



Dear Shareholders,

When SinnerSchrader started out in 1996, fewer than four million people in Germany used the Internet, it was not yet possible to book trips online, broadband connections were just a dream, the phrase “to google” didn’t mean anything and Amazon celebrated its first birthday with annual revenues of around USD 15 million.

Today, in 2006, nearly 39 million people in Germany are online, 13 million of them book trips over the Internet and just as many have a broadband Internet connection, the 24<sup>th</sup> edition of the Duden, the standard German dictionary, includes “to google” as a term for searching the Internet, and Amazon has become the world’s largest online retailer, with anticipated annual revenues of over USD 10 billion.

In the past ten years, numerous large and small innovations have made the Internet a permanent part of the everyday lives of many people. And in these ten years, SinnerSchrader has shaped the development of the Internet in Germany in its role as a partner to start-ups and established companies alike.

But there is still great potential for further development. This is expressed not least in the term "Web 2.0", which has been used since the start of the year to describe the new excitement surrounding the interactive medium Internet, the new role customers and users are to be playing in shaping the online experience, and everything that might result from this. As before, SinnerSchrader will drive this development in the interests of its customers and its own success.

Consequently, "Next 10 Years – The Opportunities of Web 2.0" was the motto of the first German Web 2.0 conference held in May 2006 on the occasion of SinnerSchrader's tenth birthday, providing a glimpse into the future of the Internet economy.

And we have already begun to build this future together with our customers. For example, this year we began working with OTTO to develop the Web shop of the future. This will make online shopping a three-dimensional experience, and it will open up new possibilities for acquiring customers through emotion, interaction, inspiration and communication. The shop will be implemented on the basis of the new Windows Vista technology from Microsoft. It is one of twenty reference projects worldwide which will accompany the market launch of the new software by Microsoft in the coming year.

Thus, the tenth SinnerSchrader financial year was a year of stable and sustainable upward development. Revenues rose by 10.5% to € 15.8 million, pushing the operating result (EBITA) to reach a value of € 0.6 million, after just € 0.2 million the year before. The net income amounted to € 1.2 million, or € 0.10 per share. We therefore achieved our economic goals for the financial year of revenue growth between 10% and 15% and an EBITA between € 0.3 million and € 0.5 million. In addition, by moving to new office premises in Hamburg at the end of the financial year, we were able to significantly reduce our cost basis for the coming years. The increased use of external service providers has also made our cost structure even more flexible.

Through its Interactive Marketing, Interactive Software and Interactive Services segments, SinnerSchrader offers its customers an extensive portfolio of consulting, creation and technical services for developing and implementing marketing, sales and customer management strategies over the Internet. With this portfolio, SinnerSchrader asserted its position among the top five interactive service providers in Germany in the past financial year, even though we have not yet managed to expand the portfolio through acquisitions which would bring clear advantages to our customers and ensure promising prospects for the future.

For the 2006/2007 financial year, we are aiming at organic growth of 15% to attain revenues of over € 18 million and an EBITA of € 1.2 million. In the medium term, we want to achieve double-digit growth annually and raise the operating margin up to 10% to 12%. And we will continue to search for partners with whom we can expand the business of SinnerSchrader.

The dynamics in our industry and the performance of the SinnerSchrader team – of which we are very proud – make us confident that we will shape the coming years with great success for you, our shareholders.

Hamburg, 16 November 2006

The Management Board