

CURIOSITY KNOW
LEDGE ZEITGEIST
TENSION CONFID
ENESS DIVERSITY
FANTASY NETOFF
UNDERSTAND AM
AZEMENT FUTURE
FLOATING ADREN
TURE IMMERSING
FASCINATION
PRICKLE



SUCCESS THROUGH DIVERSITY
ANNUAL REPORT 2008

The management board of TOMORROW FOCUS AG was re-appointed and their service contracts extended for a further period. By taking this step, the aim of the supervisory board was to maintain long-term continuity in the management of the company.

TOMORROW FOCUS was one of the main sponsors of the **2008 Digital, Life, Design, Conference (DLD)** in Munich. - At the invitation of Dr Hubert Burda and Dr Joseph Vardi, key players from the worlds of art, finance, media, science and technology meet to discuss 'hot' topics of the 21st century.

TOMORROW FOCUS agreed a marketing deal with audio marketing firm **RMSi Radio Networld**.

To celebrate its **fifteenth birthday, FOCUS made its print archives available free online**. All items in the archives can now be downloaded from the FOCUS Online site at www.focus.de/archiv.

An overview of 2008 and the first quarter of 2009

TOMORROW FOCUS began marketing the healthcare portal **Net-Doktor.de**.

AMICA Online was relaunched with additional functions and a new look. Alongside high quality editorial content covering the world of fashion and beauty, the portal now offers expert tips.

TOMORROW FOCUS AG sold its internet-domain **tomorrow.de** for € 800,000 to Tomorrow Publishing GmbH, Berlin.

TOMORROW FOCUS signed an **exclusive, multi-year agreement to market advertising space on travel portal expedia.de** - thus making TOMORROW FOCUS the biggest German online marketing provider in the travel segment.

At the **Annual General Meeting** of TOMORROW FOCUS AG in Munich, Germany, all agenda points were passed with large majorities.

The board of directors of **HolidayCheck AG** appointed **Friedrich von Scanzoni** to the position of **Managing Director International**. He will be responsible for the international expansion of the hotel rating platform.

As part of a capital increase, **TOMORROW FOCUS AG** took over **51 percent of Munich-based jameda GmbH**, which operates the healthcare and physicians rating portal jameda.de.

JANUARY



MARCH

JUNE

AUGUST

2008

FEBRUARY

TOMORROW FOCUS acquired a **17 percent stake in London-based AdJug Ltd.**, which operates an international marketplace for internet advertising inventory. This stake was increased to 18 percent in July.

MAY

TOMORROW FOCUS Technologies expanded its portfolio to include a **new video solution**, that will also be used by FOCUS Online.

FOCUS Online launched its **new video content**, in a prominent position on the website. The service includes a daily news magazine as well as stock exchange and sports news.

HolidayCheck took over the domain formerly operated by online travel portal **Urlaub.com**. The aim is to transform Urlaub.com into a fully fledged e-commerce holiday sales platform over the course of 2009.

JULY

ElitePartner relaunched its website with new features including a free web magazine containing interviews with experts, singles TV, singles events and other entertaining content related to the theme of love.

TOMORROW FOCUS AG acquired a **60 percent stake in Findocs GmbH, Cologne, Germany**. Findocs is currently developing an innovative new finance portal which is due to go online in the first half of 2009.

HolidayCheck AG launched a car hire booking portal at www.mietwagencheck.de. The service uses the latest technology and makes it easy for holidaymakers to compare prices between the major car hire firms and agencies.



2009

TOMORROW FOCUS AG acquired a further 14 percent of the shares in HolidayCheck AG bringing its total stake to 94 percent.

Web 2.0 in print. In HolidayCheck's first hotel guide, the hotel rating portal has brought together the most popular hotels of the 2008 season. The guide is available from Amazon.de.

TV SPIELFILM Online launched its redesigned website and aims to provide an even more reliable guide through the TV jungle by offering greater clarity and handy options for customisation.

FEBRUARY



MARCH

TOMORROW FOCUS Sales presented an **innovative tool for use by advertising customers and agencies** that will allow them to focus on specific target groups during online advertising campaigns.



According to AGOF if 2008-III, TOMORROW FOCUS Sales achieved a new record for reach of 17.46 million users. In total, eight of the sites operated by the quality marketing provider made it into the AGOF's TOP 100 sites.

The board of directors of HolidayCheck AG appointed Jörg Trouvain as the company's new CEO. He will take office no later than 1 May 2009. Trouvain will take over from Hakan Öktem who will move to the board of directors.

DECEMBER

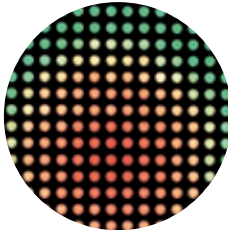


JANUARY

TOMORROW FOCUS AG was again represented at the **2009 Digital, Life, Design, Conference** in Munich, Germany. Reflecting the current global economic crisis, the motto of this year's conference was "New Realities".

The management board of TOMORROW FOCUS AG decided on a **cash capital increase at an issue price of € 2.80 per share.** This raises the number of shares by 4,265,650 to a total of 47,122,125.

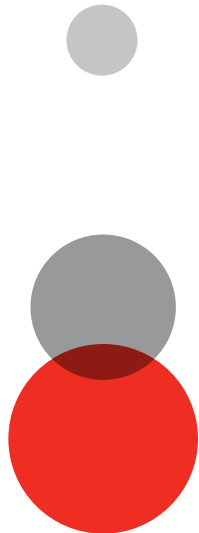
NOVEMBER



TOMORROW FOCUS took a stand at the **2008 Düsseldorf Online Marketing Fair** and presented itself to a large number of industry visitors.

CELLULAR GmbH took over responsibility for global delivery of the Vodafone Group's mobile portal. The portal (m.vodafone.com) was relaunched using the technical infrastructure provided by CELLULAR.

The CINEMA Online website was completely redesigned with a new look and technical structure and now contains a host of new functions.



SEPTEMBER

TOMORROW FOCUS and CHIP Xonio Online GmbH agreed to extend their partnership by a further three years under an exclusive agreement that covers the marketing of advertising space on internet portals CHIP Online, Xonio and Download CHIP.eu.

TOMORROW FOCUS Sales launched a wide-ranging display marketing campaign. The merging of products in vertical, theme-based channels creates a **new mixture of brand and performance marketing.**

September also saw the launch of **AdJug.de**, the German version of the online advertising marketplace that has already achieved great success in the UK.

Key figures

		2008	2007 AFTER SPECIAL EFFECTS*	2007 BEFORE SPECIAL EFFECTS*	CHANGE in %
Consolidated revenue (external)	EUR million	77.1	74.9	74.9	+ 3.0
Segments					
Portal	EUR million	51.1	44.4	44.4	+ 15.1
E-Commerce	EUR million	19.3	24.7	24.7	- 21.9
Technologies	EUR million	6.7	5.9	5.9	+ 13.6
Group-EBITDA	EUR million	9.6	11.2	15.5	- 14.9 / - 38.1
Group-EBIT	EUR million	5.7	7.4	11.7	- 23.0 / - 51.3
Group-EBT	EUR million	3.0	6.7	11.0	- 55.2 / - 72.6
before minority interest	EUR million	2.3	6.0	8.4	- 61.7 / - 72.6
before minority interest	percent	2.3	3.9	6.3	- 41.0 / - 63.5
Earnings per share	EUR million	0.05	0.09	0.15	- 44.4 / - 66.7
Number of employees at end of year		457	412	412	+ 10.9

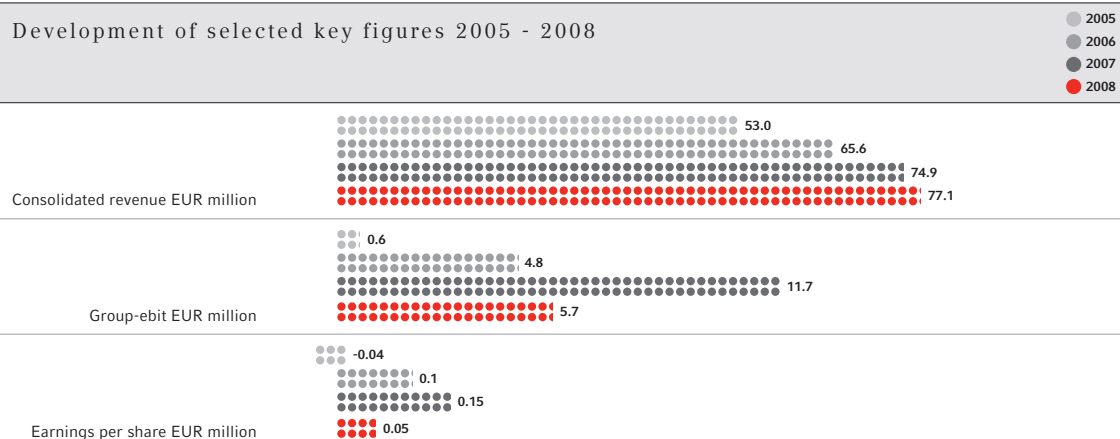
		31.12.2008	31.12.2007	CHANGE in %
Balance sheet total	EUR million	138.8	137.9	+ 0.7
Equity	EUR million	63.4	49.2	+ 28.9
Return on equity	percent	45.7	35.7	+ 28.0

* In the financial year 2007, the figures for consolidated EBITDA, EBIT and EBT were each boosted by approximately EUR 4.3 million as a result of various non-recurring items. Consolidated net income showed a corresponding increase of approximately EUR 2.4 million. In order to facilitate year-on-year comparison, the figures for 2007 are shown before and after these non-recurring items.

Revenue per segments



Development of selected key figures 2005 - 2008



Customers, employees and innovation. It is the successful interplay between these factors that makes it possible to generate sustained, profitable growth in the interests of both the shareholders and employees of TOMORROW FOCUS.



WE PLACE VALUE ON VALUES

THE CUSTOMER IS ALWAYS KING

Taking customer needs into account is an elementary aspect of our work. We have to create optimum added value for our customers, and we achieve this by working precisely, to deadline and delivering high quality results while remaining flexible and aware of costs. In all this, we never lose sight of our customers' interests. This enables us to form lasting partnerships based on reciprocal trust with our customers.

OUR EMPLOYEES ARE OUR MOST VALUABLE ASSET

„Our employees are our most valuable asset“ are probably the most quoted and least believed words ever uttered. TOMORROW FOCUS AG generates the majority of its revenues with the minds of its employees. That's why we are committed to breathing life into those words.

We don't just demand a great deal of our employees, in our high performance culture we also provide them with specific development opportunities. We support every member of staff in the continuous improvement of their personal and professional competence, with the objective of helping them to utilise their potential to the full. We foster a corporate culture that is characterised by creative scope, flat hierarchies, open and constructive communication.

CONTINUOUS INNOVATION IS A MUST

Nothing is more constant than change. This motto is very true in the internet business. We know that innovations are absolutely essential for long term success, which is why we continually analyse and optimise our internal business processes. We also systematically benchmark all the markets where we operate and the new markets that offer us expansion potential. This ensures that we can recognise opportunities or risks at an early time and respond quickly with suitable measures thanks to our efficient organisational structure.

THE RESULT IS SUSTAINED AND PROFITABLE CORPORATE GROWTH

The outcome of the optimum combination of customer orientation, employee focus and innovation drive is sustained and profitable corporate growth. It delivers an adequate return on investment for shareholders and gives employees interesting work and job security.

TOMORROW FOCUS AG's actions are based on a three-part value system which focuses on the key factors of customers, employees and innovation. The optimum combination of these three factors will enable us to achieve sustained and profitable growth that benefits the shareholders and employees of TOMORROW FOCUS AG.

S.05 – 43



Knowledge and values

05	We place value on values
10 – 13	Letter to the shareholders
14 – 19	Report of the supervisory board
20 – 25	Interview with the managing board
26 – 27	Interview with Martin Kötje
28 – 29	The TOMORROW FOCUS share
30 – 32	Corporate Governance
33 – 41	Employee Profiles
42 – 43	Reset

S.46 – 81



The Company

46 – 47	The company in figures
48 – 49	Did you know that ...?
50 – 52	TOMORROW FOCUS at a glance

Portal

54 – 57	Online-Marketing - new approaches
56 – 57	Adjug - real-time marketplace
58 – 60	FOCUS Online - from video content to record reach figures
61	Jameda - user-generated healthcare
62 – 63	Milchstrasse Online - Stars & Lifestyle
64	Finanzen100 - 100 percent finance

E-Commerce

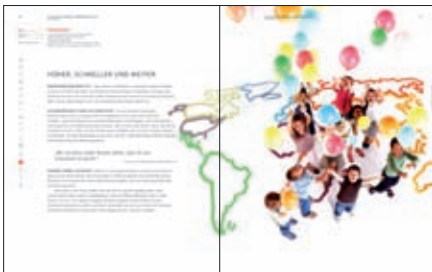
66 – 67	ElitePartner - seeking and finding love
68 – 69	Playboy - girls girls girls
70 – 71	HolidayCheck - higher, faster and further

Technologies

74 – 75	TOMORROW FOCUS Technologies - made-to-measure solutions
76 – 77	Cellular - mobile worlds

DLD 2009 – New Realities

78 – 79	Interview with Jochen Wegner
80 – 81	Quotations



S. 84 – 115



Management report

84	Corporate structure
84	Core business and markets
85	General information
85 – 87	Economic framework
87 – 91	Significant measures and events
92 – 95	Earnings, financial position and assets
96	Research and development activities
96 – 98	Compensation report
98 – 99	Employees
99	Events of particular significance after the reporting date
99 – 105	Risk report
106 – 107	Opportunity report
107 – 112	Takeover-related disclosures
112	Declaration of the management board on § 312 AktG
113 – 115	Outlook

S. 118 – 171



Consolidated financial statements

118 – 119	Consolidated balance sheet
120	Consolidated income statement
121	Consolidated statement of changes in equity
122 – 123	Consolidated cashflow statement
124 – 125	Consolidated non-current assets 2008
126 – 127	Consolidated non-current assets 2007
128 – 129	Consolidated segment information
130 – 170	Consolidated notes to the financial statement
171	Auditor's report

S. 170 – 177



Miscellaneous

170	Responsibility statement
174 – 175	Glossary
176	Index
177	Financial calendar
177	Imprint and contact



Brigitte Müller, Product manager,
TOMORROW FOCUS Sales

Knowledge and values

05	We place value on values
10 – 13	Letter to the shareholders
14 – 19	Report of the supervisory board
20 – 25	Interview with the managing board
26 – 27	Interview with Martin Kötje
28 – 29	The TOMORROW FOCUS share
30 – 32	Corporate Governance
33 – 41	Employee Profiles
42 – 43	Reset



PREFACE BY THE MANAGEMENT BOARD

Stefan Winners,Chief Executive Officer
TOMORROW FOCUS AG**Christoph Schuh,**Chief Marketing Officer
TOMORROW FOCUS AG

Dear Shareholders,

In order to achieve sustained and profitable growth, we believe it is important to keep investing in forward-looking concepts that promise to generate a good return and continue to do so even, indeed especially in more challenging economic circumstances. It is a philosophy that we again embraced during the year under review.

Capital expenditure in 2008 was focused predominantly on our successful e-commerce operations, although we also invested in product innovation, new areas within the Technologies segment and automated business models in the Portal segment. Additionally, we were keen to expand our content portfolio which now includes numerous video formats and interactive functions.

HOLIDAYCHECK has enjoyed unrivalled success in Germany. Last year, with a view to repeating this success throughout Europe, the Group invested large sums in the brand's further internationalisation – in Poland, for example, where the first international booking platform began operation. HOLIDAYCHECK also acquired the domain Urlaub.com and intends to transform it into a fully-fledged holiday sales platform over the course of 2009. On top of this, it created an entirely new brand in the form of MIETWAGENCHECK.DE, a car hire booking portal. Last year also saw renewed investment by ELITEPARTNER, the online dating portal that has recently won several awards. As well as continuing its efforts to attract new customers, it launched a revamped website that includes a host of new service-related functions.

Automated internet portals are set in our view to expand rapidly in Germany over the next few years. We therefore took the step last year of investing in three such business models. We acquired stakes in

PREFACE BY THE MANAGEMENT BOARD

JAMEDA.DE, a rating platform for physicians, and in FINDOCS GMBH, which will shortly be presenting an innovative new finance portal. In addition, we are currently preparing to launch an automated news aggregator under the domain name NACHRICHTEN.DE. To make sure that they reach a large audience as quickly as possible, all three sites will receive 'launch assistance' from our flagship FOCUS ONLINE.

We established a new source of revenue in the performance-based advertising market by acquiring a stake in London-based ADJUG LTD. The company operates an international marketplace for online advertising inventory that perfectly complements our existing quality portfolio.

Naturally, we also invested in the expansion of our online digital content portals. Both AMICA and CINEMA were completely revamped during the year under review, followed in February 2009 by TV SPIELFILM. As well as a new look and technical structure, all these sites now feature many interactive functions that are very popular among users.

The growth in video material across all our brands of digital media content also met with a very positive response. At FOCUS ONLINE, which introduced a plethora of new video formats, download numbers grew several times over.

2008 saw substantial investment in the Technologies segment with the aim of developing new and potentially important markets. In May, it launched a highly flexible video solution for digital content websites that is already in use on a number of portals.

Encouraged by the high level of demand, mobile services provider CELLULAR decided to open a branch in Vienna from where it aims to expand into the mobile market in Central and Eastern Europe. The company also created a new sales unit in the form of CELLULARgames, which is devoted to providing a comprehensive range of services for the highly promising mobile gaming market.

“The financial year 2008 has shown that our decision to move ahead as a diversified internet group through the growth of our E-Commerce segment was the right one.”

The financial year 2008 has shown that our decision to move ahead as a diversified internet group through the growth of our E-Commerce segment was the right one. Whereas results in the Portal segment were affected by events in the wider economy, our expectations of the E-Commerce segment were met in full despite the difficult economic situation. The Technologies segment also delivered solid results.

The success of the E-Commerce segment is predominantly attributable to the rapid growth of HOLIDAYCHECK and ELITEPARTNER. Last year, for example, HOLIDAYCHECK recorded over a million new contributions and photos on its German-language platform alone. The premium online dating agency ELITEPARTNER also had good reason to celebrate in 2008 with its total membership breaking through the one million mark.

Both sites increased their customer numbers over the year. At the same time, they benefited from cheaper customer acquisition costs thanks to lower advertising prices.

PREFACE BY THE MANAGEMENT BOARD

PLAYBOY easily maintained its position as the unchallenged leader in the market for men's lifestyle magazines, although both the printed and online versions were hit by the lull in advertising, especially in the fourth quarter of 2008.

The advertising-based Portal segment showed early signs of the impending recession with a substantial fall in advertising orders received already in the second quarter of 2008. In response, we launched our Efficiency and Growth programme in spring 2008 with a view to reducing costs and increasing efficiency. Had we not introduced these measures, the losses would certainly have been much greater.

There was good news, too, however. Our online marketing provider TOMORROW FOCUS SALES won a substantial number of new customers and extended its important exclusive agreement with chip xonio by a further three years. Furthermore, the success of TOMORROW FOCUS SALES can literally be measured with the sites marketed by us achieving a record number of 17.46 million unique users.

FOCUS ONLINE was also in record-breaking form and reached an average 3.62 million users per month with its quality online journalism.

The Technologies segment performed consistently well in 2008. Both TOMORROW FOCUS TECHNOLOGIES and CELLULAR ended the year with a substantial surplus. As well as providing technical support for the re-launches of several well-known digital content websites, TOMORROW FOCUS TECHNOLOGIES extended its portfolio as part of a strategic partnership with omniture. The range of services now includes web analysis and statistics in addition to consulting, design, implementation and hosting.

CELLULAR, a full-service provider of mobile solutions and services that bring the internet to the mobile phone, profited from the mobile internet boom and was involved in a large number of projects for big-name customers such as e-plus, red bull, samsung and vodafone.

HOLIDAYCHECK and ELITEPARTNER have made a promising start to the financial year 2009. Both companies have been able to exploit lower advertising prices and an already noticeable decline in competitive pressures to achieve double-figure growth. Consequently, we intend to make further prudent investments during the current year in the internationalisation of HOLIDAYCHECK.

“Despite the poor economic situation, it is possible that the current financial year may produce more opportunities than risks for TOMORROW FOCUS AG.”

Having received our first bookings for the year in the Portal segment, we remain cautiously optimistic, despite the difficult conditions, that we can draw on our position as one of the leading marketing providers to increase our market share. At the same time, we are working hard to implement process and cost optimisation measures, including staffing adjustments, in unprofitable areas.

As a result, investment in the Portal segment will essentially be limited to measures aimed at establishing and expanding our automated portals and achieving further increases in reach at FOCUS ONLINE.

PREFACE BY THE MANAGEMENT BOARD

The current market environment has led to a significant easing of competitive pressures and created the right conditions for our cautious growth strategy.

Despite the poor economic situation, it is possible that the current financial year may produce more opportunities than risks for TOMORROW FOCUS AG. In any event, we are confident that the current situation will allow us to lay the foundations that will in turn see us emerge from this crisis as one of the winners in the long-term. In order to do so, our focus for 2009 will be on strict cost management and targeted investments in those transformation markets that offer considerable potential for growth.

Yours sincerely,



Stefan Winners
Chief Executive Officer



Christoph Schuh
Chief Marketing Officer

Vita of the Management Board

Stefan Winners, CEO

After completing his studies with a Master's degree in business administration, Diplom-Kaufmann Stefan Winners (*1967) was employed as a consultant for Roland Berger in Munich. From 1994 to 1998 Winners served as director of sales and customer service at Heinze GmbH in Celle, a company belonging to the Bertelsmann Group. Following this, he joined awk Aussenwerbung in Koblenz, where he managed the marketing and sales division from 1998 to 2000. From March 2000 to JUNE 2005 Winners was employed as managing director at CyPress GmbH in Höchberg near Würzburg, a company belonging to Vogel Business Medien GmbH & Co. KG, where he was also a member of the board. Winners is currently the CEO of TOMORROW FOCUS AG, a position he has held since June 16, 2005. Winners is also Chairman of the Board of Administration of the HOLIDAYCHECK AG in Kreuzlingen, Switzerland and Member of the Board of Directors of the PLAYBOY PUBLISHING GMBH, Munich.

Christoph Schuh, CMO

Christoph Schuh (*1964) graduated in management studies in Cologne with a Diplom-Kaufmann degree before starting his career in 1991 as a management assistant at the VOX TV station. Until 1994 he was in charge of marketing services there. He then joined Verlagsgruppe Milchstrasse, developing the media marketing and online marketing department, of which he was in charge until he moved to TOMORROW Internet AG. With the foundation of TOMORROW Internet AG in 1999 he took over as Chief Marketing Officer. Since 21 December 2001 Christoph Schuh has been Chief Marketing Officer at TOMORROW FOCUS AG.

REPORT OF THE SUPERVISORY BOARD



Dr. Paul-Bernhard Kallen,
Chairperson TOMORROW FOCUS AG

Dear Shareholders,

2008 was a year of crises, most notably the global financial crisis which became a global economic crisis in the autumn. TOMORROW FOCUS AG felt the impact of the crisis in Digital Marketing in the form of sluggish advertising bookings. Fortunately, the Technology and E-Commerce business divisions were able to buck the general economic trend and record very positive results. Overall, the results and result margins were fair, despite the background of a recession. A reasonable success, in my opinion, which can be attributed to the rigorously implemented diversification strategy.

Overview of the Supervisory Board's activities

TOMORROW FOCUS AG's Supervisory Board performed the activities incumbent upon it under German law and the company's articles of association during the 2008 financial year. It provided regular advice to and diligently supervised the activities of the Management Board. The Supervisory Board was directly involved in all decisions of fundamental relevance for the company.

The Supervisory Board's monitoring activities are based on the Management Board's regular written reports and verbal accounts in which the Management Board provides timely and comprehensive information to the Supervisory Board concerning, in particular, the business plan, the course of business operations, strategic developments and the company's current situation. All deviations from the business plan are explained to and discussed with the Supervisory Board. The Management Board agreed on the company's business strategy in consultation with the Supervisory Board.

The Supervisory Board thoroughly examined and discussed all business which is significant for the company on the basis of the Management Board's reports. In addition to the single-entity and consolidated financial statements for the year ending 31 December 2007, significant business includes, in particular, the preparations for the shareholders' meeting in 2008, the appointment of an auditor for the 2008

REPORT OF THE SUPERVISORY BOARD

financial year, important acquisition and divestment projects such as the shareholdings in ADJUG LTD., JAMEDA GMBH und FINDOCS GMBH, and the sale of the domain www.tomorrow.de. The Supervisory Board also dealt at length with the successful capital increase against cash contributions in late autumn.

Outside the regular Supervisory Board meetings, the Chairperson of the Supervisory Board was in close contact with the Management Board several times a month in order to remain up to date on the development of the business situation and significant business transactions. The Chairperson of the Supervisory Board also held separate strategy meetings with the Management Board to discuss the outlook and future strategy of the individual business lines and transactions. The Management Board's proposals for resolution were all approved by the Supervisory Board after thorough examination.

A total of four regular Supervisory Board meetings were held on 20 March 2008, 10 June 2008, 28 August 2008 and 2 December 2008. In addition, two extraordinary meetings were held on 16 January 2008 and 18 November 2008. A further six decisions were taken by written resolution procedure.

Personnel changes

There were no personnel changes in the Management Board or Supervisory Board in the 2008 financial year.

Committees

No committees were formed.

Main issues discussed by the Supervisory Board

The main issues discussed at the regular Supervisory Board meetings were the development of revenue, profit and employment levels and the financial position of TOMORROW FOCUS AG and the Group. Other issues discussed included major acquisition and investment projects, such as ADJUG, JAMEDA, FINDOCS and the internationalisation of HOLIDAYCHECK, as well as a results assurance programme for TOMORROW FOCUS PORTAL GMBH and TOMORROW FOCUS TECHNOLOGIES GMBH. The Management Board provided regular and comprehensive reports detailing the business plan, the course of business operations, strategic developments and the Group's current situation.

At the extraordinary Supervisory Board meeting of 16 January 2008 the Supervisory Board resolved to reappoint CEO Stefan Winners, prior to expiry of his office term, and to extend his contract by a further 5 years to 31 December 2012. Christoph Schuh, the CMO with responsibility for marketing and sales, was also reappointed before expiry of his term of office. His contract to 31 December 2008 was extended by a further 5 years to 31 December 2013.

The Management Board also reported in detail on the possibility of a minority stake in ADJUG LTD., an automated market place for online advertising. The Supervisory Board approved, subject to a positive outcome of the due diligence process, the entry into negotiations for and conclusion of a purchase contract for a 17 percent stake in ADJUG LTD. In addition, the Supervisory Board created its own rules of procedure.

REPORT OF THE SUPERVISORY BOARD

At the Supervisory Board meeting of 20 March 2008, the Supervisory Board listened to a report on the development of the company's business in 2007 and examined the TOMORROW FOCUS AG and Group's financial statements and combined management report for the year ending 31 December 2007. The development of the TOMORROW FOCUS Group was also discussed at great length. In this respect, the Management Board presented the Supervisory Board with specific plans for a programme to increase the efficiency of the Portal and Technologies divisions - a move which was expressly welcomed by the Supervisory Board.

Other core topics included the status of the internationalisation strategy at HOLIDAYCHECK AG and its financing, as well as the current business performance of ELITEMEDIANET GMBH against a background of increased marketing expenses.

The Management Board also reported on an offer regarding a stake in a new type of automated exchange and finance portal currently under development. The Supervisory Board approved the entry into initial talks on the investment. On 20 May 2008, in a separate written resolution procedure, the Supervisory Board approved a share deal subject to a positive outcome to the purchase negotiations. The Supervisory Board then approved the agenda of the 2008 annual general meeting of shareholders.

At the meeting of 10 June 2008, one day before the annual general meeting of shareholders, the Management Board reported on the TOMORROW FOCUS Group's current market development and situation. In particular, the Board Members looked at the unsatisfactory business performance in the Portal segment and in this respect presented initial implementation proposals that were drafted in connection with the aforementioned results assurance programme. Amongst other things, the Supervisory Board was presented with a concept for performance marketing of the existing brand portfolio. The Management Board also explained the business performance of the minority holding ADJUG LTD. and presented its product roadmap.

In addition, the Supervisory Board received a very comprehensive report produced by the Management Board on the current contract negotiations regarding a majority stake in JAMEDA GMBH, the operator of a physician rating portal. The Supervisory Board had given its approval to the Management Board in this respect on 20 May 2008 as part of the decision, by written resolution procedure, to enter into a purchase agreement subject to a positive outcome to the purchase negotiations.

The Supervisory Board also passed a resolution - following an intensive discussion of the successful prospects - on the development of an automated news portal at the Internet domain www.NACHRICHTEN.DE.

At the meeting held on 28 August 2008 the Supervisory Board was given a report on, amongst other things, the current business performance. The Management Board also explained to the Supervisory Board the financial planning of TOMORROW FOCUS AG for 2008 to 2012, which the Supervisory Board approved following close scrutiny. The Management Board also presented specific proposals for implementation of the results assurance programme. These were also approved by the Supervisory Board after a discussion in detail.

The Management Board also submitted to the Supervisory Board the plans for internationalisation of

REPORT OF THE SUPERVISORY BOARD

HOLIDAYCHECK AG for 2008 to 2012. The Supervisory Board approved the proposed strategy and also the provision of the necessary resources. Finally, the Supervisory Board approved a one percent increase in the stake in Adjug Ltd. to 18 percent.

On 18 November 2008, at an extraordinary Supervisory Board meeting, the Supervisory Board approved the implementation of a capital increase out of authorised capital. The company's share capital was increased by some EUR 4,265,650, from EUR 42,856,475 to EUR 47,122,125, by issuing 4,265,650 new notional no-par-value shares in exchange for a cash contribution, excluding the shareholders' subscription right. At an issue price of EUR 2.80 per share, the company received around EUR 11.9 million.

In the meeting of 2 December 2008, the Management Board reported to the Supervisory Board on the possible impact of the ever more acute economic situation on the individual business divisions. The Supervisory Board also dealt in depth with the amendment to the German Corporate Governance Code of 6 June 2008. It approved the declaration of conformity for the 2008 financial year and discussed the efficiency of its activities in accordance with the Code's recommendations. The 2008 business plan for TOMORROW FOCUS AG and the Group was presented by the Management Board, discussed in detail and then approved by the Supervisory Board.

Corporate governance

No member of the Supervisory Board has attended fewer than half of the Supervisory Board meetings.

No conflicts of interest of the members of the Supervisory Board arose in connection with their membership of the TOMORROW FOCUS AG Supervisory Board.

The Supervisory Board examined the efficiency of its activities pursuant to the German Corporate Governance Code requirement at its meeting of 2 December 2008.

The Management Board and Supervisory Board made a joint declaration of conformity pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) on 2 December 2008. The declaration was published in the electronic Federal Gazette (Bundesanzeiger) and on the company's website. Reference is also made to the Corporate Governance Report information included in the Annual Report 2008.

Annual financial statements and consolidated financial statements

TOMORROW FOCUS AG prepared its annual financial statements in accordance with the statutory requirements of the German Commercial Code (Handelsgesetzbuch, HGB). The consolidated financial statements and the Group management report were prepared in accordance with the International Financial Reporting Standards (IFRS).

The auditing firm, PRICEWATERHOUSECOOPERS AKTIENGESELLSCHAFT WIRTSCHAFTSPRÜFUNGSGESellschaft (PwC), Frankfurt am Main, Germany, Munich office, audited the annual financial statements and the management report of TOMORROW FOCUS AG for the financial year from 1 January to 31 December 2008, the consolidated financial statements and the Group management report for the same financial year. The auditor was requested, at the time of its appointment, to place the main emphases of the audit

REPORT OF THE SUPERVISORY BOARD

on realised revenue and its assignment to accounting periods, an assessment and review of the internal control system, the value of assets, the follow-up consolidation of the shares in ELITEMEDIANET GMBH and HOLIDAYCHECK AG, and the reporting of deferred taxes.

Pursuant to section 317 paragraph 4 of the German Commercial Code (Handelsgesetzbuch, HGB), the auditor carried out an investigation and found that the Management Board has put in place a monitoring system, and that the company fulfils the statutory requirements for early detection of risks jeopardising the existence of the company, and that the Management Board has taken suitable steps to identify developments and counteract risks at an early stage.

The auditor submitted to the Supervisory Board the declaration of independence required under the German Corporate Governance Code and disclosed to the Supervisory Board the audit and consultancy fees incurred in the relevant financial year.

The auditor detailed the audit principles in the audit report. It ascertained that TOMORROW FOCUS AG complied with the statutory requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and/or IFRSS. The auditor did not raise any objections in connection with the audit.

The annual financial statements and the consolidated financial statements received the auditor's unqualified approval. The annual financial statements, consolidated financial statements, management report and group management report, and the auditor's report were submitted to all members of the Supervisory Board. The financial statements were discussed in detail at the Supervisory Board's balance sheet meeting of 26 March 2009 in the presence of the auditor, who also provided a report. The issues discussed at this meeting included the findings of the audit of the company's internal control system and IT infrastructure, the acquisition of shares in ELITEMEDIANET GMBH and the value of assets.

The annual financial statements, the management report, and the consolidated financial statements and Group management report were presented to the Supervisory Board for examination. The Supervisory Board examined, in particular, the acquisition of further shares in ELITEMEDIANET GMBH and the purchase price allocation in connection with the acquisition of the company. The Supervisory Board also examined the accounting of the put and call options in connection with the acquisition of shares in ELITEMEDIANET GMBH and HOLIDAYCHECK AG.

No objections were raised after conclusion of this examination. Thus the Supervisory Board approved the result of the examination at its meeting of 26 March 2009. The annual financial statements and consolidated financial statements, which were prepared by the Management Board, were endorsed and adopted by the Supervisory Board. The Supervisory Board approved the management report and the Group management report and agreed with the assessment of the company's future development.

Annotation to the audit of the dependency report pursuant to section 314, paragraphs 2 and 3 of the German Stock Corporation Act (Aktiengesetz, AktG)

The Supervisory Board also examined the TOMORROW FOCUS AG Management Board's report pursuant to section 312 of the German Stock Corporation Act (Aktiengesetz, AktG) on the disclosure of related-party transactions in the 2008 financial year (dependency report).

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board examined this report and no objections were raised. The Management Board explained the advantages and possible risks associated with the transactions specified in the dependency report to the members of the Supervisory Board, who then examined them and weighed them up. The Supervisory Board also requested an explanation of the principles according to which the services provided by the company and the consideration received are determined.

The auditor also examined the dependency report and issued the following audit certificate:

„In accordance with our duty bound audit and judgement, we confirm that

1. the actual information contained in the report is accurate,
2. and that in terms of the legal transactions shown in the report that were conducted under the circumstances known at the time, the performance of the company was not inappropriately high.“

The auditor submitted the audit report to the Supervisory Board. The dependency report and audit report were made available to the Supervisory Board in good time.

The Supervisory Board, for its part, examined the Management Board's dependency report and the auditor's audit report.

The Supervisory Board agreed with the audit findings and approved the report based on its own examination.

Thanks

The Supervisory Board would like to thank the Management Board and all employees of TOMORROW FOCUS AG for their excellent work in 2008 in what was a difficult market environment, and wishes the management and employees the very best of success in 2009.

Munich, Germany, March 2009

On behalf of the Supervisory Board



Dr. Paul-Bernhard Kallen
Chairperson

INTERVIEW

Stefan Winners, Chief Executive Officer



Christoph Schuh, Chief Marketing Officer

INTERVIEW

CEO Stefan Winners and CMO Christoph Schuh talk about the financial year 2008 and the prospects for 2009

Interview with the management board

Stefan, although you ended the year 2008 within analysts' expectations, you weren't able to match the record results of the previous year. Are you satisfied with that?

Stefan Winners: You could say I'm cautiously satisfied. I'm delighted by the performance of our E-Commerce division, with HOLIDAYCHECK and ELITEPARTNER in particular achieving outstanding results and growing by a considerable margin. The Technologies division also performed well. CELLULAR benefited from the hype surrounding the mobile internet, and TOMORROW FOCUS TECHNOLOGIES presented some very solid figures.

However, the general picture is marred by the performance of the Portal division, which was affected early on by a fall in advertising bookings due to the economic crisis. It recorded a substantial loss.

All in all, it is the comprehensive diversification strategy we have implemented by moving into and expanding the E-Commerce division that acts as a guarantee of success, especially in turbulent times such as these, when advertising revenue is on the decline. Naturally, web-based advertising is also affected by the economic crisis.

How did HOLIDAYCHECK and ELITEPARTNER manage to do so well despite the negative economic situation?

Stefan Winners: There are a number of reasons for that. As strange as it might sound, HOLIDAYCHECK actually benefits from people wanting to save on their holidays. If people book a lower category hotel, they don't want to risk it turning out to be a flop. That's one good reason for them to use HOLIDAYCHECK. On top of that, with many competitors cutting back on their advertising, the result is cheaper advertising terms and greater ad awareness.

The same effect also benefits ELITEPARTNER, where marketing campaigns to attract new customers represent the biggest source of costs. ELITEPARTNER also benefits from the trend for people to seek new family and relationship bonds in such turbulent times. So far, HOLIDAYCHECK and ELITEPARTNER have done well out of the financial crisis.

Christoph, 2008 saw some excellent reach figures for the Portal division. Why was this not reflected in terms of revenue and earnings?

Christoph Schuh: We did indeed increase our internet marketing reach to 17.5 million users. This corresponds to 40 percent of all German internet users. In 2008, this growth was largely achieved by attracting outside marketing partners such as FAZ.NET,

INTERVIEW



EXPEDIA and BUNTE.DE. However, unlike our own brands such as FOCUS and TV SPIELFILM, the figures we report for these partners are limited to our commission revenue, so the impact on Portal revenue is minor. At the same time, we lost revenue from our smaller Milchstrasse brands because advertisers tend to concentrate their orders on high-reach portals, especially in times of crisis.

Overall, we were also badly hit by the crisis in advertising marketing, especially in the fourth quarter of 2008. That's why it wasn't possible, unfortunately, to achieve the return we had anticipated on our capital expenditure in new areas such as video or the expansion of our sales team. I'm pleased to see a more positive trend developing at the beginning of 2009.

What measures has the company taken in response to weaker demand for advertising?

Christoph Schuh: We became aware of the impending financial crisis and its consequences for business dependent on advertising revenue at the end of the first quarter of 2008. In response, we launched a comprehensive programme to protect our earnings in the areas of content management, marketing and the Technologies division. The full impact of this efficiency programme will become clear in the course of 2009.

In addition, in line with the increasing trend in our advertising markets, we added aggressively priced, reach-based packages and performance products to our marketing portfolio with its focus on premium branding. This allows us to offer our customers tailored packages to meet their individual communications objectives.

Our acquisition of a stake in the advertising marketplace ADJUG was another

INTERVIEW

important step in our strategy of expanding our portfolio to include more strongly performance-oriented business models.

Last year you were promising to move into automated portals. What has happened since then?

Christoph Schuh: Lots! We see the economic crisis as an opportunity to establish new business models. In our experience, competitive pressures tend to be relatively insignificant during such economic downturns. We took a conscious decision to focus on portals that can be operated at very low cost thanks to a high level of automation.

Take JAMEDA, for example, the physicians rating portal. In summer 2008, together with FOCUS MAGAZIN, we moved into the healthcare market with a brand new approach. In summer of this year at the very latest, we intend to launch a highly innovative finance portal that is currently still being developed under the working na-

marketed by our sales team to make the best possible use of available synergies.

What are the prospects for the online advertising market and TOMORROW FOCUS in 2009?

Christoph Schuh: It is apparent that the marketing business is currently going through a phase of consolidation. After the winding-up of LYCOS and with closer collaboration between UNITED INTERNET and ADLINK, we are likely to see a further concentration within the industry. Thanks to our outstanding reach and the high quality of our products, we believe that we are in a strong position to weather the financial crisis. By contrast, those marketing providers who do not have a clear USP or who lack sufficient reach will have no chance of surviving in the medium term.

As we have already increased our market share in the early part of 2009, it looks as though our strategy is paying off.

“We see the economic crisis as an opportunity to establish new business models.”

me of FINDOCS. It's based on a new form of crawler technology that filters the latest relevant information from finance portals and presents it in clearly understandable form. Over the next few months, NACHRICHTEN.DE will be launching an innovative automated service to provide a useful addition to its online news portfolio.

JAMEDA, FINDOCS and NACHRICHTEN.DE are all being incorporated into our flagship portal FOCUS to ensure that the new online service benefits from intelligent reach maximisation. Naturally, the portals will be

What's your view of HOLIDAYCHECK and ELITEPARTNER? Are you expecting further growth despite the gloomy economic situation?

Stefan Winners: According to the first indications we have for the first quarter of 2009, both companies are continuing to grow at the same rate, so here too we intend to stick to our investment plans in order to achieve sustained growth in revenue and earnings. In the case of HOLIDAYCHECK, this means that in 2009 we will again be investing in further internationalisation.

INTERVIEW

Nevertheless, if this anticipated growth in revenue and earnings doesn't materialise, we are equally in a position to scale back the level of investment accordingly.

The E-Commerce business is now the main source of income for TOMORROW FOCUS AG. Do you actually need the advertising-based portal business any more?

Christoph Schuh: As you know, one of the strengths of a diversified group lies in the breadth of its activities. In the ideal scenario, this makes it less reliant on fluctuations in the volume of orders received by particular divisions. Advertising marketing remains one of our core activities, and we hope to expand it further. Having said that, in terms of the hosting of content manage-

“One of the strengths of a diversified group lies in the breadth of its activities.”

ment portals, we will be focusing primarily on high-reach and automated portals. Ideally, we can use large portals such as FOCUS ONLINE to establish new brands such as JAMEDA, NACHRICHTEN.DE and FINDOCS.

There are those who question the financial viability of purely advertising-based business models on the internet. What is your opinion?

Christoph Schuh: Last year in particular, available advertising inventory on the internet increased significantly as a result of the rapid growth in web communities. Given the weakness in demand caused by the financial crisis, the logical outcome was a major fall in prices in the display market. Against this background, many content management portals have been unable to operate at a profit.

In my opinion, in future only high-reach portals with advertising-based target groups and a strong focus on their cost structures will be able to run at a profit. At the same time, it will be extremely important to establish new business models.

The mobile internet is finally off the mark thanks to the APPLE IPHONE. Is this a lifeline for advertising-based internet services?

Stefan Winners: Both the IPHONE and GOOGLE'S open operating system ANDROID are preparing the ground for a broader use of mobile internet applications across all population groups. This should benefit both those providing chargeable applications and those with advertising-based business models, as long as they respond appropriately to the requirements of mobile users. So we are going to see a triumph for the mobile internet and, by extension, for marketing providers in the mobile internet field.

Does TOMORROW FOCUS have a stake in the mobile internet?

Stefan Winners: Of course. To give you an example, our online content management brands have their own mobile portals, especially FOCUS ONLINE, whose mobile traffic is currently showing strong growth. We are already well-positioned as a marketing provider of mobile internet content.

After all, we own CELLULAR, one of the leading German IT service providers in the mobile internet business. CELLULAR'S customers include some big-name mobile providers and major groups, who are keen to disseminate their content and advertising in mobile form. We are therefore in a good position to benefit from further growth in the mobile internet.

INTERVIEW



On the whole, 2009 shouldn't be all that bad.

Stefan Winners: Over the last few years we have consciously invested in those areas of the internet that offer potential growth while remaining less exposed to any downturn in the wider economy. This strategy should pay off this year and in the years ahead. Despite this, we don't expect 2009 to be easy with the economic situation as it stands. Consequently, our priority is to take firm action to adapt the cost structures of our brands and divisions to current market conditions without compromising their long-term potential for growth. Our forecast takes into account the possibility of a moderate increase in revenue in the event of a modest economic recovery in the second half of the year. The aim here is to improve our operating results, above all by reducing costs in the Portal business.

At the moment, your share price does not reflect this positive outlook. In fact, it is heading downwards. Why?

Stefan Winners: That's true. Until recently, the TOMORROW FOCUS share was holding its own compared to competitors, the DAX blue-chip index and the TECDEX technology index, although it then lost some of its value, unfortunately. It's possible that its stronger performance initially led to some investors cashing in their stock.

What makes matters worse is that many investors have withdrawn completely because of the turbulences on the stock exchanges, so there are fewer buyers left even for solid investments.

Once we see an improvement in the economic situation, valuation ratios and corporate outlooks should reassert themselves. In my view, that should provide renewed impetus to our share. Every crisis throws up many opportunities, and we intend to make the best use of them.

INTERVIEW

Interview with Martin Kötje, Director Finance at
TOMORROW FOCUS AG.

Mr Kötje, what tactics is TOMORROW FOCUS AG pursuing in order to weather the current financial and economic crisis unscathed?

Essentially, we are striving to reduce our fixed costs in loss sectors. Currently this affects our Portal segment, which is unfortunately reporting red numbers on account of the tight advertising market. On the other hand, we are making every effort to reach further growth in our profitable business units, such as our E-Commerce segment. This is partly achieved through investments. And, of course, we continue to closely monitor market developments in our profitable segments so that any necessary cost adjustments can be rapidly decided on.

The media is full of reports of a tightening credit squeeze that is making refinancing more difficult for companies, or at least markedly more expensive. Does this situa-

tion have any impact on your business?

Surely, we had to cope with the repercussions of this trend because margins went up in autumn. But since the capital increase in November and the successful acquisition of additional shares in HOLIDAYCHECK in February, our financing options have expanded significantly and the conditions have improved again.

The consolidated balance sheet as at 31 December 2008 shows other current and non-current financial liabilities totalling almost EUR 39 million. How were these incurred?

These line items are primarily due to company acquisitions carried out in the past. A large portion of these are attributable to HOLIDAYCHECK, but also to ELITEPARTNER, FINDOCS and JAMEDA. The purchase prices for shares that we do not yet hold are already stated as liabilities according to IFRS, in variance to German accounting regulations (German Commercial Code, HGB). The reported amounts are dependent on the earnings of the investments. Should a shareholding develop worse than originally assumed, the liability figure decreases. Through the acquisition of an additional 14 percent of HOLIDAYCHECK in February 2009, we were able to reduce the other financial liabilities by a significant EUR 21 million.

The equity ratio went up to 44.9 percent in 2008, compared to 35.7 percent in 2007. What caused this increase?

The statement of future share purchases in the balance sheet which I just mentioned

INTERVIEW

caused the arithmetic equity ratio to deteriorate in the past. The noticeable improvement in the equity ratio we saw in 2008, on the other hand, is due primarily to corporate earnings and a 10 percent cash capital increase from our majority shareholder, the BURDA GROUP. Our equity ratio will improve even further after the planned increase of shares held.

According to the consolidated statement of income, earnings declined in 2008 compared with 2007. What was the reason for that?

Among other non-recurring effects, the profit reported in 2007 was boosted by a positive special effect of nearly EUR 4 million from the sale of BELLEVUE AND MORE

identified and economies of scale realised within the business units and companies of the TOMORROW FOCUS Group. Furthermore cross-divisional working groups have been formed, for example, on the issue of search engine optimisation.

What impact do the new acquisitions HOLIDAYCHECK and ELITEPARTNER have on the revenue and earnings structure of TOMORROW FOCUS AG?

Since 2006, we have had a lot of success in diversifying our income sources. In 2008, the new E-Commerce unit contributed ... percent to consolidated revenue, with each separate financial statement showing a net profit. The falling marketing costs that

„The Internet could emerge as one of the big winners of the crisis.“

GMBH. This contrasts with substantial investments for Findocs, nachrichten.de and the internationalisation of HOLIDAYCHECK in 2008, which were a burden on earnings. When these effects are taken into account, we were able to increase both revenue and earnings in all sectors except the Portal business in financial 2008.

TOMORROW FOCUS undertook numerous acquisitions in past years. How are these being integrated in the TOMORROW FOCUS Group?

We place great importance on clear, decentralised structures of the various local profit centres. At the same time, we have gradually transitioned the accounting and controlling of all investments to the standards and systems of TOMORROW FOCUS AG, as well as unifying processes and rules. Additionally, synergy areas are being systematically

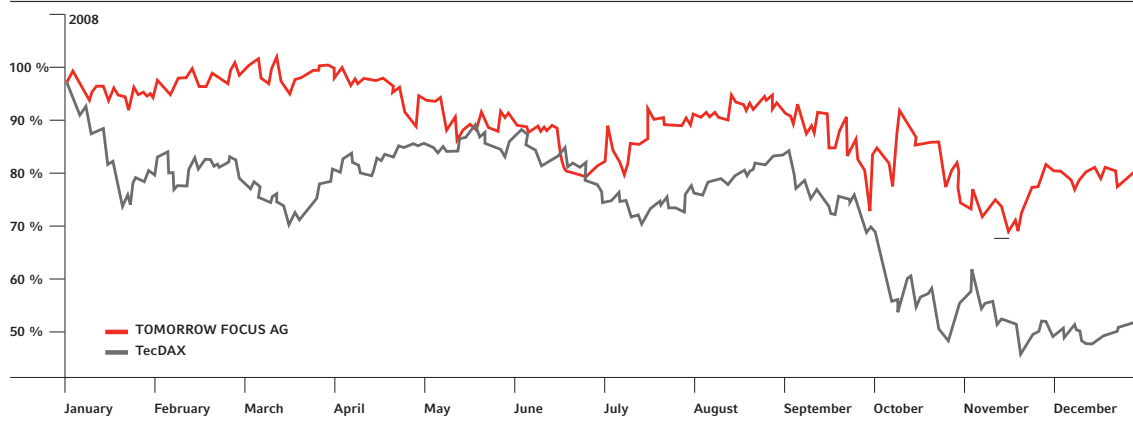
are currently weighing down the Portal segment's business are increasing the margins in the E-Commerce segment. In this way, currently, we can balance the earnings situation of the TOMORROW FOCUS Group to some extent.

Do you see the current economic crisis as an opportunity, and if so, to what degree?

It is becoming increasingly clear that the Internet could emerge as one of the big winners of the crisis. The shift in budgets away from traditional media towards the Internet continues unabated. Consequently, in spite of, or even because of the crisis, we are seeing a greater willingness to book travel or even find a partner online. To date at least, these effects are offsetting the losses due to the financial and economic crisis.

THE TOMORROW FOCUS SHARE

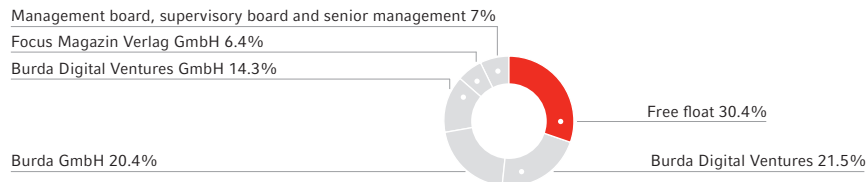
Share price development for TOMORROW FOCUS AG compared to TecDAX 2008



Share data

German securities code (WKN)	549532
ISIN	DE0005495329
Stock exchange symbol	TFA
Stock exchange segment	Prime Standard
Designated Sponsor	HSBC Trinkaus
Number of shares	47,122,125
Market capitalisation (as at 27 March 2009)	€ 109.3 million

Shareholder structure as at 31 December 2008



TOMORROW FOCUS share outperforms DAX and TecDAX

The TOMORROW FOCUS AG share held up well in 2008 against a background of extremely weak equity markets. Its year-end closing price on XETRA, the electronic trading platform run by DEUTSCHE BÖRSE AG, was € 2.55 on 30 December 2008. Compared to the closing price on 28 December 2007, this represents a fall of 18.8 percent. Nevertheless, over the reporting period, the TOMORROW FOCUS share not only outperformed comparable firms such as ADLINK (-77.4 percent), AXEL SPRINGER (-47.6 percent), EXPEDIA (-75.0 percent; NASDAQ, calculated in euros), HOTEL.DE (-51.3 percent), UNITED INTERNET (-62.2 percent) and XING (-38.9 percent), but also the DAX (-40.4 percent) and the TEC DAX (-47.8 percent) indices.

THE TOMORROW FOCUS SHARE

Intensive communication with investors

Throughout the year we maintained regular, transparent and open contact with investors and analysts and with business and stock market journalists. The management board presented the company at two road shows, three investor conferences and at TOMORROW FOCUS AG's traditional stock exchange Stammtisch (informal meetings usually held in a local bar) in Munich, Germany. They also took part in question and answer sessions with well-known business and stock market media organisations. During the year under review, reports on TOMORROW FOCUS AG were published or broadcast by BLOOMBERG TV, BÖRSEN-RADIO NETWORK, BÖRSE ONLINE, DER AKTIONÄR, DEUTSCHES ANLEGERFERNSEHEN DAF, DPA, FINANCIAL TIMES DEUTSCHLAND, FRANKFURTER ALLGEMEINE ZEITUNG, HANDELSBLATT, NEBENWERTEJOURNAL, PLATOW BÖRSE, PRIOR BÖRSE, REUTERS and others.

TOMORROW FOCUS AG is committed to the equitable treatment of all investors. All relevant information, such as presentations at key events for investors, is published on the internet.

Investors can also find a comprehensive range of in-depth background information about TOMORROW FOCUS AG on the internet. In particular, the video content available on our website at www.tomorrow-focus.de is an excellent source of information for those interested in the company.

Between them, analysts at LANDESBANK BADEN-WÜRTTEMBERG (LBBW), SAL. OPPENHEIM, SES RESEARCH, UNICREDIT and WEST LB have issued two Buy and three Hold/Neutral recommendations for the TOMORROW FOCUS share. The target prices range from € 2.50 to € 3.50.

Supervisory board tops up shareholding

The supervisory board of TOMORROW FOCUS AG firmly believes in the company's growth potential. During the course of 2008, they purchased approximately 474,000 shares in TOMORROW FOCUS AG both directly and via legal persons in accordance with Section 15a paragraph 3 German Stock Corporation Act (Aktien-gesetz).

Investor Relations contact

Armin Blohmann
phone: +49 (0)89 9250-1256
fax: +49 (0)89 9250-2403
email: a.blohmann@tomorrow-focus.de
www.tomorrow-focus.de

TOMORROW FOCUS AG
Steinhauser Str. 1 + 3
81677 Munich
Germany

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

ABSOLUTE COMMITMENT TO RESPONSIBLE CORPORATE GOVERNANCE

A responsible, transparent and sustainable corporate governance policy is the essential basis for an organisation's long-term success. That is why TOMORROW FOCUS AG views corporate governance as more than mere compliance with statutory requirements. It is also the reason why the Management Board of TOMORROW FOCUS AG has defined a code of conduct governing employee relations with other employees and the company's business associates.

MANAGEMENT AND CONTROL STRUCTURES**Supervisory Board**

TOMORROW FOCUS AG is a joint-stock corporation under German law (AG). As such, it is subject to the German Stock Corporation Act and has a two-tier management and control structure consisting of a Management Board with two members and a Supervisory Board with six members. The Supervisory Board monitors the Management Board and provides it with advice on the conduct of the company's business. It is directly involved in all company decisions, which have fundamental importance.

Management Board

The Management Board, which is TOMORROW FOCUS AG's governing body, has two members. These are the Chief Executive Officer, Stefan Winners, and the Chief Marketing Officer, Christoph Schuh. The Management Board's responsibilities include development of the company's business strategy, planning and approval of the company's budget and preparation of the annual financial statements.

Risk management

TOMORROW FOCUS AG is subject to the special requirements that apply to internal risk management under German stock corporation and commercial law. These cover risk planning, identification, analysis, processing and elimination.

Transparency, communication and service for our shareholders

The shareholders of TOMORROW FOCUS AG can obtain timely and comprehensive information about the company on the company's website at www.tomorrow-focus.de. TOMORROW FOCUS AG regularly publishes its financial calendar, all financial reports, ad hoc disclosures, media releases, and information about shareholders' meetings and directors' dealings on the website.

TOMORROW FOCUS AG also offers shareholders the opportunity to have their voting right exercised by a proxy of their choice, or by a company-appointed representative who is bound by the shareholder's instructions.

CORPORATE GOVERNANCE



Financial reporting

PRICEWATERHOUSECOOPERS (PWC) was selected as auditor of the company's annual financial statements by the shareholders' meeting of June 2008. The financial reporting of TOMORROW FOCUS is in accordance with the statutory requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and International Financial Reporting Standards (IFRS). TOMORROW FOCUS AG's single entity financial statements are prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and the consolidated financial statements in accordance with IFRS.

Declaration of the Management Board and the Supervisory Board of TOMORROW FOCUS AG in respect of the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz, AktG)

TOMORROW FOCUS AG hereby declares that, in the financial year 2008, it complied with the recommendations of the Government Commission on the German Corporate Governance Code announced by the Federal Ministry of Justice on 6 June 2008 in the official section of the electronic Federal Gazette (BUNDESANZEIGER), with the following exceptions:

1. The company's D&O insurance policy does not include a deductible for the Management Board and the Supervisory Board. (Number 3.8, paragraph 2)
2. Calculation of the settlement cap in the case of early termination (of the service agreement) of a member of the Management Board will not be based on the total compensation for the previous year and the anticipated total compensation for the current year. (Number 4.2.3, paragraph 4)
3. No age limit is specified for members of the Management and Supervisory Boards. (Numbers 5.1.2, paragraph 2, line 3 and 5.4.1)
4. The Supervisory Board does not form committees. (Numbers 5.3.1 - 5.3.5, 5.2, paragraph 2, and 5.4.7, paragraph 1, line 3)
5. The compensation of the deputy chairperson of the Supervisory Board will not be considered in the specification of compensation for Supervisory Board members. (Number 5.4.7, paragraph 1, line 3)
6. Half-yearly and quarterly financial reports will not be discussed by the Supervisory Board with the Management Board before publication. (Number 7.1.2)

Munich, Germany, 2 December 2008

Dr. Paul-Bernhard Kallen
For the Supervisory Board

Stefan Winners
For the Management Board

CORPORATE GOVERNANCE

Notes on deviations from the German Corporate Governance Code recommendations

1. TOMORROW FOCUS AG does not agree that the position of a deductible would have any effect in improving the attitude to work of, or the responsibility taken by, the members of the Management Board and Supervisory Board. There is therefore no deductible on the D&O insurance policies held by TOMORROW FOCUS.
2. Implementation of the new recommendations in number 4.2.3 paragraph 4 of the German Corporate Governance Code is beset by substantial legal and practical difficulties. We therefore refrain from implementing this recommendation of the Code.
3. TOMORROW FOCUS AG believes that the restriction of specifying an age limit for Supervisory Board members would not serve the interests of the shareholders who elect the Supervisory Board members. The rules of procedure for the TOMORROW FOCUS AG Supervisory Board therefore do not include such an age restriction. TOMORROW FOCUS AG's corporate policies also deviate from the recommendation of the German Corporate Governance Code by not stipulating any age limit for Management Board members, which it feels would arbitrarily restrict TOMORROW FOCUS AG's Supervisory Board in its choice of suitable Management Board members.
4. The TOMORROW FOCUS AG Supervisory Board has six members which is proportionate to the company's size. TOMORROW FOCUS AG does not believe that the formation of committees consisting of members of this six-person board would improve its efficiency, which is why no committees are formed. The Supervisory Board handles issues of accounting, risk management and compliance, the necessary independence required of the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement. There is no need to form a nomination committee since the majority of TOMORROW FOCUS AG's Supervisory Board members are shareholder representatives.
5. Although the chairperson of the Supervisory Board, by virtue of his/her function, has a considerably higher workload, the deputy chairperson's workload is no higher than that of the other Supervisory Board members. That is why the deputy chairperson of the Supervisory Board does not receive a different level of remuneration from that received by the other members of the Supervisory Board.
6. The Management Board refrains from discussing half-yearly and quarterly reports with the Supervisory Board before their publication. It is the view of the company that this would be difficult for reasons of time and because of legislation covering insider dealing.

Compensation Report

The Compensation Report is an integral part of this Corporate Governance Report. In this annual report, it is included as part of the Group Management Report of the TOMORROW FOCUS Group.

ENTHUSIASM OPTIMISM
MOTIVATION RESPONSIB
BILITY EXCELLENCE NET
WORKING PASSION CON
FIDENCE STAFF INNOVA
TION PERSONALITY

EMPLOYEE PROFILE

Céline Massé, Project Leader France with the
HolidayCheck International Marketing division**Céline, you come from La Rochelle in France. What brought you from the Atlantic coast to Lake Constance?**

I really enjoy travelling myself, and I've always been fascinated by the whole idea of tourism. I love exploring new countries and learning about other cultures. One day, I saw an advertisement for HOLIDAYCHECK, and I took an immediate interest in the company. I'd never heard of HOLIDAYCHECK, because there was no French portal at the time, but I was fascinated by the idea of working for a

travel portal where users can submit their own hotel ratings, read other people's opinions and view photos and travel videos. I just find the concept of user-generated content really exciting, and now I can get involved in the development of this concept in France for HOLIDAYCHECK.

What exactly does your job as project leader involve?

I look after the French HOLIDAYCHECK website. That involves developing marketing campaigns to boost the profile of HOLIDAYCHECK in France and attract as many users as possible. To give you a specific example, our campaigns involve SEO and SEM – with technical support, of course – as well as contact with the web community on our forum and through social networking sites such as FACEBOOK. Media work also takes up a lot of time, as we publish regular press releases.

„I love exploring new countries and learning about other cultures.“

What do you enjoy most of all?

Everything! ;-) It's just a brilliant environment to work in. I'm part of the HOLIDAYCHECK International Team which includes people of over ten different nationalities. I really like working with people from other countries. Everyone contributes interesting new experiences and ideas. The atmosphere is great. I absolutely love the media work and the contact with the web community. There are just so many different jobs to do that you could never get bored.



Céline Massé, Project Leader
France HolidayCheck

abtreiben





EMPLOYEE PROFILE

Natasa Mermer, Pictorials Assistant with Playboy in Munich

Natasa, you are in charge of playmate castings and photo shoots. How do you get a job like that?

I've always found the PLAYBOY brand and the magazine exciting. What appealed to me most was the superbly aesthetic quality of the nude photography. Like many of the women who read PLAYBOY, I'm interested in seeing how other women are portrayed. But I didn't just want to see the final product, I wanted to take a look behind the scenes and get involved in the creative side of a photo shoot. So that's what I've been doing for the last three years.

Tell us about your daily routine.

My work is very varied. It covers everything from screening the applications and casting potential playmates to organising the shoots, which are a real logistical challenge.

To start, we have to create a theme for the shoot, then choose a suitable location and of course the right playmates. I'm also responsible for putting together and booking the photography team including the photographer, an assistant, a stylist and a hair and make-up artist. On top of that, I have to coordinate the shoot on site. It gives me a real kick every time when I see the final printed results in magazine form.

How many playmate applications do you receive in a month? Do you get any unusual applications?

I receive hundreds of applications. Of course, there are some very odd ones, too. The strangest ones I've had so far were from men wanting to be playmates!



„Like many of the women who read Playboy, I'm interested in seeing how other women are portrayed.“

Natasa Mermer, Pictorials Assistant
with Playboy Deutschland Publishing

So you travel to some of the most beautiful places in the world at the company's expense to do photo shoots. That sounds like a dream job. Is it?

It certainly is a dream job! Not only do you get to work in wonderful locations; you also meet lots of different people. Having said that, the aim of every shoot is to produce beautiful, superb quality photographs, and that is the main focus on every trip. Apart from that, it's just a lot of fun working with a professional team and pursuing a common goal to create a great product.

EMPLOYEE PROFILE

Björn Sievers, Deputy Editor Online, Business & Finance
at FOCUS Online in Munich

Björn, you are Deputy Editor Online, Business & Finance at FOCUS ONLINE. Can you tell us a bit about your career to date and your work?

I studied history in Bielefeld, Berlin (Germany) and London (UK), but I had wanted to be a journalist ever since I was at school, so I have always found some way of working in the media, especially for daily newspapers and radio broadcasters. My career took off after an internship with the DDP NEWS

and edit it in such a way as to present a clear picture to your readers?

The financial crisis, which of course has now turned into a major recession, has been keeping the whole Finance area in suspense for months. It was particularly fraught, I recall, in the weeks after LEHMAN BROTHERS declared bankruptcy. Ever since then, we have been asking ourselves every day what the best way is to explain the overall si-

„The financial crisis, which of course has now turned into a major recession, has been keeping the whole Finance area in suspense for months.“

AGENCY. I was offered my first post as editor at the DDP head office in Munich, Germany. Later, I went back to Berlin with DDP and then came back to Munich for FOCUS ONLINE.

As Deputy Editor Online, Business & Finance, I am mainly responsible for the up-to-date business reporting of FOCUS ONLINE. That involves planning different themes with my colleagues, questioning our correspondents, copy editing the articles I receive from colleagues, correspondents and freelance writers and basically 'steering' the Finance and Property areas in my position as managing editor. I do the odd bit of writing myself, too. On top of that, we are always trying to make improvements in our area. At the moment, for example, we are discussing how we can exploit the new user rankings for our own benefit.

The current economic crisis must be providing you with plenty of material. Is it really possible to keep on top of the massive flow of news? And how do you manage to organise

tuation to our readers. Of course, that also means getting to grips ourselves with issues that before the crisis no one could have guessed would be important. Take the German Pfandbrief (a type of covered bond), for example. Whatever the subject, we try to put ourselves in the shoes of the reader. We read a lot of the comments we receive to make sure we always know what our users think of the news situation and our own articles. In fact, they often provide the basis for our next story.

What do you like about your job and what don't you like?

I like the immediacy of online journalism and the possibilities it offers. It allows us to respond straight away to events as they happen. It's up to us then to decide how much detail we want to go into with a story. In many cases, all we need is a short agency report; in others, we might set a team of writers to work researching a subject; and with a bit of luck, there might be time now and again for some more relaxed items on subjects



Björn Sievers, Deputy Editor
Online at FOCUS Online in Munich

outside the well-trodden news agenda. There are many days, though, when even a strict focus on the latest news proves very demanding.

Apart from my work on the reporting side, I really enjoy following developments on the net and thinking how we can exploit them for FOCUS ONLINE and especially for the Finance area. There is still a lot of potential there, and I'm sure it won't be exhausted for some time to come. I've already mentioned the user rankings as one example. Looking further ahead, we will need to take our content to the user in many different forms – not just computers and mobile phones but other devices we are still unaware of.

„I like the immediacy of
online journalism and
the possibilities it offers.
It allows us to respond
straight away to events
as they happen.“

Björn Sievers, FOCUS Online



EMPLOYEE PROFILE

Asmara Degenhardt, Marketing Manager at ElitePartner in Hamburg

Asmara, what was it that brought you to ELITE-PARTNER? And what is the role of a marketing manager with an online dating agency?

I studied sociology and specialised in industrial sociology, sociological methodology, partner selection and marriage patterns. Naturally, that gave me an incentive to find a job that would allow me to put what I had learned during my degree into practice, and ELITEPARTNER presented itself as a logical choice. I came here as a trainee and was appointed Marketing Manager in May 2008. One of my main tasks is to analyse the web. How do our users come to us? How do they find their way around? How can we make our site even better? Finding all that out is part of my everyday work. User analysis helps us to measure the success of our advertising and provides ideas for improvements. The best thing about my work is that the statistical analysis is linked to the emotional side of the product, and you can see results straight away. I think that's brilliant! In marketing, every day is interesting and varied. There is something new happening all the time.

„It's a great feeling to be working
as love facilitator!“

What is the working atmosphere like in your team?

In total, there are twelve people on our team in the marketing and PR division. The atmosphere is very open and cooperative. We are a young and dynamic team, and the doors to our offices are always open. That way, we can consult each

other really quickly and easily and find out what's going on beyond our own immediate area. I think that's very valuable.

What is it that motivates you more than anything else in your job?

We receive all the time emails from couples who met through ELITEPARTNER. The most romantic stories are sent to the whole team, and we have a big wall with photos of couples and their children. It's a great feeling to be working as love facilitator! What could be better?



Asmara Degenhardt, Marketing Manager at ElitePartner



RESET

For A Better World

SUSTAINABLE DEVELOPMENT



The RESET-Team: RESET was founded in 2007 by Uta Mühleis and Bodo Kräter.

SINCE THE LAUNCH OF WWW.RESET.TO has provided a valuable resource to those with an interest in the global issues of environmental protection and social justice. RESET's aim is to promote public interest in sustainable development and to ensure that donations are used as efficiently as possible. Following careful research and evaluation, projects whose purpose are to combat climate change and improve living conditions in problem regions are given a recommendation on [www.RESET.TO](http://www.reset.to). Projects are selected on the basis of transparency, relevance and partnership and can be supported through the website by donations of money, time or materials.

PROJECT CLEAN MEDITERRANEAN. The Green Ocean team has recorded a steady rise in the volume of plastic waste in the Mediterranean over the years. By offering to buy this plastic waste and providing rubbish containers, Green Ocean has created an incentive for fishermen not to throw their own waste into the sea but instead to 'fish' drifting plastic items, which often prove deadly to marine mammals, out of the water, and dispose of them in the proper way. As a result, fishermen are now collecting plastic waste in return for payment.



Green Ocean is one of the projects supported on www.reset.to. By offering to buy plastic waste and providing rubbish containers, Green Ocean has created an incentive for fishermen not to throw their own waste into the sea and to dispose of drifting waste items in the proper way.





Project Cambodian Lake Clinic: Cambodia was ravaged by conflict over many years bequeathing a legacy of very poor healthcare in rural areas. It was this situation that gave rise to the idea of setting up a 'lake clinic' on a large lake in the Tonle Sap region, with plans to create a floating hospital. A small medical boat has already been launched thanks to donations received through www.reset.to.



Vanessa Specks, Editor, Fit For Fun Online

The Company

- 46 – 47 The company in figures
- 48 – 49 Did you know that ...?
- 50 – 52 TOMORROW FOCUS at a glance

Portal

- 54 – 57 Online-Marketing - new approaches
- 56 – 57 Adjug - real-time marketplace
- 58 – 60 FOCUS Online -
from video content to record reach figures
- 61 Jameda - user-generated healthcare
- 62 – 63 Milchstrasse Online - Stars & Lifestyle
- 64 Finanzen100 - 100 percent finance

E-Commerce

- 66 – 67 ElitePartner - seeking and finding love
- 68 – 69 Playboy - girls girls girls
- 70 – 71 HolidayCheck - higher, faster and further

Technologies

- 74 – 75 TOMORROW FOCUS Technologies -
made-to-measure solutions
- 76 – 77 Cellular - mobile worlds

DLD 2009 – New Realities

- 78 – 79 Interview with Jochen Wegner
- 80 – 81 Quotations



TOMORROW FOCUS in figures

1,000,000

Over **1 million singles** are registered with online dating agency **ElitePartner.de**

100

The number of **servers** operated by TOMORROW FOCUS Technologies to deal with around **400 million page views** for **25 premium brands** of leading companies and publishers.

239,240

physicians, 80,531 alternative practitioners, 59,435 clinics and 22,000 pharmacies can be rated and recommended by users on the healthcare portal **jameda**.



23.9

million: The number of **visits** for the month recorded by FOCUS Online in January 2009 – an increase of 34 percent over the last twelve months.

45.7

percent: The solid equity ratio of the **TOMORROW FOCUS Group** (+ 28 percent on the previous year)

17.46

million: The number of **users** (up 16 percent on the previous year) reached by TOMORROW FOCUS' online marketing services including its twelve new verticals.

1,073,000

new forum items, holiday photographs and hotel ratings were recorded by the German-language HolidayCheck portal in 2008.

1.78

million: The average readership of each issue of PLAYBOY magazine in Germany.



1

million: The number of **visits** recorded by CINEMA On-line in January 2009 as it broke through the magical reach barrier.

99

winners of the HolidayCheck awards are featured in the new HolidayCheck hotel guide – available from Amazon.de.

5

million: The number of **downloads per month** from the expanded video content offered by FOCUS Online.

Did you know that ...?

...you can find every single FOCUS article since the magazine was first published in 1993 at www.focus.de/magazin/archiv?

...**HolidayCheck 2008** was declared the **overall winner** in three test reviews?

...jameda's health blogs at www.jameda.de/blog feature **contributions from specialists** such as Prof Dr Dietrich Grönemeyer and Dr Eckart von Hirschhausen?



...**ElitePartner** offers a **free online magazine** at www.elitepartner/magazin with relationship tips, single TV and online radio?

...the Vodafone Group relies throughout the world on technology provided by **Cellular** for its mobile internet portal m.vodafone.com?

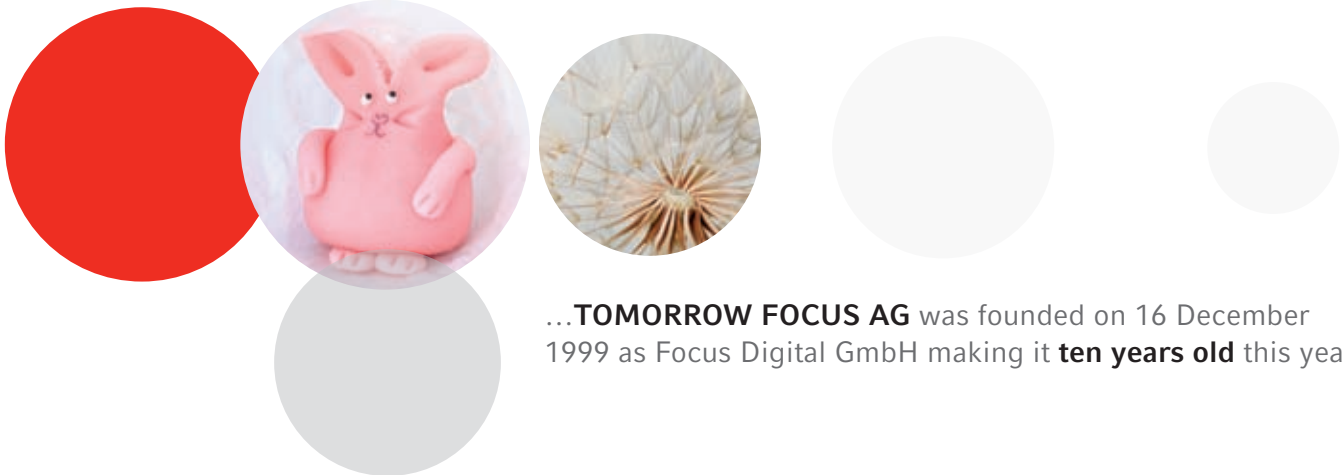
...the **2007 TOMORROW FOCUS Annual Report** won **bronze** at the famous **Vision Awards** organised by the League of American Communications Professionals (LACP) with a score of 95 out of a possible 100 points?

...you can find the latest cinema listings for your town at www.cinema.de/kinoprogramm?

...TV Spielfilm offers a reminder service for all television fans at www.tvspielfilm.de?

...**videos** of the latest playmate shoots are now also available in **HD quality** for Cyberclub members at www.playboy.de/cyberclub?

...**TOMORROW FOCUS** offers a **Master of Media programme** to train potential industry leaders **in collaboration** with SevenOne Media, Mediaplus and the publisher FOCUS MAGAZIN VERLAG?



...**TOMORROW FOCUS AG** was founded on 16 December 1999 as Focus Digital GmbH making it **ten years old** this year?

...the **quality portfolio** marketed by TOMORROW FOCUS now reaches almost half of all German internet users?

...**HolidayCheck** is the **leading independent hotel rating platform** in the German-speaking region?

...**ElitePartner** was selected as the **best online dating agency** in a study conducted by the German Institute for Service Quality on behalf of broadcaster n-tv?

↳ TOMORROW FOCUS AG

Website _____ [www.tomorrow-focus.de/language_en_/](http://www.tomorrow-focus.de/language_en/)
 Business activity _____ diversified internet group
 Business divisions _____ E-commerce, Portal, Technologies
 Based in _____ Munich, Germany



TOMORROW FOCUS | | AG

TECHNOLOGIES
 Full-service IT solutions for the stationary and mobile Internet

SHAREHOLDINGS

- TOMORROW FOCUS TECHNOLOGIES GMBH 100%
- CELLULAR GMBH 100%

CELLULAR GAMES

CELLULAR

TOMORROW FOCUS TECHNOLOGIES

MIETWAGEN CHECK

HOLIDAYCHECK INTERNATIONAL

HOLIDAYCHECK

FIT FOR FUN ONLINE

TV SPIELFILM ONLINE

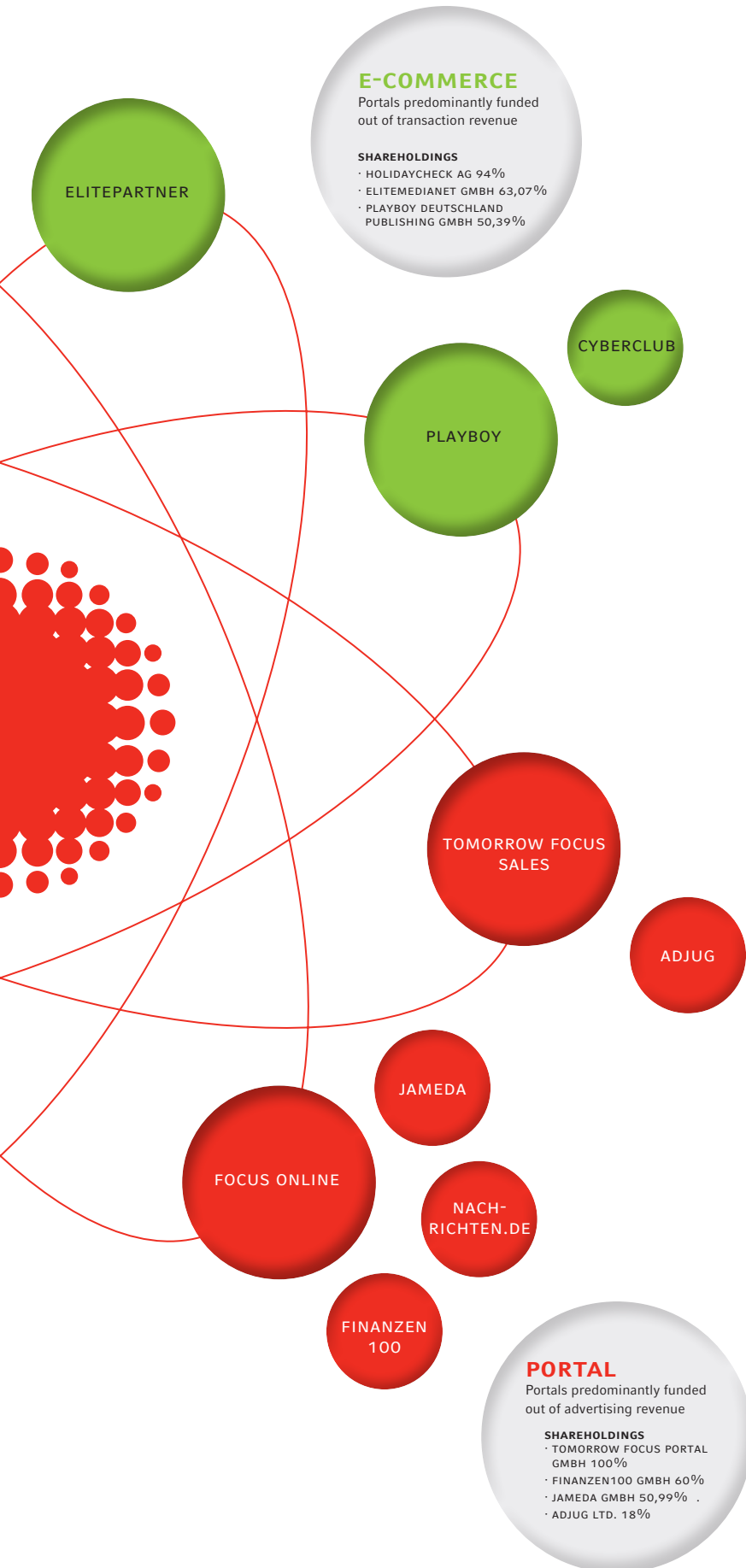
CINEMA ONLINE

MAX

MILCHSTRASSE ONLINE

AMICA ONLINE





STOCK-EXCHANGE LISTED TOMORROW FOCUS AG is an independent, diversified internet group. The principal shareholder is Hubert Burda Media. Within the Group, TOMORROW FOCUS AKTIENGESELLSCHAFT (the joint stock company) performs the central management and holding role for its associated companies, which are assigned to one of the three operating divisions E-Commerce, Portal and Technologies.

AN OVERVIEW OF THE DIVISIONS making up TOMORROW FOCUS. The E-Commerce division brings together all the transaction-funded portals including hotel rating and holiday booking portal HOLIDAYCHECK, premium online dating portal ELITEPARTNER und the leading German men's lifestyle magazine PLAYBOY.

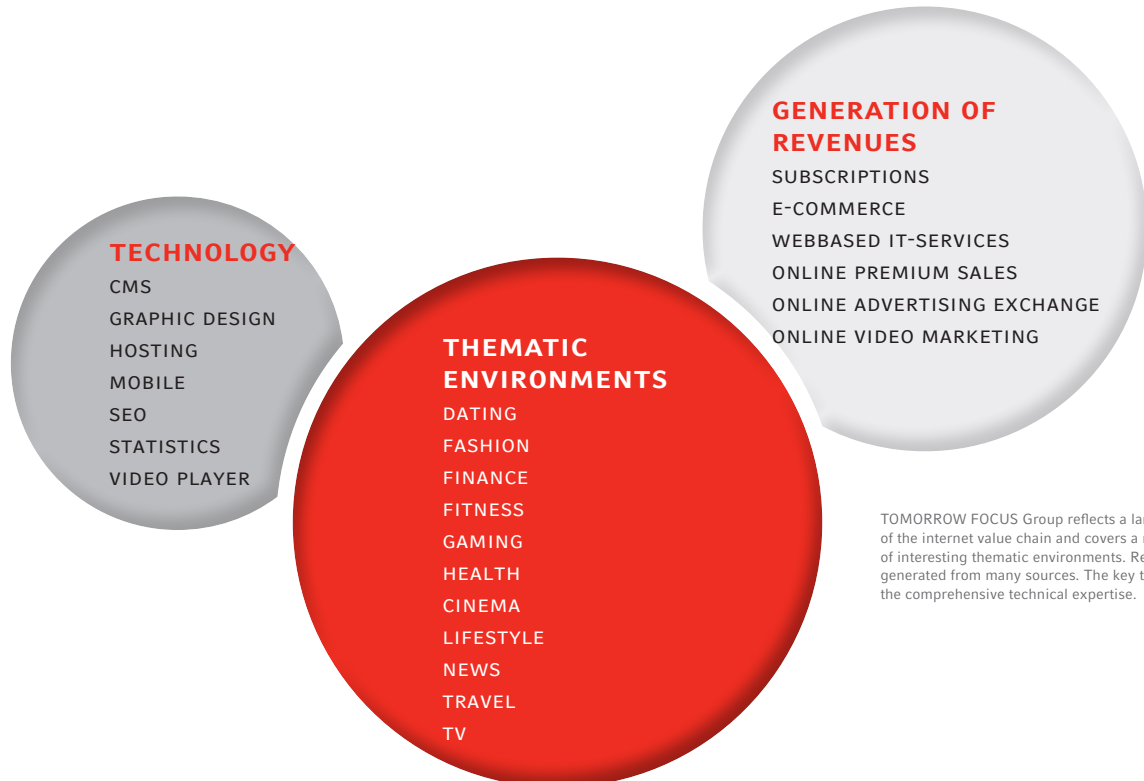
The Portal division covers those portals primarily funded by advertising revenue and one of Germany's biggest online marketing providers in the form of TOMORROW FOCUS SALES, which markets in-house portals such as FOCUS ONLINE, AMICA ONLINE, CINEMA ONLINE, FITFORFUN ONLINE, MAX ONLINE, TV SPIELFILM ONLINE and JAMEDA as well as partner portals such as BUNTE ONLINE, CHIP ONLINE and FAZ.NET.

In the Technologies division, TOMORROW FOCUS TECHNOLOGIES GMBH and CELLULAR GMBH offer a comprehensive range of IT services for the fixed and mobile internet.



LINKING DIVERSE ELEMENTS OF THE VALUE CHAIN. TOMORROW FOCUS AG reflects a large part of the internet value chain. The companies and divisions making up the TOMORROW FOCUS Group cover a number of interesting thematic environments on the internet such as Travel, Finance and Health. Revenue is generated from many sources based on advertising, subscriptions, transactions and services. The Portal segment is primarily advertising-based. By contrast, E-Commerce combines transaction and subscription income, while the Technologies segment employs service-based mobile and technology business models. The key to success of all these business models is the comprehensive technical expertise that spans the entire Group, e.g. in the field of search engine optimisation. (to value chain diagram)

ASSURING SUCCESS THROUGH DIVERSITY. In 2002, together with FOCUS MAGAZIN VERLAG GMBH, the Group, which up to that point had concentrated on its portal and technology business, acquired the licence to publish the German edition of PLAYBOY. TOMORROW FOCUS AG subsequently acquired majority shares in HOLIDAYCHECK LTD. in 2006 and in ELITEMEDIANET GMBH in 2007, allowing it to expand its transaction-based operations. Today, it is this widely implemented strategy of diversification that helps to assure the success of the organisation.



**RANKING TENSION AMA
ZEMENT MOMENT KNOW
LEDGE FANTASY FASCIN
ATION INQUISTIVENESS
ZEITGEIST PORTAL DISC
OVER SURPRISE**

“As leading innovators, it is important that we ourselves design new advertising products and technologies”




Martin Lütgenau, Head of Sales and Marketing

editorial environment. These attractive packages complete the TOMORROW FOCUS portfolio of marketing services geared towards meeting the communications targets of typical customers in these segments.

TOMORROW FOCUS ALSO LAUNCHED A CROSS-BORDER MARKETING OFFENSIVE based on the international marketing network PREMIUM PUBLISHERS ONLINE (PPO). Supported by the AD2ONE agency group, a new strategic partner with offices in London, Dublin, Sydney and Singapore, and boasting a reach of approximately 55 million unique users in eight countries, PPO has already established itself as one of the four biggest online marketing providers in Europe.

TOMORROW FOCUS LAUNCHED THE SUCCESSFUL CONCEPT of an online marketplace for display advertising on the German market in the form of ADJUG.DE. At the same time, it acquired an 18 percent stake in the British parent company.

EXCLUSIVE MULTI-YEAR CONTRACTS with high-reach marketing customers such as CHIP XONIO guarantee a strong position in the advertising market to the fourth-biggest online marketing provider. With the addition of EXPEDIA to its customer base, TOMORROW FOCUS is now Germany’s most important marketing provider in the travel segment. Its research experts in the sales division also publish regular studies on a range of topics such as the latest trends in internet-based purchasing of medicines.

TOMORROW FOCUS Sales marketing campaign			
	BRAND	BRAND REACH	PERFORMANCE
CAMPAIGN TARGET	Branding, Brand / image transfer	Branding and increase in consumer acceptance	Sales, lead generation
USP	Narrow target group with high level of affinity	Optimum combination of reach and target group affinity	Heterogeneous target group with high level of reach
ADVERTISING METHOD	Special advertising methods, specials and integrations	Advertising methods with high level of ad awareness, true affinity	Standard advertising methods, integrations
PRICING MODEL	TCP / fixed price	TCP/ fixed price	TCP / CPC
PRODUCT	Quality portfolio 48 brand websites 	Verticals 12 thematic clusters 	Reach & Response² Performance-oriented placings 



ADJUG: REAL-TIME MARKETPLACE FOR DISPLAY ADVERTISING

Germany recently saw the introduction of a new online marketplace concept that directly brings together supply and demand in the online advertising market. ADJUG.DE, the German version of the online advertising marketplace that has already seen tremendous success in the UK, was launched in the autumn and allows publishers and advertisers to offer and book advertising space in a direct and transparent manner.

TOMORROW FOCUS AG holds an 18 percent stake in ADJUG LTD. and is currently expanding ADJUG.DE to make it the leading online marketplace for digital advertising in Germany with other European countries set to follow.

ADJUG is an auction-based, real-time marketplace for display advertising. Advertisers and publishers market advertising space and advertisements on a single platform and thus obtain a

MARKETING CUSTOMERS: EDITORIAL PORTFOLIO



„With the help of Adjug and the international PPO network, we are making a vigorous start to 2009, in what is set to be a year of major economic challenges, by offering a range of great new products and services.“

Christoph Schuh, Chief Marketing Officer

high degree of control, transparency and reach. Publishers can boost revenue from their existing advertising space. They also decide which advertisers and which campaigns appear in that space. In turn, advertisers are given precise information about where the traffic originates and how much it costs.

In the words of Christoph Schuh, Chief Marketing and Sales Officer at TOMORROW FOCUS and a member of the board of directors at ADJUG: “The reason we took a stake in ADJUG in 2008 was that we see tremendous potential in the aggregator business for display marketing.”

Eddie Meisel, Managing Director of ADJUG Germany, explained that “In Germany, ADJUG aggregates medium-size and small websites into a single marketplace making it easy for agencies and advertisers to target and book attractive unfilled advertising space.”

MOBILES PORTFOLIO





Website	www.focus.de
Established	1996
Sectors	news and utility journalism with an active reader community
Reichweite	3.62 million unique users per month
Place	Munich, Germany

FROM VIDEO CONTENT TO RECORD REACH FIGURES

NEW ALL-TIME RECORD. FOCUS Online made its internet debut on 18 January 1996 as the web offshoot of the weekly news magazine. Since then, FOCUS ONLINE has evolved into an independent medium delivering the very latest news in an extremely demanding environment. The success of the venture is borne out by the site's multiple record-breaking achievements. In the third quarter of 2008 alone, FOCUS ONLINE recorded 560,000 unique users more than in the previous quarter and now reaches a monthly average audience of 3.62 million*, making it one of the most successful journalistic sites on the German-language internet.

NEWS, USER VALUE AND AN ACTIVE COMMUNITY. Editor-in-Chief Jochen Wegner believes the success of FOCUS ONLINE can be attributed to "the three pillars of original news journalism, user value and a very active readership community."

Of all the German-language news sites, FOCUS ONLINE has the most active readership. "We take our users very seriously," says Wegner. "FOCUS ONLINE receives more feedback on its articles than any other portal – between 60,000 and 80,000 items a month. We read most before we publish them."

HELPING TO FORM OPINIONS. The success of FOCUS ONLINE also rests on the team's determination to present complex information to its readers in an understandable form and to offer useful background information. FOCUS ONLINE is well equipped to meet the demanding requirements of opinion formers, decision makers and innovators. At 50 percent, the target group network covers a particularly high proportion of those in the top target group comprising of self-employed and senior executives.

„We place great emphasis on original news and utility journalism, as well as on our highly active readership community.“

Jochen Wegner, Editor-in-Chief FOCUS Online



Isabella Kroth, anchor of News Navigator on FOCUS Online and Jochen Wegner, Editor-in-Chief FOCUS Online.



VIDEO CONTENT CAMPAIGN. FOCUS ONLINE launched its video content campaign in 2008 and now features over thirty new video formats. Alongside its own, such as the News Navigator on workdays and the football column entitled Othmer's Legenden (Othmer's legends), which kicked off at the start of the German 2008/9 Bundesliga (football league) season, the portal has established collaborative agreements with strategic partners such as CNBC which provides content for the FOCUS ONLINE BÖRSE (financial market news).

LATEST VENTURES. Another major project for 2008 led to the successful integration of the JAMEDA rating platform for physicians. At present, the FOCUS team is developing a new, automated portal – NACHRICHTEN.DE – with a community element. The aim here is to combine news flows on the Net and use them to create a dynamic portal. Agencies and news portals providing text and images will receive a share of the advertising revenue. Website operators can also use the tools available on NACHRICHTEN.DE to compile their own keyword-optimised pages and section content.

ON ALL CHANNELS. Jochen Wegner offers a closer look at FOCUS ONLINE through his editor-in-chief's blog at IN.FOCUS.DE, which features the series Kleine Reichweiten-Kunde (a short guide to internet advertising reach) and the Editor's Pick, with Wegner's recommended articles from FOCUS ONLINE. With TWITTER accounts for the different themes and a FACEBOOK application, the news portal is blazing a successful trail across every online channel.



Website _____ www.jameda.de
Subject _____ searching for physicians and alternative practitioners,
healthcare portal for physicians and patients
Business model _____ revenue from advertising and services
Based in _____ Munich, Germany



USER-GENERATED HEALTHCARE

WHENEVER A FLU EPIDEMIC SWEEPS ACROSS THE COUNTRY, it's boom time for JAMEDA. Whether you need an allergist or a rheumatologist, a midwife or an alternative practitioner, a chemist or a clinic, thanks to JAMEDA you can find the right medical care in your area from over 380,000 addresses across Germany. After your treatment you can then provide a rating or a recommendation.

„What sets us apart from other physician portals, in addition to the transparency of our rating system, is clearly the quality of the data we purchase and update each month.“

Markus Reif, CEO and founder of JAMEDA

THANKS TO THE INTEGRATION OF THE FOCUS LIST OF PHYSICIANS, users can even perform a targeted search for well-known experts from lists based on the highly regarded rankings published by the magazine since 1993. Since 2003, the lists of specialists have been drawn up in collaboration with the different associations of physicians.

JAMEDA'S BUSINESS MODEL is based partly on advertising revenue in the popular area of healthcare: "We have noticed a strong surge in interest in closely defined target groups. Many of the players in the healthcare market are targeting users whose searches reveal an interest in specific medical indications," says Markus Reif.

PHYSICIANS, ALTERNATIVE PRACTITIONERS AND OTHER SPECIALISTS in the healthcare sector can also request a premium entry on JAMEDA allowing them to advertise their range of services in greater detail. Meanwhile, the JAMEDA team has plenty of work on its hands. Up to 10,000 users per day visit the site to exchange experiences and offer their own judgments, and up to 150 new ratings are added every day.



↘ Milchstrasse Online

Websites	amica.de, cinema.de, fitforfun.de, max.de, tvspielfilm.de
Theme	lifestyle, sport & nutrition, TV & cinema
Based in	Munich, Germany

STARS & LIFESTYLE

THE RELAUNCHES OF CINEMA.DE and TV-SPIELFILM.DE mark the successful conclusion of Milchstrasse Online's planned revamp of the division's five websites. Compared to the previous year, the five sites boosted the number of visits by an average of 18%. This was achieved in part thanks to content partnerships tailored to the brands, ongoing search engine optimisation and a widget strategy geared towards social networks.

MORE VIDEO. AMICA, CINEMA and FIT FOR FUN now offer video clips in high-quality and full-screen mode following the expansion of their successful video content areas. Increasingly, the emphasis here is on viral dissemination of the lifestyle video formats produced in-house through the option to link to private websites and the Tell-a-friend function.

AMICA ONLINE, which is aimed at women and devotes itself to the latest trends, was given an even sharper profile in 2008 with an outstanding range of new fashion features covering designers, models and creations. Traditional reporting from the big spring and autumn fashion shows was accompanied by over a hundred catwalk videos and interviews with top designers from the fashion capitals of the world.

FIT FOR FUN ONLINE offers information and applications covering the themes Exercise, Nutrition and Relaxation. With over four hundred high-quality videos containing individual workouts (Pilates, weight training, stretching, etc.), the website boasts Germany's largest database of workout-related video content.

CINEMA ONLINE now has a post-relaunch 'big screen' look. Alongside its high-quality format cinema and DVD reviews, trailers and film excerpts and a comprehensive film and star archive, the film portal now comes with a host of functions that encourage users to rate films or cinemas, comment on news or gossip about the stars or propose answers to questions in



the Quiz arena. So far, the formula seems to have been a great success. In January 2009, CINEMA ONLINE broke through the magic one million visits barrier to record its highest ever reach figure.

CLEAR, CONVENIENT AND EQUIPPED with a fresh new look and a handy customisable interface, TV SPIELFILM ONLINE's brand new website will guide you through over 150 TV broadcasters including digital and Pay TV channels. Using the site's customisation functions, film fans and soap junkies can produce an intuitive compilation of their favourite TV programmes.

MAX ONLINE, the internet magazine for pop culture and style, provides information on prominent figures, art and culture and erotic content. Those who like to explore what our cities have to offer by day and by night will find tips, photographs and videos on trendy cities and locations – all put together by the editorial team and users – in the **MAX CITYGUIDE**.



 **Finanzen100**

Website	www.finanzen100.de
Sectors	financial information, internet, media
User groups	investors, asset managers
Business model	financed by income from advertising and services



100 PERCENT FINANCE

AN END TO FINANCIAL NEWS CHAOS! Tedious searches, complicated tables, incomplete data – problems that both private investors and financial professionals such as fund managers, asset managers and analysts have to deal with every day. Now there is an end in sight with the impending launch of the finance portal created by FINANZEN100 GMBH. The service will ensure a high level of transparency and set a new standard in investor information.

FULL COVERAGE OF THE INVESTMENT WORLD. The innovative portal will feature Germany's biggest and most relevant news overview for personal investors as well as trading prices, data and analysis, all intelligently linked to the news through a unique system. In short, a one-stop shop for investors.

A NOVEL AGGREGATION SYSTEM will provide a broad perspective of the news and data, while an innovative interface will ensure that the portal is intuitive, fast and user-friendly. Instead of wading through a mass of information, users can select according to their interests in a targeted and customised manner. Relevant information can then be reviewed quickly making it easy to remain up-to-date and thus helping to make the right investment decisions.

COUNTING DOWN TO MID-YEAR LAUNCH. The new service will be available free of charge from the middle of this year, although the name of the portal will not be announced until shortly before the actual launch date.

„We are creating Germany's biggest and most relevant review of finance and business news along with trading prices, data and analyses – all intelligently linked to the news itself.“

Oliver Eckert, CEO of Finanzen100



RELAX FREEDOM HEART
THROB BUTTERFLIES FL
OATING RECOVERY RECR
EATION SENSUALITY IM
MERSING E-COMMERCE
CONTACT

 **ElitePartner**

Webseite _____	www.elitepartner.de
Theme _____	Internet dating agency aimed at graduates and single professionals
Business model _____	Subscriptions; premium services
Based in _____	Hamburg, Germany

“That’s the great thing about our work. We make people happy. It’s the best motivation you could wish for.”

Arne Kahlke, CEO ElitePartner



SEEKING AND FINDING LOVE

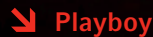
BOOM TIME FOR INTERNET DATING: One in six German internet users finds his or her partner on the web. Unlike the new PORSCHE, love is something we can't manage without, so the business is about as crisis-proof as it gets. ELITEPARTNER is specifically aimed at graduates and single professionals. The premium dating agency is celebrating its fifth birthday and is proud of its success with over a million members, many happy couples and numerous top ratings.

COUNTLESS PHOTOS OF HAPPY COUPLES greet visitors as they pass through the long corridor at ELITEPARTNER's office in the Hamburg district of Rotherbaum. "We walk past our success stories every day," explains Arne Kahlke, CEO and founder of ELITEPARTNER. "That's the great thing about our work. We make people happy. It's the best motivation you could wish for." Many of the couples who met through ELITEPARTNER talk about their own personal love story and are often ecstatic in their thanks to the ELITEPARTNER team. "We receive many wedding invitations and pictures of babies," says Kahlke.

THERE ARE MANY REASONS FOR THE SUCCESS of Hamburg-based ELITEPARTNER. Every profile is screened manually. This protects those using the service by ensuring that only serious, cultivated and discerning people with a genuine desire to find a permanent relationship are accepted. Psychological matching is used to determine compatibility, and potentially suitable partners are proposed on the basis of personality tests. The aim is to bring together people with similar aspirations, values and interests. It has been scientifically established that couples who are well-matched in these areas have a much greater chance of achieving success and happiness.

OUTSTANDING QUALITY. ELITEPARTNER was the first online dating agency to be awarded Germany's TÜV seal for safety and quality. Thanks to its superb performance, it also came out on top in a review of dating agencies conducted by the German Institute for Service Quality on behalf of the news broadcaster N-TV. The review involved an in-depth assessment of service, safety, contractual terms and value for money.

EVERYTHING ABOUT LOVE. The ELITEPARTNER.DE website is well worth a visit even if you are not a customer. The magazine section is open to everyone and covers every aspect of love - relationship tips for couples, advice on dealing with recent break-ups, travel ideas for singles and the first web-based singles TV channel and a host of articles and blogs for those who are already perfectly contented.



Website	www.playboy.de
Theme	Lifestyle, eroticism, culture, sport, cars, consumer electronics and fashion
Reach	1.78 million readers; 0.23 Millionen unique users
Business model	Subscriptions; advertising; e-commerce with accessories and the Cyberclub
Based in	Munich, Germany



GIRLS GIRLS GIRLS

THE PLAYBOY MAGAZINE – There are only few logos that rival the PLAYBOY bunny in terms of familiarity. PLAYBOY has always stood for fun and enjoyment and acts as a benchmark in this area. With its erotic photographic artwork, fascinating reports and straight-talking interviews, PLAYBOY brings us the exciting side of life. It portrays a world in which women feel good about themselves and men can rightly claim that they don't just buy the magazine for the centrefold.

THE BUNNY LEAPS AHEAD – With 1.78 million readers of each issue (1.54 million of them male), PLAYBOY is and remains the most successful lifestyle magazine for men in Germany. Compared with figures for the previous year, the magazine with the cult bunny was again able to retain its leading position in the market. The sales figures are impressive: 255,837 copies of Playboy are sold each month making it the top-selling men's lifestyle magazine for the eighteenth time in succession (sources: AWA 2008; IVW 2008).

“Playboy stands for both high-quality journalism and superb erotic photography. Together, these two defining characteristics create the distinctive Playboy brand making it to one of the most widely recognised in the world.”

Jürgen Feldmann, Managing Director of Burda Lifestyle Community and Playboy Germany

PLAYBOY.DE – Perhaps the last remaining male paradise, PLAYBOY has now expanded to take its place on the internet. Boasting the same exceptional quality as its magazine counterpart, PLAYBOY.DE exploits the potential of the world wide web and is increasing its range of video content. In addition to video podcasts of the latest playmate shoots, subscribers can download their favourite programmes such as “Test The Max” for motoring enthusiasts or “Toys for Boys”, the gadget show presented by Miss January 2007. Users can follow the exciting lives of the PLAYBOY models in a new column entitled “Playmates on Tour”.

FASCINATING REPORTS, refreshing personality features and interviews can be found under the heading People, while articles on culture, sport, cars, technology and fashion round off the overall lifestyle theme. The PLAYBOY shop stocks a host of accessories and products on the bunny theme. Members of the CyberClub can browse through more than 140,000 photos of Playmates & Co. from over three decades.




HolidayCheck

Websites	www.holidaycheck.de, www.mietwagencheck.de
Theme	biggest hotel rating community in Germany, Austria and Switzerland
Further internet portals in	France, Italy, the Netherlands, Poland, Russia, Spain, United Kingdom, International (www.holidaycheck.com)
Business model	travel procurement; online advertising
Based in	Bottighofen, Switzerland



HIGHER, FASTER AND FURTHER

ANYONE WHO TAKES A HOLIDAY - can rate it. Holidaymakers are more likely to trust the feedback they see from others than the flowery promises offered by catalogues. That feedback is exactly what HOLIDAYCHECK, now the biggest hotel rating community on the net, provides. What's more, the community is growing all the time with around a thousand new ratings posted every day.

HONEST AND BELIEVABLE RATINGS. Members of the HOLIDAYCHECK community can browse the online archive of private travel photos and videos and will also find many useful tips and recommendations. In 2007, the rating portal was extended to include cruise ships. Commenting on the portal's success, head of marketing Axel Jockwer explains: "With HOLIDAYCHECK, you know what to expect when you arrive at your destination. The descriptions and pictures posted by ordinary holidaymakers are more up-to-date and more honest than any travel catalogue can or wants to be."

"With HolidayCheck, you know what to expect when you arrive at your destination."

Axel Jockwer, head of marketing HolidayCheck

SUMMER, SUNSHINE AND SAFETY. As well as performance ratings, people are looking for price transparency. HOLIDAYCHECK AG runs its own TÜV-certified online travel agency with comprehensive price comparison options and a low-price booking guarantee.

HOLIDAYCHECK's prices, service and product range have been examined time and again in independent tests conducted by German consumer safety organisations such as Stiftung Warentest. In the latest issue of the German travel magazine URLAUB PERFEKT, which carried out an in-depth review of eight hotel rating portals, HOLIDAYCHECK came out on top with the highest score, achieving a very good in every category.







RIGHT ACROSS EUROPE. The successful concept behind the German platform has now been rolled out to an international audience. HOLIDAYCHECK has set up thriving, successful and reliable community ratings in ten other countries with recent launches in France, Poland and Russia. More international hotel rating portals are in the pipeline.

CAR HIRE CHECK. Thanks to the German car hire portal www.mietwagen-check.de created by HOLIDAYCHECK, users can now make a simple comparison between the prices offered by the largest car hire firms and agencies. Thanks to absolutely guaranteed and transparent prices and a user-friendly booking system, holidaymakers can be sure to find a good deal for the vehicle of their choice.

HOLIDAYCHECK IN PRINT. The rating portal has now published its own travel guide with a collection of the most popular hotels from the 2008 season. It also contains the 99 winners of the HOLIDAYCHECK Award, selected from over 232,847 opinions submitted by holidaymakers over the last year. The guide is available at [AMAZON.DE](http://amazon.de).



FASZINATION CONTACT
FUTURE CROSSLINKING
COMMUNICATION UNDE
RSTANDING CREATIVITY
SUPPLY TECHNOLOGIES
UNDERSTANDING

TOMORROW FOCUS Technologies

Website	www.tomorrow-focus-technologies.de
Business model	Made-to-measure solutions and services for the internet
Customers	Widely known editorial portals as well as large and midscale organisations
Based in	Munich, Germany



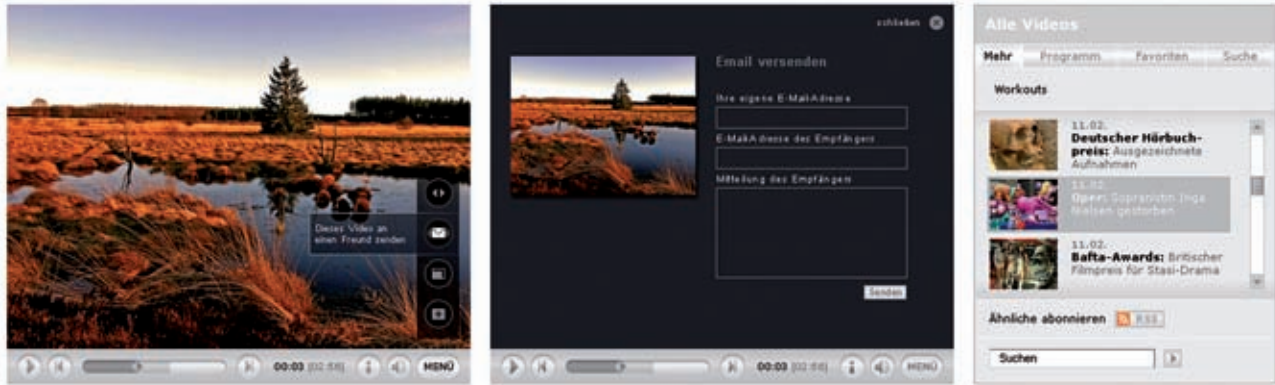
MADE-TO-MEASURE SOLUTIONS FOR THE INTERNET

AS ONE OF THE REAL PIONEERS OF THE INTERNET, TOMORROW FOCUS TECHNOLOGIES began to develop, design, implement and host sophisticated commercial web portals in the mid-90s to exacting standards of performance, stability and reliability. As a result; it now handles a large number of websites with many millions of page impressions and unique users.

TOOLS AND SERVICES FROM A SINGLE PROVIDER – The portfolio of services provided by TOMORROW FOCUS TECHNOLOGIES ranges from consulting and design to implementation and hosting.

RECENT ADDITIONS TO THE PORTFOLIO – Alongside its comprehensive service portfolio, TOMORROW FOCUS TECHNOLOGIES offers highly professional statistics, video, mobile and SEO solutions and teams up with other leading providers such as Omniture to implement the right product for each customer. Compared to direct purchasing, this has benefits such as technical installation and ongoing expert support in the use of the software from the specialists at TOMORROW FOCUS TECHNOLOGIES. TOMORROW FOCUS TECHNOLOGIES's highly trained staff will be





The Video Suite is available as white label version. It includes several modules such as player, playlist, uploading tool, conversion tool, picture & video community.

delighted to advise you on the best way to make a success of your online projects. **TOMORROW FOCUS TECHNOLOGIES** is committed to providing individual web solutions and services that

“At TOMORROW FOCUS Technologies, we offer a full range of customised solutions to meet our customers’ website implementation and hosting requirements.”

Siegfried Kunz, CIO TOMORROW FOCUS Technologies

are tailored to each customer’s requirements. The success of this approach is substantiated by the fact that it is used by numerous widely-known and technologically-advanced portals such as FOCUS ONLINE, BUNTE ONLINE, BLICK ONLINE, KRONE ONLINE and RHEINISCHE POST ONLINE, all of whom have trusted in the experience of TOMORROW FOCUS TECHNOLOGIES for years. TOMORROW FOCUS TECHNOLOGIES also provides IT services for the Internet and Intranet sites of other organisations such as MANN & HUMMEL, the LBS GROUP and healthcare insurance provider AOK BAYERN.

REFERENCE LIST



Cellular

Website	www.cellular.de
Business model	Full-service IT solutions for the mobile internet
Theme	Mobile internet, mobile entertainment platforms, mobile marketing and mobile technology
Based in	Hamburg, Germany



MAKING THE INTERNET MOBILE

AROUND THE WORLD, THERE ARE NOW MORE THAN THREE BILLION MOBILE PHONE USERS. According to Forrester Research, over half of those making up this huge market will make regular use of mobile internet services in the next two years. This is the starting point for CELLULAR'S mission to make the internet mobile.

CELLULAR'S 45-STRONG TEAM has ten years' experience in the international mobile market and puts this expertise at the service of its customers, which include major network operators, publishers, agencies and branded goods manufacturers throughout Europe.

CELLULAR has established four divisions to cover its mobile business: Mobile, Internet, Mobile Entertainment Platforms, Mobile Marketing and Mobile Technology.

THE COMPANY'S SERVICE PORTFOLIO is as comprehensive as it gets, covering the entire value chain of the mobile market from consulting, concept planning, design, technical implementation, hosting, operation and portal management to quality assurance. Projects are carried out on the CELLULAR mCat platform, which is a special form of technical infrastructure that comprises a large number of different modules.

APPLICATIONS FOR THE IPHONE? No problem! APPLE'S first mobile phone, the IPHONE, unleashed a massive run on the mobile internet in 2008, thanks in no small measure to the large number of individual applications that users can buy through the App Store. CELLULAR was one of the pioneers developing the first IPHONE application for customers. Of course, the company's know-how also extends to applications for Android, Google's open mobile platform.





“WORK HARD, PLAY HARD!” is the powerful motto adopted by CELLULARGAMES, a new division of the company formed in 2008 with the exclusive aim of offering services to the mobile games market.

“We are delighted by the performance of our core mobile internet business.”

Roman Kocholl, CEO Cellular GmbH

VIENNA CALLING. Last year saw the opening of CELLULAR’s first international branch close to the Vienna Prater with a view to opening up the Central European mobile markets over the coming years. The office has already won its first big-name client in the form of RED BULL.

CELLULAR’S FINANCIAL YEAR 2008 can be summed up as a non-stop flow of interesting projects for high-profile customers. The company took over delivery of the VODAPHONE Group’s mobile portal including the relaunch and delivery of its own content management system (CMS) and a video platform. CELLULAR also developed a mobile CMS and organised the licensing of a service delivery platform on behalf of Samsung Europe. Since 2008, as well as operating all the brand portals for PROSIEBENSAT.1, CELLULAR now also develops the company’s games portals 7GAMES and SAT1SPIELE. Last but not least, after several mobile model portals, CELLULAR won an order from TRIBALDDB to set up VOLKSWAGEN’s base portal in a number of countries.

REFERENCE LIST





Website	www.dld-conference.com
Title	Digital, Life, Design Conference
Based in	Munich, Germany
Attendees	800 professionals from technology, science, culture, media and finance
Initiators	Dr. Hubert Burda and Dr. Joseph Vardi



This year's 2009 Digital, Life, Design Conference 2009 (DLD) in Munich, held between 25 and 27 January 2009 under the motto *New Realities*, was attended by well-known pioneers, experts and business leaders from all over the world at the invitation of Dr Hubert Burda and Dr Joseph Vardi.

NEW REALITIES - DIGITAL LIFE DESIGN 2009



Jochen Wegner, Editor in Chief FOCUS Online

Mr Wegner, you chaired the conference in which a number of speakers, including Carolyn McCall, CEO of the Guardian Media Group, Monocle founder Tyler Brule, media blogger Jeff Jarvis and Michael Arrington of Techcrunch, made some controversial statements about new media models. The discussion revolved around the financial viability of quality journalism on the internet.

The publisher Dr Hubert Burda went as far as to say that the best you could hope for on the web was lousy pennies. Do you think there is a silver bullet out there that can solve this dilemma?

JW: Dr Burda is right. Nowadays, successful conventional online media can expect to achieve maybe a tenth of the sales of their printed parent, and that is basically the case all over the world with a few small exceptions. Having said that, our cost structures are completely different. The very best journalistic sites with the biggest reach can be operated at a profit on the web, although the crisis is making things very tight for a lot of smaller brands who need to reinvent themselves. Despite the economic crisis and increasing competition, we are expecting to return another profit at FOCUS ONLINE after a phase of investment in 2008.



I understand FOCUS ONLINE's latest venture, the automated news portal NACHRICHTEN.DE, is about to go live. Can you tell me about it?

JW: NACHRICHTEN.DE is an automated news portal that feels like a high-quality online magazine. In order to put it together, our system analyses between 600 and 800 news flows and compiles them into a portal with some amazing features. We'll be starting with the traditional headings such as Politics, Business or Travel, although in principle it can be extended to any subject or source.

Do you think you will be able to make money from it over the long term?

JW: NACHRICHTEN.DE will have two sources of revenue. First of all, we will generate an income from advertising on the site; secondly, we intend to make the system available to other media publications later this year. The system behind nachrichten.de has many functions which are exciting for large portals.

How do you see the future of the internet? What will FOCUS ONLINE look like in another five years?

JW: Essentially, much the same as in 2009, although our methods of working will be completely different.

Five years from now, FOCUS ONLINE will still be one of the foremost media brands on the web, and our editorial team will still be working hard to produce that special blend of news and user value that has made FOCUS and FOCUS ONLINE so successful.

At the same time, however, our home page will no longer be the main gateway for our readers. We already generate more than half our downloads in other ways – through widgets and gadgets, via feeds or via Google. Depending on your preferences, you will be able to keep yourself superbly well informed by FOCUS ONLINE without even visiting the FOCUS ONLINE website. If a news is important to you, it'll find you.

QUOTATIONS



“Europe has become a world leader as a result of the crisis.”

Viviane Reding, EU Commissioner for the Information Society and Media, on Europe’s current role

“People are the most important asset of any organisation.”

Ferdinando Becalli-Falco, CEO of General Electric International

“Chaos is full of opportunities.”

Stefan Oschmann, Head of German operations for US pharmaceuticals group Merck

“The cost of external borrowing and equity will rise significantly.”

Martin Halusa, CEO of private equity firm Apax Partners, on the consequences of the economic crisis

“Companies that are unable to fundamentally reinvent themselves will not survive under these market conditions.”

Dr Paul-Bernhard Kallen, Member of the Management Board of Hubert Burda Media and Chairman of the Supervisory Board of TOMORROW FOCUS AG

“During this recession, at least one company will be founded that will be as successful as Google.”

David Drummond, Senior Vice President and Chief Legal Officer at Google Inc.

“If our eyes can deceive us, as well trained an organ as they are, how can we trust that our financial sense, for example, will lead us to make sound decisions?”

Dan Ariely, Professor of Behavioural Economics at Duke University in Durham, USA

“Somebody has to pay for developments – either users, because they appreciate their value, or advertising customers.”

Max Levchin, founder of the online payment system Paypal, on the culture of free services on the internet

“New and responsible forms of leadership will be enormously important in the next twenty years. Obama is just the beginning.”

Carlos Bhola, Managing Partner of investment company Celsius Capital

“You can't explain success or the appeal of a particular product or service and you certainly can't imitate it. After all, do we know what it is that makes an orchid beautiful?”

Dr Yossi Vardi, co-organiser of the DLD, asked whether there were a general formula for achieving success on the internet



Jan Richter, Head of creation & graphic design, Jameda

Management report

84	Corporate structure
84	Core business and markets
85	General information
85 – 87	Economic framework
87 – 91	Significant measures and events
92 – 95	Earnings, financial position and assets
96	Research and development activities
96 – 98	Compensation report
98 – 99	Employees
99	Events of particular significance after the reporting date
99 – 105	Risk report
106 – 107	Opportunity report
107 – 112	Takeover-related disclosures
112	Declaration of the management board on § 312 AktG
113 – 115	Outlook



TOMORROW FOCUS Group management report

for the financial year 2008

1. Corporate structure and core business

TOMORROW FOCUS AG is based in Munich, Germany, and is an independent and diversified internet group. The main shareholder is Hubert Burda Media.

The Group's business operations are divided into the three divisions E-Commerce, Portal and Technology:

The E-Commerce division includes HOLIDAYCHECK AG, ELITEMEDIANET GMBH and PLAYBOY DEUTSCHLAND PUBLISHING GMBH.

HOLIDAYCHECK AG is based in Bottighofen, Switzerland, and operates a holiday and travel portal under the same name.

ELITEMEDIANET GMBH is based in Hamburg, Germany, and operates a premium online dating portal targeting discerning singles at www.ELITEPARTNER.de. PLAYBOY DEUTSCHLAND PUBLISHING GMBH is based in Munich, Germany. It publishes Germany's leading men's lifestyle magazine PLAYBOY along with its online and mobile content.

The Portal division comprises TOMORROW FOCUS PORTAL GMBH, JAMEDA GMBH and FINDOCS GMBH.

TOMORROW FOCUS PORTAL GMBH is based in Munich, Germany. It includes TOMORROW FOCUS SALES, which has established itself as one of the leading German online marketing providers, marketing not only partner portals such as FAZ.NET, CHIP, EXPEDIA and BUNTE but also the Group's own internet portals such as FOCUS, TVSPIELFILM, AMICA and FITFORFUN.

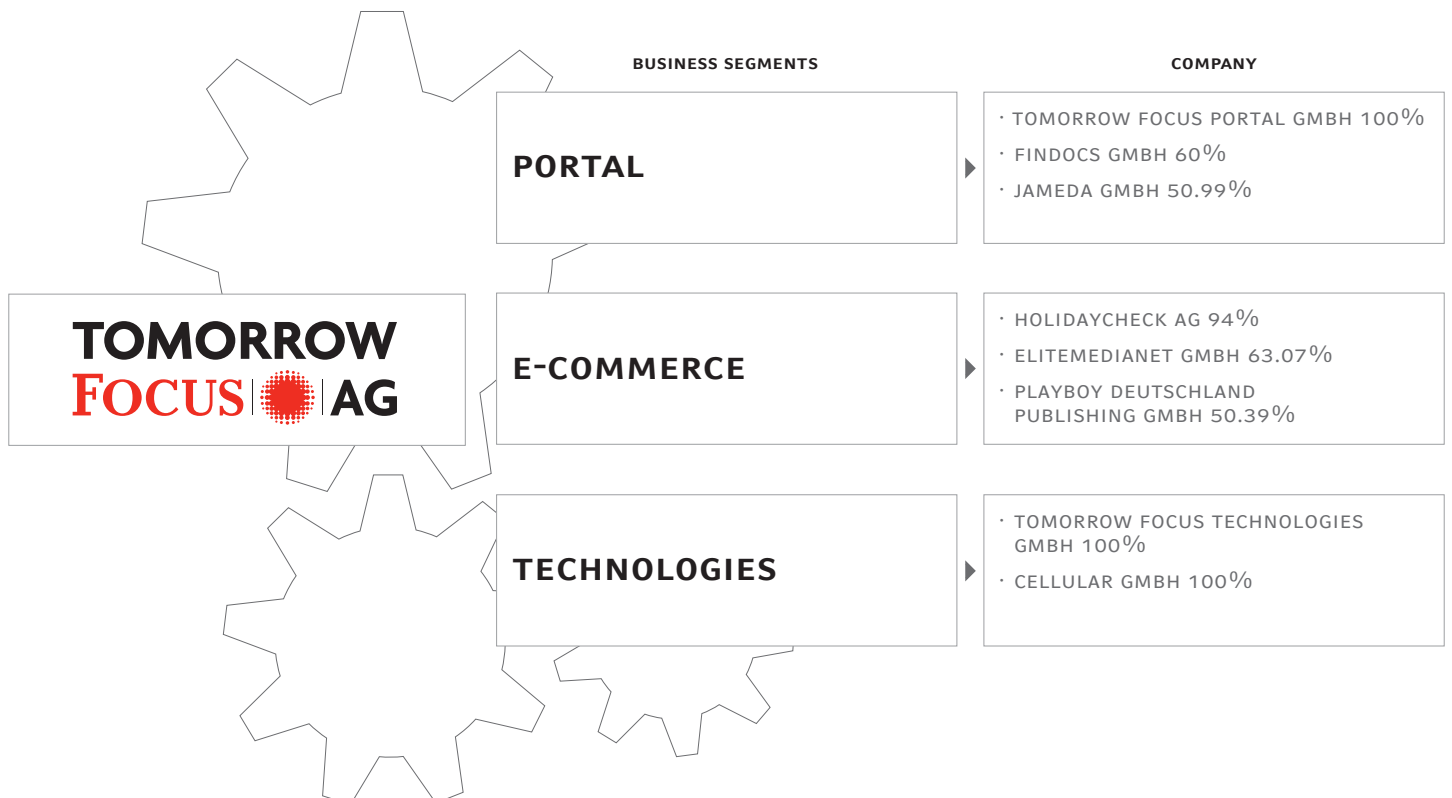
JAMEDA GMBH, also based in Munich, Germany, operates a healthcare and physician rating portal under the same name.

FINDOCS GMBH in Cologne, Germany, is currently developing a new finance and stock exchange portal.

The Technologies division is made up of TOMORROW FOCUS TECHNOLOGIES GMBH and CELLULAR GMBH.

TOMORROW FOCUS TECHNOLOGIES GMBH is based in Munich, Germany, and provides comprehensive IT services for the stationary internet.

CELLULAR GMBH, based in Hamburg, Germany, offers a comprehensive range of IT services for the mobile internet.



2. General information about the management report

Definitions

All mentions of "TOMORROW FOCUS AG", "TOMORROW FOCUS", "TF", "the group of companies" or "the Group" in this management report relate to the TOMORROW FOCUS Group.

Forward-looking statements

This management report contains statements and information about the future which are based on the assumptions and estimates of the Management Board of TOMORROW FOCUS AG. All statements contained in the management report which are not based on past facts are forward-looking statements. These statements reflect our current expectations and assumptions after consideration, among other things, of the general economic framework and sector-specific developments, opportunities to recruit and promote the loyalty of employees, online competition and competition in the media sector, business strategy implementation, the development and launch of new products and services, opportunities to exploit intellectual property, the regulatory and political framework, adaptation to technological progress, market acceptance of our products and services, risks relating to terrorist attacks and war, the integration of acquired companies or assets, the satisfaction of customer expectations and other risks and uncertainties. When used with reference to the TOMORROW FOCUS Group, typical phrases and words such as „intend“, „estimate“, „expect“, „believe“, „plan“, „reckon“, „assess“, „gauge“, „will“, „should“, „will be“, „want“, „are confident that“, etc., indicate that a statement is forward-looking and based on present expectations, assumptions and estimates. Although we feel that these expectations are realistic, we cannot guarantee their correctness. Assumptions can be affected by a vast number of internal and external risks and uncertainties, which may cause the actual results to be considerably more positive or negative than the forward-looking statements or forecasted results. We recommend that readers do not rely on these statements and forecasts to an inappropriate extent. The TOMORROW FOCUS Group does not intend nor is it under any obligation to update or correct forward-looking statements.

Internal control system

Revenue, gross income, operating expenses and the operating result are some of the parameters which TOMORROW FOCUS AG analyses and compares with the original business plan and the twice-yearly extrapolation forecast to control and monitor the development of individual subsidiaries.

Since January 2009, further key performance indicators are calculated each month for control purposes and are used within all the operating companies of the TOMORROW FOCUS GROUP. External indicators such as inflation rates, interest rates, general economic trends, market-specific business developments and forecasts are also regularly analysed for company management purposes.

3. Macro-economic situation

Recession in Germany

According to Deutsche Bank, the world economy deteriorated significantly during the course of 2008. Its whole-year calculation for growth of international economic output (the total gross domestic product (GDP) of all nations) shows a 3.0 percent increase compared with the previous year.

The corresponding figure for GDP growth in Germany in 2008 was 0.9 percent. It should be noted that the German economy only grew in the first quarter of 2008, whereas the remaining three quarters of the year showed a decline. By definition, Germany is therefore now in recession.

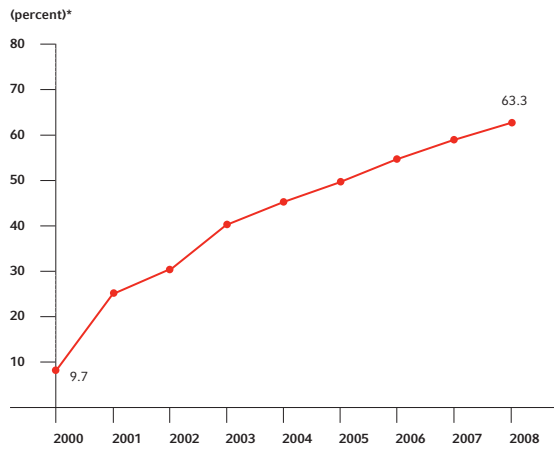
A report on the economic situation in the TOMORROW FOCUS GROUP's key market segments in 2008 is provided below.

E-Commerce plays increasingly important role

The German market for transaction-funded online services aimed at private consumers (B2C) is benefiting from the trend towards increasing use of the internet. According to the 2008 Allensbach Computer and Technology Analysis (ACTA), the number of online buyers has been growing remarkably steadily for years. In 2000, 9.7 percent of the population between the ages of 14 and 64 had used the internet to buy products or services; in 2008 the figure was already 63.3 percent.

Again according to ACTA, bookings for hotels and complete holidays are among the most commonly purchased products on the internet, which demonstrates the increasing importance of the web as a sales channel for the tourist industry. To quote some specific examples of its popularity, the proportion of 14 to 64 year olds in Germany who used the internet to find information about holiday offers doubled from 11 million in 2001 to 22 million in 2008. Furthermore, the number of 14 to 64 year olds who had already booked holidays or made travel arrangements on the internet more than tripled in the same period from 5.3 million to 17 million.

Sharp increase in online buyers



Source: Allensbach Computer and Technology Analysis ACTA 1998-2008
*German internet buyers from 16 to 64 years

Sales in the online dating agency market also grew substantially by 22 percent compared with the previous year to around EUR 138 million according to the www.singleboersen-vergleich.de 2007 survey. The company expects this trend to have continued in 2008.

Weaker growth in online advertising

Nielsen Media Research expects total gross expenditure on advertising in Germany to be EUR 22.5 billion in 2008, which constitutes a EUR 0.5 billion increase (around 2 percent) over the previous year's figure.

Steadily growing significance of the internet in the tourism sector

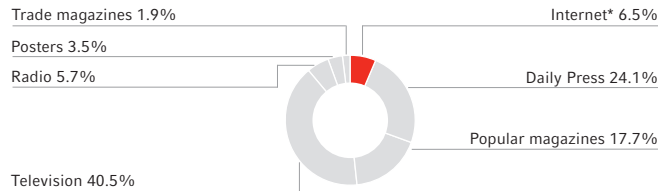


Source: Allensbach Computer and Technology Analysis ACTA 2000-2008
*German internet buyers from 16 to 64 years (percent)

TV was once again the most important advertising medium, generating gross advertising income of EUR 9.1 billion in Germany during 2008 (2007: EUR 8.7 billion). The German daily newspapers take second place with advertising income of EUR 5.4 billion (2007: EUR 5.5 billion), followed by consumer publications, which generated advertising income of EUR 4.0 billion (2007: EUR 4.1 billion). Gross advertising expenditure for the classic online advertising covered by the Nielsen surveys (not including affiliate network and keyword advertising) was EUR 1.5 billion or 6.5 percent of total gross advertising expenditure in 2008. The gross figure for year-on-year growth is around EUR 330 million or 27 percent. The corresponding figure for 2007 was around 64 percent.

However, TOMORROW FOCUS estimates that the net growth rate for 2008 is well below 27 percent, since the gap between gross and net advertising volumes has widened further as a result of lower prices. As well as falling prices on the display market, the company believes that sluggish bookings since May 2008, as a result of the then looming financial crisis in

Share of the total media market 2008



* only classic online advertising, without affiliates networks and catchword-search marketing
Source: Nielsen Media Research, gross advertising expenditure 2008

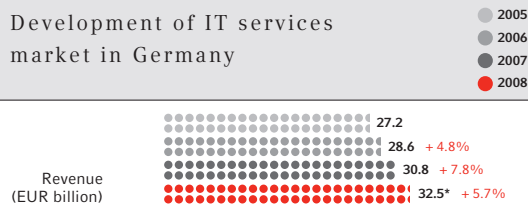
Germany, also led to a slowdown in the display market. In addition, the number of websites marketing their advertising space has risen considerably in the last 24 months adding to the competitive pressures faced by the company.

The Group sees a general downward trend in the area of brand marketing in Germany, primarily as a consequence of online budgets being shifted from branding over to performance marketing. It is for this reason that in March 2008 TOMORROW FOCUS acquired a stake in ADJUG Ltd, which operates an international marketplace for aggressively priced internet advertising inventory.

Stable growth in IT services

The German IT services market recorded stable growth of 5.7 percent to EUR 32.5 billion in 2007 according to the latest figures from the German Association for Information Technology, Telecommunications and New Media (Bundesverband für Informationswirtschaft, Telekommunikation und neue Medien, BITKOM).

Development of IT services market in Germany



* Forecast; Source: BITKOM e.V. – ITC market figures autumn 2008

4. Significant measures and events

E-Commerce division

HolidayCheck takes over Urlaub.com

In May 2008, HOLIDAYCHECK AG took over the domain operated by the online holiday portal Urlaub.com. The takeover formed part of an asset deal under which HOLIDAYCHECK AG acquired the travel and holiday portal Urlaub.com for a cash consideration of EUR 850,000. The aim is to expand Urlaub.com into a fully-fledged e-commerce travel and holiday booking platform over the course of this year.

HolidayCheck launches car hire portal MietwagenCheck

In July 2008, HOLIDAYCHECK AG launched a car hire portal known by its domain name www.MIETWAGENCHECK.de and in doing so created a new brand.

Thanks to the latest technology, holidaymakers can perform a simple comparison between the prices offered by the biggest car hire firms and brokers.

HolidayCheck's board of directors appoints new managing directors

Following the launch of seven international platforms, the board of directors at HOLIDAYCHECK Ltd. appointed Friedrich von Scanzoni to the newly created post of Managing Director International on 1 August 2008. He will be responsible for the international expansion of the hotel rating platform and for actively promoting further acquisitions by HOLIDAYCHECK Ltd.

In December 2008, the board of directors of HOLIDAYCHECK AG also named Jörg Trouvain (43) as the company's new CEO and Chairman of the Executive

Board. He will take office on or before 1 May 2009. Jörg Trouvain succeeds Hakan Öktem, who will move to the company's Board of Directors in July 2009. Öktem will also act in an advisory capacity for other TOMORROW FOCUS AG group and associated companies. Jörg Trouvain is currently still in post as Senior Vice President for the European operations of Activision Blizzard, the world's largest producer of video games.

Portal division

TOMORROW FOCUS gains new marketing partners

TOMORROW FOCUS PORTAL GMBH was able to recruit several new marketing partners over the course of 2008, each of which logically complements the existing portfolio. The total number of quality brands making up the network at the end of 2008 was 49. According to the AGOF online research group, together they reach over 40 percent of German internet users.

The list includes RMSi GmbH, which brings together the online services of Germany's leading audio marketing provider, Radio Marketing Service GmbH & Co. KG (RMS). This strengthens the position of TOMORROW FOCUS as one of the biggest online marketing providers in the radio broadcasting sector.

Other new customers are jetzt.de, the Süddeutsche Zeitung newspaper's recently launched online magazine, and Yigg.de, the first German social news community in TF's marketing portfolio.

Since March 2008, TOMORROW FOCUS has been marketing the healthcare portal NetDoctor.de. In combination with the health-related content offered by JAMEDA.de and FOCUS ONLINE Gesundheit, it creates an attractive environment for online campaigns in the healthcare industry.

In June 2008, TF signed an exclusive, multi-year agreement to market advertising space on the travel and holiday portal Expedia.de and the hotel booking site Hotels.com. In conjunction with FOCUS ONLINE Reise, HOLIDAYCHECK, MAP24 and MAX CityGuide, this makes TOMORROW FOCUS Germany's biggest online marketing provider in the holiday and travel segment.

Another marketing customer recruited in 2008 is the mobile platform Spox.com, which helps TOMORROW FOCUS to extend its mobile advertising portfolio.

In September 2008, TOMORROW FOCUS announced that it had reached a deal with CHIP Xonio GmbH to extend the existing collaboration by a further three years. Under this exclusive agreement, TF is marketing advertising space on the internet portals www.chip.de, www.xonio.com and www.download.chip.eu.

FOCUS print archive available online free of charge

In January 2008, to celebrate its fifteenth birthday, FOCUS made its print archive freely available online. After a certain period has elapsed, all items can now be downloaded via FOCUS ONLINE at www.focus.de/archiv.

TOMORROW FOCUS AG acquires stake in AdJug

In March 2008, TOMORROW FOCUS AG acquired a 17 percent stake in London-based ADJUG Ltd. in conjunction with a capital increase.

ADJUG operates an automated marketplace for internet advertising that allows portals to offer unsold advertising space to agencies and advertisers at knock-down prices. The EUR 2.6 million paid for the initial 17 percent stake was invested entirely in the company. In July 2008, TF increased its stake to 18 percent by purchasing a further one percent of the shares for a consideration of EUR 0.2 million.

Alongside TF's existing premium marketing portfolio, this equity investment creates a major new source of revenue on the internet marketplace and also provides the Group with additional options for marketing its own advertising inventory. The German-language platform of ADJUG was launched in September 2008.

AMICA Online relaunched with makeover

AMICA Online, the young and trendy site for women, was relaunched in March 2008 with a host of new functions and a brand new look. Alongside high quality content covering the exclusive world of fashion and beauty, the portal now offers its style-conscious users expert tips and a series of interactive options. AMICA ONLINE is operated by TOMORROW FOCUS PORTAL GMBH, a wholly-owned subsidiary of TOMORROW FOCUS AG.

TFAG sells tomorrow.de domain

In 2008, TOMORROW FOCUS AG sold its internet domain

tomorrow.de to Tomorrow Publishing GmbH in Berlin and Hubert Burda Media Holding GmbH & Co. KG in Munich. The sale took effect on 31 March for an agreed price for the shares of EUR 0.8 million based on the domain's fair value. The legal transaction had no negative impact on TOMORROW FOCUS AG.

FOCUS Online launches video campaign

FOCUS ONLINE is one of the most successful journalistic sites in German on the internet. Since May 2008, it has strengthened its leadership with an even greater range of video content in a prominent position on the home page, including a daily news magazine as well as financial market and sports news. FOCUS ONLINE is operated by TOMORROW FOCUS PORTAL GMBH, a wholly-owned subsidiary of TOMORROW FOCUS AG.

TOMORROW FOCUS AG acquires majority share in Findocs GmbH – Innovative finance portal under development

In July 2008, TOMORROW FOCUS AG acquired a 60 percent stake in FINDOCS GMBH in Cologne, Germany. FINDOCS is currently developing an innovative new finance portal which is due to go online in the first half of 2009.

The new finance portal is being developed in close collaboration with TOMORROW FOCUS TECHNOLOGIES and will later be marketed by TOMORROW FOCUS PORTAL GMBH.

The 60 percent stake in FINDOCS was acquired by TOMORROW FOCUS AG in conjunction with a capital increase. The money from the sale has been and will continue to be used to finance further growth of the portal.

TOMORROW FOCUS also has a call option to acquire the remaining shares in FINDOCS GmbH, although these rights cannot be exercised until 2013.

TOMORROW FOCUS AG and FOCUS Magazin Verlag acquire majority share in physician rating platform jameda

In August 2008, in conjunction with a capital increase, TOMORROW FOCUS AG acquired a 51 percent stake in Munich-based JAMEDA GmbH, which operates the healthcare and physician rating portal JAMEDA.de. A further 19 percent of the shares were bought by Focus Magazin Verlag GmbH.

The JAMEDA website helps users to find, rate and recommend a suitable physician or alternative practitioner in their area from over 300,000 addresses across Germany. It also allows physicians, healthcare providers and many other specialists from the health sector to present a detailed description of their range of services. As part of the majority acquisition, JAMEDA was completely integrated into FOCUS ONLINE's Health section. Since the takeover, JAMEDA has been working closely with Focus news magazine on a range of measures including the incorporation of the latter's highly regarded list of physicians into the JAMEDA site and extensive editorial cooperation.

TOMORROW FOCUS made cash payment of the purchase price (in the middle six-figure range) and invested this sum entirely in the company through payment into the capital reserve. The portal is marketed by TOMORROW FOCUS PORTAL GMBH.




Marketing offensive at TOMORROW FOCUS Portal GmbH

In September 2008, TOMORROW FOCUS PORTAL GMBH undertook a comprehensive reorganisation of its marketing division in response to an increasing call for performance-based offers (i.e. performance marketing) and sluggish bookings in the branding segment. Sales portfolio offers were segmented into three areas: Brand, Brand Reach and Performance.

As a result, from now on, the company can provide equally strong support to customers with a focus on image-led brand advertising (Brand segment) and to those with a focus on sales-based targets (Performance segment). The third segment (Brand Reach) contains twelve aggressively priced vertical packages to support customers with combined branding and performance targets.

CINEMA Online given relaunch

Thanks to its up-to-date film reviews, film news and a comprehensive film and DVD archive of top actors and actresses, CINEMA Online has established itself as the number one website for all film fans in Germany. The site was given a complete visual and technical makeover in September 2008 and now contains a host of new functions that encourage users to contribute actively to

TOMORROW FOCUS Sales marketing campaign			
	BRAND	BRAND REACH	PERFORMANCE
CAMPAIGN TARGET	Branding, Brand / image transfer	Branding and increase in consumer acceptance	Sales, lead generation
USP	Narrow target group with high level of affinity	Optimum combination of reach and target group affinity	Heterogeneous target group with high level of reach
ADVERTISING METHOD	Special advertising methods, specials and integrations	Advertising methods with high level of ad awareness, true affinity	Standard advertising methods, integrations
PRICING MODEL	TCP / fixed price	TCP/ fixed price	TCP / CPC
PRODUCT	Quality portfolio 48 brand websites 	Verticals 12 thematic clusters 	Reach & Response² Performance-oriented placings 

the development of the site.

Advice on the relaunch, the screen design, the Video Suite player and the hosting of the new site was provided by TOMORROW FOCUS TECHNOLOGIES (TFT).

CINEMA Online is operated by TOMORROW FOCUS PORTAL GMBH, a wholly-owned subsidiary of TOMORROW FOCUS AG.

TOMORROW FOCUS increases reach to 17.46 million unique users

According to internet facts 2008-III, published by the AGOF online research group in December 2008, the marketing network established by TOMORROW FOCUS PORTAL GMBH achieved an average reach of 17.46 million users per month, equivalent to 41.8 percent of all German internet users. This represents a considerable increase over the previous year's figures of 15.01 million or 37.3 percent and leaves TOMORROW FOCUS well ahead of the field in terms of reach among quality marketing providers of journalistic portals in Germany.

The highest-reach sites in the TOMORROW FOCUS portfolio include CHIP Online (5.26 million users), MAP24 (3.90 million users) and FOCUS ONLINE (3.62 million users).

Technologies division

TOMORROW FOCUS Technologies expands portfolio to include new video solution

May 2008 saw the internet debut of a new integrated video solution developed by TOMORROW FOCUS TECHNOLOGIES (TFT) to coincide with the relaunch of the video platform on FOCUS ONLINE. The software architecture makes it easy to implement comprehensive adjustments in response to customers' layout requirements including the free positioning and sizing of all video player elements. User controls can simply be replaced by customer specifications, and the system can be configured to display the video player in a wide range of sizes. The TFT video player also supports 16:9 and 4:3 screen formats without picture distortion.

Thanks to this new solution, TFT has established itself at the cutting edge of video technology on the web, once again highlighting its comprehensive expertise as an integrated service provider for web-based IT solutions.

CELLULAR provides technology for Vodafone's worldwide mobile internet portal

CELLULAR GMBH has now taken over responsibility for global delivery of the Vodafone Group's mobile portal. The portal (m.vodafone.com) was relaunched using the technical infrastructure provided by CELLULAR. In addition to CELLULAR's mobile content management system, the portal makes use of the Cell.VP 2.0 video platform that allows users to download and stream video

5. Earnings, financial position and assets of the TOMORROW FOCUS Group

Earnings position of the TOMORROW FOCUS Group - substantial growth in group revenues and profits

The consolidated revenue of the TOMORROW FOCUS Group showed a year-on-year increase of 2.9 percent from EUR 74.9 million to EUR 77.1 million. This was primarily achieved by substantial growth in the E-Commerce and Technologies segments that more than compensated for the downturn in revenue generated by the Portal segment.

In comparing the year-on-year results given below, it should be noted that the 2007 figures for consolidated EBITDA, EBIT and EBT were boosted by approximately EUR 4.3 million as a result of a number of several non-recurring items. These included an extraordinary profit of EUR 4.3 million from disposal of the Group's stake in Bellevue and More GmbH, compensation payments of EUR 0.8 million from MSN and a reduction of EUR 1.9 million in capitalised deferred taxes.

Group earnings before interest, taxes, depreciation and amortisation (Group EBITDA) fell to EUR 9.6

million in the financial year 2008 from EUR 15.5 million in the previous year.

Group earnings before interest and taxes (Group EBIT) fell to EUR 5.7 million in the financial year 2008 from EUR 11.7 million in the previous year

Group earnings before taxes (Group EBT) for the financial year 2008 stood at EUR 3.0 million compared to EUR 11.0 million in the previous year.

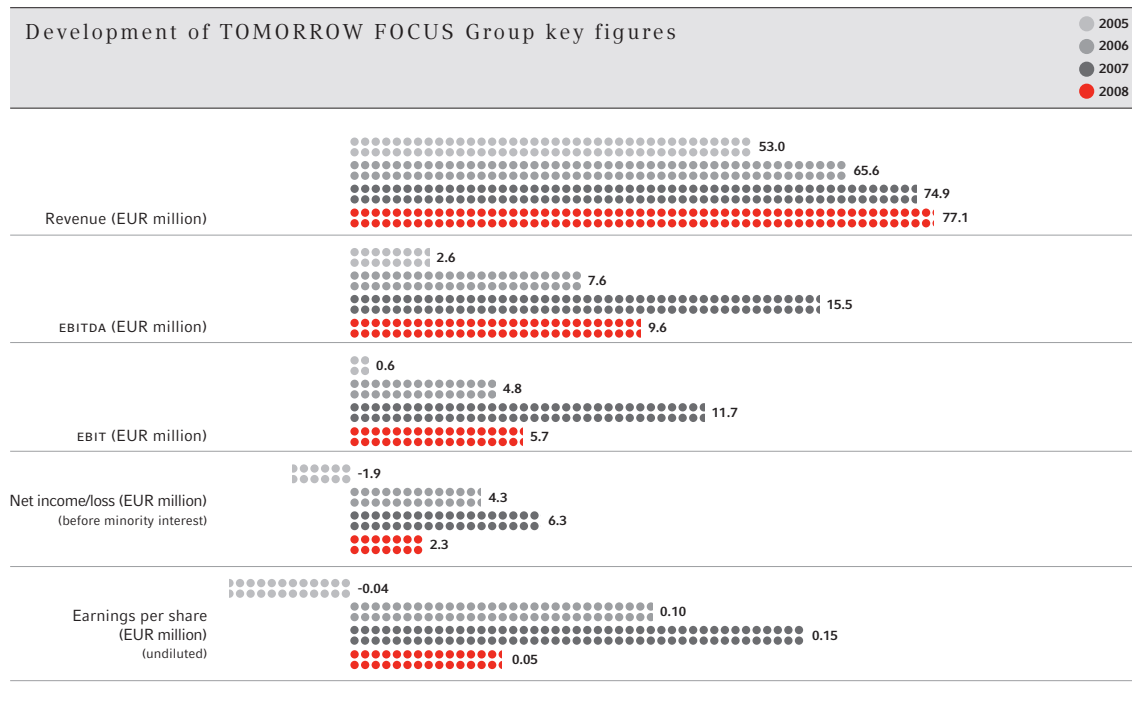
It should be noted that the result from financing activities for 2008 contains non-cash expenditure of EUR 1.5 million (2007: EUR 0.8 million) for accumulated interest on payments owed in connection with the acquisition of shareholdings in HOLIDAYCHECK AG and ELITEMEDIANET GmbH.

Consolidated net income for the year before minority interest was EUR 2.3 million lower compared to EUR 8.4 million in the previous year.

Consolidated net income for the year after minority interest stood at EUR 2.3 million compared to EUR 6.3 million in the previous year.

Consolidated earnings per share for 2008 were EUR 0.05. Consolidated earnings per share for 2007 before adjustment were EUR 0.15.

Development of TOMORROW FOCUS Group key figures



The main factor affecting the Group's earnings over the financial year was the deterioration in results from the Portal segment.

Notes to other items in the income statement

The TOMORROW FOCUS Group's other operating income ended the year down from EUR 7.3 million in 2007 to EUR 3.3 million in 2008, mainly due to the Bellevue and More GmbH divestment.

Cost of materials at the TOMORROW FOCUS Group declined compared to the previous year by around EUR 4.2 million to EUR 18.3 million. This is almost entirely due to cost savings at TOMORROW FOCUS TECHNOLOGIES GmbH.

The TOMORROW FOCUS Group's personnel expenses increased year on year by around EUR 2.5 million to EUR 24.1 million. This was primarily due to the increased headcount.

Other operating expenses at the TOMORROW FOCUS Group rose by EUR 5.2 million to EUR 30.8 million year on year. The main factor here was an increase in advertising costs as a result of the full-year consolidation of ELITEMEDIANET GMBH in the financial year 2008. In 2007, ELITEMEDIANET GMBH was only consolidated for the second half-year.

The TOMORROW FOCUS Group's financial expenses increased year on year by around EUR 1.8 million to EUR 3.4 million as a result of higher interest payments in conjunction with two new loans totalling EUR 28.2 million to finance the acquisition in 2007 of another 29 percent of the shares in HOLIDAYCHECK AG.

The **post-tax result from the valuation and deconsolidation of discontinued operations** fell to EUR 0 in 2008. The figure for 2007 was EUR 1.2 million following the divestment of Bellevue and More GmbH.

Notes to the cash flow statement

Net cash from operating activities increased over the year by EUR 3.2 million to EUR 10.9 million as a result of an improvement in operating results.

Net cash used in investment activities fell to EUR 13.7 million from EUR 36.8 million in 2007. The previous year's comparative figure included payments for the additional stake in HOLIDAYCHECK AG and for the purchase of the shares in ELITEMEDIANET GmbH. The net

cash outflows in the current financial year include payment of the second instalment of the purchase price for ELITEMEDIANET GmbH; payment for the acquisitions of FINDOCS GMBH and JAMEDA GmbH; and capital expenditure on property, plant and equipment, tangible assets and financial assets. The last of these resulted from the Group's purchase of a stake in ADJUG Ltd.

Net cash used in financing activities went down to EUR 1.4 million from EUR 28.0 million in 2007. The previous year's comparative figure included two new loans taken out to finance the acquisition of additional shares in HOLIDAYCHECK AG. The net figure for 2008 is mainly derived from cash inflows of EUR 11.9 million in connection with the cash capital increase and cash outflows of EUR 10.0 million in repayment of loans.

Cash at the end of the year was down slightly as a result from EUR 21.5 million in 2007 to EUR 20.2 million in 2008.

Additional disclosures

In July 2007, the TOMORROW FOCUS Group sold its holding in the Bellevue and More magazine group, which had previously formed part of the E-Commerce segment. Consequently, the revenue and earnings figures for Bellevue and More are included in the comparative results for 2007 but not in the results for financial year 2008.

Also in July 2007, the E-Commerce segment was strengthened by the acquisition of a majority share in ELITEMEDIANET GmbH, which operates the premium dating agency ELITEPARTNER.de. ELITEMEDIANET GMBH has been fully consolidated since July 2007.

As of January 2008, results for CELLULAR GMBH have been included in the Technologies rather than the Portal segment to reflect the fact that since January 2008 the company has focused exclusively on the IT services business. The mobile brand and marketing rights were transferred back to the Portal business on 1 January 2008.

In June 2008, TOMORROW FOCUS AG acquired a 60 percent stake in FINDOCS GMBH. Accordingly, the company has been fully consolidated in the Portal segment since the beginning of the third quarter of 2008 with a corresponding disclosure of minority interests.

In July 2008, TOMORROW FOCUS AG acquired a 50.99 percent stake in JAMEDA GmbH. The company has been fully consolidated in the Portal segment since the beginning of the third quarter of 2008 with a corresponding disclosure of minority interests.

The asset and financial position of the TOMORROW FOCUS Group

Financial management objectives

The main financial management objective of the TOMORROW FOCUS Group is to safeguard liquidity at all times in order to ensure that the Group is able to perform its day-to-day business operations. Another objective is the optimisation of profitability to attain the maximum possible credit rating with a view to obtaining favourable refinancing terms.

Notes on the capital structure

On the assets side of the consolidated balance sheet, **non-current assets** were up 6.5 percent from EUR 97.3 million in 2007 to EUR 103.6 million as at 31 December 2008. This is mainly due to changes in the figure for goodwill as a result of adjustments to the value of put options made as at balance sheet date and the purchase of a stake in ADJUG Ltd.

Current assets as at 31 December 2008 were 13.5 percent down on the previous year at EUR 35.1 million. Among the reasons for this decrease are the lower figures for the securities item (down EUR 2.8 million) following the sale of a bond and for cash and cash equivalents (down approximately EUR 1.4 million).

On the liabilities side of the consolidated balance

sheet nominal equity was EUR 63.4 million as at 31 December 2008, which is 28.7 percent higher than the figure shown as at the previous year's record date. The reasons for this include additions to subscribed capital and the capital reserve as part of a cash capital increase that was completed at the year-end and a reduction of net loss. As a result, with only a modest year-on-year increase in total assets, the **equity ratio** as at 31 December 2008 showed a large rise from 35.7 percent in the previous year to 45.7 percent.

Non-current liabilities as at 31 December 2008 were EUR 24.0 million, down substantially from EUR 52.0 million as at 31 December 2007. The main reason for this fall is the lower figure for Other financial liabilities, which fell by around EUR 27.6 million, primarily due to an accounting change under which parts of the earn-out obligations relating to HOLIDAYCHECK and ELITEMEDIANET were treated as current liabilities.

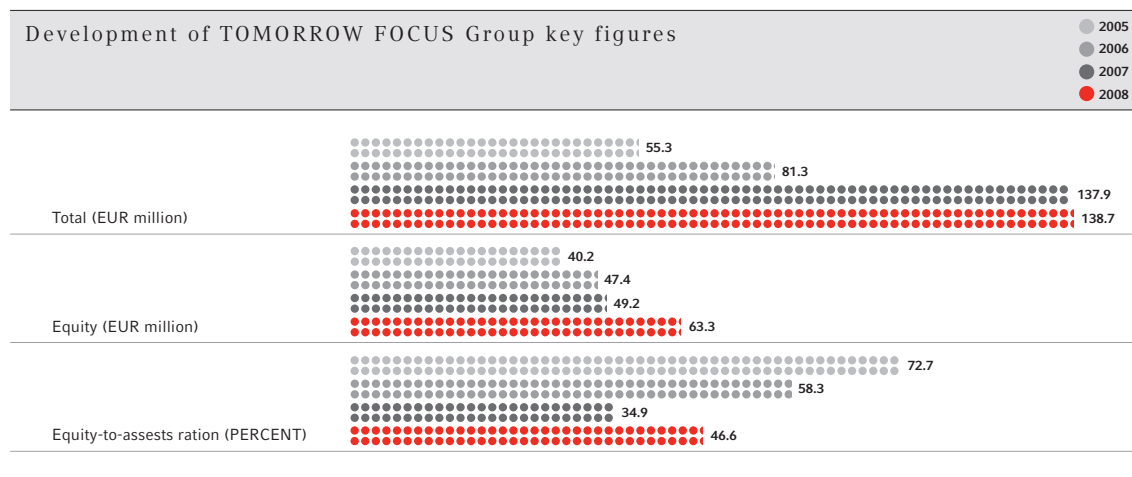
Current liabilities increased significantly year on year from EUR 36.7 million to EUR 51.4 million as at 31 December 2008. The increase of EUR 24.8 million in Other financial liabilities is mainly due to an accounting change under which parts of the earn-out obligations relating to HOLIDAYCHECK and ELITEMEDIANET were reclassified as current liabilities, where previously they had been treated as non-current. Despite this rise, Liabilities to banks were reduced by the repayment of current loans worth EUR 9.7 million.

The ratio of current to non-current liabilities has therefore shifted towards short-term borrowings. Despite the rise in non-current liabilities, the substantial decline in current liabilities led to a reduction of 15.0 percent in **overall liabilities** to EUR 75.4 million.

Total assets increased from EUR 137.9 million as at 31 December 2007 to EUR 138.8 million as at 31 December 2008.

Financial performance indicators

Revenue, gross income, operating expenses and operating result are some of the parameters which TOMORROW FOCUS AG analyses and compares with the original business plan and the twice-yearly forecasts so that it can control and monitor the development of individual subsidiaries. External indicators such as



inflation rates, interest rates, general economic trends, business development within each market and forecasts are also regularly analysed for company management purposes in the TOMORROW FOCUS Group. The year-on-year development of return on sales and return on equity is also monitored. A year-on-year comparison is provided below.

Non-financial performance indicators

In addition to an efficiently managed organisation, the following non-financial performance indicators make an important contribution to the long-term success of the TOMORROW FOCUS Group.

Customer satisfaction

Taking customer needs into account is an elementary aspect of the TOMORROW FOCUS Group's business philosophy. The objective is to create optimum added value for customers by working precisely, to deadline and delivering high quality results while remaining flexible and aware of costs. In all this, we never lose sight of our customers' interests. Customer satisfaction is measured decentrally by each division to allow for their

different customer structures. Members of the German Online Marketing Group (Onlinevermarkterkreis, OVK), one of which is TOMORROW FOCUS, commission it to conduct a detailed customer satisfaction survey every year. The survey results (not published here for contractual reasons) are evaluated in great detail by TOMORROW FOCUS, which then decides on and implements whatever measures are deemed necessary to make further improvements in customer satisfaction.

In addition, HOLIDAYCHECK is the first hotel rating platform to have been awarded a certificate from the quality review association TÜV Süd and has come out on top in many comparison tests such as that conducted by the German consumer organisation Stiftung Warentest. The premium dating agency ELITEPARTNER was also presented with a certificate by TÜV Süd. In February 2009, it was declared the test winner in a nationwide survey conducted by the German Institute for Service Quality (Deutsches Institut für Service-Qualität, DISQ) on behalf of the news broadcaster n-tv. In February 2008, it won first place in a review of dating agency services carried out by Austria's consumer magazine Konsument.

Examples of financial key ratios of the TOMORROW FOCUS Group

RATIO	CALCULATION	2008	2007
Return on sales	Consolidated net income ÷ consolidated net sales revenue	3.0%	11.3%
Return on equity	Consolidated net income ÷ net worth	3.6%	17.2%

Employee competence

TOMORROW FOCUS AG generates the majority of its revenues with the know-how of its employees. That is why we not only set performance targets but also provide employees with specific development opportunities. All employees are encouraged to improve their personal and professional skills on a regular basis so that they can learn to utilise their potential to the full.

We do this within the framework of a corporate culture that is characterised by scope for creativity, flat hierarchies and open and constructive communication.

Product and service quality

The TOMORROW FOCUS Group is committed to delivering products and services marked by excellent quality and total customer orientation. To this end, regular in-house training is provided for employees, and the quality of the goods and services produced by the individual companies and divisions making up the Group is regularly monitored by outside inspectors. By way of example, the websites www.HOLIDAYCHECK.de and www.ELITEPARTNER.de were awarded the s@fer shopping certificate by TÜV Süd in recognition of their quality, security and transparency. We know that regular innovation, which allows us to keep improving our products and services, is vital to our long-term success.

Knowledge of markets

One of the main factors contributing to the sustainable development of the TOMORROW FOCUS Group has been its extensive knowledge of the relevant markets, and this will come to be even more important in the future. Consequently, TOMORROW FOCUS strives to recruit people with a good level of technical and industry knowledge for positions within the Group and to provide regular opportunities for professional development. Consulting firms specialising in the multimedia sector are also engaged to analyse the relevant markets.

6. Research and development activities

TOMORROW FOCUS TECHNOLOGIES GmbH, one of the companies making up the TOMORROW FOCUS Group, is responsible for either implementing many of the Group's development activities itself or for commissioning and monitoring them. Research and development activities in the E-Commerce and Technologies segments are conducted on a decentralised basis by the relevant companies. Most development costs are capitalised as self-created software. All other development costs are recognised as an expense under Cost of materials.

7. Compensation report**Compensation report for the Management Board**

The overall structure of the compensation system for the Management Board is determined by the entire Supervisory Board. There is therefore no committee within the Supervisory Board that deals specifically with the issue of compensation for members of the Management Board. The amount of compensation paid to members of the Management Board depends on the company's size and orientation, as well as its economic and financial position. It is also fixed at a competitive rate as an incentive for committed and effective work in a dynamic environment.

The compensation of Management Board members includes a fixed element and a variable element of between 20 percent and 35 percent linked to the company's business performance. Around one third of this variable element is dependent on meeting individual performance targets, while the other two thirds are profit-related. The level and scope of each component are specified by the Supervisory Board for each new financial year. A company car is also provided to Management Board members. There are no further elements of compensation. The shareholders' meeting of 1 June 2006 passed a resolution with a qualified majority to make use of the opt-out clause. As a result, TOMORROW FOCUS AG is exempted from the requirement of making individual disclosures until after the financial year 2010.

EUR 0.837 million (2007: EUR 0.847 million) in compensation was paid to members of the Management Board in 2008. This amount includes fixed compensation of EUR 0.657 million and variable compensation of EUR 0.180 million.

The members of the supervisory board received the following compensation in the financial year 2008

	BASIC COMPENSATION (EUR)	TOTAL (EUR)
Dr. Paul-Bernhard Kallen (Chairperson)	20,000	20,000
Dr. Andreas Rittstieg (Deputy Chairperson)	10,000	10,000
Prof. Dr. Stefan Leberfing	10,000	10,000
Helmut Markwort	10,000	10,000
Jean-Paul Schmetz	10,000	10,000
Martin Weiss	10,000	10,000

Shareholdings of Management Board members

Stefan Winners held a total of 188,000 TOMORROW FOCUS shares as at 31 December 2008. This corresponds to approximately 0.40 percent of TOMORROW FOCUS AG's shares.

Christoph Schuh held a total of 210,000 TOMORROW FOCUS shares as at 31 December 2008. This corresponds to approximately 0.45 percent of TOMORROW FOCUS AG's shares.

In 2008, TOMORROW FOCUS AG received no disclosures of securities transactions involving members of the Management Board pursuant to Section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

Other Management Board-related disclosures

The members of TOMORROW FOCUS AG's executive bodies and the executive bodies of all affiliated entities are exempted by TOMORROW FOCUS AG from third party claims if such exemption is legally admissible. The company has third party liability cover (D&O insurance) without a deductible in respect of the members of its executive bodies and its executive officers. It covers personal liability for claims in respect of financial loss arising from the managerial and/or supervisory activities of directors and officers.

There are no other pension commitments in respect of Management Board members.

Compensation report for the Supervisory Board

The compensation of the TOMORROW FOCUS AG Supervisory Board is regulated in article 16 of TOMORROW FOCUS AG's articles of association. It consists of fixed and variable components. The fixed component is EUR 10,000 for Supervisory Board members and double this

amount for the chairperson. The variable component depends on the performance of the company's share and is measured as follows:

$$\begin{aligned} \text{Variable compensation} &= \text{basic compensation} \\ &\times (\text{share price at the end of the financial year} \\ &\div \text{share price at the beginning of the financial year})^2 \\ &- \text{basic compensation.} \end{aligned}$$

The variable compensation, calculated according to the above formula, cannot be more than three times higher than the basic compensation. A fall in the share price does not reduce the amount of basic compensation. In accordance with the above formula, no variable compensation was payable in the financial year 2008.

The members of the Supervisory Board received the following compensation in the financial year 2008.

The company also incurred EUR 10 thousand in costs in connection with a service contract with a firm of lawyers in which one Supervisory Board member is partner (2007: EUR 44 thousand).

Shareholdings of Supervisory Board members

Helmut Markwort held a total of 1,675,475 TOMORROW FOCUS shares as at 31 December 2008. This corresponds to approximately 3.56 percent of TOMORROW FOCUS AG's shares.

Dr Paul-Bernhard Kallen held a total of 420,000 TOMORROW FOCUS shares as at 31 December 2008. This corresponds to approximately 0.89 percent of TOMORROW FOCUS AG's shares.

As at 31 December 2008, 315,000 TFAG shares held by Barcare GmbH were also attributed to Dr Kallen pursuant to Section 15a paragraph 3 of the German

Transactions involving TOMORROW FOCUS shares

PERSON REQUIRED TO MAKE THE DISCLOSURE	DATE OF THE TRANSACTION	TRANSACTION	STOCK EXCHANGE	NUMBER	UNIT PRICE (EUR)
Dr. Paul-Bernhard Kallen	10 January 2008	Share purchase	Xetra	11,661	3.095
	10 January 2008	Share purchase	Frankfurt	1,000	3.10
	11 January 2008	Share purchase	Xetra	3,000	3.10
	22 January 2008	Share purchase	Xetra	600	2.90
	22 January 2008	Share purchase	Frankfurt	2,000	2.90
	23 January 2008	Share purchase	Frankfurt	3,100	2.90
	23 January 2008	Share purchase	Xetra	6,498	2.90
	8 April 2008	Share purchase	Frankfurt	500	3.21
	8 April 2008	Share purchase	Xetra	9,896	3.20
	9 April 2008	Share purchase	Frankfurt	754	3.20
	9 April 2008	Share purchase	Xetra	1,000	3.20
	25 April 2008	Share purchase	Xetra	20,000	2.949
	18 June 2008	Share purchase	Xetra	10,000	2.74
	19 June 2008	Share purchase	Xetra	3,750	2.65
	23 June 2008	Share purchase	Xetra	995	2.5786
	24 June 2008	Share purchase	Xetra	15,255	2.6031
	14 August 2008	Share purchase	Xetra	20,000	2.972
	19 September 2008	Share purchase	Xetra	10,000	2.7978
	Helmut Markwort	28 April 2008	Share purchase	Xetra	8,807
29 April 2008		Share purchase	Xetra	1,193	2.90
9 May 2008		Share purchase	Xetra	4,135	2.82
26 June 2008		Share purchase	Xetra	4,256	2.55
27 June 2008		Share purchase	Xetra	1,922	2.55
30 June 2008		Share purchase	Xetra	3,822	2.55
Martin Weiß	27 February 2008	Share purchase	Frankfurt	3,000	3.25
	27 February 2008	Share purchase	Xetra	15,000	3.30
	28 February 2008	Share purchase	Xetra	12,000	3.30
Barcare GmbH*	20 June 2008	Share purchase	außerbörslich	189,000	2.64
	14 February 2008	Share purchase	Xetra	26,000	3.006
	15 February 2008	Share purchase	Xetra	62,116	3.04854
	18 February 2008	Share purchase	Xetra	22,884	3.0499

* TOMORROW FOCUS AG shares held by Barcare GmbH are attributed to Dr Kallen pursuant to Section 15a paragraph 3 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG). All transactions undertaken by Barcare GmbH involving these shares must be disclosed pursuant to Section 15a paragraph 1 of the German Securities Trading Act.

Securities Trading Act (Wertpapierhandelsgesetz, WpHG). This corresponds to approximately 0.67 percent of TOMORROW FOCUS AG's shares.

All other members of the Supervisory Board held less than 1 percent each of TOMORROW FOCUS AG's shares at the end of 2008. Members of the Supervisory Board held a total of 2,478,425 TOMORROW FOCUS shares as at 31 December 2008.

Members of the TOMORROW FOCUS AG Supervisory Board disclosed the following securities transactions in the 2008 financial year pursuant to Section 15a of the German Securities Trading Act (WpHG).

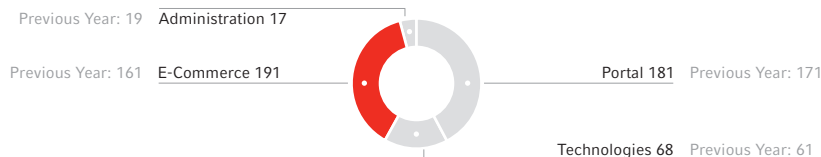
Other disclosures relating to the Supervisory Board

TOMORROW FOCUS AG has third party liability cover (D&O insurance) without a deductible in respect of the members of its Supervisory Board. Further information about this insurance is provided under Other Management Board-related disclosures which forms part of this compensation report.

Other

There are no stock option plans or similar securities-based incentive schemes for the Management Board, the Supervisory Board or other employees at TOMORROW FOCUS AG.

Number of employees of the TOMORROW FOCUS Group
(as at 31. December 2007)



8. Employees

The TOMORROW FOCUS Group had 457 employees as at 31 December 2008. On 31 December 2007, 412 people worked for the TOMORROW FOCUS Group. Averaged over the 12 month period, a total of 431 people were employed by the TOMORROW FOCUS Group in 2008. (2007: 376). TOMORROW FOCUS AG had 17 employees as at 31 December 2008 (2007: 19 employees) and 18 employees (2007: 20) on average during the year.

The employees of the TOMORROW FOCUS Group were working in the following segments on 31 December 2008:

Portal	181 (2007: 171)
E-Commerce	191 (2007: 161)
Technologies	68 (2007: 61)
Administration	17 (2007: 19)

The TOMORROW FOCUS Group's personnel expenses amounted to EUR 24.1 million in 2008 following EUR 21.6 million in 2007.

9. Events of particular significance after the reporting date

TOMORROW FOCUS AG increases stake in HolidayCheck AG by a further 14 percent – Company founders remain on board with 6 percent

In February 2009, TOMORROW FOCUS AG boosted its stake in the travel and holiday portal HOLIDAYCHECK AG, which is based in Bottighofen, Switzerland, by acquiring a further 14 percent of the shares through its subsidiary TF-Beteiligungs GmbH. The purchase price of EUR 21.6 million was divided into three instalments - 60 percent to be paid immediately, 30 percent on 12 February 2010 and the remaining 10 percent on 12 February 2011. The purchase price includes an accumulated pro rata entitlement to draw profits and cash.

TOMORROW FOCUS AG now holds 94 percent of the shares

in HOLIDAYCHECK AG with the rest still in the hands of the company's former shareholders. The existing call/put agreement covering these remaining shares has been amended so that it can be exercised by either side during the course of the year 2014. The founding shareholders will maintain their links with the company as part of the management team and in an advisory role.

Information relating to EliteMedianet GmbH

In the case of ELITEMEDIANET GmbH, the purchase price instalment relating to the financial year 2008 (agreed in 2007 and due for payment in 2009) did not materialise, as the contractually stipulated threshold for 2008 was not achieved. It should be noted that the former shareholders of ELITEMEDIANET GMBH take a different view of the criteria for reaching this threshold. The Management Board of TOMORROW FOCUS AG regards this view as unfounded.

10. Risk report

The TOMORROW FOCUS Group's risk management system

As holding company, the TOMORROW FOCUS Group is exposed to many different types of risk arising from the wide range of business activities of the individual companies making up the Group. These risks can result in the entire Group being unable to meet financial, operational or strategic business objectives. The TOMORROW FOCUS Group therefore has to identify and analyse the risks and implement suitable measures to eliminate or mitigate these risks in order to safeguard its long-term success.

The TOMORROW FOCUS Group has developed a comprehensive risk management system for this purpose. It includes central control of operations, reporting structures that provide information to the executive officers of subsidiaries, and weekly, monthly, quarterly and ad hoc reports from the Management

Board and Supervisory Board. A set of organisational guidelines also exists to govern powers within the Group and there is a submission system for the approval of investments and significant projects. They are regularly adapted in line with developments. The Management Board is also personally involved in all significant business transactions. Data on specifically relevant ratios is collected on a monthly basis for the Management Board and Supervisory Board. This management information system ensures that the Management Board can respond promptly and optimally to changes in the market, the wider economic situation, revenue and costs.

The TOMORROW FOCUS Group closely monitors developments in the sectors and markets where it operates – particularly the specific situations of competitors and partners. It also tracks developments in the internet sector.

The Group's success depends to a great extent on its ability to implement its business strategy and to adapt and optimise its products and services.

The risks associated with operating activities are verified in as much detail as possible and potential impacts quantified to allow the Group to identify appropriate methods of dealing with them. Risk officers are appointed to monitor potential risks and to be responsible for implementing targeted measures or proposing them to the Management Board for approval.

In addition, regular internal audits are conducted as a means of risk control. No serious problems were identified at the beginning of the current financial year during internal audits of TOMORROW FOCUS AG, TOMORROW FOCUS TECHNOLOGIES GmbH, TOMORROW FOCUS PORTAL GMBH, CELLULAR GMBH and HOLIDAYCHECK AG.

Early recognition of the current economic crisis by the TOMORROW FOCUS Group and its response

Thanks to the Group's existing risk management system, the current economic crisis and its impact above all on the advertising-financed Portal division were foreseen as early as the first quarter of 2008, although not to their full extent. As a result, a range of measures was taken over the course of the year to boost efficiency and safeguard earnings. These included a reorganisation of the marketing area.

In view of the critical economic situation, the Management Board has established frequent internal reporting cycles to ensure that it remains well informed about the individual companies' order and earnings positions and can take swift action to counter any deterioration. This is also the case for companies such as HOLIDAYCHECK and ELITEMEDIANET that up to now have remained completely or largely unaffected by the crisis. The following sections give a detailed picture of the Group's risk situation and the extent to which it has changed in the current economic crisis.

Economic risks of the TOMORROW FOCUS Group

Uncertainties as a result of changes to the political, legal or social framework can have a negative impact on the TOMORROW FOCUS Group's business operations, assets, financial and earnings positions. Germany, Central and Western Europe are the TOMORROW FOCUS Group's core markets. While in the past they have proven to be very stable economic areas offering excellent development opportunities to the companies operating there, Central and Western Europe are now experiencing the worst economic crisis since the end of the Second World War. As a consequence, if the situation deteriorates further, or in the absence of a sustained economic upturn, there is a significant risk of serious political, legal and social upheaval. In turn, this could have major implications for companies operating in the region, including the TOMORROW FOCUS Group.

Natural disasters, epidemics and terrorist attacks can also result in economic, political and social instability. This, in turn, can have a negative impact on the local, regional and even the world economy and place constraints on the investment decisions of the Group's customers and their readiness to invest. However, the negative impacts of events of this nature on the economy in recent years have been relatively short-lived and therefore have no long-term significance for our business development. At the same time, we would like to emphasise that an event such as the outbreak of a global bird flu epidemic, resulting in a high number of deaths, would have extremely serious effect on the world economy and on the companies operating in the world's

markets. Terrorist attacks on the internet's infrastructure could also have a significant impact on the TOMORROW FOCUS Group's results and possibly even jeopardise its going concern status. It is not possible to make any realistic assessment of the probability of such an attack.

Market risks of the TOMORROW FOCUS Group

Innovative technologies are constantly being introduced in the markets where the TOMORROW FOCUS Group operates, and they are subject to rapid and significant change. To satisfy the needs and requirements of customers in these markets, the TOMORROW FOCUS Group continually develops new products and services and adapts existing ones.

The fact that the TOMORROW FOCUS Group has three divisions reduces its dependence on developments in any one specific sales market. The first is the Portal division, which generates B2B advertising revenue; the second is the E-Commerce division, which generates B2C transaction-based revenue; and the third is the Technologies division with its B2B IT services revenue. The Portal and E-Commerce divisions are considerably larger than the Technologies division.

Portal division

It is thanks to the Portal division that the TOMORROW FOCUS Group is one of the biggest online marketing providers in Germany. Following a particularly constant upswing in the online advertising market over recent years, 2008 was marked by a more subdued level of bookings for graphical online advertising (display advertising). This was partly a result of the economic downturn but also due to the dominant position of market players such as Google. The result has been a fall in prices. We cannot exclude the possibility that even greater competition - despite high market entry barriers - or a reduction in use of the websites marketed by TOMORROW FOCUS, will continue to depress income and lead to further losses. Recent volatility in the online market means that this scenario cannot be ruled out at the present time, even though the division has recently won a number of new customers.

E-Commerce division

The E-Commerce division focuses on transaction-based online portals. A general stagnation of spending by mostly private consumers in this division could have a negative impact on its further development and possibly also threaten the company's existence. Possible causes include increasingly strong competition, the entry of new competitors to the market or new technical innovations which compete with the division's own products and services. In order to reduce these risks, the TOMORROW FOCUS Group focuses on established, well-known brands and screens the market on a regular basis.

At HOLIDAYCHECK, a temporary or long-term stagnation in holiday travel, e.g. as a result of terrorist attacks, a sharp increase in energy prices or a recession, could have a very negative impact on revenue and profits at HOLIDAYCHECK AG and the entire TOMORROW FOCUS Group.

The E-Commerce division is also exposed to cost risks, especially in connection with HOLIDAYCHECK and ELITEMEDIANET, if considerably higher marketing expenditure is necessary for search engine marketing (SEM), particularly on Google. Both companies make intensive use of SEM in their marketing activities, so a substantial price increase by Google would have a negative impact on the profit situation of the E-Commerce division and the entire TOMORROW FOCUS Group.

Many internet users no longer search directly for news on established web portals such as FOCUS ONLINE. Instead, they use search engines, and in particular the market leader, Google. As a result, search engine optimisation (SEO) has gained in significance. It ensures that websites appear high up on the search engine hit lists when specific search terms are entered. Higher rankings generally mean more traffic, which can also have a positive effect on advertising and business income. Search engine optimisation is therefore extremely significant from a commercial viewpoint for the E-Commerce and Portal websites. Changes to the algorithms used by search engine operators such as Google can cause the E-Commerce and Portal websites to slip down the hit lists at any time, either temporarily or for a lengthy period of time, resulting in a decline in search engine-generated traffic. This can have a

substantial negative impact on the revenue and profits generated by both these divisions and by the entire TOMORROW FOCUS Group.

Technologies division

The Technologies division develops, implements and operates complex stationary and mobile internet solutions. If the competitive situation becomes more acute or new competitors enter the market, this could have a negative impact on the division's business operations and margins. In cases where the economic crisis leads to new invitations to tender being issued for projects that had in fact already been decided on, this can have a very adverse impact on revenue and profits. In many cases, projects are associated with substantial advance outlay and a correspondingly high level of up-front financing requirements. Effective project control allows for the timely identification and minimisation of these risks and, if necessary, the implementation of counter-measures.

Strategic risks of the TOMORROW FOCUS Group

One major strategic objective is the further improvement of TOMORROW FOCUS' market position in the Portal and E-Commerce business divisions. This will be achieved by developing successful new products and business models and implementing other measures to increase market share and achieve further growth. This exposes the company to risks which may have a negative impact on its financial position and earnings.

The company is particularly exposed to strategic risks in connection with corporate acquisitions and shareholdings. These harbour intrinsic risks such as the risk of integrating employees, processes, technologies and products. As a result, it is impossible to guarantee that all bought-in or internally developed business activities can be successfully integrated or that the integration measures will go as planned. Such transactions can also be associated with considerable acquisition, administration and other costs, including the cost of integrating acquired business activities. Portfolio measures can also result in additional financing requirements, which in turn can increase debt and have a negative impact on the financing structure. Acquisi-

tions and equity investments can substantially appreciate the value of non-current assets, including goodwill. Depreciation and amortisation of these assets due to unforeseen business developments, e.g. a downturn in the wider economy as is the case at present, can strongly depress results.

Above-expected performance by newly acquired associates can also lead to a substantial increase in agreed earn-out payment obligations leading to pressure on and even a possible loss of liquidity.

In recent years, the TOMORROW FOCUS Group has proven that it is capable of counteracting risks in connection with new products, acquisitions and equity investments and that it makes effective use of opportunities. It therefore believes from today's perspective that the risk of a significant fall in profit due to anticipated product innovations and acquisitions remains controllable, although the risk is nevertheless greater than last year as a result of the current economic situation..

Personnel risks of the TOMORROW FOCUS Group

Well-qualified employees and managers are essential to the long-term success of any business undertaking. The TOMORROW FOCUS Group is committed to fostering its employees' long-term loyalty to the company and to recruiting new, well-qualified employees. Business development could be impaired if a high number of these employees leave the company within a short time span and no adequate replacements can be found. In the event of increased competition in the labour market to recruit highly qualified employees, particularly people with IT and internet expertise, there is no guarantee that a company will be able to sustain the long-term loyalty of key personnel.

The TOMORROW FOCUS Group is determined to exploit all the business opportunities that present themselves and at the same time counteract general personnel risks through a series of measures, in particular the provision of employee training and professional development courses, rigorous succession planning and additional benefits such as performance-related pay systems. As a result of these measures and the Group's establishment of a solid reputation as an attractive employer over recent years, the company believes that it can draw on its

employees' skills to make effective use of the available opportunities. It therefore currently classifies the risk of significant impairment to business development as a result of the loss of employees and managers as improbable.

Legal risks of TOMORROW FOCUS AG

Following effective implementation of the merger of FOCUS DIGITAL AG (now TOMORROW FOCUS AG) and TOMORROW INTERNET AG, former shareholders of TOMORROW INTERNET AG instituted judicial appraisal proceedings (Spruchstellenverfahren) with the Hamburg Regional Court claiming that the exchange ratio for the merger consideration payable to the shareholders when amalgamating the companies was inappropriate. They applied to the court for an additional cash payment to be imposed.

After the two law suits had been combined into one single trial and court hearing on 17 May 2006, the decision of the Hamburg Regional Court of 11 October 2006 concluded the first-instance judicial appraisal proceedings in respect of consideration for the transfer of the assets of TOMORROW INTERNET AG to FOCUS DIGITAL AG. In its decision, the Hamburg Regional Court ordered the amendment of the merger agreement of 17 September 2001 with regard to consideration for the transfer of TOMORROW INTERNET AG's assets to FOCUS DIGITAL AG. It specified that the shareholders of TOMORROW INTERNET AG should receive a cash consideration of EUR 0.37 for each transferred TOMORROW INTERNET AG share in addition to the three FOCUS DIGITAL AG shares. Taking into account all transferred TOMORROW INTERNET AG shares, this decision would mean an additional cash payment of EUR 7,896,540.00 in total. According to the Hamburg Regional Court's decision, the additional payment which would have been due on 26 January 2002 is subject to annual interest of two percent above the relevant base rate pursuant to section 247 of the German Civil Code (Bürgerliches Gesetzbuch, BGB).

The Management Board and Supervisory Board believe that the Hamburg Regional Court's decision contradicts supreme court jurisprudence relating to the appraisal of expert evidence and the principles of valuation ratios in mergers established by the Stuttgart Higher Regional Court in 2006. It therefore considers the

Hamburg Regional Court's decision to be flawed. On 3 November 2006, it lodged an appeal with the Hanseatic Higher Regional Court in Hamburg. The appeal was not brought before the Hanseatic Higher Regional Court in 2008 and no date has yet been set for the hearing in 2009.

The Management Board believes that this decision, which does not have legal force, does not currently have any impact on the company's balance sheet. Adequate provisions have been made for court costs. Further impacts on the balance sheet, in particular the inclusion of a provision in the amount of the additional payment stipulated by the Hamburg Regional Court and, inversely, the upward adjustment of the valuation of TOMORROW FOCUS PORTAL GMBH, are not currently quantifiable as a result of the length of the proceedings and uncertainty as regards the outcome and thus the actual amount of any additional payment that may have to be made. Even if the higher valuation of the subsidiary were to be capitalised, the Management Board does not believe that this would have an impact on the income statement.

Finally, until a binding court decision is reached, there will be no direct impact on the company's cash position, since any additional payment to former shareholders of TOMORROW INTERNET AG will not be made until the award proceedings decision (Spruchstellenverfahren) and a separate payment proceedings decision become absolute.

Financial risks of the TOMORROW FOCUS Group

The TOMORROW FOCUS Group is primarily exposed to liquidity, currency and interest rate risks.

Negative developments on the capital markets can substantially increase the Group's financing costs and seriously reduce its flexibility with regard to borrowing. The current situation in the wider economy, especially within the global banking system, is already leading to restrictions on the ability of companies, including those based in Germany, to obtain credit. A further deterioration is entirely possible and could affect the TOMORROW FOCUS Group and its liquidity position. The liquidity risk is that available liquid resources may not be sufficient to meet financial obligations within the stipulated periods. The TOMORROW FOCUS Group conducts regular simulati-

ons and analyses different scenarios to reduce the risk of an unexpected shortage of liquidity or financing. It also strives to gradually reduce its dependence on external borrowing.

The Group's assets, liabilities and financial position are affected to a great extent by the development of its operating divisions and by portfolio measures. A decline in operating results and cash flows or an increase in net debt could reduce its credit rating, which in turn could drive up the cost of funds and put constraints on its business operations.

The TOMORROW FOCUS Group currently has an 'investment grade' credit rating at its house banks. As a result, it can take advantage of comparatively attractive refinancing options. This is clear, for example, from its available credit lines. As at 31 December 2008, the TOMORROW FOCUS Group could draw on credit lines totalling EUR 8 million.

However, the risk of encountering greater difficulties accessing funds on the capital markets has increased since the previous year as a result of the above-mentioned restrictions on corporate lending.

With effect from 1 January 2008, the Group's liabilities towards HOLIDAYCHECK AG were translated from Swiss francs to euros. This means that HOLIDAYCHECK has now adopted the euro as its functional currency, and its income will be calculated in euros accordingly. There is a risk that the company's salary, rent, marketing and other costs could rise substantially in the event of an increase in the relative value of the Swiss franc against the euro, and this could have a negative impact on HOLIDAYCHECK AG's profits. The Group is currently preparing to hedge this currency risk to provide at least a partial buffer against extreme fluctuations.

The TOMORROW FOCUS Group is also exposed to a default risk in connection with its operating activities. Accounts receivable are managed on a decentralised basis by the subsidiaries due to the diversity of business segments in which the Group operates and the resulting diverse debtor structure. The Group counteracts default risks in connection with financial investments and accounts receivable by way of a regular control system, continuous liquidity monitoring and liquidity control, and consistent debt management. The default risk has tended

to rise in the wake of the prevailing economic crisis and may well increase further if the crisis continues.

Asset impairment risks of the TOMORROW FOCUS Group

TOMORROW FOCUS AG regularly assesses the value of the entire Group's assets. It performs impairment tests to assess whether there is any impairment in the value of goodwill, intangible assets or property, plant and equipment. This might result in major asset write-downs which would not lead to payouts, but could considerably depress the TOMORROW FOCUS Group's results.

TOMORROW FOCUS AG counteracts this as best as possible by way of central investment controls and monthly reports from all Group companies. Deviations from targets are reported to the Management Board promptly so that suitable countermeasures can be initiated. Nevertheless, the risk is more pronounced than in the preceding year as a result of the current economic situation.

Other operational risks of the TOMORROW FOCUS Group

The TOMORROW FOCUS Group's Portal division uses and profits from established 'offline' brands. The success of the online versions of these brands depends, inter alia, on their promotion outside the internet, even though this dependency has successively lessened in recent years. Any discontinuation of the printed magazine FOCUS is likely to have tangible consequences in terms of the popularity of the online version and thus could lead to a decline in reach figures. Given the close link between advertising revenue and the site's reach, any fall in user numbers is likely to depress advertising revenue. Furthermore, as FOCUS ONLINE obtains some of its content from the printed magazines, their discontinuation would force it to generate its own content at considerable expense or to purchase content from other sources.

The TOMORROW FOCUS Group's success, for example, is dependent on the success of the 'Focus' brand and benefits from the popularity of Focus magazine. FOCUS ONLINE content is developed by the company's own in-house editing team, though it is geared towards the

content and design of the FOCUS and FOCUS MONEY magazines. In March 2000, the licence rights were limited to a period of 30 years. Lifelong licence agreements for marketing rights have been concluded with the MILCHSTRASSE publishing group in respect of the TV SPIELFILM, CINEMA and FIT FOR FUN publications. TOMORROW FOCUS AG's success is also linked to the offline success of the above brands. It has unlimited worldwide rights to the MILCHSTRASSE brands in all languages. A licence agreement has been concluded with R.C.S. Periodici S.p.A. to market the AMICA and MAX publications albeit only in German.

TOMORROW FOCUS AG holds all rights to reproduce and market the above brands via the internet and other online media. The company holds the rights to innovative services such as an electronic programming guide, use with mobile terminals or other online media, irrespective of the mode of transmission. However, it cannot be ruled out that future technical and legal convergence of television and the internet will cause ambiguities relating to utilisation rights on internet TV.

PLAYBOY Deutschland Publishing GmbH, Munich, Germany, is a licensee of PLAYBOY Enterprises Inc., Chicago, USA. The licence, which runs to the end of 2012, grants an exclusive entitlement to publish a printed magazine, a website and a mobile service under the PLAYBOY name and using the PLAYBOY logo in Germany, Austria and Switzerland. PLAYBOY Deutschland Publishing regularly obtains editorial content from PLAYBOY Enterprises for its own printed, online and mobile publications and services. According to recent media reports, PLAYBOY Enterprises is currently facing financial difficulties that could, for example, potentially lead to the sale of parts or all of that company or to the discontinuation of certain business units. At present, it is not possible to determine the likelihood of any of these scenarios and what specific risks and opportunities could arise for PLAYBOY DEUTSCHLAND PUBLISHING GMBH as a licensee and purchaser of editorial content.

The company's systems can be subject to attacks, e.g. by computer viruses, which would interrupt the TOMORROW FOCUS Group's network or access to this network and the portals. Such security breaches can cause significant damage as a result of the restore-to-

service costs and lengthy portal downtime. It is, however, extremely improbable that this risk will occur due to the wide range of defensive measures which are in place, such as state-of-the-art firewall technology and virus detection software.

Overall assessment of risks

Between 2007 and 2008, there was a substantial deterioration in the overall risk situation of the TOMORROW FOCUS Group, in particular in terms of financial and asset impairment risks, as a result of the prevailing economic crisis in Germany. The risks outlined in the risk report could potentially cause significant damage to the TOMORROW FOCUS Group's earnings, asset and financial position. However, when all known facts and circumstances are taken into consideration, no risks currently exist that could jeopardise the company's continued existence in the foreseeable future.

11. Opportunities report

Economic opportunities of the TOMORROW FOCUS Group

As a business in the internet sector, consumer confidence and spending can have a direct or at least indirect impact on the future revenue development of the TOMORROW FOCUS Group. If the wider economy develops more positively than forecast, this can provide a boost to revenue and profitability. The same applies to higher demand driven by tax policy amendments. Legislative changes, such as changes to the rate of taxation on corporate profits, can also have a positive impact on the Group's profitability.

Market opportunities of the TOMORROW FOCUS Group

As an established group of companies with a strong position in some areas of the internet, the Management Board of TOMORROW FOCUS estimates that the Group is well placed to benefit in the medium and long term from an anticipated period of consolidation in the industry as a result of the economic crisis. This should enable it to take a greater share of the market and in doing so to boost revenue and profits, as expected. Equally, as the stationary and especially the mobile internet continue to penetrate the market in Germany and Europe, there are opportunities for the TOMORROW FOCUS Group to achieve a sustained increase in revenue and profits.

In the Portal division, the continuous increase in internet reach could boost the number of visitors to the Group's own portals and those it markets on behalf of its partners. This would have a positive impact on the future income and profit situation.

In the E-Commerce division, the internet's progressive market penetration could help to intensify the use of TOMORROW FOCUS' own transaction-based internet portals and thereby contribute to an improvement in the future revenue and profit situation.

In particular, HOLIDAYCHECK and ELITEMEDIANET could benefit from the higher volume of internet-based transactions that would be associated with the internet's progressive market penetration. At HOLIDAYCHECK, this

could lead to an increase in the number of holidays booked. At ELITEMEDIANET, the number of paying members would probably rise.

The general expectation for the Technologies division is also that the internet's progressive market penetration will positively impact the future order situation and thus revenue and profits.

Specifically, this would boost order levels at TOMORROW FOCUS TECHNOLOGIES with a corresponding increase in CELLULAR's orders for internet IT services.

The current recession in Germany could permanently increase the price sensitivity of the population as a whole. Given the relatively high level of price transparency of the internet compared to the stationary trade in goods and services, it is possible that the internet could increase its overall market share. Within the TOMORROW FOCUS Group, the principal beneficiary here would be HOLIDAYCHECK AG.

Another outcome of the current recession has been lower advertising prices on television and radio, in print and online. If this situation persists or becomes more pronounced over a longer period, it is likely that both HOLIDAYCHECK and ELITEPARTNER would benefit. As companies with a traditionally high ratio of marketing costs to total costs, their costs per order (CPO) might well remain at a low level or sink even further thus increasing profits.

Other opportunities arising from operating activities

The continuous optimisation of key business processes and strict controls on costs are crucial in assuring high levels of profitability and return on capital. With individual companies and divisions placing their expertise at the disposal of the Group as a whole, the TOMORROW FOCUS Group is able to exploit cost synergies to support profits. One concrete example of this lies in the area of search engine optimisation.

A large number of initiatives are currently being pursued or planned with a view to achieving an even leaner cost structure. The Group's ongoing target in this respect is to simplify the processes of its constituent companies and divisions in order to reduce operating inefficiencies.

Strategic opportunities of the TOMORROW FOCUS Group

The Group's corporate strategy is coordinated by the holding company and monitored and agreed on a regular basis in consultation with the divisions. An experienced management team and streamlined corporate structures also provide an excellent basis for the three business divisions to make the most effective use of potential opportunities and achieve sustained growth. A close-knit structure and positive interaction between the companies making up TOMORROW FOCUS also present opportunities such as could only be created within a diversified group. This gives us an edge over those of our independent competitors who only cover a single market segment.

Personnel opportunities of the TOMORROW FOCUS Group

The TOMORROW FOCUS Group provides numerous opportunities for its staff to obtain additional qualifications and attend professional development courses. It also offers additional benefits such as performance-related pay systems. As a result of these measures and its successful record in recent years, the organisation sees itself as an attractive employer and one that is in a position to make effective use of its employees' skills to exploit potential business opportunities. It therefore currently classifies the risk of significant impairment to business development as a result of the loss of employees and managers as improbable.

Financial opportunities of the TOMORROW FOCUS Group

Favourable exchange rate and interest rate developments could have a positive impact on the Group's financial result. Our financial department monitors developments in the financial markets closely in order to identify opportunities.

Overall assessment of opportunities

There were no significant changes in the TOMORROW FOCUS Group's opportunities situation between 2007 and 2008. There is always a chance that the relevant indicators will develop more positively than expected,

with a correspondingly positive impact on the Group's earnings, asset and financial position. The Management is still confident that TOMORROW FOCUS's market position as a diversified internet group provides a solid basis for future business development and the necessary resources to allow it to take advantage of any opportunities that arise.

12. Takeover-related disclosures and notes pursuant to section 289, paragraph 4 and section 315, paragraph 4 of the German Commercial Code (Handelsgesetzbuch, HGB)

Share capital structure

As at 31 December 2008, the company's subscribed share capital amounted to EUR 47,122,125. The share capital is divided into 47,122,125 notional no-par-value bearer shares, each with a nominal value of EUR 1.00. The share capital is paid up in full. The shareholders have no entitlement to the issue of physical shares in accordance with article 4, paragraph 3 of the articles of association, except when the issue of physical shares is required under the rules and regulations of the stock exchange where the shares are listed. Global certificates can be issued. All shares carry the same rights and obligations. Each share entitles the holder to one vote at the shareholders' meeting and evidences the right to a portion of the company's distributable profit. This does not apply to treasury shares held by the company, in respect of which the company does not have any rights. The shareholders' rights and obligations are specified in particular in sections 12, 53a et seq, 118 et seq and 186 of the German Stock Corporation Act (Aktiengesetz, AktG).

Transfer and voting right restrictions

The management of TOMORROW FOCUS AG acquired 500,000 shares in the company on the OTC market on 22 August 2007. The share package was sold by BURDA Digital Ventures to the executive officers. Stefan Winners, CEO of TOMORROW FOCUS AG, acquired 150,000 shares, and CMO Christoph Schuh acquired 110,000 shares in the company. The remaining 240,000 shares are distributed among TOMORROW FOCUS AG's executive officers.

The objective is to provide an additional share-based incentive for the management team to enhance the company's performance and to promote their long-term loyalty to the company. The lock-up period for the entire share package expires on 31 December 2010. Members of the management team have the option of returning the shares to BURDA Digital Ventures for the acquisition price in 2011.

Disclosures relating to direct and indirect shareholdings

According to the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), any investor whose share of voting capital reaches certain thresholds as the result of purchases, disposals or otherwise must notify the company in question and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of this fact.

Direct or indirect shareholdings which comprise or exceed 10 percent of the company's voting rights were reported pursuant to section 21, paragraph 1, sentence 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) in a letter dated 10 September 2008 from Burda GmbH, Offenburg, Germany, and Burda Digital Ventures GmbH, Offenburg, Germany:

1. Burda GmbH, Offenburg, Germany, notified the company pursuant to section 21, paragraph 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that the share of voting rights held by Burda GmbH in TOMORROW FOCUS AG on 25 February 2005 had exceeded the 25 percent threshold and on that date had stood at 29.02 percent (12,435,242 voting rights). Accordingly, the share of voting rights attributable to Burda GmbH under section 22, paragraph 1, sentence 1, number 1 of the German Securities Trading Act (WpHG) was 29.02 percent (12,435,242 voting rights). Voting rights were attributed to Burda GmbH in relation to stock held by the following shareholders, whose share of the voting rights in TOMORROW FOCUS AG stood at 3 percent or above:
 - Burda Digital Ventures GmbH
 - FOCUS Magazin Verlag GmbH

2. Burda GmbH, Offenburg, Germany, also notified the company pursuant to section 21, paragraph 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that the share of voting rights held by Burda

GmbH in TOMORROW FOCUS AG on 22 August 2007 had been below the 30 percent threshold and on that date had stood at 29.46 percent (12,625,246 voting rights). Accordingly, the share of voting rights attributable to Burda GmbH under section 22, paragraph 1, sentence 1, number 1 of the German Securities Trading Act (WpHG) was 29.46 percent (12,625,246 voting rights).

Voting rights were attributed to Burda GmbH in relation to stock held by the following shareholders, whose share of the voting rights in TOMORROW FOCUS AG stood at 3 percent or above:

- Burda Digital Ventures GmbH
- FOCUS Magazin Verlag GmbH

3. Burda GmbH, Offenburg, Germany, also notified the company pursuant to section 41, paragraph 4a, sentence 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that the share of voting rights held by Burda GmbH in TOMORROW FOCUS AG on 20 January 2007 had stood at 30.55 percent (13,093,342 voting rights). Accordingly, the share of voting rights attributable to Burda GmbH under section 22, paragraph 1, sentence 1, number 1 of the German Securities Trading Act (WpHG) was 30.55 percent (13,093,342 voting rights).

Voting rights were attributed to Burda GmbH in relation to stock held by the following shareholders, whose share of the voting rights in TOMORROW FOCUS AG stood at 3 percent or above:

- Burda Digital Ventures GmbH
- FOCUS Magazin Verlag GmbH

4. Burda Digital Ventures GmbH, Offenburg, Germany, also notified the company pursuant to section 41, paragraph 4a, sentence 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that the share of voting rights held by Burda Digital Ventures GmbH in TOMORROW FOCUS AG on 20 January 2007 had stood at 23.11 percent (9,902,100 voting rights).

Special rights

Shares vested with special rights, such as controlling powers or delegation rights, do not exist.

Voting right controls on shares held by employees

The Management Board is not aware of any voting right controls on shares held by employees of TOMORROW FOCUS AG.

Appointment and dismissal of Management Board members and amendments to the articles of association
The appointment and dismissal of Management Board members is governed by sections 84 and 85 of the German Stock Corporation Act (Aktengesetz, AktG). Management board members are appointed by the Supervisory Board for a maximum term of 5 years. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. Pursuant to article 5, paragraph 1 of the articles of association, the Management Board is made up of one or more persons. The Supervisory Board appoints the members of the Management Board and specifies their number. It can also appoint deputy Management Board members. The Supervisory Board may appoint a chairperson of the Management Board.

Pursuant to article 5, paragraph 2, the company is represented by two members of the Management Board or by one member of the Management Board in conjunction with another employee holding general commercial power of attorney ('Prokurist' under German law). In this respect, deputy Management Board members have the same status as ordinary board members. If only one member of the Management Board is appointed, he or she represents the company alone. The Supervisory Board may grant one or all members of the Management Board the authority to represent the company alone and/or exempt them from the ban on multiple representation under section 181 of the German Civil Code (Bürgerliches Gesetzbuch, BGB). The authority of sole representation and/or exemption from the ban on multiple representation under section 181 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) may be revoked at any time. Pursuant to section 84, paragraph 3 of the German Stock Corporation Act (Aktengesetz, AktG), the appointment of Management Board members and the appointment of the chairperson of the Management Board may be revoked if there is good cause.

Amendments to the articles of association are subject to a resolution of the shareholders' meeting pursuant to section 179 of the German Stock Corporation Act (Aktengesetz, AktG). The authority to make amendments to the wording only is accorded to the Supervisory Board in article 8, paragraph 9 of the articles of association. The Supervisory Board is also authorised by resolution of the shareholders' meeting to amend article 4 of the articles of association in accordance with the use of

contingent capital.

Shareholders' meeting resolutions are made by simple majority pursuant to article 18 of the articles of association unless a larger majority is mandatory by law. Resolutions on amendments to the articles of association require a three-quarter majority of share capital represented according to section 179, paragraph 2 of the German Stock Corporation Act (Aktengesetz, AktG), unless otherwise stipulated in the company's articles of association.

Authority of the Management Board to buy back and issue shares

The Management Board is authorised, subject to Supervisory Board approval, to undertake one or several increases of the company's share capital until 18 May 2009 up to a maximum of EUR 17,062,600 by issuing 17,062,600 notional shares in exchange for cash or non-cash contributions (authorised capital).

The Management Board is authorised, subject to Supervisory Board approval, to exclude shareholder subscription rights in the following circumstances:

- a) if fractional amounts would result due to the subscription ratio when subscription rights are issued;
- b) if a capital increase in exchange for non-cash contributions is effected to enable a corporate acquisition or an equity investment which is in the company's interest.

The share rights and terms and conditions of share issue are established by the Management Board in conjunction with the Supervisory Board. A conditional increase in share capital by up to the nominal amount of EUR 321,600 has been carried out (conditional capital I). The up to 321,600 notional no-par-value bearer shares issued within the framework of the conditional capital increase exclusively serve the purpose of compliance with subscription rights associated with one of the company's stock option plans.

The conditional capital increase is only implemented to the extent that employees and members of the company or an affiliated entity's Management Board exercise the option rights granted to them under the stock option plan. The new shares carry dividend rights from the beginning of the financial year.

A conditional increase in share capital up to the nominal amount of EUR 42,500 by way of issuing up to 42,500 notional no-par-value bearer shares, each representing

EUR 1.00 of share capital, has been carried out (conditional capital II).

This conditional capital increase serves the purpose of compliance with the conversion rights of holders of TOMORROW INTERNET AG convertible bonds pursuant to section 192, paragraph 2 number 1 of the German Stock Corporation Act (Aktiengesetz, AktG) and is only implemented to the extent that the holders of the convertible bonds, which were approved for issue by the Management Board in agreement with the Supervisory Board by resolution of the TOMORROW INTERNET AG's shareholders' meetings of 10 November 1999 and 3 July 2001, exercise their conversion right.

The new shares carry dividend rights from the beginning of the financial year in which the subscription or conversion rights were exercised. The Supervisory Board is authorised to establish the further details of the capital increase in respect of the Management Board and the Management Board in respect of all other persons entitled to the convertible bonds.

The Supervisory Board is authorised to amend the wording of section 4 in accordance with the exercise of conversion rights and the use of conditional capital.

A conditional increase in share capital up to the nominal amount of EUR 3,300,025 by way of issuing up to 3,300,025 notional no-par-value bearer shares has been carried out (conditional capital III). The conditional capital increase exclusively serves the purpose of compliance with option rights held by members of the Management Board of the company and members of the Management Boards of affiliated companies and employees (including senior managers and executive staff) of the company and affiliated companies in Germany and other countries in accordance with the resolution of the shareholders' meeting of 17 June 2002. The conditional capital increase is only implemented to the extent that the issued option rights are exercised. The new shares carry dividend rights from the beginning of the financial year in which they are issued as a result of option rights being exercised.

By resolution of the annual shareholders' meeting of 11 June 2008, the company has been authorised to purchase its own shares subject to the following conditions. This authorisation is limited to the purchase of its own shares worth up to 10 percent of the company's share capital at the time of the decision taken by the shareholders' meeting on 11 June 2008..The

combined total of shares acquired on the basis of this authorisation and other treasury shares held by the company or attributable to the company pursuant to sections 71a et seq. of the German Stock Corporation Act (Aktiengesetz, AktG) may not at any time exceed 10 percent of share capital. The authorisation is valid for eighteen months from the date on which the resolution was adopted.

The shares must be acquired in accordance with the principle of equal treatment (section 53a German Stock Corporation Act (Aktiengesetz, AktG)). At the company's discretion they may be purchased (I) via the stock exchange or (II) within the framework of a public tender offer or a public invitation to make such an offer or (III) within the framework of a public swap offer which is addressed to all shareholders against the shares of an exchange-listed company pursuant to section 3, paragraph 2 of the German Stock Corporation Act (Aktiengesetz, AktG) or a public invitation to make such an offer.

The following applies for the purchase consideration to be provided by the company in respect of the acquired shares:

(I) If the shares are acquired via the stock exchange, the consideration per share paid by the company (excluding ancillary purchase costs) may not be more than 10 percent higher or lower than the Xetra (or a functionally comparable successor trading system's) opening auction price (as a substitute the opening price) for the stock on the trading day in question on FWB Frankfurt Stock Exchange.

(II) If the shares are purchased in the framework of a public tender offer or a public invitation to make such an offer, the purchase price paid or the purchase price bracket (excluding ancillary purchase costs) per share may not be more than 20 percent higher or lower than the arithmetical mean of the Xetra (or a functionally comparable successor trading system's) closing auction price (as a substitute the closing price) for company shares of the same type on the FWB Frankfurt Stock Exchange on the four trading days prior to the date when the public tender offer or the invitation to make such an offer is published. The public tender offer can be adjusted if the authoritative price changes significantly after the offer has been made. In this case, the adjustment is made on the basis of the arithmetical mean of the Xetra (or a functionally comparable successor trading

system's closing auction price (as a substitute the closing price) on the FWB Frankfurt Stock Exchange for the same type of company shares on the last three trading days prior to the official announcement of a possible adjustment. The offer may be limited in terms of volume. If subscription applications for the offer exceed this volume, acceptance must be made on the basis of quotas. Preferential acceptance of low numbers of up to 100 tendered shares per shareholder is acceptable. Compliance with the German Securities Acquisitions and Takeovers Act (Wertpapiererwerbs- und Übernahmegesetzes, WpÜG) must be ensured where applicable. The tender offer may be subject to further conditions.

(III) If acquisition takes place within the framework of a public tender offer or a public invitation to swap shares against the shares of an exchange-listed company pursuant to section 3, paragraph 2 of the German Stock Corporation Act (Aktiengesetz, AktG) ('swap shares'), a certain swap ratio can be specified or determined in an auction. In each swap transaction, the swap price or the authoritative swap price limit in the form of one or several swap shares and arithmetical fractions, including any cash or fractional amounts (excluding ancillary purchase costs), may not be more than 20 percent higher or lower than the authoritative value of the company's share. When making this calculation, the value for each company share and each swap share is always the arithmetical mean of the Xetra (or a functionally comparable successor trading system's) closing auction prices (as a substitute the closing prices) on the FWB Frankfurt Stock Exchange on the four trading days prior to the publication of the share swap offer or the invitation to make such an offer. If the company's swap share is not traded via the Xetra trading system on the FWB Frankfurt Stock Exchange, the closing prices on the stock exchange which traded the highest volume of the swap share over the previous year are used.

The Management Board was authorised to sell treasury shares which the company has already purchased or will purchase in accordance with the above authorisation on the stock exchange or by offering them to all shareholders and/or to use them for any other legally admissible purpose, particularly the following purposes:

a) They can be used to introduce company shares on stock exchanges where they have not been previously admitted to trading.

b) They can be disposed of as non-cash contributions, particularly to third parties in connection with corporate mergers or the acquisition of companies, individual business units, equity holdings or other assets. 'Dispose of' in this case also means to grant conversion rights, subscription rights or purchase options.

c) They may also be disposed of to third parties against cash by other means than the stock exchange or sold by way of an offer to all shareholders.

d) They can be used for the purpose of compliance with conversion or option rights which are issued by the company or subordinate group companies by way of being offered for subscription to the holders of such rights.

e) They can be offered for sale to employees of the company or employees of affiliated entities pursuant to section 15 et seq of the German Stock Corporation Act (Aktiengesetz, AktG) as employee shares, or they can be granted to employees who are entitled to subscribe to shares within the framework of an employee stock option plan.

f) They can be withdrawn without the requirement of a further shareholders' meeting resolution. They can also be withdrawn as part of a simplified process without capital reduction which involves the adaptation of the ratio of remaining no-par-value shares to the company's share capital. The withdrawal can be limited to a portion of the acquired shares.

The total value of the shares sold according to the authorisations in a) to e) and of the shares issued or sold or to be issued through exercise of the authorisation (excluding subscription rights) in direct or corresponding application of section 186, paragraph 3, page 4 of the German Stock Corporation Act (Aktiengesetz, AktG), must not exceed 10 percent of the share capital.

The above authorisations may be exercised on one or more occasions, individually or together, in full or in relation to partial volumes of the acquired shares; the authorisations under b) to e) may also be exercised by dependent entities or those in which the Group has a majority holding or by third parties acting on their behalf or on behalf of the company. The authorisations also cover the use of company shares purchased under previous authorisation decisions in accordance with section 71, paragraph 1, number 8 of the German Stock Corporation Act (Aktiengesetz, AktG).

In the case of a) to c), the shares may only be used if they

are (I) sold for a cash consideration whose value is not significantly below the stock exchange price for company shares of the same type at the time of sale, or (II) sold for a non-cash consideration whose globally assessed value is not unreasonably low.

The stock exchange price referred to under (I) above shall be taken as the opening auction price (or as a substitute the opening price) determined by the Xetra trading system (or a functionally comparable successor trading system) on the FWB Frankfurt Stock Exchange for company shares of the same type on the day of disposal of the shares.

If the company makes use of treasury shares as authorised under d) and e), the applicable price shall be the issue price of the share as specified in the corresponding conversion or option rights or employee stock option programmes.

Shareholder subscription rights are excluded in cases where the shares are used under the authorisations detailed in 6.3. a) to e).

Decisions on the exercise of authorisations to purchase and subsequently make use of the company's own shares are taken by the Management Board with the approval of the Supervisory Board.

The Supervisory Board is authorised to amend the wording of the articles of association depending on the use made in individual cases of the authorisation to call in shares.

As at 31 December 2008, the company did not hold any treasury shares.

Significant agreements to which the company is party that take effect upon a change of control following a takeover bid

TOMORROW FOCUS AG is not aware of any agreements which take effect upon a change of control following a takeover bid.

Compensation agreements between the company and members of the Management Board or employees providing for the event that a takeover bid takes place

If, by Supervisory Board resolution against the will of Stefan Winners and/or Christoph Schuh, the rules of procedure are changed resulting in changes to the business segments assigned to each member of the Management Board or in a significant limitation of the scope of their powers set forth in the rules of procedure, or the current or future chairperson of the Supervisory Board is replaced by someone who is not a member of the current Supervisory Board, each of the two members of the Management Board have the special right to give notice of terminating their employment contracts. If they exercise this right of extraordinary termination, each member of the Management Board is entitled to receive compensation or bridge money. These payments to Stefan Winners and Christoph Schuh may not exceed two times their annual salary.

13. Combined declaration of the Management Board on related party disclosures pursuant to section 312 of the German Stock Corporation Act (Aktiengesetz, AktG)

According to the circumstances known to us at the time of each transaction between entities in the TOMORROW FOCUS Group, all entities received adequate consideration and no entity was disadvantaged as a result of measures taken or not taken.

Munich, Germany, 26 March 2009



Stefan Winners
Chief Executive Officer



Christoph Schuh
Chief Marketing Officer

14. Outlook

Recession in Germany continues

Based on a range of financial market and macro-economic indicators, Deutsche Bank's Frankfurt Economic Research Bureau anticipates that the rate of contraction currently being experienced is likely to slow in the immediate future. With a number of significant fiscal stimuli expected over the coming months, it believes there is a greater probability that the bottom will be reached and that the second half-year of 2009 will show renewed positive growth. However, it also points out that any growth is likely to be halting for a considerable time. Specifically, Deutsche Bank expects global economic output, i.e. the total of national GDP figures, to contract by 0.6 percent in 2009.

With regard to Germany, the experts at Deutsche Bank anticipate that GDP will fall by 3.5 percent in the current year. For the first quarter, they forecast an annualised decline of 4.8 percent, with the second and third quarters showing a less marked downturn and a recovery beginning in the fourth quarter.

Mixed outlook for the industry

The business forecast for TOMORROW FOCUS Group's key market segments in the remainder of 2009 is described below.

Online advertising

According to Nielsen Media Research's latest figures, gross expenditure in Germany for classic online advertising in January 2009 was almost EUR 110 million, which is around 20 percent higher than expenditure in January 2008.

We believe that growth in net expenditure in Germany during January 2009 is actually around 15 percent due to a general reluctance of companies and agencies to make investments in advertising in an economic environment that has been shaken by the global economic crisis. Another important reason is that existing online advertising customers continue to find a large range of online portals and new web 2.0 services. The result is tough price competition in the German online advertising market, and the company believes this will trigger a process of further consolidation and concentration in the online marketing sector over the current year.

At the same time, the opposite trend of advertising customers investing an increasing portion of their total advertising budget in online advertising is likely to continue in 2009.

Bearing these developments in mind and on the premise that a general recovery in the wider economy begins in autumn, the Management Board expects to see modest growth in net online advertising expenditure in Germany in 2009.

E-Commerce

We believe that the trend of growth in internet usage in Germany in recent years will continue in 2009. The German market for transaction-financed B2C e-commerce business should profit from this trend.

It is assumed that the internet will continue to gain in significance as a tourism marketing channel. TOMORROW FOCUS AG therefore expects growth in online holiday and hotel bookings in the current year.

The company estimates that the online market for reputable dating portals should also profit from the German population's increased internet usage in 2009 and that the growth rate is likely to remain at the same level as in the previous year.

TOMORROW FOCUS AG believes that circulation and advertising income will decline in the market for men's lifestyle magazines this year. The problematic situation in the market for fee-based erotic portals is also likely to continue in 2009. The main reason for this, in our opinion, is the existence of comparable free pornographic websites that do not implement rigorous age checks.

IT services

Growth of 3.7 percent to EUR 33.7 billion is expected in the German IT services market this year according to the most recent survey of the German Association for Information Technology, Telecommunications and New Media (Bundesverband für Informationswirtschaft, Telekommunikation und neue Medien, BITKOM). The Management Board regards this assessment as too positive and anticipates that spending on IT services, including web-based IT services for the stationary internet, will either stagnate or fall slightly. It is possible that web-based IT services for the mobile internet may escape this general stagnation or decline.

Outlook for the TOMORROW FOCUS Group

The current economic crisis has demonstrated that the greatest strength of the TOMORROW FOCUS Group lies in its diversified market position within the internet sector.

The Management Board anticipates the following developments in the Group's three business divisions:

Portal division - strict cost management

The Portal division's unsatisfactory results in 2008 were due to sluggish orders for online advertising. With bookings likely to remain depressed in 2009, there will be a continued emphasis on reducing costs. This will involve a range of measures including a number of staffing cuts on editorial boards and in online marketing. As far as possible, these will be implemented in such a way as to minimise their social impact. TOMORROW FOCUS will also explore ways of exploiting potential synergies and partnerships both within and outside the Group in order to achieve further cost reductions.

Capital expenditure projects will be limited to the automated news portal NACHRICHTEN.DE and the automated finance portal currently being produced under the working title FINDOCS. It is expected that both portals will be launched during the first half of 2009.

In the area of online marketing, the Group intends to continue its successful policy of acquiring new marketing partners. This should be aided by a probable consolidation of German online marketing providers in the near future. In doing so, the aim is to exploit economies of scale and to further consolidate our own position as one of Germany's five biggest online marketing providers.

E-Commerce division – investing in further growth

The growth of the E-Commerce division in recent years should continue in 2009.

At HOLIDAYCHECK, 2009 will be marked by the ongoing internationalisation of its services. In 2008, HOLIDAYCHECK's Polish-language site was the first of its international platforms to offer an online booking service. Other country sites are expected to follow this example over the current year.

At ELITEMEDIANET, which operates www.ELITEPARTNER.de and which we believe to be Germany's second largest online dating agency in the premium segment after Parship, the aim is to close the gap on the market leader by investing in further growth.

For PLAYBOY Publishing Germany, the aim is to reconfirm PLAYBOY's number one position among German-language men's lifestyle magazines and thus return a profit in 2009 despite what is likely to be a difficult year in terms of its advertising business.

Technologies division – maintaining overall stability

Overall, revenue and profits in the Technologies division for the current financial year are expected to be around the level of 2008.

Although orders are likely to show a year-on-year fall at TOMORROW FOCUS TECHNOLOGIES GMBH, which specialises in the creation and operation of stationary websites for the publishing industry, targeted cost-saving measures are planned to mitigate the impact.

Given the prevailing boom in mobile websites, the Management Board believes that CELLULAR GMBH, which specialises in this field, will be able to maintain or increase its level of orders.

Profitable growth number one objective

The comprehensive diversification strategy implemented by the TOMORROW FOCUS Group in recent years has provided a large degree of stability in the present economic crisis. While the Portal division is suffering from the impact of lower prices for online advertising as a result of a downturn in bookings, both HOLIDAYCHECK and ELITEPARTNER have benefited from this situation as companies with a traditionally high level of marketing costs.

Revenue in the Portal division is expected to remain around the same level as in 2008, with a series of cost-saving measures helping to improve the earnings situation.

With regard to the E-Commerce division, the Management Board anticipates that growth will continue in the current financial year.

Results in the Technologies division are expected to remain stable at the same level as in 2008.

In the worst-case scenario, if the current situation in the wider economy deteriorates further up to the end of 2009 and beyond, revenue for 2009 and 2010 may in each case fall below the level of the preceding year, accompanied by a decline in profits. In this event, the Management Board will aim to counter the situation by taking more wide-ranging action especially on the net income side.

Assuming a modest recovery in the second half of 2009, however, the Management Board's forward planning anticipates a moderate increase in revenue across the TOMORROW FOCUS Group. The aim will be to improve on the operating results of the previous year. Based on the information currently available, the Management Board expects to see further growth in revenue and profits in 2010.

Munich, Germany, 26 March 2009



Stefan Winners
Chief Executive Officer



Christoph Schuh
Chief Marketing Officer



Oliver Mischke, Controller, TOMORROW FOCUS AG

Consolidated financial statements

118 – 119	Consolidated balance sheet
120	Consolidated income statement
121	Consolidated statement of changes in equity
122 – 123	Consolidated cashflow statement
124 – 125	Consolidated non-current assets 2008
126 – 127	Consolidated non-current assets 2007
128 – 129	Consolidated segment information
130 – 170	Consolidated notes to the financial statement
171	Auditor's report



Consolidated balance sheet

as at 31 December 2008

Assets	NOTES	31 DEC 2008 '000 EUR	31 DEC 2007 '000 EUR
NON-CURRENT ASSETS			
Intangible assets			
Concessions, industrial property rights and similar rights as well as the licences thereto	IV.2	16,343	16,090
Software developed in-house	IV.2	5,558	5,218
Goodwill	IV.2	73,370	71,636
Payments on account		480	111
		95,751	93,055
Property, plant and equipment			
Other plant, furnitures and fixtures	IV.3	1,402	875
Financial assets			
Investments	IV.4	2,834	0
Other loans	IV.4	103	98
		2,937	98
Receivables from affiliated entities	IV.9, VIII.3	35	33
Deferred tax assets	IV.5, IV.18.2	3,521	3,251
TOTAL NON-CURRENT ASSETS		103,646	97,312
CURRENT ASSETS			
Inventories			
Unfinished goods and work in progress	IV.6	512	516
Finished goods and services	IV.6	274	342
		786	858
Receivables and other assets			
Trade receivables	IV.7	10,482	10,338
Receivables from long-term construction contracts	IV.8	0	208
Receivables from affiliated entities	IV.9, VIII.3	1,188	2,798
Liabilities to affiliated entities and related parties		3	0
Income tax receivables		668	436
Other assets	IV.10	1,858	1,653
		14,199	15,433
Securities	IV.11	0	2,810
Cash and cash equivalents	IV.12	20,153	21,505
TOTAL CURRENT ASSETS		35,138	40,606
TOTAL ASSETS		138,784	137,918

Equity and Liabilities			
	NOTES	31 DEC 2008 '000 EUR	31 DEC 2007 '000 EUR
EQUITY	IV,14		
Subscribed capital	IV,14,3	47,122	42,856
Capital reserve	IV.14.3	110,407	102,737
Foreign currency translation reserve	IV.16	-2,100	-2,100
Consolidated accumulated loss		-92,490	-94,756
Majority interests		62,939	48,737
Minority interests		439	490
TOTAL EQUITY		63,378	49,227
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for pensions and similar obligations	IV.18.1	110	76
Deferred tax liabilities	IV.18.2	3,231	3,543
Other provisions	IV.18.3	60	143
Liabilities to banks	IV.19	18,200	18,200
Trade payables	IV.22	1,335	1,678
Other financial liabilities	IV.20	2,425	29,993
TOTAL NON-CURRENT LIABILITIES		25,361	53,633
CURRENT LIABILITIES			
Liabilities to banks	IV.19	327	10,010
Trade payables	IV.22	7,703	7,650
Other provisions	IV.18.3	621	1,397
Liabilities to affiliated entities	VIII.3	3,104	3,020
Income tax liabilities		1,782	1,292
Other liabilities	IV.20	36,508	11,689
TOTAL CURRENT LIABILITIES		50,045	35,058
TOTAL LIABILITIES		75,406	88,691
TOTAL EQUITY AND LIABILITIES		138,784	137,918

Consolidated Statement of income

from 1 January to 31 December 2008

	NOTES	1 JAN-31 DEC 08 '000 EUR	1 JAN-31 DEC 07 '000 EUR
Revenue	V.2	77,126	74,946
Other operating income	V.3	3,321	7,298
Change in inventories of unfinished goods	V.4	-7	101
Own work capitalised	V.5	2,326	2,749
Cost of materials	V.6	-18,302	-22,485
Personnel expenses	V.8	-24,125	-21,586
Depreciation on intangible non-current assets, property, plant and equipment		-3,860	-3,798
Other operating expenses	V.9	-30,761	-25,525
Other taxes		-4	-1
Operating result		5,714	11,699
Financial income	V.10	714	962
Depreciation on financial investment		0	-28
Financial expenses	V.11	-3,392	-1,634
Financial result		-2,678	-700
Earnings before tax		3,036	10,999
Actual taxes	IV.18.2	-1,378	-1,476
Deferred taxes	IV.18.2	620	-800
Tax result		-758	-2,276
Post-tax result of discontinued operations		0	-279
Consolidated net income / loss for the year		2,278	8,444
Thereof attributable to equity holders of the parent		2,266	6,272
Minority interest		12	2,172
		2,278	8,444
		in €	in €
Earnings per share (undiluted and diluted)	IV.15	0,05	0,15
Average number of undiluted shares outstanding		43,031,776	43,031,776
Average number of diluted shares outstanding		43,031,776	43,031,776

Statement of changes in consolidated equity

for the period 1 January to 31 December 2008

Notes	Consolidated equity attributable to equity holders				Total '000 EUR	Minority interests '000 EUR	Total consolida- ted equity '000 EUR
	Subscribed capital '000 EUR	Capital reserves '000 EUR	Foreign currency tr. reserve '000 EUR	Consolidated accumulated loss '000 EUR			
1 JANUARY 2008	42,856	102,737	-468	-101,028	44,097	3,292	47,389
Foreign currency translation adjustments relating to foreign operations	0	0	-1,632	0	-1,632	0	-1,632
Consolidated net income	0	0	0	6,272	6,272	2,172	8,444
Minority interest	0	0	0	0	0	-4,974	-4,974
31 DECEMBER 2007	42,856	102,737	-2,100	-94,756	48,737	490	49,227
Authorised capital increase	4,266	7,678	0	0	11,944	0	11,944
Off-setting of capital increase costs against retained earnings (after tax effect)	0	-8	0	0	-8	0	-8
Consolidated net income for the year	0	0	0	2,266	2,266	12	2,278
Dividend distributed	0	0	0	0	0	-585	-585
Changes in consolidation scope Remaining changes of minority interests in capital	0	0	0	0	0	522	522
31 DECEMBER 2008	47,122	110,407	-2,100	-92,490	62,939	439	63,378

Consolidated statement of cash flows

1 January to 31 December 2008

	NOTES	1 JAN - 31 DEC 2008 '000 EUR	1 JAN - 31 DEC 2007 '000 EUR
Cash flow from operating activities			
Consolidated income for the year		2,266	6,272
Adjustments for the translation of consolidated net income to income/expenditure:			
- Financial income	V.10	-714	-962
+ Financial expenditure	V.11	3,392	1,634
+ Depreciation on intangible assets, property, plant and equipment		3,860	3,798
+ Depreciation on financial assets		0	28
- Deconsolidation gains from Bellevue & More GmbH and travelnetcruise GmbH		0	-5,895
-/+ Exchange rate-related revaluation or devaluation of currency holdings		-24	-200
-/+ Unrealised gains or losses from financial assets		0	178
-/+ Elements of results attributable to minority interests		12	2,172
+ Change in deferred assets	IV.18.2	-620	800
+ Increase in pension provisions	IV.18.1	34	64
= Operating results before changes in net working capital		8,206	7,889
-/+ Gains / losses from the disposal of non-current assets		-128	-154
-/+ Increase / decrease in assets not related to investing or financial activities		3,044	-2,271
+/- Increase / decrease in liabilities not related to investing or financing activities		-1,467	218
- Increase / decrease in receivables / liabilities vis-à-vis affiliated entities and related parties		1,424	2,068
= Cash from current activities		11,079	7,750
- Interest expenses		-151	-67
= Net cash flow from operating activities		10,928	7,683
Cashflow from investing activities			
+ Cash inflow from disposals of intangible assets, property, plant and equipment		952	3,073
- Cash outflow for investments in intangible assets, property, plant and equipment		-5,755	-4,289
- Cash outflow for investments in financial assets		-2,839	0
+ Cash inflow from interest		597	727
+ Cash inflow from divestment of consolidated entities, less alienated capital net of cash divested ¹⁾		0	6,179
- Cash outflow for acquisition of consolidated entities less alienated capital net of cash divested ²⁾	III.2	-6,635	-42,515
= Net cash flow from investing activities		-13,680	-36,825

	NOTES	1 JAN - 31 DEC 2008 '000 EUR	1 JAN - 31 DEC 2007 '000 EUR
Cash flow from financing activities			
+ Cash inflow from capital increases	IV.14.2.4	11,944	0
+ Cash inflow from minority holdings		445	0
- Distribution to minority shareholders		-585	0
+ Cash inflow / outflow from / to borrowings in 2007 / redemption of loans in 2008	IV.19	-10,000	28,200
- Payment of financial leasing obligations		-428	-250
= Net cash used in financing activities		1,376	27,950
Valuation-related changes in cash holdings			
+/- Net cash change resulting from the translation of cash flows to average costs		0	-64
+/- Change in the value of cash holdings due to change in the exchange rate on reporting date		0	-148
+/- Exchange rate-related revaluation or devaluation of currency holdings		24	200
= Valuation-related changes in cash holdings		24	-12
Net increase / decrease in cash and cash equivalents			
		-1,352	-1,204
+ Consolidation-related change in cash ³⁾		0	567
+ Cash and cash equivalents at the beginning of the year	IV.12	21,505	22,142
= Cash at the end of the year		20,153	21,505

Additional information

In the financial year 2007 there was a cash outflow for tax payments of EUR 666 thousand (previous year: cash inflow from taxes of EUR 1,091 thousands).

1) In the previous year this item included net cash inflow from the divestment of the interests in Bellevue & More GmbH, net of cash outflow due to the deconsolidation of travelnetcruise GmbH.

2) In the financial year this item included the acquisition price for 60.00 percent of the shares in FINDOCS GMBH and 50.99 percent of the shares in JAMEDA GMBH, each reduced by the cash acquired. The amount further includes payment of the second tranche of the acquisition price for the shares in ELITEMEDIANET GMBH (including incidental acquisition costs paid in the financial year) as well as payment of the third tranche of the acquisition price for the shares in HOLIDAYCHECK AG. In the previous year this item included the price for the acquisition of a 0.39 percent stake in PLAYBOY DEUTSCHLAND PUBLISHING GMBH, increased by payment of the tranche 1b of the acquisition price and the increase of shares in HOLIDAYCHECK AG as well as the acquisition price for the purchase of the shares in ELITEMEDIANET GMBH, each increased by incidental acquisition costs and reduced by the cash acquired.

3) In the previous year this item included an addition to cash holdings from the increase of holdings in PLAYBOY DEUTSCHLAND PUBLISHING GMBH attributable to the minority interest.

Consolidated non-current assets

for the year 2008

Net carrying amounts

	31 DEC 2008 € '000	31 DEC 2007 € '000
Intangible Assets		
Licences, industrial property rights and similar rights and assets as well as licences to such rights and assets	16,343	16,090
Software developed in-house	5,558	5,218
Goodwill	73,370	71,636
Downpayments	480	111
	95,751	93,055
Property; plant and equipment		
Other property, plant and equipment, furniture and fixtures	1,402	875
	1,402	875
Financial Assets		
Investments	2,834	0
Other loans	103	98
	2,937	98

Intangible Assets

Licences, industrial property rights and similar rights and assets as well as licences to such rights and assets

Software developed in-house

Goodwill

Downpayments

Property; plant and equipment

Other property, plant and equipment, furniture and fixtures

Financial Assets

Investments

Other loans

Acquisition & manufacturing costs

1 JAN 2008 € '000	ADDITIONS € '000	ADDITIONAL INVESTMENT FROM INITIAL CONSOLIDATION € '000	DISPOSALS € '000	BOOK TRANSFER in T €	31 DEC 2008 € '000
27,828	1,910	331	2,163	111	28,017
9,921	2,326	85	668	0	11,664
71,636	0	8,299	6,564	0	73,371
111	480	0	0	-111	480
109,496	4,716	8,715	9,395	0	113,532
3,919	1,040	0	85	0	4,874
3,919	1,040	0	85	0	4,874
28	2,834	0	0	0	2,862
98	5	0	0	0	103
126	2,839	0	0	0	2,965

Accumulated depreciation

1 JAN 2008 € '000	ADDITIONS € '000	ADDITIONAL INVESTMENT FROM INITIAL CONSOLIDATION € '000	DISPOSALS € '000	BOOK TRANSFER in T €	31 DEC 2008 € '000
11,738	1,322	0	1,386	0	11,674
4,703	2,066	0	663	0	6,106
0	1	0	0	0	1
0	0	0	0	0	0
16,441	3,389	0	2,049	0	17,781
3,044	471	0	43	0	3,472
3,044	471	0	43	0	3,472
28	0	0	0	0	28
0	0	0	0	0	0
28	0	0	0	0	28

* also includes additional investments from increase in shares as well as revaluation of put options.

Consolidated non-current assets

for the year 2007

Net carrying amounts

	31 DEC 2007 € '000	31 DEC 2006 € '000
Intangible assets		
Concessions, industrial and similar rights and licenses in such rights and assets	16,090	6,108
In-house developed software	5,218	6,793
Goodwill	71,636	23,618
Advance payments	111	60
	93,055	36,579
Property, plant and equipment		
Other plant, furnitures and fixtures	875	660
	875	660
Financial assets		
Investments	0	0
Other loans	98	109
	98	109

Intangible assets		
Concessions, industrial and similar rights and licenses in such rights and assets		
In-house developed software		
Goodwill		
Advance payments		
Property, plant and equipment		
Other plant, furnitures and fixtures		
Financial assets		
Investments		
Other loans		

Acquisition & manufacturing costs

1 JAN 2007 € '000	ADDITIONS € '000	ADDITIONS DUE TO FIRST- TIME CONCO- LIDATION* € '000	DISPOSALS € '000	DISPOSALS DUE TO DE- CONSOLIDA- TION € '000	RECLASSIFI- CATION € '000	CURRENCY RESERVES € '000	31 DEC 2007 € '000
16,493	2,925	8,305	319	724	1,381	-233	27,828
11,308	2,749	493	3,023	205	-1,321	-80	9,921
23,618	0	52,592	361	3,442	0	-771	71,636
60	111	0	0	0	-60	0	111
51,479	5,785	61,390	3,703	4,371	0	-1,084	109,496
3,795	633	204	439	233	0	-41	3,919
3,795	633	204	439	233	0	-41	3,919
0	28	0	0	0	0	0	28
109	6	0	17	0	0	0	98
109	34	0	17	0	0	0	126

* contains also the entrances from portion heightening as well as re-valuation of PUT options

Accumulated depreciation

1 JAN 2007 € '000	ADDITIONS € '000	ADDITIONS DUE TO FIRST- TIME CONCO- LIDATION* € '000	DISPOSALS € '000	DISPOSALS DUE TO DE- CONSOLIDA- TION € '000	RECLASSIFI- CATION € '000	CURRENCY RESERVES € '000	31 DEC 2007 € '000
10,385	1,123	22	311	676	-1,321	-126	11,738
4,515	2,232	0	494	205	1,321	-24	4,703
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
14,900	3,355	22	805	881	0	-150	16,441
3,135	443	106	418	183	0	-39	3,044
3,135	443	106	418	183	0	-39	3,044
0	28	0	0	0	0	0	28
0	0	0	0	0	0	0	0
0	28	0	0	0	0	0	28

Segment information

for the period 1 January to 31 December 2008

Primary segment information	E-COMMERCE		PORTAL	
	2008 in T €	2007 in T €	2008 in T €	2007 in T €
External revenue	51,131	44,403	19,290	24,693
Inter-company revenue	147	204	1,258	1,216
	51,278	44,607	20,548	25,909
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	14,866	16,815	-2,406	1,127
Depreciation and amortisation	1,620	1,598	1,487	1,376
Earnings by segment before interest and taxes (EBIT)	13,246	15,217	-3,893	-249
Financial result	-3,043	-1,582	617	497
Earnings before taxes (EBT)	10,203	13,635	-3,276	248
Tax result	-651	-420	-19	-35
Result after tax from discontinued operations	0	0	0	0
Consolidated net income / loss for the year	9,552	13,215	-3,295	213
Thereof attributable to				
Equity holders of parent	9,194	11,043	-2,949	213
Minority interest	358	2,172	-346	0
Investments	10,497	62,532	3,219	3,054
Allocable assets thereof:	114,425	112,175	10,650	11,986
<i>receivables from true taxes on income</i>	91	1	0	0
<i>deferred tax assets</i>	901	547	-354	-378
<i>total receivables from taxes on income</i>	992	548	-354	-378
Equity				
Liabilities	60,464	66,125	8,844	7,690
<i>thereof:</i>				
<i>true taxes on income</i>	1,782	1,226	0	66
<i>deferred taxes</i>	3,170	3,543	61	0
<i>total income tax liabilities</i>	4,952	4,769	61	66
Expenses (-) and income (+) not affecting payments, except depreciation and amortisation	0	2,302	0	0
Secondary segment information				
External revenue				
Allocable assets				
thereof:				
<i>receivables from true taxes on income</i>				
<i>deferred tax assets</i>				
<i>Total receivables from taxes on income</i>				

TECHNOLOGIES		ADMINISTRATION		CONSOLIDATION		GROUP	
2008 in T €	2007 in T €	2008 in T €	2007 in T €	2008 in T €	2007 in T €	2008 in T €	2007 in T €
6,705	5,850	0	0	0	0	77,126	74,946
6,046	6,351	773	1,151	-8,224	-8,922	0	0
12,751	12,201	773	1,151	-8,224	-8,922	77,126	74,946
1,552	784	-4,438	-3,228	0	0	9,574	15,498
682	759	71	66	0	0	3,860	3,799
870	25	-4,509	-3,294	0	0	5,714	11,699
-90	-273	-162	658	0	0	-2,678	-700
780	-248	-4,671	-2,636	0	0	3,036	10,999
10	137	-98	-1,958	0	0	-758	-2,276
0	-279	0	0	0	0	0	-279
790	-390	-4,769	-4,594	0	0	2,278	8,444
790	-390	-4,769	-4,594	0	0	2,266	6,272
0	0	0	0	0	0	12	2,172
608	2,362	147	66	0	0	14,471	68,014
4,923	3,541	8,786	10,216	0	0	138,784	137,918
0	0	577	435	0	0	668	436
-10	4	2,984	3,078	0	0	3,521	3,251
-10	4	3,561	3,513	0	0	4,189	3,687
						63,378	49,227
3,152	3,310	2,946	11,566	0	0	75,406	88,691
0	0	0	0	0	0	1,782	1,292
0	0	0	0	0	0	3,231	3,543
0	0	0	0	0	0	5,013	4,835
0	1,840	0	1,753	0	0	0	5,895

GERMANY		SWITZERLAND		OTHER COUNTRIES		GROUP	
2008 in T €	2007 in T €	2008 in T €	2007 in T €	2008 in T €	2007 in T €	2008 in T €	2007 in T €
72,021	70,993	1,958	1,196	3,147	2,757	77,126	74,946
12,654	67,161	1,817	853	0	0	14,471	68,014
112,730	115,810	26,054	22,108	0	0	138,784	137,918
668	436	0	0	0	0	668	436
3,512	3,251	9	0	0	0	3,521	3,251
4,180	3,687	9	0	0	0	4,189	3,687

Notes to the consolidated financial statements

for the financial year 2008

I. General disclosures

TOMORROW FOCUS AG of Munich in Germany (also referred to below as „TOMORROW FOCUS“, „TFAG“ or the „company“) is an internet media enterprise whose objects are the development, production and distribution of online services, print titles and software solutions, the compilation of databases with editorial contents of all kinds for online services, the production of contents and techniques for interactive television, web TV and mobile applications, the marketing of editorial content and advertising space and other services in the field of multimedia and online services, advising businesses in matters of e-commerce and content management solutions, application service providing, arranging partnerships between providers of online services and other enterprises, marketing consultancy and the provision of other marketing services.

The company's shares are admitted to the Prime Standard of Deutsche Börse AG. On the reporting date, 47,122,125 shares of the company were traded on the Regulated Market of the FWB Frankfurt Stock Exchange (ISIN: DE0005495329; stock exchange symbol: TFA). The shares are notional no-par-value bearer shares, each representing EUR 1.00 of the company's share capital.

Stock created by the capital increase from 42,856,475 to 47,122,125 shares was not admitted to trading on the stock exchange until the financial year 2009.

TFAG can be contacted at the following address:

Mailing address:	Visitors' address:
TOMORROW FOCUS AG	TOMORROW FOCUS AG
Postfach 81 01 64	Steinhauser Str. 1-3
81901 München	81677 München

The companies of the TFAG Group are mentioned in the Notes as follows:

- TOMORROW FOCUS PORTAL GMBH, Munich, Germany (“TFP”)
- TOMORROW FOCUS TECHNOLOGIES GMBH, Munich, Germany (“TFT”)
- PLAYBOY DEUTSCHLAND PUBLISHING GMBH, Munich, Germany (“PDP”)
- TF BETEILIGUNGS GMBH (formerly TOMORROW VENTURES GMBH), Munich, Germany (“TFB”)

- BELLEVUE AND MORE GMBH, Hamburg, Germany (“BELL”), (deconsolidated on 31 July 2007)
- TOMORROW TECHNOLOGIES GMBH, Hamburg, Germany (“TTG”)
- TRAVELNET CRUISE GMBH, Munich, Germany (“TNC”), (deconsolidated on 30 June 2007)
- CELLULAR GMBH, Hamburg, Germany (“CELL”)
- HOLIDAYCHECK AG, Kreuzlingen, Switzerland (“HC”)
- ELITEMEDIANET GMBH, Hamburg, Germany (“EP”)
- FINDOCS GMBH, Cologne, Germany (“FINDOCS”)
- JAMEDA GMBH, Munich, Germany (“JAMEDA”)

II. Important accounting policies

II.1. Basis of accounting

The consolidated financial statements of TFAG are prepared in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the EU, and also according to the supplementary rules set out in section 315 a paragraph 1 of the German Commercial Code (Handelsgesetzbuch, HGB).

The consolidated financial statements have been prepared in accordance with the historical cost system, with the exception of the financial assets, which are measured at their fair values and whose adjustments are recognised in the income statement.

In order to prepare the consolidated financial statements, the Management Board has to make the best possible estimations and assumptions on the basis of the information currently at its disposal. These may influence the recognised values of the assets and liabilities, the disclosures concerning contingent assets and liabilities and cost estimates in connection with POCs at the balance sheet date and also the revenue and expenses recognised for the reporting period. The actual results occurring at a later date may differ from these estimations.

The most important assumptions in relation to the future and the main sources of uncertainty at the balance sheet date giving rise to the risk of material adjustments being made to the carrying amounts of the assets and liabilities during the coming financial year are explained below:

a) Impairment of goodwill

The TFAG Group makes an impairment test in relation to goodwill at least once a year or whenever there are any indications that such impairment may have taken place. This requires an estimation of the recoverable value of the cash-generating units to which the goodwill is attributed. To estimate the value in use the Group has to estimate the likely future cash flows from the cash-generating unit and, in addition, select an appropriate discount rate in order to determine the present value of these cash flows. As at 31 December 2008 the carrying amount of the goodwill amounted to EUR 73,370 thousand (EUR 71,636 thousand in 2007). Further details can be found in Note IV.2.

b) Loss carryforwards

TFAG recognises deferred tax assets for tax loss carryforwards, in as far as it is sufficiently certain that the loss carryforwards will be utilised in tax planning. For tax planning TFAG has to make estimates of the tax results to be achieved in the future. As at 31 December 2008 the deferred tax assets for loss carryforwards amounted to EUR 3,207 thousand (EUR 3,207 thousand in 2007) (see also Note IV.18.2).

c) Provisions

TFAG recognises provisions at the amount necessary, according to the best possible estimations, to cover all legal or de facto liabilities that the Group has on the balance sheet date. Future events that could affect the amount needed to meet a liability are taken into account in the sum of the provision, in as far as they could be predicted with sufficient objective certainty. The amount recognised is that which is most likely on an objective assessment of the facts. As at 31 December 2008 Other provisions amounted to EUR 681 thousand (EUR 1,540 thousand in 2007) (see also Note IV.18.3).

d) Uncompleted construction contracts

In applying the percentage-of-completion method, contract revenue was reliably estimated by means of the contract underlying the order. This gives the contracting parties enforceable rights and obligations in relation to the work and services to be performed, defines the consideration to be provided and also the way in which and on what terms the contract work is to be brought to completion. On this basis, the revenue and expenses recorded in

the internal budgeting system are evaluated as completion progresses and reviewed and revised if necessary.

The stage of completion of ongoing projects is usually determined through an inspection by and written confirmation from the other contracting party at the reporting date. If the other contracting party does not provide any confirmation, the ratio between the actual contract costs up to the reporting date and the total estimated contract costs at the reporting date is taken as a reliable estimate of the stage of completion. The only contract costs that are taken into account are those that reflect the work and services performed up to this date (see Note V.2).

e) Measurement of the HolidayCheck put option

The basis for the measurement of the put option is 12 times the expected average EBITDA for 2006 to 2008, namely EUR 10,623 thousand. This is multiplied by the 20 percent equity interest to be acquired and subsequently discounted.

Furthermore, reinvested profits attributable to the minority interests are taken into consideration in the put option and discounted accordingly (see also Note IV.2).

f) Measurement of the Elitemedianet put option

The basis for the measurement of the put option is 13 times the expected average EBITDA for 2009 and 2010, namely EUR 346 thousand. This is multiplied by the 36.93 percent equity interest to be acquired and subsequently discounted.

Furthermore, reinvested profits attributable to the minority interests are taken into consideration in the put option and discounted accordingly (see also Note IV.2).

g) Measurement of the Jameda put option

The basis for the measurement of the put option is 10 times the expected average EBITDA for 2009 and 2010. This is multiplied by the 8.94 percent equity interest to be acquired and subsequently discounted.

TOMORROW FOCUS AG prepares its income statement on the basis of the total cost method.

The company's reporting currency is the euro. Numerical disclosures are generally made in EUR thousand (or EUR '000).

The consolidated financial statements have been prepared on the basis of the separate financial statements of the companies included as at 31 December 2008.

All IFRS standards that were mandatory as at 31 December 2008 have been applied. This also includes the International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

II.2. Changes in the accounting policy

The companies included in the consolidated financial statements all apply the same accounting policy. There has generally been no change in the accounting policy applied in TFAG's consolidated financial statements for 2007.

In addition, the Group has applied the new / revised standards that are mandatory for the financial year commencing on 1 January 2008. The application of these IFRS standards and interpretations has merely resulted in additional disclosures in the consolidated financial statements.

- IFRIC 11 Group and Treasury Share Transactions under IFRS 2
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction

IFRIC 11 Group and Treasury Share Transactions under IFRS 2

This interpretation means that all share-based payment transactions settled through equity instruments have to be accounted for as if these were the enterprise's own equity instruments, even if they have been acquired by third parties or made available by shareholders. IFRIC 11 was adopted by the European Commission on 1 June 2007. Its application became mandatory for financial years beginning on or after 1 March 2007. The application of this interpretation had no effect on the consolidated financial statements

IFRIC 12 Service Concession Agreements

This interpretation means that an enterprise with service concession arrangements with the public sector is not allowed to capitalise the infrastructure as property, plant and equipment, but must account for them as a financial instrument. In accordance with section 315a of the German Commercial Code (Handelsgesetzbuch, HGB), as IFRIC 12 has not yet been adopted by the European Commission, this interpretation need not be applied. The application of this interpretation is not expected to have any effect on the consolidated financial statements as the Group has made no such arrangements.

IFRIC 13 Customer Loyalty Programmes

IFRIC 13 was adopted by the European Commission on 16 December 2008 and – in a departure from IASB rules – is first applicable to financial years beginning on or after 1 July 2008. This interpretation means that when customers are granted customer loyalty award credits, this must be accounted for as a multi-element transaction, i.e. some of the revenue is allocated to the award credits. The first application of this interpretation is not expected to have any effect on the consolidated financial statements as the Group has made no such arrangements.

IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This interpretation regulates the recognition of minimum funding requirements and the limit placed on the measurement of defined benefit assets (asset ceiling). As the Group does not have any plan assets as defined by this interpretation, the interpretation is not applicable to the TF Group. IFRIC 14 was adopted by the European Commission on 16 December 2008.

In October 2008, against the background of the financial crisis, the IASB published a number of changes to IAS 39 (Financial Instruments: Recognition and Measurement) and to IFRS 7 (Financial Instruments: Disclosures). The changes were adopted by the European Commission on 15 October 2008 and apply retrospectively to 1 July 2008. The application of these IFRS standards has merely led to additional disclosures in the consolidated financial statements.

The Group has not applied and does not intend to apply early the following standards and IFRIC interpretations, which have already been published but are either

not yet mandatory or have not yet been adopted by the European Commission:

- IFRS 1 Consolidated and Separate Financial Statements under IFRS in conjunction with IAS 27
- IFRS 2 Share-based Payment
- IFRS 3 Business combinations under IFRS in conjunction with IAS 27
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements (revised September 2007)
- IAS 23 Borrowing Costs (revised September 2008)
- IAS 32 Financial instruments in conjunction with IAS 1
- IAS 39 Recognition and Measurement of Financial Instruments
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-cash Assets to Owners

IFRS 1 Consolidated and Separate Financial Statements under IFRSs in conjunction with IAS 27

The following changes to IFRS 1 and IAS 27 were adopted by the European Commission on 23 January 2009 and are prospectively applicable to financial years commencing from 1 January 2009 onwards. In relation to subsidiaries, jointly controlled entities or associates, this change to the standard allows a company on transition to IFRSs to choose in its opening IFRSs balance sheet between the fair value of a shareholding or the carrying amount of that shareholding established under its previous accounting and valuation rules. On 27 November 2008, the IASB published a revised version of IFRS 1 that simply made a number of improvements with regard to the structure. There were no changes in terms of content or technical matters. IAS 27 also provides for the elimination of the cost method. Dividends from subsidiaries, jointly controlled entities and associates will in future be recognised as income in the parent company's separate financial statements. The Group had not yet concluded its analysis of the effects of this revision at the time when the consolidated financial statements were published.

IFRS 2 Share-based Payment

The change to IFRS 2 was adopted by the European Commission on 16 December 2008 and is applicable to

financial years commencing on or after 1 January 2009. The revised version provides a more precise definition of the term vesting conditions and regulates the cancellation of share-based payments by persons other than the company. It is not expected that the application of this standard will have any effect on the consolidated financial statements.

IFRS 3 Business combinations under IFRSs in conjunction with IAS 27

The revised version of IFRS 3 is applicable to financial years commencing on or after 1 July 2009, where the acquisition date of the business combination lies on or after 1 July 2009. The European Commission is expected to adopt the amendment in 2009. IFRS 3 (2008) establishes new rules for application of the acquisition method in the case of business combinations. The most important new elements concern the valuation of minority interests, the presentation of step acquisitions and the treatment of contingent consideration and ancillary acquisition costs. Under the new rules, minority interests can be valued either at fair value (full goodwill method) or at the fair value of the proportionate share in identifiable net assets. In the case of step acquisitions, the amendment prescribes a revaluation at fair value and recognised in profit or loss on the date control is obtained of the shares in question. In future, any adjustment of contingent consideration (where recognised as an obligation on the date of acquisition) must be reported in profit or loss. Ancillary acquisition costs are recognised as expenses on the date they are incurred. The application of this standard does not currently have any effect on the consolidated financial statements.

IFRS 8 Operating segments

IFRS 8 – Operating Segments was adopted by the European Commission on 21 November 2007 and is mandatory for financial years commencing on or after 1 January 2009. This standard replaces IAS 14 Segment Reporting. IFRS 8 requires the disclosure of financial and descriptive information about ‘reportable segments’. Reportable segments are either operating segments or aggregations of operating segments that satisfy certain criteria. The group had not yet completed its analysis of the effects of this change at the time when the consolidated financial statements were prepared.

IAS 1 Presentation of Financial Statements

IAS 1 – Presentation of Financial Statements (revised) was adopted by the European Commission on 17 December 2008. The new version of this standard prescribes new titles for certain elements of the financial statements. Henceforth, these titles will be used in all standards but are not mandatory for use in financial statements. The main change relates to income and expenditure recognised under equity but not reflected in profit or loss. It will be mandatory to report these items as part of a statement of comprehensive income and no longer in the statement of changes in equity. The group had not yet completed its analysis of the effects of this change at the time when the consolidated financial statements were prepared.

IAS 23 Borrowing Costs

The revised standard IAS 23 – Borrowing Costs was adopted by the European Commission on 10 December 2008 and is mandatory for financial years commencing on or after 1 January 2009. This change requires companies to capitalise certain borrowing costs where previously this had been optional. The group had not yet completed its analysis of the effects of this change at the time when the consolidated financial statements were prepared.

IAS 27 Consolidated and Separate Financial Statements under IFRSs

In January 2008, the IASB published the revised version of IAS 27 – Consolidated and Separate Financial Statements under IFRS (IAS 27 (2008)), which must be

applied to financial years beginning on or after 1 July 2009. The European Commission is expected to adopt it in 2009. The main changes introduced by IAS 27 (2008) concern the reporting of transactions in which an entity retains control and those involving a loss of control. Transactions that do not lead to a loss of control must be recognised in equity as equity transactions. At present, this change is not expected to have any effects on the consolidated financial statements.

IAS 32 Financial instruments in conjunction with IAS 1

On 14 February 2008, the International Accounting Standards Board made changes to IAS 32 and IAS 1 with regard to the classification of puttable financial instruments and obligations arising only on liquidation. As a result of these amendments to the standard, certain financial instruments will be classified as equity rather than as financial obligations, since they represent the most residual interest in the net assets of the entity. The changes take effect for financial years beginning on or after 1 January 2009. The group had not yet completed its analysis of the effects of this change at the time when the consolidated financial statements were prepared. The changes to IAS 32 in conjunction with IAS 1 were adopted by the European Commission on 21 January 2009.

IAS 39 Recognition and Measurement of Financial Instruments

The amendments to IAS 39 were published on 31 July 2008 and are applicable retrospectively to financial years beginning on or after 1 July 2009. They explain the conditions under which inflation risks can be hedged as an underlying as part of an entity’s hedging transactions, and the possibility of using options to hedge one-sided risks. At present, this interpretation is not relevant to the TF Group.

IFRIC 15 Agreements for the Construction of Real Estate

The aim of this interpretation is to achieve a uniform method of accounting by entities that develop real estate and in this capacity sell units before they are completed. This interpretation is not relevant to the TF Group. The European Commission is expected to adopt IFRIC 15 in 2009.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

This interpretation clarifies what should be regarded as a risk when hedging a net investment in a foreign operation and where the hedging instrument, whose purpose is to minimise that risk, may be held within the group of companies. This interpretation is no longer relevant to the TF Group. The European Commission is expected to adopt IFRIC 16 in 2009.

IFRIC 17 Distributions of Non-cash Assets to Owners

The interpretation stipulates that an obligation to pay a non-cash dividend should be recognised on the date on which the distribution of that dividend is no longer at the discretion of the entity. This interpretation is not currently relevant to the TF Group. The European Commission is expected to adopt IFRIC 17 in 2009.

On 22 May 2008, the IASB published its first annual collection of amendments to International Financial Reporting Standards entitled "Improvements to IFRSs". The amendments were adopted by the European Commission on 23 January 2009. A large proportion of the changes are only mandatory for reporting periods beginning on or after 1 January 2009. The Group does not intend to apply the standards earlier than required. Amendments that have an effect on accounting, recognition and valuation have been made to the following standards: IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41. The group had not yet completed its analysis of the effects of these changes at the time when the consolidated financial statements were prepared. In addition, the IASB made changes to the wording of the following standards that have no effect or only a minimal effect on the Group's methods: IFRS 7, IAS 8, IAS 10, IAS 18, IAS 20, IAS 40 and IAS 41. The IASB also made editorial changes to the following standards to ensure that the terminology used matches that of other IFRSs: IAS 20, IAS 29, IAS 33, IAS 40 and IAS 41.

II.3 Scope of consolidation as at 31 December 2008

TFAG holds the majority of the voting rights and/or exercises control in the case of all subsidiaries where it owns at least 50 percent of the share capital.

TOMORROW FOCUS TECHNOLOGIES GMBH, TOMORROW FOCUS PORTAL GMBH, CELLULAR GMBH and PLAYBOY DEUTSCHLAND PUBLISHING GMBH took advantage of the exemption rules in section 264 paragraph 3 of the German Commercial Code (Handelsgesetzbuch, HGB) in the annual financial statements as at 31 December 2008.

Changes in the scope of consolidation

Purchase of Findocs GmbH

The Group acquired 60 percent of the shares in FINDOCS GMBH under an agreement dated 11 June 2008. This purchase was made as part of a capital increase with a payment of EUR 60,000 into the company's share capital and additional payments of EUR 600 thousand in 2008 into the capital reserve. FINDOCS GMBH became part of the consolidated group of TOMORROW FOCUS AG on 1 July 2008. For more detailed information, please see the section below on business combinations.

Purchase of Jameda GmbH

The Group acquired 50.99 percent of the shares in JAMEDA GMBH under an agreement dated 7 July 2008. This purchase was made as part of a capital increase with a payment of EUR 42,500 into the company's share capital and additional payments of EUR 395 thousand in 2008 into the capital reserve. JAMEDA GMBH became part of the consolidated group of TOMORROW FOCUS AG on 7 July 2008. For more detailed information, please see the section below on business combinations.

Scope of consolidation				
COMPANY	PLACE	SHARE OF CAPITAL (PERCENT)	SUBSCRIBED CAPITAL 31 DEC. 2008 (EUR '000)	SEPARATE FINANCIAL STATEMENTS IFRS* (EUR '000)
TOMORROW FOCUS AG	Munich	–	47,122	–9,274
TOMORROW FOCUS Technologies GmbH	Munich	100	26	8
TOMORROW FOCUS Portal GmbH	Munich	100	100	746
TF Beteiligungs GmbH	Munich	100	950	–3,699
TOMORROW Technologies GmbH	Hamburg	100	100	2
Cellular GmbH	Hamburg	100	25	–30
HolidayCheck AG**	Bottighofen / Switzerland	80	60	12,241
Elitemedianet GmbH**	Hamburg	63.07	47	19
Findocs GmbH	Cologne	60	100	–219
Jameda GmbH**	Munich	50.99	83	–521
Playboy Deutschland Publishing GmbH	Munich	50.39	25	–96

* Results from Group perspective before minorities ** Put/call options in place for these companies covering additional shares

II.4 Consolidation methods

The consolidated financial statements comprise the annual accounts of TOMORROW FOCUS AG and its subsidiaries as at 31 December of each financial year. The separate financial statements of the subsidiaries are prepared at the same balance sheet date as those of the parent company. Uniform accounting policies have been adopted.

All intragroup balances, transactions, revenue, expenses, profits and losses from intragroup transactions contained in the carrying amount of assets are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, i.e. from the time when the TFAG Group gains control. Subsidiaries are no longer included in the consolidated financial statements as soon as the parent company surrenders control.

In the case of external mergers, the financial statements are prepared using the acquisition method of accounting. This means that the historical costs of the merger are distributed over the acquired, identifiable assets and the acquired identifiable liabilities and contingent liabilities according to their fair values on the date of acquisition.

In the case of mergers within the Burda Group, the acquired assets and liabilities are recognised at their carrying amounts.

Minority interests represent the part of the results and the net assets that are not attributable to the Group. Minority interests are shown separately in the consoli-

dated income statement and in the consolidated balance sheet. In the consolidated balance sheet they are shown in equity, separately from the equity attributable to the shareholders of the parent company. The acquisition of minority interests is reported according to the parent entity method. This means that the difference between the purchase price and the carrying amount of the proportion of net assets acquired is recognised as goodwill. With regard to the new business combinations in the TF Group, the minority interest corresponding to the put option is accounted for in the consolidated financial statements under Other financial liabilities in accordance with IAS 32.

All subsidiaries where TOMORROW FOCUS AG holds more than 50 percent of the share capital are recognised as fully consolidated companies in the consolidated financial statements of TOMORROW FOCUS AG.

II.5 Currency translation

The consolidated financial statements are prepared in euros, the Group's functional currency and presentation currency. Each entity within the Group determines its own functional currency. The items included in the financial statements of the entity in question are measured in this functional currency. Transactions in foreign currency are initially translated between the functional currency and the foreign currency at the spot rate valid on the date of the transaction. Monetary assets and liabilities in a foreign currency are translated into the functional currency

on the reporting date. All currency differences are recognised in the income statement.

In the financial year 2008, all the entities within the Group adopted the euro as their functional currency. HOLIDAYCHECK AG, which had previously used the Swiss franc as its functional currency for accounting purposes, switched to the euro on 1 January 2008. As a result of its expansion in the eurozone, the company's revenue is now almost entirely in euros, and the proportion of its costs in euros is also growing.

Translation of annual financial statements into functional currencies

Non-monetary items that are measured at historical cost in a foreign currency were translated in 2007 at the rate applicable on the date of the transaction. Non-monetary items measured at their fair value in a foreign currency were translated at the rate applicable at the time that the fair value was calculated. The income and expenses of HOLIDAYCHECK were translated in 2007 at the weighted average for the financial year.

The resulting translation differences are recognised as a separate part of equity. The rate of exchange used on the reporting date for 2007 was CHF 0.6043 to EUR 1.00 and the average rate used for 2007 was CHF 0.6088.

II.6 Accounting policies

Mergers are reported using the acquisition method. This means recognising the identifiable assets (including intangible assets not previously recognised) and liabilities as well as the contingent liabilities of the acquired entity at fair value.

On initial recognition, goodwill from the merger is measured at historical cost. This is calculated as the surplus of the historical costs of the merger over the acquirer's share of the fair values of the identifiable assets and liabilities as well as the contingent liabilities of the acquired entity. After initial recognition, goodwill is measured at historical cost less accumulated impairment losses. Any surplus after deducting the historical cost from the newly acquired and revalued capital share is recognised in the income statement after a check has been made on the attributable fair value.

On the complete sale of a subsidiary, the difference between the selling price and the net assets plus accu-

mulated foreign currency differences and the attributable goodwill are recognised in the income statement.

Intangible assets acquired from third parties in return for payment are recognised at cost less amortisation according to the straight-line method over their normal useful lives. They are recognised only if it is sufficiently certain that a benefit will thus accrue to the enterprise and the acquisition costs of the asset can be reliably determined.

The normal useful life of an asset is generally estimated taking account of the following criteria:

- likely use of the asset by the enterprise;
- typical product life cycle and public information concerning the estimated useful lives of comparable assets;
- technical, technological and other types of obsolescence;
- stability of the sector in which the asset is employed.

Internally generated intangible assets are recognised to the extent of the directly attributable development costs if all the conditions set out in IAS 38.57 have been fulfilled. The capitalisation of the costs ends when the product has been completed and has been generally released. According to IAS 38.57, the following six requirements need to be met in order for development costs to be capitalised; in the following cases they have been met in full:

1. technical feasibility of the completion of the asset so that it is available for internal use and/or sale;
2. the intention to complete the development and to either use or sell the intangible asset;
3. the ability to either use or to sell the intangible asset;
4. evidence of likely future economic benefits;
5. the availability of adequate technical, financial and other resources to complete the development and the ability to either use or to sell the intangible asset and
6. the ability to establish a reliable measure of the expenditure attributable to the company during the development of the asset.

In accordance with SIC-32, relaunches were not capitalised on producing the website if these were only updates of pre-existing sites.

Expenses for research and general development that do not meet the above criteria are recognised immediately as expense in accordance with IAS 38.

The normal useful life of the asset also forms the basis for the **amortisation of both purchased and internally generated intangible assets**, starting from the time of completion and the market readiness of the internally generated intangible assets.

Throughout the Group, the following useful lives form the basis of amortisation for important intangible assets. Intangible assets acquired from third parties in return for payment and assets that are internally generated are amortised over the same periods.

Intangible assets	
	AMORTISATION
Goodwill	no amortisation
Internet domains	no amortisation
Trade mark rights / brand names	20 years / no amortisation
Software / websites	3 - 15 years
Hotel evaluation database	3 years (according to useful life)
Customer list	5 years (according to useful life)
Personality test	no amortisation

From 2005, trade mark rights that consist of acquired online rights to use the well-known trade mark portals integrated within TFAG are amortised over 20 years, as these are trade marks with an uninfluenceable dependence on the print titles. The names HOLIDAYCHECK, ELITEPARTNER and JAMEDA, however, are not amortised according to a plan as these are internet brands whose rights are in the full ownership of the company, and they are tested for impairment every year. In this context, 'in the full ownership of the company' means that the company can directly influence the trade mark's development by taking targeted measures, so that it does not depend on the success of print titles. As it is assumed that the internet domains depend on the brand names, there is no regular amortisation in this case either.

Property, plant and equipment are recognised at cost less regular depreciation due to wear and tear. The costs of borrowed capital are not capitalised.

Throughout the group, regular depreciation is based on the following useful lives for important assets:

Important assets	
	AMORTISATION
EDV-Hardware	4 years
Leitungen, Technische Anlagen	8 years
Möbel, Zimmereinrichtung	10 years
Technische Gerätschaften	4 - 5 years

The cost of maintenance is treated as expense.

Property, plant and equipment is written down according to the straight-line method.

The amortisation/depreciation period and the method of amortisation/depreciation for intangible assets and property, plant and equipment are reviewed at the end of each financial year. If the expected useful life of an asset significantly deviates from prior estimates, the amortisation/depreciation period is adjusted accordingly. In the case of material changes during the course of amortisation/depreciation, a suitable amortisation/depreciation method is selected.

All intangible assets (including goodwill) and all items of property, plant and equipment are tested for impairment at the end of each financial year if the circumstances or changes in the circumstances indicate that the carrying amount of the assets may possibly be irrecoverable. If the recoverable amount of the asset is lower than the carrying amount, the impairment loss is recognised in the income statement. The recoverable amount is the higher of the net selling price and the value in use of the asset. The net selling price is the recoverable amount from the sale of an asset at fair value less selling costs. The value in use is the present value of the estimated future cash flow to be expected from the continued use of an asset and its disposal at the end of its useful life. The recoverable amount is determined separately for each asset or, if this is not possible, for the cash-generating unit to which the asset belongs. All goodwill and all

intangible assets with an indeterminable useful life and intangible assets that are not yet in use are not subject to regular amortisation. They are tested for impairment on the balance sheet date in order to determine whether they have kept their value.

Financial assets are recognised at amortised cost or at their fair value on the balance sheet date. Loans to entities in which the company holds a stake and loans issued are accounted for as „Loans and receivables“ in accordance with IAS 39.

Financial instruments such as cash and cash equivalents, receivables and payables are measured at their nominal values, which are identical with their fair values as they fall due within a short time.

Finally, financial instruments are broken down into the following categories in accordance with IAS 39:

- loans and receivables
- financial instruments measured at fair value through profit or loss
- financial instruments measured at fair value in equity
- held-to-maturity investments
- loans and liabilities

On initial recognition of financial instruments these are measured at cost, corresponding to the fair value of the consideration given on acquiring them. Transaction costs are included in as far as the financial instrument is not recognised at fair value through profit or loss.

Loans and receivables are recognised at amortised cost or at their fair value on the balance sheet date, whichever is lower.

Financial instruments measured at fair value through profit or loss are recognised at their value on the settlement date, taking account of fluctuations in value between the trade date and the settlement date. They are measured at their fair values on the balance sheet date. The resulting income or expense is immediately recognised in the income statement.

If a financial asset is designated as an asset to be measured at fair value through profit or loss on initial

recognition, then assuming there is an active market for this asset and its fair value can be reliably determined, the changes in its fair value are recognised in the income statement.

If a financial instrument contains an embedded derivative, the entire financial instrument is recognised at fair value through profit or loss. If such a financial instrument generates interest income or interest expense, this is measured and accounted for together with the changes in fair value.

Work in process and finished goods are measured at production costs. In addition to the cost of materials and directly attributable, individual editorial costs (e.g. employees), production-related overheads have also been included in the production costs.

Receivables and other assets are generally measured at amortised cost or at fair value on the balance sheet date, whichever is lower. Adequate account is taken of risks by means of valuation adjustments.

Cash and cash equivalents include cash and other short-term, highly liquid financial assets with an original time to maturity of no more than three months. On the balance sheet, current account overdrafts are shown as Payables to banks under Current financial liabilities.

Subscribed capital is recognised in equity at nominal values. Transaction costs on the issue of new shares are deducted from the additional paid-in capital.

Provisions are recognised at the amount that is necessary, according to the best possible estimate, in order for the Group to be in a position to meet all current commitments, legal or de facto, at the balance sheet date. Future events that could have an effect on the amount needed to meet a commitment have to be taken into account in forming the provision in as far as they can be predicted with sufficient objective certainty. The amount recognised is that which seems most likely on a careful examination of the circumstances. Provisions are discounted in as far as they are material. In the case of discounting, the passage of time is reflected in the periodic increase in the carrying amount of a provision. This increase is recognised as borrowing costs.

Contingent liabilities are not recognised as liabilities in the consolidated financial statements until it is probable that they will materialise. They are disclosed in the Notes.

The pension provision is based on defined-benefit pension plans for former employees of TFF and for the employees of HC. The provisions recognised in the balance sheet for defined benefit plans correspond to the present value of the defined benefit obligation (DBO) at the balance sheet date less the fair value of the plan assets, adjusted to take account of accumulated actuarial gains and losses that are not recognised. The DBO is calculated annually by an independent actuarial expert using the projected unit credit method. Actuarial gains and losses are recognised in the income statement in accordance with the corridor approach. With the exception of interest income and expenses, which are reported under the financial result, pension costs are recognised as personnel expenses.

Current tax assets and tax liabilities for the current period and former periods are measured at the amount expected to be recovered from or paid to the taxation authorities on the basis of the tax rates and tax laws applicable on the balance sheet date.

Deferred tax assets and tax liabilities are generally formed for all temporary differences between the amounts recognised for tax purposes and the amounts recognised

according to the IFRSs. This is done according to the liability method, which reflects the Group's expectations at the balance sheet date. The deferred tax assets also include unused tax credits resulting from the expected utilisation of existing tax loss carryforwards in subsequent years and whose realisation is sufficiently certain. Deferred tax liabilities are determined on the basis of the tax rates that apply or are expected to apply in the individual countries at the time of realisation, based on current tax rate legislation. Deferred taxes based on events not related to income are recognised in equity.

The carrying amount of the deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer likely that sufficient taxable income will be available against which at least some of the deferred tax assets can be utilised. Deferred tax assets that are not recognised are reviewed on each balance sheet date and recognised to the extent that it has become likely that future taxable income will allow the deferred tax assets to be utilised.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legal right to the netting of actual rights to tax refunds against actual tax liabilities and these relate to the income tax of the same taxpayer and are levied by the same tax authority.

Advances from customers are recognised at their nominal value.

Liabilities are recognised if it is expected that there will be an outflow of resources that embody an economic benefit in order to settle a liability and this amount can be reliably determined. Liabilities are measured at amortised cost using the effective interest method.

Revenue is recognised in application of IAS 11 and 18. Revenue is shown less value added tax, sales deductions and credits, after the elimination of intragroup sales.

Revenue for product sales is recognised at the time when the ownership and risk passes to the customer, if the payment to be made has been agreed by contract or is determinable and it is likely that the receivables arising from these sales can be collected.

Revenue for services is recognised when the service has been provided. Services are also provided within the

framework of offsetting transactions, services provided being presented gross in revenue and services received in the corresponding expense items. In the case of EP, services are provided as part of multi-element transactions. The corresponding revenue is broken down using the net realisable value method. Revenue from the subscription business is earned on a straight-line basis over the term of each subscription agreement.

Revenue in the context of projects is recognised at the balance sheet date in accordance with the progress of the project.

Project revenue is reliably estimated by means of the contract underlying the project. This gives the contracting parties enforceable rights and obligations in relation to the service to be provided, defines the consideration to be provided and also the way in which and on what terms the project is to be brought to completion. On this basis, the revenue and expense recorded in the internal budgeting system are evaluated as the project progresses and reviewed and revised if necessary.

The degree of completion of ongoing projects is usually determined through an inspection and written confirmation from the other contracting party at the balance sheet date. If the other contracting party does not provide any confirmation, the basis taken is the ratio between the number of project hours worked and the estimated total project hours, updated at the balance sheet date, until the final completion of the project.

Interest income is recognised when the interest arises. Royalties from licences and rental income are allocated on a pro rata basis in accordance with the relevant contractual period.

Leasing payments within the framework of an operating lease are recognised as expense in the income statement over the period of the lease using the straight-line method, unless a different systematic basis corresponds to the duration of the benefit for the company as lessee. A lease is classified as an operating lease if the leasing agreement, in economic terms, does not essentially transfer all risks and rewards associated with ownership to the company.

Leasing agreements under which the Group bears the main risks and the benefit from ownership of the leased object are classified as financing leases. Assets under financing leases are capitalised at the commencement of

the contractual leasing term at the lower of fair value of the lease object and the present value of the minimum lease payments. Leasing obligations are capitalised to the same extent as non-current trade payables. Each lease instalment is divided into interest and principal components so the leasing obligation attracts interest at a constant rate. The interest component of the leasing instalment is recognised as an expense in the consolidated income statement. Intangible assets held under a financing lease are amortised over the shorter of the following two periods: the useful economic life of the asset or the term of the leasing agreement.

The company generally recognises share options at the time they are granted to its employees, in accordance with IFRS 2. The expenses incurred on the basis of transactions settled through equity instruments are measured at the fair value of the equity instruments at the time that they are granted. IFRS 2 is not applied to the share options granted to date as none of the share-based payment models was as yet exercisable as at 1 January 2005. These share options were not recognised when they were granted. This treatment was not altered in 2008 since the outstanding share options are no longer exercisable as the exercise barriers have not been reached.

III. Events in financial year 2008

III.1 Events of importance for the company's assets, financial position and income

Appraisal rights proceedings before the Hamburg Regional Court

In the financial year 2008 there were no further developments in the appraisal rights proceedings (Spruchstellenverfahren). Please see Section 10 of the Management Report on page 19 for more details.

Euro adopted by HolidayCheck AG as functional currency

On 1 January 2008 the functional currency of HOLIDAYCHECK AG was switched from the Swiss franc to the euro. As a result of the conversion, the foreign currency translation reserve as at 31 December 2007 / 1 January 2008 was frozen.

At the same time, the purchase price obligation entered into for HOLIDAYCHECK AG was also translated to euros. To this end, a supplement to the main purchase agreement was signed covering the remaining 20 percent of shares. The supplement establishes contractually binding translation rates for the original CHF values for the put option and previously undistributed profits. This led to an increase of EUR 269 thousand in the balance sheet figure for goodwill.

Change to segment reporting of Cellular

As of 1 January 2008, CELLULAR GMBH was included in the Technologies segment. Prior to this, the company had formed part of the Portal segment. For reasons of immateriality, the figures for the previous year have not been adjusted.

III.2 Business combinations and acquisitions of shares

Acquisitions in 2008

Purchase of an 18 percent stake in Adjug LTD

In March 2008, TOMORROW FOCUS AG acquired a stake in London-based ADJUG LTD. The purchase price for an initial 17 percent shareholding plus direct purchase-related costs was EUR 2,606 thousand. In June 2008, TOMORROW FOCUS AG acquired a further one percent for EUR 219 thousand. The holding is reported in the consolidated financial statements under Financial Assets.

Purchase of a 60 percent stake in Findocs GmbH

On 11 June 2008, TOMORROW FOCUS AG signed an agreement to purchase 60 percent of the shares in FINDOCS. As a result, the shares will be fully consolidated in the Portal segment of TOMORROW FOCUS AG from 1 July of the current year. At the time, the company was still a shell without assets. Consequently, the acquisition does not constitute a business combination as defined by IFRS 3.

Purchase of a 50.99 percent stake in Jameda GmbH

On 7 July 2007, TOMORROW FOCUS AG acquired 50.99 percent of the shares in JAMEDA. A put/call option is in place covering a further 8.94 percent of the shares. JAMEDA will be fully consolidated in the Portal segment of TOMORROW FOCUS AG from 1 July of the current year. As a result of contractually agreed disproportionate capital contributions, the minority interest does not correspond to the share of net assets obtained from the shareholding ratio.

The fair values of the identifiable assets and liabilities of JAMEDA GMBH at the time of acquisition and the corresponding carrying amounts immediately prior to the time of acquisition were as follows. The acquisition costs of the merger include the payment of EUR 43

thousand into the company's share capital, additional payments of EUR 395 thousand into the capital reserve and other costs directly attributable to the acquisition. Since the date of acquisition, JAMEDA GMBH has contributed EUR -267 thousand to consolidated net income

for the year and revenue of EUR 19 thousand. If JAMEDA had been consolidated on 1 January 2008, the contribution to net income for the year and revenue would have been EUR -272 thousand and EUR 19 thousand respectively.

Jameda GmbH	FAIR VALUE AS AT BALANCE SHEET DATE EUR '000	CARRYING AMOUNT IN SEPARATE FINANCIAL STATEMENTS EUR '000
Intangible assets	127	0
Property, plant and equipment	2	2
Cash and cash equivalents	601	601
	730	603
Deferred tax liabilities	-42	0
Other provisions	-1	-1
Payables to shareholders	-8	-8
Other financial liabilities	0	0
	-51	-9
Net assets	679	595
Less minority shares	-214	
Goodwill from acquisition	-0	
Total acquisition costs	465	

Acquisition costs	EUR '000
Equity acquired on 1 July 2008	438
Costs directly attributable to the acquisition	27
Total	465

Cash outflow as a result of the acquisition	EUR '000
Net cash acquired with the subsidiary	601
Cash outflow	-465
Actual cash outflow	136

IV. Notes on the consolidated balance sheet

IV.1 Notes concerning IFRS 7 – Financial instruments: additional disclosures

The carrying amounts, amounts recognised and fair values by valuation category as at 31 December 2008 and 31 December 2007 are shown in the tables on the following two pages:

Cash and cash equivalents, trade receivables, receivables under long-term construction contracts, receivables from affiliated entities and other receivables mostly have short remaining terms. For this reason, their carrying amounts on the reporting date were approximately the same as their fair values.

With regard to the Group's stake in ADJUG LTD, up to the time of preparation of the consolidated financial statements there was no intention to dispose of these shares. In the absence of an exchange or market price, it was not possible to derive a fair value for the corresponding period on the basis of similar transactions. A valuation based on the discounting of anticipated cash flows was not undertaken as the cash flows could not be reliably determined. The shareholding was therefore recognised at acquisition cost.

The other loans are not due before one year. As the rate of interest is more or less equivalent to the normal market rate, the carrying amount and the fair value are the same.

In the case of the payables to banks, the carrying amount and the fair value are approximately the same, as the loans attract interest at the normal market rate.

Trade payables, payables to affiliated entities and other financial liabilities largely have short remaining terms. Their carrying amounts on the reporting date were therefore approximately the same as their fair values. Liabilities under financing lease agreements are recognised at the present value of the minimum lease payments. As a result, the carrying value and the fair value are approximately the same.

IV.2 Intangible assets

The intangible assets acquired from third parties are mainly the hotel evaluation database acquired as a result of the HOLIDAYCHECK merger (EUR 77 thousand; EUR 657 thousand in 2007), the customer list acquired as a result of the Elitemedianet merger (EUR 67 thousand; EUR 552 thousand in 2007), the brand name, HOLIDAYCHECK (EUR 1,704 thousand; EUR 1,704 thousand in 2007), the brand

name, ELITEPARTNER (EUR 5,481 thousand; EUR 5,481 thousand in 2007), various internet domains (EUR 3,857 thousand; EUR 3,857 thousand in 2007) and self-created software (see also Business combinations).

In addition to the brand names HOLIDAYCHECK and ELITEPARTNER, the trade mark rights include the acquired online rights to use the well-known brand portals integrated within TFGA.

Brand names and internet domains from the mergers are not written down as they are not subject to wear and tear over a fixed period. They are tested annually for impairment in relation to the impairment of goodwill. If any impairment risks should be discovered while determining the value in use of goodwill, a separate calculation is made of the value in use of the brand names and the internet domains. If this is not the case, it is implied that the brand names and domains have also not suffered any impairment. For the assumptions underlying impairment we refer to the comments made in relation to goodwill.

Licences forming part of a financing lease and valued at EUR 1,496 thousand (EUR 1,934 thousand in 2007) are included under the item Concessions, industrial property rights and similar rights, as well as the licences thereto.

The self-created intangible assets of EUR 5,558 thousand (EUR 5,218 thousand in 2007) all concern self-developed software. The major part was invested in our own portal operations. A further part originates from the internally developed software of HOLIDAYCHECK AG and ELITEMEDIANET GMBH, which was also capitalised in the context of the purchase price allocation.

If software that has been internally developed and produced is brought to market on completion, the capitalised development costs are written down over the normal useful life of the software. The company has estimated the normal useful life of software development costs capitalised within the TFGA Group to be between 3 and no more than 5 years. An exception is the HPST software, which is written down over 15 years. This estimation has mainly been made on the basis of the possible technical and technological obsolescence of the portal and technology software.

With regard to the development of costs and the amortisation of intangible assets, reference is made to the Consolidated statement of changes in Non-current assets for financial years 2008 and 2007.

Of the goodwill amounting to EUR 73,370 thousand (EUR 71,636 thousand in 2007), EUR 6,961 thousand (EUR 13,373 thousand in 2007) represents goodwill from the acquisition of ELITEMEDIANET GMBH; EUR 65,744 thousand (EUR 57,610 thousand in 2007) goodwill from the acquisitions of HOLIDAYCHECK AG; EUR 12 thousand (EUR 0 thousand in 2007) goodwill from the acquisitions of FINDOCS GMBH; and EUR 498 thousand (EUR 498 thousand in 2007) from the CELLULAR business combination. In addition, the business combination with PDP gave rise to goodwill of EUR 155 thousand (EUR 155 thousand in 2007). The changes to the existing figures for goodwill are calculated solely by adjusting the valuation of the put options as at the balance sheet date.

Impairment tests for goodwill are carried out on the basis of a calculation of the value in use of the relevant cash-generating unit, the latter being defined as the company in question. To do this, we have used the cash flow plans for the next 5 years. A perpetuity has also been taken into account in making the calculation, however with conservative rates of increase. The amounts calculated have been discounted to their present value using an interest rate calculated according to the capital asset pricing method (CAPM). The following disclosures concern the most important goodwill and the assumptions underlying impairment:

a. Goodwill from the acquisition of HC: carrying amount EUR 65,744 thousand

The plans adopted for 2009 have been taken as a basis. From 2009 to 2013, growth rates between 20 and 30 percent were assumed for revenue and 3 percent for the perpetuity. The perpetuity was calculated on the basis of a discount on cash flow of 2 percent and a WACC before taxes of 11.3 percent.

b. Goodwill from the acquisition of EP: carrying amount EUR 6,961 thousand

In this case the plans adopted for 2009 were taken as a basis. A detailed plan was drawn up for 2010-2013 based on increases in revenue of 17.5 percent in 2010 and of 10 percent thereafter. A 5 percent rate of increase was adopted for the perpetuity. The perpetuity was calculated on the basis of a discount of 2 percent and a WACC before taxes of 18.5 percent.

c. Goodwill from the takeover of CELL: carrying amount EUR 498 thousand

In this case CELL's plans for 2009 were taken as a basis. For 2010 onwards, revenue was calculated using a rate of increase of between 10 and 12 percent. A 2 percent rate of increase was adopted for the perpetuity. The perpetuity was calculated on the basis of a discount of 2 percent and a WACC before taxes of 14.4 percent.

d. Goodwill from the takeover of PDP: carrying amount EUR 155 thousand

In this case PDP's plans for 2009 were taken as a basis. For 2010 onwards, revenue was calculated using a rate of increase of between 0 and 4 percent. The perpetuity was calculated on the basis of a discount of 2 percent and a WACC before taxes of 19.4 percent.

Although changes in the assumptions made above are possible, they would not lead to an impairment of goodwill.

IV.3 Property, plant and equipment

The property, plant and equipment are furnitures and fixtures to the value of EUR 1,402 thousand (EUR 875 thousand in 2007).

With regard to the development of costs and the depreciation of property, plant and equipment, reference is made to the Consolidated Statement of Changes in Non-Current Assets for financial years 2008 and 2007.

IV.4 Financial assets

With regard to the Group's shareholdings, these relate to the purchase of an 18 percent stake in ADJUG LTD (cf. III.2 Business combinations).

The financial assets (other loans) concern existing loans to third parties to the value of EUR 103 thousand (EUR 98 thousand in 2007).

IV.5 Deferred taxes

With regard to the composition and development of the deferred tax assets, reference is made to the comments regarding deferred taxes in Note IV.18.2.

Financial Instruments

Carrying Amount

ASSETS	31 DEC 2008 '000 EUR
Cash and cash equivalents	
(Loans and receivables)	20,153
Trade receivables	
(Loans and receivables)	10,482
Receivables from affiliated companies	
(Loans and receivables)	1,223
Other assets	
(Loans and receivables)	1,400
Investments	
(Other share investment; available for sales)	2,834
Remaining other loans	
(Loans and receivables)	103

Carrying Amount

LIABILITIES	31 DEC 2008 '000 EUR
Liabilities to banks	
(Financial liabilities measured at amortised cost)	18,527
Trade payables	
(Financial liabilities measured at amortised cost)	7,360
(Finance Lease IAS17)	1,678
Liabilities to affiliated companies	
(Financial liabilities measured at amortised cost)	3,104
Remaining other liabilities	
(Financial liabilities measured at amortised cost)	3,049

Amount Recognized

AMORTISED COST '000 EUR	ACQUISITION COSTS '000 EUR	FAIR VALUE NOT RECOGNISED IN INCOME '000 EUR	FAIR VALUE RECOGNISED IN INCOME '000 EUR	VALUATION ACCORDING TO IAS 17 '000 EUR	CARRYING AMOUNT '000 EUR	FAIR VALUE '000 EUR
20,153					20,153	20,153
10,482					10,482	10,482
1,223					1,223	1,223
1,400					1,400	1,400
	2,834				2,834	2,834
103					103	103

Amount Recognized

AMORTISED COST '000 EUR	ACQUISITION COSTS '000 EUR	FAIR VALUE NOT RECOGNISED IN INCOME '000 EUR	FAIR VALUE RECOGNISED IN INCOME '000 EUR	VALUATION ACCORDING TO IAS 17 '000 EUR	CARRYING AMOUNT '000 EUR	FAIR VALUE '000 EUR
18,527					18,527	18,527
7,360					7,360	7,360
				1,678	1,678	1,678
3,104					3,104	3,104
3,049					3,049	3,049

Financial Instruments

Carrying Amount

ASSETS	31 DEC 2007 '000 EUR
Cash and cash equivalents	
(Loans and receivables)	21,505
Securities	
(Derivatives without hedge ratio; Financial assets held for trading)	2,810
Trade receivables	
(Loans and receivables)	10,338
Amounts due from long-term construction contracts	
(Loans and receivables)	208
Receivables from affiliated companies	
(Loans and Receivables)	2,831
Remaining other assets	
(Loans and receivables)	1,061
(Derivatives without hedge ratio; financial assets held for trading)	114
Other loans	
(Loans and Receivables)	98

Carrying Amount

LIABILITIES	31 DEC 2007 '000 EUR
Liabilities to banks	
(Financial liabilities measured at amortised cost)	28,210
Trade payables	
(Financial liabilities mMeasured at amortised cost)	7,322
(Finance Lease IAS 17)	2,006
Liabilities to affiliated companies	
(Financial liabilities measured at amortised cost)	3,020
Other financial liabilities	
(Financial liabilities measured at amortised cost)	2,601

Amount Recognized

AMORTISED COST '000 EUR	ACQUISITION COSTS '000 EUR	FAIR VALUE NOT RECOGNISED IN INCOME '000 EUR	FAIR VALUE RECOGNISED IN INCOME '000 EUR	VALUATION ACCORDING TO IAS 17 '000 EUR	CARRYING AMOUNT '000 EUR	FAIR VALUE '000 EUR
21,505					21,505	21,505
			2,810		2,810	2,810
10,338					10,338	10,338
208					208	208
2,831					2,831	2,831
1,061					1,061	1,061
			114		114	144
109					98	98

Amount Recognized

AMORTISED COST '000 EUR	ACQUISITION COSTS '000 EUR	FAIR VALUE NOT RECOGNISED IN INCOME '000 EUR	FAIR VALUE RECOGNISED IN INCOME '000 EUR	VALUATION ACCORDING TO IAS 17 '000 EUR	CARRYING AMOUNT '000 EUR	FAIR VALUE '000 EUR
28,210					28,210	28,210
7,322					7,322	7,322
				2,006	2,006	2,006
3,020					3,020	3,020
2,601					2,601	2,601

IV.6 Inventories

The work in process of EUR 512 thousand (EUR 516 thousand in 2007) originates entirely from PDP (EUR 516 thousand in 2007).

It is mainly editorial work that is capitalised here. This is work carried out in advance for forthcoming issues in 2009 that will not produce revenue until this period.

Finished goods and services of EUR 274 thousand (EUR 342 thousand in 2007) essentially comprise PDP productions (EUR 253 thousand; EUR 342 thousand in 2007).

As in the previous year, there are no valuation adjustments to inventories.

IV.7 Trade receivables

The company constantly monitors trade receivables. All receivables have been tested for impairment to determine whether their fair value is lower than their amortised cost. Risks of bad debts are taken into account through appropriate valuation adjustments.

All trade receivables are due before one year.

As at 31 December 2008, there were individual allowances for bad debts of EUR 1,260 thousand (EUR 658 thousand in 2007). In 2008 the individual allowances for bad debts included additions of EUR 904 thousand (EUR 372 thousand in 2007), allowances used of EUR 196 thousand (EUR 58 thousand in 2007) and the reversal of individual allowances for bad debts to the value of 105 thousand (EUR 62 thousand in 2007). The rise in the individual allowance for bad debts can be particularly explained by the increase in revenue of ELITEMEDIANET GMBH. There are no indications that the creditors of those receivables for which an allowance has not been made or which are not overdue will not meet their payment obligations within the stipulated period.

IV.8 Receivables due to long-term construction contracts

Receivables from long-term construction contracts in the previous year result from the application of the percentage-of-completion method, which provides for revenue to be recognised according to the degree of completion. Reference is made to Note V.2.

IV.9 Receivables from affiliated entities

Receivables and payables in relation to affiliated entities are mainly due to trade relations. All receivables correspond to the fair value. Their value has not been adjusted and they are not overdue.

IV.10 Other assets

Other assets mainly consist of tax receivables and interest receivables, items in transit, claims against insurance companies, creditors with debit balances as well as prepaid expenses and deferred charges.

IV.11 Securities

The current securities contained in last year's report to the value of EUR 2,810 thousand were measured at their market value as at 31 December 2007. This market value corresponded to the trading value on the same day at the stock exchanges in question. The securities in question were bonds that could be sold at any time. They were sold in the financial year 2008.

IV.12 Cash and cash equivalents

Cash and cash equivalents are made up of cash in hand (EUR 2 thousand; EUR 3 thousand in 2007) and cash at banks (EUR 20,151 thousand; EUR 21,502 thousand in 2007).

IV.13 Financial risk management

The Management Board has adopted and installed a comprehensive risk management system for TF Group companies. The risk management system is explained in section 10 of the management report. The financial risks are discussed on page 20.

The company's strategy can be characterised as risk-averse. The company avoids contracts and business rela-

Trade receivables '000 EUR	Carrying amount	thereof neither impaired nor overdue at reporting date	thereof not impaired on reporting date and overdue within the periods stated				
			LESS THAN 30 DAYS	BETWEEN 31 AND 60 DAYS	BETWEEN 61 AND 90 DAYS	BETWEEN 91 AND 180 DAYS	MORE THAN 181 DAYS
at 31 December 2008	10,482	9,109	795	156	62	77	193
at 31 December 2007	10,338	8,698	632	68	77	83	69

tionships that could jeopardise its future, pose a threat to its liquidity or hamper its further development.

The credit risk

In the risk management system, the Financial Department ensures that no credit limits are exceeded and that reminders are sent out at 14-day intervals. The extent of the potential bad debts to which the Group is exposed and which is shown on the balance sheet corresponds to the sum of the trade receivables and the other financial instruments.

Investment strategy

Cash that is not needed in the short term is partly invested in fixed deposits.

The currency risk

The currency risks to which the Group is exposed result from its operating activities. Risks from foreign currency are partly hedged in as far as they affect the Group's cash flow. Risks resulting from the translation of assets and liabilities of foreign entities into the Group's presentation currency, on the other hand, are not generally hedged.

The operating activities of the individual companies in the group are mainly conducted in the functional currency, i.e. the euro. The currency risk to which the Group is exposed from current operating activities is therefore considered to be low.

The interest risk

TOMORROW FOCUS is only exposed to interest risks in the eurozone and in Switzerland. All non-current payables to banks are subject to fixed interest agreements. Only current working capital credit lines are exposed to a risk from variable interest rate fluctuations. Given their short-term nature, this risk is regarded as minor.

The liquidity risk

The aim of TFAG's business policy is to continue to achieve a positive cash flow in the future.

At 31 December 2008, payables to banks amounted to EUR 18,527 thousand (EUR 28,210 thousand in 2007).

There follows an analysis of liabilities over their term (including interest).

Analysis of liabilities (incl. interest)	2009 '000 EUR	2010-2012 '000 EUR	ab 2013 '000 EUR
Trade payables	10,892	1,463	0
Other financial liabilities	3,049	0	0
Payables to banks	1,276	18,912	0

Analysis of liabilities (incl. interest)	2008 '000 EUR	2009-2011 '000 EUR	ab 2012 '000 EUR
Trade payables	10,771	1,286	606
Other financial liabilities	2,601	0	0
Payables to banks	11,181	19,860	0

IV.14 Equity

IV.14.1 Authorised capital

At the Annual General Meeting on 18 May 2004, it was decided to nullify the authorised capital remaining after the capital increase of EUR 3,850,000. At the same time, the Management Board, with the approval of the Supervisory Board, was authorised to increase the company's share capital once or several times by up to EUR 21,328,250 until 18 May 2009 in return for cash or non-cash contributions. The Management Board is authorised to exclude the shareholders' statutory subscription rights in certain cases. These are listed in article 4 paragraph 7 of the articles of association (Authorised Capital 2004).

IV.14.2 Conditional capital

IV.14.2.1 Conditional capital I

On 23 June 2000, the company held an extraordinary general meeting where a resolution was passed to increase the company's share capital by a nominal amount of up to EUR 960,000. This conditional capital increase serves the sole purpose of issuing up to 960,000 notional no-par-value bearer shares to service subscription rights granted under a share option plan of FOCUS Digital AG. The conditional capital increase will only be carried out in as far as employees, members of the company's Management Board or the management of affiliated entities exercise their subscription rights and acquire new shares. The new shares will attract a dividend from the beginning of the financial year in which they are created through the exercise of the subscription rights.

IV.14.2.2 Conditional capital II

Under an employee share option programme, TOMORROW Internet AG has issued convertible bonds that can be exchanged for shares. Due to the merger, this employee share option programme devolved to the company by way of universal succession. While the nominal amount of the convertible bond does not affect the obligation to redeem the bond and pay interest, the exercise prices, the conversion prices and the number of shares to be subscribed are converted in line with the exchange ratio between the shares of the former TOMORROW Internet AG and the company's shares. To service the conversion rights from the convertible bonds that have devolved to the company, it was necessary to increase the conditional capital by a further EUR 507,450. The increase of the conditional capital was entered in the commercial register on 17 December 2001 (Conditional Capital II).

In a resolution taken at the Annual General Meeting of 17 June 2002, the following was decided in relation to the conditional capital:

1. Conditional Capital I will be reduced by EUR 638,400, from EUR 960,000 to EUR 321,600.
2. Conditional Capital II will be reduced by EUR 464,950, from EUR 507,450 to EUR 42,500.
3. The company's share capital has been conditionally increased by up to EUR 3,500,000 through the issue of up to 3,500,000 notional no-par-value bearer shares, with one share accounting for EUR 1.00 of the share capital (Conditional Capital III).

The conditional capital increase serves the sole purpose of granting option rights to the persons mentioned in section 192 paragraphs 2, 3 of the German Stock Corporation Act (Aktiengesetz, AktG) within the framework of the option conditions decided on by the Annual General Meeting. The shareholders have no statutory subscription rights to the options. The conditional capital increase is only to be carried out to the extent that the option rights are exercised. The new shares will attract a dividend from the beginning of the financial year in which they are created through the exercise of option rights.

IV.14.2.3 Capital increase of 10 March 2004

On 2 March 2004, the Management Board and the Supervisory Board of TOMORROW FOCUS AG passed a resolution to increase the company's share capital from the

authorised capital in order to carry out an international private placement outside the USA, Canada and Japan by issuing up to 3.85 million shares in return for cash contributions. The price and the volume of the issue were determined on the basis of a book-building procedure. Shareholders' subscription rights were excluded pursuant to section 203 paragraph 1 in conjunction with section 186 paragraph 3 sentence 4 of the German Stock Corporation Act (Aktiengesetz, AktG). The capital increase was entered in the commercial register on 10 March 2004.

At an issue price of EUR 3.25 per new share, the issue brought the company gross proceeds of EUR 12.51 million. After the new shares had been admitted to trading on FWB Frankfurt Stock Exchange, the free float of TOMORROW FOCUS AG rose to around 49.6 percent.

IV.14.2.4 Capital increase of 25 August 2004

At the end of August 2004 the company increased its capital through a conditional capital increase by issuing new shares under the share option programme of 2002. A total of 199,975 new shares were issued in the first tranche. At an exercise price of EUR 1.44 per share, the total proceeds accruing to the company amounted to EUR 287,964. After that, the share capital rose by EUR 199,975, from EUR 42,656,500 to EUR 42,856,475.

V.14.2.4 Capital increase on 18 November 2008

In November 2008, with the approval of the Supervisory Board, the Management Board of TOMORROW FOCUS AG resolved to increase its capital out of authorised capital. The company's share capital was increased by EUR 4,265,650 from EUR 42,856,475 to EUR 47,122,125 through the issue of 4,265,650 new notional no-par-value shares against cash contributions. Shareholder subscription rights were excluded. The new shares were subscribed by Burda GmbH, Offenburg, Germany, at an issue price of EUR 2.80 per share. The capital increase was entered in the commercial register in December 2008. The shares were admitted to and included in trading on the Regulated Market of the FWB Frankfurt Stock Exchange in February 2009. The capital increase generated a cash inflow of approximately EUR 11.9 million.

IV.14.3 Other disclosures regarding equity

The company's share capital now amounts to EUR 47,122,125. It is divided into 47,122,125 notional no-par-

value shares, each accounting for EUR 1.00 of the share capital. All of the company's shares are paid up in full.

The capital reserve has been formed from additional payments made in the context of capital increases. It may only be utilised as prescribed by German stock corporation law.

According to section 150 of the German Stock Corporation Act (Aktiengesetz, AktG), the statutory reserve and the capital reserve must together exceed a tenth of the share capital, so that they can be used to make up losses or for a capital increase out of company funds. As long as the statutory reserve and the capital reserve together do not exceed a tenth of the share capital, they may only be used to make up for losses in as far as the loss cannot be covered by carrying forward profits or by the net annual income for the year and cannot be balanced out by releasing other retained income.

IV.15 Earnings per share

Earnings per share in the reporting period, in relation to the shares issued or assumed to be issued, were as follows.

In the previous year there were 69,025 more diluted shares than undiluted shares. This difference resulted from the number of employee share options that were still entitled at 31 December 2006. As the options could no longer reach the exercise barriers before lapsing on 30 June 2007, the diluted and undiluted capital were equivalent as at 31 December 2006. No further options were granted in 2008, so that the diluted and undiluted capital were also equivalent as at 31 December 2008.

Development of the number of shares	
DATE	NUMBER OF SHARES (in units)
1 January 2001	22,800,000
Capital increase of 8 November 2001	16,006,500
31 December 2001	38,806,500
31 December 2002	38,806,500
31 December 2003	38,806,500
Capital increase of 10 March 2004 from authorised capital	3,850,000
Capital increase of 25 August 2004 from conditional capital	199,975
31 December 2004	42,856,475
31 December 2005	42,856,475
31 December 2006	42,856,475
31 December 2007	42,856,475
Capital increase of 18 November 2008 from authorised capital	4,265,650
31 December 2008	47,122,125

IV.16 Currency reserve

The currency reserve contains the currency differences from the translation of currencies used by other companies which differ from the Group's functional currency. It was frozen on 1 January 2008 when the only subsidiary with a different functional currency from that of the Group adopted the Group's functional currency, the euro.

IV.17 Additional disclosures regarding capital management

In the financial year 2008, equity increased by 28.6 percent. This mainly results from the capital increase.

The increase in the equity ratio can mainly be explained by the capital increase. The fall in the return on equity and total return on capital can primarily be attributed to the decrease in consolidated net income for the year.

Earnings per share			
	2008	2007 NEW	2007 OLD
Consolidated net income for the year accruing to shareholders of TFAG (EUR thousands)	2,266	6,272	6,272
Weighted average of issued shares (per share)	43,031,776	43,031,776	42,856,475
Earnings per share (undiluted and diluted)	0.05	0.15	0.15

Capital management			
RATIO	CALCULATION	31 DEZ. 2008 (PERCENT)	31 DEC. 2007 (PERCENT)
Equity ratio	Equity / total assets	45.7	35.7
Return on equity	Consolidated net income / average equity	4.0	17.5
Total return on capital	Consolidated net income / average return on capital	1.6	7.7

IV.18 Provisions

The change in provisions over the reporting period is shown in the table below:

Non-current provisions	AT 1 JANUARY 2008 '000 EUR	USED '000 EUR	REVERSED '000 EUR	ADDED '000 EUR	AT 31 DECEMBER 2008 '000 EUR
Pension provisions and similar obligations					
pensions and similar	76	0	0	34	110
	76	0	0	34	110
Tax provisions					
Deferred taxes	3,543	692	0	381	3,231
	3,543	692	0	381	3,231
Other provisions					
Contingent losses from pending transactions	143	91	0	8	60
	143	91	0	8	60
TOTAL NON-CURRENT PROVISIONS	3,762	783	0	423	3,402
Current provisions	AT 1 JANUARY 2008 '000 EUR	USED '000 EUR	REVERSED '000 EUR	ADDED '000 EUR	AT 31 DECEMBER 2008 '000 EUR
Other provisions					
Death grants	6	0	0	0	6
Severance payments	321	312	9	0	0
Returns	537	537	0	366	366
Warranties	0	0	0	27	27
Contingent losses from pending transactions	462	44	0	25	83
Litigation costs	71	24	39	131	139
	1,397	1,277	48	549	621
TOTAL CURRENT PROVISIONS	1,397	1,277	48	549	621
TOTAL PROVISIONS	5,158	2,060	48	973	4,023

IV.18.1 Provisions for pensions and similar obligations

As at 31 December 2008, the provision for pensions amounted to EUR 110 thousand (EUR 76 thousand in 2007). This is the entitlement of an active former employee and the entitlements of HC employees, i.e. the

discounted pension to be expected in the future (defined contribution plan). There are no further entitlements.

The expense of EUR 115 thousand (EUR 124 thousand in 2007) thousand in the financial year was recognised in the income statement.

Development of the pension commitment in the financial year		
	2008 '000 EUR	2007 '000 EUR
Present value of the pension commitment at 1 January	-360	-12
Expense for additional entitlements acquired in the financial year	-112	-125
Employee contributions	-86	-226
Interest expenses for existing entitlements	-14	-6
Pension payments in the financial year	9	12
Actuarial losses	-27	-10
Exchange rate changes in the case of plans in foreign currency	-53	7
Present value of pension commitment at 31 December	-643	-360

Development of the plan assets in the financial year		
	2008 '000 EUR	2007 '000 EUR
Present value of the plan assets at 1 January	263	0
Expected returns	11	7
Employer contributions	86	50
Employee contributions	86	226
Pension payments in the financial year	-9	-12
Actuarial losses	-10	-3
Exchange rate changes in the case of plans in foreign currency	43	-5
Present value of plan assets at 31 December	470	263

Derivation of the pension provision in the reporting period		
	2008 '000 EUR	2007 '000 EUR
Present value of the plan assets at 31 December	470	263
Present value of the pension commitment at 31 December	-643	-360
Benefit commitments in excess of assets	-173	-97
Reclassified actuarial losses	63	21
Present value of pension commitment at 31 December	-110	-76

Derivation of the pension expenses in the reporting period		
	2008 '000 EUR	2007 '000 EUR
Expenses for the additional entitlements acquired in the financial year	-112	-125
Interest expenses for existing entitlements	-14	-6
Expected returns	11	7
Expense recognised in the income statement	-115	-124

The plan assets do not contain any financial instruments belonging to the company or real estate used by the company. For each category of plan assets, market expectations for investments of similar maturities were taken as a basis. The actual returns from the plan assets amount to EUR 1 thousand (EUR 4 thousand in 2007).

Breakdown of plan assets		
	2008	2007
Bonds	41.58%	36.74%
Equity instruments	25.29%	38.33%
Real estate	15.40%	13.93%
Other	17.73%	11.00%
Total	100.00%	100.00%

Actuarial assumptions		
	2008	2007
Interest rate	3.50%	3.25%
Expected returns	4.00%	4.00%
Rate of salary progression	2.00%	2.00%
Rate of pension progression	0.25%	0.50%

The following table shows the development over the last three years:

	2008 '000 EUR	2007 '000 EUR	2006 '000 EUR
Present value of plan assets at 31 December	470	-263	0
Present value of pension commitments at 31 December	-643	360	-12
Benefit commitments in excess of assets	173	97	-12
Adjustments based on experience			
to pension commitments	-62	-35	0
to plan assets	33	25	0

Anticipated contributions to the plan in 2009 amount to EUR 119 thousand (previous year: EUR 86 thousand).

IV.18.2 Deferred taxes

Following Germany's 2008 Business Tax Reform Act (Gesetz zur Unternehmensteuerreform), corporation tax in Germany was reduced to 15.0 percent (plus 5.5 percent solidarity surcharge) with effect from 1 January 2008.

The statutory element of the trade tax was lowered from 5.0 to 3.5, although it is no longer possible to deduct trade tax from the corporation tax base. As a result, the applicable tax rate fell from 40.38 percent to 32.7 percent.

Deferred taxes are formed on loss carryforwards and temporary differences between IFRS and the tax balance sheet. Within the fiscal unit (steuerliche Organisation), an average tax rate of 32.70 percent was taken as a basis for calculating the deferred taxes. The tax rate is calculated on the basis of an average trade tax rate of 16.87 percent and a corporation tax rate of 15.0

percent plus the solidarity surcharge of 5.5 percent of the corporation tax.

The average corporate tax rate is 32.98 percent for TFB, 32.28 percent for Elitemedianet and 12.0 percent for HOLIDAYCHECK.

The average tax rate for the Group's German companies, which is taken as a basis for calculating the deferred taxes, rose from 32.64 percent to 32.70 percent.

The deferred tax assets of EUR 433 thousand will be held for less than one year. The deferred tax liabilities amount to EUR 267 thousand.

There are non-forfeitable trade tax loss carryforwards of EUR 93.9 million (EUR 84.8 million in 2007) and non-forfeitable corporation tax loss carryforwards of EUR 95.2 million (EUR 85.0 million in 2007) within the TOMORROW FOCUS Group. No deferred tax assets have been

recognised on trade tax loss carryforwards of EUR 84.1 million and corporation tax loss carryforwards of EUR 85.4 million within the fiscal unit as it thought unlikely they will be utilised.

These losses can be carried forward indefinitely. These tax loss carryforwards and the previous setoff of tax loss carryforwards, however, are subject to final scrutiny by the responsible taxation authorities and must there-

fore, to a certain extent, be regarded as provisional. It is quite possible that changes will have to be made to the tax loss carryforwards as a result of external fiscal audits

Deferred tax assets due to	1 JANUARY 2008 '000 EUR	ADDITIONS DUE TO BUSINESS COMBINATIONS NOT RECOGNISED IN INCOME '000 EUR	INCOME (+)/ EXPENSE (-) '000 EUR	31 DECEMBER 2008 '000 EUR
Provisions for contingent losses	197	0	-150	47
Unfinished goods	73	0	-73	0
Loss carryforwards	3,207	0	0	3,207
Other differences	350	4	429	783
Deferred tax assets	3,827	4	206	4,037

Deferred tax liabilities due to	1 JANUARY 2008 '000 EUR	ADDITIONS DUE TO BUSINESS COMBINATIONS NOT RECOGNISED IN INCOME '000 EUR	INCOME (+)/ EXPENSE (-) '000 EUR	31 DECEMBER 2008 '000 EUR
Long-term contracts	69	0	-69	0
Self-generated software	23	0	30	53
Revaluation of period of use of trade mark	354	0	-43	311
Stocks	126	0	0	126
Other provisions	2	0	-1	1
Other differences	2	0	23	25
Deferred tax liabilities	576	0	-60	516

BALANCE DEFERRED TAX ASSETS	3,251	4	266	3,521
------------------------------------	--------------	----------	------------	--------------

Deferred tax liabilities due to	1 JANUARY 2008 '000 EUR	ADDITIONS DUE TO BUSINESS COMBINATIONS NOT RECOGNISED IN INCOME '000 EUR	INCOME (+)/ EXPENSE (-) '000 EUR	31 DECEMBER 2008 '000 EUR
Self-generated software	227	28	18	274
Intangible assets	3,022	14	-224	2,812
Other differences	294	0	-149	145
BALANCE DEFERRED TAX LIABILITIES	3,543	42	-354	3,231

DEFERRED TAX EXPENSE			620	
-----------------------------	--	--	------------	--

The following table shows the translation of the theoretical tax expense and tax income into the actual tax expense and tax income.

Tax expense and tax income				
	2008	2008	2007	2007
	'000 EUR	'000 EUR	'000 EUR	'000 EUR
Ergebnis vor Ertragsteuern	3,036		10,999	
Fictitious tax income/expenses (40.38 %, 2006: 40.38 %)		-993		-4,441
Change in tax rate		0		-522
Non-capitalisation of deferred taxes on tax losses in reporting period		-3,483		-3,053
Write-down due to valuation adjustments of capitalised loss carryforwards		0		-1,390
Utilisation of non-capitalised tax loss carryforwards		116		159
Tax-free income		352		2,183
Tax reduction due to different tax rates in group companies		2,621		3,244
Amortisation of goodwill at TFP		1,420		1,754
Tax increase due to non-deductible expenses		-1,137		-210
Currency losses Switzerland		284		0
Other differences		62		0
Tax expenses in financial year		-758		-2,276

The additions recognised in equity of EUR 4 thousand contained in deferred tax assets relate to the taxes on IPO costs included in equity.

The spin-off of the Portal division in 2004 results in annual additional tax write-downs on the goodwill at TFP (EUR 4.3 million). These were eliminated for IFRSs purposes as this spin-off is an intragroup restructuring measure.

IV.18.3 Other provisions

The contingent losses from pending transactions with third parties result from the backlog of liabilities from the Group's own rent obligations and rent income. The claim under the tenancy agreement is expected to materialise in 2010. The provision is recognised under Other assets with EUR 750 thousand in receivables due under D&O insurance.

The long-term part of the provision for contingent losses from pending transactions has been discounted at 5 percent. The compounding in 2008 resulted in an expense of EUR 2 thousand.

Increases in efficiency led to a number of redundancies among staff in 2007, with some being given leave of absence. This led to severance payments. As at 31 December these had been settled.

The provisions for returns concern magazines that retailers may possibly return after an issue has become out of date. They are due within one year.

The litigation risks are mainly risks from expected lawsuits relating to injunctions and licence claims and from an action for compensation brought by a hotel operator against HOLIDAYCHECK AG.

As an enterprise operating in a number of different business segments, the Group is exposed to many legal risks. These can particularly be risks in connection with warranties, taxation and other legal disputes. The outcome of cases currently pending and future cases cannot be predicted with certainty, so court decisions may lead to expenses that are not entirely covered by insurance and that could have material effects on the business and its results. In the estimation of the Management Board, the litigation currently pending does not involve decisions that could have a material detrimental effect on the Group's assets and income situation.

IV.19 Payables to banks

Payables to banks amount to EUR 18,527 thousand (EUR 28,210 thousand in 2007) and mainly result from the provision of finance for the purchase of the 29 percent stake in HOLIDAYCHECK AG. This loan is based on a fixed

interest rate and is repayable in September 2010. 80 per cent of the shares in HOLIDAYCHECK AG were pledged to the bank as collateral. Of the payables to banks EUR 327 thousand are due within 12 months.

IV.20 Other liabilities

The Other liabilities include liabilities in relation to the purchase price for the put option from the acquisition of HOLIDAYCHECK AG, Elitemedianet GmbH and Jameda GmbH and also tranches 2 to 4 and the put option from the acquisition of Elitemedianet GmbH. Tranche 4 and the put option from the acquisition of Elitemedianet GmbH and Jameda GmbH are due after one year but before five years (EUR 2,425 thousand; EUR 29,993 thousand in 2007).

The remaining liabilities as at 31 December 2008 are due within one year.

Liabilities in relation to holiday pay of EUR 380 thousand (EUR 371 thousand in 2007) and other employee benefits of EUR 1,369 thousand (EUR 1,351 thousand in 2007) are recognised under Other financial liabilities.

Furthermore, the Other financial liabilities include liabilities of EUR 1,571 thousand for wage tax and church tax (EUR 1,452 thousand in 2007) and liabilities of EUR 155 thousand in connection with social security (EUR 39 thousand in 2007).

IV.21 Payments received on account

No payments received on account are shown on the balance sheet at 31 December 2008.

IV.22 Trade payables

Liabilities in relation to outstanding invoices (EUR 3,616 thousand; EUR 2,283 thousand in 2007) are recognised under Trade payables.

Non-current trade payables contain financing lease payables of EUR 1,678 thousand (EUR 2,006 thousand in 2007). All other trade payables have a remaining term of less than one year.

The minimum lease payments or the amount payable are shown in the following table:

Trade payables	2008 '000 EUR	2008 '000 EUR
Payables from financing leases – minimum lease payments		
Up to one year	429	429
After more than one year and up to 5 years	1,463	1,286
After more than 5 years	0	606
	1,892	2,321
Future financing costs from financing leases	-214	-315
Present value of payables from financing leases	1,678	2,006
of which		
Up to one year	343	328
After more than one year and up to 5 years	1,335	1,086
After more than 5 years	0	592

V. Notes on the income statement

V.1 Segment reporting

The segment report is broken down into the following segments: Portal, Technologies, E-Commerce and Administration. These are the primary segments of TOMORROW FOCUS AG.

The Portal segment covers the online advertising and marketing business as well as the companies JAMEDA, which operates a rating platform for physicians and pharmacies, and FINDOCS. FINDOCS is not as yet operational. Since 1 January 2008, CELL's mobile business has been included in the Technologies segment.

The Technologies segment covers the entire IT service and project business as well as CELL's mobile business (since 1 January 2008). In addition to TFT, the Technologies segment in 2007 also included travelnet cruise, which was formed in 2005. By means of a capital increase of EUR 8,300 entered in the commercial register on 11 January 2007, a strategic investor obtained an interest in TRAVELNET CRUISE GMBH. This reduced the share held by TOMORROW FOCUS TECHNOLOGIES GMBH from 100 percent to 75.1 percent. The insolvency proceedings of travelnet cruise GmbH were opened on 9 July 2007. In the second half of 2007, this business segment was no longer operating. TRAVELNET CRUISE GMBH was therefore deconsolidated on 30 June 2007.

The E-Commerce segment consists of HC, PDP, EP and TFB. In 2007, it also included BELL (41.71 percent) up to 31 August 2007, when the latter was deconsolidated. Since 1 July 2007, EP has formed part of the E-Commerce segment.

In addition to actual administration, the Administration segment also includes expenses and investments in new business and all matters external to the above-mentioned segments.

Transfers between the segments were evaluated and invoiced on the basis of full costs.

V.2 Revenue

The composition of the Group's revenue is shown in the following table:

Group's revenue		
'000 EUR	2008	2007
New media ad revenue	20,710	22,914
Brokerage commission	20,223	16,434
New media sales revenue	11,656	5,212
Revenue from project work	3,652	4,020
Other new media revenue	6,084	10,845
New media revenue	62,325	59,425
Sales revenue from magazines	6,067	6,771
Ad revenue from magazines	7,816	7,843
Other revenue from magazines	918	1,224
Magazine revenue	14,801	15,838
Revenue from discontinued operations	0	-317
Total	77,126	74,946

The increase in sales revenue is primarily attributable to the fact that EP has been included for a full year compared to just six months in 2007. The fall in Other revenue is largely due to the sale of BELL in August 2007.

For payments received on account please refer to Note IV.21.

Percentage of completion

In the year under review, revenue from long-term construction contracts determined according to the percentage-of-completion method (PoC method) amounted to EUR 0 thousand (EUR 208 thousand in 2007). The total costs in financial year 2008 for the contracts not yet completed at the balance sheet date and settled up according to the stage of completion amounted to EUR 131 thousand (EUR 399 thousand in 2007). Losses of EUR 131 thousand were recognised (2007 loss: EUR 191 thousand).

V.3 Other operating income

In financial year 2008, other operating income of EUR 3,321 thousand was recognised (EUR 7,298 thousand in 2007). This was mainly due to neutral income (EUR

1,450 thousand; EUR 668 thousand in 2007), which particularly included the reversal of provisions (EUR 48 thousand; EUR 159 thousand in 2007), the derecognition of liabilities (EUR 599 thousand; EUR 0 thousand in 2007) and income not generated in the period (EUR 725 thousand; EUR 361 thousand in 2007). The figure for the previous year also contained deconsolidation effects amounting to EUR 5,895 thousand.

V.4 Changes in finished goods and work in process

The changes in finished goods and work in process in the previous year particularly resulted from the deconsolidation of BELL.

V.5 Other own work capitalised

Other own work capitalised mainly concerns the capitalisation of self-generated software in the Portal division.

V.6 Cost of materials

Material costs are predominantly incurred by TFP, PDP and TFT. In the case of TFP and TFT, they relate primarily to purchased services for editorial content and bought-in production-related IT services. In the case of PDP, there are also additional costs for paper and printing besides the editorial costs.

The decline in comparison with the previous year results solely from cost savings within TFT.

V.7 Research and development costs

The TOMORROW FOCUS GROUP has an equity share in TOMORROW FOCUS TECHNOLOGIES GMBH, which itself either generates or is involved in promoting a large proportion of the developments for the Portal segment. In the E Commerce and Technologies segments, development activities are decentralised and are conducted within the companies themselves. Development costs are almost entirely capitalised as self-created software. Research expenses do not apply.

V.8 Number of employees and personnel expenses

On an annual average the TFAG GROUP had 431 employees (376 in 2007).

Breakdown of the workforce as at 31 December 2008 and 31 December 2007:

Breakdown of the workforce		
FUNCTION	NUMBER 31 DEC 2008	NUMBER 31 DEC 2007
Management Board members of the parent company	2	2
Holders of general commercial power of attorney (Prokurist under German law) of the parent company	2	1
Managing directors of the subsidiaries	10	7
Managers of the divisions	3	3
Staff	440	400
Total	457	412

In the financial year 2008, personnel expenses amounted to EUR 24,125 thousand (EUR 21,586 thousand in 2007). Of this EUR 1,418 thousand were accounted for by pensions (defined benefit plans) (EUR 1,375 thousand in 2007) and EUR 1,677 thousand by other social security expenses (EUR 1,395 thousand in 2007).

V.9 Other operating expenses

The advertising expenses largely originate from EP, PDP, HC and TFP. The increase primarily results from EP, which was only included for six months in 2007.

The marketing costs are largely made up of sales commission, travelling expenses and entertainment and were mainly incurred by EP and PDP. Despite the fact that this year's figures include a full twelve months for EP rather than just six months as was the case last year, cost saving measures made it possible to keep to the level of 2007.

In the reporting period EUR 3,087 thousand was spent on rent/rentals (EUR 2,810 thousand in 2007). This was largely in relation to office space and servers.

EUR 166 thousand was spent on leasing (224 thousand in 2007). This was mainly in relation to the leasing of vehicles by the companies.

As regards the binding force of the tenancy, rental and leasing agreements, reference is made to Note VIII.5

Other financial liabilities. The bad debts mainly come from EP. The figure for 2007 included the write-off of a loan of EUR 1.6 million in TFT in connection with the first-time consolidation of TNC.

The item Services mainly covers IT services and agency agreements. The decline results from lower expenses in connection with agency agreements in TFAG and PDP.

Outgoing freight comes from PDP and in 2007 from BELL, which was consolidated on a pro rata basis until 31 July 2007. It represents the cost of sending out magazines. The decline in these expenses is primarily due to the fact that BELL is no longer included in the consolidated financial statements.

As well as audit costs, the item Legal and consulting costs includes expenses that cannot be capitalised and were incurred in connection with the acquisitions in 2008. It also covers expenses incurred by the Group's internal audit and general consulting services.

The communication and information expenses largely relate to telecommunications, advanced training and market research.

Other operating expenses		
	2008 '000 EUR	2007 '000 EUR
Advertising expenses	11,702	7,528
Marketing costs	4,230	4,555
Rent/leasing	3,253	3,034
Legal and consulting	1,691	1,407
Licences	1,331	946
Services	1,239	1,496
Communication/ information	1,107	1,123
Bad debts	1,086	2,852
Expenses not generated in the period	744	567
Outgoing freight	666	1,425
Fringe benefit costs	643	640
Administrative expenses	634	373
Other expenses	2,435	1,993
Discontinued operations	0	-2,414
Total	30,761	25,525

The other costs mainly include trading price and currency differences from the settlement of purchase price instalments and forward currency transactions; operating expenses such as repairs and maintenance; charges and premiums; money transaction costs, and insurance. The increase is primarily due to trading price and currency differences in connection with the sale of securities and payment of the purchase price instalment for HOLIDAY-CHECK AG.

V.10 Financial income

In financial year 2008, our investment strategy was geared towards generating returns that were clearly above the 3-month Euribor, despite lower interest rates.

In 2007, although it took a small risk in doing so, the company earned interest income of EUR 488 thousand from bonds, commercial paper and capital-guaranteed securities. The securities were sold in 2008.

The financial income of EUR 714 thousand in total (EUR 962 thousand in 2007) was made up of interest and similar income of EUR 714 thousand (EUR 764 thousand in 2007) and of EUR 0 thousand (EUR 198 thousand in 2007) from price and exchange-rate gains. The price and exchange-rate gains in 2007 resulted from the weakening of the Swiss franc against the euro. Now that HOLIDAYCHECK has also adopted the euro as its functional currency, currency differences will no longer apply in this area. Any currency differences arising at the level of HOLIDAYCHECK will be shown under Other operating expenses.

In future the success of the company's investment strategy will be largely determined by the development of interest rates on the capital market and the money market.

V.11 Financial expenses

The financial expenses of EUR 3,392 thousand (EUR 1,634 thousand in 2007) result from interest expenses of EUR 3,211 thousand (EUR 1,580 thousand in 2007) and currency losses of EUR 181 thousand (EUR 54 thousand in 2007). Interest expenses also include expenses from compounding in the sum of EUR 1,521 thousand (EUR 833 thousand in 2007).

V.12 Net results according to category

With the exception of the valuation adjustments to trade receivables, which fall into the Loans and receivables category and which are recognised under Other operating expenses, all components of the net results are included in the financial result.

In 2007, Loans and receivables included the write-off of a loan of EUR 1.6 million in TFF in connection with the first-time consolidation of TNC.

Net results according to category		
	2008 '000 EUR	2007 '000 EUR
Loans and receivables	-459	-2,268
Financial assets held for trading	0	-297
Financial liabilities measured at amortised cost	-1,469	-497
Total	-1,928	-3,062

VI. Notes on the cash flow statement

The cash flow statement shows how the Group's cash and cash equivalents changed during the course of the reporting period through inflows and outflows of cash. In accordance with IAS 7 (Statement of Cash Flows), a distinction is made between operating activities, investing activities and financing activities. The Group applies the indirect method for cash flow from operating activities and the direct method for cash flow from financing and investing activities. The liquidity shown in the financial statement includes cash on hand and cash at banks.

VII. Events after the balance sheet date

Purchase of a further 14 percent stake in HOLIDAYCHECK AG and extension of call/put option

In February 2009, TOMORROW FOCUS AG acquired a further 14 percent of the shares in the holiday and travel portal HOLIDAYCHECK AG, based in Bottighofen, Switzerland, through its subsidiary TF-Beteiligungs GmbH. The purchase price of EUR 21.6 million is payable in three instalments. 60 percent of the purchase price was paid immediately; a further 30 percent will be paid on 12 Fe-

bruary 2010 and the remaining 10 percent on 12 February 2011. The purchase price includes an accumulated pro rata entitlement to draw profits.

This means that TOMORROW FOCUS AG now holds 94 percent of the shares in HOLIDAYCHECK AG. The remaining shares will be kept by existing shareholders. The existing call/put arrangement has been amended in such a way that it can now be exercised by both parties in the course of 2014. The founding shareholders will remain part of the company's management team and will continue to act in an advisory capacity.

VIII. Other disclosures

VIII.1 Share option plan

On 17 June 2002, the company's Annual General Meeting approved a share option plan granting subscription rights to no-par-value shares to entitled parties in several stages (tranches) on the basis of the following conditions.

(1) Option rights

A total of 3,500,000 options were issued. Each option confers the right to acquire one no-par-value bearer share in the company, each share accounting for EUR 1.00 of the share capital.

(2) Entitled parties

The entitled parties included the members of the company's Management Board, the managing directors of the German and international entities affiliated to the company and the company's employees (including senior managers and executive staff). The selection criteria and the choice of managing directors and employees to whom option rights were granted was a matter for the Management Board, with the approval of the Supervisory Board. The selection criteria and the choice of Management Board members to whom option rights were granted was a matter for the Supervisory Board. In both cases it was possible to make the selection criteria dependent on individual performance-related criteria.

(3) Exercise price (issue price)

The exercise price corresponds to the average official closing prices of the company's shares in XETRA trading on the FWB Frankfurt Stock Exchange over the 5 trading days prior to the date on which the option rights are issued (EUR 1.45). The exercise price, following specification of the option terms, must be reduced to safeguard against the dilution of the option rights if the company implements capital measures without excluding subscription rights or creates conversion or option rights. The minimum exercise price, however, is the proportion of the company's share capital represented by a single notional no-par-value share.

(4) Issue of option rights, tranches, acquisition periods

Up to the end of 2006 the Management Board was able to offer employees, managing directors of the affiliated entities and the Supervisory Board a total of 3,500,000 option rights, to be subscribed to in three tranches. Of these, up to 875,000 option rights can be allocated to the Management Board, up to 875,000 to the managing directors of the German and international affiliated entities and up to 1,750,000 option rights to the company's employees (including senior managers and executive staff) and the employees of the German and international affiliated entities.

The option rights are issued in 3 tranches. In the first tranche the Management Board was able to offer the employees and managing directors and the Supervisory Board was able to offer the Management Board a total of up to 1,400,000 option rights (40 percent of Conditional Capital III) for subscription. Of these, up to 350,000 option rights could be allocated to the Management Board, up to 350,000 to managing directors of the German and international entities affiliated with the company and up to 700,000 option rights to the employees (including senior managers and executive staff) of the company and of the German and international entities affiliated with the company.

In 2003 and 2004 the Management Board was able to offer the employees and the managing directors and the Supervisory Board was able to offer the Management Board up to 1,050,000 further option rights in further tranches (tranches 2 and 3), in each case representing 30 percent of Conditional Capital III, for subscription. Of these, up to 262,500 option rights could be allocated to the Management Board, up to 262,500 to the managing directors of the German and international entities affiliated with the company and up to 525,000 option rights to the company's employees (including senior managers and executive staff) and to the employees of the German and international entities affiliated with the company.

In as far as the number of options in a tranche had not been exhausted, the remaining option rights could be issued by the end of 2005 in a further tranche, although this fourth tranche was not allowed to exceed 50 percent of the entire option rights.

In each case the offer to subscribe to option rights could only be made within 2 weeks of the company's Annual General Meeting. The option rights could only be subscribed within 2 weeks of the offer. The option rights were deemed to have been issued from the first bank working day after the end of the relevant acquisition period (issue).

No further options were issued in 2008.

(5) Qualifying period, exercise periods

The option rights could not be exercised until after a qualifying period of 2 years from the date of issue. The option rights can only be exercised within 2 weeks of the publication of the first quarterly report or, if applicable, the interim report following the Annual General Meeting (exercise periods). The exercise periods each commence on the first bank working day following the said event. However, the option rights can no longer be exercised after 30 June 2007.

(6) Exercise barrier

The precondition for exercising option rights is that the official closing price of the company's shares in XETRA trading on the FWB Frankfurt Stock Exchange is equivalent to at least 150 percent of the exercise price. The authoritative stock exchange price is the average price of the official closing rate of the company's shares in XETRA trading on the FWB Frankfurt Stock Exchange over the last 5 trading days prior to the publication of the first quarterly report or, if applicable, the interim report following the Annual General Meeting.

The share option plan allows for individual performance criteria to be stipulated for the Management Board, the managing directors of the German and international entities affiliated with the company and the company's remaining employees (including senior managers and executive staff) and those of the German and international entities affiliated with the company. All such individual performance criteria are defined by the Management Board with the approval of the Supervisory Board. Individual performance criteria for the Management Board are defined by the Supervisory Board.

(7) Drawing restrictions, expiry and calling in

Apart from the exceptions mentioned in sentence 2 which follows, the option rights can neither be sold, pledged nor transferred in any other way. The only exceptions are inheritance and option rights that are issued to entitled US citizens. The Management Board, with the approval of the Supervisory Board, can make special rules for these US citizens. The option rights lapse, without consideration, if the contract of employment of the entitled party ends before the option rights can be exercised. The officers and directors responsible for the allocation of the option rights can determine that the ending of the contract of employment will not cause option rights to lapse if this seems unfair in individual case. In addition, the company can call in option rights that have become exercisable, without consideration, if the entitled party's contract of employment ends and the latter does not exercise his/her option rights within the exercise period immediately following the ending of the contract of employment. In individual cases in which the cancellation of option rights would seem unfair, the officers and directors responsible for the issue of the option rights in question can refrain from calling in the option rights.

(8) Parties entitled to subscribe

The parties entitled to subscribe include TFAG's Management Board members and employees and also the managing directors and employees of the entities affiliated with TFAG, now or in the future, as defined by sections 15 ff. of the German Stock Corporation Act (Aktengesetz, AktG).

Due to the capital increase at the end of August 2004, 199,975 options were exercised and new shares were issued.

(9) Exercise of options in 2007

The 69,025 option rights existing at the beginning of the financial year lapsed without consideration and without replacement on 30 June 2007, as the conditions for the exercise of these options were not fulfilled.

VIII.2 Joint ventures and entities consolidated on a pro rata basis

As at 31 December 2008, the scope of consolidation of the TF GROUP contained no joint ventures or entities consolidated on a pro rata basis.

VIII.3 Related parties

The consolidated financial statements are included in the consolidated financial statements of the equity holder, Hubert Burda Media Holding GmbH & Co. KG, Offenburg, Germany. These consolidated financial statements are submitted to the Freiburg district court for entry in the commercial register.

In addition to the entities included in the consolidated financial statements of TFAG, the entities making up the Hubert Burda Media Group ("HBM") are closely related to TFAG. They are divided into the groups: Hubert Burda Holding GmbH & Co. KG and other related entities containing the fully consolidated entities of HBM.

All transactions with related entities primarily concern services as defined by IAS 24.20 c).

The following receivables were due from related entities:

Receivables	31 DEC 2008 '000 EUR	31 DEC 2007 in T €
Hubert Burda Holding GmbH & Co. KG	0	0
Other related entities	1,227	2,821
Total	1,227	2,821

The following payables were due to related entities:

Payables	31 DEC 2008 '000 EUR	31 DEC 2007 in T €
Hubert Burda Holding GmbH & Co. KG	13	11
Other related entities	3,094	3,005
Total	3,107	3,016

The following transactions with related entities took place in the financial year 2008:

Revenue	2008 '000 EUR	2007 '000 EUR
Hubert Burda Holding GmbH & Co. KG	0	0
Other related entities	-9,278	-6,551
Total	-9,278	-6,551

Work and services purchased / other operating expenses	2008 '000 EUR	2007 '000 EUR
Hubert Burda Holding GmbH & Co. KG	101	98
Other related entities	10,168	11,080
Total	10,269	11,178

The following emoluments were paid to the officers and directors of the companies of the TFAG Group and to related parties of the companies:

- The emoluments paid to the members of the Supervisory Board in the reporting period amounted to a total of EUR 70 thousand (EUR 123 thousand in 2007). Furthermore, the company incurred expenses of EUR 10 thousand from a contract for services with a law firm to which a member of the Supervisory Board belongs (EUR 44 thousand in 2007).
- In the reporting period the emoluments paid to the Management Board of TFAG amounted to a total of EUR 837 thousand (EUR 847 thousand in 2007). This includes variable components amounting to EUR 180 thousand (EUR 250 thousand in 2007).
- The emoluments paid to the managing directors of the subsidiaries and the holder of general commercial power of attorney ('Prokurist' under German law) of TFAG amounted to EUR 1,363 thousand (EUR 1,063 thousand in 2007).

With a qualified majority, the Annual General Meeting of 1 June 2006 passed a resolution to make use of the opting-out clause. This means that TOMORROW FOCUS AG is exempted from the statutory obligation to make separate disclosure of the emoluments paid to its officers and directors.

The company has liabilities to members of the Supervisory Board to the sum of EUR 70 thousand (EUR 123 thousand in 2007) and of EUR 180 thousand due to Management Board members (EUR 250 thousand in 2007). There were no receivables due from members of the Supervisory Board or the Management Board.

As regards the presentation of TFAG's Management Board and the Supervisory Board, we refer to our comments in Note 'VIII. Management Board' and in Note 'VIII.11 Supervisory Board'.

The company has neither granted loans to members of TFAG's Management Board nor stood surety and/or given any other types of guarantee for these persons.

As at the balance sheet date, the members of the Management Board held a total of 398,000 notional non-par-value shares in the company (398,000 in the previous year).

Restrictions on transfer and voting rights

On 22 August 2007, the management of TOMORROW FOCUS AG acquired 500,000 shares in the company on the OTC market. The parcel of shares was sold to the top level of management by Burda Digital Ventures. Stefan Winners, Chief Executive Officer of TOMORROW FOCUS AG, acquired 150,000 shares, and Christoph Schuh, Chief Marketing Officer, acquired 110,000 shares. The remaining 240,000 shares are held by the senior management of TOMORROW FOCUS AG.

The aim of the measure is to ensure that the management team are more closely involved in the company's development through their interest in the share price and to gain their long-term commitment. The lock-up phase for the entire parcel of shares runs until 31 December 2010. At the same time, they have the option of returning the shares to Burda Digital Ventures in 2011 at the price they paid for them.

The company granted no loans to the members of TFAG's Supervisory Board nor did it stand surety or give any other sort of guarantees for these parties.

In the past financial year the members of the Supervisory Board did not receive any emoluments (salaries, shares of the profits, insurance benefits or perks of any kind) for their services as Supervisory Board members of entities that are dependent on the company and are in the same group.

As at the balance sheet date, the Supervisory Board members held 2,682,210 shares in the company (2,208,066 shares in 2007) both directly and indirectly in accordance with section 15a paragraph 3 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

VIII.4 Contingent liabilities and other commitments

The company has individual contingent liabilities under section 25 of the German Commercial Code (Handelsgesetzbuch, HGB).

There were no further contingent liabilities or other commitments as at 31 December 2008.

VIII.5 Other financial liabilities

As at the balance sheet date, the Group had the following liabilities under long-term tenancies, rental agreements and leasing agreements.

The liabilities primarily result from contracts in relation to buildings, IT systems and office machinery. These contracts usually run for 12 to 60 months and more than 60 months in exceptional cases. The economic risks and rewards remain with the owner due to obligations to return the items and rights to require purchase.

The technology rental for the server park is classified as a rental agreement with a normal term of 24 months.

The other contracts are primarily agency agreements for services on the part of various entities in the Burda Group.

Moreover, the other financial liabilities involve leasing agreements for company cars to the value of EUR

98 thousand for 2009 and EUR 109 thousand for 2010 to 2012.

VIII.6 Equity interests in the company as defined by section 21 paragraph 1 sentence 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG)

On 10 September 2008, Burda GmbH notified TOMORROW FOCUS AG pursuant to section 21 paragraph 1 and section 24 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) in conjunction with section 32 paragraph 2 of the German Investment Act (Investmentgesetz, InvG) that it had submitted an additional report on its voting right disclosures pursuant to section 21 paragraph 1 of the German Securities Trading Act. Further details can be found in section 12 of the management report from page 24 onwards.

Other financial liabilities in 2008		
'000 EUR	TOTAL	OF WHICH TO OTHER BURDA GROUP ENTERPRISES
Under tenancy and leasing agreements (temporary)		
Due in 2009	2,533	1,596
Due between 2010 and 2013	3,155	332
Due after 2013	541	0
Total	6,229	1,928
Liabilities under other contracts (temporary)		
Due in 2009	4,879	894
Due between 2010 and 2013	8,649	1,446
Due after 2013	0	0
Total	13,528	2,340

Other financial liabilities in 2007		
'000 EUR	TOTAL	OF WHICH TO OTHER BURDA GROUP ENTERPRISES
Under tenancy and leasing agreements (temporary)		
Due in 2008	4,019	1,728
Due between 2009 and 2012	3,622	1,182
Due after 2012	0	0
Total	7,641	2,910
Liabilities under other contracts (temporary)		
Due in 2008	3,307	670
Due between 2009 and 2012	6,286	644
Due after 2012	0	0
Total	9,593	1,314

VIII.7 Section 25 paragraph 1 sentence 1 and section 41 paragraph 3 of the of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG)

In financial year 2008 no notices were received in relation to section 25 paragraph 1 in conjunction with section 41 paragraph 3 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

VIII.8 Section 21 paragraph 1 sentence 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) in conjunction with section 160 paragraph 1 sentence 1 of the German Stock Corporation Act (Aktiengesetz, AktG)

As at the balance sheet date, Hubert Burda Media GmbH held 57.69 percent of the shares in TOMORROW FOCUS AG, either directly or indirectly as a majority shareholder.

VIII.9 Corporate governance

The company has made the declaration required under section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) for this financial year in December 2008 and published it on its website, <http://www.tomorrow-focus.de>, for perusal by the shareholders.

The company is included in the consolidated financial statements of Hubert Burda Media Holding GmbH & Co. KG (limited commercial partnership), Offenburg, Germany. These consolidated financial statements are submitted for publication to the operator of the Federal Gazette (Bundesanzeiger).

VIII.10 Management Board

As at the balance sheet date the following persons had been appointed as Management Board members of the company with rights of representation, either jointly or

together with a holder of general commercial power of attorney (Prokurist under German law).

According to its articles of association, the company is represented by two members of the Management Board or by one member of the Management Board jointly with one holder of general commercial power of attorney ('Prokurist' under German law). If only one Management Board member has been appointed, this member represents the company alone. The members of the Management Board represent the company as set out in the articles of association.

VIII.11 Supervisory Board

The members of the company's Supervisory Board were reappointed to their previous positions at the Annual General Meeting on 1 June 2006. The Supervisory Board is made up as follows.

VIII.12 Auditor's fees

The fees paid for the audit, which has been recognised as expense in the financial year, amounted to EUR 150 thousand for the Group's present auditing company (EUR 90 thousand in 2007). EUR 2 thousand and EUR 7 thousand respectively were paid for other services provided by the auditing company and by the former auditing company in 2007.

Management Board		
	POSITION HELD	SUPERVISORY BOARD MANDATES
Stefan Winners	Chief Executive Officer (Chairperson of the Management Board)	Member of the Supervisory Board, Playboy Deutschland Publishing GmbH, Munich, Germany Chairperson of the Board of Directors, HolidayCheck AG, Kreuzlingen, Switzerland
Christoph Schuh	Chief Marketing Officer (Member of the Management Board)	Deputy Chairperson of the Supervisory Board, Playboy Deutschland Publishing GmbH; Munich, Germany

Supervisory Board		
	FUNCTION	POSITION/ OTHER SUPERVISORY BOARD MANDATES
Dr. Paul-Bernhard Kallen	Chairperson of the Supervisory Board	Member of the Management Board for Technology and Treasury, Hubert Burda Media Group; Member of the Board of Directors, VALORA AG, Bern, Switzerland; Member of the Supervisory Board, OnVista AG, Cologne, Germany (until June 2007)
Dr. Andreas Rittstieg	Deputy Chairperson of the Supervisory Board	Lawyer; Member of the Advisory Board, LichtBlick – die Zukunft der Energie GmbH & Co. KG, Hamburg, Germany; Member of the Advisory Board, Huesker Synthetic GmbH, Gescher, Germany; Member of the Advisory Board, Berenberg Bank, Hamburg, Germany; Member of the Advisory Board, Ludwig Görztz GmbH, Hamburg, Germany
Prof. Dr. Stefan Leberfinger	Member of the Supervisory Board	Wirtschaftsprüfer (certified public accountant), tax consultant; Chairperson of the Supervisory Board, DOMAG Wohnbau AG, Munich, Germany; Member of the Supervisory Board, Wacker-Chemie AG, Munich, Germany; Member of the Advisory Board of Thurn und Taxis'schen Gesamtverwaltung, Regensburg, Germany, and Freiburger Holding GmbH & Co. KG, Amerang, Germany
Helmut Markwort	Member of the Supervisory Board	Member of the Management Board, Hubert Burda Media Group; Publisher, Editor-in-Chief, and General Manager, Focus Magazin Verlag GmbH, Munich, Germany; Member of the Supervisory Board, FC Bayern München AG, Munich, Germany; Member of the Supervisory Board, Bayern Tele GmbH Fernsehproduktion Bayerischer Zeitschriftenverlage, Munich, Germany; Chairperson of the Supervisory Board, Playboy Deutschland Publishing GmbH, Munich, Germany; Chairperson of the Advisory Board, Studio Gong GmbH & Co. Studiobetriebs KG, Munich, Germany
Jean-Paul Schmetz	Member of the Supervisory Board	Merchant; Member of the Board of Directors, Abebooks Inc., Victoria, BC, Canada; Member of the Board of Directors, OPMS Co. Ltd., Seoul, South Korea; Member of the Board of Directors, DDH Co. Ltd., Seoul, South Korea;
Martin Weiss	Member of the Supervisory Board	Management consultant

VIII.13 Exemption from the requirement to prepare annual financial statements in accordance with section 264 paragraph 3 of the German Commercial Code (Handelsgesetzbuch, HGB)

The following subsidiaries of TOMORROW FOCUS AG, which were included in the consolidated financial statements and meet all other preconditions, have opted to make use of the exemption pursuant to section 264 paragraph 3 of the German Commercial Code (Handelsgesetzbuch, HGB):

- a. TOMORROW FOCUS PORTAL GMBH
- b. TOMORROW FOCUS TECHNOLOGIES GMBH
- c. CELLULAR GMBH
- d. PLAYBOY DEUTSCHLAND PUBLISHING GMBH

VIII.14 Authorisation to publish the annual financial statements

On 26 March 2009 the Management Board approved TFAG's consolidated financial statements and its combined management report for presentation to the Supervisory Board. The Supervisory Board is expected to approve the consolidated financial statements and release them for publication on 26 March 2009.

Munich, Germany, 26 March 2009



Stefan Winners
Chief Executive Officer



Christoph Schuh
Chief Marketing Officer

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements as at 31 December 2008 give a true and fair view of the assets and liabilities, financial position and profit or loss of the TOMORROW FOCUS Group and the group management report includes a fair review of the development and performance of the business and the position of the TOMORROW FOCUS Group, together with a description of the principal opportunities and risks to which the TOMORROW FOCUS Group is exposed.

Munich, Germany, 26 March 2009



Stefan Winners
Chief Executive Officer



Christoph Schuh
Chief Marketing Officer

Auditor's Report

We have audited the consolidated financial statements prepared by the TOMORROW FOCUS AG, Munich, Germany, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report, which is combined with the management report of the TOMORROW FOCUS AG, Munich, Germany, for the business year from 1 January 2008 to 31 December 2008. The preparation of the consolidated financial statements and the combined management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB („Handelsgesetzbuch“: German Commercial Code) are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit. In addition we have been instructed to express an opinion as to whether the consolidated financial statements comply with full IFRS.

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 (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined 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 in the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the combined 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 the IFRSs as adopted by the EU [, / and] the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The combined 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.

Munich, Germany, 26 March 2009

PricewaterhouseCoopers Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Andreas Fell
Auditor

ppa. Alexander Fiedler
Auditor



*Dominik Weiss, Art Director,
TOMORROW FOCUS Technologies*

Miscellaneous

170	Responsibility statement
174 – 175	Glossary
176	Index
177	Financial calendar
177	Imprint and contact



Glossary

Company-specific terms

A AGOF

AGOF is the abbreviation for ARBEITSGEMEINSCHAFT ONLINE-FORSCHUNG (German study group online research) which was founded in December 2002. The AGOF's mission and purpose is to ensure transparency and practical standards in Internet and online advertising platform research regardless of all individual interests. The goal is to establish a uniform currency for reach to be used as a market basis for online media planning. The AGOF publishes its INTERNET FACTS - a market media survey of reach and user structures for the online advertising market - on a quarterly basis.

C Community

A community is a social network consisting of a group of internet users with similar interests who meet on a website to exchange experiences or other content. (Web 2.0)

E E-Commerce

E-commerce consists of the buying and selling of products or services over electronic systems such as the Internet.

I IVW

IVW stands for INFORMATIONSGEMEINSCHAFT ZUR FESTSTELLUNG DER VERBREITUNG VON WERBETRÄGERN E.V. (IVW) (German Information Society for Measuring the Distribution of Advertising Media, ivw). The ivw neutrally and objectively measures the distribution of advertising media. The ivw counts the total number of page impressions and visits to online portals.

M Mobile internet

Access to the internet via a mobile terminal.

P Page impressions

The most important measurement of internet usage. Page impressions are the number of occasions that users view a HTML page which potentially displays advertising as the basis for evaluating a website's efficiency and user behaviour.

P Portal

Web pages which 'provides access to the internet', i.e. the first access point in the internet.

R Reach

Reach (which is expressed as a percentage) indicates the number of people in a target audience who come into contact with an advertising medium or a combination of advertising media.

Relaunch

A relaunch is the fundamental re-design of a website.

S SEO

Search Engine Optimization. This term covers a range of measures that help to improve the placing of a website in the results lists generated by search engines.

U Unique user

AGOF INTERNET FACTS are based on unique users. Unique user figures express how many people came into contact with an advertising medium or a single advertisement over a specific period of time. Unique users are the basis for calculating the reach and structure of online advertising media and essential media planning parameters such as weekly usage, monthly usage and contact information.

Business terms

C Cash flow

A measure of cash inflow and outflow from the business.

Corporate Governance

The process used to manage the business affairs of the company towards enhancing business prosperity and corporate accountability.

D Debt (liabilities)

Debt (balance sheet total less equity) represents the portion of funds which are not made available by the company or its owners. It includes bank loans and can be categorised with other financial instruments under the generic term of liabilities.

Declaration of conformity

Declaration of the management board and the supervisory board in respect of the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz, AktG).

Deferred taxes

Income tax to be paid or received as a result of temporary differences on the balance sheet date in the carrying amounts in the financial accounts and the tax base in conformity with IFRS.

E EBT

Earnings before taxes.

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation and amortisation.

E Equity

Equity (balance sheet total less debt (liabilities)) represents the funds paid in and/or contributed by the shareholders plus retained earnings which are available to the company.

Equity ratio

Equity as a percentage of the balance sheet total (the higher the ratio, the lower the gearing).

Earnings per share

Earnings divided by the average number of ordinary shares outstanding.

G Goodwill

An intangible asset representing portion of the market value of a business entity not directly attributable to its assets and liabilities. It is calculated in terms of the excess of an acquired company's cost over its net equity.

I Impairment

A reduction in the value of an asset in addition to scheduled depreciation or in place of scheduled depreciation in the case of intangible assets with indefinite useful lives. An impairment test is implemented to ascertain whether an asset's carrying amount is higher than its recoverable amount. If necessary, the asset is depreciated to its recoverable amount.

International Financial Reporting Standards (IFRS)

Accounting regulations developed to guarantee comparable balance sheet preparation and disclosure which all listed companies in the EU are required to apply.

S Segment reporting

Disclosure of earnings and asset data for individual fields of business.

Index

56, 88, 142	A	ADJUG	2, 92, 95	K	Key figurest
63f, 88		AMICA Online		L	Liabilities
171		Audit certificate	94f, 119, 159	M	Management Board
	B	Balance sheet	10ff, 20ff, 91, 96, 169		Management report
94f, 118f, 144ff	C	Cash flow statement	682ff		Marketing
93, 122f		CELLULAR	54ff, 86ff		MAX Online
76f, 90, 142		CINEMA Online	63f		Milchstrasse Online
63f, 89		Compensation report	63f	N	Net income for the year Group
96		Corporate Governance			Net income for the year segments
30f, 169	D	DLD	120		Notes to the consolidated financial statements
78ff		Earnings per share	128f	O	Outlook
	E	EBIT Group (Operating result)	130ff		Opportunity report
92, 120		EBIT Segments		P	PLAYBOY
92		EBITDA Group	38f, 68f		Portal
128f		EBITDA Segments	53ff, 87ff, 113ff		Provisions
92		E-Commerce	131, 154ff, 158	R	Reset.to
128f		ELITEPARTNER			Responsibility statement
65ff, 86ff, 113ff		Employees			Revenue Group
40f, 66f, 99, 131		Equity	42f		Revenue Segments
33ff, 98f, 161	F	Financial calendar	170		Risk report
94, 119, 121, 151ff		Financial instruments	120, 160	S	Share
		FINANZEN100/FINDOCS	128f, 160		Segments
		FITFORFUN Online	99		Statement of changes in equity
		FOCUS Online	28f, 97f		Statement of changes in fixed assets
	G	Glossary	128f, 160		Supervisory Board
		Group structure	121	T	Tax
	H	HOLIDAYCHECK	124ff		Technologies
34f, 70f, 87, 99, 131, 142		Income statement	14ff, 97f, 169f		TOMORROW FOCUS Technologies
	I	Investor Relations	156		TV SPIELFILM Online
92f, 120, 160ff		JAMEDA	73ff, 90, 114f		
28f	J		74f, 90		
			63f		
61, 89, 131, 135, 142f					

2009

Financial calendar 2009*

14. Mai 2009

Publication of the interim report for the first quarter of 2009 (in German; English version follows)



20. Mai 2009

Annual General Meeting at Haus der Bayerischen Wirtschaft, Max-Joseph-Strasse 5, 80333 Munich, Germany



MAY

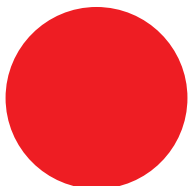
9. – 11. November 2009

Analysts' meeting at the German Equity Forum 2008 in Frankfurt/Main, Germany

12. November 2009

Publication of the interim report for the third quarter of 2009 (in German; English version follows)

NOVEMBER



AUGUST

13. August 2009

Publication of the interim report for the second quarter of 2009 (in German; English version follows)

* provisional dates

Legal notice

PUBLISHER

TOMORROW FOCUS AG
Steinhauser Straße 1-3
81677 Munich, Germany
www.tomorrow-focus.de

CONCEPT & EDITING

Armin Blohmann and Katharina Kirsch,
TOMORROW FOCUS AG

GRAPHICS & LAYOUT

Art Direction: Michael Stark
Layout: Nebojsa Blagojevic, Verena Gmelch,
Lissy Markmiller, Ute Pfeuffer, Dominik Weiss
TOMORROW FOCUS Technologies GmbH
www.tomorrow-focus-technologies.de

PHOTOGRAPHY

Thomas von Aagh, S. Brauer, Flo Hagena,
Getty Images, Andreas Pohlmann, Martin Vogt

TRANSLATION

Verbum versus Verbum
www.verbum-versus-verbum.de

PRINT

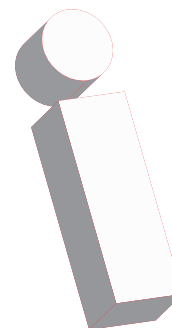
Color-Gruppe München
www.color-offset.de

INVESTOR & PUBLIC RELATIONS

Armin Blohmann
Phone: +49 (0) 89 9250-1256
Fax: +49 (0) 89 9250-2403
Email: a.blohmann@tomorrow-focus.de

Katharina Kirsch

Phone: +49 (0) 89 9250-1208
Fax: +49 (0) 89 9250-2403
Email: k.kirsch@tomorrow-focus.de



The German version of this report is legally binding.
The Company cannot be held responsible for any
misunderstanding or misinterpretation arising from
the translation in English language.

