Finance Report 2007

EASY SOFTWARE AG
SOFTWARE FOR DOCUMENTS

The Company

EASY SOFTWARE AG has been developing innovative solutions for electronic document and data archiving as well as document and content management since 1990. Our successful EASY ENTERPRISE product line makes us a market leader in this industry. EASY ENTERPRISE is already used in more than 9,000 companies. EASY products capture any type of bulk data across platforms. They structure and organize document flow, ensure revision-proof long-term archiving, and make contents and information quickly accessible regardless of time and location. An EASY document management system (DMS) makes work immediately easier, saving time and money. Close cooperation with SAP, HP, IBM and Microsoft guarantees that all EASY software solutions are always future-oriented. EASY SOFTWARE AG has subsidiaries in Austria, the UK, Singapore, and the USA. Thus it is well equipped to continually expand its international business.

KEY FIGURES (IFRS) OF THE GROUP

Figures in € Mio.	**2007**	2006
Sales Revenue	**23.2**	20.9
Earnings before tax - EBT	**1.1**	3.4
Net income	**1.3**	4.1
Earnings per share in €	**0.24**	0.79
Balance sheet total	**18.9**	14.8
Equity capital	**11.2**	9.8
Equity ratio	**59 %**	66 %
Employees at year‘s end	**162**	141

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Management Board

Josef Gemeri

Josef Gemeri has been CEO of EASY SOFTWARE AG since March 26, 2003. He has been working in the IT industry for over 20 years, the last 14 years of which he has been exclusively working in the imaging and document management market. Holding executive positions in leading DMS organizations, he was able to gain extensive international experience in the IT and software industry. During that time, Mr. Gemeri played a prominent part in introducing products/solutions; he developed marketing-oriented sales channels both for end user business as well as partner channel operations.

Andreas C. Nowottka

Andreas C. Nowottka has been a member of the Management Board of EASY SOFTWARE AG since May 1, 2007. He is in charge of the Product Development, Project Handling, Support and Marketing division. Mr. Nowottka has been working with EASY SOFTWARE AG for more than ten years. He has excellent market knowledge in the electronic document management segment. His knowledge has been key to advancing strategic product development of our cross-platform ENTERPRISE.x Server. Moreover, he is a qualified marketing expert on print media and trade shows.

Supervisory Board

Manfred A. Wagner, Chairman

Manfred A. Wagner is the chairman of a medium-sized business group employing some 5,000 staff. His international contacts are numerous. His operations range from logistics, electronics and packaging through to system houses and software production. Manfred A. Wagner has held senior executive positions in various IT businesses, and has been a member (chairman) of the Supervisory Board of EASY SOFTWARE since October 7, 2002.

Gereon Neuhaus, Vice Chairman

Branch manager of Siemens Business Services, Gereon Neuhaus managed the SAP consulting business in the Düsseldorf and Cologne branches of that business for several years. From 2000 to 2006, he was a chief executive of the Services for Business IT Ruhr GmbH, where in this capacity he was particularly responsible for entry into external business. Mr. Neuhaus is currently a member of the Management Board of Aareon AG. He has been a member of the Supervisory Board of EASY SOFTWARE AG since November 20, 2003.

Andreas Kerbusk

From 1990 to 1998, Andreas Kerbusk held executive positions at IBM, Klöckner and Lurgi-Lentjens where he was in charge of IT processing. Until 2007, he was CIO at the energy supplier STEAG AG of Essen, Germany. At the same time, he worked in associations, developing strategic IT data. Special credit must be given to his association work on the management board of the DSAG (Deutschsprachige SAP Anwendergruppe e.V. – Germanspeaking SAP user group association). Today, he is CEO of SE Strategies&Engineering GmbH, an IT process/method consulting firm for midsize businesses, where he is in charge of the IT business integration and crisis management/project mediation divisions. Mr. Kerbusk has been a member of the Supervisory Board of EASY SOFTWARE AG since May 19, 2005.

Preface by the Management Board

Dear shareholders and business partners, dear employees!

The rapid development of new technologies belongs to the most fascinating aspects of our time. Actively going with the progress is a challenge we have successfully met for years.

Innovative software by EASY SOFTWARE AG always stands for the solution of very specific customer requirements. Our consistent orientation towards product and solution competence stands for the further growth potential of our company.

Analytic expertise and knowledge, prudence and responsibility are among the cornerstones of efficient corporate management to which we and our employees are dedicated. We connect visions with substance to convert the technological opportunities into path-breaking software.

Each customer counts, also in markets with high potential. Who wants to convince in the long run must furnish proof of his knowledge and his capability every day. So we would like to express our sincere thanks especially to our employees as well as to our customers, partners and shareholders for their extraordinary commitment and for the confidence they have shown us.

With the investments in personnel, software development and subsidiaries effected in 2007 we will make the "EASY SOFTWARE" brand even better known in the years to come and internationally expand our market shares.

We are pleased that you, our shareholders, are willing to go this way jointly with all employees of our group.

The Management Board

Josef Gemeri (Chairman)

Highlights 2007

In the past financial year the EASY group has succeeded in gaining a forward-looking position with a multitude of strategic, developmental and distribution-related actions. The particular issues are amongst others:

HSBC becomes Designated Sponsor

With HSBC Trinkaus & Burkhardt AG, EASY SOFTWARE AG could acquire a competent banking firm for small and mid caps and one of the most important Designated Sponsors in German as partner. This action enhanced the liquidity and transparency of the EASY SOFTWARE AG share.

Microsoft European SharePoint Conference in Berlin

The annual "Microsoft European SharePoint Conference" is the largest European expert forum for customers and partners from the Enterprise Content Management (ECM) environment. In the course of the longtime close cooperation with Microsoft, EASY presented its ECM-solutions for the SharePoint Server 2007 in the Convention Center of Hotel Estrel in Berlin from February 12 to 14, 2007.

Takeover of 100 % of the shares of EASY SOFTWARE INC.

In March 2007 EASY SOFTWARE INC. domiciled in Great Valley near by Philadelphia becomes a wholly-owned subsidiary of EASY SOFTWARE AG. In the past financial year 2006 the company achieved a turnover exceeding one million US-Dollars and returned a positive result. EASY SOFTWARE INC. has distributed products and solutions of EASY SOFTWARE AG in the USA since the end of 1999. At that time, major SAP customers represented the primary market EASY aimed for. Furthermore the good prospects on the American archiving market promised profitable businesses. Today, the company does not only address SAP issues but also offers pre-composed solutions to the customers focusing on the core processes such as electronic processing of incoming invoices.

CeBIT in Hannover

At CeBIT 2007 EASY SOFTWARE AG presented its product portfolio for electronic archiving and Enterprise Content Management that had been complemented by essential functions and modules. Both in-house solutions and solutions that have been developed in collaboration with partners, which help to accelerate business processes, reduce the costs and clearly increase productivity, are the focus of attention.

EASY xBASE e-mail product of the year

The e-mail archiving solution EASY xBASE was chosen by the readers of the professional trade magazine "Network Computing" in Great Britain as the e-mail product of the year. The Network Computing Awards are granted to honor persons and enterprises whose products are state-of-the-art technologies in the IT industry. Technologies, tools, solutions and products thus win wide acceptance in this constantly developing market. The winners are chosen every year in spring by the readership of the magazine "Network Computing", and EASY xBASE was the winner in the category "E-mail Product of the Year 2007".

NetworkComputing AWARDS
EMAIL PRODUCT
OF THE YEAR 2007
EASY SOFTWARE
Easy Enterprise

MIX – The EASY Partner Conference

About 300 participants from 16 countries accepted the invitation to the Partner Conference on May 3 and 4, 2007 in the Hotel InterContinental in Düsseldorf. Under the slogan "The future starts with you!" the EASY specialists of the individual departments presented the EASY product and solution portfolio in more than 30 lectures. Speakers from the partner firms – national and international ones – as well used the opportunity to give a summary of their positive experience with EASY solutions. It is planned to open up new market segments with innovative concepts and in collaboration with the partners, thus generating new business.

SAPPHIRE in Vienna

SAP annually invites specialists and professionals to an international communications forum held in a European capital. The event enjoys great popularity in particular among the so-called "top-level decision makers". EASY has successfully distributed SAP archiving systems since 1996 already and is worldwide one of the top manufacturers in this sector. EASY for mySAP, the market-leading proven and tested client-server application from the product portfolio of EASY ENTERPRISE, covers all archiving scenarios for SAP users. In addition it entirely supports the standard interface Archive-Link and offers a multitude of additional options with unique selling propositions.

Formation of EASY SOFTWARE (ASIA PACIFIC) PTE. LTD. in Singapore

EASY SOFTWARE AG goes on with its strategy of internationalization and has established a subsidiary in Singapore. The new EASY SOFTWARE (ASIA PACIFIC) PTE. LTD. commences its business operations on July 1, 2007 and distributes the products and solutions of the parent company in the Asian region. In the run-up to the formation of the local enterprise, EASY SOFTWARE AG already held on-site cooperation talks with different companies and partners, thus evaluating the existing market opportunities. As a result, the new EASY subsidiary had, right at the beginning, good prospects of acquiring new partners and customers in the short-term for the whole group.

DMS Expo in Cologne

The focal points of this trade fair were the advanced industry- and user-oriented solutions to reproduce document-based business processes for the Notes and SAP domains as well as for current Microsoft technologies. The particular visibleness of EASY SOFTWARE AG in the entire competitive environment was especially striking. With its height and design, the EASY booth at the DMS Expo actually protruded clearly from the crowd of 385 exhibitors. The quality of the products and solutions presented could greatly convince the public. There was great interest in workflow-based solutions concerning the processing of incoming invoices for Navision and SAP and in solutions for contract management.

CeBIT Bilisim Eurasia in Istanbul

CeBIT Bilisim Eurasia is an international event of great importance both to Turkey and to the markets of the neighboring states. About 1,000 exhibiting companies from 70 countries present themselves on an exhibition space of nearly 90,000 square meters. The growing Turkish market and the countries surrounding it offer great potential for document management and archiving. We intend to use these opportunities for EASY through early positioning, good communication and optimally trained partners.

SAP-Roadshow

This year's SAP Roadshow of EASY SOFTWARE AG broke its journey in three German metropolises. The start in Düsseldorf was followed by an event in Frankfurt and a concluding presentation in Stuttgart. Topics of the Roadshow were the market-leading products of EASY SOFTWARE AG in the SAP segment for automated processing of incoming invoices, order management and digital personnel file for a maximum automation level with simultaneous transparency of all business relevant processes.

Further fairs and events

Moreover the year 2007 was characterized by numerous sales information events where EASY could showcase its productivity (ITeG in Berlin – ECM Day in Cologne – IFS World Conference in Berlin – Systems 2007 in Munich – VDAV trade congress in Bonn – Microsoft SharePoint Conference in Vienna – DSAG annual convention in Frankfurt – DNUG Autumn Conference in Bonn – Business Online fair in Münster – New Media Sales Digital Personnel Management in Munich, Frankfurt and Berlin – Techno Summit in Stuttgart – synIT in Fulda – German Microsoft Partner Conference in Düsseldorf – Document Management Workshop EASY and Fujitsu in Singapore). By participating in these fairs we have laid the foundation for future marketing successes.

Outlook on the 2008 Highlights

In 2008 the group will further enhance its activities at national and international level to make – just as in prior year – the "EASY" brand even stronger. At this point already we would like to announce some special features for the year to come.

EASY SOFTWARE AG at Lotusphere in Orlando
Once a year, Orlando in Florida, USA, is the meeting point for all Lotus Notes/Domino users worldwide. Lotusphere is the most important IBM conference for this sector. Anyone who is interested can get a detailed idea of the solutions of electronic document management within the framework of lectures and panel discussions. Our subsidiary EASY SOFTWARE INC. presents the archiving solutions by EASY at its own booth on the spot.

News from the MICROSOFT environment
At CeBIT 2008 EASY presents the new version of EASY xSHARE 2007, which amongst others enables accessing EASY ENTERPRISE directly from the SharePoint portal interface, as well as legally compliant archival of SharePoint documents. Furthermore, this provides optimum support for the new SharePoint workflow technology.

Digital signature with EASY xSCANSIGNER
Legal security becomes a more and more important topic in the range of document management – specifically concerning digital archiving in this case. With the new product EASY xSCANSIGNER a qualified signature is prepared in accordance with the requirements of the signatures act and the ordinance on electronic signatures. The solution thus meets all statutory requirements with respect to paper document entry, e.g. at health insurance funds and social insurance agencies.

MIX^{08} – Partner and Customer Conference
EASY SOFTWARE AG has always been focusing on close cooperation with strong specialized trade and technology partners. Together we recognize and open up growth potential, continue to develop innovative software solutions, and provide a region-wide network of competent consulting for extensive on-site service. In the exclusive atmosphere of Hotel InterContinental in Düsseldorf we offer on May 6 and 7, a mix of informative presentations and workshops, up-to-date product information as well as previews of our future strategy to successfully continue our cooperation with partners and customers. After the first day will focus on our partners, we will present current national references and projects to our

customers, inform them about new EASY products and solutions and explain our development plans for the next couple of years on the second day of the conference.

SAPPHIRE in Berlin

After Vienna last year, Berlin will host SAPPHIRE in 2008 from May 19 to 21. As has been the case for a number of years, EASY SOFTWARE AG will have its own booth to show all its document management products and solutions in the SAP environment. The generic workflow solution EASY xFLOW will be the principal topic. With its variable and complex functions, EASY xFLOW is an ideal additional tool for the EASY SOFTWARE AG product portfolio; this is particularly true of the cockpit solution EASY iCENTER for incoming invoices in SAP. The next workflow generation combines many of the performance features and functions from practice into a single solution.

SAPPHIRE 08

Extension of the EASY training concept

Within the scope of the introduction of its new certification program, EASY SOFTWARE AG will extend its training concept. So, thanks to the cooperation with authorized examination centers throughout Germany, final exams concluding the offered trainings for EASY ENTERPRISE.x can be taken near by the respective registered office. This procedure is designed to simplify the certification process and result not only in a saving of time for the EASY partners but also of money – as a consequence of the shorter distance to travel to the exam center. By passing the exam the employees furnish tangible proof of their excellent skills in the EASY environment and clear the way for a certification of their company within the limits of the new EASY model.

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THE EASY SHARE

The EASY Stock at a Glance

Although the positive trend of the macroeconomic framework from 2006 continued throughout 2007, it did not result in a positive performance for all stock indices. While, for example, the DAX index was able to soar during the previous trading year (+ 21 %), the trend for the Prime Software index went in the opposite direction, ending with a loss amounting to 6 % at the end of the year.

	01/02/2007	12/28/2007	Changes
EASY SOFTWARE AG	9.22 €	6.00 €	-35 %
DAX	6,681	8,067	+21 %
Prime Software	9,203	8,642	-6 %

(Closing prices at Frankfurt Stock Exchange)

During the business year 2007, the EASY stock‘s performance was extremely unsettled. During the first two months, good business prospects and the positive capital market environment ensured a price rise of € 9.22 for the EASY stock, reaching an annual peak of € 10.80 on February 21, 2007. The generally difficult environment for software shares and, in this case, particularly for Small and Mid Cap value titles also affected the EASY stock in the course of 2007. Even positive news about new partner-ship alliances, production-volume business deals and strategic future investments on corporate expansion were unable to stop this steady price decline. After an interim annual low of € 5.95 on November 27, 2007, the EASY stock price closed at € 6.00 at the end of the year.

Although we cannot be satisfied with the EASY stock‘s price history during the business year 2007, we are convinced that we laid important foundations for a positive trend, including that of the stock price, particularly in that business year. To make this potential more transparent for the capital market, we were able to win two professional capital market account managers in 2008: the Frankfurt-based analyst firm “Vara Research GmbH”, and “BankM”. We are confident that the appreciation potential of our EASY stock can be utilized accordingly with the corresponding operating results.

PROGRESS OF THE EASY SHARE IN 2007

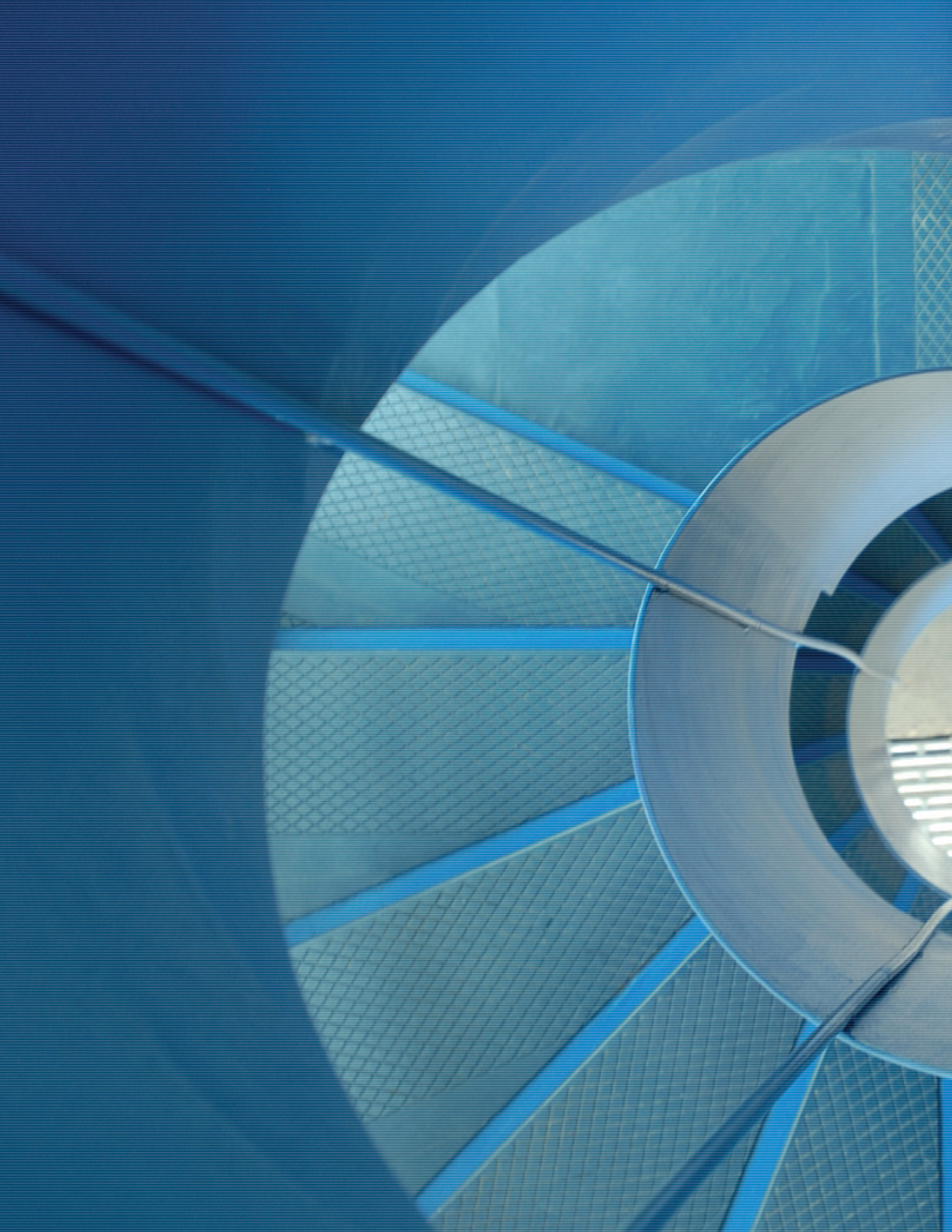
PROGRESS OF THE EASY SHARE 2003 – 2007

THE EASY SHARE AT A GLANCE

	2007
Highest price	10.80 €
Lowest price	5.95 €
End-of-the-period price as of December 28, 2007	6.00 €
Share capital as of December 31, 2007	5,403,000.00 €
Number of shares as of December 31, 2007	5,403,000

KEY FIGURES OF THE EASY SHARE

Security code number	563400
ISIN	DE0005634000
Stock symbol	ESY
Share type	Bearer shares (no-par shares)
Market sector	Geregelter Markt, Frankfurt
Indices	CDAX-Performance-Index
Market location	XETRA, Frankfurt, Berlin-Bremen



EASY SOFTWARE AG
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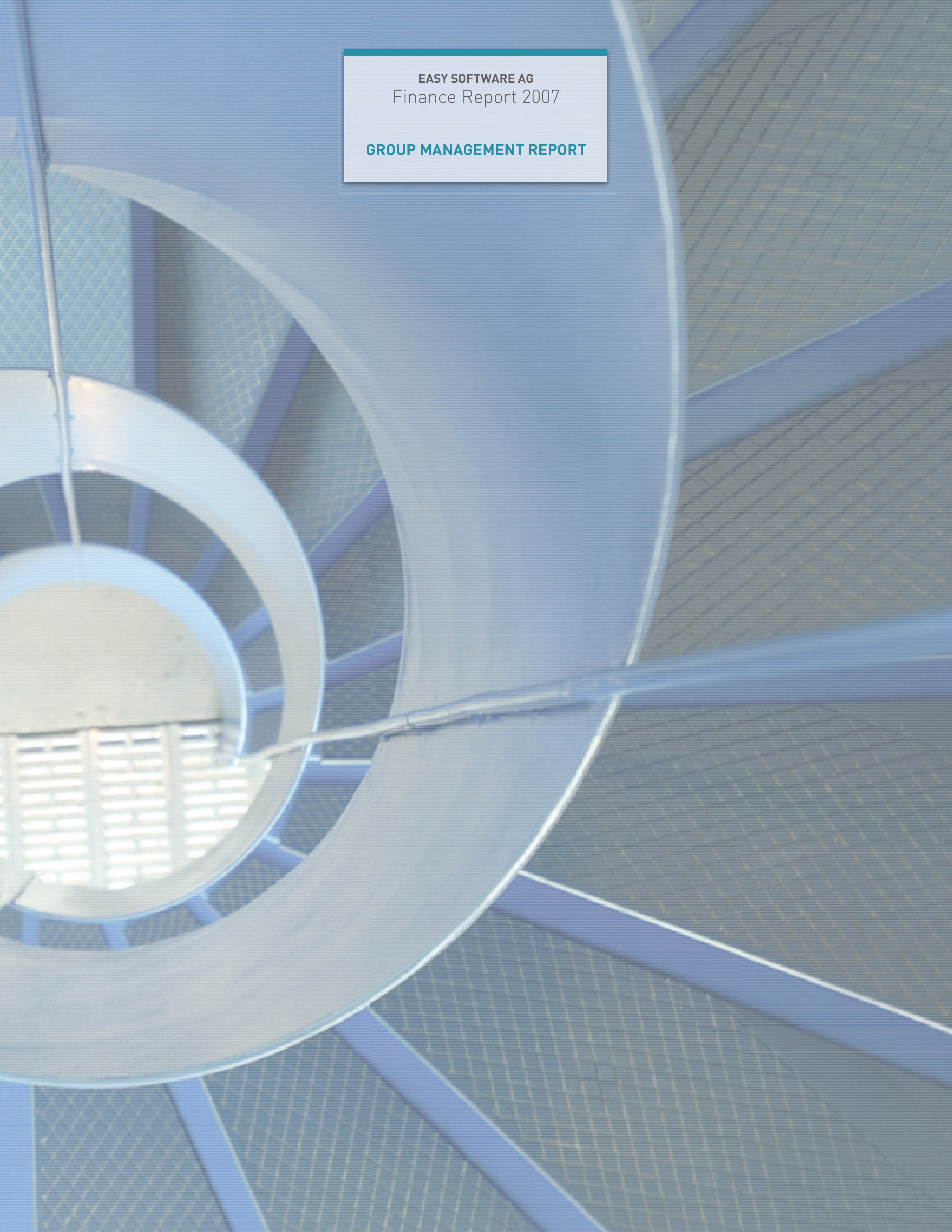
GROUP MANAGEMENT REPORT



Setting Benchmarks with EASY

We are setting examples in a market with good prospects

The market for electronic document management is still a growth sector nationally and abroad. The leading position of EASY SOFTWARE AG on the German market for document management is substantiated by a current and independent study from the VOI ('Voice Of Information') – Verband Organisations- und Informationssysteme e. V. – dealing with "Document Management in Germany 2007". Accordingly, we develop and distribute the most widely-used product and enjoy the highest awareness level among potential new customers who don't have electronic management and administration of their business records available yet. Furthermore, the study shows that more than 65 % of the companies questioned use no document management system at all. This represents a considerable potential that we will use in collaboration with our partners to conquer further market shares and to make the EASY solutions even better known. With our innovative developments we have already laid the foundation for this.

Impetus towards expansion through EASY SOLUTION PACKAGES

More and more companies are under high pressure of time and cost. That is why they selectively watch for software solutions in the market, which can offer a more effective process management. Experience shows that our company is sought after as a provider of such solutions. Since some time, we have already gone over to offering solution packages that are adequately preconfigured. Besides the process-oriented solutions for the most diverse areas and industries, the EASY SOLUTION PACKAGES also include "best practice" workflows that can be installed without much customizing effort. This includes the automated processing of incoming invoices with EASY INVOICE as well as an effective contract management with EASY CONTRACT.

Successful expansion of customer base

In collaboration with our partners we were able to significantly expand the installed customer base. More than 550 new customers in 2007 reflect the high profile and acceptance of our products and solutions. With a current customer base of more than 9,000 customers (of which 2,000 outside Germany) we are represented in all industries and across all enterprise sizes.

9.000

OUR DISTRIBUTION SYSTEM

Most powerful DMS distribution channel in Europe

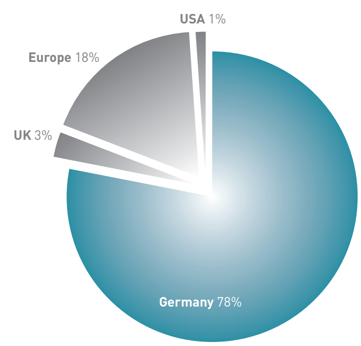
For the purpose of rapid market penetration we particularly rely on our sales partners in addition to our direct marketing for key accounts. With the national and international partnerships we have the most powerful distribution channel in Europe concerning the DMS industry, which has established together with us the customer base covering more than 15,000 installed archive and document servers.

New EASY/MICROSOFT partners

In 2007 we were able to win 46 new partners for the future markets with EASY products in the Microsoft environment. This will allow us to serve new customer segments securing further market shares for us. With products for Microsoft Exchange Server, Microsoft SharePoint Server and Microsoft Office these partners will be enabled to serve their existing customers with new technologies.

Certification model for sales partners

We announced our new partner certification model in May 2007 and introduced it in September 2007 according to plan. So the EASY partners are able to work purposefully towards the status of a bronze, silver or gold partner. In this connection the status depends on the technical focal points chosen by the partners. To this end skills can be acquired in six – to begin with - different segments "EASY Infrastructure for ECM Solutions", "EASY Business Solutions for SAP", "EASY Business Solutions for Microsoft Dynamics", "EASY Microsoft Office Solutions", "EASY Notes Solutions" and "EASY OEM Industry Solutions". With our new partner management we are pursuing a definite goal. We intend to increase the great acceptance of our partners in the market even further and to offer the required degree of transparency to the customers so that they can address themselves to the appropriate partner to have their needs fulfilled.



CUSTOMERS DISTRIBUTION

Marketing and Communication

In the past financial year we have presented the performances of the EASY SOFTWARE AG group at two trade fairs and events on monthly average; both nationally and abroad. Besides the big trade fairs CeBIT and DMS, our participation in CeBIT Bilisim Eurasia in Turkey, in the Microsoft SharePoint Conference in Vienna and in the SAP fair SAPPHIRE in Vienna have to be mentioned in particular. At the EASY Partner Conference MIX 07 in Düsseldorf hosted for the first time we succeeded in two days in filling our national and international partners with enthusiasm for our

innovative power and our strategy for the future.
The bilingual corporate magazine "The Document Times", published quarterly, reported on our products, customers, partners, trends and fixed dates. At the same time we were able to expand our European, American and Asian communication networks to support international distribution. In participating in LOTUSPHERE 2008, the most important IBM conference for LOTUS NOTES/DOMINO users in Florida early in January 2008, we have demonstrated in collaboration with our US-American subsidiary EASY SOFTWARE INC. that our technologies are internationally competitive.

COMPETITIVE ADVANTAGE THROUGH INNOVATION AND PRECISION

Developing high-performance total systems

The driving forces for our software development are the partners' and customers' suggestions as well as the general technological further development. In order to be able to act on market requirements at an early stage, customer needs are centrally collected all along, checked within the product management and implemented in one of the future software releases if appropriate.

Manifold innovations in the Microsoft environment

In 2007 comprehensive new developments in the Microsoft environment were presented. According to current estimates, the flood of e-mails increases by more than 30 % p.a. More and more of the circulating e-mails are tax-relevant, which makes the overall e-mail management more and more demanding. With the development of xBASE 2007 we adequately responded to the requirements of the market. The latest version of the e-mail archiving solution reduces the exchange data volume and supports exchange server migrations. Besides many detail improvements the new Microsoft Exchange Server 2007 is supported as well. Exchange server farms can be consolidated. EASY xBASE 2007 indexes contents, documents and appendices in full text – the search in Outlook is integrated. Furthermore, audit-proof archiving in read-only format complying with the German regulations on data access and auditability of digital documents (GDPdU) is guaranteed at all times. With EASY xBASE, also Blackberry users are now able to get their e-mails archived in unalterable audit-proof format. An e-mail is immediately archived upon its entry, and the link to the archived e-mail can be generated with an adjustable time lag as from then. Thus, Blackberry users can access incoming e-mails as usual and have also the safety of an audit-proof archiving.

EASY archiving for Microsoft SharePoint Server 2007

EASY xSHARE is the archiving solution for Microsoft Office SharePoint Server 2007. This EASY solution helps to unload resources and to increase the performance. The range of functions is diversified. Archiving of single documents is as feasible as searches via metadata. EASY xSHARE includes integrated administration, archive libraries and mass storage connection. The Share-Point-Workflow is supported in addition.

EASY for mySAP

EASY for mySAP Level 1 has been completely reworked. We have created a totally new administration interface. Ergonomics and usability were improved considerably. Two totally new modules were developed: EASY for my SAP Level 2 and SmartLink. This newly developed software completely runs on Java technology. An important advantage resulting from this innovation is the increased release-independency of SAP. Alltogether the new system is more transparent and easier to maintain. In addition, a drop-down menu being new as well provides more clarity. A further implementation leads to a more solid and rapid signature check.

EASY DOCUMENTS
Our EASY DOCUMENTS is the ECM system covering the whole life cycle of a document from registration via processing, forwarding and inquiry to audit-proof archiving. In 2007 we presented the complete integration of EASY DOCUMENTS into EASY ENTERPRISE both as archive client and as workflow system with archive connection. Another highlight is the seamless integration of EASY DOCUMENTS into Microsoft Outlook: so the users can have direct access to all ECM tasks in the usual Outlook environment.

These are only a few examples of the innovative power of our company. These and other developments in the environment of e.g. Lotus Notes and other ERP systems make us rank among the technology leaders of our industry.

Focus on quality assurance
A reliable quality assurance system is part and parcel of our software development. Our quality assurance employees have many years' experience with EASY in the sectors development, consulting and test procedures for our software products. It is our standard to provide our customers with reliable software with the lowest possible error ratio. In 2007 we could adhere to our release planning und deliver most modern software for document management.

The new EASY support concept
With our support division we have always developed rapid solutions when software problems occurred at our clients. With the support concept newly introduced in 2007 we succeeded in making a further move towards reliability and process optimization. New software improved the reachability of the support and increased the transparency of the individual inquiries. The certified partners can reach the EASY support day and night via the respective Web client for the recording and inquiry of support cases. Furthermore, the integrated knowledge data base provides assistance for self-help end enables the partner to find answers to his inquiries on his own. This additional service considerably facilitates communication for all those involved.

Our employees
An effective and forward-looking personnel policy with a high retention factor for high performers ranks among the most important objectives for us. All important employees stayed in the company although the situation on the IT labor market had improved. To support the previous and expected growth the number of persons employed by the company increased on average by 18 from 136 to 154. The scheduled increase in the number of employees serves to secure a product development being in line with the market and to increase sales and earnings continuously.

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THE EASY SHARE

Performance

Despite good news and results in the past financial year, the development of the EASY share did not take the desired course. The closing price still being € 9.20 per share at the end of 2006, the price level moved – after a peak price of € 10.80 was reached in spring – to an amount of € 6.00 in late 2007. We cannot be content with this performance; however, in view of the business potential for 2008 and the IR measures initiated, we see a considerable development potential for the future.

Dialog with the investors

On the basis of the very positive experience we could gain in 2007 we will further intensify the dialog with analysts and institutional investors to point out even clearer the up-and-coming group development and the share's potential in the financial world.

It is our objective to convince the shareholders with sound forecasts and above-average growth and to develop the share price continuously by expanding national and international activities.

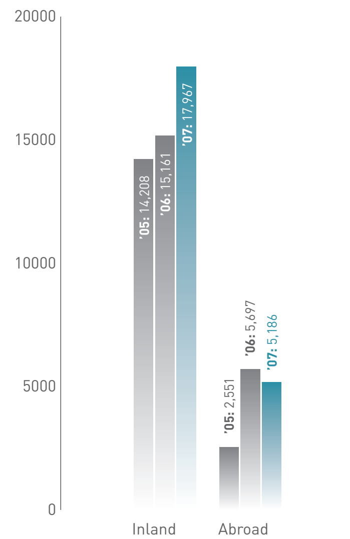
Investor Relations work

To bring our company more into sight at our private and institutional investors, we could secure for ourselves the support of the Frankfurt research enterprise "Vara Research GmbH" in the fourth quarter of 2007. With the research report to be expected and further accompanying measures that we take in collaboration with "BankM", who assist us in 2008 as professional adviser in capital market matters, we are taking the right way.

DETAILED FIGURES

Development of sales and earnings

In the financial year 2007 the EASY SOFTWARE AG group could raise its turnover by € 2.3 million from € 20.9 million to € 23.2 million, of which € 18.0 million (prior year € 15.2 million) fall upon domestic business and € 5.2 million (prior year € 5.7 million) to foreign business. The repartition of sales by categories is as follows: sales amounted to € 8.7 million for software (prior year € 8.3 million), to € 13.8 million for software maintenance and services (prior year € 11.7 million) and to € 0.7 million for hardware and miscellaneous (prior year € 0.9 million). The earnings before tax amount to € 1.1 million (prior year € 3.4 million), the net income for the year to € 1.3 million (prior year € 4.1 million). The net income for the year has declined in spite of increased sales. This can largely be attributed to the loss contribution from EASY SOFTWARE (UK) PLC. A highly increased share of sales from EASY software products including an external license portion, and increased external services in customer projects also led to a disproportionately high rise in the cost of materials. Furthermore, targeted investments in staff and development were made for the future corporate development. The group's net income for the year has declined by reason of the strategic investments for future growth. For the years to come we expect again a pre-tax yield of 13 %.



SALES SEGMENTS
INLAND/ABROAD IN € THOUSAND

Assets and liabilities structure and capital structure

Compared to the prior year, the balance sheet total of our group increased by € 4.1 million from € 14.8 million to € 18.9 million. This means an increase of 28 %. The equity ratio amounts to 59 % (prior year 66 %).

59%

Financial position

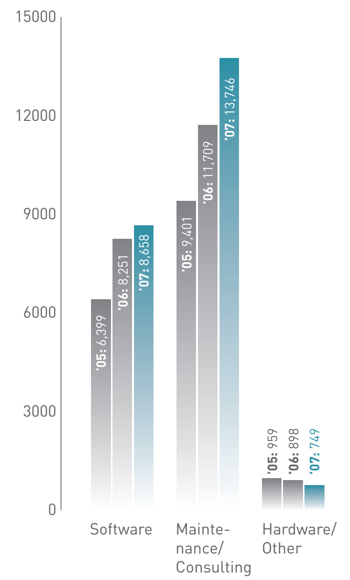
Our financial standing for 2007 can be most accurately described with the statement “very solid liquidity position despite considerable investments in growth”.
In the past financial year the bank balance increased by € 1.1 million from € 2.3 million to € 3.4 million. Liabilities to banks disclosed in the amount of € 2.6 million (prior year: € 1.5 million) solely relate to our English subsidiary EASY SOFTWARE (UK) PLC.
Our sound financial policy is designed to provide us with security for necessary investments in growth also in the future.

Investment activity

In the past financial year the most important investment relates to the purchase of a server component and a customer base for our e-mail archiving EASY xBASE. The amount invested adds up to € 1.5 million. Thanks to this acquisition we will save external license costs of about € 0.5 million up to € 0.75 million p.a.
Together with the software component, all copyrights and exploitation rights were acquired. In addition to costs-savings in foreign licenses, we also expect from this an expansion of current existing clients and the win of new customers.
The other investment activity relates to the purchase of efficient hardware and software for the development of our products and for the presentation of our solutions at our clients and at trade fairs.

CHANCES OF FUTURE DEVELOPMENT

For the future development of the EASY SOFTWARE AG group we see particular chances in the distribution-related internationalization process and the acceleration of the strategic cooperation with companies like Microsoft, Hewlett Packard or SAP. This one and other cooperation arrangements give us the opportunity to participate in the latest software trends and to acquire a competitive advantage. In addition they enable us to win new national and international sales partners selling our solutions in new markets.



SALES SEGMENTS IN € THOUSAND

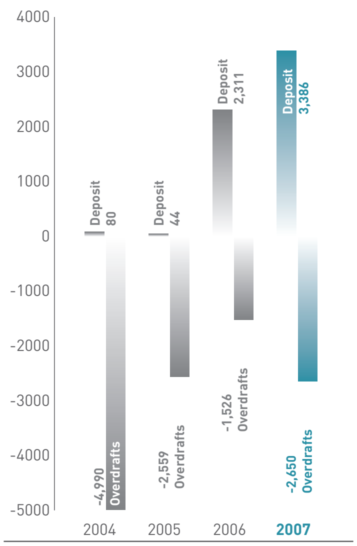
RISKS OF FUTURE DEVELOPMENT AND SAFEGUARDING THROUGH EFFECTIVE RISK MANAGEMENT

In order to be able to seize the opportunities offered by the market, we must take risks – just like every company. Through a sound business policy, potential endangerments in connection with the business operations are always restricted as far as possible.

Major risks for our company result from the market conditions and competitive environment. Apart from the general economic situation, it's primarily sectoral risks and the rapid technological change that may affect the course of business.

Subject to the economic and sectoral development there are in particular risks related to sales and earnings that possibly cannot be completely compensated despite current cost control.

Moreover, the group faces risks regarding EASY SOFTWARE (UK) PLC. In the past financial year the company sustained a loss amounting to € 1.1 million. There are bank guarantees in favor of EASY SOFTWARE (UK) PLC. amounting to € 2.3 million. The current goodwill comes to € 0.4 million. In case that the company should not be able to achieve the expected positive results in the financial year 2008, there are value adjustment risks with respect to the goodwill as well as risks of a potential drawdown with respect to the guarantees given. We meet these risks with consistent controlling through the board of management of EASY SOFTWARE AG and with an intensive distribution-related support for the purpose of winning new partners. In view of the initiated measures we assume that these risks can be reduced to a minimum in 2008.



LIQUIDITY DEVELOPMENT IN € THOUSAND

We consider consistent risk management as an instrument for long-term safeguarding of our company. There is an early warning system to identify potential endangerments that includes internal and external risk factors.

The respective specialized departments control adherence to the strategic targets. Central audits of corporate ratios, planning variances, process control as well as market and competition analyses round off our risk management.

CORPORATE GOVERNANCE

The declaration on the Corporate Governance Code prescribed by § 161 AktG (German Corporation Law) was entered in our web pages inclusive of modifications and thus made permanently available to the shareholders.

SUNDRY

The subscribed capital amounts to € 5,403,000.00. It is divided into 5,403,000 individual share certificates at an arithmetical par value of € 1.00 each.
By resolution passed at the General Meeting on June 23, 2004 the board of management is authorized to increase the company's share capital upon approval by the supervisory board once or several times by up to € 2,701,500.00 against cash or non-cash contributions (authorized capital) by December 31, 2008. This authorization has not been exercised so far.
Mr. Manfred A. Wagner, chairman of the supervisory board, has a share of 26.84 % in the subscribed capital.
The board of management consists of one person at least. The supervisory board decides on the number of board members each for five years at most.
In the year under review two persons were appointed members of the board of management. The remuneration package of the management board amounted to € 368 thousand (prior year € 194 thousand). The Chairman of the Board, Mr. Josef Gemeri, received a fixed remuneration of € 163 thousand (consisting of fixed salary and benefits in kind) for the financial year 2007 and a variable allowance of € 107 thousand. As Board of Management Mr. Andreas C. Nowottka received for the time from May 1, 2007 to December 31, 2007 a fixed remuneration of € 86 thousand (consisting of fixed salary and benefits in kind) and a variable allowance of € 12 thousand.

OUTLOOK AND FUTURE DEVELOPMENT

With our competence concerning electronic document management, the largest sectoral sales partner channel in Europe and the innovative product range we are optimally prepared for benefiting especially from the market development. For the financial year 2008 we target an above-average sales growth and a further increase in the net income for the year.

An important success factor for our dynamic further development is the determined expansion of the international marketing operations. In this connection, the improvement of our market position in Great Britain, the USA and via Singapore in the Asian region is the focus of attention. The business transacted overseas shall be expanded continuously within the scope of the increasing internationalization process. With our foreign subsidiaries and further international sales partnerships this will be the key to an above-average growth nationally and abroad.

Mülheim an der Ruhr, February 2008

Josef Gemeri — Andreas C. Nowottka

EASY SOFTWARE AG

Finance Report 2007

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET – ASSETS

in € thousand	Notes	12/31/2007	12/31/2006
I. Long-term asset			
1.) Software development expenses	(1)	1,499	1,419
2.) Company value	(2)	955	885
4.) Other intangible assets	(3)	3,302	108
5.) Fixed asset	(4)	779	814
6.) Deferred taxes on the assets side	(5)	3,237	2,896
		9,772	7,113
II. Short-term assets			
1.) Inventories	(6)	143	190
2.) Trade receivables	(7)	4,683	4,890
3.) Other receivables	(8)	882	320
4.) Cash and cash equivalents	(9)	3,386	2,311
		9,094	7,711
Total assets		18,866	14,824

CONSOLIDATED BALANCE SHEET – LIABILITIES

in € thousand	Notes	12/31/2007	12/31/2006
I. Share capital and reserves			
1.) Subscribed capital	(10)	5,403	5,403
2.) Reserves			
Capital reserve		26,836	26,836
Retained earnings		38	38
Accumulated loss		21,173	22,475
3.) Currency translation adjustment		63	-16
4.) Minority interests		50	45
		11,217	9,831
II. Liabilities			
1.) Long-term liabilities			
Deferred tax liabilities	(11)	605	573
2.) Short-term liabilities			
Accruals	(12)	163	771
Financial liabilities	(13)	2,650	1,526
Trade accounts payable	(14)	2,699	1,224
Other liabilities	(15)	1,532	899
		7,649	4,993
Total equity and liabilities		18,866	14,824

CONSOLIDATED INCOME STATEMENT (IFRS) AS OF DECEMBER 31, 2007

in € thousand	Anhang	2007	2006
1. Sales revenue	(16)	23,153	20,858
2. Capitalized own devolpment	(17)	1,489	1,518
3. Other operating income	(18)	305	952
4. Cost of goods		4,179	3,659
5. Personnal expenses	(19)	10,484	8,833
6. Depreciation of intangible assets and fixed asset		2,027	1,735
7. Other operating expenses		7,132	5,586
8. Interest and similar earnings		179	43
9. Interest and similar expenditures		250	108
10. Earnings before tax		1,054	3,450
11. Taxes on income	(20)	-268	-718
12. Net income for the period		1,322	4,168
13. Minority interest		20	19
14. Net income that the investor of the parent company is entitled to		1,302	4,149
Earnings per share	(21)	0.24	0.79

FIXED ASSETS DEVELOPMENT (EXPANDED GROSS REPORT, IFRS) EASY SOFTWARE GROUP

in € thousand	Purchase cost and cost of manufacture				
	Balance carried forward 01/01/2007	Addition	Disposals	Currency translation	**Status as of 12/31/2007**
Software development expenses	18,474	1,489	0	0	**19,963**
Company goodwill	938	198	128	0	**1,008**
Customer base	1,804	70	0	0	**1,874**
Other intangible assets	2,080	1,771	0	0	**3,851**
Fixed assets property, plant and equipment	2,855	367	23	-18	**3,181**
Payments in advance	0	583	0	0	**583**
	26,151	4,478	151	-18	**30,460**

in € thousand	Accumulated depreciation						Net book value	
	Balance carried forward 01/01/2007	Addition from Consoli-dation	Depreciation financial year	Currency translation	Disposals	**Status as of 12/31/2007**	**Book value 12/31/2007**	Book value 12/31/2006
Software develop-ment expenses	17,055	0	1,409	0	0	**18,464**	**1,499**	1,419
Company goodwill	53	0	0	0	0	**53**	**955**	885
Customer base	813	0	134	0	0	**947**	**927**	991
Other intangible assets	1,972	0	87	0	0	**2,059**	**1,792**	108
Fixed assets pro-perty, plant and equipment	2,041	0	397	-13	23	**2,402**	**779**	814
Payments in advance	0	0	0	0	0	**0**	**583**	0
	21,934	0	2,027	-13	23	**23,925**	**6,535**	4,217

Notes to the 2007 Consolidated Financial Statements

General information
EASY SOFTWARE AG, Mülheim an der Ruhr, was established on March 6, 1990 under the name EASY Elektronische Archivsysteme GmbH and transformed into a stock corporation on September 8, 1998 as per section 190 et seq. Law of Reorganisations (UmwG). The object of the Company is the development and distribution of hardware and software for electronic archiving and document management systems.
The EASY Group conducts its business at the head office in Mülheim an der Ruhr, in Salzburg/Austria, in Suffolk/Great Britain, in Great Valley/PA/USA and in Singapore. On the basis of the circumstances on balance sheet date EASY SOFTWARE AG shall be considered as a parent company of a Group domiciled in Germany and is thus required to prepare consolidated financial statements and a group management report as per section 290 German Commercial Code (HGB).

SURVEY OF SIGNIFICANT ACCOUNTING POLICIES

Conformity of consolidated financial statements with IFRS
The attached consolidated financial statements for the financial year 2007 have been prepared in conformity with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, to be applied bindingly as of December 31, 2007 within the European Union. In addition, the consolidated financial statements comply with the provisions of section 315a, para. 1 HGB. In the preparation of the consolidated financial statements and the determination of last year's figures the Company generally applied the same accounting policies as in the 2006 consolidated financial statements.
In the present consolidated financial statements the Company initially applied those Accounting Standards and Interpretations revised by the IASB that are bindingly applicable by EASY SOFTWARE AG in the financial year 2007.

IAS 1 (Presentation of Financial Statements – Capital Disclosures)

The Amendment to IAS 1, Capital Disclosures, requires extended disclosures on the Company's capital and capital management and on whether externally imposed capital requirements have been complied with. These disclosures are commented on under the item equity in the notes.

IFRS 7 (Financial Instruments: Disclosures)

IFRS 7 extends the existing disclosure requirements on financial instruments as per IAS32. IFRS 7 defines classes of similar financial instruments, which form the basis for the provision of extensive information on the importance of financial instruments to the net assets, financial position and results of operations and the quantitative and qualitative disclosures on the nature and extent of risks associated with the financial instruments.

IFRIC 10 (Interim Financial Reporting and Impairment)
According to IAS 36 or IAS 39 respectively an impairment of

goodwill or specific financial assets recognised (in the income statement) may not be reversed in later periods. According to IFRIC 10 an impairment of goodwill or certain financial assets recognised in interim reporting periods (in the income statement) shall not be reversed either. The application of IFRIC 10 has not impacted on the consolidated financial statements of EASY SOFTWARE AG.

The IASB newly adopted or revised a number of other Accounting Standards and Interpretations bindingly applicable from January 1, 2008 at the earliest, provided they have been approved by the Council of the European Commission and are relevant to the EASY Group:

No.	*Title*	Applicable from
IAS 1	Presentation of Financial Statements (revised)	01/01/2009
IAS 23	Borrowing Costs	01/01/2009
IFRS 8	Operating Segments	01/01/2009
IFRIC 11	IFRS 2 - Group and Treasury Share Transactions	01/01/2008
IFRIC 12	Service Concession Arrangements	01/01/2008
IFRIC 13	Customer Loyalty Programmes	01/01/2009
IFRIC 14	IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01/01/2008

According to the present estimate initial application of the above Accounting Standards will not significantly effect later years' financial statement.

CONSOLIDATION PRINCIPLES

Scope of consolidation

Besides EASY SOFTWARE AG, Mülheim an der Ruhr, as parent company the following subsidiaries have been included in the consolidated financial statements, in which EASY SOFTWARE AG directly or indirectly controls the business policy:

Company	**Interest**
EASY SOLUTIONS Archivierungs- und Informationssysteme GmbH, Austria	**70 %**
EASY SOFTWARE (UK) PLC., Great Britain	**76 %**
EASY INTERNATIONAL CONSULTING GmbH, Oberhausen	**100 %**
EASY SOFTWARE INC., USA	**100 %**
EASY SOFTWARE (ASIA PACIFIC) PTE. LTD.	**100 %**

All companies are included in the consolidated financial statements using the purchase method, since they are controlled directly or indirectly by EASY SOFTWARE AG.

Changes in the scope of consolidation

As of January 1, 2007, EASY SOFTWARE AG assumed control of 100 % of the shares in EASY SOFTWARE INC., Great Valley, PA/USA, for a purchase price of € 1.00. The difference between the purchase price and the net assets measured at fair value resulted in goodwill of € 198 thousand. EASY SOFTWARE INC. contributed € 36 thousand to the consolidated profit in 2007. Furniture and fixtures and office equipment to the amount of € 16 thousand and accounts receivable to the amount of € 453 thousand were added upon initial consolidation. EASY SOFTWARE (ASIA PACIFIC) PTE. LTD., Singapore, was established on July 1, 2007 at a share capital of € 49 thousand. EASY SOFTWARE AG acquired the total share capital. The net income for the financial year 2007 amounted to € 8 thousand.

Consolidation principles and closing date

The annual financial statements prepared as of December 31, 2007 according to uniform regulations, audited by the local auditors and granted the unqualified auditor's report or the annual financial statements of the companies included in the Group audited within the Group audit process respectively form the basis of the consolidated financial statements.
The companies included were consolidated using the purchase method at the date of establishing control (date of acquisition). Assets and liabilities of the subsidiaries were measured at fair values.
Intercompany gains, losses, revenues, income and expenses as well as receivables and liabilities between consolidated companies were eliminated.
Minority interests are disclosed separately in equity. The group closing date for all companies included is December 31.

Currency translation

Currency translation is made in compliance with IAS 21. In the separate financial statements of the companies included business transactions in foreign currencies are measured using the rate at the date of initial recognition. As of the balance sheet date monetary items are translated using the closing rate. Exchange gains and losses are recognised in the income statement.
Upon inclusion in the consolidated financial statements, the financial statements of the foreign subsidiaries EASY SOFTWARE (UK) PLC., EASY SOFTWARE INC. and EASY SOFTWARE (ASIA PACIFIC) PTE. LTD. are translated into euros using the functional currency concept as per IAS 21. Since these companies conduct their business independently, the functional currency is the respective local currency.
The effect of applying the closing rate method including the exemption that income and expenses were translated using the year-end exchange rate has been directly recorded in the adjusting item from currency translation at € 13 thousand. Intercompany gains, losses, revenues, income and expenses between group companies were eliminated. The average rates applied were EUR 1.3571/GBP, EUR 0.6794/USD and EUR 0.47/SGD respectively and the closing rates EUR 1.45529/GBP, EUR 0.75742/USD and EUR 0.4893/SGD respectively.

Accounting policies

The consolidated financial statements have been prepared in euros; all amounts are stated in thousands of euros (k EUR). The cost method has been applied on principle. In compliance with IAS 27 uniform accounting policies have been stipulated for all group companies, which have been changed compared to last year only to the extent described above.
As per IAS 1.51, the balance sheet is classified according to current and non-current assets and liabilities. The income statement is prepared using the total expenditure format.
In the following the major accounting policies are presented in detail:
Cost for newly developed software products are capitalised at cost of conversion as far as the expenditure can be clearly allocated and both the technical feasibility and the marketability of the newly developed products is guaran-

teed (IAS 38). Furthermore, the development activity has to result in probable future economic benefits. Costs of conversion comprise the cost directly or indirectly attributable to the development phase. Amortisation is made on the basis of the estimated sales period of the software products, currently amounting to three years. In compliance with IAS 38, research expenditure may not be capitalised and are therefore directly recognised as expenditure in the income statement.

Goodwill is not amortised according to schedule but tested for impairment once per year in accordance with IFRS 3 as well as IAS 36 and IAS 38. The recoverable amount of goodwill capitalised was determined as the basis of the value in use. The discounted net cash flows were determined on the basis of current success prospects and the financial and earnings planning of the lines of distribution for the next five years. The cash flows determined were discounted using a pre-tax discount rate of 10% p.a. If the carrying amount of goodwill exceeds the recoverable amount thus determined the difference represents the necessary impairment which is recognised in the income statement. Recoverability of goodwill is assumed, if the carrying amount falls below the amount determined. Impairment is not required in this case. If impairment is required as a result of the impairment test the corresponding loss is recognised under amortisation and write-downs.

Intangible assets and the acquired customer base are measured at cost reduced by scheduled amortisation. The useful life is limited. They are amortised straight-line corresponding to the expected useful life (3-15 years).

Property, plant and equipment are measured at cost reduced by scheduled depreciation.

Maintenance costs not embodying additional economic benefits are recognised as expense at the date they have been incurred.

Depreciation was determined on the basis of the useful lives presented in the table below:

Figures in years	**Useful life**
Intangible assets	**3-15**
Fixtures in third-party buildings	**10**
Technical equipment and machinery	**3-5**
Furniture	**10**

Low-value assets at acquisition costs up to € 410.00 are written off in full in the year of acquisition.

Under inventories, product licenses and merchandise are recognised at cost or the lower net realisable value respectively, which is determined on the basis of expected sales proceeds less costs accruing.

Trade receivables, other receivables and cash are recognised at par. Individual value adjustments allow for recognisable risks. A defined benefit asset (IAS 19) is recognised for direct pension commitments. The asset is measured on the basis of actuarial calculations as per IAS 19. Actuarial gains and losses are recognised in profit or loss in the year they have been realised or incurred respectively. Both the interest component included in the pension expenditure and actuarial losses are recognised under interest expenses.

Regarding the recognition of assets that are not inventories, deferred tax assets or financial instruments, such assets are examined at each balance sheet date as to any indication of impairment. If such an indication exists, the recoverable amount (the higher of fair value less costs to sell and value in use) is determined and compared to the carrying amount recognised. If the recoverable amount falls below the carrying amount the asset is written down to the recoverable amount. The impairment loss is recognised as an expense in the income statement. Revaluations of non-current assets or impairments of non-current assets were not required in the financial year.

The provisions allow for all present probable legal and constructive obligations as a result of a past event and when it is probable that an outflow of resources will be required to

settle the obligation. The amount of the provision recognised is based on the amounts required to cover future payment obligations, recognisable risks and contingent liabilities of the Group. Liabilities are measured at amortised cost.
Revenues from the disposal of products and merchandise or the rendering of services is realised when the delivery or service owing have been rendered, the risk has been transferred and the expected consideration can be reliably estimated.
Income and expenses of the financial year are recognised when they are realised, regardless of the date of payment.
Interest is recognised as income or expense in the period in which they accrued.
Income taxes allow for current taxes and deferred taxes and are recognised in the income statement, unless the underlying facts are credited or charged directly to equity. Current income taxes mainly relate to allocations to the provision for trade tax and corporate income tax and are determined on the basis of the tax rates applicable as of the balance sheet date.
Deferred taxes are calculated using the temporary method as per IAS 12. According to that, deferred tax assets/deferred tax liabilities result from temporary differences in the amounts recognised in the tax balance sheets and the IFRS accounts (HB II), tax loss carryforwards that can be utilised and consolidation measures.
The respective assessment bases of deferred taxes are measured at the income tax rate expected to be applicable at the date of the realisation of the differences. Future deferred taxes were measured using an average tax rate of 32.275 % and deferred taxes of the current year using an average tax rate of 40.38 % in Germany respectively the applicable tax rates in the USA and Great Britain.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Segment reporting

Segments are distinguishable components of an enterprise that are either engaged in providing specific products or services (business segments) or operate within a particular economic environment (geographical segments) and are subject to risks and returns that are different from those of other business segments.
The Group exclusively develops and distributes document management and archiving products and renders software maintenance and other services related to this. Due to the homogenous business activity and the scope of business the data in the consolidated financial statements can only be segmented with regard to secondary segment information and are presented following the notes to the balance sheet and income statement.

Risk reserve

We allow for the specific risks involved in our business through the recognition of individual value adjustments. Regarding new customers we usually obtain information about their credit standing to assess the credit risk. The results of these analyses are allowed for when entering into new business relations. The maximum amount of credit risk equals the amount of the receivables recognised.
Interest risks are counteracted by agreeing fixed-interest loans. The amounts of foreign currency receivables are kept as low as possible.

Estimates used in preparing consolidated financial statements

The preparation of consolidated financial statements requires estimates to be made with regard to several items which impact on the assets, liabilities and contingent liabilities recognised as of the respective balance sheet date as well as income and expenses of the reporting period. The actual amounts can deviate from these estimates.

The managing board has made use of accounting policy options. Concerning the option with regard to the recognition of actuarial gains and losses the Company has decided to recognise such gains or losses in net profit or loss in the year they have accrued. If the Company chose another method of recognition this would possibly significantly influence other receivables and personnel expenses.

As of the balance sheet date the managing board made the following future-related assumptions and identified material sources of margins of error which can result in a risk that assets and liabilities disclosed are required to be significantly adjusted within the financial year to come.

Other receivables/pension provision: The pension obligation is measured on the basis of a method using various parameters, such as the expected discount percentage, index-linked salary and pension increases and return on plan assets. If the development of these parameters significantly deviates from expectations this could materially impact on the pension obligation and thus on other receivables as a result of offsetting against plan assets.

Impairment: The carrying amount of goodwill, other intangible assets and property, plant and equipment is generally examined on the basis of discounted cash flows from the continued use and the disposal of fixed assets. Factors such as revenues falling below expectations and lower net cash flows resulting from this, but also changes in discount percentages, can lead to impairment.

Further estimates and assumptions especially relate to the assessment of the carrying amount of deferred tax assets on tax loss carryforwards and the measurement of other provisions.

NOTES TO THE BALANCE SHEET (IFRS)

Intangible assets

The breakdown and development of intangible assets as of December 31, 2007 is presented in the table below:

in € thousand	Software development costs	Goodwill	Other	Total
Cost values				
Balance as of January 1, 2007	18,474	938	3,884	23,296
Additions	1,489	198	2,424	4,111
Disposals	0	128	0	128
Balance as of December 31, 2007	19,963	1,008	6,308	27,279
Accumulated amortisation				
Balance as of January 1, 2007	17,055	53	2,785	19,893
Additions	1,409	0	221	1,630
Disposal	0	0	0	0
Balance as of December 31, 2007	18,464	53	3,006	21,523
Amortised cost	1,499	955	3,302	5,756

In the prior year intangible assets developed as follows:

in € thousand	Software development costs	Goodwill	Other	Total
Cost values				
Balance as of January 1, 2006	16,956	405	3,757	21,118
Additions	1,518	533	138	2,189
Disposals	0	0	11	11
Balance as of December 31, 2006	18,474	938	3,884	23,296
Accumulated amortisation				
Balance as of January 1, 2006	15,863	53	2,609	18,525
Additions	1,192	0	180	1,372
Disposals	0	0	4	4
Balance as of December 31, 2006	17,055	53	2,785	19,893
Amortised cost	1,419	885	1,099	3,403

1. Software development cost

Software development cost were capitalised as intangible assets in accordance with IAS 38 for products where it is probable that the expected future economic benefits will cover the development cost accrued in full. The capitalised software development cost comprise personnel costs for employees involved in the software development including the employer's social security contributions as well as directly attributable overheads and external development cost. Software development cost is amortised over the expected product life of three years using the straight-line method. Based on our financial budgets and forecasts on the future development of the IT market we estimate that the value in use of the software development cost will at least equal the carrying amount as of December 31, 2007.

2. Goodwill

Goodwill from the consolidation of investments in subsidiaries was determined on the basis of the provisions in IFRS 3 at the date of initial consolidation; goodwill is examined as to impairment once per year – in the case of indications of impairment more frequently – and written down to the lower recoverable amount, if required. The discounted net cash flows were determined using economic key data, intra-corporate empirical values, current earnings prospects and the detailed planning of the next three years. There was no adjustment requirement in 2007.

Scheduled amortisation of goodwill accumulated until December 31, 2004 was eliminated from cost values as of January 1, 2005 as per IFRS 3.79 (b).

The disposal concerns the sale of the 24 % share of EASY SOFTWARE (UK) PLC. Great Britain.

3. Other intangible assets

The other assets contain especially licenses and consumer bases.

The other intangible assets were recognised at cost reduced by scheduled amortisation. They have also been tested for impairment. The impairment test was based on the planned operating results from revenues generated from the abovementioned group of customers. The Company determined – taking into account a long-term interest rate and an adequate risk surcharge – a hypothetical purchase price or market price respectively as the recoverable amount for the assets. In this case the test did not result in revaluation requirements.

4. Property, plant and equipment

The breakdown and development of property, plant and equipment is presented below:

in € thousand	**Furniture and fixtures and office equipment**
Cost values	
Balance as of January 1, 2007	2,855
Additions	351
Disposals	23
Change in scope of consolidation	16
Currency effect	-18
Balance as of December 31, 2007	3,181
Accumulated depreciation	
Balance as of January 1, 2007	2,041
Additions	397
Disposals	23
Currency effect	-13
Balance as of December 31, 2007	2,402
Amortised cost	779

In the prior year property, plant and equipment developed as follows:

in € thousand	**Furniture and fixtures and office equipment**
Cost values	
Balance as of January 1, 2006	2,555
Additions	298
Disposals	29
Change in scope of consolidation	29
Currency effect	2
Balance as of December 31, 2006	2,855
Accumulated depreciation	
Balance as of January 1, 2006	1,697
Additions	363
Disposals	19
Balance as of December 31, 2006	2,041
Amortised cost	814

Furniture and fixtures and office equipment were recognised at cost reduced by scheduled depreciation. Assets to be recognised as property, plant and equipment in accordance with IAS 17 acquired by way of finance lease do not exist.

5. Deferred tax assets

Deferred tax assets recognised concern the following items:

in € thousand	**12/31/2007**	12/31/2006
Pension provisions	51	59
Loss carryforwards	3,186	2,837
	3,237	2,896

The determination of deferred tax assets on tax loss carryforwards was based on a forecast period of five years for the financial year 2007. In view of the future investments made by EASY SOFTWARWE AG in the financial year 2007 we assume – also against the background of the current forecasts of all group companies – a further improvement of the results of operations. The changes in the reporting period of € 557 thousand are due to the expenses from the reduction of the tax rate.

6. Inventories

in € thousand	**12/31/2007**	12/31/2006
Product licenses	138	183
Merchandise	5	7
	143	190

7. Trade receivables

Trade receivables are recognised at par. Recognisable risks are allowed for by specific allowances. Foreign currency amounts are translated into euros at the closing rate. All current assets have a remaining term of up to one year.

Gross total before write-down	*At closing date not depreciated*	*At closing date not depreciated and payable*			
in € thousand					
		Less than 10 days	Between 11 and 30 days	Between 31 days and 1 year	Greater than 1 year
4,980	**4,683**	**424**	**226**	**1,298**	**325**

During the reporting period the depreciation increased by € 59 thousand to € 297 thousand.

8. Other receivables

Other assets mainly comprise prepaid expenses and a defined benefit asset.

Defined benefit asset

The defined benefit asset as per IAS 19 is recognised on the basis of liabilities to two former retired board members. These liabilities are defined benefit obligations linked to the years of service, where fixed amounts are granted to the eligible persons. The amount of the pension obligations before offsetting against plan assets is determined on the basis of actuarial methods in compliance with IAS 19 and corresponds to the defined benefit obligation. Actuarial gains and losses are therefore recognised in the income statement in the year they were generated. The calculation was based on the following parameters:

Figures in %	**12/31/2007**	12/31/2006
Assumed rate of interest	**4.0**	4.0
Index-linked pension increase	**1.0**	1.0
Biometric probabilities	"Mortality tables 2005 G" by Prof. Dr. Klaus Heubeck	

Index-linked pension increases and the turnover level have not been allowed for because the calculation above only covers retired eligible persons. The defined benefit asset developed as follows:

in € thousand	**2007**	2006
Present value of the obligation as of January 1	**364**	352
Reversals/additions	**-7**	12
Balance as of December 31	**357**	364
Less		
Plan assets (pension plan reinsurance claims)	**378**	374
Net assets	**21**	10

Reversals of/additions to the present value of the obligation break down as follows:

in € thousand	**2007**	2006
Interest income/cost	**7**	12

Interest cost described above is included in the Company's net interest. Pension obligations are covered by pension plan reinsurance taken out at the date of the pension commitments. The amount of the fair value of the pension plan reinsurance exceeding the defined benefit obligation is a refund claim of the Company and has been disclosed under other receivables. The expected net income from the pension plan reinsurance amounts to € 2 thousand. Income actually received from pension plan reinsurance amounted to € 2 thousand in 2007 and in 2006 and has been recognised in the Company's net interest.

9. Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand to the amount of € 1 thousand (last year € 1 thousand) and bank balances (call deposits) to the amount of € 3,385 thousand (last year € 2,310 thousand).

10. Share capital and shares

The share capital amounts to € 5,403,000.00 as of December 31, 2007 and is made up of 5,403,000 no-par-value bearer shares at a computed share of € 1.00 each in the share capital. All shares grant the same rights.

The general meeting has authorised the managing board to increase the Company's share capital once or several times by up to € 2,702 thousand against cash or non-cash contribution (authorised capital).

The capital reserve stems from the issue of shares above par. Minority interests relate to the shareholder who holds 30 % of the share capital of the Austrian subsidiary EASY SOLUTIONS Archivierungs- und Informationssysteme GmbH and the shareholder who holds 24 % of the share capital of the English subsidiary EASY SOFTWARE (UK) PLC.

11. Deferred tax liabilities

Deferred tax liabilities recognised relate to the following items:

in € thousand	**12/31/2007**	12/31/2006
Software development cost	**605**	573

12. Provisions

The current provisions contain exclusively other obligations.

13. Financial liabilities

Financial liabilities are initially measured at their fair value at the balance sheet date (IAS 39.43). This item includes exclusively liabilities to banks.

The interest rate for the liabilities is between 4.5 % and 7.2 %. The use of the credit lines at closing date amounts to € 2.3 million. A change of the interest rate of 1 % would cause an impact of € 23 thousand.

14. Trade accounts payables

The trade payables concern the operational business and are measured at amortised cost. The recognised value corresponds to the fair value. The liabilities are not interest-free. The entity has especially a credit risk resulting from operating business. The credit is defined as an expected loss of financial assets, for example if the customer is not able to amortise his obligations on maturity. Receivables are continuously monitored. Credit-risks will be depreciated if required.

The maximum credit risk is represented by the book value of the financial assets in the balance sheet. The EASY-Group reply the credit risk with an own credit management.

15. Other current liabilities

Other current liabilities are basically measured at amortised cost. They concern pension obligation (€ 299 thousand) and taxes (€ 438 thousand).
The liabilities are interest-free. The balance sheet value is the fair value.

NOTES TO THE CONSOLIDATED INCOME STATEMENT (IFRS)

16. Revenues

The Group's revenues broken down by deliveries and services comprise:

in € thousand	**2007**	2006
Revenues		
domestic	**17,967**	15,161
foreign	**5,186**	5,697
	23,153	20,858

17. Own work capitalised

Own work capitalised covers software development costs. They comprise direct personnel expenses and personnel overheads as well as cost of outside services.

18. Other operating income

Other operating income mainly relates to income from provisions, the reduction of individual value adjustments, insurance recovery and expenses on-debited, which are to be allocated to the marketing department.

19. Personnel expenses

Personnel expenses comprise:

in € thousand	**2007**	2006
Salaries	**8,966**	7,615
Social security contributions	**1,518**	1,218
	10,484	8,833

20. Income taxes

Tax expenses comprise deferred taxes, corporate income and trade income taxes of the domestic companies and comparable income taxes of the foreign companies, if applicable.

Taxes developed as follows:

in € thousand	12/31/ 2006	Tax expenses	Tax income	**12/31/ 2007**
Deferred tax assets	2,896	8	349	**3,237**
Deferred tax liabilities	573	32	0	**605**
Total deferred taxes	2,323	40	349	**2,632**
Plus				
Current tax expense	-372	166	125	**-413**
Total tax expense	1,951	206	474	**2,219**

Deferred taxes were calculated at the applicable tax rate of EASY SOFTWARE AG amounting to 40.38 % for the reporting year and 32.275 % for future years. The loss carryforward not allowed for in the calculation of deferred tax assets amounts to € 16,854 thousand (last year € 14,247 thousand).

Reconciliation from expected tax expense to current tax expense:

in € thousand	**2007**	2006
Result before income tax	**1,054**	3,450
Anticipated income tax (EBT x tax rate 40.38 %)	**425**	1,392
Non-taxable income	**-66**	-112
Non-deductible expenses	**503**	20
Differences due to foreign tax rates	**-16**	-12
Use of tax loss carryforwards	**-649**	-783
Corporate income tax refund claim	**-125**	0
Deferred taxes on tax loss carryforwards	**-340**	-1,223
Current income tax proceeds	**-268**	-718

21. Net income for the financial year and earnings per share

The net income for the financial year amounts to € 1.3 million (last year € 4.1 million). Earnings per share for the individual periods are determined in compliance with IAS 33 by dividing the consolidated profit or loss by the number of outstanding shares.

		2007	2006
Consolidated profit or loss	€	**1,302,185**	4.148.504
Number of shares on an annual average		**5.403.000**	5.270.154
Earnings per share	€	**0.24**	0.79

Diluted earnings per share could not be determined for the financial year.

Guarantees and other commitments

The following financial guarantees existed as of December 31, 2007:

in € thousand	**2007**	2006
Bank guarantee in favour of EASY SOLUTIONS GmbH	**400**	0

Other financial obligations

Other financial obligations break down as follows based on the total lives of the underlying contracts:

in € thousand	Up to 1 year	1 to 5 years	More than 5 years	Total
Rentals	769	1,452	0	2,221
Leases	267	246	0	513
	1,036	1,698	0	2,734

Cost of audit of financial statements (disclosures as per section 314, para. 1 no. 9 HGB)

Costs accrued for the audit of the annual and the consolidated financial statements (€ 72 thousand) as well as audit-related advisory services amounted to € 8 thousand. The auditor has not performed any other activities

Employees

154 people (last year 136) were employed with the Group in the financial year 2007 on an annual average.

Events after the balance sheet date

Significant events after the balance sheet date which would be material for the assessment of the Group's net assets, financial position and results of operations have not occurred. The Management board of the EASY SOFTWARE AG has authorized the transmission of the consolidated Financial Statements and Management Report to the Supervisory board at Februar 28, 2008.

The Supervisory board of the EASY SOFTWARE AG has the duty to audit the consolidated Financial Statement and the Management Report and to declare whether he approves the consolidated Financial Statement and Management Report.

GROUP EQUITY DEVELOPMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2007

in € thousand	Subsribed Capital	Capital reserve	Revenue reserve	Treasury stock	Net loss	Currency translation	Minority-interests	Total
Brought forward as at 01/01/2006	5,403	27,221	38	-1,670	-26,624	0	26	4,394
Net income for the year	0	0	0	0	4,149	0	19	4,168
Disposition treasury stock	0	0	0	1,285	0	0	0	1,285
Currrency translation	0	0	0	0	0	-16	0	-16
Rebooking	0	-385	0	385	0	0	0	0
Status as of 12/31/2006	5,403	26,836	38	0	-22,475	-16	45	9,831
Brought forward as at 01/01/2007	**5,403**	**26,836**	**38**	**0**	**-22,475**	**-16**	**45**	**9,831**
Net income for the year	**0**	**0**	**0**	**0**	**1,302**	**0**	**20**	**1,322**
Payout to minority shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**-15**	**-15**
Currrency translation	**0**	**0**	**0**	**0**	**0**	**79**	**0**	**79**
Status as of 12/31/2007	**5,403**	**26,836**	**38**	**0**	**-21,173**	**63**	**50**	**11,217**

CASH FLOW STATEMENT

Cash and cash equivalents
In accordance with IAS 7 (Cash Flow Statements) the cash flow statement presents the changes in cash and cash equivalents resulting from cash inflows and outflows during the reporting year.

The cash flow statement distinguishes between cash flows from operating, investing and financing activities.

Due to purchases of subsidiaries, liquid assets to the amount of € 320 thousand were acquired.

CASH FLOW STATEMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2007

in € thousand	**2007**	2006
Consolidated net income including minority interest	**1,322**	4,168
Depreciation of fixed assets	**2,027**	1,735
Currency translation	**79**	0
Addition to capitalized own development	**-1,489**	-1,518
Increase (previous year, decrease) in accruals	**129**	-34
Profit on disposal of fixed assets	**0**	-16
Increase in inventories, trade receivables and other assets	**-628**	-253
Increase in deferred tax liabilities	**-309**	-1,091
Decrease in trade payables and other liabilities	**-63**	-548
Cash flow from operating activities	**1,068**	2,443

CASH FLOW STATEMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2007

in € thousand	**2007**	2006
Payment of sales of intangible assets	**64**	33
Payout of investments of intangible assets	**-1,119**	-137
Payout of investments of fixed assets	**-367**	-299
Cash and cash equivalents of acquired subsidiaries (previous year: payout of investments in subsidiaries)	**320**	-25
Cash flow from investment activity	**-1,102**	-428
Redemption of bank loans	**-526**	-2,559
Payment in bank loans	**1,650**	1,526
Payout to minority shareholders	**-15**	0
Payment of disposition of treasury stock	**0**	1,285
Cash flow from financing activity	**1,109**	252
Change in cash and cash equivalents	**1,075**	2,267
Cash and cash equivalents at the beginning of the period	**2,311**	44
Cash and cash equivalents at the end of the period	**3,386**	2,311

Cash and cash equivalents comprise:

in € thousand	**2007**	2006
Cash-in-hand Bank balances	**3,386**	2,311

In the financial year, interests amounting to € 225 thousand (previous year: € 96 thousand) were paid out, and interests amounting to € 178 thousand (previous year: € 43 thousand) were paid in.

SECONDARY SEGMENT REPORTING

The total carrying value of the assets amounting to € 18,866 thousand is apportionable – classified by the assets' geographical location – to Germany at € 15,684 thousand, to Great Britain at € 2,120 thousand, to Singapore at € 64 thousand, to the USA at € 735 thousand and to Austria at € 263 thousand.
The acquisition cost of property, plant and equipment and intangible assets totalling € 3,697 thousand are apportionable – classified by the assets' geographical location – to Germany at € 3,636 thousand, to Great Britain at € 31 thousand, to the USA at € 17 thousand, to Singapore at € 11 thousand and to Austria at € 2 thousand.

OTHER DISCLOSURES

Related party disclosures / Statement as per section 21 German Securities Trading Act (Wertpapierhandelsgesetz; WpHG)
According to section 21 of the valid statutes the members of the supervisory board receive remuneration of € 2,250.00 in addition to the reimbursement of their expenses. The chairman receives twice and the deputy one and a half as much. Profit-related remuneration components have not been paid. Consequently total remuneration paid to the supervisory board in 2007 amounted to € 10 thousand (last year € 10 thousand).
Remuneration of the managing board is composed of a non-profit-related and a profit-related component. The non-profit-related portion consists of a fixed sum being paid as monthly base salary and of an amount of remuneration in kind to be recognised in accordance with fiscal regulations. The profit-related portion consists of a management bonus. Other variable remuneration components such as share options were not agreed upon.
In the reporting year the managing board comprised two members. Total remuneration of the managing board members amounted to € 368 thousand (last year € 194 thousand). The Chairman of the Board, Mr. Josef Gemeri, received a fixed remuneration of € 163 thousand (consisting of fixed salary and benefits in kind) for the financial year 2007 and a variable allowance of € 107 thousand. As Board of Management Mr. Andreas C. Nowottka received for the time from May 1, 2007 to December 31, 2007 a fixed remuneration of € 86 thousand (consisting of fixed salary and benefits in kind) and a variable allowance of € 12 thousand.

There have been no loan contracts with members of the supervisory board and the managing board.
EASY SOFTWARE AG has concluded service contracts with companies of the business group owned by the chairman of the supervisory board, Manfred A. Wagner, covering the performance of administrative services being settled on normal conditions. In 2007 these services were reimbursed at € 66 thousand (last year € 123 thousand). Manfred A. Wagner holds 26.84 % of the shares in the Company's share capital.
As of December 31, 2007 the shareholdings of managing board and supervisory board are made up as follows:

	Number	%
Managing board		
Josef Gemeri	0	0.00
Andreas C. Nowottka	0	0.00
Supervisory board		
Andreas Kerbusk	0	0.00
Gereon Neuhaus	0	0.00
Manfred A.Wagner	1,450,314	26.84

Other material related party transactions required to be reported have not occurred in the financial year.

EXECUTIVE BODIES

Managing board
Josef Gemeri (Chairman)

Andreas C. Nowottka
The members of the Managing board execute their activities as main occupation.

Supervisory board
Manfred A. Wagner, entrepreneur, Oberhausen
– Chairman –

Gereon Neuhaus, Board member Aareon AG, Mainz
– Deputy Chairman –

Andreas Kerbusk, Managing director
SE Strategies&Engineering GmbH, Bochum

Manfred A. Wagner holds further supervisory board seats in mcn tele.com AG, Bad Homburg, and PB Lebensversicherung AG, Hilden.

Declaration of compliance as per section 161 German Stock Corporation Act (AktG)
The declaration of compliance with the Corporate Governance Codex including any deviations as required according to section 161 AktG has been made available to the shareholders on a permanent basis on our website.

Mülheim an der Ruhr, February 2008

Josef Gemeri Andreas C. Nowottka

EASY SOFTWARE AG

Finance Report 2007

Auditor's Report

We have audited the consolidated financial statements prepared by EASY SOFTWARE AG, Mülheim an der Ruhr comprising the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the group management report for the financial year from January 1, 2007 to December 31, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and with the additional requirements of the German commercial law pursuant to § 315a para 1 HGB (German Commercial Code) are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

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

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a para 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Cologne, February 29, 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft-Wirtschaftsprüfungsgesellschaft

Stollenwerk	Rickert
Wirtschaftsprüferin	Wirtschaftsprüfer

Report of the Supervisory Board

In the financial year 2007, the Supervisory Board discharged its duties incumbent on it under the law and the statutes. We counselled the Management Board and supervised its activity. In three joint meetings and supplementary individual talks, the Management Board informed the board in detail about corporate policy, corporate planning including financial, investment and personnel planning and business development.
Committees were not appointed. Business transactions requiring approval have been checked, discussed and passed by the Supervisory Board. The most important transactions were the acquisition of EASY SOFTWARE INC, the formation of EASY SOFTWARE (ASIA PACIFIC) PTE. LTD., the sale of 24 % of the shares in EASY SOFTWARE (UK) PLC. and the purchase contract concerning the e-mail archiving server.

The company's economic situation, strategic orientation and prospective trends were the subject matter of the meetings.

The bookkeeping system, the financial statements of EASY SOFTWARE AG, the consolidated financial statements prepared in accordance with IFRS and the management report have been audited by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Cologne, who were elected auditors in the shareholder's meeting, and given an unqualified opinion. Financial statements consolidated financial statements and management reports as well as the auditor's report were available to all members of the Supervisory Board. Subsequent to the report of the auditor, the documents have been discussed in the balance sheet meeting in the auditor's presence. We have audited the financial statements, the consolidated financial statements and the management report. There were no objections to be raised. We agree to the results of the audit of the financial statements. The consolidated financial statements and the financial statements prepared by the Management Board are therefore approved and adopted.

Mülheim an der Ruhr, March 2008

For the Supervisory Board

Manfred A. Wagner

Corporate Governance Declaration of EASY SOFTWARE AG

Good corporate governance is very important to the Management Board and the Supervisory Board of EASY SOFTWARE AG. It is the basis for an efficient corporate management and for the confidence of our shareholders, customers, employees and the public.

The German Corporate Governance Code in the version of June 14, 2007 includes statutory provisions, recommendations and suggestions as a mission statement for transparent and responsible corporate governance and management control. The statutory provisions are applicable law and therefore binding. The recommendations and suggestions refer to common national and international Corporate Governance Standards that do not have to be complied with imperatively; however, possible deviations from the recommendations must be disclosed in the annual compliance statement according to § 161 AktG (German Corporation Law). The compliance statement is subject to examination by the auditor elected in the shareholders' meeting.

EASY SOFTWARE AG complied with, and will comply with in future, the recommendations of the Code except for only few deviations mainly being due to the size of the company and its bodies.

Management Board and Supervisory Board of EASY SOFTWARE AG

We save time.

For more information on EASY SOFTWARE AG in excess of the annual report, we recommend that you visit our Website www.easy.de, where you will find press releases, news about the company and an investor relations area providing detailed information about the EASY stock. This includes an info service offering you the option to receive regular information.

This annual report includes future oriented, forecasts. These are based on sound assumptions and estimates by EASY SOFTWARE AG, and are realistic from the current point of view. There can be no guarantee, however, that these statements will turn out to be true in the future. Since the underlying expectations are influenced by risks and uncertainties, the actual results may differ from the forecasts. EASY SOFTWARE AG disclaims all liability for updating these forecasts.

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