fixed assets	19,332	12,541
B. Current Assets		
I. Inventories	794	1,422
II. Accounts receivable and other assets	11,224	6,391
III. Securities	22	12
IV. Cash in hand, cash at bank	10,965	14,230
Total current assets	23,005	22,055
C. Deferred items	232	261
Assets	**42,569**	**34,857**
Liabilities		
A. Equity		
I. Subscribed capital (contingent capital 134, previous year 183)	4,729	4,436
II. Capital reserve	21,658	19,700
III. Surplus reserve	1,198	822
IV. Unappropriated profit	3,382	1,530
Total equity	30,967	26,488
B. Provisions	2,628	2,396
C. Liabilities	8,317	5,951
D. Deferred items	657	22
Liabilities	**42,569**	**34,857**

The complete financial statement of syskoplan AG provided with an unqualified opinion of the auditor is published in the federal gazette and deposited at the registry court of the district court Gütersloh. It can be requested in electronic form at syskoplan AG.

Income Statement for Period of January 1, to December 31, 2007

All figures in Euro thsd.		2007	Previous year
1. Revenues	30,224		29,293
2. Increase or decrease in work in progress	–628		–264
		29,596	29,029
3. Other operating income		2,412	925
		32,008	**29,954**
4. Costs of material			
Cost of bought-in services		4,020	3,654
5. Personnel expenses			
a) Wages and salaries	13,340		12,668
b) Social security contributions and costs of provisions for retirement and welfare of which for retirement 107 (previous year 130)	2,257		2,297
		15,597	14,965
6. Depreciation on tangible and intangible assets		287	344
7. Other operating expenses		10,189	10,093
		30,093	29,056
		1,915	**898**
8. Income from profit transfer agreements		110	0
9. Income from holdings of which from subsidiary undertakings 2,496 (previous year2,078)		2,496	2,078
10. Loss from profit transfer agreements		208	0
11. Income from financial assets		1	0
12. Other interest and similar profits of which from subsidiary undertakings 87 (previous year 75)		479	469
13. Depreciation on financial assets		90	1,305
14. Interest and similar expenses		134	0
		2,653	1,242
Profit on ordinary activities		**4,568**	**2,140**
16. Income tax		1,186	610
17. Net profit/loss for the year		**3,382**	**1,530**
18. Withdrawal from surplus reserves			
a) from reserve for treasury stock		0	3
b) from other surplus reserves		10	0
19. Allocation to surplus reserves			
a) to reserve for treasury stock		10	0
b) to other surplus reserves		0	3
20. Unappropriated profit		**3,382**	**1,530**

3 Company Calendar syskoplan AG

Date	Occasion	Place
March 31, 2008	Publication of Annual Report 2007	Gütersloh
April 30, 2008	Report on Q1 2008	Gütersloh
May 20, 2008	Annual General Meeting	Gütersloh
May 21, 2008	Payment of Dividend	Gütersloh
July 30, 2008	Report on Q2 2008	Gütersloh
October 31, 2008	Report on Q3 2008	Gütersloh
November 2008	Analyst Conference	Frankfurt

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