syskoplan

LIVING NETWORK

Annual Report 2009 – Innovating IT

syskoplan at a Glance

Criterion		2009	2008	Change
Revenue	Euro mill.	55.0	60.8	– 9%
EBITDA	Euro mill.	3.95	7.43	– 47%
EBIT	Euro mill.	1.58	6.12	– 74%
EBT	Euro mill.	1.58	6.60	– 76%
Net profit for the period	Euro mill.	0.06	3.68	– 98%
Earnings per share (basic)	Euro	0.01	0.77	– 99%
Earnings per share (diluted)	Euro	0.01	0.77	– 99%
Return on revenue (EBITDA)	%	7.2%	12.2%	
Return on revenue (EBIT)	%	2.9%	10.1%	
Return on revenue (EBT)	%	2.9%	10.9%	
Payroll employees (average fulltime equivalents)		420	416	+ 1%
Payroll employees (year end)		424	439	– 3%
Balance sheet total	Euro mill.	50.5	52.8	– 4%
Equity	Euro mill.	29.3	30.6	– 4%
Liquid funds	Euro mill.	19.9	23.0	– 14%
Change in cash and cash equivalents	Euro mill.	– 3.93	5.06	
Cash flow according to DVFA/SG	Euro mill.	2.63	6.18	– 57%
Number of shares	mill.	4.73	4.73	+ 0%

Children are our Future

The Internet is rapidly changing the way we communicate as well as how we shop and work. Today, some two billion people around the world are online; approximately 42.8 million of them are German. 55 percent of all Germans turn first to the Internet to get information on a topic or product. Today, innovative products and services are already created and even marketed on the Internet. Customers can discuss, evaluate, and recommend these products and services online. They very often even contribute to their further development with their own expertise. Generation Y in particular, which grew up with the Internet, lives almost symbiotically with the net. Today, 96 percent of Generation Y already belongs to social networks such as Facebook, Twitter, Xing, or StudiVZ. By the end of the current year, Generation Y will be larger than the baby boomer generation.

This group defines our present, but it is the future generation – the children of Generation Y – that will shape the future of mankind with the resources that we leave them. In this annual report, which was prepared with the motto Innovating IT, we have used pictures of children in their familiar surroundings and drawn parallels to the innovations of our time:

- Cloud computing
- Software as a service
- Enterprise 2.0
- Social media

We can only guess what children will make out of these resources, but one thing is certain: with our support as well as the curiosity and creative will of these children, the future also holds exciting innovations for mankind.


CLOUD COMPUTING
FOR THOSE WHO AIM FOR THE SKY.

Content

1 Innovating IT

SOCIAL MEDIA

MAKING EXCITING CONNECTIONS.

1.1 Letter by the Chairman of the Executive Board

**Dear shareholders,
customers, business partners,
and colleagues,**

The past year went down in the history of the world, and thus in the annals of syskoplan, as a turbulent one. It was in these challenging times that I joined syskoplan on October 1, 2009. As such, my own personal life story is now closely tied to the history of syskoplan. Dr. Manfred Wassel greatly supported me in my entry into the company. For this, I would like to express my thanks to him. But I would above all like to recognize the strong entrepreneurial performance that syskoplan and Dr. Wassel have achieved together in the last 25 years. With a great deal of personal dedication, they made sure that syskoplan will remain relevant within the market and create value for its customers. syskoplan also felt the effects of the global economic crisis in 2009, and we will have to prepare for the challenges that we face this coming year and use the light tailwind to our benefit. I will go into more detail later on how we plan to tackle this. First, I would like to personally introduce myself.

„We also want to continue on our successful path in the future in order to provide customers with the highest quality of reliable and innovative technologies."

Josef Mago
Chairman of the Executive Board of syskoplan AG

After finishing my degree in computer science in Frankfurt am Main, Germany, I enjoyed the first nearly two years of my professional career as a systems engineer at Bosch Telekom – at a time when cell phone networks were being digitalized and Germany's digital phone networks were going into operation. These topics fascinated me, but I was in search of a greater personal challenge. I found this at the IT service provider Accenture, where my entrepreneurial expertise was continually fostered and challenged over the last 18 years. After holding various positions in Eastern and Central Europe, I returned to Germany shortly before the turn of the millennium and took on increasing responsibility for Accenture's telecommunications business in the German-speaking region. From my cooperation in smaller projects in the Czech Republic and Hungary to the acquisition and delivery of major IT projects with several hundred employees, I had the privilege of experiencing all of the relevant processes in the telecommunications business and IT complexities. My curiosity as well as my enthusiasm brought me to syskoplan.

In the past year, Germany experienced the most severe recession since the Great Depression of the 1930s. Germany's gross domestic product shrunk by five percent in 2009. The markets for IT services, systems integration, and outsourcing as well as managed services were also affected. The top priority for customers was reducing costs. Planned orders were either not issued or were issued with a delay.

Our company, too, was unable to elude the global economic crisis and were forced to deal with a decline in sales and margins for the first time in a long time. Although this development is still acceptable in competitive comparison, it is not in line with our medium-term objectives. For the future, however, we should take note of the fact that the economy is likely to recover only slowly. If we look at the new economic normality, adjustments and innovations will nevertheless be needed in order to usher in a new era of business growth.

The good news is that the market in which we are active is enormous. PAC, Gartner, and other market researchers estimate the IT professional services market in Germany at a size of approximately EUR 28 billion in 2010. A number of companies are showing cautious optimism and a willingness to invest for 2010. According to Gartner, this will result in business opportunities for IT service providers, for example in the fields of process optimization and innovation. These are precisely the strengths of our offering. This will allow us to reach the goals that we have set for ourselves: increasing sales by way of stronger organic growth, and targeted acquisitions in order to round off our portfolio as well as an improvement in profitability.

The global economic crisis is driving innovation and demands a great deal of readiness to change on our part. Innovative companies that successfully adapt to the changes in the market will be able to assert themselves in the fight for customers and market share. One telling Chinese proverb describes this as follows: „When the winds of change blow, some people build walls and others build windmills." We aim to build windmills, so as to come out of the crisis stronger. For this purpose, we have taken a close look at the current market analyses as well as our own abilities and, from this, developed a strategy for the next few years through 2012.

We also want to continue on our successful path in the future in order to provide customers with the highest quality of reliable and innovative technologies. We offer both „established" and „agile" solutions as well as consulting, integration, and outsourcing services for efficient corporate management. Our partnerships continue to play a key role in our strategy: we are strengthening our partnership with SAP. At the same time, our customer projects will rely much more on Microsoft technologies and we will intensify our partnerships with other leading and strongly growing technology providers.

In order to reach our company goals, we are focusing our distribution activities on large and medium-sized projects. We are furthermore concentrating on a more intense cooperation between the business units

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overall, as well as between Reply, our main shareholder, and syskoplan. The opportunities of the entire Group result in greater challenges and projects and heighten distribution synergies. One example of this is the issue of nearshoring: the managers and IT directors of our customers in Germany expect better scalability from us, combined with commercial advantages. Nearshoring allows us to carry this out plausibly.

One important component in successfully implementing the changes is the restructuring and streamlining of our organization. We have allocated the activities in the field of business process technologies to the CRM and Business Intelligence segments in order to achieve a greater impact. Moreover, we have developed a center of expertise for the retail and utilities sectors. We are addressing the disproportionate market growth expected in the Microsoft environment by bundling our existing expertise in one unit.

In addition, we also aim to examine our processes closely in the current year in order to continue supplying our customers with the highest quality of innovative solutions.

With this new strategy, we have laid the foundation for our windmill, and we now want to use the tailwinds to syskoplan's advantage and build that windmill. We would be pleased to have you accompany us on this journey.

Josef Mago
Chairman of the Executive Board of syskoplan AG


AUTOMATIC MAINTENANCE INCLUDED.
SOFTWARE AS A SERVICE

1.2 We Harness Innovation

Letterpress printing, diesel engines, computers, and the MP3 format – many innovations and groundbreaking ideas have originated in Germany. The German Patent and Trade Mark Office registered about 60,000 new patents in 2009 alone. There is a reason that Germans are seen around the world as inventors and „techies".

An innovation does not necessarily have to be a product. Innovation can be a new service, as the Internet pioneers Google and Amazon have demonstrated, or even a new way of shaping a business process. Innovation above all means breaking new, and at first glance, unconventional ground. To foster good ideas, a company needs to create an innovation-friendly working environment. However, good ideas can only result in marketable products or services, or new and efficient business processes that lead to economic growth when companies are also able to implement them.

The last few crisis-ridden months have exerted enormous pressure on companies to be competitive and innovative. Companies that showed an ability to offer their customers innovative products and services were able to convince them to buy. Only those companies that had already efficiently and innovatively aligned their business processes prior to the crisis had their costs under control and are now in a position to reinvest and move one step ahead of the competition. This pertains above all to investments in information technology.

The fact that innovations are based on information and communication technologies is a sign of the times. A study by the German Federal Ministry of Education and Research showed that over 80% of innovations are driven by information and communication technology. This makes it more important than ever for companies in the IT sector to place even greater emphasis than before on topics concerning innovation.

Every year, analysts from Gartner survey IT managers (CIOs) around the world about their business priorities for the year to come. The topics of business intelligence and cost reduction are at the top of the list now. According to Gartner, this results in business opportunities for IT service providers, for example in the field of process optimization and innovation.

For sales to be successful in this environment, IT service providers have to assess the improvement potential of their customers more frequently than in the past. They must also be able to precisely document the contribution of value added for the respective project and be financially involved in the project result. As such, the bar has been set high when it comes to acquiring new projects.

Nevertheless, it is worth a try. After all, the customers of the future rely on innovation and efficiency to set them apart from the competition.

We have made the issue of innovation and its implementation with the help of information technology the focus of our actions since syskoplan was founded. We also want to harness the technical innovations as well as those that affect the business model in the future by implementing and refining standard software, or rather standard platforms for our customers.

We offer our customers additional incremental use beyond just configuring the platform and the functionalities.

syskoplan heavily emphasizes its additional software refining offering using customer-specific components from the company's expertise. With major investments such as its involvement in the development of SAP, the company has established knowledge and experience over many years in determining how efficiency via standards and effectiveness via specific additives can be combined in one solution for our customers. As the motto goes, „as standard as possible, as individual as necessary."

A positive example of this is the project by our subsidiary cm4 for the home shopping channel HSE24. The expertise of cm4 and the cooperation with the customer supported by our values and commitment to top quality have led to concrete success for all involved parties. Koen Verbrugge, head of Service & Operations at HSE24, has described the success as follows: „Best practice solutions are never enough for anyone wanting to get ahead in homeshopping business. The 'Customer Is King' project has made a significant contribution to improving the service quality and efficiency of our organization. We have reaped the rewards from our customers."

In purely technological terms, the environment now offers the opportunity to position our approach even more concisely on the market. According to market analysts, the IT trends in the next few years will include cloud computing as well as software as a service and platform as a service. With these new technologies and offerings, customers can now experience the advantages of SOA (service-oriented architectures) that were mostly only discussed in highly theoretical terms in the past. The offerings are highly attractive in respect to cost savings. This is why nearly all companies are focusing on the use of cloud services. At the moment, they are looking for answers to the following questions:

- What IT solutions will one want to consume most efficiently?
- What else is needed to set oneself apart from the competition?
- Which platform will prove the most robust as well as the most secure in addition to offering the lowest TCO in the long run in order to maintain the balance between efficiency and effectiveness?

The result is not a general yes or no decision for software as a service or cloud computing. Individual cases must be looked at to know which business processes are to be carried out simply and efficiently using purchased standard services and which will enable a company to set itself apart from the competition.

„An innovation does not necessarily have to be a product. Innovation above all means breaking new, and at first glance, unconventional ground."

In the case of the latter, standard solutions do not produce the desired result. Software refining is needed here to create intelligent and individual customer solutions. This need for low-cost, on-demand solutions and their integration into our customers' IT landscape opens up considerable market potential for syskoplan. syskoplan's history gives the company a great deal of experience and knowledge in finding the balance between standard solutions and individuality.

Some customer projects as well as our own in-house processes are now also providing us with experience in how individuality and IT consumption from the cloud can be combined and used by the customer. At the same time, the benefit of our alliance with Reply S.p.A. is even more apparent. Given the opportunities of the Group as a whole, these challenges can be tackled with even greater momentum and synergies can be utilized.

In addition to cloud computing, software as a service, and platform as a service, syskoplan also offers additional agile solutions as well as consulting, integration, and outsourcing services for efficient corporate management. Rarely have we ever started a new financial year with so many new solutions, services, partnerships, and, therefore, new and promising prospects.

We rely on our partner SAP and want to improve on the benefit that the „SAP of the new generation" promises. At the same time, our customer projects will rely more on Microsoft technologies, and we will enter into partnerships with other leading technology providers such as Salesforce.com.

In the hard-fought business intelligence market at the moment, syskoplan's recently concluded QlikTech partnership has given it access to the business intelligence solution with the highest growth rates at the moment: QlikView.

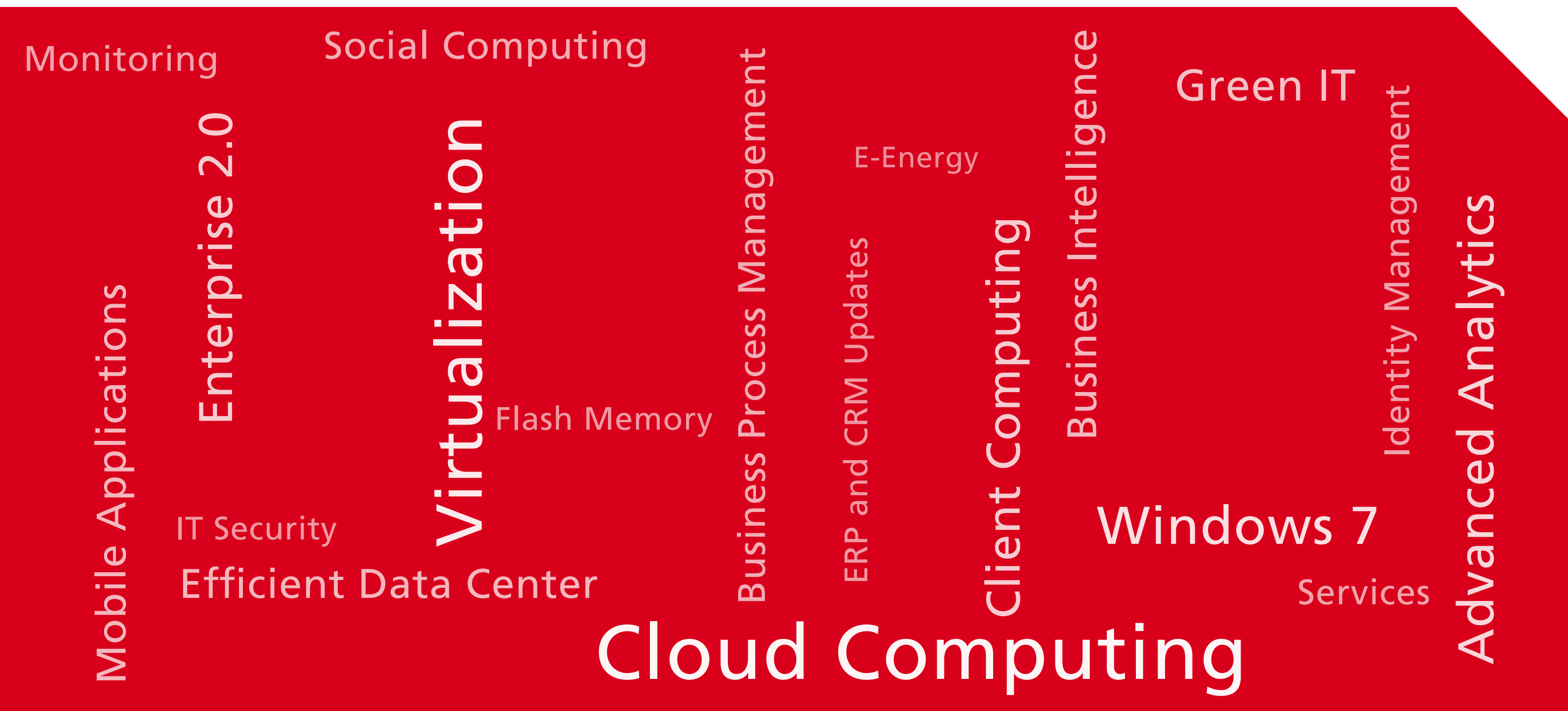
An SAP BusinessObject-based solution developed in cooperation with SAP and Xuccess is also emerging in the business intelligence community. The aim here is to serve the rising demand for risk management solutions at banks and insurance companies.

We are applying two additional solutions in the banking sector: syskoplan e.KV and X-PRiMA.

In order to give our customers' HR managers a better overview of their figures, syskoplan has developed an HR dashboard based on SAP BusinessObjects. The new macros eConnect adapter for connecting modern storage systems is further evidence of the Group's innovative power.

Our subsidiary is4 optimizes the conditions planning of consumer goods manufacturers with a newly developed „xpressPSA" industry template, thereby making their customers more competitive.

These are just a few examples of how we will help our customers harness innovation once again this year.



1.3 The syskoplan Share
The 2009 Trading Year

The 2009 trading year began with cautious optimism: after the resounding share price losses of 2008, the worst appeared to be over. Share prices had stabilized in the last two months of 2008. The subsequent slump in the market in the first two months of 2009, when for example the DAX lost approximately 25 percent of its value, was then all the more dramatic. However, share prices have risen again since that time. By the end of December, the DAX had gained nearly 30 percent since the start of the year, and even more than 50 percent over the low at the end of February. This trend was even stronger for technology shares, which improved by 60% within a year's time (and by 80% since February). In light of the still uncertain economic situation, this trend reveals a discrepancy in the evaluations: the investors' confidence with regard to how the economy will develop appears stronger than that of the people making decisions in industry. In the opinion of the capital market, the economy is much stronger than assumed.

Increase in Value of 58% for syskoplan Share in 2009

With a share price of EUR 8.08 on 12/31/2009, the syskoplan share appreciated in value by 58% in the 2009 financial year as measured against the value at the beginning of the year. The share remained relatively stable into April, followed by an initial appreciation of 30% at the end of that month. Another steady upward trend set in at the beginning of September, which at times even exceeded the performance of the TecDAX.

syskoplan AG's market capitalization at the end of the year amounted to EUR 38.2 million. Given the absence of any significant changes in the equity capital, this also exceeded the previous year's figure by 58%. At 1.2 million shares traded, the trading volume of the syskoplan share in 2009 increased by 10% compared to the previous year. An average of 4,598 shares were traded per trading day in the past year (previous year: 4,166 shares).

Key Figures. syskoplan Share		2007	2008	2009
Equity capital	EUR million	4.7	4.7	4.7
Numbers of shares	million	4.7	4.7	4.7
Options issued (cumulative)	thousand	134.0	85.2	52.2
Market capitalization	EUR million	36.80	24.26	38.22
Free Float	%	43.34	41.79	21.06
Shares traded[1]	thousand	4.5	4.2	4.6
Year-end price	EUR	7.83	5.13	8.08
Highest	EUR	9.69	8.10	8.50
Lowest	EUR	7.49	4.71	4.83
Earnings per share for the year	EUR	0.65	0.77	0.01
Dividends	EUR	0.30	0.30	0.15[2]
Total dividend payout	EUR million	1.42	1.42	0.71
Dividend yield[3]	%	3.8	5.8	1.9

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

Analysts' Rating „Hold"

Given the exceedingly positive development of the syskoplan share, the analysts of Close Brothers Seydler Research AG and SES Research GmbH have reduced their rating to „Hold." Nevertheless, the average price target increased from EUR 8.50 to EUR 8.65 per share within the period of one year. Compared to the year-end share price, upward potential of 7% is still estimated.

Value Added Statement

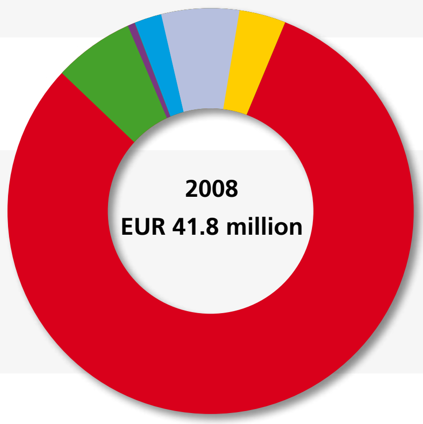
In the value added statement, the syskoplan Group explains how its commercial performance was created and used. The value added is determined by deducting the necessary outlays for the cost of materials, depreciation and amortization, and other expenses from the company result. In doing so, the shares of value added attributable to the individual interest groups are itemized.

The company result declined by 9% to EUR 56.1 million in 2009. After deducting the outlays, the value added of the syskoplan Group amounted to EUR 35.7 million (-12% compared to the previous year). As is typical of the service sector, this came out to 64% of the company result. Of this value added, EUR 33.7 million or 94% was attributable to the employees. 2% was utilized for shareholders, 3% for public authorities, and 1% for creditors, and minority shareholders were entitled to 1%. In order to finance dividends, an amount of EUR 0.5 million (= 1%) was deducted from the reserves retained in previous years.

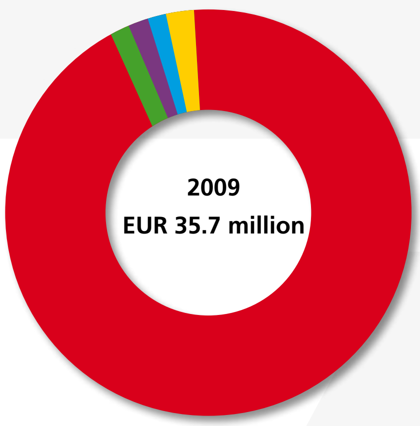
Dividend

It is a fundamental element of syskoplan AG's corporate philosophy that shareholders should benefit from the company's operative business in the form of dividends. In light of the current economic situation, the Executive Board has proposed to the committees distributing a dividend of EUR 0.15 per share for the 2009 financial year, which is half the figure paid in the previous year. For this purpose, an amount of EUR 0.5 million has been deducted from the reserves of syskoplan AG. Based on syskoplan's closing share price of EUR 8.08, this corresponds to a dividend yield of 1.9%.

Development of syskoplan Value Added



- 4 % Shareholders
- 84 % Employees
- 5 % Public authorities
- 0 % Creditors
- 2 % Minority
- 5 % Company



- 2 % Shareholders
- 94 % Employees
- 3 % Public authorities
- 1 % Creditors
- 1 % Minority
- -1 % Company

2 Financial Information

ENTERPRISE 2.0 FOR

A YOUNG COMPANY.

2.1 Management Report of syskoplan Group for Financial Year 2009

1. The syskoplan Group

"Passion for IT": This is what has been driving syskoplan for the past 25 years. The companies of the syskoplan Group develop innovative solutions based on standardized business software and specifically adapted to the requirements of the customer. syskoplan uses adaptive and agile IT platforms according to the principle of "as much standard as possible, as much customization as necessary" and extends them with customer-specific components in order to implement them into the required process support for the customer. This safeguards investments and enables quick adaptation to changing business processes.

Customers of the syskoplan Group are large enterprises and industry leaders with an emphasis on German-speaking regions. For these companies, IT is an important factor of success in the implementation of their company strategy. Customized solutions make it possible to stand out in the market and create sustainable competitive advantages. At the same time, they place high requirements on the performance, flexibility and efficiency of their IT.

The syskoplan network of companies combines the performance of a large corporation with the agility and flexibility of small units. In fiscal year 2009, the 420 employees generated sales of EUR 55.0 million. The core of the group is syskoplan AG, founded in 1983 and listed on the Frankfurt Stock Exchange since November 2000.

2. General Economic and Sector Trend

Starting in the last quarter of 2008 and over the 2009 financial year, Germany experienced the strongest recession since the Great Depression in 1929/1930. Germany's gross domestic product fell by 5% in 2009, whereby private consumption and government spending prevented an even stronger crash. Although important indicators towards the end of 2009 pointed to a recovery, there are still trends that warrant caution:

+ Economic performance is still well below the pre-crisis level.
+ The causes of the crisis still have yet to be resolved (financial market regulation, structural sector problems).

The serious economic upheaval has also impacted all sectors of the market for IT services. Suppliers were exposed to a very challenging competitive situation with the highest priority placed on lowering costs, as well as delayed decisions on the purchase of IT services, and considerable sales declines.

The demand for consulting services fell immediately as a result of reduced IT budgets. Consulting services, as the most disposable sub-segment of IT services, were an easy target. On the other hand, this segment will also pick back up relatively quickly if the market conditions change, for example as a result of new regulatory or operating impulses.

The demand for services in the field of system integration was also affected by the economic crisis, but followed a different pattern. Investments in new application or infrastructure projects can be postponed or discontinued relatively easily. However, this makes little sense in the case of ongoing projects. In addition, many projects are critical for a company's competitive ability. Given this situation, many system integrators did not feel the effects of the crisis until later on. The price for this deferred development is that the market for system integration services will also not begin to revitalize until after a delay. Companies will only consider carrying out new IT projects once they are sure that their business situation is back on a secure path of recovery. As a result, services in the field of system integration are a late-cycle business.

The effects of the crisis were also felt in the field of outsourcing/managed services, although the outsourcing of undifferentiating operating segments was increasingly seen as a proven tool for reducing costs. Pricing pressure and lower demand were also problems in this area, which led to contracts being renegotiated and, increasingly, to decisions with more of a focus on short-term cost advantages than on medium-term sourcing benefits.

All in all, studies by Gartner Research show that the German market for IT services remained constant in 2009. A 5% decline in the field of consulting and a 3% drop in system integration were seen alongside 3% growth in outsourcing and managed services.

The current assessment of the further economic trend is also reflected in the global survey of 3,700 IT managers carried out annually by Gartner Research. The detailed findings for the 2010 CIO agenda are summarized in the following table:

Business expectations	CIO business priorities			
Ranking	**2010**		**2009**	**2013**
Improving business processes	**1**	↔	**1**	**2**
Reducing enterprise costs	**2**	↔	**2**	8
Increasing the use of information/analytics	**3**	↑	5	5
Improving enterprise workforce effectiveness	4	↓	**3**	7
Attracting and retaining new customers	5	↓	4	**3**
Managing change initiatives	6	↑	8	**1**
Creating new products or services (innovation)	7	↓	6	12
Targeting customers and markets more effectively	8	↓	7	9
Consolidating business operations	9	↑	11	16
Expanding current customer relationships	10	↓	9	10
Supporting regulation, reporting and compliance	11	↑	12	15
Creating new sources of competitive advantage	12	↑	13	4
Expanding into new markets or geographies	13	↓	10	6

Source: Leading in times of transition: The 2010 CIO Agenda, Gartner Research, January 2010

In the short term, business expectations and the strategies on which these are based will remain stable. The focus is still on improving business processes, cutting costs, and increasing the use of analytics for the purpose of generating more business or more profitable business from constant or shrinking sales pipelines.

In the medium term, in contrast, a clear shift in priorities towards expanding business can be seen, with an emphasis on aspects such as innovative ability, competitive advantages, and customer growth. The current economic, strategic, and technological change already requires preparations to be made today. In the future, greater productivity and renewed corporate capabilities will replace cost efficiency as a focus. Collaborative and innovative solutions as well as agile technologies such as virtualization, cloud computing, and Web 2.0 will create a new IT landscape. This will entail a trend away from initial proprietor investments and towards outsourced, use-related cost structures.

The behavioral patterns of companies and suppliers that this downturn set off will not change in the medium term. More project business will be conducted in the on and offshore segment, whereby margins will tend to remain the same, but sales will fall. Furthermore, customers will become more accepting of innovative delivery models, thus keeping quality at a high level, though sales will decline.

3. Set-up of syskoplan Network

The syskoplan Group is forming 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 fundamental principles:

+ Focused business units managed like companies sustain the operative business.
+ 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 (industries, 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 relevant size, economic substance and reputation. Incorporating the companies into the international network of the main shareholder Reply S.p.A. gives them access to supplementary specialist know-how.

The Group is managed on the basis of the key figures sales and EBITDA margin (earnings before interest, taxes, depreciation, and amortization; based on sales revenues). For the individual business units the key figures sales (achievement of sales targets) and EBIT margin are relevant. In the last years these key figures have developed as follows:

	2009	2008	2007	Delta 09/08	Delta 08/07
Revenue	55,050	60,811	57,472	– 9%	+6%
EBITDA margin	7.2%	12.2%	12.7%	– 5% points	– 0.5%-points

Revenue in Euro thousand

4. Corporate Governance Declaration (§ 289 a HGB)

According to § 289a HGB – updated by the Accounting Law Modernization Act (BilMoG) which became effective on May 29, 2009 – the receivers of accounting information have to be informed in detail on corporate governance and corporate management practices via a corporate governance declaration. syskoplan AG makes use of the option to publish this declaration via the internet. Interested parties can take a look at the declaration under www.syskoplan.com, investor relations, corporate governance, corporate governance declaration (§ 289 HGB).

5. Sales Trend and Reference Projects

The sales decline and the earnings decline in 2009 were stronger than we had forecast in the previous year. This trend is primarily attributable to the weak economic situation in syskoplan AG's markets. In addition, customers in the highly saturated German SAP market were especially reluctant to invest, which is particularly significant for syskoplan AG.

In 2009 syskoplan's operational business was heavily impacted by the economic crisis. Due to ongoing projects only minor effects have been seen in the first quarter. Starting with the second quarter the quarterly sales were ca. EUR 1.5 million or 10% below the quarterly values of the year before. Since the third quarter stabilization on this level is seen.

In the 2009 financial year, syskoplan Group sales decreased from EUR 60,8 million to EUR 55,0 million. This trend let to a shrinking sales productivity that declined by 9%. It came to EUR 131 thousand, vis-à-vis EUR 146 thousand the year before. The syskoplan workforce however remained nearly constant in the period under review. Due to this development syskoplan Group will accelerate business with a certain base level of freelancers in order to be more flexible as to the variability of the demand for IT-services. This will also entail the usage of nearshoring capacities, e.g. by using employees of the Italian main shareholder in appropriate projects.

In financial year 2009, syskoplan once again successfully finalized several projects with high visibility in the market for IT services. For example, for the home shopping specialist HSE24, serving over 2 million active customers in Germany, Austria, and Switzerland, the syskoplan subsidiary cm4 implemented the SAP CRM system for the “The Customer is King” project. The system serves as the technical foundation of the project. The second part of the project, “The Customer is King” sales, has been live since the second half of 2009. All sales processes of the multi-channel shopping specialist are now completely linked with the other customer-oriented processes via SAP CRM.

As general contractor for all project partners, cm4 embedded the home shopping specialist's complete order processing system in the SAP CRM system. The result was a platform that integrated all service and sales processes in a homogenous system landscape and incorporated all of the relevant internal and external functions involved – including e.g. logistics, accounting, and supplier management.

The project outcome was a multi-channel architecture allowing flexible reactions to future changes. Via refinement of SAP CRM, the standard software is able to meet the demanding requirements of a multi-channel shopping specialist.

Compared with conventional mail-order business, the teleshopping business model has more challenging IT requirements with regard to sales and customer service. The presentation of a product induces orders to be placed with the call center agents – during peak times up to 73,000 calls are processed per day. Sales and customer service must have access to up-to-date information as that is the only way to process client orders satisfactorily and efficiently.

syskoplan AG, its subsidiary Xuccess Consulting GmbH, and SAP introduced the joint solution Enterprise Risk Reporting at the SAP for Banking convention. This solution enables banks to gain a comprehensive view of their entrepreneurial risk. A single main dashboard provides an overview of the most important key figures for overall risk reporting. By means of the SAP BusinessObjects BI platform, risk categories such as credit risk, operating risk, and liquidity risk can be analyzed individually.

Transparency has to start with operational processes. That is why syskoplan AG also presented the syskoplan e.KV solution at this convention. The solution allows banks to manage their complex credit processes more efficiently and to minimize their risks. The solution is based on a credit application form, which with its consistent, structured, and current information on all corporate clients provides the foundation for credit decisions.

In order to achieve transparency and comparability of supplier contracts across all stores, retail clients are increasingly striving to improve their conditions management systems. For suppliers wishing to maintain a position of equal standing with their retail partners, a comparable system is also gaining in importance. Via xpressPSA, the syskoplan subsidiary is4 GmbH & Co. KG offers a solution for the integrated planning and simulation of conditions, sales, and earnings, tailored to the needs of the consumer goods industry. The solution creates transparency regarding the individually negotiated double-net prices per article and customer. It supports key account managers in efficiently preparing negotiations with retailers. xpressPSA conforms completely with the standard integrated planning functionalities of SAP NetWeaver Business Warehouse. Further reasons for using the SAP NetWeaver Business Warehouse solution are integration into the SAP landscape of the client, existing licenses on client side, usage of existing SAP expertise, and savings on the costs of the additional hardware necessary for a proprietary solution.

syskoplan also rounded off its portfolio in terms of technology partners. The demand for powerful, fast, and easy-to-use analysis and reporting tools is ever growing, driven in particular by companies' specialist departments. Against this background, syskoplan entered into a partnership with QlikTech GmbH, specialized on these analysis needs right from the start. As part of the partnership, syskoplan will implement QlikView for clients from larger medium-sized businesses and large enterprises. QlikView enables mass data derived from various sources to be linked and analyzed in the internal memory. The solution is thus not only particularly fast and allows data access even on a single entry level, but at the same time is easy to understand and to use. Applications can be implemented quickly and offer a reduced time to market. Customers particularly appreciate the low total cost of ownership of QlikView. More than 12,000 clients at businesses of various sizes are already using the solution.

6. Personnel Trend

In financial year 2009 56 additional employees started their work. On the other hand – mainly due the repositioning of InteracT!V sysko GmbH & Co. KG and bds sysko GmbH – 71 employees left syskoplan Group. In 2009 the attrition rate in the operational business amounted to 14%, above the 2008 level of 10%.

As at December 31, 2009 the number of employees decreased by 3% compared to 2008 to 424 in the group. The members of the Executive board are included in this. Converted into full-time equivalents, the number of employees in the syskoplan Group increased by 1% to 420 in 2009.

7. Disclosure of takeover provisions

7.1 Composition of capital stock

The share capital of syskoplan AG is divided into 4,730,678 individual bearer shares, each with an accounting par value of 1 euro in the capital stock. Each share grants equal rights and one vote at the Annual General Meeting. Rights and duties are determined according to Stock Corporation Law (Aktiengesetz, AktG).

7.2 Restrictions

Restrictions with regard to voting rights or transfers of shares do not exist except of those with regard to treasury stock from which syskoplan may not use shareholder rights (§ 71b AktG).

7.3 Special rights

Shares with special rights granting the power to control have not been issued.

7.4 Authorization of the Executive Board to issue shares

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. Within this framework 290,520 shares options have been issued in total. 1,338 subscription rights were exercised in the 2009 financial year, resulting in the issuing of 1,338 new individual bearer shares with a nominal value of EUR 1.00 each from the conditional capital. 6,061 stock options have forfeited in 2009; another 29,446 have expired without value. As at December 31, 2009 52,263 subscription rights still were exercisable.

During the Annual General Meeting on May 20, 2005, the existing but not yet exercised allowance of the Executive Board – based on the articles of incorporation – to increase equity capital limited until September 2005 was extended by another five years until May 20, 2010. The decision allows the Executive Board to increase the share capital of syskoplan up to EUR 2,100,000 (approved capital) with the Supervisory Board's approval. In financial year 2009 the authorization has not been used. As at December 31, 2009 an approved capital of EUR 1,595,834 was remaining – unchanged to the previous year.

7.5 Shareholdings exceeding 10% of the voting rights

The Italian IT company Reply S.p.A., Turin, Italy, informed the Executive Board of syskoplan AG on October 9, 2009, that it had exceeded the threshold of 75% of the voting rights in syskoplan AG on October 7, 2009. As at October 7, 2009, Reply S.p.A. held 76.09% of the syskoplan shares either directly or indirectly equaling 3,598,330 shares. Alika s.r.l., Turin, Italy, informed us that the voting rights assigned to Reply S.p.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, 2009 the shareholding of Reply S.p.A. amounted to 78.94% of the voting rights equaling 3,733,436 voting rights.

7.6 Control of voting rights

Controls of voting rights in case of employees holding parts of the share capital do not exist.

7.7 Appointing and Dismissing the Executive Board, Changes to the Articles of Incorporation

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]).

7.8 Authorization of the Executive Board to acquire own shares

The Annual General Meeting on May 28, 2009, authorized the Executive Board to acquire own shares of up to 10% of the then equity capital of EUR 4,729,340,00 in accordance with § 71 Section 1 No. 8 of the AktG until November 27, 2010. 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. As at December 31, 2009 syskoplan AG held 1,000 shares in treasury.

7.9 Key agreements subject to conditions

Material agreements of syskoplan AG that are subject to a change of control following a take-over bid do not exist.

7.10 Compensation agreements

syskoplan AG has not made any arrangements with its Executive Board members or staff regarding compensation in the case of a takeover bid.

8. Shares and Options Held by Board Members

At the end of 2009, 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 2001 the number of options held by the Executive Board reduced in 2009 to 300 each.

As at December 31, 2009, the Supervisory Board Chairman Dott Mario Rizzante held 3,733,436 syskoplan shares, which are indirectly attributable to him according to § 22 of the Securities Trading Law (WpHG) (previous year: 2,752,842 shares). At the end of 2009, Dr. Niels Eskelson held 500 shares. The remaining members of the Supervisory Board hold no shares. No options were issued to the members of the Supervisory Board.

9. Remuneration Report

In accordance with the Act on the Appropriateness of Executive Board Compensation (VorstAG) which came into force on August 5, 2009 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 36 et seq. This remuneration report audited by the auditor is part of the management report.

10. Investment Activities

A further EUR 1.6 million was invested in tangible non-current assets especially in data processing equipment (previous year: EUR 1.2 million). syskoplan invested further EUR 0.3 million in software posted as intangible assets (previous year: EUR 0.2 million).

11. Asset Position, Financial Position, Earnings Position

11.1 Asset and Financial Position

The syskoplan group's balance sheet total decreased by 4% to EUR 50.5 million last year. In the same period, the proportion of the balance sheet total accounted for by current assets fell from 64% to 62%. This development is mainly attributable to the decrease in liquid funds. Accounts receivable rose by 4% to EUR 9.1 million. Liquid funds fell by 14% to EUR 19.9 million. This trend was considerably influenced by the decline in sales and high client prepayments at the end of 2008 which not emerged in same extent during financial year 2009.

Non-current assets amounted to EUR 19.0 million at the end of the year under review (previous year: EUR 18.9 million). At the end of 2009 they accounted for 38% of the balance sheet total (previous year: 36%). The ratio of non-current assets to equity amounts to 154% (previous year: 161%). As to December 31, 2009 the recoverability of the shares in affiliated companies has been tested. In 2009 InteracT!V sysko GmbH & Co. KG was subject of a restructuring leading to significant decreases in headcount, material and personnel costs. On the basis of a clearly reduced sales level syskoplan basically expects a profitable business in the next year. Nevertheless the level is lower than expected one year ago. So a partial write-down of the goodwill resulting from the investment in InteracT!V sysko GmbH by EUR 0.7 million to a remaining value of EUR 0.8 million had to be executed. Goodwill was reduced to an amount of EUR 11.0 million. In relation to the balance sheet total the goodwill amounted to 22%, unchanged to 2008. The goodwill ratio in term of syskoplan Group's equity was 37% (previous year: 38%)

On the liabilities side of the balance sheet, short-term debt rose from EUR 12.4 million to EUR 13.0 million. In relation to the balance sheet total they now account for 26% (previous year: 24%). Short-term other financial liabilities rose by EUR 2.0 million to EUR 4.4 million. This is essentially due to performance-dependent purchase prices due in 2010 from the acquisition of Xuccess Consulting GmbH and macrosInnovation GmbH. This item was reclassified from long-term provisions to short-term liabilities. As well accounts payable increased to EUR 1.3 million following EUR 1.1 million the year before. Other short-term liabilities reduced by 21% to EUR 3.0 million. Main reason for this development was reduced value-added tax liabilities.

The long-term debt (including compensation obligations to minority shareholders outside the group) decreased by 16% to EUR 8.2 million. Here the decrease in long-term provisions because of the adaption and reclassification of the performance-dependent purchase prices has to be mentioned. The compensation obligations to minority shareholders in case of leaving from is4 GmbH & Co. KG fell by EUR 0.2 million. This was due to the weaker business development at is4.

The equity ratio remained constant at 58% in the year under review. The share capital and the capital reserve were nearly constant. Against the background of net earnings of EUR 0.2 million and a profit distribution for the previous year of EUR 1.4 million retained earnings fell by 19% to EUR 5.4 million.

11.2 Liquidity Situation

The syskoplan group's liquidity decreased in the financial year 2009. The working capital amounted to EUR 18.5 million (previous year: EUR 21.3 million).

In the year under review, an inflow of funds totaling EUR 1.4 million was generated from operating activities. In the previous year an operative inflow of funds of EUR 8.9 million was reported. The decrease in this item is primarily due to reduced sales and diminished client prepayments. In relation to sales cash flow from operating activities fell from 14.6% to 2.6%.

Investment activities in 2009 resulted at group level in a EUR 2.3 million outflow of funds. One year before this item was an outflow of EUR 1.4 million. Investments mainly affected subsequent performance-related purchase price payments for the acquisition of macrosInnovation, the purchase of IT equipment and software and deposits with a fixed term of more than 3 months.

The outflow of funds in connection with financing activities amounted to EUR 3.0 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 3.1 million to EUR 19.9 million in 2009. The ratio of liquid assets to current liabilities was 153% in 2009. In the previous year, it was 185%. Calculating receivables and other quickly realizable items into this ratio, the figure is 243% as opposed to 272% in 2008.

syskoplan group in financial year 2009 was able and until now is able to discharge all of its payment obligations at every time.

12. Earnings Position

In the year under review syskoplan group profitability was clearly influenced by the economic crisis. EBITDA margin (EBITDA in relation to sales) fell to 7.2% following 12.2% in 2008. In the mid-term syskoplan strives for double-digit values of this key figure.

The sales of syskoplan group decreased from EUR 60.8 million to EUR 55.0 million, a decrease of 9%.

The cost of revenue in 2009 – given a nearly unchanged workforce - amounted to EUR 41.8 million, 1% below the level of the previous year where EUR 42.2 million were posted. Gross earnings amounted to EUR 13.2 million following EUR 18.6 million the year before. Gross margin (gross earnings related to sales) decreased to 24% following 31% the year before.

Selling and marketing costs decreased by 17%, bringing them to EUR 5.4 million. Administrative costs were down 3%, totaling out at EUR 6.2 million. An analysis of the total costs of the group shows a decrease of 3% to EUR 53.4 million. Personnel expenses remained unchanged at EUR 33.7 million. The cost of purchased services – primarily due to reduced expenses for the data centre – fell by 10% to EUR 5.0 million. Other operating expenses (without services bought in) fell by 6% year on year to EUR 14.8 million. One-off effects resulting from the relocation of the Munich office amounting to EUR 0.4 million were offset by reduced travel expenses and reductions of marketing and legal / consultancy costs.

The operating result (EBIT) was EUR 1.6 million in 2009 against EUR 6.1 million in the previous year. It was amongst others stressed by one-off cost from goodwill write-down (EUR 0.8 million) and from the relocation of the Munich office (EUR 0.4 million).

The financial result without expenses related to minority shareholders in limited partnerships fell by EUR 0.5 million to EUR 0.0 million. syskoplan here suffered from the strong reduction of the interest levels.

The income tax payments were stressed by additional taxes (EUR 0.3 million) relating to other periods following the completion of a tax audit for the financial years 2003 to 2007.

After taxes, expenses from revaluation of compensation obligations and interest for minority partners in limited partnerships syskoplan group's net income from continued operations totaled EUR 0.1 million in the year under review (previous year: EUR 3.7 million).

Discontinued operations produced a result of EUR 0.1 million derived from a final tax refund from the US subsidiary already liquidated in 2008 (previous year: – EUR 0.1 million). Total net profit amounted to EUR 0.2 million following EUR 3.6 million in 2008. Related to one share this equals EUR 0.03 following EUR 0.75 the year before.

13. Chances and Risk Reporting

13.1 Risk Management System and accounting-related Internal Control System

A systematic risk management system at syskoplan helps the group to identify and minimize risks and to take offering opportunities. The operational and central units of syskoplan AG and its subsidiaries form integral elements of the system. As part of its corporate strategy, the group's risk policy is geared towards systematically and continuously increasing the group'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 the existing overall 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. The partners as the managers of operational units 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 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 Group monitors its business objectives and risks using the control systems, procedures, and reporting standards which it has implemented.

Part of the audit systems implemented is the internal audit system for accounting. Its purpose is to fully map all business transactions in the annual reports. The audits group-wide established in all process segments are examined for effectiveness on a regular basis through the process of self assessment und developed further. The audits comprise automated checks within the SAP system as well as manual checks carried out by employees in the business processes. This includes the monthly review meetings, at which the sales pipeline for booking "other customers" is continually evaluated. This also pertains to the monthly reviews of complex projects as well as projects subject to particular risks. The subject matter of these reviews additionally includes the respective project situations, a comparison of hours worked with those budgeted, and the valuation of work in progress. The monthly and quarterly reports as well as the annual financial statements are subject to analytic reviews. The consistency of accounting and valuation methods is secured by centralization of the book-keeping of all group companies at syskoplan AG. The correctness of preparing the annual financial statement of the group is assured by strict adherence of the four-eye principle.

Regular reports advise on the status of and any changes in major risks. Risk management instruments are continuously developed further and are an integral part of the operational business.

The risk management system is periodically analyzing the essential risks of syskoplan AG and the units of its network on a peripheral basis. The risks are classified by occurrence probabilities and damage intensities. Additionally implemented risk management measures and measures to be implemented are investigated. In order to enable syskoplan Group to react as soon as possible on unfavorable developments early warning indicators are observed for the respective risk categories as far as possible.

In the 2009 financial year, risk management was improved. Gross risks are identified without including the risk management measures introduced. The identification of net risks is new, whereby the effects from adjustment or shifting measures are included in the valuation. In addition, a special procedure for evaluating the risk from customer relationships has been established for the purpose of identifying risks in the business relationship with the various customers early on. This is used particularly in the case of fixed-price projects of EUR 100 thousand or more.

13.2 Description of the Risk Situation

The most recent survey of the risk position at the beginning of December 2009 identified various risks that are currently of central importance for the syskoplan Group. The risks relate to

+ the concentration on certain customers and sectors
+ the behavior of partners and competitors
+ the further development of the business model with regard to software "as a service"
+ strength in sales
+ employee fluctuation (the loss of experienced employees) and – as a consequence –
+ securing method expertise within the company.

All of these are typical risks to which an IT provider is exposed. However, over the course of the 2009 financial year, a first decrease in the risk situation of the syskoplan Group was to be recognized corresponding to the first signs of economic recovery.

All in all the risk inventory showed that – against the risk coverage potential – there are no risks which pose a threat to syskoplan Group's survival as of the balance sheet date, December 31, 2009. This is as well true taking into account possible risk accumulation effects.

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 Group counters these risks by taking action in the field of sales and capacity management, including the use of freelance personnel. syskoplan Group monitors projects closely 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's central departments, who work with various market research companies.

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 known court proceedings which would substantially impair syskoplan Group's financial position. As a result, syskoplan Group does not expect its business developments to suffer any major setbacks in this context.

If the overall economic situation continues to worsen in 2010, this will also have an impact on economic activity within the IT industry. syskoplan Group is taking this into account by operating a demand-oriented staff deployment system.

13.3 Risk Reporting on Usage of Financial Instruments
In the area of financial planning, the usual methods of planning and control are used to guarantee liquidity at all times. syskoplan Group transacts its cash investments with various banks which are all part of a deposit insurance fund. As some of the liquid assets are invested on a floating rate basis, there is a risk of interest rate fluctuations. Foreign exchange risks play a minor role for syskoplan Group. In individual cases, expected customer payments are hedged in a foreign currency through the conclusion of forward exchange transactions.

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 and industries. The extent of business with major customers and industries is continuously monitored. However, given the high payment speed and the current credit standings of these major customers, syskoplan Group does not foresee any risks.

Special focus is placed on the monitoring of risks due to a change in the value of goodwill. Particularly with start-up companies such as discovery sysko GmbH and InteracT!V sysko GmbH & Co. KG, the risk exists that the business development – against the current economic crisis – will lag behind the initial expectations. This risk is addressed within the framework of project controlling and monthly review meetings. Additionally, internal company valuations are conducted yearly for the main equity investments. If necessary, external experts are consulted. The repositioning of InteracT!V sysko GmbH & Co. KG, whose results have thus far fallen short of expectations, was strengthened in 2009 through adjustments in personnel. In the course of this, it was necessary to write-down to the value of the equity investment. syskoplan AG assumes that the equity investments will develop as planned. Basically there is a risk that compensation obligations might become due in case of minority partner in limited partnerships resigning from the group thus leading to a liquidity reduction of syskoplan Group. Apart from that the fair value evaluation of the compensation obligations - following IFRS - entails a hardly influenceable value change risk.

The continued existence of syskoplan Group 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 group's survival in future.

14. Chances and Outlook

A sustainable economic upturn is still not yet in sight, and the risk of economic setbacks remains. For the 2010 financial year, syskoplan expects that the economic situation will improve only gradually. In addition, hourly rates have been reduced due to pricing pressure, meaning a market recovery will be limited, even if order volumes increase once again. Moreover, the recovery will take place at a different pace for each individual sector. The area of financial services will make the most progress here.

Although information technology today is disproportionately more business-critical, IT customers will continue to focus their investments heavily on improving business processes further, as well as on the amortization of investments over the short term and the optimization of existing systems. Major strategic projects such as the implementation of new functionalities or the fundamental redesign of existing application environments will most likely be the exception, especially in 2010.

The medium-term prospects are more optimistic with regard to investment priorities shifting back in the direction of customer growth, innovative ability, and competitive advantages. Efficient IT systems are indispensable as a basis for this.

Based on these general conditions, for the 2010 financial year syskoplan therefore anticipates for the group, at best, marginal sales growth in line with the rate of inflation. Through various measures on the costs side and the subsiding of one-off effects from 2009, which had a negative effect of around EUR 0.4 million on operating income in 2009, syskoplan expects a slight improvement of EBITDA-margin for 2010. Subsiding goodwill impairment of EUR 0.8 million will also implicate higher group earnings before taxes for the year.

For 2011 syskoplan AG expects the economy to ultimately come out of recession and growth to strengthen somewhat to a rate of ca. 2%. Provided that ongoing economic slumps do not impair business, in 2011 syskoplan AG aims to return to its longer-term path of growth and expects a sales increase compared to 2010 in this extent and risen earnings before taxes as well.

With an improvement in the economy and the IT service market, additional purchases and the founding of start-up companies will gain in relevance. syskoplan's primary focus will remain preserving its strengths of profitability and liquidity. Within the framework of the dividend strategy pursued by syskoplan, an appropriate dividend will continue to be distributed.

syskoplan supplies its customers with reliable and innovative solutions in the field of information technology. In addition to its previous focus on IT services for efficient corporate management and utmost quality in customer projects, additional priorities are to be set in the area of innovation and the supply of agile solutions (e.g. in the areas of "software as a service" and cloud computing). This will also entail the use of stronger market and customer-related synergies within the network of the Reply Group. Partnerships with leading technology providers, particularly with Microsoft, but also with other suppliers of agile solutions, are to be promoted further. Stronger diversification in the area of innovation enables participation in the services of multiple partners for the benefit of syskoplan's customers.

syskoplan is convinced that it has thereby laid the foundation for a successful future, a return to previous levels of earnings strength, and above-average business growth.

15. Special Events After the Balance Sheet Date

No substantive events occurred after 12/31/2009 that affected the asset, financial and earnings position.

Gütersloh, February 25, 2010

syskoplan AG
The Executive Board

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

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 (until 12/31/2009)
Group development, Capital Market, M&A and HR for Partners

Dott. Daniele Angelucci, Gütersloh
Finance, Shared Services, Governance, Compliance and Boards

Josef Mago, Glashütten
Chairman of the Executive Board (since 1/1/2010)
Group development, Capital Market, M&A and HR for Partners

Dr. Jochen Meier, Löhne
Operations, Sales and 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 of Reply S.p.A.

Dr. Markus Miele
Gütersloh
Managing Director of Miele & Cie. KG

Dott. Tatiana Rizzante
Turin, Italy
Senior Partner of Reply S.p.A.

2.3 Report of the Supervisory Board

In the 2009 financial year, the Supervisory Board once again took great care to perform its duties in accordance with the law and the articles of incorporation. It advised the Executive Board regularly and monitored the management of the company. The Supervisory Board was involved directly and at an early stage in all decisions of fundamental importance to the company.

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 provided documents. The Supervisory Board made decisions on business transactions requiring its consent under the rules of procedure issued for the Executive Board. Whenever required by law or the articles of incorporation, the Supervisory Board voted on the Executive Board's reports and proposed resolutions following thorough checks and deliberations.

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

In the 2009 financial year, four regular meetings were held (March 11, May 28, September 2, and December 2, 2009). In addition the Supervisory Board met for an extraordinary meeting on September 1, 2009 in which the members of the Executive Board did not take part. 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 Topics 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 shareholdings and other investment projects. In all meetings the Supervisory Board approved business affairs with the legal partnership Heuking Kühn Lüer Wojtek (HKLW) according to § 114 AktG and took notice of the fact that services rendered by Mr. Stefan Duhnkrack, partner of HKLW, under the scope of his supervisory board mandate have not been part of the invoiced services.

The meeting on **March 11, 2009** focused primarily on the annual and consolidated financial statements for 2008 as well as the early risk recognition system of the syskoplan Group. The Supervisory Board examined the achieved results of the newly founded group companies and the proceeding of the start-up strategy of the Group. As well it dealt with the mergers of comit sysko GmbH and ibex sysko GmbH with syskoplan AG.

At the meeting on **May 28, 2009** the Supervisory Board engaged in detail with the prolongation of the Executive Board contract of Dott. Daniele Angelucci. It was given information on the spatial consolidation at Munich. As well it dealt with the status of the prolongation negotiations on a long-term service contract and partner solvency against the background of the current economic situation.

On **September 01, 2009** the Supervisory Board met for an extraordinary meeting in order to thoroughly discuss the contract situation of the Executive Board. The chairman of the Supervisory Board informed of an in-depth assessment of several candidates after Dr. Manfred Wassel's declaration not to extend his Executive

Board contract expiring on December 31, 2009. As a result of the assessment process the chairman presented to the body Mr. Josef Mago as a potential new member of the Executive Board and a successor of Dr. Wassel as chairman of the Executive Board. This proposal was intensively discussed. As well the contract situation of Dr. Jochen Meier was discussed since a prolongation agreement with him for five years should be offered. The Supervisory Board unanimously stated that Mr. Mago is seen as applicable successor and that a prolongation agreement with Dr. Meier is desirable.

The agenda of the ordinary meeting of **September 2, 2009** focused once again on the succession plan for Dr. Wassel and the contractual situation of the members of the Executive Board. Following an anew intense discussion the Supervisory Board appointed Mr. Mago as new member of the Executive Board with effect of October 1, 2009 and as successor of Dr. Wassel in the role of the Executive Board chairman as of January 1, 2010. As well the contract of Dr. Meier was extended for another five years. Due to additional tasks Mr. Mago has to fulfill on behalf of Reply S.p.A. the Supervisory Board intensively discussed potential conflicts of interest and their treatment. It was stated that the stipulations of § 88 AktG are complied with. As well the code of procedure for the Executive Board is containing sufficient rules for this issue. In total no objections to the implemented role of Mr. Mago were seen. Furthermore, the Supervisory Board addressed the financial situation of several syskoplan subsidiaries. As well the Supervisory Board took notice of the results of the tax audit on financial years 2003 – 2007.

In the meeting on **December 2, 2009** amongst others the Executive Board provided information on the status of planning for the 2010 financial year. The Supervisory Board again requested information on the current status and the enhancements of the risk management system. In addition to this, the Supervisory Board discussed the remuneration system and the contracts of the Executive Board members against the background of the new stipulations of the act on the Appropriateness of Management Board Remuneration (VorstAG). He installed a task group with the duty to thoroughly examine the remuneration system and to elaborate appropriate adaptations to be realized on January 1, 2010. The adaptations have been agreed upon with the members of the Executive Board with effect of January 1, 2010.

Declaration of Conformity with the Corporate Governance Code

In its meeting on December 2, 2009, the Supervisory Board dealt in detail with the implementation of the German Corporate Governance Code at syskoplan AG. In this meeting, both 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 the meeting of March 5, 2010 the corporate bodies of syskoplan AG after due diligence have amended the declaration of conformity in accordance with § 161 AktG in three points. They relate to declarations on the deductibles for the Directors' and Officers' liability insurance policies of the Executive Board, severance caps and the remuneration component with long-term stimulus agreed upon with the members of the Executive Board.

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 Supervisory Board.

Audit of the Annual and Consolidated Financial Statements

The annual financial statements and the management report of syskoplan AG for 2009 were audited by the appointed auditor, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany. 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. This was certified in an unqualified audit opinion. The aforesaid also applies to the consolidated financial statements drawn up in accordance with IFRS and to the Group management report.

Additionally, the auditor also examined the early risk recognition system used by syskoplan AG as required by § 317 Paragraph 4 of the German Commercial Code (HGB). The auditor concluded that the system is in compliance with the regulations governing management's responsibility for control and transparency in the company's operational and strategic areas.

All documents pertaining to the financial statements, the audit opinions and their annexes, and the Executive Board's proposal for the appropriation of profit were submitted to the Supervisory Board in a timely manner. The Board examined and discussed them in detail at the meeting held on March 05, 2010. The auditors took part in the discussion of the annual financial statements and the consolidated financial statements. They reported on the main findings of the audit and were on hand to answer the Supervisory Board's questions and support them with supplemental information.

After his own audit of the annual financial statements, the consolidated financial statements, the management report, and the Group management report, the Supervisory Board was in agreement with the auditor and noted that there were no objections. In addition to the consolidated financial statements for 2009, the Supervisory Board also approved the annual financial statements for 2009 and the management report of syskoplan AG. The annual financial statements are therefore final.

The dependency report of syskoplan AG, compiled by the Executive Board, was also audited by the auditor. After dutiful control and evaluation, it confirmed that the details of the report are correct, that for the legal transactions listed in the report, the consideration of the company was not unreasonably high, and that for the measures mentioned in the report, no circumstances fundamentally argue for an appraisal differing from that made by the Executive Board. After its own examination, the Supervisory Board has come to the conclusion that the dependency report is complete and correct and that, as a result, there are no objections to the final statement of the Executive Board in accordance with § 312 Paragraph 3 of the German Stock Corporation Act (AktG).

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

Gütersloh, March 05, 2010
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 towards 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.

In adhering to these principles, syskoplan would like to reaffirm the confidence shown in the company by customers, employees, and shareholders. These principles undergo continuous further development.

1. Declaration of Conformity

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 2, 2009:

"The Management Board and the Supervisory Board of syskoplan AG declare that the recommendations of the Government Commission of the German Corporate Governance Codex published in the official section of the electronic Federal Gazette by the Federal Ministry of Justice in its version as of June 6th 2008 (published on August 8th 2008) regarding the period between the last Declaration of Conformity in December 2008 and August 4th 2009 and in its version as of June 18th 2009 (published on August 5th 2009) regarding the period between August 5th 2009 until the day of the publication of this Declaration were complied with, with the following exceptions:

+ In case the company takes out a Directors' and Officers' liability insurance adequate deductibles shall be agreed on (Codex section 3.8). The Directors' and Officers' liability insurance policies taken out by syskoplan AG for members of the Management Board and Supervisory Board do not provide for any deductibles. As to the opinion of the Management Board and the Supervisory Board increased diligence in making business decisions is not anticipated resulting from an agreement regarding deductibles. Due to the Act on the Adequacy of the Management Board's Compensation *(Vorstandsvergütungsangemessenheitsgesetz)*, in effect as of August 5th 2009, it is a legal duty, though, to adjust existing insurance agreements regarding the Management Board until no later than July 1st 2010. Therefore, the current version of the Codex merely contains a correlative recommendation regarding the Supervisory Board. syskoplan AG will adjust its insurance agreements to the new statutory requirements within the statutory period.

+ The syskoplan AG stock options plan adopted in the year 2000 does not include any comparison parameters (Codex section 4.2.3), but rather a performance obstacle in relation to the price of the syskoplan share. In 2004, the last tranche of this plan was issued. As to the opinion of the Management Board and the Supervisory Board it is reasonable to let this plan lapse without any changes.

+ The Codex in its version as of June 6th 2008 recommended the arrangement of a limitation option (Cap) for extraordinary, unpredictable developments regarding the variable components of the Management Board's compensation by the Supervisory Board (Codex section 4.2.3). The syskoplan AG stock options plan adopted in the year 2000 does not include any limitation option (Cap) in terms of value for extraordinary developments (Codex section 4.2.3). Until 2003 the Management Board of syskoplan AG received the same number of options as the other members of the management.

Since the year 2004 the Management Board waived its right to receive stock options. In addition, the absolute number of options issued was strictly limited. No additional limitation in terms of value is therefore required as to the opinion of the Management Board and the Supervisory Board. Due to the Act on the Adequacy of the Management Board's Compensation *(Vorstandsvergütungsangemessenheitsgesetz)*, in effect as of August 5th 2009, the Supervisory Board is legally obliged to generally arrange such a limitation option (Cap) for extraordinary developments. Therefore, this recommendation has been removed from the current version of the Codex.

+ When concluding employment contracts with members of the Management Board, care shall be taken to ensure that payments made to a Management Board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract. The severance payment cap shall be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year.

  Payments promised in the event of premature termination of a Management Board member's contract due to a change of control shall not exceed 150% of the severance payment cap (Codex section 4.2.3).

  The valid contracts with Dr. Manfred Wassel and Dr. Jochen Meier provide higher severance payments and do not contain any regulation in case of a change of control.

+ In the opinion of the Management Board and the Supervisory Board the publication of proposals for candidates for the chairman of the Supervisory Board (Codex section 5.4.3) in the run-up to the elections is not appropriate. The ascertainment of the qualification of the candidates proposed to the Shareholders' Meeting for the election into the Supervisory Board should generally be carried out carefully and independently of further mandates possibly assumed. Moreover, the Supervisory Board is entitled according to the articles of association resolved by the Shareholders' Meeting to elect the chairman from one of its members independent of the information on their qualification given to the Shareholders' Meeting.

+ The members of the Supervisory Board do not get an extra remuneration for membership in committees of the Supervisory Board as such committees do not exist. Furthermore, the remuneration of the members of the Supervisory Board of syskoplan AG does not contain any variable components depending on the economic situation and the performance of syskoplan AG (Codex section 5.4.6). In the opinion of the Management Board and the Supervisory Board the stipulation of such variable components of the remuneration does not affect an increase of the efficiency of the work of the Supervisory Board.

The Management Board and the Supervisory Board of syskoplan AG further declare that the recommendations of the Government Commission of the German Corporate Governance Codex published in the official section of the electronic Federal Gazette by the Federal Ministry of Justice in the version as of June 18th 2009 published on August 5th 2009 will be complied with the exceptions mentioned above."

In March 2010 the corporate bodies of syskoplan AG after due diligence have amended the declaration of conformity in accordance with § 161 AktG in three points:

+ Up to now syskoplan AG has agreed upon adequate deductibles for the Directors' and Officers' liability insurance policies of two of the three members of the Management Board.
+ With regard to the remuneration component with long-term stimulus syskoplan AG closed an agreement with its members of the Management Board pursuant to the legal stipulations in such a way that the remuneration component with long-term stimulus is paid by Reply S.p.A., the main shareholder of syskoplan AG.
+ The contracts with the members of the Management Board now provide for severance payments in accordance with the stipulations of the code.

2. German Corporate Governance Code Suggestions

syskoplan AG also follows the suggestions of the German Corporate Governance Code with two exceptions. These exceptions pertain for one to the broadcast of the Annual General Meeting via the Internet, which is not undertaken at present, and for another, to the remuneration of the Supervisory Board. The remuneration regulations of syskoplan AG do not provide for any performance-related remuneration components which are tied to the long-term performance of the company for members of the Supervisory Board.

3. Remuneration Report[1]

In accordance with the Act on the Appropriateness of Executive Board Compensation (VorstAG) which came into force on August 5, 2009 the Supervisory Board is responsible for concluding contracts with the Executive Board members and therefore for 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.

Remuneration System in 2009 Financial Year

In financial year 2009 the remuneration system for Messrs. Dr. Manfred Wassel, Dott. Daniele Angelucci and Dr. Jochen Meier was based on the following principles. The ratio of fixed remuneration to bonus is generally 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 approval of the financial statements by the Supervisory Board.

Mr. Josef Mago who joined syskoplan with effect of October 1, 2009 received a fixed remuneration for 2009

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[1] This remuneration report is part of the management report and was audited by the auditor.

on a pro-rata basis. Variable salary claims for 2009 did not exist. It should be noted that Mr. Mago spends 85% of his working time on his role as Chairman of syskoplan AG. The salaries mentioned here relate to the 85% of his working time. He dedicates the other 15% of his working time to other tasks as Executive Partner at the Reply Group, the principal shareholder of syskoplan AG. The stipulations of § 88 AktG are adhered to. The strict adherence of the regulations on possible conflicts of interest in the code of procedure for the Executive Board is monitored accordingly by the Supervisory Board. The other Executive Board members dedicate 100% of their working time to the syskoplan Group (Dott. Daniele Angelucci 80% of his working time until August 2009).

In addition to a pension entitlement and accident insurance, Executive Board members receive benefits in kind such as the use of company cars.

Remuneration System as from Financial Year 2010
In the 2009 financial year, the Executive Board contracts of Dott. Daniele Angelucci (until August 31, 2012) and Dr. Jochen Meier (until December 31, 2014) were extended and that of Mr. Josef Mago was signed (until December 31, 2012). The Executive Board remuneration package described in the following forms the basis of these contracts.

+ Fixed Remuneration
  The fixed sum is base remuneration not related to performance. It is paid monthly as salary on a pro-rata basis. This is a standard amount of EUR 350,000 per year for all Executive Board members. A regular review is to take place after every three years, meaning the next review will be carried out in the 2012 financial year. The review is based on the development of the consumer price index published by the German Federal Statistical Office.

+ Performance-based short-term Bonuses
  The variable remuneration, at a maximum amount of EUR 150,000 per year for Dott. Angelucci and Dr. Meier and EUR 200,000 per year for Mr. Mago as the Chairman (EUR 100,000 in 2010), is paid as an annual bonus, which is issued as an advance payment in November. Any residual amounts are paid at the beginning of the new year after approval of the financial statements by the Supervisory Board.

  In financial year 2010 the amount of the performance-based short-term remuneration is dependent on the fulfillment of five specific goals to be agreed with the Supervisory Board.

  Starting with financial year 2011 the amount of the variable remuneration depends on the EBT margin achieved, meaning the ratio of earnings before tax – including the Executive Board bonuses to be paid – to the sales of the syskoplan Group in the respective financial year. If this figure is 10% or lower for a financial year, the bonus is zero. If a figure of more than 13% is reached, the bonus payment is capped at the maximum amounts mentioned above. EBT margins between the interval borders lead to pro-rata payments of the maximum performance-dependent bonus.

+ Performance-dependent Remuneration with long-term Stimulus
  With the German Law on the Appropriateness of Management Board Remuneration (VorstAG), which went into effect on August 5, 2009, lawmakers established new requirements for determining Executive Board remuneration. The objective here was to align the remuneration of the Executive Board with sustainable corporate management with a long-term orientation.

  In order to ensure full compliance with the new legal regulations, whose interpretation and practical application had not been finalized by the time of the signing or prolongation of the Executive Board contracts in the second half of 2009, the Supervisory Board resolved to examine the remuneration package in detail and, at the beginning of 2010, to add a long-term remuneration component that adequately meets the requirements of the VorstAG. A corresponding adjustment of the contracts pursuant to the legal stipulations was agreed upon with the members of the Executive Board in such a way that the remuneration component with long-term stimulus is paid by Reply S.p.A., the main shareholder of syskoplan AG. The amount of this remuneration is dependent on revenue and EBT-margin that are achieved in Germany at the end of financial year 2012.

+ Benefits Package
In addition to accident insurance, the members of the Executive Board also receive benefits in kind such as the use of a company car. As a remuneration component these fringe benefits are subject to taxation for the respective Executive Board member. In principle, all Executive Board members are equally entitled to these benefits. Their amount varies depending on personal situation.

Moreover, the company insures the members of the Executive Board against civil and criminal claims in connection with performing their mandates (up to a maximum amount of EUR 10 million) and bears the costs of any legal defense associated with such claims as well as any taxes attributable to the assumption of these costs. The D&O insurance of Mr. Josef Mago contains a deductible of 10% per case of damage, at least 1.5 times the fixed annual remuneration. The insurances of the other members of the Executive Board will be adapted to the new legal requirements within the defined time limit.

Remuneration in Financial Year 2009
For the 2009 financial year, the remuneration of the members of the Executive Board amounted to EUR 1.64 million after EUR 1.74 million in the previous year. For evaluation purposes, it should be noted that Mr. Mago joined syskoplan AG as an Executive Board member on October 1, 2009. In comparable terms, the remuneration of the Executive Board decreased by 11% to EUR 1.55 million in the 2009 financial year. The amounts attributable to the individual members of the Executive Board are listed in the following table.

Executive Board Remuneration 2009

In Euro thsd., No. of options	Fixed sum	Bonus	Benefits in kind	Total	Options
Dr. Manfred Wassel	542	37	17	596	0
Dott. Daniele Angelucci	372	27	9	408	0
Josef Mago	88	0	2	90	0
Dr. Jochen Meier	479	33	32	544	0
Total	**1,481**	**97**	**60**	**1,638**	**0**

For the purpose of comparison, the figures for the 2008 financial year were as follows:

In Euro thsd., No. of options	Fixed sum	Bonus	Benefits in kind	Total	Options
Dr. Manfred Wassel	518	131	18	667	0
Dott. Daniele Angelucci	366	94	9	469	0
Dr. Jochen Meier	458	117	33	608	0
Total	**1,342**	**342**	**60**	**1,744**	**0**

Pensions are paid to former Executive Board members who have reached the normal age limit. Messrs Dr. Wassel and Dr. Meier have non-forfeitable pension entitlements to be adapted every three years. The pension obligation of syskoplan AG against Dr. Manfred Wassel continues to exist after his leave. The resulting additional expenses in the future are borne by Reply S.p.A. For Messrs Dott Daniele Angelucci and Josef Mago a pension entitlement does not exist.

The half of the proportional change of the fix salary of the respective Executive Board member in the underlying 3 years is scale for the change. For regular pensions entitlements the adjustment has to be carried out in accordance with the rate of price increases at least. If the increase in the net wages of the employees employed in the syskoplan is, however, below the rate of price increases in the same time period, an appropriately lower adjustment is also possible. Under the surviving dependants' benefits plan, a widow receives 60% of the pension amount.

For these future pension entitlements the company recognizes pension accruals on the basis of IFRS. Allocations to the pension accruals for active Executive Board members in the year under review are listed in the following table. They comprise the so-called service costs and interest costs.

Executive Board Pension Entitlements 2009

In Euro thsd.	Pension entitlement p.a. (Annual entitlement at the start of pension)	Pension entitlements earned as of 12/31	Addition to pension provisions (IFRS)
Dr. Manfred Wassel	72	64	79
Dott. Daniele Angelucci	0	0	0
Josef Mago	0	0	0
Dr. Jochen Meier	50	35	33
Total	**122**	**99**	**112**

For the purpose of comparison, the figures for the 2008 financial year were as follows:

In Euro thsd.	Pension entitlement p.a. (Annual entitlement at the start of pension)	Pension entitlements earned as of 12/31	Addition to pension provisions (IFRS)
Dr. Manfred Wassel	69	56	75
Dott. Daniele Angelucci	0	0	0
Dr. Jochen Meier	48	31	32
Total	**117**	**87**	**107**

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 2003 under the syskoplan AG share option plan. The options ownership of the members of the Executive Board and the conditions are listed below:

Exercise price in Euro	Year of issue	Number	Exercise price	Expiry date
Dr. Manfred Wassel	2003	300	6.71	4/24/2010
Dott. Daniele Angelucci		0		
Josef Mago		0		
Dr. Jochen Meier	2003	300	6.71	4/24/2010
	Total	**600**		

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.

In Euro thsd.	2009	2008
Dott. Mario Rizzante, Chairman	20	20
Dr. Niels Eskelson, Deputy Chairman	15	15
Dr. Stefan Duhnkrack	10	10
Dott. Riccardo Lodigiani	10	10
Dr. Markus Miele, since 5/20/2008	10	6
Dott. Tatiana Rizzante	10	10
Dr. Gerd Wixforth, until 5/20/2008	0	4
Total	**75**	**75**

4. Securities Held and Traded by Representatives of the Company

In financial year 2009 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, 2009 members of the Executive Board and Supervisory Board held the following shares and share options. Further details are available in the notes to the consolidated financial statements under number 38.

	Number	
Body	**Shares**	**Options**
Executive Board	3	600
Supervisory Board *)	3,733,936	0

*) Of which 3,733,436 indirect attribution according to § 22 WpHG

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 additionally point out 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 2009 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, 2009

				Financial Year
All figures in Euro thsd.	**Note**	**2009**	**2008**	**Change**
Revenue	(25)	55,050	60,811	– 9%
Cost of revenue	(26)	41,810	42,175	– 1%
Gross profit/loss from sales		**13,240**	**18,636**	**– 29%**
Selling and marketing expenses	(26)	5,423	6,506	– 17%
General administrative expenses	(26)	6,178	6,346	– 3%
Other operating income		802	485	66%
Other operating expenses		858	152	> 100%
Operating income (EBIT)		**1,583**	**6,117**	**– 74%**
Interest income		242	719	– 66%
Interest expenses	(27)	261	189	38%
Other financial result (+ = income / – = expense)	(27)	13	– 45	> 100%
Financial result before expenses related to the minority partner in limited partnerships		**– 6**	**485**	**< – 100%**
Earnings from continued operations before tax and expenses related to the minority partner in limited partnerships		**1,577**	**6,602**	**– 76%**
Income tax	(28)	1,099	2,040	– 46%
Expenses from revaluation of compensation obligations and from allocation of earnings to the minority partner in limited partnerships	(18)	413	881	– 53%
Result from continued operations		**65**	**3,681**	**– 98%**
Result from discontinued operations	(29)	125	– 119	> 100%
Net profit for the period		**190**	**3,562**	**– 95%**
Of which attributable to: shareholders of syskoplan AG		153	3,530	– 96%
non-controlling shareholders		37	32	16%
Total		**190**	**3,562**	**– 95%**
Earnings per share (Euro)	(37)			
From continued operations				
- basic		0.01	0.77	– 99%
- diluted		0.01	0.77	– 99%
From continued and discontinued operations				
- basic		0.03	0.75	– 96%
- diluted		0.03	0.75	– 96%
Weighted average number of shares outstanding				
- basic		4,729	4,728	0%
- diluted		4,729	4,728	0%

Group Statement of Overall Result for Period of January 1, to December 31, 2009

All figures in Euro thsd.	Note	2009	2008
Net profit for the period		190	3,562
Losses from cash flow hedges recognized directly in equity	(15)	– 9	– 123
Deferred taxes on results directly recognized in equity		3	11
Other income		– 6	– 112
Total result for the period		**184**	**3,450**
Of which attributable to: shareholders of syskoplan AG		147	3,418
non-controlling shareholders		37	32

Group Balance Sheet on December 31, 2009

Assets (all figures in Euro thsd.)	Note	12/31/2009	12/31/2008	Change
Non-current assets				
Goodwill	(6)	10,961	11,743	– 7%
Other intangible assets	(6)	319	341	– 6%
Property, plant, and equipment	(6)	4,956	4,655	6%
Financial assets	(7)	2,441	2,044	19%
Deferred tax assets	(8)	312	166	88%
Total non-current assets		**18,989**	**18,949**	**0%**
Current assets				
Trade accounts receivable and other assets	(9)	9,069	8,754	4%
Other financial assets	(7)	562	469	20%
Tax assets		1,359	1,179	15%
Other non-financial assets	(10)	649	406	60%
Cash at bank and cash in hand	(11)	19,896	23,025	– 14%
Total current assets		**31,535**	**33,833**	**– 7%**
Assets from discontinued operations	(29)	0	0	
Balance sheet total		**50,524**	**52,782**	**– 4%**

Liabilities (all figures in Euro thsd.)	Note	12/31/2009	12/31/2008	Change
Equity				
Subscribed capital	(12)	4,731	4,729	0%
Capital reserve	(13)	19,106	19,098	0%
Retained earnings	(14)	5,418	6,684	– 19%
Reserve for hedges	(15)	– 31	– 25	24%
Treasury stock	(16)	– 8	– 3	>100%
Equity held by shareholders of syskoplan AG		**29,216**	**30,483**	**– 4%**
Non-controlling shareholders' interest	(17)	118	81	45%
Total equity		**29,334**	**30,564**	**– 4%**
Non-current liabilities				
Obligations to compensate minority partners in limited partnerships	(18)	2,889	3,123	– 7%
Bank loans	(19)	1,093	1,208	– 10%
Pension obligations	(20)	2,396	2,325	3%
Provisions	(21)	1,172	2,751	– 57%
Other financial liabilities	(23)	642	379	69%
Total non-current liabilities		**8,192**	**9,786**	**– 16%**
Current liabilities				
Provisions	(21)	3,645	4,584	– 20%
Tax liabilities		572	331	73%
Bank loans	(19)	115	201	– 43%
Trade accounts payable	(22)	1,260	1,128	12%
Other financial liabilities	(23)	4,373	2,357	86%
Other liabilities	(24)	3,033	3,831	– 21%
Total current liabilities		**12,998**	**12,432**	**5%**
Total liabilities		**21,190**	**22,218**	**– 5%**
Liabilities from discontinued operations	(29)	0	0	
Balance sheet total		**50,524**	**52,782**	**– 4%**

Statement of Cash Flows for Period of January 1, to December 31, 2009

All figures in Euro thsd.	01/01/-12/31/2009	01/01/-12/31/2008
Cash flow from operating activities		
Net profit for the period	190	3,562
Income tax	1,099	2,040
Result from discontinued operations	– 125	119
Expenses from revaluation of compensation obligations and from allocation of earnings to the minority partner in limited partnerships	413	881
Financial result before expenses related to the minority partner in limited partnerships	6	– 485
Operating income (EBIT)	**1,583**	**6,117**
Depreciation and amortization of non-current assets	2,363	1,314
Other non-cash items	30	34
Change in provisions	– 284	751
Profit/loss from the disposal of non-current assets	4	– 1
Change in receivables and other assets attributable to operating activities	– 651	2,274
Change in liabilities attributable to operating activities	– 609	51
Interest payments made	– 223	– 113
Interest payments received	242	719
Dividends received	8	0
Income tax payments made	– 1,180	– 2,256
Net cash flow from operating activities of discontinued operations	125	– 38
Cash flow from operating activities	**1,408**	**8,852**

All figures in Euro thsd.	01/01/-12/31/2009	01/01/-12/31/2008
Cash flow from investment activities		
Payments for investments in property, plant, and equipment and other intangible assets	– 912	– 1,066
Payments for investments in other non-current financial assets	– 295	– 329
Payments for deposits with a fixed term of more than 3 months	– 800	0
Payments for the acquisition of subsidiaries	– 393	– 292
Proceeds from the sale of property, plant, and equipment	42	5
Proceeds from the sale of non-current financial assets	12	142
Net cash flow from investment activities of discontinued operations	0	154
Cash flow from investment activities	**– 2,346**	**– 1,386**
Cash flow from financing activities		
Dividends paid to shareholders	– 1,419	– 1,419
Withdrawal of profits by minority partners in limited partnerships	– 814	– 572
Proceeds from the sale of treasury stock	62	88
Receipt of outstanding capital contributions from minority shareholders	0	6
Payments for the purchase of treasury stock	– 82	– 71
Payments for the redemption of loans	– 200	– 200
Payments for the redemption of finance lease liabilities	– 538	– 243
Cash flow from financing activities	**– 2,991**	**– 2,411**
Change in cash and cash equivalents	**– 3,929**	**5,055**
Cash and cash equivalents at beginning of period	23,025	17,970
Cash and cash equivalents at end of period	**19,096**	**23,025**
plus deposits at banks with a fixed term of more than 3 months	800	0
Cash and cash equivalents in balance sheet	**19,896**	**23,025**

Statement of Changes in Shareholders' Equity for the Financial Year as at December 31, 2009

All figures in Euro thsd.	Subscribed capital	Capital reserve	Retained earnings	Reserve for hedges
Status as at 01/01/2008	**4,729**	**19,096**	**4,573**	**87**
Net profit for the period	0	0	3,530	0
Other income	0	0	0	– 112
Total result for the period	**0**	**0**	**3,530**	**– 112**
Dividends	0	0	– 1,419	0
Issuing of new shares	0 *	2	0	0
Sale of treasury stock	0	0	0	0
Purchase of treasury stock	0	0	0	0
Payments of uncalled capital by minority shareholders	0	0	0	0
Changes to the consolidated group	0	0	0	0
Status as at 01/01/2009	**4,729**	**19,098**	**6,684**	**– 25**
Net profit for the period	0	0	153	0
Other income	0	0	0	– 6
Total result for the period	**0**	**0**	**153**	**– 6**
Dividends	0	0	– 1,419	0
Issuing of new shares	2 *	8	0	0
Sale of treasury stock	0	0	0	0
Purchase of treasury stock	0	0	0	0
Status as at 12/31/2009	**4,731**	**19,106**	**5,418**	**– 31**

* Due to issuance of new shares following the exercise of stock options the subscribed capital increased by Euro 1,338 (previous year: Euro 250).

Treasury stock	Equity held by shareholders of syskoplan AG	Non-controlling shareholders' interest	Total equity
– 22	**28,463**	**38**	**28,501**
0	3,530	32	3,562
0	– 112	0	– 112
0	**3,418**	**32**	**3,450**
0	– 1,419	0	– 1,419
0	2	0	2
90	90	0	90
– 71	– 71	0	– 71
0	0	6	6
0	0	5	5
– 3	**30,483**	**81**	**30,564**
0	153	37	190
0	– 6	0	– 6
0	**147**	**37**	**184**
0	– 1,419	0	– 1,419
0	10	0	10
77	77	0	77
– 82	– 82	0	– 82
– 8	**29,216**	**118**	**29,334**

Statement of non-current Assets Movements in Financial Year 2009

Acquisition or Production Costs

A. Financial year 2009 all figures in Euro thsd.	**1/1/2009**	**Additions due to acqui-sition of subsidiaries**	**Additions**	**Disposals**	**12/31/2009**
I. Goodwill	13,252	0	0	44	13,208
II. Other intangible assets					
1. Acquired software	3,201	0	330	0	3,531
2. Internally developed software	2,085	0	0	0	2,085
	5,286	**0**	**330**	**0**	**5,616**
III. Property, plant, and equipment					
1. Land and property	4,011	0	0	0	4,011
2. Other operating and office equipment	4,684	0	582	433	4,833
3. Assets from finance leases	933	0	1,038	0	1,971
	9,628	**0**	**1,620**	**433**	**10,815**
IV. Total non-current assets	**28,166**	**0**	**1,950**	**477**	**29,639**

B. Financial year 2008 all figures in Euro thsd.	**1/1/2008**	**Additions due to acqui-sition of subsidiaries**	**Additions**	**Disposals**	**12/31/2008**
I. Goodwill	13,983	39	0	770	13,252
II. Other intangible assets					
1. Acquired software	2,983	0	221	3	3,201
2. Internally developed software	2,085	0	0	0	2,085
	5,068	**0**	**221**	**3**	**5,286**
III. Property, plant, and equipment					
1. Land and property	4,011	0	0	0	4,011
2. Other operating and office equipment	3,978	0	845	139	4,684
3. Assets from finance leases	615	0	318	0	933
	8,604	**0**	**1,163**	**139**	**9,628**
IV. Total non-current assets	**27,655**	**39**	**1,384**	**912**	**28,166**

Statement of non-current Assets Movements in Financial Year 2009 (2)

Accumulated Depreciation

A. Financial year 2009 all figures in Euro thsd.	**1/1/2009**	**Depreciations and amortization during the financial year**	**Disposals**	**12/31/2009**
I. Goodwill	1,509	738	0	2,247
II. Other intangible assets				
1. Acquired software	2,868	344	0	3,212
2. Internally developed software	2,077	8	0	2,085
	4,945	**352**	**0**	**5,297**
III. Property, plant, and equipment				
1. Land and property	1,119	141	0	1,260
2. Other operating and office equipment	3,504	612	387	3,729
3. Assets from finance leases	350	520	0	870
	4,973	**1,273**	**387**	**5,859**
IV. Total non-current assets	**11,427**	**2,363**	**387**	**13,403**

B. Financial year 2008 all figures in Euro thsd.	**1/1/2008**	**Depreciations and amortization during the financial year**	**Disposals**	**12/31/2008**
I. Goodwill	1,509	0	0	1,509
II. Other intangible assets				
1. Acquired software	2,496	375	3	2,868
2. Internally developed software	2,049	28	0	2,077
	4,545	**403**	**3**	**4,945**
III. Property, plant, and equipment				
1. Land and property	977	142	0	1,119
2. Other operating and office equipment	3,087	552	135	3,504
3. Assets from finance leases	133	217	0	350
	4,197	**911**	**135**	**4,973**
IV. Total non-current assets	**10,251**	**1,314**	**138**	**11,427**

Statement of non-current Assets Movements in Financial Year 2009 (3)

Book Values

A. Financial year 2009 all figures in Euro thsd.	**12/31/2009**	**1/1/2009**
I. Goodwill	10,961	11,743
II. Other intangible assets		
1. Acquired software	319	333
2. Internally developed software	0	8
	319	**341**
III. Property, plant, and equipment		
1. Land and property	2,751	2,892
2. Other operating and office equipment	1,104	1,180
3. Assets from finance leases	1,101	583
	4,956	**4,655**
IV. Total non-current assets	**16,236**	**16,739**

B. Financial year 2008 all figures in Euro thsd.	**12/31/2008**	**1/1/2008**
I. Goodwill	11,743	12,474
II. Other intangible assets		
1. Acquired software	333	487
2. Internally developed software	8	36
	341	**523**
III. Property, plant, and equipment		
1. Land and property	2,892	3,034
2. Other operating and office equipment	1,180	891
3. Assets from finance leases	583	482
	4,655	**4,407**
IV. Total non-current assets	**16,739**	**17,404**

2.6 Notes to the Consolidated Annual Financial Statements for 2009

General Information

As the parent company, syskoplan AG produces consolidated financial statements. The consolidated financial statements as at December 31, 2009, 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 endorsed 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 Euro. All figures are in Euro thousand. 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 following updated standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) had to be used influencing the informations and amounts presented in the financial statement at hands:

+ IFRS 8 Operating Segments (Compulsory for financial years beginning on or after January 1, 2009. The adoption of IFRS 8 lead to a reclassification of business segments.);
+ Amendments to IFRS 7 Improving Disclosures about Financial Instruments (Compulsory for financial years beginning on or after January 1, 2009. The amendments extended the information on financial instruments.);
+ Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation (Compulsory for financial years beginning on or after January 1, 2009. IAS 1 (updated 2007) lead to an updated terminology and amendments concerning presentation and content of the financial statements).

In financial year 2009 the following updated standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) had to be used. Complying with these standards and interpretations led to any substantial changes in the financial statement at hand.

+ Amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations (compulsory for financial years beginning on or after January 1, 2009);
+ Amendment to IAS 23 Borrowing Cost (compulsory for financial years beginning on or after January 1, 2009);
+ Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (compulsory for financial years beginning on or after January 1, 2009);
+ Amendments to IFRS 1 and IAS 27 Cost of an Investment in a subsidiary, jointly-controlled entity or associate (compulsory for financial years beginning on or after January 1, 2009);
+ Amendments to IFRIC 9 und IAS 39 Embedded Derivatives (compulsory for financial years ending on or before June 30, 2009);
+ IFRIC 12 Service Concession Agreements (compulsory for financial years beginning on or after January 1, 2008; endorsed by EU with effect from March 29, 2009).
+ IFRIC 13 Customer Loyalty Programmes (compulsory for financial years beginning on or after July 1, 2008; endorsed by EU with effect from January 1, 2009);
+ IFRIC 14 IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (compulsory for financial years beginning on or after January 1, 2008; endorsed by EU with effect from January 1, 2009);
+ IFRIC 16 Hedges of a Net Investment in a Foreign Operation (compulsory for financial years beginning on or after October 1, 2008; endorsed by EU with effect from July 1, 2009).

IASB and IFRIC also approved the following standards and interpretations which were not compulsory for the 2009 financial year and have not as yet been endorsed by the European Union until December 31, 2009:

+ Revised IFRS 1First-time Adoption of IFRS (compulsory for financial years beginning on or after July 1, 2009);
+ Amendments to IFRS1 Additional Exemptions for First-time Adopters (compulsory for financial years beginning on or after January 1, 2010; not yet endorsed by EU);
+ Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (compulsory for financial years beginning on or after July 1, 2010; not yet endorsed by EU);
+ Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions (compulsory for financial years beginning on or after January 1, 2010; not yet endorsed by EU);
+ Revised IFRS 3 Business Combinations (compulsory for financial years beginning on or after July 1, 2009);
+ IFRS 9 Financial Instruments (compulsory for financial years beginning on or after January 1, 2013; not yet endorsed by EU);
+ Amendments to IAS 24 Related Party Disclosures (compulsory for financial years beginning on or after January 1, 2011; not yet endorsed by EU);
+ Amendments to IAS 27 Consolidated and Separate Financial Statements (compulsory for financial years beginning on or after July 1, 2009; not yet endorsed by EU);
+ Amendments to IAS 32 Classification of Rights Issue (compulsory for financial years beginning on or after February 1, 2010);
+ Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (compulsory for financial years beginning on or after July 1, 2009);
+ Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement (compulsory for financial years beginning on or after January 1, 2011; not yet endorsed by EU);
+ Improvements to IFRS (compulsory for financial years beginning on or after January 1, 2009; not yet endorsed by EU);
+ IFRIC 15 Agreements for the Construction of Real Estate (compulsory for financial years beginning on or after January 1, 2009; endorsed by EU with effect from January 1, 2010);

+ IFRIC 17 Distributions of Non-cash Assets to Owners (compulsory for financial years beginning on or after July 1, 2009);
+ IFRIC 18 Transfers of Assets from Customers (compulsory for financial years beginning on or after July 1, 2009);
+ IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (compulsory for financial years beginning on or after July 1, 2010; not yet endorsed by EU).

Except of IFRS 3 and IAS 27, applicable in case of future acquisitions and leading to revised valuations of shares of non-controlling shareholders and practice of acquisition costs, these new standards and interpretations are not expected to have any material 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 valid as at balance sheet date and adopted by the EU.

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.

Pay-off obligations to limited partners of subsidiaries with the legal structure "GmbH & Co. KG" are reported at fair value under liabilities as "pay-off obligations to limited partners 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 the Group's cash-generating units. 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 ("time and material"), 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, 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.

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

Since completion of the liquidation of the US-subsidiaries in 2008 the Euro is the functional currency for all Group companies.

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.

2.7 Income Tax

Income tax expenses are the sum of the current tax expenses and the creation and release of 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 in a clear period of time.

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 in a clear period of time 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

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, and
+ 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.

In financial year 2009 and the previous year no self-constructed intangible assets have been capitalized.

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. Reductions in value had not to be posted in 2009 or in previous 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 write-down expense. There were no indicators of impairment in previous years or in 2009. The accumulated depreciation and amortization reported in the fixed asset movement schedule therefore exclusively contain scheduled depreciation and amortization.

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 not showing the prerequisites for a classification as plan assets.

The following explanations refer to financial instruments in the scope of IAS 39.

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, and
+ loans and receivables.

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

No financial assets were allocated to the categories “financial assets evaluated at current market value with an effect on net income“ and “held until final maturity” within the syskoplan Group.

The Group’s unconsolidated holding in DOCS.ON GmbH and owned securities (money market funds) are categorized as “financial assets held as available for sale”. A short-term sale is not intended. Financial assets classified as such are always reported at their current market value. Since there is no active market for the shares in DOCS.ON GmbH and the fair value therefore cannot be reliably determined, this equity investment is valued at the acquisition cost of EUR 7 thousand. Securities are valued at fair value, corresponding to the market value at balance sheet date (level 1 according to IFRS 7.27A).

Trade accounts receivable and other receivables plus other financial assets (with the exception of derivatives, securities and the holding in DOCS.ON GmbH) 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	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Equity investments	0	0	7	7
Securities	0	0	785	531
Available for sale	**0**	**0**	**792**	**538**
Trade accounts receivable	7,754	7,028	0	0
Work in progress from fixed-price projects	1,315	1,726	0	0
Other	562	469	126	24
Loans and receivables	**9,631**	**9,223**	**126**	**24**
Claims from life insurance policies	0	0	1,523	1,482
Measured at fair value as per IAS19	**0**	**0**	**1,523**	**1,482**
Total	**9,631**	**9,223**	**2,441**	**2,044**

No assets were re-categorized either in the reporting year or the previous year. Financial assets amounting to EUR 785 thousand (previous year: EUR 531 thousand) are pledged as collaterals. 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. We refer to (9).

2.13 Financial Liabilities

syskoplan divides financial liabilities into the following categories: pay-off obligations to group-external limited partners of subsidiaries, 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. In the 2009 financial year the syskoplan Group had financial liabilities amounting to EUR 12 thousand (previous year: EUR 0 thousand in the category “held for trading purposes”. They refer to a foreign exchange transaction not formally designated as a hedging instrument. The valuation at fair value was executed using a present value model based on observable market parameters (level 2 according to IFRS 7.27A).

“Other financial liabilities” at the syskoplan Group include liabilities from pay-off obligations to group-external limited partners of subsidiaries, bank loans, trade accounts payable, and other financial liabilities.

Pay-off obligations to group-external limited partners of subsidiaries 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. The initial evaluation of the pay-off obligations to group-external limited partners of subsidiaries is made by means of the present value of the obligation. The future value of the obligations is derived from the fair value to each balance sheet date. The fair value calculation is done by means of a discounted cash flow model (level 3 according to IFRS 7.27A). Changes in the fair value are reported in the profit and loss account.

Liabilities from bank loans, trade payables and other financial liabilities – except of an interest rate swap posted under 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.

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

All figures in Euro thsd.	**Valuation**	**Short-term**		**Long-term**	
		12/31/2009	**12/31/2008**	**12/31/2009**	**12/31/2008**
Other financial liabilities (foreign exchange contract)	Attributable value (level 2)	12	0	0	0
Held for trading purposes		**12**	**0**	**0**	**0**
Obligations to compensate minority partners in limited partnerships	Attributable value (level 3)	0	0	2,889	3,123
Bank loans	Book value	115	201	1,093	1,208
Trade accounts payable	Book value	1,260	1,128	0	0
Other financial liabilities (interest rate swaps)	Attributable value (level 2)	0	0	45	36
Other financial liabilities (remaining)	Book value	4,361	2,357	597	343
Other financial liabilities		**5,736**	**3,686**	**4,624**	**4,710**

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

The syskoplan Group has concluded interest rate swaps in preceding financial years. The interest rate swaps have been designated as hedging instruments for the cash flow from floating-rate bank loans (cash flow hedges). The terms and nominal amounts correspond to those of the bank loans. The interest rate swaps were recorded at fair value at the time of entering into the contract and are assessed at their fair value at each balance sheet date. The fair value is calculated by means of present value model based on observable market parameters (level 2 according to IFRS 7.27A). Any change in the fair value of the interest rate swaps is recognized without effect on net income and taken directly to equity. The fair value amounts to EUR – 45 thousand (previous year: EUR – 36 thousand).

In 2009 syskoplan closed a foreign exchange transaction on the sale of CHF 1 million due on August 16, 2010. The transaction was based on a forward exchange rate of 1.51 EUR/CHF. On closing date the foreign exchange transaction was priced at fair value. On balance sheet date it is posted at a fair value of EUR 12 thousand calculated following the mark to market method. The valuation was done on the basis of an exchange rate of 1.48 EUR/CHF.

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 2009 and 2008, no expenses were recorded for share options since lock-up periods have already expired. In future financial years as well, no further personnel expenses will arise from the share options issued.

3. 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.

The Consolidated Entity and Company Acquisitions

4. The Consolidated Entity

Compared to the previous year the consolidated entity changed as follows:

comit sysko GmbH and ibex sysko GmbH where syskoplan held 100% of the shares each have been merged to syskoplan AG. The mergers had no effects on the consolidated financial statements.

The consolidated entity is composed as follows:

	Share in %	Currency	Equity 12/31/2009	Profit/loss 2009
syskoplan AG, Gütersloh				
syskotool GmbH, Gütersloh	100	in Euro thsd.	584	77
cm4 GmbH & Co. KG, Gütersloh**	100	in Euro thsd.	500	1,093
cm4 Verwaltungs-GmbH, Gütersloh	100	in Euro thsd.	39	0
is4 GmbH & Co. KG, Minden**	51	in Euro thsd.	3,741	1,132
is4 Verwaltungs-GmbH, Minden	51	in Euro thsd.	66	0
macrosInnovation GmbH, Munich*	100	in Euro thsd.	505	963 ***
macrosSolution GmbH, Munich	74.9	in Euro thsd.	316	151
InteracT!V sysko GmbH & Co. KG, Cologne**	92.4	in Euro thsd.	– 898	– 382
InteracT!V Verwaltungs-GmbH, Cologne	73.7	in Euro thsd.	19	– 3
discovery sysko GmbH, Munich*	80	in Euro thsd.	31	– 335 ***
cluster sysko GmbH, Gütersloh*	100	in Euro thsd.	25	– 144 ***
Xuccess Consulting GmbH, Munich*	100	in Euro thsd.	515	1,185
bds sysko GmbH, Ravensburg	100	in Euro thsd.	– 349	– 124

* 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

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

As per contract of March 17, 2009, syskoplan AG acquired the remaining 20% of the shares in bds sysko GmbH at a purchase price of EUR 1.

Per contract as of December 21, 2009 and effect on January 04, 2010 syskoplan AG acquired the remaining shares of InteracT!V GmbH & Co. KG and InteracT!V Verwaltungs GmbH. No purchase price was paid to the seller.

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.	12/31/2009	12/31/2008
Xuccess Consulting GmbH	5,507	5,550
macrosInnovation GmbH	4,652	4,652
InteracT!V sysko GmbH & Co. KG	790	1,490
discovery sysko GmbH	12	12
bds sysko GmbH	0	39
	10,961	**11,743**

In the 2009 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:

The impairment tests have been made by means of a discounted cash flow model. For the first phase cash flow prognoses were used showing a detailed planning period of four years. The cash flow prognoses were based on the current business plans of syskoplan group for 2010. 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 takes into account its individual situation and business prospects. For the second phase no further growth was assumed.

An average cost of capital of 11.0% (pre-tax) was discounted from the expected cash flows.

InteracT!V sysko GmbH & Co. KG realized losses in the past years. In 2009 InteracT!V sysko GmbH & Co. KG was subject of a restructuring leading to significant decreases in headcount, material and personnel costs. On the basis of a clearly reduced sales level syskoplan basically expects a profitable business in the next year. We expect continuous growth in sales to EUR 0.3 million by the year 2013 and an increase in earnings to EUR 0.08 million. The new planning assumption led to a company value of EUR 0.8 million. So a partial write-down of the goodwill by EUR 0.7 million had to be executed. The costs have been posted on other operating expenses.

The operational business of bds sysko GmbH is currently suspended. For the foreseeable future we do not assume a goodwill for this entity. Thus the previous goodwill of EUR 0.04 million was written down completely. The costs have been posted on other operating expenses.

The performance-linked purchase price payment obligation with regard to Xuccess Consulting GmbH amounts to EUR 1.652 thousand. Last year's estimate was EUR 1,701 thousand. As a result, we reduced goodwill by EUR 44 thousand and decreased the provision for contingent purchase price obligations by EUR 49 thousand. The difference of EUR 5 thousand affects the expenses from accrued interest on provisions, recorded as affecting net income in previous years.

7. Other Financial Assets

The other financial assets are composed as follows:

	Current		Non-current	
All figures in Euro thsd.	**12/31/2009**	**12/31/2008**	**12/31/2009**	**12/31/2008**
Equity investments	0	0	7	7
Securities	0	0	785	531
Fair value of life insurances	0	0	1,523	1,482
Other	562	469	126	24
	562	**469**	**2,441**	**2,044**

No impairments were implemented on the financial assets. The other 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 of 25% in DOCS.ON GmbH, Stuttgart. The amount of the holding was unchanged compared to the previous year. As of December 31, 2008, DOCS.ON GmbH had equity of EUR 57 thousand and achieved a net loss of EUR 11 thousand in the 2008 financial year (according to the German Commercial Code, HGB). The investment 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. In 2009 the investment generated a dividend income of EUR 8 thousand (previous year: EUR 0 thousand).

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. They are pledged as collateral. Their book value corresponds to the current market value. The profit and loss account does not include any profits or losses from the securities.

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 1 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.	12/31/2009	12/31/2008
Opening inventory	166	413
arising from events affecting net income	144	– 258
directly recognized in equity	2	11
arising from addition of new companies	0	0
	312	**166**

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.

The deferred tax claims arose from:

All figures in Euro thsd.	12/31/2009	12/31/2008
Provisions	385	268
Tax loss carry-forwards	54	264
Goodwill	159	181
Interest rate swaps (cash flow hedge)	13	11
Finance leasing	25	7
Total deferred tax assets	**636**	**731**
Work in progress	300	539
Trade accounts receivable	24	24
Own produced software	0	2
Total deferred tax liabilities	**324**	**565**
Net amount of deferred tax assets	**312**	**166**

A tax rate of 30.0% (previous year: 30.0%) 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.

As at December 31, 2009, corporation tax loss carry-forwards amounted to EUR 369 thousand and trade tax loss carry-forwards amounted to EUR 1,070 thousand. Deferred taxes on loss carry-forwards were established amounting to EUR 384 thousand. It is not certain that the loss carry-forwards can be used within a clear timeframe of five years.

9. Trade Accounts Receivable and Receivables

All figures in Euro thsd.	12/31/2009	12/31/2008
Trade accounts receivable	7,774	7,048
Impairment	20	20
	7,754	**7,028**
Fixed-price projects with a credit balance due from customers	1,315	1,726
	9,069	**8,754**

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 3,886 thousand (previous year: EUR 3,683 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 39 days old (previous year: 42 days). The arrear analysis below illustrates the age pattern of the over-due but unimpaired trade accounts receivable:

All figures in Euro thsd.	12/31/2009	12/31/2008
Less than 90 days	2,710	3,286
90 days to 180 days	767	220
180 days to 1 year	305	149
More than 1 year	104	28
Total	**3,886**	**3,683**

Valuation adjustments developed as follows:

All figures in Euro thsd.	12/31/2009	12/31/2008
At the beginning of the year	20	19
Write-ups	0	0
Allocations	0	1
At the end of the year	**20**	**20**

Losses on receivables came to EUR 7 thousand (previous year: EUR 1 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 19% of the receivables (previous year: 18%). 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.	12/31/2009	12/31/2008
60 to 90 days	0	0
90 to 120 days	0	0
Over 120 days	20	20
Total	**20**	**20**

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.	12/31/2009	12/31/2008
Capitalized production costs from fixed-price projects	1,718	3,453
plus PoC result	985	1,115
less partial payments	– 2,235	– 4,487
Fixed-price projects total	**468**	**81**
Of which		
Fixed-price projects with a credit balance due from customers	1,315	1,726
Fixed-price projects with a credit balance due to customers (included in other liabilities)	– 847	– 1,645
	468	**81**

The sales include EUR 1,865 thousand (previous year: EUR 2,470 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.	12/31/2009	12/31/2008
Cash on hand	4	3
Fixed-term deposits and overnight money	7,585	10,869
Balance on current accounts	12,307	12,153
	19,896	**23,025**

All fixed-term deposits have a maturity of less than 3 months.

12. Subscribed Capital

The subscribed capital (equity capital) of syskoplan AG is divided into 4,730,678 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	2009	2008
At the beginning of the financial year	4,729,340	4,729,090
Capital increase from approved capital	0	0
Capital increase from contingent capital (stock option plan)	1,338	250
At the end of the financial year	**4,730,678**	**4,729,340**

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 October 09, 2009, that it had exceeded the threshold of 75% of the voting rights in syskoplan AG. Alika s.r.l., Turin, Italy, informed us on October 09, 2009, that it had exceeded the threshold of 75% of the voting rights in syskoplan AG, as the voting rights held by Reply S.p.A. are attributable to Alika s.r.l. Dott. Mario Rizzante, Turin, Italy, also informed us on October 09, 2009, that he had exceeded the threshold of 75% 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 no use of this authorization in the 2008 and 2009 financial years.

In 2007 279,581 new individual bearer shares in exchange for a non-cash capital contribution (a stake in Xuccess Consulting GmbH) were issued. 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, 290,520 share options were granted. Following this resolution, 26,512 (previous year: 25,174) individual bearer shares were issued and another 211,745 (previous year: 180,188) expired through December 31, 2009, leaving a remaining conditional capital of EUR 52,263 (previous year: 85,158).

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.	12/31/2009	12/31/2008
Premium from the issue of shares less issuing costs	18,777	18,769
Other shareholder contributions	329	329
	19,106	**19,098**

The increase in additional paid-in capital results from a sum of EUR 2 thousand which was generated above and beyond the nominal value when issuing shares from the conditional and approved capital. 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. Surplus 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 a dividend of EUR 0.15 per share, which is equivalent to a total dividend payment of EUR 710 thousand as at 12/31/2009. This total might change prior to the Annual General Meeting in May 2010 as any other options which are exercised could change the equity capital.

15. Reserves for Hedges

The reserves from hedges cover profits and losses from the changes of the current value of the interest rate swaps concluded to secure the cash flows of bank loans at variable yields. No profits and losses from the equity are recorded with an effect on net income in the profit and loss account for the reporting and the previous period. In the year under review, a loss of EUR 9 thousand (previous year: loss of EUR 123 thousand) was recorded directly in equity. Deferred taxes of EUR 3 thousand are attributable to this.

Please see (19).

16. Treasury Stock

As at January 1, 2009, the company held 650 shares of treasury stock, which were sold on March 31, 2009 for EUR 4.94. Based on § 71 I no. 2 AktG the Executive Board decided on November 18, 2009 to purchase own shares to be sold on to employees. syskoplan AG acquired 10,000 shares at a cost of EUR 8.231 per share on December 7, 2009. Of these, 9,000 shares were sold to employees for EUR 5.531 per share; 1,000 shares are capitalized in the annual financial statements as treasury stock at EUR 8.08 per share. The inflow from sale of treasury stock amounted to EUR 53 thousand. The treasury stock acquired amounted to 0.21% of equity capital (4,730,678 shares), the treasury stock sold accounted for 0.20%, and the treasury stock held in the company's inventory on the balance sheet date amounted to 0.02% of equity capital.

17. Equity of non-controlling Shareholders

Under non-controlling shareholders' equity the shares held by minority shareholders in is4 Verwaltungs GmbH, macrosSolution GmbH and InteracT!V Verwaltungs GmbH are posted. In the reporting period, the net group profit attributable to non-controlling shareholders amounted to EUR 37 thousand.

18. Pay-off obligations to group-external limited partners in subsidiaries

This item covers the minority share in is4 GmbH & Co. KG and the minority share in InteracT!V sysko 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 based on a company valuation using the discounted cash flow method. The cash flow prognoses were based on the current business plans of is4 GmbH & Co. KG. An average cost of capital of 11.0% was discounted from the expected cash flows. Due to a weaker business development at is4 GmbH & Co KG the current market value of the minority share decreased by EUR 234 thousand.

The valuation of the minority share in InteracT!V 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 InteracT!V GmbH & Co. KG is 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. The Group net income is affected with EUR 0 thousand by the pay-off obligation. Overall, the item developed as follows:

All figures in Euro thsd.	12/31/2009	12/31/2008
At the beginning of the year	3,123	3,620
Allocation of earnings of previous year	0	– 572
Profit share for current year	0	0
Decrease / Increase in fair value of minority interests	– 234	75
At the end of the year	**2,889**	**3,123**

The shareholders of is4 GmbH & Co. KG decided to fully distribute the profit share for 2009. The profit share of the limited partners amounting to EUR 647 thousand is therefore recorded under other current financial liabilities (previous year: EUR 806 thousand). The profit entitlement from the previous year was paid in 2009.

Expenses on the income statement consist of the following:

All figures in Euro thsd.	12/31/2009	12/31/2008
Income / expenses from revaluation of compensation obligations	– 234	75
Expenses from allocation of earnings	647	806
	413	**881**

19. Bank Overdrafts and Bank Loans

All figures in Euro thsd.	12/31/2009	12/31/2008
Interest accrued	0	1
Current portion of non-current loan obligations	115	200
Non-current loan obligations	1,093	1,208
	1,208	**1,409**

The loans are due as follows:

All figures in Euro thsd.	< 1 year	1–5 years	More than 5 years	Total	Interest rate	Collateral
Euro credit	115	460	633	1,208	variable	Land charge
	115	**460**	**633**	**1,208**		

Loans are subject to interest equivalent to the six-month EONIA plus a margin of 0.6%. The floating-rate loans are hedged by means of interest rate swaps which transform the variable interest payments into fixed interest payments of 4.18% p.a. The nominal values of the interest rate swaps correspond to the loan obligations and are adjusted correspondingly to reflect loan repayments. The interest rate swaps were entered into with the same financial institution that granted the loans.

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.

A further loan (remaining liability per December 31, 2008: EUR 85 thousand) was paid back in 2009 as planned.

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

All figures in Euro thsd.	< 1 year	1–5 years	More than 5 years	Total
Euro credit (repayment + variable interest)	127	497	652	1,276
Interest rate swap	38	115	61	214
	165	**612**	**713**	**1,490**

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.	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Present value of pension obligations	3,362	2,577	2,834	3,043
Fair value of plan assets (asset value of reinsurance coverage)	872	801	727	665
Financing status	**2,490**	**1,776**	**2,107**	**2,378**
Actuarial losses not recognized in the balance sheet	– 94	549	126	– 253
Liabilities shown on the balance sheet	**2,396**	**2,325**	**2,233**	**2,125**

Shown below are changes in the present value of the pension obligations:

All figures in Euro thsd.	12/31/2009	12/31/2008
At the beginning of the financial year	2,577	2,834
Current service cost	49	55
Interest expense	166	148
Actuarial profits (-) and losses	609	– 423
Payments made for services	– 39	– 37
Business combinations	0	0
At the end of the financial year	**3,362**	**2,577**

All pension obligations as at December 31, 2009, were calculated using the 2005G guideline tables by Klaus Heubeck. The pension obligations were evaluated as at December 31, 2009. The calculations were based on the following assumptions:

	2009	Previous year
Interest rate	5.25% p.a.	6.50% p.a.
Rate of entitlement increase (if applicable)	1.50% p.a.	2.00% p.a.
Rate of benefit increase	1.50% p.a.	2.00% p.a.

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.	12/31/2009	12/31/2008
At the beginning of the financial year	801	727
Expected profits from plan assets and life insurance policies	33	34
Employer's contributions	38	40
At the end of the financial year	**872**	**801**

Contributions totaling EUR 39 thousand are expected for 2010. The profit and loss account shows the effects of the pension obligations and the reinsurance policies as follows:

All figures in Euro thsd.	12/31/2009	12/31/2008
Current service cost and interest expense	– 215	– 203
Payments made for services	39	37
Expected profits from plan assets and life insurance policies	33	84
	– 143	**– 82**

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 1,523 thousand; previous year: EUR 1,482 thousand) and recorded under long-term financial assets. Contributions of EUR 11 thousand were made towards these policies.

The pension obligation of syskoplan AG to Dr. Manfred Wassel persists after his leave. The resulting additional future expenses are borne by Reply S.p.A. This arrangement as at December 31, 2009 led to a claim of EUR 114 thousand which was posted under non-current assets.

21. Other Provisions

Other provisions are made up as follows:

All figures in Euro thsd.	Short-term		Long-term	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Personnel	2,253	2,875	1,172	888
Purchase price adjustments	0	372	0	1,863
Other	1,392	1,337	0	0
	3,645	**4,584**	**1,172**	**2,751**

The long-term provisions include provisions for part-time work in the run-up to retirement and anniversary bonuses. The provisions for anniversary bonuses are calculated using actuarial principles based on an interest rate of 5.50%. The short-term provisions for personnel primarily cover gratuities, bonuses, and profit sharing.

Provisions for purchase price adjustments comprise the earn-out components of the acquisition of shares in macrosInnovation GmbH and Xuccess Consulting GmbH. The provisions for purchase price adjustments are fixed as regards amount and are due in 2010. They have been reclassified to other financial liabilities.

Overall, short-term provisions developed as follows:

All figures in Euro thsd.	1/1/2009	Utilized	Reversal	Addition	Reclassification	12/31/2009
Personnel	3,763	– 2,658	– 59	2,379	0	3,425
Purchase price adjustments	2,235	– 393	– 44	81 *	– 1,879	0
Other	1,337	– 877	– 166	1,098	0	1,392
	7,335	**– 3,928**	**– 269**	**3,558**	**– 1,879**	**4,817**

* Accumulation

In the previous year short-term provisions developed as follows:

All figures in Euro thsd.	1/1/2008	Utilized	Reversal	Addition	Reclassification	12/31/2008
Personnel	3,154	– 2,302	– 49	2,960	0	3,763
Guarantees	180	0	– 180	0	0	0
Purchase price adjustments	3,201	– 258	– 801	93 *	0	2,235
Other	1,107	– 803	– 74	1,107	0	1,337
	7,642	**– 3,363**	**– 1,104**	**4,160**	**0**	**7,335**

* 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

Other financial liabilities 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.	12/31/2009	12/31/2008
Amounts due to staff	953	1,010
Amounts due to minority shareholders	942	1,061
Amounts due from finance leases	1,170	605
Liabilities due from performance-dependent purchase prices	1,879	0
Fair value of interest rate swaps	45	36
Fair value foreign exchange contract	12	0
Other	14	24
	5,015	**2,736**
Of which		
Long-term	642	379
Short-term	4,373	2,357
	5,015	**2,736**

The amounts due to staff are the result of travel expenses and overtime work rendered.

Amounts due to minority shareholders primarily relate to the minority shareholder in is4 GmbH & Co. KG. Of these, EUR 307 thousand pertain to distributable profit shares from previous years that have not yet been distributed and EUR 647 thousand pertain to the profit share for 2009. The profit shares payable from previous years are due as soon as a corresponding shareholders' resolution has been passed. The 2009 profit shares will be distributed in March 2010. A corresponding resolution was passed in February 2010.

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 minimum lease payments**	
	12/31/2009	**12/31/2008**	**12/31/2009**	**12/31/2008**
Remaining term:				
Within one year	639	283	573	262
1–5 years	608	365	597	343
More than 5 years	0	0	0	0
	1,247	**648**	**1,170**	**605**
Of which shown as				
Long-term			597	343
Short-term			573	262
			1,170	**605**

24. Other liabilities

Other liabilities are composed as follows:

All figures in Euro thsd.	12/31/2009	12/31/2008
Fixed-price projects with a credit balance due to customers	847	1,645
Deferred income	841	867
Income tax payables	699	686
Wage and church tax payables	645	603
Social security payables	1	30
	3,033	**3,831**

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.				2009
	Cost of revenue	Selling and marketing expenses	Administrative expenses	Total
Personnel expenses				
Wages and salaries	23,394	2,689	2,839	28,922
Social security expenses	3,669	409	440	4,518
Pension expenses	107	11	11	129
Other	79	10	11	100
	27,249	**3,119**	**3,301**	**33,669**
Cost of purchased services	4,965	0	0	4,965
Other costs				
Depreciation and amortization	1,401	39	184	1,624
Advertising costs	0	813	0	813
Travel costs	2,975	385	390	3,750
Vehicle costs	2,841	323	353	3,517
Other	2,379	744	1,950	5,073
	9,596	**2,304**	**2,877**	**14,777**
Total costs	**41,810**	**5,423**	**6,178**	**53,411**

All figures in Euro thsd.				2008
	Cost of revenue	Selling and marketing expenses	Administrative expenses	Total
Personnel expenses				
Wages and salaries	23,373	2,898	2,777	29,048
Social security expenses	3,495	426	413	4,334
Pension expenses	202	27	29	258
Other	75	10	11	96
	27,145	**3,361**	**3,230**	**33,736**
Cost of purchased services	5,515	0	0	5,515
Other costs				
Depreciation and amortization	1,093	39	182	1,314
Advertising costs	0	1,151	0	1,151
Travel costs	3,630	499	483	4,612
Vehicle costs	2,769	342	346	3,457
Other	2,023	1,113	2,106	5,242
	9,515	**3,144**	**3,117**	**15,776**
Total costs	**42,175**	**6,505**	**6,347**	**55,027**

Social security expenses include statutory social security contributions in the amount of EUR 4,346 thousand (previous year: EUR 4,133 thousand).

27. Financial Earnings

The interest income with EUR 242 thousand (previous year: EUR 688 thousand) relates to the valuation category of loans and receivables, with EUR 241 thousand (previous year: EUR 718 thousand) from interest on cash at bank and with EUR 1 thousand (previous year: EUR 1 thousand) from interest charged on loans to employees. Apart from that, in the previous year interest income of EUR 31 thousand resulted from the reduction of the provision for purchase price adjustments.

Interest expenses are composed as follows:

All figures in Euro thsd.	2009	2008
Interest accrued on purchase price liabilities (earn-out)	81	93
Interest on loans	67	48
Interest on liabilities from finance leases	65	36
Other interest expenses	48	12
	261	**189**

The other financial income of EUR 13 thousand (previous year: –EUR 45 thousand) refers to currency gains and losses of loans and receivables amounting to EUR 17 thousand (previous year –EUR 45 thousand), expenses from foreign exchange transactions (financial liabilities held for trading purposes) amounting to –EUR 12 thousand (previous year: EUR 0 thousand) and dividends of EUR 8 thousand received from DOCS.ON GmbH.

There were no earnings or expenses from fees. Concerning the expense with regard to limited partners of subsidiaries, please refer to (18).

28. Income Tax

28.1 Break Down of Tax Expenses

Tax expenses can be broken down as follows:

All figures in Euro thsd.	2009	2008
Current taxes	998	1,785
Taxes relating to other periods	243	– 3
Deferred taxes	– 143	258
	1,098	**2,040**

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.	2009		2008	
Earnings from continued operations before taxes and expenses for group-external limited partners	1,576		6,602	
Tax at domestic rate	473	30.0%	1,981	30.0%
Tax effect of non-deductible expenses when determining the taxable profit	117		106	
Non-periodic tax expense	243		– 3	
Corporation tax on minority shares (commercial partnerships)	– 116		– 149	
Disregarded taxes on goodwill amortization	221		0	
Consequences of tax losses and set-off possibilities unused and not posted as deferred tax assets	82		77	
Non-periodic deferred tax expense	78		0	
Other deviations	0		28	
Tax expense and effective tax rate for the financial year	**1,098**	**69.7%**	**2,040**	**30.9%**

29. Notes to the Discontinued Fields of Activity

At the beginning of 2006, the Executive Board and Supervisory Board decided 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 liquidation of both US companies concluded in December 2008 with a final liquidation payment equivalent to EUR 472 thousand. In 2009 financial year a tax refund of EUR 125 thousand was received referring to financial years 2008 and 2007.

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

All figures in Euro thsd.	2009	2008
Revenue	0	0
Cost of revenue	0	0
Gross profit/loss from sales	**0**	**0**
Profits from the sale of equity investments	0	0
Other expenses	0	– 119
Earnings before tax	**0**	**– 119**
Refund of income tax	125	0
	125	**– 119**

Neither in 2009 nor in 2008 assets and liabilities of the discontinued operations had to be posted.

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.

syskoplan group's non-current assets are completely financed via equity, current assets to 33% (previous year: 34%). 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 in the past. 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 existing cash position and the cash flow strength of the Group the liquidity risk is classified as small. Financial liabilities are paid at maturity by using the existing cash position. As regards maturity of the liabilities we refer to the notes to the balance sheet.

In addition to the risk of changes in value, there is also a liquidity risk in connection with the shares of limited partners of subsidiaries. The risk of changes in value consists of an increase in pay-off obligations in the event of a positive business development of the subsidiaries. The liquidity risk consists of the possibility that cash is with-drawn from the Group to satisfy a pay-off claim if a limited partner calls for repayment. But a notice will only be possible in a term of 12 months to December 31 of a financial year. Apart from that the Group possesses sufficient cash and cash equivalents to satisfy this potential obligation.

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 impairment represents the Group's maximum default risk.

All figures in Euro thsd.	**12/31/2009**	**12/31/2008**
Cash at bank	19,892	23,022
Trade accounts receivable and other assets	9,069	8,754
Other financial assets	3,003	2,513
Financial assets from discontinued operations	0	0
	31,964	**34,289**

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 numbers of credit institutions. However, the merger of Commerzbank and Dresdner Bank resulted in an increased concentration. As of 12/31/2009, the maximum amount invested at any one bank was EUR 6,937 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 19% of the receivables (previous year: 18%). 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. In 2009 for hedging of a foreign currency payment expected in 2010 a foreign exchange transaction was exercised. Apart from that 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**		**Liabilities**	
	12/31/2009	**12/31/2008**	**12/31/2009**	**12/31/2008**
Continued operations				
Pound sterling	56	69	0	0
Swiss franc	181	268	0	0
US dollar	0	1	0	0
Norwegian Krone	443	547	0	0
	680	**885**	**0**	**0**

The Group is mainly exposed to exchange rate risks involving the Norwegian Krone, 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. If the exchange rates were to rise (drop) by 10%, profit/loss for the year or equity would decrease (increase) as follows:

All figures in Euro thsd.	Effect of the US dollar		Effect of the pound sterling		Effect of the Swiss franc		Effect of Norwegian Krone	
	2009	2008	2009	2008	2009	2008	2009	2008
Profit/loss	0	0	4	4	12	17	28	35
Equity	0	0	0	0	0	0	0	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 as significant. Apart from that basically the fair value evaluation of the compensation obligations of minority shareholders in limited partnerships entails a not influenceable value change risk dependent of interest rate changes.

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, 2009 would drop / rise by EUR 87 thousand (2008: decrease / increase of EUR 54 thousand). The Group's equity (net profit not taken into account) would drop / rise by EUR 19 thousand.

31. Segment Reporting

The syskoplan Group is forming 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 fundamental principles:

+ Focused business units managed like companies sustain the operative business. Partners directly reporting to the Executive Board are responsible for the results of the respective business units. For the individual business units the key figures sales (achievement of sales targets) and EBIT margin are relevant. EBIT thus represents the segment result according to IFRS 8.
+ Cross-divisional functions such as finance, marketing, HR, IT, or investor relations are centrally operated by departments within the syskoplan holding company.

Based on comparable core competencies, margins and ways of value performance the several business units are categorized to the segments Consulting, System Integration and Managed Services:

+ In the segment **Consulting** syskoplan delivers consulting services in the area of regulatory bank reporting and bank management.
+ The business units classified in the segment **System Integration** are based on a project-related business model. By means of standard software primarily from SAP or Microsoft, the business units develop innovative IT-solutions uniquely adapted to the requirement of the clients.
+ In the segment **Managed Services** syskoplan group offers outsourcing services primarily for medium-sized businesses, running their business processes in an SAP environment. The business is mainly based on a service model founded on long-term contracts. The main part of the segment's revenues is derived from data center operations for syskoplan AG and further local clients. Services in the areas application management and data center-related consulting are rendered additionally.

These groups of business units represent the reportable operational segments classified in the sense of IFRS 8.12 to the segments Consulting, System Integration and Managed Services. Cross-divisional functions such as finance, marketing, HR, IT or investor relations are centrally operated by departments within the syskoplan holding company.

All figures in Euro thsd.	Segments of continued operations (1)					
			Consulting			System Integration
	12/31/2009	12/31/2008	Delta	12/31/2009	12/31/2008	Delta
Revenue	6,585	6,993	– 6%	38,198	41,885	– 9%
of which internal:	0	0	0%	87	171	– 49%
of which external:	6,585	6,993	– 6%	38,111	41,715	– 9%
Depreciation and amortization	– 54	– 46	16%	– 86	– 117	– 27%
Goodwill amortization	0	0		– 738	0	
EBIT	1,041	1,087	– 4%	3,412	8,039	– 58%
Interest income	10	38	– 74%	46	112	– 59%
Interest expenses	0	– 1	– 52%	– 85	– 84	1%
EBT	1,051	1,125	– 7%	3,396	8,045	– 58%
Assets	683	940	– 27%	18,254	17,318	5%
Investments	– 44	– 66	– 33%	– 52	– 94	– 45%
Employees (FTE)	44	42	5%	271	274	– 1%

All figures unconsolidated

All figures in Euro thsd.	Segments of continued operations (2)					
			Managed Services			Headquarter
	12/31/2009	12/31/2008	Delta	12/31/2009	12/31/2008	Delta
Revenue	12,262	13,903	– 12%	39	178	– 78%
of which internal:	1,947	1,976	– 1%	0	0	0%
of which external:	10,315	11,926	– 14%	39	178	– 78%
Depreciation and amortization	– 1,093	– 776	41%	– 392	– 375	5%
Goodwill amortization	0	0	0%	0	0	0%
EBIT	1,471	1,997	– 26%	– 4,341	– 5,006	– 13%
Interest income	0	0	0%	185	568	– 67%
Interest expenses	– 65	– 36	82%	– 111	– 68	63%
EBT	1,407	1,961	– 28%	– 4,277	– 4,529	– 6%
Assets	3,567	3,396	5%	28,020	31,128	– 10%
Investments	– 1,440	– 1,023	41%	– 414	– 201	106%
Employees (FTE)	74	70	6%	31	30	4%

Total sales can be allotted to domestic clients with an amount of EUR 48,563 thousand and clients abroad with an amount of EUR 6,487 thousand. All non-current assets of the Group – following their seat – are to be allotted to Germany.

The following reconciliation statement is presented:

All figures in Euro thsd.	**Reconciliation**		**Group key figures**	
	12/31/2009	**12/31/2008**	**12/31/2009**	**12/31/2008**
Revenue	– 2,034	– 2,147	55,050	60,811
of which internal:	– 2,034	– 2,147	0	0
of which external:	0	0	55,050	60,811
Depreciation and amortization	0	0	– 1,624	– 1,314
Goodwill amortization	0	0	– 738	0
EBIT	0	0	1,583	6,117
Interest income	0	0	242	719
Interest expenses	0	0	– 261	– 189
EBT	0	0	1,577	6,602
Assets	0	0	50,524	52,782
Investments	0	0	– 1,950	– 1,384
Employees (FTE)	0	0	420	416

Figures in the reconciliation column for revenues 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 2009, more than 10% of total sales were generated with Volkswagen Bank. This single customer accounted for 21% (previous year: 16%) of total sales (system integration segment).

In addition, we draw attention to the fact that 22% of sales were generated with the VW Group (previous year: 22%).

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

33.1 Employees
In 2009 an average of 433 staff members were employed in the Group (previous year: 426) of which 45 (previous year: 42) worked in the consulting segment, of which 278 (previous year: 280) worked for system integration, of which 75 (previous year: 71) worked in the managed services segment and 35 (previous year: 33) worked in the group headquarter.

33.2 Executive Board
The members of the company's Executive Board in 2009 were:

+ Dr. Manfred Wassel, (chairman until 12/31/2009), group development, capital market, M&A and HR for partners
+ Dott. Daniele Angelucci, finance, shared services, governance, compliance and boards
+ Josef Mago, (since 10/1/2009, chairman since 1/1/2010), group development, capital market, M&A and HR for partners
+ Dr. Jochen Meier, operations, sales and human resources.

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 2009 financial year, the Executive Board received remuneration as follows:

All figures in Euro thsd.	12/31/2009	12/31/2008
Regular salaries	1,638	1,744
Change in pension provisions (interest + service costs)	112	107
Share-based compensation	0	0
	1,750	**1,851**

The service cost and interest cost for pension accruals for active Executive Board members are listed under payments following cessation of employment. As at December 31, 2009, no loans or advances had been granted to Executive Board members. For details on the information following § 314 sect. 1 no. 6 letter a) sent. 5 -9 HGB we refer to the management 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 Euro	Year of issue	Number	Exercise price	Expiry date
Dr. Manfred Wassel	2003	300	6.71	4/24/2010
Josef Mago		0		
Dr. Jochen Meier	2003	300	6.71	4/24/2010
Dott. Daniele Angelucci		0		
Total		**600**		

Due to the way in which the syskoplan share price has developed the options from 2003 are valuable.

Other Posts Held by Executive Board Members

In the 2009 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 — No other appointments
+ Dott. Daniele Angelucci — No other appointments
+ Josef Mago — No other appointments
+ Dr. Jochen Meier — Advisory Board, is4 GmbH & Co. KG, Minden (Chairman).

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
+ Dr. Markus Miele — managing director of Miele & Cie. KG, Gütersloh
+ Dott. Tatiana Rizzante — senior partner at Reply S.p.A., Turin, Italy.

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
+ Dr. Markus Miele — ERGO Versicherungsgruppe, member of the Supervisory Board
+ Dott. Tatiana Rizzante — no other appointments.

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.	2009	2008
Regular salaries	75	75

34. Corporate Governance Code

In December 2009, 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 (www.syskoplan.com).

35. Other Financial Obligations

In 2009, payments of EUR 2,381 thousand (previous year: EUR 4,040 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 payments of EUR 1,071 thousand (previous year: EUR 769 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.	2009	2008
Within one year	3,958	3,077
Within 2 to 5 years	3,434	2,252
More than 5 years	0	0
	7,392	**5,329**

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.

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, the second in 2008 and the third in 2009. No options were exercised from these tranches. For this reason, no further details of these tranches are provided.

The exercise price for the fourth and fifth tranches 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)**	
	2009	**2008**	**2009**	**2008**
At the beginning of the financial year	85,158	134,045	12.5	15.3
Options granted	0	0		
Options exercised	1,338	250	6.8	7.3
Forfeited and expired options	31,557	48,637		
Exercisable options outstanding at the end of the financial year	**52,263**	**85,158**	**7.3**	**12.5**

Stock Option Plan Overview	**Fourth tranche**	**Fifth tranche**
Fair value of subscription right	2.96	3.01
Exercise price	6.71	7.63
Dividend yield	2% p.a.	3% p.a.
Term	5 years	5 years
Interest rate	3.40%	3.20%
Volatility during holding period	65%	61.20%
Dilution factor	99%	99%

All figures in Euros

Apportionment of Subscription Rights Issued:

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 had to be recorded for share-based remuneration transactions in 2009 and 2008.

37. Earnings per Share

All figures in Euros	2009	2008
Related to the part of the annual surplus being allotted to the shareholders of the syskoplan		
- basic	0.03	0.75
- diluted	0.03	0.75
Related to the part of the annual result from continued activities being allotted to the shareholders of the syskoplan		
- basic	0.01	0.77
- diluted	0.01	0.77

The basic earnings per share is calculated by dividing the share in the annual profit to which the shareholders of the parent company are entitled (2009: EUR 153 thousand; previous year: EUR 3,530 thousand) or the share in the profit from continued operations to which the shareholders of the parent company are entitled (2009: EUR 28 thousand; previous year: EUR 3,649 thousand) by the average number of shares outstanding for the year (2009: 4,728,533 shares; previous year: 4,729,693 shares). The average outstanding capital stock for 2009 differs from the number of outstanding shares as at 12/31/2009 (4,730,678) because 1,338 shares were issued from the conditional capital in the course of 2009 (shares included pro rata temporis).

The diluted earnings per share is calculated by dividing the share in the annual profit to which the shareholders of the parent company are entitled (2009: EUR 153 thousand; previous year: EUR 3,530 thousand) or the share in the profit from continued operations to which the shareholders of the parent company are entitled (2009: EUR 28 thousand; previous year: EUR 3,649 thousand) by the average number of shares outstanding for the year plus the potentially diluting common stock (2009: 4,728,533 shares; previous year: 4,727,851 shares).

At syskoplan, only shares issued under the share option plan (see (32) above) could have a diluting effect. There is no diluting effect for tranches 4 and 5 of the share option plan because the syskoplan average share price was

EUR 6.60 in financial year 2009 (previous year: EUR 6.76) and therefore lower than the exercise price for tranches 4 and 5.

When considering instruments which may have a diluting effect in the future (conditional capital), please note tranches 4 to 5 (cf. (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 Alika s.r.l and Dott. Mario Rizzante are considered as associated parties as they are indirect majority shareholders. These companies and individuals hold the following shares and options as at December 31, 2009:

		Number of	
Person	**Function**	**Shares**	**Options**
Josef Mago	Chairman of the Executive Board	0	0
Dr. Manfred Wassel	Chairman of the Executive Board (until December 31, 2009)	2	300
Dr. Jochen Meier	Member of the Executive Board	1	300
Dott. Daniele Angelucci	Member of the Executive Board	0	0
Dott. Mario Rizzante	Chairman of the Supervisory Board	3,733,436	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
Dr. Markus Miele since 5/20/2008	Member of the Supervisory Board	0	0
Dott. Tatiana Rizzante	Member of the Supervisory Board	0	0
syskoplan AG	Treasury stock	1,000	0

Please refer to (33) and the management report of the group for further details of the remuneration paid to the members of the Executive Board and Supervisory Board.

In 2009 the following business dealings or transactions were concluded with companies belonging to the Reply Group and their direct or indirect parent companies:

All figures in Euro thsd.	**2009**
Revenue	32
Other income	167
Expenses	517
Receivables as at 12/31	233
Liabilities as at 12/31	707

Revenue and expenses referred to consulting services in connection with customer projects that were billed at daily rates customary in this market. Other income referred to cost transfers of hardware costs, fees for rendering accounting services for Sytel Reply s.r.l. Germany and Sytel Reply GmbH as well as the cost transfer as to the pension obligation against the member of the Executive Board Dr. Manfred Wassel who left the company on December 31, 2009.

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.	12/31/2009
Auditing	200
Other certification services	0
Tax advisory services	0
Other services	0
Total	**200**

40. Special Events after the Balance Sheet Date

No substantive events occurred after 12/31/2009 that affected the asset, financial and earnings position.

41. Approval of the Financial Statements

The Executive Board approved the financial statements on February 25, 2010. They will be submitted to the Supervisory Board for approval at their meeting on March 05, 2010 and subsequently approved for publication.

Gütersloh, February 25, 2010

syskoplan AG
The Executive Board

42. Responsibility Statement

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 25, 2010

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, 2009:

„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, 2009. 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 am Main, February 26, 2010

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Drewes)
Wirtschaftsprüfer

(ppa. Meyer)
Wirtschaftsprüfer

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

Balance Sheet as at December 31, 2009

All figures in Euro thsd. Assets	12/31/2009	Previous year
A. Fixed Assets		
I. Intangible assets	65	81
II. Tangible assets	465	375
III. Financial assets	16,841	17,658
Total non-current assets	**17,371**	**18,114**
B. Current Assets		
I. Inventories	1,088	809
II. Accounts receivable and other assets	12,674	11,775
III. Securities	8	3
IV. Cash in hand, cash at bank	10,648	12,771
Total current assets	**24,418**	**25,358**
C. Deferred items	199	205
Assets	**41,988**	**43,677**
Liabilities		
A. Equity		
I. Subscribed capital (contingent capital 52, previous year 85)	4,731	4,729
II. Capital reserve	21,668	21,660
III. Surplus reserve	4,761	3,161
IV. Unappropriated profit	740	3,522
Total equity	**31,899**	**33,072**
B. Provisions	3,307	2,963
C. Liabilities	6,307	7,139
D. Deferred items	474	503
Liabilities	**41,988**	**43,677**

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, 2009

All figures in Euro thsd.	**2009**	**Previous year**
1. Revenue	25,511	28,802
2. Increase in work in progress	234	15
Gross operational income	**25,745**	**28,817**
3. Other operating income	2,318	2,257
Gross income	**28,063**	**31,074**
4. Costs of material		
Cost of bought-in services	1,670	3,549
5. Personnel expenses		
a) Wages and salaries	14,791	13,765
b) Social security expenses and costs of provisions for retirement and welfare of which for retirement 72 (previous year 119)	2,363	2,129
	17,154	15,893
6. Depreciation		
a) on intangible assets and property, plant, and equipment	252	238
b) on tangible assets as far as exceeding usual deprication in a stock corporation	1,065	0
7. Other operating expenses	10,163	10,999
Operating income	**– 2,242**	**395**
8. Income from profit transfer agreements	2,148	2,067
9. Income from equity investments of which from subsidiary undertakings 2,133 (previous year 1,762)	2,133	1,762
10. Loss from profit transfer agreements	480	251
11. Income from financial assets	1	1
12. Other interest and similar profits of which from subsidiary undertakings 124 (previous year 122)	280	627
13. Depreciation on financial assets	875	0
14. Interest and similar expenses	96	95
15. Profit from ordinary activities	**870**	**4,506**
16. Income tax	633	984
17. Net profit/loss for the year	**237**	**3,522**
18. Withdrawal from retained earnings		
a) from reserve for treasury stock	0	19
b) from other retained earnings	508	0
19. Allocation to retained earnings		
a) to reserve for treasury stock	5	0
b) to other retained earnings	0	19
20. Unappropriated profit	**740**	**3,522**

3 Company Calendar syskoplan AG

Date	Occasion	Place
February 04, 2010	Analyst conference	Frankfurt am Main
March 31, 2010	Publication of Annual Report 2009	Gütersloh
April 30, 2010	Report on Q1 2010	Gütersloh
May 28, 2010	Annual general meeting	Gütersloh
May 31, 2010	Payment of dividend	Gütersloh
July 30, 2010	Report on Q2 2010	Gütersloh
October 29, 2010	Report on Q3 2010	Gütersloh

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