Preliminary Report covering the Annual Report and Accounts for antwerpes ag, Cologne for the financial year 2004

Key Figures for antwerpes ag

	01/01/2004 - 31/12/2004	01/01/2003 - 31/12/2003	Change in %
Revenue	10,528,141	13,215,615	-20
from Communication	5,986,737	8,452,299	-29
from DocCheck, Commerce & Logistic	4,537,328	4,600,312	-1
Overall performance	10,515,686	13,145,191	-20
EBITDA	792,104	597,515	33
EBIT	425,854	-279,190	253
Consolidated net income	589,204	258,762	128
Net income per share	0.10	0.04	150
Liquid assets / securities*	31,205,241	30,645,767	2
Number of employees at 31 December 2004	76	70	9

*includes fixed-asset and current-asset securities

The Annual Financial Statements

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1. antwerpes ag 2004 Management Report
Combined Management Report and Group Management Report for antwerpes ag, Cologne, for the financial year 2004

Introduction

The antwerpes Group ("antwerpes" or "Group") consists of antwerpes Aktiengesellschaft ("antwerpes ag") and its subsidiaries

- antwerpes & partner Aktiengesellschaft ("antwerpes & partner"),
- DocCheck Medical Services Gesellschaft mit beschränkter Haftung ("DocCheck"),
- DocCheck Medizinbedarf und Logistik Gesellschaft mit beschränkter Haftung ("DocCheck Medizinbedarf"),
- medicalpicture Gesellschaft mit beschränkter Haftung ("medicalpicture"),
- medizinstudent.de Gesellschaft mit beschränkter Haftung ("medizinstudent"),
- editworks Gesellschaft für digitale Medien mit beschränkter Haftung ("editworks"),
- antwerpes romania SRL ("antwerpes romania") (in liquidation).

antwerpes ag acts as a leading holding company and has its head office in Cologne. The service and consultancy business is operated by the subsidiaries. The following explanatory notes therefore relate to both the company and the Group. Unless an express reference is made to the ag, all statements refer to the Group as a whole. The financial statements for the Group have been prepared in accordance with § 292a of the German Commercial Code with the effect of a discharge according to the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board ("IASB"), London, which were in force on the cut-off date, as well as on the basis of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, London.
The financial year for the ag and the Group runs from 1 January 2004 until 31 December 2004.

I. Development and situation of the Group
1. Market and competitive environment

Whilst the world economy, with a growth rate of more than five per cent, achieved the highest growth rate in 30 years in 2004, the countries within the European Union (excluding acceding countries) could only increase growth by 2.2 per cent. By the end of the year, Germany – still the third largest national economy in the world and the largest within the EU – only managed a growth rate of 1.6 per cent and so did not rank amongst the best performing economies. Exports greatly contributed to growth which increased by about ten per cent as did the 2004 calendar year which had five more working days than in 2003. Actual consumer spending by private households was however lower in the first three quarters when compared to the previous year. The reasons for this were that the whole of society was deeply suspicious as regards the reformability of the German labour market, educational and social systems and so it had little confidence in the ability of the German national economy to compete and to perform.

The economic forecasts by the leading institutes of economics for 2005 are on average just over one per cent. The expected growth therefore will clearly turn out to be too low to create new jobs. The high dollar rate and the high oil price also create additional risks. The strong recovery, anxiously awaited since 2001, must be put back for another year to 2006. Everyone is pinning their hopes on the World Cup, which is being held in Germany, as being a sign of better times.

The market for advertising expenditure has increased overall by 5.8 per cent to about EUR 18.2 billion in 2004 and so is clearly ahead of the dynamics for the economy as a whole. The large consumer goods manufacturers continue to contribute to growth. The rising internet penetration – in 2004 the number of internet users increased from 54 per cent to 60 per cent – and the progressive digitalisation of business processes resulted in a growth of 1.9 per cent in the information technology market. One can expect a comparable trend in 2005.

The antwerpes Group achieved 75 per cent of its turnover in the health services and products market. Whilst during the past few years the market has continually developed better than the overall market, this trend was broken in 2004.
The development of innovations, which have the potential to generate more than a billion dollar turnover per year on a world-wide basis (so-called "Blockbusters"), is becoming more and more expensive for the pharmaceutical industry and the time frame for marketing is becoming smaller and smaller. At the same time, the marginal utility of the innovations is becoming smaller and the economic and pharmacological risks are increasing. The latest example of this is that Merck had to take its painkiller Vioxx, which generated a world-wide turnover of 2.5 billion dollars, off the market because of side effects. As a result, the market value dropped by more than 40 billion dollars due to the loss of sales and the risks ensuing from lawsuits involving claims for damages. The business model of the large pharmaceutical groups, which is to achieve a large part of their turnover by means of their own small number of top products, is therefore called into question.

Secondly, the Government is becoming more and more eager to restrict cost increases in health care by means of increasing regulatory controls. To date, the continuous increase in the share of health expenditure in the Gross National Product due to technical progress and the demographic development of Western Society was considered to be inevitable. Between 1992 and 2002 alone the share of health expenditure in the Gross Domestic Product rose from 10.1 per cent to 11.1 per cent. However, as a large part of health expenditure is financed by the Government or for the most part by the Government, health expenditure, which is increasing disproportionately, is bringing the national economies to the limits of their ability to pay.
For the German market, this development resulted in the Health Modernisation Act (GMG) being passed on a temporary basis in October 2003 and to its being enforced on 01/01/2004. Amongst other things, this provided for an increase in the mandatory discount which the pharmaceutical manufacturers have to grant to the health insurance funds for their products, which rose from 6 per cent to 16 per cent. As a result of this and other measures, the German Association of Research-based Pharmaceutical Companies (VFA) had to declare a turnover loss of about five per cent for its member companies, which represented a decrease from EUR 19.8 billion to EUR 18.8 billion. The mandatory discount has in fact dropped back down to 6 per cent for 2005. However, at the same time measures such as the introduction of fixed amount categories for drugs which are only available on prescription will have a full impact for the first time in 2005. Against this backdrop it is no wonder that only a sixth of the VFA members are expecting a noticeable increase in turnover in 2005.
Due to the low manufacturing costs of the products, the drop in turnover put direct pressure on the pharmaceutical industry's profits and thus increased the upward pressure of costs. As a result there were drastic cuts in budgets.
Therefore the market conditions for communication services and trade in the health market were miserable in 2004. Against this backdrop the competitive position of the antwerpes Group remained stable. The antwerpes Group came 14th (out of a total of 20 places) in the New Media Service Ranking 2004. In the previous year it only reached 25th place. However the comparative figures in this ranking from the previous year are only of limited informative value.

2. Services and products

In antwerpes & partner ag with bases in Cologne and Basle the agency business is grouped with the Divisions, Classical Communication and Digital Communication. The focus is on medium to large-sized companies from the healthcare and business-to-business sectors. Classical Communication supplies communication concepts for the healthcare industry in print, direct marketing and events.
The Division Digital Communication develops and implements internet, intranet and extranet applications as well as e-marketing and e-detailing concepts (personalised and interactive electronic marketing).
In April 2004 the agency business was expanded by adding a unit for public relations. In addition to classical PR the unit offers in particular web-based tools and online PR.

DocCheck Medical Services GmbH operates the access service for over 1,100 pharmaceutical websites and has over 320,000 users from the healthcare sector. On the basis of the access service, products and services are developed at DocCheck which open up new opportunities for the pharmaceutical industry in terms of e-marketing and customer relations management. This includes online market research, online use monitoring, newsletter, e-marketing, e-detailing and direct marketing.

DocCheck Medizinbedarf und Logistik GmbH is the e-commerce and logistics service provider within the antwerpes Group. Via the e-commerce platform "DocCheck Shop" it sells medicines and minor medical equipment with the emphasis on the DocCheck user. Since 2003 own brands under the label "DocCheck" have also been sold via the Shop. In addition to the classical mail order business, DocCheck Medizinbedarf und Logistik GmbH continues to take on logistics tasks within the project business of the antwerpes Group and for customers from the health market.

As a picture agency, medicalpicture GmbH specialises in the health market and is a market leader in Germany with over 30,000 items relating to medicine, pharmaceuticals and science. In addition to the syndication of picture media, medicalpicture offers solutions and services concerning media management to the industry.

Amongst other things, editworks GmbH operates the "virtual video library for medicine". The video portal, together with its licensing associates, can offer more than 300 medical films and makes these available to doctors via internet broadband access in high-quality streaming formats. In collaboration with DocCheck, editworks develops the divisional channel for doctors "DocCheck.tv".

medizinstudent.de GmbH operates the largest German portal for medical students and serves as a bridgehead for future DocCheck users and so for the prospective customers of the healthcare industry.

Under its roof, the antwerpes Group unites six active subsidiaries which, within the health market, cover a broad spectrum as regards communication services and trading activities. This portfolio of participating interests enables antwerpes to develop strategies for its customers, to convert these into classical and digital marketing and PR concepts and to take on logistics tasks as they crop up. In addition, the appropriate target group channel, with a wealth of instruments for market processing and customer relations management, can be provided to the customer from the healthcare industry via DocCheck.

3. Sales, costs and results trend

Sales at Group level have dropped when compared to the previous year by EUR 2.7 million or 20 per cent, going down from EUR 13.2 million in the previous year to EUR 10.5 million. 1 million euro of this is attributable to the deconsolidation of antwerpes.korte consulting on 01/01/2004 and the closing of the Berlin branch on 30/06/2004. All in all, the decline in sales could be curbed slightly in the course of the year. Whilst sales in the first quarter were EUR 2.4 million and so 33 per cent down on sales in the previous year, sales in the fourth quarter, being EUR 2.7 million, were still 17 per cent below sales in the fourth quarter of 2003. The trend in the Divisions varied, the Division Communication, which recorded a drop in sales of 29 per cent, going down from EUR 8.5 million to EUR 6.0 million, was disproportionately affected. On the other hand, with sales totalling EUR 4.5 million, the Division DocCheck could almost maintain the sales level of the previous year (-1 per cent). In the fourth quarter of 2004, sales in the Division DocCheck accounted for the first time for more than 50 per cent of the Group's sales.
However, in this segment the proportion of outside services included in sales is significantly higher and so the contribution for financing the holding company is lower than the share of sales.

The costs for the antwerpes Group (staff, other expenses and depreciation) dropped in 2004 when compared to 2003 by 21 per cent, going down from EUR 8.4 million to EUR 6.6 million. The markedly lower cost basis is mainly due to lower staff costs: Following an adjustment to the core workforce mid-2003, in addition, as from October 2003, difficult market conditions were expected for 2004 due to the Health Modernisation Act and a more cautious policy was practised as regards recruiting new employees. Furthermore, the staff costs could be further reduced as a result of closing the Berlin branch on 30/06/2004. Due to the lower costs in each quarter of the 2004 financial year, the antwerpes Group achieved a positive result despite lower sales and for the whole year the Group generated an EBIT of EUR 0.4 million. Compared to the 2003 financial year, when a negative EBIT of EUR –0.3 million was recorded due to the effects of restructuring, this reflects an improvement of EUR 0.7 million.
The financial result (income from and write-downs of securities, interest) is EUR 0.8 million, the same level as for 2003 (EUR 0.8 million). Due to the marked increase in the EBIT and a constant financial result, the net earnings per share improved by 150 per cent, rising from 4 cent in 2003 to 10 cent in 2004.

4. Cash flow, liquid funds, fixed-asset and current-asset securities

Within the framework of the planned capital reduction, in order to cover the amount distributed, a mortgage bond and a corporate debenture loan from the securities purchased in May 2003 were sold in the second quarter of 2004. The securities portfolio – consisting of two loans against promissory notes and two mortgage bonds with a nominal value of EUR 15 million – were transferred from the fixed assets to the current assets, as antwerpes ag only had a small amount of cash to hand following the special dividend and so, in the event of acquiring a company for cash, these securities would be up for sale. The average term of the securities was 2.6 years as at December 2004 and the average rate of return was 3.15 per cent. The investment portfolio and liquid funds position increased from EUR 30.6 million at the end of 2003 to EUR 31.2 million at the end of 2004. As a result of the reduction in capital on 07/02/2005, the position was reduced by EUR 14.8 million.

5. Development of the individual locations

The antwerpes Group is represented in Cologne, Marburg, Basle and Weil im Schönbuch. There was also a branch in Berlin up until 30/06/2004. At the Cologne base, antwerpes ag (only the holding company), antwerpes & partner ag, DocCheck Medical Services GmbH and medicalpicture GmbH generated a total sales figure of EUR 9.3 million with 51 employees at the Cologne base. The branch, antwerpes & partner ag in Basle, achieved sales totalling EUR 0.5 million with 3 employees. At the Berlin base sales totalling EUR 0.2 million with 5 employees were achieved up until the time of its closure. editworks GmbH in Marburg, with 3 employees, recorded a sales figure of EUR 0.1 million. DocCheck Medizinbedarf und Logistik GmbH in Weil im Schönbuch recorded sales totalling EUR 3.5 million with 14 employees (all the sales figures are unconsolidated).

6. New participating interests in companies

In 2004 there was a change as regards the portfolio of participating interests appertaining to antwerpes. On 15 July 2004 antwerpes ag acquired a 51 per cent stake in editworks Gesellschaft für digitale Medien mbH, Marburg. The remaining 49 per cent stake is held by Stephan Feifel and Christoph Janssen, the founders and managing directors of editworks. The acquisition price of EUR 140,000 was paid in cash.

7. Sales of participating interests in companies

On 1 January 2004 antwerpes ag sold its 51 per cent stake in antwerpes.korte consulting GmbH. The shares were bought by the founder and managing director, Hermann Korte, for EUR 100,000. The sale had no significant influence on the sales and result of antwerpes ag in the first quarter of 2004. Hermann Korte's position as Board member of antwerpes ag with the Division Merger & Acquisitions has not been affected by this transaction.

8. Staff

Through the integration of antwerpes & partner ag Berlin into the Cologne headquarters of the agency on 30 June 2004, not only a streamlining of the budget structure was achieved but also a grouping of competences and synergies. All the Berlin employees were guaranteed a job in Cologne, nevertheless the core workforce in the Division Communication was slightly reduced as a result of merging the two locations and also as a result of natural wastage. On the other hand, new people were recruited at other subsidiaries. At the end of the year antwerpes had 76 employees compared to 70 employees at the end of 2003 (all staff figures only include permanent employees and exclude board members, managing directors and trainees). On average, 73 employees worked for the antwerpes Group.

9. Research and development

The companies' research and development work is centred in Cologne. Within the framework of the further development of DocCheck's business model, new services are currently being developed for users and companies on the basis of the DocCheck portal.

10. antwerpes ag

10.1. Development and situation of the ag

antwerpes ag carries out the tasks of an acting holding company and has its place of business in Cologne. The balancing of the accounts is done in accordance with the German Commercial Code. Since 17 April 2000, the shares have been quoted on the Frankfurt Stock Exchange. On 15 January 2003 antwerpes ag received the licence for Prime Standard.
antwerpes ag had nine employees at the end of the year. antwerpes ag offers to take over the administrative corporate functions from its subsidiaries, these include:
Management of the business of the company
Accounting

Controlling
Facility Management
Human Resources
Organisational Development
Corporate Communications
Front Office Services

Depending on the degree of participation and the location, these corporate functions are required by the subsidiaries to a varying extent. The revenue which antwerpes ag generated as a result of this work amounted to EUR 2.2 million.

In addition to the revenue from the operating activities, there is interest income from the investment of liquid funds totalling EUR 0.8 million as well as income from profit transfer agreements totalling EUR 0.3 million and expenses totalling EUR 2.5 million. The result from ordinary business activities totals EUR 1.0 million and the annual net income is EUR 0.5 million or 9 cent per share. As antwerpes ag already has profit brought forward totalling EUR 1.2 million or 21 cent per share, the Board of Directors and the Supervisory Board are proposing to the Annual General Meeting that 8 cent per share should be paid out to the shareholders.

10.2. Special dividend
Following the proposal by the Supervisory Board and Board of Directors, the Annual General Meeting of antwerpes ag decided on 30/06/2004 that a special dividend should be paid totalling EUR 14.8 million. This corresponds to EUR 2.50 per share. The special dividend was paid out by using the capital reserve on 07/02/2005.
Since the initial public offering, the business trend has shown that antwerpes ag did not require the full amount of the capital reserve which totalled EUR 29.2 million. Liquid funds and fixed-asset and current-asset securities appertaining to the antwerpes Group totalled EUR 31.2 million as at 31 December 2004 and thus was EUR 2.5 million above the net issuing proceeds ensuing from the initial public offering in 2000. After the planned special dividend, antwerpes ag's liquid funds position and securities portfolio were about EUR 16 million and stockholders' equity as a percentage of total assets was about 89 per cent, that is, even after the special dividend, the antwerpes Group can, as scheduled, continue its corporate strategy, internationalisation and acquisitions. As a result of the special dividend in the 2005 financial year, interest income will drop by at least 40 per cent. Whilst in 2004 interest income was generated which, after taxes, represented seven cent per share, with the current investment total of EUR 15 million and an average interest rate of 3.15 per cent maximum, one can expect interest income after taxes to be 4 cent per share.

11. Risks
The future business trend of antwerpes is subject to risks. These risks can jeopardise the growth, the income and the financial situation as well as the future business trend of antwerpes. Within the framework of its risk management system, management regularly checks and evaluates possible risks and decides on measures to avert or limit risks. antwerpes management has identified the following significant risks:

11.1. Dependency by the holding company and the subsidiaries on individual persons
The successful business activities of the antwerpes Group are dependent upon a few key personnel. If the company should fail to keep these key persons within the company or should some of these key persons be unavailable on a long-term basis, the successful business activities could be in jeopardy. In 2004 two executive director contracts in the holding company were

extended until 2007, one executive director contract runs until the end of 2005 and the Supervisory Board will decide on an extension by mid-2005. In antwerpes & partner ag, the Board of Directors was restructured at the beginning of 2005. The contracts for both Board members, who at the same time are not members of the holding company's Board of Directors, run until 2007. The operational business in the subsidiaries, DocCheck Shop, medicalpicture and editworks is managed by the managing directors and founders who are integrated into the company via a minority holding. So most of the holders of management positions within the antwerpes Group have a stake in the equity capital. This structure guarantees that management within the antwerpes Group is sufficiently stable and dimensional.

11.2. Market risks: market decline and further regulations in the health market

The antwerpes Group achieves 75 per cent of its turnover in the market for health services and products. As a large part of the health expenses is financed by the Government or on a quasi-public basis, this market is exposed to a multitude of regulatory controls. The Health Modernisation Act (GMG) which was passed in October 2003, has had a drastic effect on the marketing budgets of the customers of antwerpes and has increased the downward pressure on prices. The full impact of additional regulations, such as for example the introduction of fixed amount categories for patent-protected drugs, will be felt in 2005. These will cause additional structural problems for the pharmaceutical manufacturers. Therefore the antwerpes Group expects the market conditions for products and services in the health market to worsen over the next few years.
With its innovative product and service portfolio, which is attractive in terms of price, antwerpes is trying to disengage itself from the market trend. So the pressure on budgets resulted in classical market research being transferred to cheaper online market research which became the fastest growing service within the antwerpes Group in 2004.

11.3. Dependency on key accounts

Dependency on key accounts is an immanent business risk for the Division Communication as concentrating on lucrative key accounts is part of the business strategy. As a result of a key account being cancelled at the Berlin base in 2003, the branch had to be closed mid-2004. On balance however, over the last few years, the Board of Directors has been able to markedly reduce dependency on key accounts by diversifying into other business areas which, due to their business model, require less dependency on individual customers.

11.4. Fixed costs which are too high in the event of a decline in sales

As a result of the stock exchange listing, antwerpes ag incurs higher administrative costs in comparison to companies which do not demonstrate a comparable capital market orientation. New laws covering stricter control of the capital market, such as the Investor Protection – Improvement Act (AnSVG) as well as additional planned measures in terms of capital market policy such as the Corporate Integrity and Modernisation of Rights to Contest Act (UMAG) and the Capital Market Information Liability Act (KapInHaG), will make the stock exchange listing even more expensive. These costs can only be scaled up to a point and also they cannot be fully taken into account when pricing the products and services as most of the competitors of antwerpes are not listed on the stock exchange. Furthermore, the organisational form as a holding company requires a certain order of magnitude for the company, in exactly the same way as the office space which is rented on a long-term basis. The ensuing risk is that if sales drop or if gross profit drops, the profitability of the company will deteriorate on an ongoing basis.
The Board of Directors has markedly reduced the costs of the stock exchange listing and holding company costs in the last few years. From 2001 to 2004, the holding company costs (staff, other operating expenses and depreciation) dropped by 23 per cent from EUR 3.1 million to EUR 2.4 million. As a result, the antwerpes Group was able to generate a positive operating result in each

quarter in the 2004 financial year. The Board of Directors does not believe that a further significant reduction in the holding company costs is attainable. In the event of a drop in gross profit in 2005, the organisational structure of the antwerpes Group would have to be changed as a result.

12. Important events after the balance sheet date

According to schedule, the special dividend amounting to EUR 2.50 per share was paid out on 07/02/2005.
On 15/03/2005 the Board of Directors and the Supervisory Board of antwerpes ag decided to propose to the ordinary Annual General Meeting on 15 June 2005 that antwerpes ag should change its name to DocCheck AG.

13. Review and outlook

Growth, profitability, increasing prices, internationalisation and acquisitions – this was our programme for 2004 as stated in the 2003 Management Report.
The Health Modernisation Act and a weak economic trend had a stronger influence on our sales than expected. We had to put up with a real setback, particularly in the agency business. On the other hand, the Division DocCheck was able to hold its own despite the weak environment. If the sales activities had not been intensified, the drop in sales would have been sharper. Despite decreased sales we were able to markedly improve profitability and were therefore in a position to resume dividend payments, which were suspended for the 2003 financial year.
Due to the special dividend and our improved profitability, our share price performed well in 2004 and with a price increase of 25 per cent in 2004 the antwerpes share was able to perform better than the Dax, TecAllShare or even the new GEX.
As part of our internationalisation programme, in 2004 we concentrated on introducing DocCheck into the French market. Our target was to contract the first sites by the end of 2004. This was not achieved but it should be up and running in 2005.
With the acquisition of editworks, we have kept up the pace as planned, this being to make one or two minor acquisitions per year.
We also want to keep up this pace in 2005 but even without acquisitions we will continue to develop our business models:
Our PR Unit, which was founded in April 2004, was able to report that it had the first major orders by the end of 2004 and, for the second quarter of 2005, DocCheck plans to launch a Job Exchange.
In view of the very mixed outcome for the year 2004, our outlook for 2005 is very cautious. We want to consolidate the agency business at the existing level. For 2005 we expect growth impulses from the Division DocCheck. In terms of the result, after three years with minor and major drops in sales, we want to get back on the growth path once more. Our low level of costs and the strict discipline in terms of costs offer the opportunity of increasing sales being reflected overridingly in our result – and so in our share price as well.

Cologne, 15 March 2005

The Board of Directors

2. Group Balance Sheet in accordance with IAS/IFRS as at 31 December 2004
(Roundings-off will result in small differences in the amounts reported)

Assets	Explanatory Notes	01/01/2004 - 31/12/2004 €	01/01/2003 - 31/12/2003 €
Short-term assets			
Liquid funds		15,935,311	10,348,822
Marketable securities		15,269,930	0
Trade debtors		1,115,159	1,320,918
Amounts owed by affiliated companies		43,599	41,081
Inventories		265,745	200,682
Prepaid expenses		48,775	9,976
Total short-term assets		**32,678,519**	**11,921,479**
Tangible fixed assets		1,291,467	1,386,192
Intangible fixed assets		135,522	126,636
Investment securities		0	20,296,945
Associated companies		57,729	53,551
Goodwill		705,989	610,997
Other assets		961,514	890,253
Deferred taxes		7,715	21,459
Total Assets		**35,838,456**	**35,307,512**

Liabilities	01/01/2004 - 31/12/2004 €	01/01/2003 - 31/12/2003 €
Short-term liabilities		
Short-term loans and short-term shares in long-term loans	10,339	13,484
Trade creditors	272,925	307,497
Payments received on account	343,243	226,273
Other provisions	611,054	716,097
Provisions for taxation	99,296	36,098
Prepaid income and other short-term liabilities	15,316,532	828,527
Amounts owed to affiliated companies	15,693	15,814
Total short-term liabilities	**16,669,082**	**2,143,791**
Deferred taxes	83,200	18,000
Minority interests	229,645	275,256
Equity		
Subscribed capital	5,904,312	5,904,312
Capital reserve	13,331,816	28,090,028
Net profit/loss for the year	2,646,905	2,052,945
Revenue reserves	71,700	76,455
Capital balancing items	-3,245,570	-3,245,570
Revaluation reserve	147,366	0
Own shares	0	-7,706
Total equity (excluding minority interests)	**18,856,530**	**32,870,464**
Total liabilities	**35,838,456**	**35,307,512**

3. Development of consolidated fixed assets as at 31 December 2004 (Roundings-off will result in small differences in the amounts reported)

	Acquisition/production cost				Depreciation				Balance sheet	
	Value 01/01/2004 EUR	Additions EUR	Deductions EUR	Value 31/12/2004 EUR	Value 01/01/2004 EUR	Additions EUR	Deductions / Write-ups EUR	Value 31/12/2004 EUR	31/12/2004 EUR	31/12/2003 EUR
I. Intangible assets										
1. Licences, industrial property rights and similar rights and values as well as licences to such rights and values	716,459	48,430	119,180	645,710	589,823	39,453	119,089	510,187	135,522	126,636
Goodwill	1,105,942	154,572	74,475	1,186,039	494,945	0	14,895	480,050	705,989	610,997
	1,822,401	203,002	193,655	1,831,749	1,084,768	39,453	133,984	990,237	841,512	737,633
II. Tangible assets										
Other fixed assets, plant and equipment, fixtures and fittings	3,656,782	235,428	954,514 *	2,937,695	2,270,590	326,673	951,035 *	1,646,228	1,291,467	1,386,192
III. Financial assets										
1. Shares in affiliated companies, not consolidated	4,205	0	0	4,205	1,404	0	0	1,404	2,802	2,802
2. Participating interests	50,750	4,178	0	54,928	0	0	0	0	54,928	50,750
3. Investment securities	20,369,250	0	20,369,250	0	72,305	29,081	101,387	0	0	20,296,945
	20,424,205	4,178	20,369,250	59,133	73,709	29,081	101,387	1,404	57,730	20,350,496
	25,903,388	442,608	21,517,419	4,828,577	3,429,066	395,208	1,186,406	2,637,869	2,190,709	22,474,322
*Deduction antwerpes.korte consulting GmbH			7,343				7,180			
*correction, previous year			8,385				8,385			
*current deduction, Group			938,786				935,471			
			954,514				951,035			

4. Group income statement in accordance with IFRS/IAS (Roundings-off will result in small differences in the amounts reported)

Group income statement in accordance with IFRS as at 31 December 2004		01/01/2004 - 31/12/2004	01/01/2003 - 31/12/2003
1. Sales revenue		10,528,141	13,215,615
2. Other operating income		224,861	226,522
3. Inventory changes in finished and unfinished goods		-12,456	-70,424
4. Cost of materials			
	a) Cost of raw materials and supplies and purchased goods	2,712,653	3,755,879
	b) Cost of purchased services	996,117	1,454,906
		3,708,769	5,210,785
5. Staff costs			
	a) Wages and salaries	3,494,339	4,474,953
	b) Social security contributions	588,069	822,147
		4,082,408	5,297,099
6. Depreciation on intangible fixed assets and tangible assets		366,250	876,705
7. Other operating expenses		2,161,444	2,270,045
8. Income from participating interests		4,178	3,730
9. Operating profit/loss (EBIT)		**425,854**	**-279,190**
for information:	*EBITDA*	*792,104*	*597,515*
10. Income from other securities and loans which form part of the financial assets		316,452	770,447
11. Interest and similar income		563,295	427,153
12. Depreciation on financial assets and marketable securities		71,170	72,305
13. Interest and similar expenses		12,496	322,624
14. Result before tax (and minority interests)		**1,221,936**	**523,481**
15. Taxes on income and earnings		606,198	225,989
16. Other taxes		3,120	2,399
17. Result before minority interests		**612,618**	**295,093**
18. Minority i**nterests**		23,414	36,331
19. Consolidated net income for the year		**589,204**	**258,762**
20. Profit carried forward		2,052,945	2,388,235
21. Repayment from capital reduction		14,760,780	0
22. Income from capital reduction		14,760,780	0
23. Allocation to reserves			
a) in the statutory reserve		0	3,770
24. Withdrawal from the statutory reserve		4,755	0
25. Profit distribution		0	590,281
26. Net income for the year		**2,646,904**	**2,052,945**
Net earnings per share in accordance with IAS 33 (undiluted)		***0.10***	***0.04***
Net earnings per share in accordance with IAS 33 (diluted)		***0.10***	***0.04***
Average shares currently in circulation (undiluted)		*5,903,625*	*5,902,812*
Average shares currently in circulation (diluted)		*5,918,625*	*5,922,812*

5. Notes to the consolidated financial statements of
antwerpes ag as at 31 December 2004

5.1 The company's structure and business activities

1. The antwerpes Group ("antwerpes" or "Group") consists of antwerpes Aktiengesellschaft ("antwerpes ag" or "ag") and its subsidiaries

- antwerpes & partner Aktiengesellschaft ("antwerpes & partner" or "a & p"),
- DocCheck Medical Services Gesellschaft mit beschränkter Haftung ("DocCheck GmbH" or "DocCheck"),
- antwerpes romania SRL ("antwerpes SRL" or "romania"),
- medicalpicture GmbH("medicalpicture"),
- medizinstudent.de GmbH("medizinstudent"),
- editworks Gesellschaft für digitale Medien mbH("editworks GmbH") and DocCheck Medizinbedarf und Logistik GmbH (formerly Albert Geisselmann Medizinbedarf GmbH) ("DocCheck Medizinbedarf").

As regards a detailed structure of the Group, we refer to Section 5.4 "Principles of Consolidation".

2. **antwerpes ag** acts as a leading holding company and has its head office in Cologne. The service and consultancy business is operated by the subsidiaries.

3. In **antwerpes & partner ag** the agency business is grouped with the Classical Communication and Digital Communication divisions. Classical Communication supplies communication concepts for the healthcare industry in print, direct marketing and events. The Digital Communication division develops and implements internet, intranet and extranet applications.

4. **DocCheck GmbH** offers services and products on the internet which are focussed on the healthcare market in particular. It operates a healthcare portal which, at the end of 2004, had 310,000 registered users.

5. **antwerpes SRL** concentrated on providing programming services to the German subsidiaries and is currently in liquidation.

6. **medicalpicture GmbH** operates a web-based picture database with over 30,000 items relating to medicine, health, wellness, pharmaceuticals and science.

7. **medizinstudent.de GmbH** operates an internet portal for students, particularly medical students, and provides services relating to these.

8. Through **DocCheck Medizinbedarf** antwerpes has access to an e-commerce solution for medical practice requirements in Germany.

9. **editworks GmbH** operates a "virtual video library for medicine" with more than 300 medical films which it makes available to doctors via internet broadband access in high quality streaming formats.

5.2 Accounting principles

1. The financial statements for the Group have been prepared in accordance with § 292a of the German Commercial Code with the effect of a discharge on the basis of the principles of the International Accounting Standards Board (IASB), London, which were valid as at the cut-off date, as well as on the basis of the interpretations of the International
Financial Reporting Interpretations Committee (IFRIC) of the IASB, London and they conform to these.

The **currency** used in the report is the euro (EUR).

2. The consolidated financial statements in accordance with IFRS (IAS) are based on the audited individual financial statements of antwerpes ag (parent company), antwerpes & partner ag as well as DocCheck Medizinbedarf und Logistik GmbH. The financial statements of DocCheck GmbH, editworks GmbH, medicalpicture GmbH and medizinstudent.de GmbH were included within the framework of the auditing of the consolidated financial statements in accordance with § 317 Section 3 Clause 1 of the German Commercial Code.

The financial year, both for the consolidated financial statements and for the individual financial statements, runs from 1 January to 31 December each year.

5.3. Scope of consolidation

1. The consolidated financial statements cover associate companies over which the Group holding company exercises control. Control is exercised as soon as the parent company has 50 per cent of the subsidiary's voting rights or if it can determine the financial and corporate policy of a subsidiary or if it can provide the majority of the supervisory board or management board members. On 31 December 1999 IAS consolidated financial statements were drawn up for the first time.

In addition to antwerpes ag as the parent company, the consolidated financial statements include the following companies which have their head office in Germany:

The companies and their participating interests

Company	Participating interest quota in %
antwerpes & partner Aktiengesellschaft, Cologne	100.00
DocCheck Medical Services GmbH, Cologne	100.00
medizinstudent.de GmbH, Cologne	100.00
editworks Gesellschaft für digitale Medien mbH, Marburg	51.16
medicalpicture GmbH, Cologne	51.00
DocCheck Medizinbedarf und Logistik GmbH, Weil im Schönbuch*	51.00

* previously Albert Geisselmann Medizinbedarf GmbH

2. The indirect 33 per cent participating interest in Albert Geisselmann GmbH, Eilenburg, was consolidated using the equity method in accordance with IAS 28, subparagraph 13.

3. In accordance with the materiality clause of the IASC, antwerpes romania SRL was not consolidated. The company is currently in liquidation.

5.4 Principles of consolidation

1. In accordance with IAS 22 subparagraphs 18-20 or IFRS 3, the date of the initial capital consolidation was based on the respective date of acquisition.

The shares in DocCheck GmbH were acquired on 15 November 1999, the shares in antwerpes & partner ag were acquired on 30 December 1999, the majority shareholding in DocCheck Medizinbedarf und Logistik GmbH was acquired on 17 November 2000, the majority shareholding in medicalpicture GmbH was acquired with effect from 1 April 2002, the majority shareholding in medizinstudent.de GmbH was acquired with effect from 15 October 2003 and the majority shareholding in editworks GmbH was acquired with effect from 1 July 2004.

The purchase price for the 51 per cent participating interest in editworks GmbH totalled EUR 140,000 and was paid in cash. From 1 July until 31 December 2004, editworks GmbH generated sales totalling EUR 95,000 and a deficit of EUR 18,000. The balance sheet total amounted to EUR 92,000 as at 31 December 2004. Pursuant to IAS 7.39 and following and IAS 27.32, see Section 5.7 "Statement of Sources and Application of Funds" for additional information.

With effect from 01/01/2004, antwerpes.korte consulting GmbH was deconsolidated from the group of companies. The sales proceeds for the 51 per cent participating interest in antwerpes.korte consulting GmbH totalled EUR 100,000 and were paid in cash. The deconsolidation loss amounted to EUR 19,000. Pursuant to IAS 7.39 and following and IAS 27.32, see Section 5.7 "Statement of Sources and Application of Funds" for additional information.

2. On 31 March 2004, the IASB published the IFRS 3 "Business Combinations". IFRS 3 replaces the former IAS 22 "Business Combinations" and is to be applied to the balancing of accounts for all company amalgamations in respect of which the conclusion of the contract is effected and the announcement of the company amalgamation is made as from 31 March 2004.
The shares in editworks GmbH were offset against the capital of the company on the date of the initial consolidation in accordance with the acquisition method pursuant to IFRS 3. The retrospective application of the acquisition method to company purchases which had already been shown in the balance sheet prior to 2004 according to the participation-proportional book value method did not result in the subsequent disclosure of significant hidden reserves and charges. Accordingly the following goodwill was determined:

Company	Goodwill of initial consolidation (€ 1,000)	Book value of goodwill as at 31/12/04 (€ 1,000)	Book value of goodwill as at 31/12/03 (€ 1,000)
DocCheck Medical Services GmbH	29	17	17
editworks GmbH	155	155	-
medicalpicture GmbH	92	82	82
medizinstudent.de GmbH	182	50	50
DocCheck Medizinbedarf und Logistik GmbH	756	402	402
antwerpes.korte consulting GmbH	74	-	60
Total	1,288	706	611

From the financial year 2004, pursuant to IFRS 3 in conjunction with IAS 36 and IAS 38, the scheduled amortisation of the goodwill is waived in favour of an annual impairment test. Within the framework of the impairment test, the residual book values of the individual units generating cash and cash equivalent (cash generating units) were compared with their respective recoverable amount, that is, the higher value from the net selling price and its value in use. The cash generating units in the antwerpes Group correspond to the separate legal units of the subsidiaries.

In each case, the annual 2004 results, detailed planning for the years 2005-2007 as well as the assumption of perpetual yield (exclusive growth rate) from the financial year 2008 formed the basis for determining the values in use. The discounting rates (before taxes) for the individual cash generating units are made up of a risk-free rate of interest and a company-specific risk premium and range between 14 and 16 per cent for the tested units. The capitalised values of potential yield thus determined were compared with the respective book values of the goodwill. The impairment tests did not result in any write-down being required as at the cut-off date for the goodwill shown in the balance sheet.

The annual financial statements of the companies included in the consolidated financial statements are all based on uniform accounting and evaluation principles.

All significant Group-internal transactions and balances were consolidated within the framework of the consolidation according to IAS 27. Receivables and payables between consolidated companies were consolidated. Internal sales and other Group-internal income were offset against the corresponding expenses.

5.5 Explanatory notes on the consolidated balance sheet

1. The development of fixed assets which is shown in a separate appendix to the consolidated balance sheet is an integral part of the notes to the accounts.

Intangible assets include bought-in software as well as goodwill. Intangible assets that were acquired against payment are capitalised at cost of acquisition and are amortised according to schedule on a straight line basis over the probable useful life of three years.

2. The **goodwill** is a result of the consolidation of DocCheck GmbH, editworks GmbH, medicalpicture GmbH, medizinstudent.de GmbH and DocCheck Medizinbedarf und Logistik GmbH.

From the financial year 2004 and pursuant to IFRS 3 in conjunction with IAS 36, a scheduled amortisation of the goodwill is waived in favour of an annual impairment test.

3. In accordance with IAS 16, **tangible fixed assets** are evaluated at their cost of acquisition or production, less scheduled depreciation. Depreciation is carried out on a straight line basis. Minor-value assets are fully depreciated in their year of acquisition pursuant to § 6 (2) of the German Income Tax Law (EstG) in conjunction with IAS 16. Furniture and fixtures are depreciated over periods ranging from three to 25 years. The book value of the tangible fixed assets is examined at the end of the financial year. If the saleable amount of an asset is below the book value, an unscheduled write-down is carried out. The development of assets according to balance sheet items up to the cut-off date, 31 December 2004, can be seen in the attached statement of asset additions and disposals.

Within the framework of the annual impairment test pursuant to IAS 36 in conjunction with IAS 16, the useful lives of tangible assets must be examined regularly and adjusted if need be. In the course of restructuring measures in the Berlin offices of antwerpes & partner ag, Cologne, in the financial year 2003, the useful lives of the fixtures were reduced from 300 or 120 months to 49 months and additional unscheduled write-downs were carried out due to proportionate empty spaces. Against the background of the relocation and integration of the Berlin offices of antwerpes & partner ag, Cologne, on 30 June 2004, to the agency's head office in Cologne, the useful lives of the fixtures were reduced to 42 months. In the financial year 2004, this measure resulted in additional depreciation of tangible assets which totalled EUR 30,000 (in the previous year: EUR 140,000). The following table shows the original book value development of the fixtures as well as the book value development after the reduction of the useful lives and unscheduled depreciation:

Book value development according to the benchmark method pursuant to IAS 16.30 as at 31/12/2004:

	Acquisition costs	Accumulated depreciation	Book value
	€	**€**	**€**
Fixtures:	203,918.98	33,944.88	169,974.10

Book value development after reduction of the useful life and unscheduled write-downs as at 31/12/2004:

	Acquisition costs	Accumulated depreciation	Book value
	€	**€**	**€**
Fixtures:	203,918.98	203,918.98	0.00

According to the regulations for handling finance leasing and pursuant to IAS 17.20 (revised 2003) and IAS 17.27 (revised 2003), fixtures which originally cost EUR 162,000 were capitalised and depreciated on a straight line basis over the probable useful life of ten years.

4. The **associated companies** include the participating interest in Albert Geisselmann GmbH, Eilenburg, consolidated at equity, as well as the participating interest in antwerpes romania SRL, which is valued at cost of acquisition pursuant to IAS 39. In the case of the participating interest in Albert Geisselmann GmbH, Eilenburg, which was consolidated at equity, the book value was increased by the difference to the pro-rata annual result for 2003, this being EUR 4,000. As at the cut-off date, the 2004 annual result for Albert Geisselmann GmbH, Eilenburg, was not yet available.

5. The sale of **fixed-asset securities** in the second quarter of 2004 resulted in price gains totalling EUR 7,000, which were recorded as affecting the current result. The balancing of accounts for the sales was done on the trading day. As at half year 2004, as part of the changes to the strategic orientation, these were regrouped in current assets and allocated to the category "available for sale". (See Section 5.5.9 in this respect).

6. In accordance with IAS 2, reported and valued unfinished products totalling EUR 86,000 (in the previous year: EUR 83,000) are included in **stocks**. They were valued at cost of production. If the production costs exceeded the value to be stated on the cut-off date for the financial statements, write-downs were carried out. The production costs were determined progressively. When determining production costs, individual material costs, individual production costs as well as appropriate parts of the production overheads were taken into account. Interest paid on borrowed funds was not taken into account.
Unfinished services whose total order costs and expected order revenue could be estimated with certainty were valued according to the Percentage of Completion Method (POC), IAS 11, on the basis of the degree of completion which was determined. Accordingly, these were reported under receivables or customer advance payments and sales revenue, with additional or lower costs being deferred on a percentage basis. For details, see Section 5.12.3 "Partial Profit Realisation".

7. All **accounts receivable** have a residual term of less than one year. Accounts receivable and other assets are reported at nominal value or lower attributed value.

8. **Other assets** mainly include interest deferrals and tax claims. Other assets include assets with a term of between one and five years which amount to EUR 113,000 (in the previous year: EUR 87,000).

9. The regrouping of fixed-asset securities as **current-asset securities** resulted in the second quarter of 2004 in a reduction in the balance sheet item "Fixed-asset securities" and an increase in the item "Current-asset securities" (See 5.5.5). Securities appertaining to the category "available for sale" are to be valued at fair value (market value) in accordance with IAS 39 (revised 2003). Fair value changes are, until the securities are written off, first of all recorded in equity as not affecting the operating result. The change in value ensuing from the regrouping which totals EUR 147,000, was transferred into a special revaluation reserve in equity. As at 31/12/2004, the securities are made up of two mortgage bonds and two loans against promissory notes.
Financial risks according to IAS 32.42 exist due to the securities not being repaid 100 per cent upon final maturity.

10. **Liquid funds** include bank credits and cash provisions that are reported at nominal value.

11. **Prepaid expenses** include expenses for the following financial year which were paid before the balance sheet date.

12. **Deferred taxes** on the assets side result from expenses for provisions made for impending losses from leases in the individual financial statements of DocCheck Medizinbedarf und Logistik GmbH which cannot be set up according to the tax law.

13. As at 31 December 2004, the **subscribed capital** was EUR 5,904,312.00 and is divided up into 5,904,312 individual share certificates at EUR 1 each. These are bearer shares. The attached equity statement shows the development of equity during the year.

As the result of a resolution passed by the Annual General Meeting on 30 June 2004, the subscribed capital of antwerpes ag has been increased by EUR 14,760,780 using company funds (from the capital reserve), taking it from EUR 5,904,312 to EUR 20,665,092. As a result of another resolution passed by the Annual General Meeting on 30 June 2004, the share capital, by way of ordinary capital write-down, was reduced by EUR 14,760,780, taking it down from EUR 20,665,092 to EUR 5,904,312. By registering the Annual General Meeting's resolutions in the register of companies on 9 July 2004, the capital increase and decrease came into effect in accordance with §§ 211 and 224 of the Stock Corporation Act. Against the background of the forthcoming special dividend at the beginning of 2005, the reduction in the capital reserve amounting to EUR 14,760,780 was transferred to other liabilities (see Section 5.5.19 "Other Liabilities" in this respect).

In accordance with the resolution passed by the Annual General Meeting on 16 May 2001, in the period until 15 March 2006 the Board of Directors is empowered to increase the share capital of the company to EUR 2,952,156, with the agreement of the Supervisory Board, through a one-off or multiple issue of bearer shares for cash and/or contributions in kind (**approved capital**) and to determine the conditions of the share issue with the agreement of the Supervisory Board. Furthermore, the Board of Directors is empowered, with the agreement of the Supervisory Board, to decide that the statutory subscription rights of the shareholders should be ruled out. The statutory subscription rights of the shareholders can be ruled out.

In accordance with the resolution passed by the Annual General Meeting on 16 May 2001, the share capital will, on a contingent basis, be increased by up to EUR 590,431 by issuing up to 590,431 new shares with an entitlement to a share in the profits from the start of the financial year in which the issue takes place.

The **contingent capital** increase will be used solely to grant subscription rights to Board members and employees of antwerpes ag as well as to managers and employees of companies associated with antwerpes ag. If the rights are granted to the Board members, the Board of Directors and the Supervisory Board are empowered to grant subscription rights to rightful claimants. The contingent capital increase shall only be carried out to the extent that the bearers of subscription rights exercise these rights (see Section 5.9.8 "Stock Options" for details regarding the granting of subscription rights).
As part of the capital increase and as a result of the resolution passed by the Annual General Meeting on 30 June 2004, the contingent capital of antwerpes ag has been increased by EUR 1,476,077.50, taking it from EUR 590,431.00 to EUR 2,066,508.50. As a result of an additional

resolution passed by the Annual General Meeting on 30 June 2004, the contingent capital has, by way of an ordinary capital decrease, been decreased by EUR 1,476,077.50, taking it down from EUR 2,066,508.50 to EUR 590,431.00.

During the financial year and during the previous year, the **capital reserve** was, pursuant to SIC-17/IAS 32 in conjunction with IAS 8.42 and following, reduced by EUR 89,592.52. The adjustment was as a result of the Group tax audit in 2004 and comprises sales tax liabilities, reduced by profits tax refunds, which ensued from IPO expenses in 1999 and 2000. In accordance with SIC-17.6, transaction costs for equity transactions, reduced by profits tax benefits associated therewith, are to be shown in the balance sheet as a deduction from equity.

14. The equity in the balance sheet was adjusted in Adjusting items for capital by EUR 3,246,000 pursuant to IAS 22.12 in conjunction with IAS 8. For details on this, see Section 5.12.2.

15. The special revaluation reserve totalling EUR 147,000 (in the previous year: EUR 0) comprises the fair value amendments to the current-asset securities (the category "available for sale") which, pursuant to IAS 39 (revised 2003) and until the securities are written off, are first of all recorded in equity as not affecting the operating result.

16. The portfolio of own shares consisting of 1,500 individual share certificates (EUR 1,500 of the share capital) was sold in the second quarter of 2004 at a rate of EUR 6.85/share. The revenue totalling EUR 10,275 did not affect the operating result and was offset against the **reserve for own shares** which totalled EUR 7,706. The difference totalling EUR 2,568.52 was, in accordance with SIC 16/IAS 32, allocated to the capital reserve and did not affect the operating result.

17. Provisions were set up for contingent liabilities from previous business transactions or events, in respect of which the date and the amount of the asset outflow are uncertain as at cut-off date. They are stated taking the amount needed to perform and by taking into account those with the highest probability of occurrence.

Tax provisions as at 31 December 2004 totalled EUR 99,000 (in the previous year: EUR 36,000) and mainly concern trade tax totalling EUR 44,000 (in the previous year: EUR 17,000) and corporation tax totalling EUR 51,000 (in the previous year: EUR 20,000).

The following table illustrates the composition of **other provisions**. All provisions have a residual term of less than one year.

Provisions statement for antwerpes ag up until 31/12/2004

	Status 01/01/2004 €	Deconsol-idation €	Used €	Released €	Added €	Status 31/12/2004 €
Staff						
a) Shares in profits	132.500,52	-22.300,00	-103.821,09	-6.379,43	106.560,79	106.560,79
b) Holiday provisions	139.400,00	-1.000,00	-138.400,00	0,00	137.500,00	137.500,00
c) Travelling expenses	0,00	0,00	0,00	0,00	0,00	0,00
d) Employers' liability insurance asso	27.614,00	-371,00	-19.737,01	-7.505,99	15.200,00	15.200,00
e) Social charges for disabled person	4.300,00	0,00	-4.245,07	-54,93	1.100,00	1.100,00
f) Miscellaneous	0,00	0,00	0,00	0,00	46.000,00	46.000,00
Administration and operations						
g) Bonuses	78.657,72	0,00	-72.892,26	0,00	32.808,57	38.574,03
h) Artists' social security fund	2.500,00	0,00	0,00	0,00	4.100,00	6.600,00
i) Financial statement and audit expe	169.332,66	-2.700,00	-125.917,52	-35.455,05	129.780,38	135.040,47
j) Supervisory Board remuneration	5.000,00	0,00	-5.000,00	0,00	26.000,00	26.000,00
k) Follow-up costs	29.347,59	0,00	-29.347,59	0,00	38.163,32	38.163,32
l) Legal costs	30.400,00	0,00	-30.400,00	0,00	0,00	0,00
m) Anticipated losses	53.782,22	0,00	-53.782,22	0,00	19.132,01	19.132,01
n) Miscellaneous	43.262,38	-300,00	-41.245,73	-1.716,65	41.183,50	41.183,50
Total	**716.097,09**	**-26.671,00**	**-624.788,49**	**-51.112,05**	**597.528,57**	**611.054,12**

18. **Liabilities** are stated taking the repayment amount. Liabilities with a residual term of between one and five years total EUR 89,000 (in the previous year: EUR 75,000). As at the cut-off date, there was no securitisation of liabilities by means of liens or other rights.

In accordance with the regulations for handling finance leasing and pursuant to IAS 17.20 (revised 2003), leasing liabilities totalling EUR 106,000 (in the previous year: EUR 121,000) were shown as liabilities.

	€ K
Thereof, due within one year	17
Thereof, due after one year and up to five years	89
Thereof, due after more than five years	0
Total	106

Contingent rental payments taken into account during the financial year and which affect the operating result totalled EUR 16,000 (in the previous year: EUR 15,000).
The leasing liabilities relate to the fixtures as explained in Section 5.5.3.

19. Other liabilities have a residual term of up to one year and are made up as follows:

	2004	2003
	€ K	€ K
Accounts receivable with credit balances	59	22
Wage and church taxes	61	79
Sales tax	68	93
Social security	87	80
Wages and salaries	3	32
Travelling expenses for salaried staff	2	3
Amounts owed to shareholders	14.761	0
Other liabilities	305	532
Total	15.346	819

20. **Deferred taxes on the liabilities side** result from temporary differences in evaluations in the individual financial statements which, in accordance with the German Commercial Code, are relevant for taxation purposes and from evaluations according to IFRS (IAS) in the consolidated financial statements (in this respect, see the explanatory notes in 5.6.5).

5.6 Explanatory notes on the consolidated profit and loss statement

1. The profit and loss statement is drawn up in accordance with the total cost type of accounting.

Pursuant to IAS 11 in conjunction with IAS 18, order projects are valued according to the percentage of completion method. If the net income for an order cannot be reliably estimated, the income recorded is only that which equates to the incurred order costs which can probably be recouped. The order costs are recorded as expenses in the period in which they are incurred. There were no apparent impending losses relating to production orders as at the balance sheet date. Profits are realised if the prerequisites for determining the degree of completion, that is the estimate of the total order costs and the total order revenue which can be collected, are met. In the period under review, sales realised totalled EUR 83,000 (in the previous year: EUR 61,000).

Sales revenue can be broken down as follows:

	€ millions
Revenue from providing services	6,8
Revenue from the sale of goods	3,5
Compensation for use	0,2
Total	10,5

2. **Amortisation** of intangible assets and depreciation of tangible assets include write-downs due to useful life adjustments for fixtures which total EUR 30,000 (in the previous year: EUR 140,000).

3. **Other operating income** mainly comprises rental revenue, the release of provisions and refunds of incidental rental expenses.

4. **Other operating expenses** mainly arise from advertising, travelling, financial statement and audit expenses as well as rental expenses.

5. Personal income tax and tax on earnings, totalling EUR 606,000, mainly comprise capital gains tax for 2004 totalling EUR 291,000, trade earnings tax for 2004 totalling EUR 212,000 and the solidarity surcharge for 2004 totalling EUR 13,000.

A mixed taxation rate of 39.9 per cent forms the basis of the calculation of **deferred taxes** which is made up of a corporation tax rate of 25 per cent, a solidarity surcharge rate of 5.5 per cent on corporation tax and a trade tax rate of 18.37 per cent which is deductible when calculating the corporation tax.

Composition and development of deferred taxes:

	Deferred taxes reported as assets 2004	Deferred taxes reported as assets 2003	Deferred taxes reported as liabilities 2004	Deferred taxes reported as liabilities 2003
	€ K	€ K	€ K	€ K
Intangible assets				
Tangible assets			7	
Stocks			-8	-2
Trade receivables			33	24
Other securities			58	
Provisions	8	21	-7	-4
Total	**8**	**21**	**83**	**18**

5.7 Notes on the Group funds statement

The Group funds statement shows how cash has changed over the course of the year under review through inflows and outflows of funds.

In accordance with IAS 7, a distinction is made between payment flows from operations, investments and financing activities. The payment flows from ordinary business activities are prepared using the indirect method.

Financial resources as at 31 December 2004 include third-party funds of EUR 115,000 (previous year: EUR 375,000). These are outstanding doctors' fees which antwerpes ag cannot dispose of in any other way.

Acquisitions and sales of subsidiaries in the financial year 2004 resulted in the following additions to and deductions from assets and liabilities:

	Acquisition of editworks GmbH as at 01/07/2004	Sale of antwerpes.korte consulting GmbH as at 01/01/2004
	€ 1,000	€ 1,000
Trade debtors und other assets	6	28
Liquid funds	2	145
Provisions	11	39
Liabilities	23	17
Of which to Associated Companies	*0*	*10*

Funds statement (in EUR)

		01/01/2004 - 31/12/2004	01/01/2003 - 31/12/2003
	Net income for the period before extraordinary profit	**589,204**	**258,762**
	of which interest received	879,747	1,197,600
	of which interest paid	12,496	322,624
+	Depreciation on intangible fixed assets and tangible assets	366,250	876,705
-	Additions from financial assets	0	-3,730
+	Loss from addition and disposal of fixed assets	184,018	154
+/-	Increase/decrease in provisions	-41,845	-257,045
-/+	Increase/decrease in trade debtors	203,240	773,043
-/+	Increase/decrease in other assets	-71,261	-539,229
-/+	Increase/decrease in inventories	-65,063	23,449
-/+	Increase/decrease in prepaid expenses	-38,799	57,704
+/-	Increase/decrease in prepaid income	0	9,179
-/+	Increase/decrease in deferred taxes on the assets side	13,744	-21,459
-/+	Decrease/increase in deferred taxes on the liabilities side	65,200	-48,200
+/-	Increase/decrease in trade creditors and other liabilities	-236,111	-432,379
Cash flow from current business activities		**968,576**	**696,953**
+/-	Proceeds/outgoings for disinvestments/investments in tangible and intangible fixed assets	-380,874	-206,099
-	Outgoings from the acquisition and sale of consolidated companies	-182,725	-48,332
+	Depreciation on investment securities	43,009	0
+/-	Increase/decrease in special items ensuing from investment grants	0	-23,673
+/-	Proceeds/outgoings from the sale/purchase of securities	5,131,000	-20,296,945
Cash flow from investment activities		**4,610,410**	**-20,575,049**
-	Repayment of loans	-3,145	-3,720
-	Outgoings due to dividend payments	0	-590,281
+	Proceeds from the sale of own shares	10,275	0
Cash flow from financing activities		**7,130**	**-594,002**
Change in funds to hand which affects payment		**5,586,116**	**-20,472,098**
+	Change in funds to hand due to evaluation (revaluation reserve)	147,366	0
+	Change in funds to hand due to regrouping of securities	15,122,936	0
+	Funds to hand at the start of the period	10,348,822	30,820,920
Funds to hand at the end of the period		**31,205,241**	**10,348,822**
Composition of funds			
-	Means of payment	15,935,310.58	10.348.822,06
-	Securities	15,269,930.00	0.00

In order to improve the comparability of cash flow from day-to-day business activities, the regrouping of investment securities into current assets which affects payments was reported under 'Change in funds to hand which affects payment', unlike reporting for the period of less than 12 months.

5.8 Divisional Reporting

Divisional Reporting for the consolidated financial statements 2004

	Communication	DocCheck, Commerce & Logistic	Holding	Total
	€	€	€	€
Net turnover for the Divisions	5,986,737	4,537,328	4,076	10,528,141
Intra-Group turnover	16,030	641,528	2,243,604	2,901,162
EBIT	335,559	96,000	-5,705	425,854
Result before taxes on earnings	359,369	97,312	765,255	1,221,936
Total assets	1,010,685	2,110,083	32,717,689	35,838,456
Total liabilities	444,439	520,305	14,984,809	15,949,552
Depreciation on fixed assets	67,411	37,735	261,104	366,250
Employees	32	34	10	76

Total assets include fixed assets, current assets and prepaid expenses.

The segment Communication comprises antwerpes & partner ag, Cologne with its business premises in Basle, Switzerland. DocCheck GmbH, DocCheck Medizinbedarf und Logistik GmbH, medicalpicture GmbH, medizinstudent.de GmbH and editworks GmbH together form the division DocCheck®, Commerce & Logistic.
The segment Holding incorporates the whole of the administrative and service division of antwerpes ag. antwerpes.korte consulting GmbH, which until now was included in the segment Holding/Other, was consolidated for the last time with effect from 01/01/2004.
Since the activities of these two companies are currently located at the same site, a geographical segmentation was waived.
Supplies and services within the combined group were valued at purchase price plus a mark-up.
Cost sharing within the Group was valued at purchase price plus interest.

5.9 Supplementary notes

1. Financial instruments

The stock of **primary financial instruments** (accounts receivable, liabilities, liquid funds) is reported in the balance sheet. There are no significant differences between book and market values. In principle, there can be credit risks and risks of default in this area. As at the reporting date there were no significant risks for the Group's primary financial instruments. The company is mainly open to the risk of default through trade debtors. The company continuously monitors the creditworthiness of its customers and, because of its customer structure, it has reported hardly any loan losses in the past. The Group companies have not concluded any contracts for interest rate derivatives. As at the reporting date, there was no significant interest rate risk.
As at 31 December 2004 the Group companies had no notable receivables or liabilities in foreign currencies, so there was no exchange rate risk as at the reporting date.
As at the reporting date there were no financial instruments used for purposes of trading or speculation.

2. Number of employees

As at 31 December 2004 the number of employees totalled 76. The average for the year was 73 employees (excluding trainees and members of the Board of Directors).

3. Relations with affiliated persons

In addition to the companies included in the consolidated financial statements, the following companies and individuals are affiliated with the Group in accordance with IAS 24:

Shareholder Structure as at 31 December 2004:	Expressed as a percentage	Number of shares
Dr. Frank Antwerpes, CEO*	46.90	2,769,297
Jan Antwerpes, CFO*	15.92	939,730
Dr. Johannes Kersten, Supervisory Board, antwerpes & partner ag	7.32	432,031
Free float	**29.86**	**1,763,254**
Hermann Korte, Board Member	0.95	56,038
Roland Ortloff, Managing Director, DocCheck Medizinbedarf GmbH	0.75	44,312
Michael Thiess, Chairman of the Supervisory Board	0.00	100
Dr. Joachim Pietzko, Member of the Supervisory Board	0.01	866
Winfried Leimeister, Member of the Supervisory Board	0.00	0
antwerpes ag	0.00	0

* Half of the shares of immediate relatives were allocated to Messrs. Antwerpes.
In addition, the shares of Dr. Frank Antwerpes' wife were included.

The executive bodies of antwerpes ag had the following interests in Group companies or other companies:

The executive bodies of antwerpes ag	Membership of other control bodies
Board of Directors	
Dr. Frank Nicolas Antwerpes, Cologne	antwerpes & partner ag, Cologne (Chairman of the Supervisory Board)
Chairman of the Board of Directors, CEO	DocCheck Medical Services GmbH, Cologne (Managing Director)
Jan Antwerpes, Cologne	antwerpes & partner ag, Cologne (Member of the Board of Directors)
Director of Finance, CFO	
Hermann Korte, Cologne	antwerpes & partner ag, Cologne (Member of the Supervisory Board)
Member of the Board of Directors, Manager M & A	korte consulting GmbH, Cologne (Managing Director) medizinstudent.de GmbH, Cologne (Managing Director)
Supervisory Board	
Michael Thiess, Feldkirchen, Management Consultant Chairman of the Supervisory Board	
Dr. Joachim Pietzko, Cologne, Solicitor Deputy Chairman of the Supervisory Board	
Winfried Leimeister, Cologne, Tax Consultant Member of the Supervisory Board	
Other	
Dr. Johannes Kersten, Duisburg	antwerpes & partner ag, Cologne (Member of the Supervisory Board)
Tanja Antwerpes, Unit Manager, Classic Communication	antwerpes & partner ag, Cologne (Member of the Board of Directors)
Stefan Kellner, Cologne, Unit Manager, Digital Communication (until 30 June 2004)	antwerpes & partner ag, Cologne (Member of the Board of Directors)
Roland Ortloff, Weil im Schönbuch	Managing Director, DocCheck Medizinbedarf und Logistik GmbH, Weil im Schönbuch
Helmut Rieger, Weil im Schönbuch	Managing Director, DocCheck Medizinbedarf und Logistik GmbH, Weil im Schönbuch
Thomas Schmidt, Cologne	Managing Director, medicalpicture GmbH, Cologne
David Krüsemann, Münster	Managing Director, medizinstudent.de GmbH, Cologne
Stephan Feifel, Marburg	Managing Director, editworks GmbH, Marburg
Christoph Janssen, Kirchhain	Managing Director, editworks GmbH, Marburg

4. Remuneration of the Board of Directors

The Board of Directors of antwerpes ag received the following remuneration in 2004:

Name of the Board Member	Fixed salary in €	Bonus in €	Number of stock options granted as at 31/12/2004
Dr. Frank Nicolas Antwerpes, CEO	150,650	37,125	
Jan Antwerpes, CFO	111,682	24,750	
Hermann Louis Korte, Manager M & A	51,240		14,000
Total:	**313,572**	**61,875**	**14,000**

5. Remuneration of the Supervisory Board

The Supervisory Board of antwerpes ag received the following remuneration in 2004:

Name of the Supervisory Board Member	Fixed salary in €	Variable remuneration in €
Michael Thiess, Chairman of the Supervisory Board	12,000	3,981
Dr. Joachim Pietzko, Deputy Chairman of the Supervisory Board	6,000	1,991
Winfried Leimeister	6,000	1,991
Total:	**24,000**	**7,962**

Contracts with Mr Thiess and Dr. Pietzko are in force for general consulting and legal consulting services. In the financial year 2004 transactions with Mr Thiess totalled EUR 2,000 (previous year: EUR 2,000) and with Dr. Pietzko EUR 0 (previous year: EUR 10,000).

6. Earnings per share

Undiluted earnings per share in accordance with IAS 33 were calculated on the basis of the equity of antwerpes ag, determined from the average number of shares in the financial year - this was 5,903,625 individual shares (see Section 5.5.16). Undiluted earnings per share calculated in this manner were EUR 0.10. Taking into account the stock options of the third tranche (see Section 5.9.8), diluted earnings per share were EUR 0.10.

7. Shareholdings

Shareholdings of Antwerpes AG as at 31/12/2004

Name and Registered Office	Share of capital as at 31/12/2004	Currency	Equity 31/12/2004	Profit/loss for the year 2004
DocCheck Medical Services GmbH, Cologne	100%	EUR 1,000	514	0*
Antwerpes & Partner AG, Cologne	100%	EUR 1,000	298	0*
Antwerpes Romania S.R.L., Bucharest	100%	ROL 1,000	210,978	0**
DocCheck Medizinbedarf und Logistik GmbH, Weil im Schönbuch****	51%	EUR 1,000	573	96
editworks Gesellschaft für digitale Medien mbH, Marburg	51%	EUR 1,000	-46	-96
medicalpicture GmbH, Cologne	51%	EUR 1,000	-49	-30
medizinstudent.de GmbH, Cologne	100%	EUR 1,000	7	-8
Albert Geisselmann Medizinbedarf GmbH, Eilenburg	33%	EUR 1,000	114	13***

* after profit transfer to Antwerpes AG
** Company is being liquidated
*** final profit for the year from 2003, profit for the year 2004 was not known as at the reporting date
**** formerly Albert Geisselmann Medizinbedarf GmbH

8. Stock Options

In accordance with the resolution passed at the Annual General Meeting dated 16 May 2001, the company grants, by means of an options contract, subscription rights to certain employees regarding the acquisition of antwerpes ag shares. According to the grade and position of the employee, the company offers contracts to certain employees which cover the granting of share options (options contract). As at 31 December 2004, 57,750 (in the previous year: 79,750) stock options had been issued. The reduction in stock options issued is due to the fact that a number of employees who were eligible to subscribe left the company in 2004.

Exercising a subscription right depends on whether at the time the following performance goals were met:

- The market price of the antwerpes ag share has performed better than the Nemax All Share Index (now Technology All Share Index).
- The current market price of the share must be higher than the comparative market price and the comparative market price of the share is
  - for subscription rights granted up to five days before the initial public offering, the initial public offering price as determined in the bookbuilding process for the antwerpes ag share for the purposes of the initial public offering
  - for one or two subscription rights granted during an acquisition period, the average of the Xetra closing prices for the 20 trading days before the first day of the respective acquisition period.

- The employee has an employment contract with a company within the antwerpes Group and notice to terminate this has not been served nor has it been terminated in some other way.

Exercising the options granted is only permissible at any time during the following periods:

- On the respective fourth and the 19 subsequent bank working days following an antwerpes ag Ordinary Annual General Meeting
- On the respective fourth and the 19 subsequent bank working days following the publication of the antwerpes ag quarterly report which covers the 3rd quarter of a financial year.

On 19 February 2004 the IASB published the Standard IFRS 2 "Share-based Payment". The Standard makes the provision that share options are valued at fair value and that they are recorded as staff costs. IFRS 2 is to be used for the first time in financial years which begin on or after 01 January 2005 and is to be retrospectively applied to share option plans which were granted after 07 November 2002 (date of the publication of the draft of the Standard). antwerpes ag decided, for materiality reasons, to waive a retrospective balancing of accounts for its share options issued before 07 November 2002. A valuation of the share options issued as at 31 December 2004 by means of the Black Scholes Model would have resulted in a staff cost of EUR 9,000 (in the previous year: EUR 12,000) in the financial year 2004.

Composition of Stock Options as at 31 December 2004

Issued stock options balance as at 31.12.2003		79,750
Options granted in 2004		0
Options exercised in 2004		0
Options which have lapsed in 2004		22,000
Issued stock options balance as at 31.12.2004		57,750
The first tranche (Issue: April 2000, issue price: 21 €, term: 7 years)		42,500
of which to management		34,000
of which with a waiting period up until the first implementation on	05/04/2005	5,100
of which exercisable on	31/12/2004	28,900
of which to employees		8,500
of which with a waiting period up until the first implementation on	05/04/2005	0
of which exercisable on	31/12/2004	8,500
The second tranche(Issue: December 2000, issue price: 17.96 €, term: 7 years)		5,250
of which to employees		5,250
of which with a waiting period up until the first implementation on	27/11/2005	374
of which exercisable on	31/12/2004	4,876
The third tranche(Issue: May 2002, issue price: 5.16 €, term: 7 years)		10,000
of which to management		10,000
of which with a waiting period up until the first implementation on	31/05/2005	3,000
of which with a waiting period up until the first implementation on	31/05/2006	1,500
of which with a waiting period up until the first implementation on	31/05/2007	1,500
of which exercisable on	31/12/2004	4,000

9. Notifications according to Section 20 German Stock Corporation Law (AktG) or Section 21 German Securities Trading Act

As at 15 July 2004 a notification pursuant to Section 20, Paragraph 4 of the German Stock Corporation Law (AktG) was issued to editworks Gesellschaft für digitale Medien mbH, Marburg. There were no notifications pursuant to Section 20, Paragraph 1 AktG or Section 21, Paragraph 1 or 1a of the German Securities Trading Act (WpHG) during the financial year.

10. Foreign currency translation

As at the reporting date income and expense items on the balance sheet of antwerpes & partner ag, Basle branch, Switzerland, were translated at the average rate. As at 31 December 2004, currency differences of EUR 4,575.91 (previous year: EUR 1,404.67) were reported as income.

11. Statement on the German Corporate Governance Code

The Board of Directors and the Supervisory Board of Antwerpes AG issued a statement on the German Corporate Governance Code on 10 December 2004 in accordance with Section 161 German Stock Corporation Law (AktG) and made this accessible to shareholders on the Antwerpes AG website under "investors".

12. Relaxation provisions for subsidiaries

In accordance with the resolution of the Annual General Meeting of 25 May 2004, DocCheck Medical Services GmbH has utilised the relaxation provisions of Section 264 Paragraph 3 German Commercial Code (HGB) and has refrained from preparing notes to the accounts for the financial year 2004.

5.10 Other financial obligations

As at 31 December 2004 the following **financial obligations** applied:

	€ 1,000
From rent	2,588
From leasing	57
	2,645
- of which payable within one year	514
- of which payable in one to five years	2,131
- of which payable in more than five years	0

Arising from the rental agreement for the Basle branch, Switzerland, which can be terminated with a notice period of three months at the end of a month, are financial obligations for the following year of EUR 15,000. Contingent liabilities were only posted insofar as they were not included in other provisions.

5.11 Events after the reporting date

On 7 February 2005 antwerpes ag performed a special distribution of profits of EUR 2.50 per share in accordance with the resolution of the Annual General Meeting of 30 June 2004.

5.12 Summary of the principles of accounting, valuation and consolidation according to IRFS (IAS) which differ significantly from German commercial law

1. General

The consolidated financial statements of antwerpes ag as at 31 December 2004 were prepared in accordance with Section 292a of the German Commercial Code (HGB) pursuant to International Financial Reporting Standards (IFRS) as consolidated financial statements with discharging effect. The regulations of HGB and the German Stock Corporation Law (AktG) differ in several significant aspects from those of the IFRS (IAS). The main differences that could be relevant in assessing the financial and earnings situation of the company are presented below.

2. Capital balancing items

In accordance with IAS 22.12 and within the framework of the business combination antwerpes & partner ag and antwerpes ag, a capital balancing item was posted in the balance sheet which reduces the Group capital.

3. Partial profit realisation

According to prevailing opinion, partial profit realisation in the case of production orders is only permissible within very narrow limits under commercial law. Accordingly, in principle, only the Completed Contract method is possible. However, IAS 11 in combination with IAS 18 allows sales and corresponding profits to be realised according to the Percentage of Completion method (POC), provided the prerequisites for determining the level of completion, the estimate of total order costs, as well as the total order proceeds and their collection are fulfilled. The level of completion is defined as being the same as the status of production. In the period under review, partial profit realisation produced the following changes:

Changes through the application of POC:

	2004	2003
	€ 1,000	€ 1,000
Inventories	-22	-6
Trade debtors	83	61
Provisions for outstanding costs	-17	-9
Payments received	0	0
Change to result	44	46

4. Marketable securities

According to German commercial law, marketable securities are valued at acquisition cost or at the lower reporting date rate. According to IAS 39 (revised 2003) securities of the available-for-sale category should be valued at fair value (market value). Fair value changes up until the securities are taken off the books are initially reported in a revaluation reserve under Equity without affecting profits.

5. Goodwill amortisation

IASB adopted IFRS 3 and the revised versions of IAS 36 and IAS 38 on 31 March 2004. Accordingly, acquired goodwill should no longer be subject to regular depreciation, but should undergo a lowest value test at least once a year and, if necessary, unscheduled depreciation should be performed (impairment-only approach). The date of the annual lowest value test can be chosen freely, but once chosen that date must be used continuously. If there are indications of a diminution in value since the last impairment test was performed, an additional impairment test must be performed. The impairment tests performed by antwerpes ag led to no requirement for depreciation on goodwill disclosed in the balance sheet as at the reporting date (see Section 5.4.2 for details of impairment tests performed).

6. Transaction costs of equity transactions

In accordance with SIC-17.6, the transaction costs of an equity transaction, less all associated income tax benefits, should be reported as a deduction from equity. In the financial year, as well as in the previous year, the capital reserve was reduced by EUR 89,592.52 in accordance with SIC-17 in conjunction with IAS 8.42 and following. The adjustment resulted from the Group's internal audit 2004 and includes turnover tax liabilities from IPO costs from the years 1999 and 2000, less income tax refunds.

7. Sale of own shares

In accordance with SIC-16/IAS 32, own shares must be reported in the balance sheet as a deduction from equity. When own shares are sold, the proceeds must not be reported in the income statement, but as a change in equity.

8. Finance leasing

According to IAS 17.8 (revised 2003), leasing relations are classified as finance leasing if all the significant risks and opportunities associated with the assets are transferred. According to IAS 17.20 (revised 2003), lessees must report finance leasing relations as assets and liabilities of the same amount in the balance sheet at the start of the term of the leasing agreement, i.e. the market value attributed to the leasing item at the start of the leasing relations or the cash value of the leasing payments, if this value is lower. In subsequent periods the minimum leasing payments should be divided into finance costs and the redemption part of the residual debt. Contingent leasing payments are reported as expenses in the period in which they arise.

Cologne, 4 March 2005

The Board of Directors of antwerpes ag

Dr. Frank Nicolas Antwerpes
Chairman of the Board of Directors

Jan Antwerpes
The Board of Directors

Hermann Louis Korte
The Board of Directors

6. Breakdown of equity according to IAS 1, Subsection 86-89 (in EUR) (Roundings-off will result in small differences in the amounts reported)

	Subscribed capital	Capital reserve	Statutory reserve	Reserve required by memorandum and articles of association	Other revenue reserves	Revaluation reserve	Net profit	Capital balancing item	Own shares	Total
Balance as at 31/12/2002 before adjustment	5,904,312	28,179,620	39,253	985	32,448		2,298,642	-3,245,570	-7,706	33,201,984
Adjustment arsing from internal audit according to SIC 17 in conjunction with IAS 8		-89,593					89,593			0
Balance as at 31/12/2002 after adjustment	5,904,312	28,090,027	39,253	985	32,448	0	2,388,235	-3,245,570	-7,706	33,201,984
Dividend distribution							-590,281			-590,281
Net income for the year as at 31/12/2003				3,770			254,992			258,762
Balance as at 31/12/2003	5,904,312	28,090,027	39,253	4,755	32,448	0	2,052,946	-3,245,570	-7,706	32,870,464
Balance as at 31/12/2003	5,904,312	28,090,027	39,253	4,755	32,448	0	2,052,946	-3,245,570	-7,706	32,870,464
Final consolidation antwerpes.korte consulting GmbH				-4,755			4,755			0
Sale of own shares		2,569							7,706	10,275
Revaluation of securities						147,367				147,367
Capital increase from company funds	14,760,780	-14,760,780								0
Ordinary capital reduction	-14,760,780									-14,760,780
Net income for the year as at 31/12/2004							589,204			589,204
Balance as at 31/12/2004	5,904,312	13,331,816	39,253	0	32,448	147,367	2,646,904	-3,245,570	0	18,856,530

7. Auditors' report

Copy of the Auditors' report

on the consolidated financial statements of Antwerpes AG, Cologne, as at 31 December 2004 (consolidated balance sheet total: EUR 35,838,456; consolidated net income for the year: EUR 589,204) and on the Group management report for the financial year 2004:

We have audited the consolidated financial statements prepared by Antwerpes AG, comprising the balance sheet, income statement, notes including the funds statement and breakdown of equity, as well as the Group management report for the financial year from 1 January to 31 December 2004. The company's Board of Directors is responsible for preparing the consolidated financial statements and Group management report in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS). Our task is to assess the consolidated financial statements and Group management report on the basis of our audit.

We conducted our audit of the consolidated financial statements in accordance with Germany's generally accepted standards of auditing set out by the German Institute of Auditors (Institut der Wirtschaftsprüfer – IDW). Accordingly, we are required to plan and perform the audit in such a manner that it is possible to ascertain with adequate certainty whether the consolidated financial statements contain any significant misstatements. Knowledge of the business activities and the legal and economic situation of the Group as well as expectations of possible mistakes are taken into account when determining the audit procedures. Within the framework of the audit, the effectiveness of the internal control system for accounting purposes as well as evidence supporting the disclosures in the consolidated financial statements are assessed on the basis of spot checks. The audit includes the assessment of applied accounting principles and judgements made by legal representatives, as well as the acknowledgement of the overall presentation of the consolidated financial statements and Group management report. We are of the opinion that our audit forms a sound basis for our assessment.

No objections were raised to our audit.

In our opinion the consolidated financial statements of Antwerpes AG, Cologne, in accordance with IFRS/IAS is a true reflection of the actual financial and earnings situation of the Group, as well as the payment flows during the financial year. On the whole, the Group management report together with the other disclosures in the consolidated financial statements offers an accurate presentation of the situation of the Group and the risks of future development.

In addition, we confirm that the consolidated financial statements and Group management report for the financial year from 1 January to 31 December 2004 satisfy the requirements for discharging the company from preparing consolidated financial statements according to German law. We conducted the audit on the basis of the DRSC DRS 1 accounting standards to ensure that the consolidated accounting is in line with the 7th EU Directive, which is required to discharge the company from the commercial accounting obligation.

Cologne, 15 March 2005

HERFORT VAN KERKOM HOWER STREIT
Offene Handelsgesellschaft
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

signed M. Wickert	signed W. van Kerkom
Auditor	Auditor

8. Declaration of conformity in accordance with Section 161 German Stock Corporation Law (AktG)

Declaration of conformity by the Board of Directors and the Supervisory Board of antwerpes ag to the recommendation of the "Government Commission of the German Corporate Governance Code" in accordance with Section 161 German Stock Corporation Law (AktG)

The Board of Directors and the Supervisory Board of antwerpes ag hereby declare that the conduct recommended by the "Government Commission of the German Corporate Governance Code" in its current version of 21 May 2003 is complied with apart from the following exceptions. The Board of Directors and the Supervisory Board regularly examine whether further recommendations and suggestions of the Code can be applied to antwerpes in the future.

2. Shareholders and Annual General Meeting
2.2 Annual General Meeting
2.2.2 Subscription rights in the case of share issues
Statement by antwerpes ag:

In principle, when new shares are issued, antwerpes ag ensures that its shareholders have subscription rights corresponding to their stake. However, in accordance with the resolution of the Annual General Meeting of 16 May 2001, subscription rights can be restricted or excluded within the framework of a contingent or authorised capital increase.

Exclusion of subscription rights is also in the direct interest of the shareholders, as this enables the capital market to be exploited more intensively and puts the company in a position in which, within the scope of its expansion, it can acquire more participating interests in exchange for own shares and thus maintain its liquidity.

Contingent capital serves to grant subscription rights (stock options) to members of the Board of Directors and employees of the antwerpes Group.

The issuing of stock options is in the direct interest of the company, as this results in a stronger bond between the workforce and the company and/or Group and provides incentive for improved performance by employees.

3. Co-operation between the Board of Directors and the Supervisory Board
3.8 Rules of proper corporate management, Paragraph 2, taking out a D&O insurance policy
Statement by antwerpes ag:

The company has taken out a D&O insurance policy without a deductible. The Board of Directors and the Supervisory Board are of the opinion that a deductible is not suited to positively influencing the quality of the work of the Board of Directors and the Supervisory Board.

4. The Board of Directors
4.2 Composition and remuneration
4.2.3 Composition and publication of remuneration of the Board of Directors, Sentences 3 and 4
Statement by antwerpes ag:

antwerpes ag only grants stock options as variable remuneration components with a long-term incentive to Directors who are not major shareholders at the same time (>500,000 shares). The Board of Directors and the Supervisory Board are of the opinion that stock options as a variable remuneration element do not produce any long-term incentive to major shareholders.

5. Supervisory Board
5.3 Formation of committees
Statement by antwerpes ag in respect of 5.3 and all other points relating to the formation of committees:
This point serves to promote more efficient work by the Supervisory Board. The Supervisory Board of antwerpes ag only comprises three members and only constitutes a quorum at this size. Therefore, the formation of a committee is impractical for antwerpes ag, as the aim – namely decision-making capability and therefore the presence of a quorum – would not be guaranteed by any committees.

The Board of Directors and the Supervisory Board of antwerpes ag, Cologne, 10 December 2004

Signed on behalf of the Supervisory Board	Signed on behalf of the Board of Directors
- Michael Thiess -	- Dr. Frank Antwerpes -
- Chairman of the Supervisory Board -	- Chairman of the Board of Directors -

9. Report of the Supervisory Board

The Supervisory Board has continuously monitored the management practices of the Board of Directors in accordance with the tasks assigned to us by law and the memorandum and articles of association, and in the course of six meetings, as well as regular written and verbal reports, has been informed of the situation of the company by the Board of Directors.

The focal areas of the Supervisory Board meetings in the financial year 2004 were:

- Reporting by the Board of Directors
  - on the quarterly accounts
  - on the situation of the company
  - on business development
  - on activities in the area of Mergers & Acquisitions
  - on corporate strategy
- Planning of an ordinary capital reduction together with the Board of Directors to be proposed at the Annual General Meeting
- Development of a proposal to the Annual General Meeting for variable remuneration of the Supervisory Board in accordance with the recommendation of the German Corporate Governance Code Point 5.4.5
- Reappointment of Directors Dr. Frank Antwerpes and Jan Antwerpes
- Preparations for the ordinary Annual General Meeting on 30 June 2004

Business development

The antwerpes Group reported a decline in turnover by 20 per cent to EUR 10.5 million in the financial year. Business development varied in the two business areas Communication and DocCheck. In the business area Communication, the agency business, turnover dropped by 29 per cent to EUR 5.9 million. This was due to structural changes in the healthcare market - mainly the German healthcare modernisation act (Gesundheitsmodernisierungsgesetz) – and weak development in new business. In the business area DocCheck, the company was able to keep turnover almost steady at EUR 4.5 million.

The Board of Directors recognised the risk of deterioration in business development as early as the 4th quarter of 2003 and responded to the reduced sales through cautious staff policy and consistent cost management. As a result, the company was able to generate operating profits in each quarter of the financial year 2004 and significantly improve the profit situation from EUR – 0.3 million in the financial year 2003 to EUR + 0.4 million. Profits per share increased from 4 cents to 10 cents. Therefore, at the Annual General Meeting 2005, the Board of Directors and the Supervisory Board will propose the resumption of profit distribution to shareholders, which was interrupted for the financial year 2003, and pay out a dividend of 8 cents per share.

The Supervisory Board is lending its support to the Board of Directors of antwerpes ag in the interests of increasing turnover and profits in the year 2005.

Corporate Governance

The Board of Directors and the Supervisory Board issued the annual declaration of conformity to the German Corporate Governance Code (version: 21 May 2003) in accordance with Section 161 German Stock Corporation Law (AktG) in December 2004.

Annual financial statements and consolidated financial statements
The reports of HERFORT VAN KERKOM HOWER STREIT Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft OHG on the audit of the annual financial statements and consolidated financial statements as well as the management report were presented to all members of the Supervisory Board. The reports were dealt with in detail in the presence of the auditor at the meeting of the Supervisory Board on 15 March 2005. The Supervisory Board had no objections, endorsed the findings of the auditor, and approved the annual financial statements and management report prepared by the Board of Directors on 15 March 2005; this is therefore established. The consolidated financial statements and the Group management report prepared by the Board of Directors were also approved.

The Supervisory Board thanks the Board of Directors and all employees for their commitment and wishes them much success in facing the challenges of the financial year 2005.

Cologne, March 2005

Michael Thiess
Chairman of the Supervisory Board