

Unilog Integrata Training AG

Annual report 2007



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Unilog Integrata Training AG shares are quoted on the Baden-Württemberg Stock Exchange's unofficial market in Stuttgart as well as in Frankfurt, Munich and Berlin under the securities identification number (WKN) 621310/ISIN DE0006213101.

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This annual report and the reports for previous years can be downloaded in PDF format at [www.unilog-integrata.de](http://www.unilog-integrata.de). The English version of the annual report can also be downloaded from the same address. A printed version of the English language report is not available.

# To all our clients, business partners and shareholders,



“Excellent companies are constantly coming up with new innovations. Their ability to do this is due to their organizational culture.” This quotation is from Robert Waterman, management consultant and joint author with Tom Peters of the management bestseller ‘In Search of Excellence’. Many changes took place in Unilog Integrata Training AG in 2007 in terms of innovation and organization. But does that necessarily mean that our organization qualifies for the epithet ‘excellent’? I would like to take this opportunity, if I may, to present a differentiated view of these issues from the perspective of the first few months of my chairmanship of the Board of Management and to explain my strategy.

When the Supervisory Board asked me to take on responsibility for the company I very quickly decided to accept the challenge. My previous professional work has always either been focused on training whole teams or individuals in the context of IT projects or on achieving very specific personnel development objectives. As a result I am very familiar with the qualification providers operating in Germany and, despite my subjective standpoint, can objectively confirm that Unilog Integrata Training AG has an excellent reputation in the market. The task now is to finally transform these important qualitative virtues into measurable results and to achieve our key quantitative objective of returning to profitability.

2007 was a significant turning point in this respect. There is no doubt whatsoever that the company is now served by an excellent business model. However, the

image we have established with our extensive topic spectrum over the decades means that we are still all too often regarded as being mainly a provider of seminars. The trust demonstrated by major customers with which we have concluded long-term project contracts does, nonetheless, provide impressive confirmation that our strategy of pressing ahead with customized training solutions is bearing fruit.

However, if it is our aim to achieve the kind of excellence described by Robert Waterman with our full service offering, we must exploit the opportunities presented by the markets far more consistently and ensure that our organization is regarded as a matter of course as a key competitor whenever large-volume qualification projects are at stake. The competitive situation in the training solutions segment differs fundamentally from that in the highly volatile business of offering public seminars. A new organizational structure, the details of which will continue to be optimized as times goes by, was established in 2007 in order to safeguard and build on our outstanding position in this service line and to significantly increase average participant numbers, sales and contribution margins per seminar.

We increasingly find ourselves in competition with renowned subsidiaries or consultancy firms operating in the training solutions service line. This is why our membership of the Logica Group is so helpful and of such importance. However, the time has now come to work on extending the kind of brand awareness and positive image we have enjoyed for many years in the seminar business to the field of customized solutions. In order to do this, we will need to concentrate and use our organizational strengths with much greater precision to position ourselves and establish our competence as a market player more credibly. Our aim is to become the quintessential

provider which is able to offer the right topics and optimum solutions that are geared at all times to our customers’ current qualification trends and requirements and, on this basis, to establish, develop and maintain long-term relationships with top customers.

What this entails is continuous work on improving quality, ensuring that knowledge is always communicated and know-how transferred more innovatively than our competitors, and insistently, consistently and successfully marketing our full service offering better than ever. This, I believe, is my biggest challenge as Chairman of the Board of Management. I can offer many years of extensive expertise in sales and sales management as well as a great deal of experience with customers and projects. This means that I will take a very strong personal interest in all aspects of our sales operations and have consequently assumed overall responsibility – which was previously shared among the members of the Board – for our national locations. We intend to press ahead with dedicated named accounting and to optimize our internal organizational and operational structures to ensure that we are in an even better position to meet all our customers’ qualification service requirements at very short notice. Our most important assets in this respect are our qualified and motivated employees.

The many individual and group discussions I have taken part in during recent months have convinced me that together we have what it takes to go all the way to becoming an excellent company. The time has now come to exploit the opportunities which lie ahead of us and to press ahead faster than ever before. All the company’s stakeholders – customers, employees and shareholders alike – will profit as a result.

**Bernd Bönte**  
CEO

# Our portfolio

**As a full service provider, we stand for the professional development of people working in organizations and for maximum possible customer proximity. Full service not only means covering every possible option, above all it means always being the best. This applies not just to the qualification format but also to the contents and the media used to deliver them – to make sure our customers are ideally prepared to tackle their tasks.**

Our customers – who include 89 of the 100 biggest companies in Germany – profit from our broad spectrum of topics and services as well as the far-reaching experience we have accumulated over the last 40 years. The main focus of our full service offering is business and skills, information technology, and SAP trends and processes. We offer around 1.100 seminars and project-specific customized training solutions to meet all the qualification needs of our customers in these fields. Our training solutions business encompasses topic-oriented offerings, numerous project-related services as well as the option of integrating our training competence in the sourcing strategy of our customers.

More information at: [www.unilog-integrata.de](http://www.unilog-integrata.de) und [www.seminarplaner.de](http://www.seminarplaner.de)



**Setting a good example ourselves.** The training, qualification consulting and learning media business of Unilog Integrata Training AG and all its branch offices have been certified to DIN EN SO 9001:2000 since 1994. Our management system was confirmed as exceeding the requirements of the standard in 2000 following the introduction of our trust improvement program (TIP).



## The figures 2007



# Financial highlights

2001-2007

2007 <sup>1</sup>

Total sales in million EUR	28.5
No. of employees	139
Expenditure for research and development in million EUR	1.8
Profit or loss on ordinary activities in million EUR	-0.01
Net income in million EUR	-0.01
Cash-Flow in million EUR	0.8
Capital in million EUR	3.5
Capital as a percentage of total assets	42.8%
Total assets in million EUR	8.1
Percentage return on sales before tax	-0.04%
Income-to-equity ratio (before corporation tax) <sup>2</sup>	-0.33%
Result according to DFVA/SG in million EUR	0.1
No. of shares in thousands	600
Result according to DFVA/SG per share in EUR	0.14
Result according to DFVA/SG per share in EUR (excluding own shares)	0.14
Dividend per share in EUR	
Bonus per share in EUR	

<sup>1</sup> there was no group of companies in these business years: figures are from the individual financial statement of Unilog Integrata Training AG, Germany

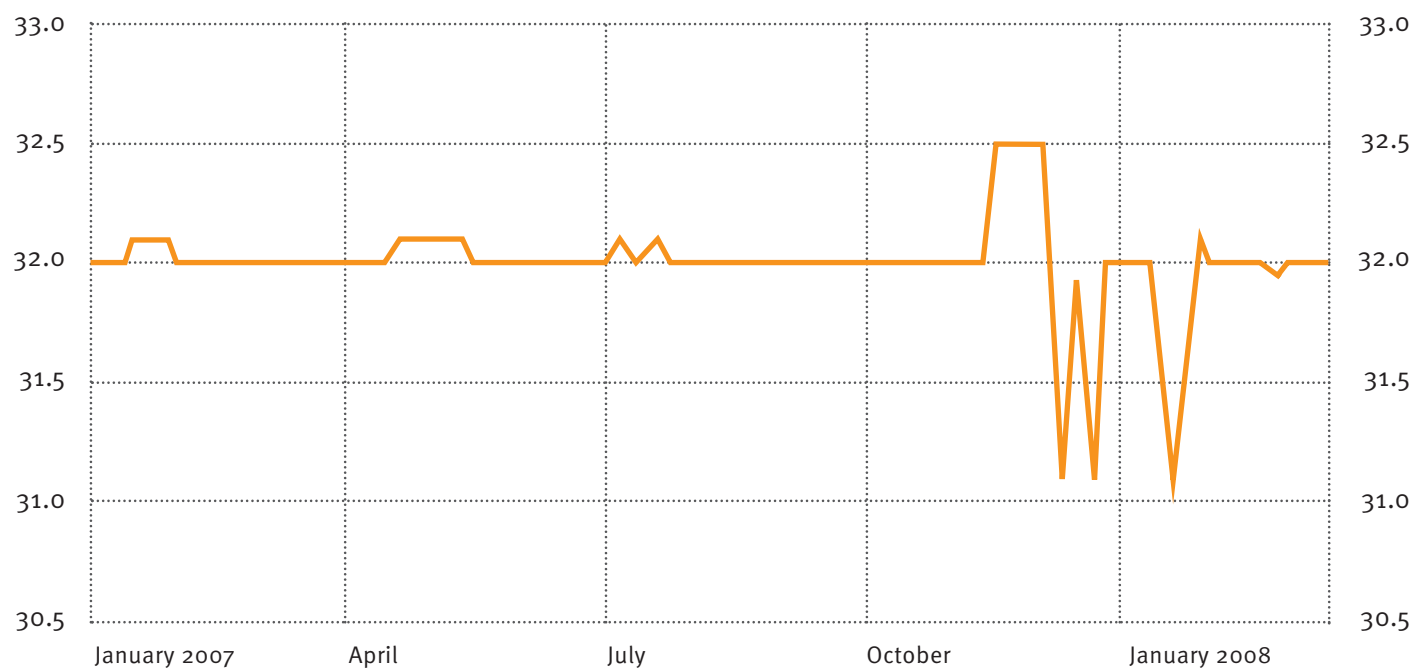
<sup>2</sup> calculated on the basis of the shareholders' equity disclosed last year minus dividends

	2006 <sup>1</sup>	2005 <sup>1</sup>	2004 <sup>1</sup>	2003 <sup>1</sup>	2002	2001
	25.6	26.5	26.3	31.2	51.4	55.6
	137	142	161	189	222	265
	1.8	1.7	1.9	2.3	2.7	2.5
	-1.0	-0.3	-3.2	-1.9	1.5	6.0
	-0.5	-0.3	-3.2	-1.7	0.8	3.9
	0.2	0.4	-1.9	0.4	5.3	6.8
	3.5	4.0	4.3	7.5	9.6	9.5
	42.2 %	41.9 %	42.1 %	55.3 %	53.3 %	43.9 %
	8.3	9.5	10.2	13.6	18.1	21.6
	-3.8 %	-1.1 %	-12.1 %	-6.0 %	2.9 %	10.8 %
	-24.1 %	-6.8 %	-42.1 %	-20.1 %	16.9 %	103.1 %
	-0.2	-0.2	-2.0	-1.2	0.7	3.8
	600	600	600	600	600	600
	-0.26	-0.27	-3.38	-1.97	1.12	6.40
	-0.27	-0.28	-3.46	-2.02	1.14	6.56
					0.15	1.00

# Key company performance figures

Funds and cash flow Statement 2007:	2007 KEUR	2006 KEUR
<b>I. Operative activities</b>		
1. Net loss	-12.1	-499.1
2. Depreciation on fixed and financial assets	765.6	681.7
3. Reductions to long-term reserves	1.0	10.6
<b>4. cash flow</b>	<b>754.5</b>	<b>193.2</b>
5. Losses on disposal of fixed assets	0.9	4.6
6. Payments received from the sale of fixed assets	1.2	0.9
7. Stocks	-29.2	104.3
8. Accounts receivable trade	-511.7	-828.9
9. Accounts due from affiliated companies	134.9	-441.6
10. Other assets and prepaid expenses	-79.0	-204.5
11. Reserves	72.0	-561.7
12. Accounts due to associated companies	-82.4	-9.2
13. Advance payments	16.9	31.8
14. Accounts payable trade	-116.4	339.0
15. Other liabilities	-32.4	-410.8
<b>16. Outflow (pr.y. inflow) of funds from current business activities</b>	<b>129.3</b>	<b>-1,782.9</b>
<b>II. Investment activities</b>		
17. Investments in intangible and fixed assets	-541.6	-813.7
<b>18. Outflow of funds as a result of investment activities</b>	<b>-541.6</b>	<b>-813.7</b>
<b>III. Financial activities</b>		
19. Investments in own shares	0.0	0.0
20. Dividends	0.0	0.0
<b>21. Outflow of funds as a result of financial activities (dividends)</b>	<b>0.0</b>	<b>0.0</b>
<b>IV. Changes in financial resources affecting payments</b>		
22. Financial resources at the beginning of the period	2,513.4	5,110.0
<b>23. Financial resources at the end of the period</b>	<b>2,101.1</b>	<b>2,513.4</b>

Unilog Integrata Training Stock– Development since 01/2007 in Euros)



DVFA/SG-Results	2007 KEUR	2006 KEUR
<b>Net result, according to P/L statement</b>	<b>-12.1</b>	<b>-499.1</b>
Change in deferred taxes (tax rate 39.1%)		
accumulated deficit brought forward	120.8	375.8
reserves for part-time employment of pensioners	3.9	0.0
for anticipated losses	-1.6	-10.3
for provision for deferred repairs and maintenance	-17.6	0.0
for reorganization	-15.6	1.5
other changes	3.9	-28.0
<b>DVFA/SG results in KEUR</b>	<b>81.7</b>	<b>-160.3</b>
DVFA/SG results per share in EUR (excluding own shares/ number of shares = 585,260)	0.14	-0.27
DVFA/SG results per share in EUR (including own shares/ number of shares = 600,000)	0.14	-0.26

Earning Ratios	2007 %	2006 %
Profit sales ratio	-0.04	-2.0
DVFA/SG profit sales ratio	0.29	-0.6
Return on equity*	-0.35	-12.5
DVFA/SG return on equity*	2.33	-4.0

All statements after taxes

\* Based of the shareholders' equity disclosed last year minus dividends

# Balance sheet at 31 December 2007

Unilog Integrata Training Aktiengesellschaft, Stuttgart

Assets	2007 KEUR	2007 KEUR	2006 KEUR
<b>A. Fixed Assets</b>			
<b>I. Intangible assets</b>			
1. Licences and similar rights	504.6		463.8
2. Goodwill	279.5		378.4
		784.1	842.2
<b>II. Tangible fixed assets</b>			
1. Land and leasehold rights and buildings including buildings on third-party land	35.9		16.9
2. Other fixtures and fittings, tools and equipment	554.6		741.6
		590.5	758.5
<b>B. Current Assets</b>			
<b>I. Stocks</b>			
Work in progress		44.7	15.5
<b>II. Accounts receivable and other assets</b>			
1. Accounts receivable trade	2,891.1		2,379.4
2. Accounts due from affiliated companies	593.3		728.2
3. Other assets	611.8		519.5
		4,096.2	3,627.1
<b>III. Securities</b>			
Own shares		445.1	445.1
<b>IV. cash on hand     and banks</b>		2,101.1	2,513.4
<b>C. Prepaid Expenses</b>		85.4	98.7
		<b>8,147.1</b>	<b>8,300.5</b>

Liabilities	2007 KEUR	2007 KEUR	2006 KEUR
<b>A. Capital</b>			
<b>I. Capital subscribed</b>	1,536.0		1,536.0
<b>II. Capital reserves</b>	1,020.5		1,020.5
<b>III. Earning reserves</b>			
1. Reserves for own shares	445.1		445.1
2. Other earnings reserves	6,185.0		6,185.0
<b>IV. Retained losses</b>	-5,696.7		-5,684.6
		3,489.9	3,502.0
<b>B. Accrued Liabilities</b>			
1. Pension reserves	324.6		323.6
2. Tax reserves	113.8		113.8
3. Other reserves	1,572.6		1,500.6
		2,011.0	1,938.0
<b>C. Liabilities</b>			
1. Advance payment received on seminars	1,180.7		1,163.8
2. Trade accounts payable	946.8		1,063.2
3. Accounts due to affiliated companies	12.3		94.7
4. Other liabilities	506.4		538.8
		2,646.2	2,860.5
		<b>8,147.1</b>	<b>8,300.5</b>

# Profit and loss account for the period

1 January - 31 December 2007

Unilog Integrata Training Aktiengesellschaft, Stuttgart

1. Sales
2. Change in work in progress
3. Other operating income
4. a) Cost of purchased material, supplies, services
b) External services
5. Personnel costs
a) Wages and salaries
b) Social insurance contributions and expenses for old age security
6. Depreciations on intangible and fixed assets
7. Other operating expenses
8. Other interest receivable and similar income
9. Interest and similar expenses
<b>10. Profit or loss on ordinary activities</b>
11. Income taxes
12. Other taxes
<b>13. Net loss</b>
14. Accumulated losses brought forward
<b>15. Retained losses</b>

	2007 KEUR	2007 KEUR	2006 KEUR
	28,490.5		25,562.8
	29.2		-104.3
	1,643.0		1,269.4
		30,162.7	26,727.9
	1,158.0		909.9
	12,802.9		10,950.7
		13,960.9	11,860.6
		<b>16,201.8</b>	14,867.3
	7,391.6		6,711.3
	1,294.4		1,266.4
		8,686.0	7,977.7
		765.6	681.7
		6,877.2	7,249.8
		116.0	79.8
		0.4	1.7
		-11.4	-963.8
		0.0	-467.3
		0.7	2.6
		<b>12.1</b>	499.1
		5,684.6	5,185.5
		<b>5,696.7</b>	<b>5,684.6</b>

# Notes to the financial statements for the 2007 business year

## Unilog Integrata Training Aktiengesellschaft, Stuttgart

### I. Preliminary remarks

The annual financial statements of Unilog Integrata Training Aktiengesellschaft for the financial year from 01.01.2007 to 31.12.2007 were prepared according to the rules of the German Commercial Code and of the German Stock Corporation Law. The cost summary method is used for the profit and loss statement.

Any differences in the figures presented in the annual financial statements and the management report are due to rounding to the nearest decimal place.

Unilog Holding GmbH, Stuttgart, was the majority shareholder of Unilog Integra Training Aktiengesellschaft at the end of 2007, holding 91.04% of the company's shares (93.33% if the shares owned by the company are deducted from the total number of shares).

In its letter dated 29 August 1996, Unilog Holding GmbH notified its majority shareholding to Unilog Integrata Training AG pursuant to Section 20 of the German Stock Corporation Law.

The ultimate parent company which presents exempting group financial statements for the largest group of consolidated companies is LogicaCMG plc, which has its registered office in London, England.

These group financial statements, including the auditor's opinion, are published in German in the company register and are available from the company's registered office in London and from Unilog Holding GmbH in Stuttgart.

### II. Accounting and valuation methods

**Intangible and tangible assets** are reported at acquisition or production cost, reduced by scheduled and non-scheduled depreciation. Scheduled depreciation of assets is charged partly according to the straight-line method and partly according to the reducing balance method at rates that are also allowed according to tax law. The main items relating to industrial trade rights and similar rights are amortised over a period of 2 to 6 years. Goodwill is amortised over a period of 15 years. Depreciation is charged to other fixed assets over a useful life of between 3 and 15 years. Low value items are written off in full in the year of acquisition. Depreciation is charged precisely every month on a pro rata temporis basis.

**Stocks** have been recorded in respect of work in progress which has not yet been billed to customers in the area of in-house seminars and qualification projects at production cost.

**Accounts receivable and other assets** are stated at nominal value, with the exception of corporation tax credits in accordance with section 37 KStG n.F. Appropriate value adjustments were made to accounts receivable to take account of specific risks as well as the general risk of non-payment.

The **provisions for pension and semi-retirement commitments** have been set up in accordance with actuarial principles using the widely accepted method in Germany under application of the 2005G reference tables of Dr Heubeck, based on a discount rate (section 6a EstG) of 6.0% for the pensions and 5.5% for the semi-retirement commitments.

**Other provisions at the amount of the anticipated claims** have been set up for recognisable risks and contingent liabilities.

**Liabilities** are stated at the amounts payable.

Insofar as the annual financial statements contain items denominated in **foreign currencies**, these are converted to euros at either the historical rates or, where applicable, for assets, at the lower rates or, for liabilities, at the higher rates effective at the balance sheet date.

### III. Notes on the balance sheet

#### Assets

The movement of items included under fixed assets can be seen in the appendix to the notes entitled "Fixed assets movement schedule" (cf. Appendix to notes).

Goodwill arose on the purchase of the ITZ training division in the business year 2001. The amortisation of this goodwill in the 2007 business year amounted to KEUR 17.0 and the net book value as at 31 December 2007 amounted to KEUR 136.4. Goodwill also arose from the hiving-off from Unilog Holding GmbH in 1994. The amortisation of this goodwill amounts to KEUR 81.8 annually and the net book value as at 31 December 2007 amounts to KEUR 143.2.

The writing-off of low value items amounts to KEUR 53.6.

#### Accounts receivable and other assets

Accounts receivable from other group companies in the amount of KEUR 239.8 relate to other receivables. The remaining accounts receivable from other group companies are attributable to ongoing trading transactions.

The corporation tax credit of KEUR 624.2 discounted in the prior year to KEUR 445.9 in accordance with section 37 KStG was compounded using an interest rate of 3.9% (prior year 5.5%), taking account of annual capital payments over a term of 10 years. The revalued receivable (KEUR 513.3) is reported under other assets. The proportion of the receivable with a maturity in excess of one year amounts to KEUR 450.9.

All other reported receivables and other assets have a maturity of under one year.

#### Own shares

A resolution adopted by the shareholders' meeting on 31 May 2007 authorised Unilog Integrata Training Aktiengesellschaft to acquire its own shares, in the period up to 28 November 2008, up to a value of ten percent of the company's share capital and to sell these shares, in specific circumstances, to the exclusion of the subscription rights of existing shareholders. The board of directors was also authorised, with the approval of the supervisory board, to withdraw own shares acquired without requiring a further resolution from the shareholders' meeting.

In 1999 Unilog Integrata Training Aktiengesellschaft acquired 14,350 own shares at a price ranging between EUR 31.50 and EUR 38.00, equating to 2.39 % of the company's share capital and having a nominal value of EUR 36,736.00 (EUR 2.56 per share). An additional 290 shares were acquired in June 2003 at a price ranging between EUR 24.87 and EUR 25.20. A further 100 shares were acquired in January 2004 at a price of EUR 30.35.

Own shares acquired in the period 1999 to 2004 are stated in the balance sheet at the same value as the prior year of KEUR 445.1.

# Notes to the financial statements for the 2007 business year

## Unilog Integrata Training Aktiengesellschaft, Stuttgart

### **Subscribed Capital**

Unilog Integrata Training Aktiengesellschaft's subscribed capital amounts to EUR 1,536,000.00 at the balance sheet date. The majority (91.04 %) is held by Unilog Holding GmbH, Stuttgart.

The share capital is divided into 600,000 no-par bearer shares.

Pursuant to the memorandum and articles of association, the board of directors is authorised, with the approval of the supervisory board, to increase the company's share capital, on one or more occasions, by a total of EUR 614,400 by issuing new bearer shares against cash or non-cash contributions up until 25 May 2012 (authorised capital I) and in doing so, in accordance with Section 5 (4) of the memorandum, to determine the time from which such shares participate in profits on a date which deviates from that stipulated by law. The board of directors is authorised, with the approval of the supervisory board, to exclude shareholders' statutory subscription rights in the event of capital increases for non-cash contributions in the context of company mergers or in the event of the acquisition of participating interests or companies. The board of directors is authorised, with the approval of the supervisory board, to stipulate the further conditions under which shares are issued in relation to each capital increase.

The board of directors is also authorised, with the approval of the supervisory board, to increase the company's share capital, on one or more occasions, by a total of up to EUR 153,600.00 by issuing new bearer shares against cash contributions up until 25 May 2012 (authorised capital II) and in doing so, in accordance with Section 5 (4) of the memorandum to determine the time from which such shares participate in profits on a date which deviates from that stipulated by law. The board of directors is authorised, with the approval of the supervisory board, to exclude shareholders' subscription rights provided that the newly issued shares account for 10% or less of the company's share capital at the time a resolution is taken by the board of directors to exercise this authority and provided that the issue price is not significantly lower than the stock market trading price of other shares in the company of the same class at the time such issue amount is decided by the board of directors. The reference value for the stock market trading price as referred to in the above provisions is the average value of the volume-weighted prices of the company's shares trading on the unofficial market on the FWB Frankfurt Stock Market during the last five days of trading prior to stipulation of the issue amount by the board of directors.

### **Capital reserves**

The capital reserves result from the issue of the capital stock for a contribution in kind within the framework of the transformation of the company from the legal form of a limited partnership to a public company in 1994.

No additions or withdrawals were made to or from the capital reserves in the business year 2007.



#### Earnings reserve

No changes in the earnings reserve arose in the business year.

#### Retained losses

The retained losses disclosed in the annual financial statements of the company developed as follows:

	<b>KEUR</b>
Losses brought forward Jan. 1, 2007	-5,684.6
Loss for the financial year 2007	-12.1
<b>Losses carried forward Dec. 31, 2007</b>	<b>-5,696.7</b>

# Notes to the financial statements for the 2007 business year

Unilog Integrata Training Aktiengesellschaft, Stuttgart

## Other provisions

The composition of other provisions is as follows:

Detail	Jan. 1, 2007 KEUR	Consumption Reversal KEUR	C R	Increase KEUR	Dec. 31, 2007 KEUR
Unused vacation entitlement	70.2	70.2	C	19.8	19.8
Overtime	85.8	85.8	C	100.9	100.9
Workers' compensation	80.7	80.7	C	80.7	80.7
Other staff costs	160.7	138.2	C	98.2	98.2
		22.5	R		
Semi-retirement provisions	0.0	0.0		26.2	26.2
Legal, consulting and audit fees	82.3	42.0	C	42.0	42.0
		40.3	R		
Deferred repairs and maintenance	50.0	50.0	C	0.0	0.0
Outstanding invoices	690.9	506.8	C	869.8	1.002.2
		51.6	R		
Other	280.0	103.3	C	160.8	202.6
		134.9	R		
		<b>1,077.3</b>	C		
	<b>1,500.6</b>	<b>249.3</b>	R	<b>1,398.5</b>	<b>1,572.6</b>

### Liabilities

Liabilities amount to KEUR 2,646.2 at 31 December 2007 and, as in the previous year, are all due within one year. Other liabilities include liabilities from taxes of KEUR 141.7 (KEUR 225.1 in the prior year).

### IV. Notes on the profit and loss account

#### Sales

Sales are realised almost exclusively in Germany. Total sales reported by Unilog Integrata Training Aktiengesellschaft in 2007 amount to KEUR 28,490.5. Total sales are distributed between public seminars, in-house seminars and qualification projects.

The percentage breakdown is as follows:

	in %
Public seminars	44
In-house seminars	30
Qualification projects	25
Other	1
	<b>100</b>

# Notes to the financial statements for the 2007 business year

Unilog Integrata Training Aktiengesellschaft, Stuttgart

## **Other operating income**

Other operating income includes income relating to other accounting periods arising from the release of accruals amounting to KEUR 249.3, as well as a redevelopment subsidy of KEUR 278 from Unilog Holding GmbH. Other significant items included under other operating income are rental income from the subletting of seminar rooms and the invoicing of expense allowances.

## **Cost of purchased materials, supplies, services**

These costs mainly include hospitality costs for seminar participants incurred during customer seminars as well as costs for procured training material.

## **Personnel costs**

The personnel expenses include pension costs in the amount of KEUR 3.1 (prior year KEUR 10.6).

The average number of staff employed in 2007 was 139 (137 in the previous year). The number of employees at 31 December 2007 was 142.

UNILOG SA, Paris has awarded stock options to the employees of Unilog Integrata Training Aktiengesellschaft. The stock options will be issued in several phases and issue is contingent on the fulfilment of conditions (e.g., membership of the corporate group). The stock options will be issued during a specific time period. The expenditure for this program will be borne by UNILOG SA, Paris.

## **Other operating expenses**

This item includes expenses from the areas of IT, buildings, advertising, office materials and communications, hospitality, supplementary personnel costs and expenses relating to benefits received from Unilog Holding GmbH.

## **Interest income**

Included under other interest and similar income are KEUR 48.2 in interest income from monies invested in fixed-term deposits as well as interest income of KEUR 67.4 from the compounding of the corporation tax credits in accordance with section 37 KStG.

## V. The company's executive bodies

### Members of the board of directors:

Members of the board of directors serving in the business year:

- Martin Löchner, Munich (Chairman until 16.11.2007); retired 31.12.2007  
Businessman
- Bernd Bönte, Düsseldorf (Chairman); Appointed 16.11.2007  
Engineer (BA)

### Members of the supervisory board:

Members of the supervisory board serving in the business year:

- Gérard Philippot, Le Raincy (Chairman)  
Non Executive Director of LogicaCMG plc, London
- Dr. Christoph Binge, Berlin (Vice-Chairman)  
Lawyer and notary, Berlin
- Martin Hornbach, Neustadt, Weinstraße; retired 31.12.2007  
Director of CORIVUS Management Consulting GmbH, Neustadt, Weinstraße
- Didier Herrmann, Courbevoie; retired with effect 03.01.2008 (Executive Director of LogicaCMG plc, London, until 24.07.2007)
- Sonja Fell, Paris  
Director of Corporate Development of LogicaCMG plc, London
- Peter Kirn, Böblingen  
Graduate Engineer  
Executive Consultant

### Total earnings of the board of directors and of the supervisory board

The earnings of the supervisory board amount to KEUR 80.0. Regarding the disclosure of the earnings of the board of directors, the company has invoked the exemption clause in Section 286 (4) HGB.

Pension accruals amounting to KEUR 172.3 were made for former members of the company's executive bodies. Relating to the disclosure of the earnings of one former member of the company's executive bodies the company has invoked the exemption clause of Section 286 (4) HGB.

## VI. Contingencies and other financial obligations

Other financial obligations essentially concern obligations from leasing and tenancy agreements. They are expected to amount to KEUR 2,694.0 in 2008. The proportion of the obligations due to other group companies amounts to KEUR 2,251.1. Similar obligations will arise in subsequent years.

## VII. Carrying forward of retained losses

The losses of KEUR 5,696.7 reported in the annual financial statements of Unilog Integrata Training Aktiengesellschaft as at 31 December 2007 will be carried forward.

Stuttgart, 8 February 2008

Unilog Integrata Training  
Aktiengesellschaft

Board of directors

Bernd Bönte

# Fixed Assets movement schedule

of Unilog Integrata Training Aktiengesellschaft, Stuttgart  
for the period 1 January - 31 Dezember 2007

Fixed Assets	Purchase cost KEUR			
	Jan. 1, 2007	Additions	Disposals	Dec. 31, 2007
<b>I. Intangible assets</b>				
1. Licences and similar rights	6,457.3	319.0	216.6	6,559.7
2. Goodwill	1,482.7	0.0	0.0	1,482.7
	<b>7,940.0</b>	<b>319.0</b>	<b>216.6</b>	<b>8,042.4</b>
<b>II. Tangible fixed assets</b>				
1. Land and leasehold rights and buildings including buildings on third-party land	188.7	27.6	0.0	216.3
2. Other fixtures and fittings, tools and equipment	4,714.1	195.0	229.7	4,679.4
	<b>4,902.8</b>	<b>222.6</b>	<b>229.7</b>	<b>4,895.7</b>
	<b>12,842.8</b>	<b>541.6</b>	<b>446.3</b>	<b>12,938.1</b>

Accumulated depreciation KEUR				Net book values KEUR	
Jan. 1, 2007	Annual depreciation	Disposals	Dec. 31, 2007	Dec. 31, 2007	Dec. 31, 2006
5,993.5	278.1	216.5	6,055.1	504.6	463.8
1,104.3	98.9	0.0	1,203.2	279.5	378.4
<b>7,097.8</b>	<b>377.0</b>	<b>216.5</b>	<b>7,258.3</b>	<b>784.1</b>	<b>842.2</b>
171.8	8.6	0.0	180.4	35.9	16.9
3,972.5	380.0	227.7	4,124.8	554.6	741.6
<b>4,144.3</b>	<b>388.6</b>	<b>227.7</b>	<b>4,305.2</b>	<b>590.5</b>	<b>758.5</b>
<b>11,242.1</b>	<b>765.6</b>	<b>444.2</b>	<b>11,563.5</b>	<b>1,374.6</b>	<b>1,600.7</b>

# Management report for the business year 2007

## Unilog Integrata Training Aktiengesellschaft, Stuttgart

### 1. General market conditions, business trends

In spite of the notable external influences via the heavily increased price of oil, the weakness of the dollar against the euro, a restrictive finance policy and the real estate crisis in the USA with their worldwide effects, the economy in Germany proved to be stable during the period of this report. Certainly, the growth has lost its early dynamic, as the ifo-Institut reported in a press release on 19.12.2007. The outlook for the first half of 2008 is therefore assessed with restraint. At the beginning of 2008, the Berlin research institute, DIW, is only expecting a growth in the gross domestic product of 2.1 percent, following 2.5 percent in 2007. The government is even expecting a value of just under 2 percent.

The positive basic trend was reflected for the whole year in the employment market. According to information provided by the Federal Office of Statistics, employment increased by 1.7 percent and, with a labour force of 39.7 million, reached the highest annual average since the reunification. However, at the same time, there were complaints about a shortage of qualified employees across the sector which, in combination with demographic development, is still becoming appreciably worse and could endanger the ability of German businesses to compete. According to a study by the sector association Bitkom, 43,000 vacant positions for IT experts cannot currently be filled by adequately qualified applicants, which is proof of the need to appreciably intensify training and advanced training in Germany as quickly as possible.

From this angle, the trend for developing and facilitating the necessary know-how via individual business in-house advanced training schemes has strengthened. The increased

readiness for investment in focussed advanced training of employees will have led to a growth in revenue for the majority of providers in the reporting period. In the Lünendonk study, – “Status quo und Perspektiven beruflicher Weiterbildung in Deutschland 2007” a growth in the advanced training market of 6.5 percent was predicted by survey participants. At the time of preparing this report, no certain knowledge existed as to whether this level could be reached.

The issue of advanced training has moved clearly back into the focus of the public. The general conditions for the sector are therefore more favourable than they have been for a long time. However, due to the uncertainty regarding the effect of the influencing factors mentioned above on the economy, longer-term predictions are only conditionally possible, as based on experience, during times of a weaker economy, investment in advanced training is viewed primarily as a cost factor for reduction at short notice.

### 2. Business Situation

In the 2007 business year, the measures for improving the business situation, also taking account of the more favourable general conditions, have taken full effect. Consequently, the planned aim for 2006 of significant growth in total output could be achieved. The rate of increase is almost twice the value of the market growth predicted in the Lünendonk study of 6.5 percent. In addition, the order book at the beginning of the new business year is significantly higher than in prior years.

In particular, the achievements in the fast-growing customer-specific business area, above all in the Training Solutions area, made a decisive contribution. The decided Named Accounting strategy proved successful here. Thanks to huge marketing efforts and the close co-operation of various parts of the business, several long-term contracts with multi-corporate enterprises were able to be entered into. The positioning as a full service provider all around qualification was very helpful in this respect and confirms to us that we should continue to pursue this route in the future.

The trend towards customer-individual qualification solutions will continue to lead to the total output in the public seminars area, according to our market assessment, no longer reaching the level of the record years up to 2001. However, with the new composition and execution organisation for our public seminar business, with the exception of 2005, we have succeeded in stopping the decline in revenue to be reported in this service line. The average number of participants was able to be slightly increased. We now operate significantly closer to customers and more flexibly, in that, for example, we guarantee the carrying out of certain seminar events or, in the case of insufficiently filled seminars, offer special early seminar alternatives, in order to provide our customers with planning certainty.

The existing fixed cost structure was further optimised. This had a directly positive effect on the result, such that in 2007, for the first time in several years, a break-even result could once again be achieved and the best conditions for the 2008 business year are now in existence.

## 2.1 Total output

The total output of the business has developed pleasingly in 2007 and increased in the reporting period in the core business by 12.0% to KEUR 28,519.7. The following picture arises by service line:

Total output in KEUR	2007** KEUR	2006* KEUR	Movement in %
Public seminars	12,401.3	11,817.0	4.9
Company-specific services	15,754.6	13,478.8	16.9
In-house Seminars	8,508.6	8,350.4	1.9
Qualification projects	7,246.0	5,128.3	41.3
Other services	363.8	162.7	123.6
<b>Total output</b>	<b>28,519.7</b>	<b>25,458.5</b>	<b>12.0</b>

\* Total output 2006 incl. KEUR 104.3 reduction in work in progress

\*\* Total output 2007 incl. increase in work in progress KEUR 29.2

In the area of public seminars, following a decline in the prior year, modest growth of 4.9% was observed in 2007, whereby, a particularly strong increase in the second half of 2007, compared to the prior year, was reported. Looking at the year as a whole, the average number of participants per seminar increased by approximately 6% in 2007, compared to the prior year.

In the area of in-house business, a slight increase was achieved (+1.9%). It is to be emphasised here that the average volume per engagement was able to be increased.

Especially pleasing and alongside the specified strategy, the Training Solutions area has developed for the second consecutive year (+41.3%). Larger contracts were again able to be won, which run for in excess of one year and provide an appropriate basic attendance level. Some of these longer-term projects were successfully started in 2007.

# Management report for the business year 2007

Unilog Integrata Training Aktiengesellschaft, Stuttgart



## 2.2 Investments

The investment volume in fixed assets decreased by 33% in comparison to the prior year to KEUR 541.6. As is previously the case, the largest investment item is the new development of seminar papers. The decline in the investment volume is mainly attributed to the area of investments in hardware and software. In prior years, heavy investments were made in the renewal

of PC equipment in the seminar rooms, which resulted in a lower investment requirement in 2007.

The investments in other operating and business equipment (e.g. office furniture) moved to a similar level to that of 2006.

### 2.3 Research and development

Investments in advanced vocational training are more and more frequently linked with projects and operational change processes. Here, the need for tailored qualification schemes exists, in which the training content can be specifically and efficiently communicated. Corresponding with these requirements, the further development of Training Solutions was pursued in the following lines of offering

- Business & Skills
- Information Technology
- SAP Trends & Technology
- Sourcing Training and Services.

With Training Solutions, Unilog Integrata Training Aktiengesellschaft has an approach of practical relevance to a solution for the editing of practical knowledge and materials from existing projects. Large-scale Training Solutions projects have shown that via qualification in the project, significant added value can be achieved for our customers and us as Full Service Qualification Providers.

In the area Business & Skills, new management issue fields were opened up with recognised university professors: For the job descriptions “Business Process Manager” and “Product Manager”, demanding certification processes were developed that offer the participants the possibility of documenting their knowledge. The certification is configured so that a highly sustainable build up of knowledge with direct practical relevance and customer benefit can be guaranteed. The first certificates have already been issued,

the feedback is exceptionally positive. With this, Unilog Integrata Training Aktiengesellschaft closes a gap – high value certification for these job descriptions were not offered on the German advanced training market until now. Certification processes for further job descriptions are planned.

For seminars on personnel development, an innovative media concept was constructed and piloted in selected topics. Based on the good experiences and from positive market feedback, it is planned to introduce this concept into further seminar subjects.

The market relevant subjects of information technology are already represented in our product offering with a high level of coverage. At the same time, constant technical innovation requires the ongoing continued development of the IT offering. Therefore, in 2007, well over 100 IT seminars were updated and developed further. New developments were realised specifically in the topics ITIL, SOA, Oracle, DB2, J2EE – Java and Microsoft. Also, a certification programme on the ISTQB Certified Tester was also added to the portfolio.

With the series of topics Trendscout Days an event format (1 day – 2 speakers – 4 topics) was developed on technical innovations and current trends in information technology. Trendscout Days are specially orientated towards IT managers and experts. They convey important facts and rudiments for innovation decisions and the planning of introduction projects.

The feedback from the customers shows that with this, a valuable addition to the traditional seminar offering was created.

The market requires strengthened qualification offerings with which knowledge transfer can be organised in a very short time. With Powertraining, Unilog Integrata Training Aktiengesellschaft has developed a solution to this challenge. In so doing, the central aim is to purposefully equip participants with expert knowledge, so that new tasks can be brought into operation and projects can be managed autonomously, as quickly as possible. Powertraining is available for many IT topics.

Alongside the introduction of SAP systems, CRM solutions and other business software, an ever growing demand for professionally qualified services is coming about. In addition to the pure team and user training, there is more frequently the request that the organisation and logistics relating to the need for qualification is supplied as a ready-for-use service. As a result of successfully carried out projects, we have created a training solution as an accompaniment to SAP rollouts and the introduction of business software.

Numerous requests for new qualification topics have arisen from the current SAP product innovations. A key development area was the offering of qualification for key users, project teams and technical personnel for the removal of R/3 to the Netweaver based platform SAP ERP 2005.

# Management report for the business year 2007

## Unilog Integrata Training Aktiengesellschaft, Stuttgart

In numerous companies, ever increasing performance demands are being placed on internal advanced training. Many decision makers are seeking a partner with whom the proficiency in respect of employee qualification can be improved. With Training Sourcing, a service offering for the co-operative optimisation of the business processes in the internal advanced training was developed. Training Sourcing is based on many years of experience on the qualification market and is already being used constantly by numerous customers.

### 2.4 Marketing

For a number of years, the seminar offering of Unilog Integrata Training Aktiengesellschaft has encompassed both topic areas of Information Technology and Business & Skills in equal measure. In 2007, we took this wide spectrum into account – safeguarded by customer consultation – for the first time with two separate seminar catalogues. In this way, we were able to orientate the presentation more specifically to target groups and, in addition, bring about a stronger perception with one comprehensive catalogue, twice a year.

The marketing strategy in 2007 was also predominantly based on the close interaction of the catalogue and direct marketing with the presence on the internet. Firstly, we have pushed the publishing of our seminar offering in additional web portals and secondly, we have drawn up a comprehensive web project relating to search engine optimisation. It has already led to an improved findability of the seminars on Google – and will therefore also be consistently continued in 2008. Furthermore, our websites were supplemented by additional features such as qualification planners and certifications.

In the environment of the campaigns for the public seminar offering, a marked intensification took place in 2007, particularly through the heavily expanded possibilities of email marketing. It was predominantly entrenched in the IT environment in the event format for the IT Trendscout Days.

Whilst the Trendscout Days underline the positioning of Unilog Integrata Training Aktiengesellschaft in the IT environment, for the area Business & Skills, we are placing more reliance than previously on presence at trade fairs, also with the desired marketing success, so that this expansion will be further advanced in 2008.

Finally, the marketing function of Unilog Integrata Training Aktiengesellschaft participated systematically in the upgrading of Training Solutions, in particular through the offering of project marketing and event marketing in the context of larger customer projects and in the setup of HR shared service centres.



### **2.5 Organisation/Data processing**

The virtualisation of the server started in previous years was also further extended in 2007. Consequently, at the beginning of the year, a migration project to the newest version of VMware was carried out.

The internal application for training administration was expanded by new functionality in order to support existing processes better. Also, additional functionality was reproduced for the area Named-Account-Management in the CRM system and other internal systems. Additionally, in 2007, an area of focus was support for the relocation of the business sites in Hamburg and Frankfurt.

Through the connection of the external systems of the co-operation partner to the training systems of Unilog Integrata Training Aktiengesellschaft, the IT department supported co-operations with two large customers.

# Management report for the business year 2007

## Unilog Integrata Training Aktiengesellschaft, Stuttgart

### 2.6 Personnel

The number of full-time employees increased slightly from 139 (as at 01.01.2007) to 142 (as at 31.12.2007). 18 new employees were recruited. The fluctuation in staff numbers amounted to 14.4%, taking account of operational terminations and transfers.

In 2007, the incentive rule introduced in previous years for the area sales and portfolio management was set out in an operational agreement for the sales area, whilst for the portfolio management area, a corresponding agreement should be completed early in 2008.

For the trainers and lecturers employee group, the “performance related pay” operational agreement was newly set up, in connection with this, the “seminars and project bonuses” operational agreement was also modified and adjusted.

A restructuring in the area of public seminars was implemented in 2007 and a co-ordination of interests for the area guide book was completed.

In the area of personnel development, internal training took place, predominantly on the topic of sales and key account management. “Welcome days” were carried out intermittently for the newly recruited employees.

### 2.7 Costs

In comparison to the prior year, personnel expenses increased by 8.6%. The justification for this, specifically, is the slight increase in the average number of employees of 139 employees in 2007 (prior year: 137 employees) and, as a result of the improved revenue situation, increased demands on the variable component of salaries.

The costs for the self-employed trainers (fees, travel expenses) increased significantly by 19.3%, compared to 2006. The reason for this lies in the changing of the business model (more customer-specific solutions, less public seminar business).

In comparison to the prior year, materials costs were able to be reduced again by 2.7%. In relation to this, the largest cost component is the premises costs and should be specifically mentioned, as a decrease of 13.8% was reported in 2007, in comparison to 2006.

With a simultaneous increase of 12.9% in the total income of the business, total costs increased by 9.1%, which has led to a significant improvement in the result in 2007.

## 2.8 Financing

At the balance sheet date, the company had liquid resources of KEUR 2,101.1 and had no bank liabilities.

Taking account of the movement in the pension provision, cash flow developed as follows:

	2007 KEUR	2006 KEUR	Movement %
cash flow	754.5	193.2	390.5

## 2.9 Result

The following picture arises:

	2007 KEUR	2006 KEUR	Movement %
Result for the year	-12.1	-499.1	97.6
DVFA/SG Result	81.7	-160.3	151
DVFA/SG-Result in EUR per share*	0.14	-0.26	151
DVFA/SG-Result in EUR per share **	0.14	-0.27	151

\* On the basis of total number of shares (600,000 shares)

\*\* On the basis of exclusion of own shares (585,260 shares)

## 2.10 Share price development

The shares of Unilog Integrata Training Aktiengesellschaft have been traded freely since 22 April 1997. The issue price amounted to EUR 17.90. Over the course of the year 2007, the share price has remained stable: EUR 32.00 (Stuttgart 2.1.2007) at the beginning of the year and EUR 32.00 at the end of the year

(Stuttgart 28.12.2007). The highest point during the year was EUR 34.05 (Munich 15.01.2007), and the lowest point EUR 30.97 (Berlin 13.06.2007).

During the period of this report, Unilog Integrata Training Aktiengesellschaft purchased no further own shares.

# Management report for the business year 2007

Unilog Integrata Training Aktiengesellschaft, Stuttgart

## 3. Risk report

Quality management accompanied the building up of the PS management department which was newly set up in 2007, by the carrying out of an internal audit in the department and the business locations. The new process was recorded in the training handbook. In 2007, a re-enactment appraisal took place, at the end of which came the successful renewal of the ISO 9001 certificate and the TIP charter.

As in previous years, the high quality level from process orientation was also confirmed in 2007 by the seminar appraisals raised.

Financial risks are examined and monitored in the framework of ongoing reporting and controlling by those with divisional and overall responsibility. The detailed reporting and forecast system, updated every month or occasionally as required, enables relevant risks to be detected at an early stage.

There are no discernible financial risks at the present time: Unilog Integrata Training Aktiengesellschaft continues to have extremely low bad debts and short accounts receivable periods; the company's liquid funds have been safely invested.

Hedging transactions and derivative financial instruments were not used.

The business cycle risks, which impact the company, have been hedged against by ensuring that the majority of seminars are taught by freelance personnel. This enables the company to respond flexibly to a changing business climate.

#### 4. Outlook

As a result of the uncertainties regarding the future development of the economy (see text reference 1) Unilog Integrata Training Aktiengesellschaft is anxious to consistently pursue its strategy further, in order to make itself more independent of volatile general conditions. Therefore, the aim is to generate revenue potential not only from possible growth in the market, but to continue the conversion of the business to the benchmark setting Full Service Qualification Service Provider in Germany. In this way, during phases of decreasing readiness to invest in schemes for advanced training, we want to be our customers' preferred supplier and optimally exploit the market opportunities in existence.

We will firstly place even more focus than before on the area of marketing and secondly work consistently on the optimisation of the internal processing and organisational procedures, in order to exploit the efficiency potential held therein.

The pleasing success of the 2007 project business is already presenting special challenges for our business organisation. The more successfully we perform in this segment, the greater the demands on our abilities in project management. We will continue to work on this in 2008 and, where appropriate, make the necessary investments in a targeted manner.

In the "Public Seminars" service line, the reorganisation has now been completed. On this basis, a further increase in total output should be possible, in spite of the stagnating or only moderately growing market here.

After being able to almost achieve a break-even result in 2007, all efforts are now to be made for a return to profitability. This goal must finally be realised in 2008 and continued in 2009.

# Management report for the business year 2007

## Unilog Integrata Training Aktiengesellschaft, Stuttgart

### 5. Report on relations with other group companies

The majority shareholder of Unilog Integrata Training Aktiengesellschaft is Unilog Holding GmbH Stuttgart, which holds 91.04% of the shares (after taking into account the own shares held by Unilog Integrata Training Aktiengesellschaft 93.33%).

On the basis of this shareholding Unilog Integrata Training Aktiengesellschaft is a dependent company within the meaning of German Stock Corporation Law (AktG). In accordance with Section 312 AktG, the board of directors has drawn up a report on the company's relations with other group companies. At the end of this report the board of directors declares that, to the best of its knowledge, the company has received appropriate consideration in all legal transactions with other group companies, and that no measures were taken or omitted that would place Unilog Integrata Training Aktiengesellschaft at a disadvantage.

### 6. Events after the balance sheet date

There were no significant events after the end of the financial year.

Stuttgart, 8 February 2008

Unilog Integrata Training  
Aktiengesellschaft

The Board of Directors

Bernd Bönke

# Audit opinion

In relation to the financial statements for the year ended 31 December 2007 and management report of Unilog Integrata Training Aktiengesellschaft, Stuttgart, based on the results of our audit, we provide the following **“Auditor’s Report”**:

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Unilog Integrata Training Aktiengesellschaft, Stuttgart, for the business year from 1 January to 31 December 2007.

The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary provisions of the shareholder agreement are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § [Article] 317 HGB [“Handelsgesetzbuch”: “German Commercial Code”] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). 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 annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company 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 books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and 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 annual financial statements comply with the legal requirements and supplementary provisions of the shareholder agreement and give a true and fair view of the net assets, financial position and

results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks of future development.

Hamburg, 4 March 2007

Susat & Partner oHG  
Wirtschaftsprüfungsgesellschaft

Dr. Schlüter, Wirtschaftsprüfer  
(German certified auditor)

Graf v. Kanitz, Wirtschaftsprüfer  
(German certified auditor)

# Report by the Supervisory Board

of Unilog Integrata Training Aktiengesellschaft, Stuttgart,  
on the business year 2007  
to the shareholders' meeting on 30 May, 2008

The Supervisory Board of Unilog Integrata Training AG observed in the business year 2007 the advisory and monitoring obligations which are required under applicable law and the articles of association. In the past year, the Board in its meetings discussed the business and strategic development of the company as well as current incidents and fundamental questions.

In the business year 2007, four Supervisory Board meetings took place. The Supervisory Board did not form any committees. Mr. Martin Hornbach resigned with effect from 31 December 2007 and Mr. Didier Herrmann resigned with effect from 03 January 2008. The Supervisory Board thanks Mr. Martin Hornbach, who was a member of the Supervisory Board since 1999 and thus the senior of the board and Mr. Didier Herrmann for their commitment and their valuable and constructive co-operation. Apart from this, no further changes are to be reported within the business year 2007.

The Managing Board presented the Supervisory Board at the beginning of each Supervisory Board meeting with a comprehensive report on the course of business including the turnover trend and on the condition of the company. Furthermore, the Managing Board reported to the Supervisory Board on the intended business policy, fundamental questions of company strategy and the profitability of the company. All reports and drafts for the preparation of the Supervisory Board meetings have been received by all Supervisory Board members. On the basis of the reports and submissions of the Managing Board, the Supervisory Board has monitored and

discussed all important business transactions. The particular topic of the Supervisory Board meetings in the business year 2007 was the replacement of the CEO, due to the fact that Mr. Löchner was not available for a further term. As new CEO of the company, the Supervisory Board appointed Mr. Bernd Bönnte, previously Executive Vice President of T-Systems Enterprise Service GmbH. In the view of the Supervisory Board, a successful increase in the sales results is of particular importance for the further development of the company. The Supervisory Board is convinced of having, in Mr. Bönnte a manager at the head of the company whose experience in particular in the expansion of successful sales will be of use to the company.

The chairman of the Supervisory Board has in addition been regularly informed about the course of business and has discussed questions of business policy with the Managing Board.

The accounts review meeting of the Supervisory Board took place with the attendance of Susat & Partner OHG Wirtschaftsprüfungsgesellschaft, Hamburg, the annual auditor appointed by the shareholders' meeting. The auditor reported on the material results of his audit. The annual accounts of Unilog Integrata Training AG and the financial report of Unilog Integrata Training AG were audited by the annual auditor and were given an unrestricted auditor's certificate. The Supervisory Board has satisfied itself on the independence of the annual auditor. All Supervisory Board members had to hand the annual accounts of Unilog Integrata Training AG and the

financial report of Unilog Integrata Training AG. These documents were reviewed in accordance with Sec. 171 AktG (Companies Act) by the Supervisory Board. The annual auditor answered the Supervisory Board's questions and provided further explanations. The Supervisory Board came to the conclusion that the annual accounts and the financial report as well as the report of the annual auditor do not give reason to raise objections. The Supervisory Board has approved the annual accounts of Unilog Integrata Training AG for the business year 2007, which were audited by Susat & Partner OHG Wirtschaftsprüfungsgesellschaft, Hamburg. Accordingly, the annual accounts have been adopted in the meaning of Sec. 172 AktG (Companies Act) are adopted.

Furthermore, the Supervisory Board has examined the report of the Managing Board on the relations of the company with connected companies. This examination did not lead to any objections.

The aforementioned Managing Board report was also audited by the company's annual auditor and was given the following unrestricted auditor's certificate:

"Following our due audit and evaluation, we confirm that

1. the factual statements in the report are correct,
2. performances of the company under the agreements referred to in the report have not been on an inappropriately high level."

The Supervisory Board has also consent with the result of this audit. Following the final result of its own examination, the Supervisory Board has no objections to the statement of the Managing Board made at the end of the report on the relations with subsidiaries.

The Supervisory Board thanks the Managing Board as well as all employees of Unilog Integrata Training AG for their commitment during the business year 2007.

Berlin, March 2008  
The Supervisory Board

Gérard Philippot  
Chairman

## Legal

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