Unilog Integrata Training AG

Annual report 2006

Unilog Integrata Training

a logicaCMG company

Qualified for the Job

Contents

The figures

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. 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,

After our company began making its first extremely welcome steps in the direction of a turnaround in 2005 I went out of my way at the company's shareholders' meeting in Berlin and in the annual report to warn against unrealistic expectations.

The figures for the business year 2006 confirm my forecast and it unfortunately falls to me to confirm that we have not managed to reach our goal for 2006 of returning to profitability. In purely financial terms this is undoubtedly a setback. However, overall the analysis must be seen in rather more differentiated terms. We have made substantial progress towards our objective of implementing the essential changes which needed to be made – both qualitatively and, in part, quantitatively – in our business model. This change reflects general market trends in which customized solutions offer potential for future growth and contracts in the field of public seminars are stagnating or growing only marginally.

In line with this trend Unilog Integrata Training AG reported two-digit growth in the field of customized solutions (in-house seminars and training solutions) over the last year – the company is consequently outpacing the market average in this sector. Our dedicated named accounting approach and both established and new topics have enabled us to improve our positioning vis-à-vis our major clients in particular.

At the same time, the company reported a substantial drop in sales of public seminars in 2006. This drop in sales mainly affected the first seven months of the year, however, with the two "world cup months" of June and July standing out particularly negatively. Business in this segment picked up significantly from August onwards.

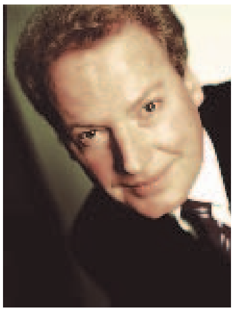
All in all the rates of growth achieved in the last third of the year were not enough, however, to produce positive figures for the year as a whole. As a result, despite continuing positive liquidity, our results are unfortunately below those for 2005.

I anticipate the clear improvement in the economic climate generating moderate growth in the market for qualification in 2007. The tangible upswing in demand which has been apparent for several months is reflected in our current orders on hand which, for the first time in years, are well above the previous year's values in all three service lines. It would, nevertheless be negligent to trust exclusively in what, at the present time, is little more than the promise of market growth.

The company has consequently responded to volatile demand for public seminars with an array of measures in a number of areas which include organizational changes which – while resulting in an even more intensive customer orientation – will above all contribute to improving the company's financial results.

Positive effects can also be increasingly anticipated from the integration of the Unilog Group in the global IT service provider LogicaCMG in 2006. Being a member company of a key player on the global market gives us a huge advantage in terms of winning contracts for larger or major qualification projects with international conglomerates.

Bearing in mind the changes we are making in our business model, an improved order situation, a more robust market environment and – not least – a number of large-scale bids for which the contract award decisions are imminent, I am optimistic that we will be able to complete our journey in 2007 which more than anything else means returning to profitability.



Martin Löchner
CEO

References

We would like to thank our clients, including those referred to specifically below, for using our full service offering:

- Allianz
- Bayerische Hypo- und Vereinsbank
- Bundesamt für Informationsmanagement
- Commerzbank
- DaimlerChrysler
- Degussa
- Deutsche Bahn
- Deutsche Bundesbank
- Deutsche Lufthansa
- Deutsche Post
- Deutsche Rentenversicherung
- Deutsche Telekom
- DGB Rechtsschutz
- DZ Bank
- Finanz IT GmbH
- Giesecke & Devrient
- Henkel
- HUK-COBURG
- Informatikzentrum der Verbände der landwirtschaftlichen Sozialversicherung
- Landesbank Baden-Württemberg
- O2 Germany
- Robert Bosch GmbH
- ThyssenKrupp
- Vattenfall
- Vodafone D2

The figures 2006

Financial highlights

2000-2006

	2006 [1]
Total sales in million EUR	25.6
No. of employees	137
Expenditure for research and development in million EUR	1.8
Profit or loss on ordinary activities in million EUR	-1.0
Net income in million EUR	-0.5
Cash-Flow in million EUR	0.2
Capital in million EUR	3.5
Capital as a percentage of total assets	42.2%
Total assets in million EUR	8.3
Percentage return on sales before tax	-3.8%
Income-to-equity ratio (before corporation tax) [2]	-24.1%
Result according to DFVA/SG in million EUR	-0.2
No. of shares in thousands	600
Result according to DFVA/SG per share in EUR	-0.26
Result according to DFVA/SG per share in EUR (excluding own shares)	-0.27
Dividend per share in EUR	
Bonus per share in EUR	

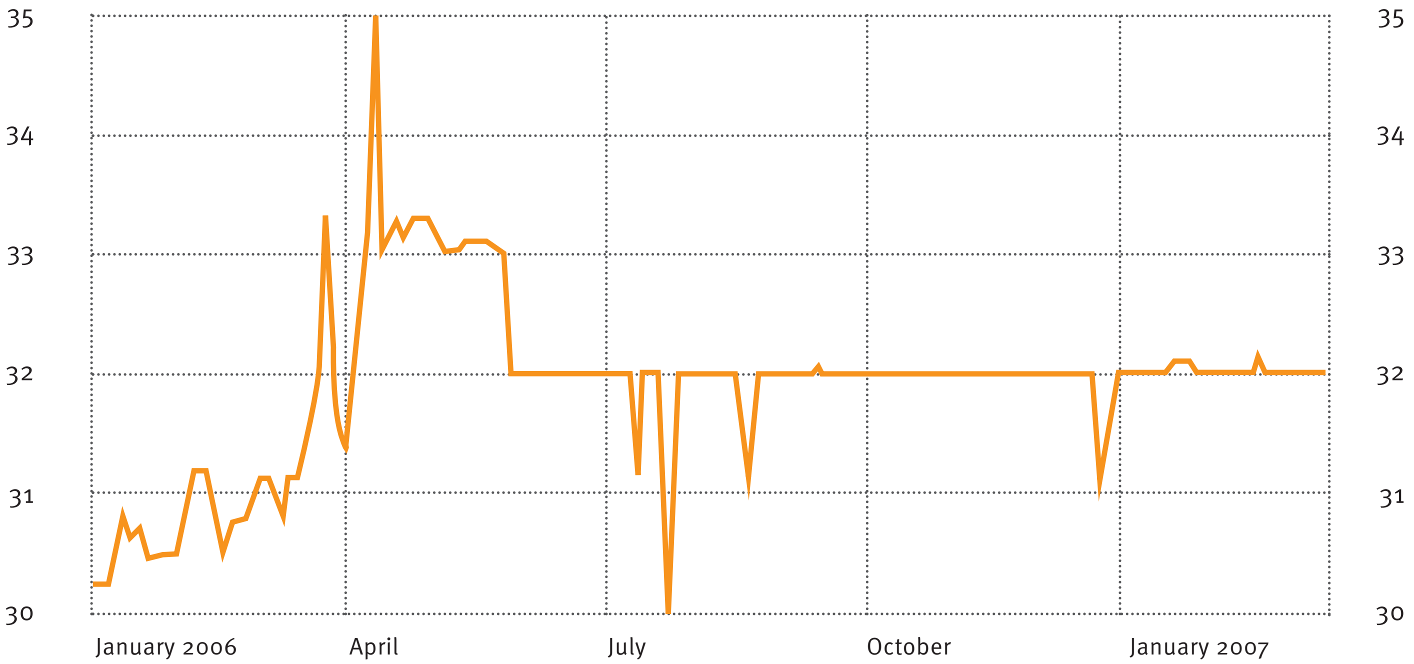
[1] there was no group of companies in these business years: figures are from the individual financial statement of Unilog Integrata Training AG, Germany
[2] calculated on the basis of the shareholders' equity disclosed last year minus dividends

	2005 [1]	2004 [1]	2003 [1]	2002	2001	2000
	26.5	26.3	31.2	51.4	55.6	47.1
	142	161	189	222	265	214
	1.7	1.9	2.3	2.7	2.5	2.5
	-0.3	-3.2	-1.9	1.5	6.0	5.8
	-0.3	-3.2	-1.7	0.8	3.9	3.0
	0.4	-1.9	0.4	5.3	6.8	4.9
	4.0	4.3	7.5	9.6	9.5	6.4
	41.9%	42.1%	55.3%	53.3%	43.9%	36.9%
	9.5	10.2	13.6	18.1	21.6	17.5
	-1.1%	-12.1%	-6.0%	2.9%	10.8%	12.3%
	-6.8%	-42.1%	-20.1%	16.9%	103.1%	165.5%
	-0.2	-2.0	-1.2	0.7	3.8	3.0
	600	600	600	600	600	600
	-0.27	-3.38	-1.97	1.12	6.40	4.92
	-0.28	-3.46	-2.02	1.14	6.56	5.04
				0.15	1.00	0.92
						0.15

Key company performance figures

Funds and cash flow Statement 2006:	2006 KEUR	2005 KEUR
I. Operative activities		
1. Net loss	-499.1	-298.5
2. Depreciation on fixed and financial assets	681.7	760.4
3. Reductions to long-term reserves	10.6	-53.9
4. cash flow	**193.2**	**408.0**
5. Losses on disposal of fixed assets	4.6	6.6
6. Payments received from the sale of fixed assets	0.9	1.4
7. Stocks	104.3	-119.8
8. Accounts receivable trade	-828.9	-87.9
9. Accounts due from affiliated companies	-441.6	-97.8
10. Other assets and prepaid expenses	-204.5	-106.2
11. Reserves	-561.7	-558.3
12. Accounts due to associated companies	-9.2	0.2
13. Advance payments	31.8	-26.8
14. Accounts payable trade	339.0	-241.2
15. Other liabilities	-410.8	525.0
16. Outflow of funds from current business activities	**-1,782.9**	**-296.8**
II. Investment activities		
17. Investments in intangible and fixed assets	-813.7	-661.7
18. Outflow of funds as a result of investment activities	**-813.7**	**-661.7**
III. Investment activities		
19. Investments in own shares	0.0	0.0
20. Dividends	0.0	0.0
21. Outflow of funds as a result of financial activities (dividends)	**0.0**	**0.0**
IV. Changes in financial resources affecting payments	-2,596.6	-958.5
22. Financial resources at the beginning of the period	5,110.0	6,068.5
23. Financial resources at the end of the period	**2,513.4**	**5,110.0**

Unilog Integrata Training Stock– Development since 01/2006 in Euros)



DVFA/SG-Results	2006 KEUR	2005 KEUR
Net result, according to P/L statement	**-499.1**	**-298.5**
Change in deferred taxes		
(tax rate 39.1%)		
accumulated deficit brought forward	375.8	264.6
reserves for part-time employment of pensioners	0.0	-0.7
for anticipated losses	-10.3	-55.6
for provision for deferred repairs and maintenance	0.0	-37.1
for reorganization	1.5	14.2
other changes	-28.0	-49.0
DVFA/SG results in KEUR	**-160.3**	**-162.0**
DVFA/SG results per share in EUR		
(excluding own shares/		
number of shares = 585,260)	-0.27	-0.28
DVFA/SG results per share in EUR		
(including own shares/		
number of shares = 600,000)	-0.26	-0.27

Earning Ratios	2006 %	2005 %
Profit sales ratio	-2.0	-1.1
DVFA/SG profit sales ratio	-0.6	-0.6
Return on equity*	-12.5	-6.9
DVFA/SG return on equity*	-4.0	-3.8

All statements after taxes

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

Balance sheet at 31 December 2006

Unilog Integrata Training Aktiengesellschaft, Stuttgart

Assets	2006 KEUR	2006 KEUR	2005 KEUR
A. Fixed Assets			
I. Intangible assets			
1. Licences			
and similar rights	463.8		298,8
2. Goodwill	378.4		477.2
		842.2	776.0
II. Tangible fixed assets			
1. Land and leasehold rights and buildings			
including buildings on third-party land	16.9		20.3
2. Other fixtures and fittings, tools and equipment	741.6		678.0
		758.5	698.3
B. Current Assets			
I. Stocks			
Work in process		15.5	119.8
II. Accounts receivable and other assets			
1. Account receivable trade	2,379.4		1,550.5
2. Account due from affiliated companies	728.2		286.6
3. Other assets	519.5		279.8
		3,627.1	2,116.9
III. Securities			
Own shares		445.1	445.1
IV. cash on hand			
and banks		2,513.4	5,110.0
C. Prepaid Expenses		98.7	133.8
		8,300.5	**9,399.9**

Liabilities	2006 KEUR	2006 KEUR	2005 KEUR
A. Capital			
I. Capital subscribed	1,536.0		1,536.0
II. Capital reserves	1,020.5		1,020.5
III. Earning reserves			
1. Reserves for own shares	445.1		445.1
2. Other earnings reserves	6,185.0		6,185.0
IV. Retained losses	-5,684.6		-5,185.5
		3,502.0	4,001.1
B. Accured Liabilities			
1. Pension reserves	323.6		313.0
2. Tax reserves	113.8		147.4
3. Other reserves	1,500.6		2,028.7
		1,938.0	2,489.1
C. Liabilities			
1. Advance payment received on seminars	1,163.8		1,132.0
2. Trade accounts payable	1,063.2		724.2
3. Accounts due to affiliated companies	94.7		103.9
4. Other liabilities	538.8		888.8
		2,860.5	2,848.9
D. Deferred Income		0.0	60.8
		8,300.5	**9,399.9**

Profit and loss account for the period

1 January - 31 December 2006
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.	Depreciations on financial assets and current investments
10.	**Profit or loss on ordinary activities**
11.	Income taxes
12.	Other taxes
13.	**Net loss**
14.	Accumulated losses brought forward
15.	Allocation in the reserve for own shares
16.	**Retained losses**

	2006 KEUR	2006 KEUR	2005 KEUR
	25,562.8		26,417.3
	-104.3		119.8
	1,269.4		1,250.7
		26,727.9	27,787.8
	909.9		918.4
	10,950.7		10,530.5
		11,860.6	11,448.9
		14,867.3	16,338.9
	6,711.3		7,113.0
	1,266.4		1,269.8
		7,977.7	8,382.8
		681.7	760.4
		7,249.8	7,598.4
		79.8	110.4
		1.7	1.0
		-963.8	-293.3
		-467.3	0.0
		2.6	5.2
		499.1	298.5
		5,185.5	4,795.6
		0.0	-91.4
		5,684.6	**5,185.5**

Notes to the financial statements for the 2006 business year

Unilog Integrata Training Aktiengesellschaft, Stuttgart

I. Preliminary remarks

The annual financial statements of Unilog Integrata Training Aktiengesellschaft for the financial year January 1st to December 31st 2006 were prepared according to the rules of the German Commercial Code and of the German Stock Corporation Law (AktG). 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.

The Stuttgart based Unilog Holding GmbH was the majority shareholder of Unilog Integrata Training Aktiengesellschaft at the end of 2006, holding 66.599% of the company's shares (68.277% if the company's own shares are deducted from the total number of shares).

In its letter dated August 29, 1996, Unilog Holding GmbH notified its majority shareholding to Unilog Integrata Training Aktiengesellschaft 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 Federal Gazette and are available from the company's registered office in London and from Unilog Holding GmbH in Stuttgart.

II. Changes in accounting and valuation methods

For the first time, during the business year, advance payments made during the year on account of variable salary components were offset against the calculated final entitlements in respect of the employees' incentives and reported under other assets and other liabilities. The prior year figures have not been amended.

As of the current reporting period, use is no longer made of the option under section 250 I 2 No. 2 HGB. From now on, advance payments received are reported excluding value added tax. The figures for the previous year have been adjusted accordingly (-KEUR 149.2).

III. Accounting and valuation methods

Intangible and tangible assets are reported at the value of acquisition or production costs, 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 major elements relating to industrial property 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 at production cost for work in progress, which has not yet been billed to customers.

Accounts receivable and other assets are stated at nominal value. Appropriate value adjustments were made to accounts receivable to take account of specific risks as well as the general risk of non-payment.

The **pension provisions** 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 of 6.0%.

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

Liabilities are valuated at the amount payable.

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

IV. Notes on the balance sheet

Assets

The movement of the fixed asset items 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. This goodwill will be amortised under the straight-line method over the estimated useful life of 15 years. The amortisation of this goodwill in the 2006 business year amounted to KEUR 17.0 and the net book value as at 31st December 2006 was KEUR 153.4. Goodwill also arose from the hiving-off from Unilog Holding GmbH in 1994. This good-will will also be amortised over its estimated useful life of 15 years using the straight-line method. The amortisation of this goodwill amounts to KEUR 81.8 annually and the net book value as at 31st December 2006 amounts to KEUR 225.0.

The writing-off of low value items amounts to KEUR 9.9.

Stocks

Work in progress for services in the area of in-house seminars and qualification projects was recognised in the balance sheet at 31st December 2006 in the amount of KEUR 15.5.

Accounts receivable and other assets

Accounts receivable from other group companies in the amount of KEUR 346.7 represent other receivables. The remaining accounts receivable from other group companies are attributable to ongoing trading transactions.

The corporation tax credit in accordance with section 37 KStG amounting to KEUR 624.2 has been discounted over a term of 10 years using a discount rate of 5.5%, taking account of the repayment instalments. The remaining receivables (KEUR 445.9) are reported under other assets. The proportion of receivables with a maturity in excess of one year amounts to KEUR 445.9.

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

Own shares

A resolution adopted by the shareholders' meeting on 1st June 2006 authorised Unilog Integrata Training Aktiengesellschaft to acquire its own shares, in the period up to November 27th 2007, 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 Management 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 equal to 2.39 % of the company's share capital and an arithmetic proportion 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 prior year price of EUR 24.00 per share being a value of KEUR 445.1.

Notes to the financial statements for the 2006 business year

Unilog Integrata Training Aktiengesellschaft, Stuttgart

Subscribed Capital

Unilog Integrata Training Aktiengesellschaft's subscribed capital amounts to EUR 1,536,000 on the reporting date. The majority (66.599 %) 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 Management is authorised, with the approval of the Supervisory Board, to increase the company's share capital, on one or several occasions, by a total of EUR 230,400 by issuing new bearer shares against cash contributions up until May 18, 2009 (approved capital I) and thereby, 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 Management is authorised, with the approval of the Supervisory Board, to stipulate the conditions under which shares are issued in relation to each capital increase.

The Board of Management is also authorised, with the approval of the Supervisory Board, to increase the company's share capital, on one or several occasions, by a total of EUR 384,000 by issuing new bearer shares against cash or non-cash contributions up until May 18, 2009 (approved capital II) and thereby, 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 Management 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 and is likewise authorised to specify the further details relating to the capital increase and the conditions regarding the issue of shares.

Finally, the Board of Management is authorised, with the approval of the Supervisory Board, to increase the company's share capital, on one or several occasions, by a total of EUR 153,600 by issuing new bearer shares against cash up until May 18, 2009 (approved capital III) and thereby, 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 Management 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 Management to exercise this authority and provided that the issue price is not significantly lower than the stock market trading price of other company shares of the same class at the time such issue amount is decided by the Board of Management. 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 Management.

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 "Kommanditgesellschaft" to an "Aktiengesellschaft" in 1994.

No additions or withdrawals were made to or from the capital reserves in the business year 2006.

Earnings reserves
Earnings reserves developed as follows during the business year:

	KEUR	KEUR
Reserve for own shares, Jan. 1, 2006	445.1	
Reserve for own shares Dec. 31, 2006, no change		**445.1**
Other earnings reserves Jan. 1, 2006	6,185.0	
Other earnings reserves as at Dec. 31, 2006, no change		**6,185.0**
Profit reserves Dec. 31, 2006		**6,630.1**

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

	KEUR
Losses brought forward Jan. 1, 2006	-5,185.5
Losses for the financial year 2006	-499.1
Losses carried forward Dec. 31, 2006	**-5,684.6**

Notes to the financial statements for the 2006 business year

Unilog Integrata Training Aktiengesellschaft, Stuttgart

Pension provisions

The pension reserves have been set up according to the rules of Section 6a of the German Income Tax Act (EStG) and in accordance with actuarial principles based on the 2005G reference tables of Dr. Heubeck at an assumed discount rate of 6.0 %.

Other provisions

The composition of other provisions is as follows:

Accrual	Jan. 1, 2006 KEUR	Consumption Reversal KEUR	C R	Increase KEUR	Dec. 31, 2006 KEUR
Unused vacation entitlement	101.7	101.7	C	70.2	70.2
Overtime	116.1	116.1	C	85.8	85.8
Workers' compensation	83.9	79.5	C	80.7	80.7
		4.5	R		
Other staff costs	201.4	199.7	C	160.7	160.7
		1.7	R		
Legal, consultancy and audit fees	85.3	82.0	C	82.3	82.3
		3.2	R		
Deferred repairs and maintenance	50.0	0.0		0.0	50.0
Outstanding invoices	864.5	704.9	C	579.5	690.9
		48.2	R		
Other	525.8	220.4	C	114.9	280.0
		140.3	R		
		1,504.3	C		
	2,028.7	**197.9**	R	**1,174.1**	**1,500.6**

Liabilities

The liabilities amount to KEUR 2,860.5 at December 31st 2006 and, as in the previous year, are all due within one year. Other liabilities include liabilities from taxes of KEUR 225.1 (KEUR 106.2 in the prior year).

V. Notes on the profit and loss account

Sales

Sales are realised almost exclusively in Germany. Total sales reported by Unilog Integrata Training Aktiengesellschaft in 2006 amount to KEUR 25,562.8. The total sales reported in the annual financial statements are distributed between public seminars, in-house seminars and qualification projects.

The percentage breakdown is as follows:

	in %
Public seminars	46
In-house seminars	33
Qualification projects	20
Other	1
	100

Notes to the financial statements for the 2006 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 197.9 as well as a redevelopment subsidy of KEUR 200. 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 include entertainment costs for seminar participants incurred during customer seminars as well as costs for procured training material.

Personnel costs
The personnel expenses in the annual financial statements include pension costs in the amount of KEUR 10.6 (prior year KEUR 24.8).

The average number of staffed employed by the group in 2006 was 137 (142 in the previous year). The headcount on December 31st, 2006 was 139.

UNILOG SA, Paris 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 conditions (corporate goals, 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 IT, building, advertising, office and communications, entertainment expenses, supplementary personnel costs and expenses relating to the services received from Unilog Holding GmbH.

Interest income
Included under other interest and similar income are KEUR 76.0 in interest income from monies invested in fixed-term deposits as well as interest income of KEUR 3.8 from previous over payments of tax as determined by a tax inspection.

Taxes on profits
This item relates predominantly to the recognition of the corporation tax credit in accordance with section 37 KStG n.F. in the amount of KEUR 445.9.

VI. The company's executive bodies

Members of the management board:
Members of the Board of Management in the business year under review:

- Martin Löchner, Munich
  (Chairman)
  Businessman

Members of the Supervisory Board:
Members of the Supervisory Board in the business year under review:

- Gérard Philippot, Le Raincy
  (Chairman)
  Non Executive Director of
  LogicaCMG plc, London

- Dr. Christoph Binge, Berlin
  Berlin (Vice-Chairman)
  Lawyer and notary, Berlin

- Martin Hornbach, Neustadt/
  Weinstraße
  Managing Director of CORIVUS
  Management Consulting GmbH,
  Neustadt/Weinstrasse

- Didier Herrmann, Courbevoie
  Businessman
  Executive Director of
  LogicaCMG plc, London

- Sonja Fell, Paris
  Corporate Development Director of
  LogicaCMG plc, London

- Peter Kirn, Böblingen
  Graduate Engineer
  Executive Consultant GmbH

Total earnings of the Board of Management and of the Supervisory Board
The earnings of the Supervisory Board amount to KEUR 80.00; regarding the earnings of the Board of Management, the company has invoked the exemption clause in Section 286 (4) HGB.

Pension accruals amounting to KEUR 168.7 were made for former members of the company's executive bodies. Relating to earnings of one former member of the company's executive bodies the company has invoked the exemption clause of Section 286 (4) HGB.

VII. Contingencies and other financial obligations

The other financial obligations essentially concern obligations from leasing and tenancy agreements. They are expected to amount to KEUR 2,735.2 in 2007. Obligations due to other group companies amount to KEUR 2,271.2. Similar liabilities will arise in subsequent years.

VIII. Verwendung des Bilanzverlusts

The retained losses of KEUR 5,684.6 disclosed in the annual financial statements of Unilog Integrata Training Aktiengesellschaft as at 31 December 2006 will be carried forward.

Stuttgart, 22 March 2007

Unilog Integrata Training
Aktiengesellschaft

Management Board

Martin Löchner

Fixed Assets movement schedule

of Unilog Integrata Training Aktiengesellschaft, Stuttgart for the period 1 January - 31 Dezember 2006

	Purchase cost KEUR			
Fixed Assets	Jan. 1, 2006	Additions	Disposals	Dec. 31, 2006
I. Intangible assets				
1. Licences and similar rights	6,250.6	436.8	230.1	6,457.3
2. Goodwill	1,482.7	0.0	0.0	1,482.7
	7,733.3	**436.8**	**230.1**	**7,940.0**
II. Tangible fixed assets				
1. Land and leasehold rights and buildings including buildings on third-party land	220.4	3.5	35.2	188.7
2. Other fixtures and fittings, tools and equipment	4,889.7	373.4	549.0	4,714.1
	5,110.1	**376.9**	**584.2**	**4,902.8**
	12,843.4	**813.7**	**814.3**	**12,842.8**

	Accumulated depreciation KEUR				Net book values KEUR	
	Jan. 1, 2006	Annual depreciation	Disposals	Dec. 31, 2006	Dec. 31, 2006	Dec. 31, 2005
	5,951.8	271.8	230.1	5,993.5	463.8	298.8
	1,005.5	98.8	0.0	1,104.3	378.4	477.2
	6,957.3	**370.6**	**230.1**	**7,097.8**	**842.2**	**776.0**
	200.1	6.9	35.2	171.8	16.9	20.3
	4,211.7	304.2	543.4	3,972.5	741.6	678.0
	4,411.8	**311.1**	**578.6**	**4,144.3**	**758.5**	**698.3**
	11,369.1	**681.7**	**808.7**	**11,242.1**	**1,600.7**	**1,474.3**

Management report for the business year 2006

Unilog Integrata Training Aktiengesellschaft, Stuttgart

1. General market conditions, business trends

According to information provided by the ifo institute, the German economy found itself in a strong upward turn at the end of 2006, which began early in 2005. The driving force of the boom continues to be demand from abroad, which in spite of the strong increase in the value of the Euro against the US Dollar this year, has shown strong growth due to the lively global economic environment. According to the ifo institute, total economic production grew on average in 2006 by 2.5% (previous year: 0.9%).

After 2005 had given isolated signs of a slight improvement in the situation in the professional training market, the expectations for 2006 rose significantly. The participants of the “Lünendonk market sample test 2006” expected an average market growth of 4.6 percent.

These predictions have turned out very differently. There are a small number of suppliers who assessed the market situation for 2006 with exceptional optimism and therefore had an upward influence on the average value. In contrast, the majority of providers see the development of the market as more restrained.

Unilog Integrata Training Aktiengesellschaft is a member of this second group. For 2006 and the subsequent years, the company expects modest growth in the market, which is driven mainly by customer-specific solutions in the in-house area and also qualification projects. The recovery in the economic environment enabled improved conditions for the sector to be brought about.

We see an important signal – not least of all in the field of IT – in the lamented shortfall of qualified employees, from which a demand for qualifications can be derived. In the study “qualified personnel as a key resource” commissioned by the Commerzbank initiative “Unternehmer-Perspektiven” (employer perspectives), 80 percent of the 4,001 employers asked reported that the qualifications deficit currently impedes its employees in implementing business strategies. The extent to which the readiness for investment in employee qualifications is perceptibly rising cannot yet be accurately assessed.

In contrast, for the public seminars area, Unilog Integrata Training Aktiengesellschaft expects stagnation to be more likely, and at best, growth via displacement strategies.

2. Business Situation of the Company

For Unilog Integrata Training Aktiengesellschaft, the year 2006 was characterised by two opposing trends.

It has not been possible to stabilise or slightly increase sales in the public seminars segment, as was originally anticipated. As in the years 2002-2004, a significant decrease was experienced.

This was contrasted by a significant increase in customer-specific business in the in-house area and also, principally, in the area of training solutions. The strong growth rates in these areas could not completely compensate for the decline in public seminar business at the aggregate level, such that in the 2006 financial year, the company reported a slight decline in sales in its core business.

This opposing trend corresponds to the general market trend set out above, which is characterised by stagnating or declining public seminar business, but also by growth or potential growth in the area of customer specific qualification services.

With the existing fixed cost structure, the significant decline in the area of public seminars had a direct impact on the income position, such that the result for the year lay beneath that of the previous year, with positive liquidity, as previously.

Nonetheless, overall, the company views 2007 with confidence, as two effects enable a positive trend to be recognised:

- If the income for the months 1-8/2006 was significantly lower than for the prior year values, the months 9-12/2006 are characterised by growth.
- The order book for the year 2007 for all three service lines is above prior year figures for the first time in several years.

2.1 Sales

Core business sales decreased during the period by 4.1% to KEUR 25,458.5. Sales by service lines are as follows:

Sales UIT in KEUR	2006** KEUR	2005* KEUR	Change in %
Public seminars	11,817.0	14,472.8	-18.4
Corporate products	13,478.8	11,757.5	14.6
In-house Seminars	8,350.4	7,844.5	6.4
Qualification projects	5,128.3	3,913.0	31.1
Other sales	162.7	306.8	-47.0
Total sales	25,458.5	26,537.1	-4.1

* Sales 2005 incl. KEUR 119.8 for increase in inventory of work in progress

** Sales 2006 incl. Reduction in inventory of KEUR 104.3

The strong decline in the area of public seminars was predominantly observed in the first eight months of 2006, whereby the months June and July showed the strongest decline by far in comparison the prior year figures. Following thorough analysis and consultation with customers it was established that, in particular, the football world cup in the months of June and July led to strong restraint in relation to seminar attendance. Since the month of August, bookings for public seminars have once again shown positive development. Looking at the year as a whole, the average participants per seminar in 2006 was held at a similar level to that of the previous year.

In the area of in-house business, a significant level of growth was achieved (+6.4%). It should be emphasised, in relation to this, that it was possible to increase the average volumes per engagement.

The area training solutions developed particularly well and in line with the prescribed strategy (+31.1%). Here it was possible to gain some larger contracts that stretch beyond one year and provide for an appropriate basic capacity level. Some very promising larger proposals are currently with our customers and are soon to be decided on.

Management report for the business year 2006

Unilog Integrata Training Aktiengesellschaft, Stuttgart

2.2 2 Investments

The volume of investments in fixed assets rose by 23% in comparison to the prior year. The main investments were in the new development of seminar documents, software and new PC equipment.

In comparison to previous years, investment in other operating and office equipment (e.g. office furniture) decreased.

2.3 Development of the offered services

The services offered by Unilog Integrata Training Aktiengesellschaft in the area of IT have a very high level of coverage over all important issues. This was confirmed from sample tests by an independent investigation by advisors outside of the group. Targeted customer consultations arrived at the same result.

The continual technical innovations in this portfolio area make the ongoing sustained development and updating of almost all existing offerings necessary. New developments were carried out focusing on the areas of SOA, J2EE – Java, Microsoft, Linux and Security.

It has been possible to further deepen the business partnership with Microsoft, such that in the meantime, UIT has received “Gold Partner” status for learning services. The service offering in SOA was successfully set up together with Deutsche Post.

In the area of ITIL certification, the direct accreditation of Unilog Integrata Training Aktiengesellschaft as a qualification offerer was driven forward.

In addition to the key areas of project management and personnel development, the business issues segment was increased by subjects in the areas of organisation development, purchasing and distribution, controlling and quality assurance (SixSigma) in a targeted and consistent manner.

Due to the licensing policy of SAP, it has not been possible to carry out any more public seminars since the beginning of 2006. Consequently, the SAP service offering of Unilog Integrata Training Aktiengesellschaft was directed towards customer-individual services.

In the direction of the current product innovations by SAP, numerous requests for new qualification subjects have arisen. This led in 2006 to a significant development expense, predominantly in the areas of the subjects regarding SAP Netweaver, SAP BI and SAP CRM.

At the centre of the activities for the development of training solutions stood the practice related preparation of material from existing projects for reapplication. In this regard, for example, an eLearning module on the introduction of ITIL in larger organisations was developed. The development of a coaching and qualification solution for decision makers with methods in relation to presented decision making is a further example of the development of a training solution from practical project work.

The total number of subjects offered on the public seminar market was at the same level as the previous year. The loss of the SAP seminars was approximately compensated by the taking on of new partner seminars.

Management report for the business year 2006

Unilog Integrata Training Aktiengesellschaft, Stuttgart

2.4 Marketing

We make use of the year 2006 to bring forward some measures that had already been planned, e. g. to modernise our look and technology in the training centres (signing, information systems) and make the layout of our brochures more flexible.

In addition, mid year, we incorporated our web site in the newly conceptualised worldwide web site of the group. This significant project involved resolving the issue of securing a user-friendly web presence for our customers and other interested parties. Due to the key significance of our web presence for us, we listened to user feedback on the user friendliness of the required changes.

We continued to collate feedback from users following the web relaunch, for example at year end by an online survey of customers booking courses – and hence received several constructive suggestions from our web site visitors. This led inter alia to a further increase in the number of online bookings. In the financial year around 70% of reservations for public seminars were made online.

The overview of the entire seminar range and the improved thematic search options certainly play an important role in this, as well as the increasing cooperation with global external databases of seminars, not only to advertise our seminars but also to publish articles and announce events or our presence at trade fairs.

A positive development in the use of our web presence is its integration to specific web sites in comprehensive integrated marketing campaigns. We particularly focussed on a close integration of the two central communication channels of direct and online marketing in 2006.

2.5 Organisation/Data processing

The area of Organisation/Data processing focused in the financial year both on running operations as well as on maintaining and adapting internal systems.

The CRM-System was also supplemented by additional functionality in the area of Named Account Management.

The area of infrastructure was able to support production and portfolio management by introducing VMWare and technically supported the office moves in Berlin and Nuremberg. In addition, our Mail System migrated to LogicaCMG-Server, which involved a complete conversion of IP addresses in head office and regional offices.

Various cooperation projects (e.g. Computer Links, Business Objects) were technically implemented.

Two new high performance print machines were purchased to print seminar brochures. These are being installed in February 2007. The higher colour resolution of these printers promises even more attractive brochures in the future.

We were able to renew our ISO 9001 and TIP certification in 2006.

2.6 Personnel

The number of full-time employees increased slightly from 137 (as at 01.01.2006) to 139 (as at 31.12.2006). 12 new employees were recruited. The fluctuation in staff numbers amounted to 11.7%, taking account of terminations by the company.

On 01.04.2006, the 40-hour week was introduced as normal working hours.

The new incentive rule introduced in the previous year for the area sales and portfolio management was continued and modified slightly.

The measures prepared for the new organisation of the public seminar business took place at the end of 2006.

2.7 Costs

In comparison to the previous year, staff costs decreased by a further 4.8%.

The costs for the self-employed trainers (fees, travel expenses) rose by 4.3% in comparison to 2005. The reason for this lies mainly in the changing of the business model (more customer specific solutions, less public seminar business).

Costs for physical goods reduced further in comparison to the previous year. In particular, floorspace costs are to be mentioned, which, in the context of the concept for making the floor space more flexible, decreased significantly again.

It should not remain unmentioned at this point that the total operating expenses of the company decreased again in the financial year, in spite of increased costs from self-employed staff (largest cost area).

2.8 Financing

At the balance sheet date, the company had liquid resources of KEUR 2,513.4 and had no bank liabilities.

The following situation arises:

	2006 KEUR	2005 KEUR	Change %
cash flow	193.2	408.0	-52.6

2.9 Results

The following situation arises:

	2006 KEUR	2005 KEUR	Change %
Result for the year	-499.1	-298.5	-67.2
DVFA/SG Result	-160.3	-162.0	1.0
DVFA/SG result in EUR per share*	-0.26	-0.27	3.7
DVFA/SG result in EUR per share **	-0.27	-0.28	3.6

* On the basis of total number of shares (600,000 shares)
** Excluding 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 17.90 Euro. Over the course of the year 2006, the share price rose from EUR 30.25 (Stuttgart 2.1.2006) to EUR 32.00 at the end of the year (Stuttgart 29.12.2006). The highest point during the year was EUR 35.00 (Stuttgart 11.04.2006), and the lowest point EUR 29.90 (Berlin 23.01.2006).

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

Management report for the business year 2006

Unilog Integrata Training Aktiengesellschaft, Stuttgart

3. Risk management

The risk management system has been extended in recent years and integrated into Unilog Integrata Training Aktiengesellschaft's quality management system. An additional risk management chapter added to the training manual now enables the company's risk portfolio to be demonstrated in the framework of its ISO certification. Potential risks, which may be encountered throughout the company, have been added to and documented in the process descriptions. The high quality of our services is confirmed by regular seminar appraisals.

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

Following the strengthened investment in fixed assets made by customers in recent years, the market for qualifications has experienced a noticeable revival in recent months. Consequently, we anticipate moderate growth for the year 2007.

Nonetheless, Unilog Integrata Training Aktiengesellschaft will not seek to rely on this potential market growth but will predominantly make continued efforts to fully carry out the process of change introduced in 2007 by its own means.

In the future, the service line "public seminars" will bring itself closer to its customers than previously via the development and execution of organisational measures and gain flexibility.

In the area of customer-specific solutions, the route pursued that has already led to success in the financial year will continue to be resolutely followed in 2007 and 2008. The growth opportunities of the future lie predominantly in this segment, which we will continue to develop via determined named accounting and a ready portfolio.

An improved level of contracts in all three service lines, some larger open proposals with good chances of acceptance, positive support from an improved market environment and not least of all an organisation orientated toward the changes in the market make us optimistic that we can, at last, successfully take the second step back to profitability that we had expected in 2006 in 2007 and continue in the same manner in 2008.

Management report for the business year 2006

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 66.599% of the shares (after taking into account the own shares held by Unilog Integrata Training Aktiengesellschaft 68.277%).

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 Management has drawn up a report on the company's relations with other group companies. At the end of this report the Board of Management 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, 22 March 2007

Unilog Integrata Training
Aktiengesellschaft

Management Board

Martin Löchner

Audit opinion

In relation to the financial statements for the year ended 31 December 2006 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 2006.

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, 22 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, for the business year 2006 for presentation to the shareholders' meeting on May 31, 2007

Throughout the business year 2006, the Supervisory Board of Unilog Integrata Training AG monitored the conduct of the company's business and acted in an advisory capacity as required by law and the memorandum and articles of association. The Supervisory Board discussed the business and strategic development of the company, current business and fundamental issues at meetings held throughout the year under review.

The Supervisory Board met four times during the course of the business year 2006. The Supervisory Board did not form any committees. No changes took place in the membership of the Supervisory Board during the business year 2006.

The Board of Management submitted detailed reports on the general state of the business, including sales trends and the status of the company, prior to each meeting of the Supervisory Board. The Board of Management also reported to the Supervisory Board on its envisaged business policy, fundamental corporate planning issues, and the company's earning performance. All reports and documents required for the preparation of Supervisory Board meetings were submitted to all members of the Supervisory Board. On the basis of these reports and documents the Supervisory Board was able to monitor and provide advisory support in all important business transactions. Salient issues discussed at meetings of the Supervisory Board during the business year 2006 included the relocation of the company's administrative functions from Tübingen to Stuttgart and the company's continuing loss situation.

The Chairman of the Supervisory Board was also regularly informed about business trends and discussed issues relating to business policy with the Board of Management.

The meeting of the Supervisory Board to approve the balance sheet was held in the presence of the auditor appointed by the shareholders' meeting – Susat & Partner OHG Wirtschaftsprüfungsgesellschaft (German public auditors), Hamburg. The auditor issued a report on its key findings. The annual financial statements of Unilog Integrata Training AG and the management report on Unilog Integrata Training AG have been examined by the auditor and an unqualified auditors' opinion has been issued. The Supervisory Board is confident that the auditors have acted independently. The annual financial statements of Unilog Integrata Training AG and the management report for Unilog Integrata Training AG were submitted to all the members of the Supervisory Board and examined by the Supervisory Board in accordance with Section 171 of the Stock Corporation Act (AktG). The auditor answered all the questions asked by the Supervisory Board and also provided additional explanations. The Supervisory Board examined the annual financial statements, the management report and the auditor's report and has concluded that there are no grounds for objections. The Supervisory Board has approved the annual financial statements of Unilog Integrata Training AG for the business year 2006 as audited by Susat & Partner OHG, Wirtschaftsprüfungsgesellschaft, Hamburg and the annual financial statements have therefore been established in compliance with Section 172 of the Stock Corporation Act (AktG).

The Supervisory Board has also examined the report by the Board of Management disclosing relations with affiliated companies. The Supervisory Board has not raised any objections to the declarations made in this report.

The report by the Board of Management has also been examined by the company's auditors and the following unqualified opinion issued:

"Based on an assessment and audit performed in accordance with our professional duties, we confirm that

1. the statements made in the report are correct,
2. with regard to the legal transactions referred to in the report, the performances rendered by the company were not disproportionately high."

The Supervisory Board has also declared its approval of the results of this audit. Having completed its own examinations, the Supervisory Board has not raised any objections to the declaration made by the Board of Management at the end of the report disclosing relations with affiliated companies.

The Supervisory Board wishes to express its thanks to the Board of Management and to all the employees of Unilog Integrata Training AG for their dedication and hard work in 2006.

Berlin, March 2007
The Supervisory Board

Gérard Philippot
Chairman

Legal

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