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Company Reg. No: 15 50 52 81

Announcement no. 2/2007
27 February 2007

Announcement

SimCorp's annual report 2006

Today, SimCorp's Board of Directors reviewed and approved the Group's annual report 2006. The annual report shows among other things that the company posted the best results in SimCorp's history with an EBIT of EUR 35.5m (DKK 265m) and an EBIT margin of 26.5 %. Revenue increased 31 % to EUR 134m (DKK 999m).

The annual report has been submitted to the OMX Copenhagen Stock Exchange in full as an electronic document. The annual report is also available for download from SimCorp's web site www.simcorp.com, as are single statements from Q4 2006.

Investor meeting
SimCorp's Management Board will present the annual report at an investor meeting on Wednesday, 28 February 2007 at 9:00 AM at the OMX Copenhagen Stock Exchange, Nikolaj Plads 6, DK-1067 Copenhagen K. The meeting is open to the public.

The meeting will be open to the public. An electronic meeting facility has been set up through http://www.stockwise.tv/ws3/MGPplayers/default2.asp?id=634.

15 minutes after the presentation, SimCorp's CEO Peter L. Ravn and SimCorp's IR Manager Niels Beck will be available to answer questions on telephone numbers +45 4076 1841 or +45 2270 1433.

The presentaiton can be replayed afterwards via SimCorp's web site www.simcorp.com.

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SimCorp A/S

SimCorp

Annual Report 2006

Financial Statement

Investor relations

SimCorp pursues an open dialogue with investors and analysts about the company's business and financial performance. In order to ensure that all SimCorp's stakeholders have equal access to corporate information, news is released to the OMX Copenhagen Stock Exchange, the media and on SimCorp's web site, where users can also subscribe to SimCorp's news service.

SimCorp's Investor Relations department handles all contact with investors and the press on issues relating to the company's shares. Investor Relations can be reached on:

Telephone: +45 35 44 88 00
Fax: +45 35 44 87 89
E-mail: investor@simcorp.com
Web site: www.simcorp.com

This annual report can be downloaded in a Danish and an English version from SimCorp's web site.

DISCLAIMER
The forward-looking statements regarding the Group's future financial situation involve factors of uncertainty and risk, which could cause actual developments to deviate from the expectations indicated. The principal factors of uncertainty and risk are dealt with in further detail under the heading "Risk factors" in this annual report. See page 22.

Contents

This document has been translated from Danish into English. However, the original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

2006 at a glance

- SimCorp posted EBIT of EUR 35.5m (DKK 265m), an improvement of more than 63% on the 2005-figure and the best-ever performance in SimCorp's history. Part of the improvement was attributable to one-off items. See page 9. The EBIT margin of 26.5% was also the best ever. Profit after tax for the year was EUR 26.6m, and the Board of Directors will recommend to the shareholders at the annual general meeting that dividends be paid to shareholders at the rate of DKK 35 per share.

- SimCorp generated revenue of EUR 134m (DKK 999m) in 2006, an increase of EUR 32m or 31% compared with last year.

- The order inflow – representing the licence value of new orders plus the licence value of add-on licences to customers – for *SimCorp Dimension*, the Group's core product, amounted to EUR 51m, or approximately EUR 19m more than in 2005.

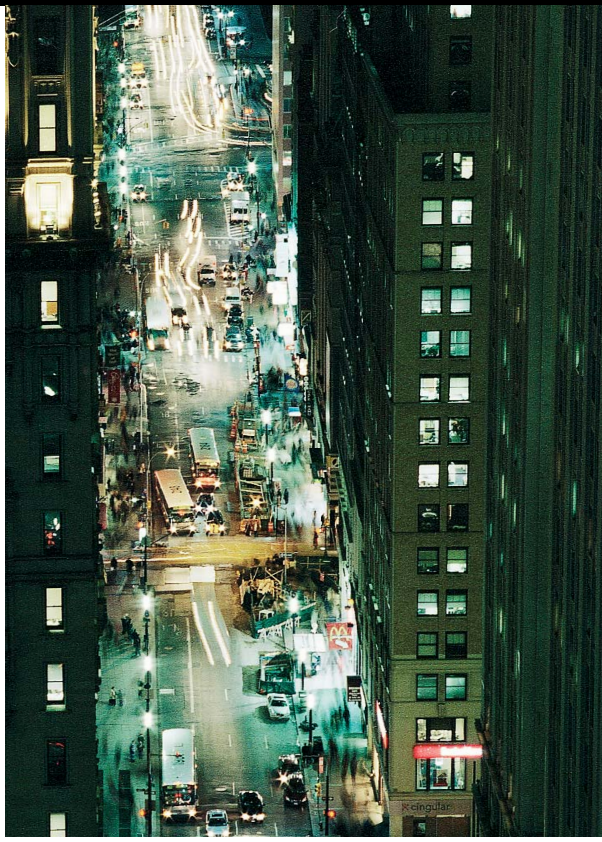
- The licence order book at 1 January 2007 was EUR 25m, which was EUR 1m higher than a year earlier. Income recognised from licences and add-on licences amounted to EUR 52m, up 43% on 2005.

- Maintenance income continued to grow, increasing by 17% relative to 2005. SimCorp sustained the high level of sales and supply of professional services throughout 2006. Professional service fees were EUR 40m, a 33% improvement on last year.

- Overall business growth measured as total revenue growth plus net growth in the licence order book was 36% in 2006.

- SimCorp continued to strengthen its position in the European markets, winning orders in the Benelux, Germany, the Nordic region and the UK. A new licence order was also won in Singapore.

- SimCorp won two new, important licence agreements in North America, increasing awareness of SimCorp and *SimCorp Dimension* significantly.



- The *IT2* business continued its very positive performance from 2005, generating 44% revenue growth. The *IT2* operations accounted for 5% of consolidated revenue in 2006.

- Net staff growth in 2006 was 94, bringing the total number of employees to 765 at 31 December 2006. In addition, SimCorp also expanded the offshore development agreements signed with two companies in the Ukraine in 2005.

- SimCorp's holding of securities and cash deposits was reduced by approximately EUR 4m in 2006 to stand at EUR 61m at 31 December 2006.

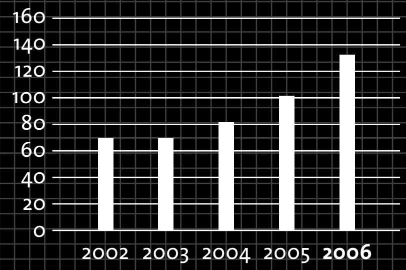
- For 2007 SimCorp expects net revenue growth of some 15% relative to 2006 with an EBIT margin of around 20%. At 1 January 2007, the Group had secured contracts worth EUR 75m of the projected 2007 revenue.

Group financial highlights 2002-2006

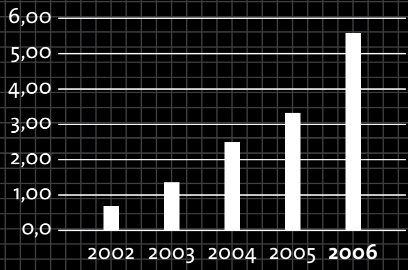
	2002	2003	2004	2005	2006
EUR'000					
Profit					
Revenue	70,367	69,242	82,046	102,254	134,044
Earnings before interest, tax, depreciation and amortisation (EBITDA)	9,010	11,409	18,104	24,123	38,241
Profit from operations (EBIT)	4,845	8,465	15,589	21,839	35,505
Financial items	1,757	1,391	798	1,089	1,099
Profit before tax	6,602	9,856	16,386	22,937	36,756
Profit for the year	3,372	6,353	11,961	16,201	26,609
Balance sheet					
Share capital	6,417	6,460	6,520	6,605	6,616
Equity	53,937	60,687	72,653	77,818	88,271
Cash, bonds and cash equivalents	47,270	48,810	58,057	64,836	60,776
Total assets	74,223	76,046	96,968	104,811	121,386
Cash flows					
Cash flow from operating activities	9,248	4,136	11,788	25,889	20,364
Cash flow from investing activities, net	(2,110)	(2,399)	(1,586)	(6,060)	(4,046)
- investing in intangible assets	(971)	(1,099)	(743)	(157)	(2,173)
- investing in property, plant and equipment	(1,262)	(1,322)	(781)	(1,157)	(493)
Cash flow from financing activities	387	(68)	30	(26,470)	(20,247)
Net change in cash and cash equivalents	7,525	1,668	10,232	(6,641)	(3,929)
Employees					
Average number of employees	553	526	519	595	681
Revenue per employee (EUR'000)	127.2	131.6	158.0	171.9	196.9
Profit from operations (EBIT) per employee (EUR'000)	8.8	16.1	30.0	36.7	52.2

	2002	2003	2004	2005	2006
DKK'000					
Profit					
Revenue	522,428	515,481	610,264	762,864	999,432
Earnings before interest, tax, depreciation and amortisation (EBITDA)	66,892	84,932	141,045	179,968	285,127
Profit from operations (EBIT)	35,971	63,021	115,945	162,931	264,732
Financial items	13,045	10,353	5,938	8,125	8,190
Profit before tax	49,017	73,374	121,883	171,118	274,052
Profit for the year	25,033	47,297	88,965	120,866	198,397
Balance sheet					
Share capital	47,639	48,089	48,539	49,175	49,250
Equity	400,446	451,793	540,402	580,565	658,147
Cash, bonds and cash equivalents	350,950	363,371	431,833	483,706	453,145
Total assets	551,057	566,133	721,260	781,941	905,054
Cash flows					
Cash flow from operating activities	68,660	30,787	87,678	193,143	151,764
Cash flow from investing activities, net	(15,662)	(17,861)	(11,795)	(45,212)	(30,110)
- investing in intangible assets	(7,211)	(8,184)	(5,526)	(1,171)	(16,206)
- investing in property, plant and equipment	(9,372)	(9,843)	(5,807)	(8,635)	(3,692)
Cash flow from financing activities	2,871	(505)	225	(197,481)	(150,961)
Net change in cash and cash equivalents	55,869	12,421	76,108	(49,542)	(29,300)

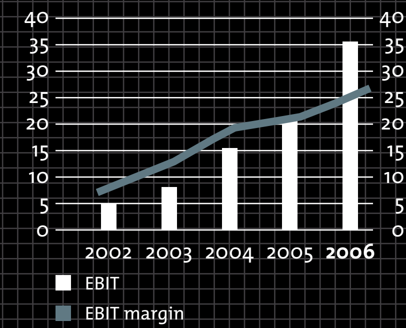
REVENUE
EURm



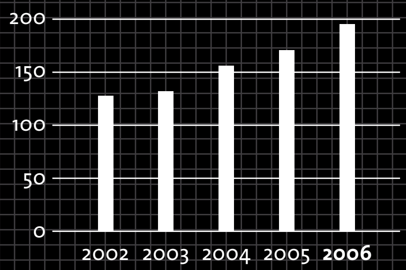
EARNINGS PER SHARE
EUR per share



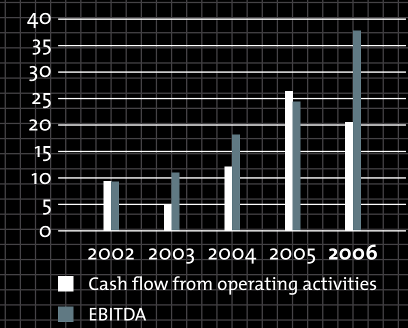
EARNINGS AND PROFITABILITY
EURm



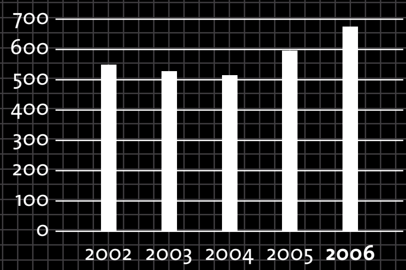
NET REVENUE PER EMPLOYEE
EUR'000



CASH FLOW FROM OPERATING ACTIVITIES
EURm



AVERAGE NUMBER OF EMPLOYEES



	2002	2003	2004	2005	2006
Key ratios					
EBIT margin (%)	6.9	12.2	19.0	21.4	26.5
ROIC (return on invested capital) (%)	16.5	31.2	47.1	117.1	120.7
Debtor turnover rate	6.4	6.3	4.6	6.2	4.0
Equity ratio (%)	72.7	79.8	74.9	74.2	72.7
Return on equity (%)	6.4	11.0	17.8	20.7	30.2
Per share data					
Earnings per share basic (EUR)	0.7	1.3	2.5	3.4	5.5
Diluted earnings per share – EPS-D (EUR)	0.7	1.3	2.5	3.4	5.4
Cash flow per share – CFPS (EUR)	2.0	0.9	2.5	5.4	4.2
Book value per share at year end – BVPS (EUR)	11.5	12.8	15.2	16.2	18.4
Share price at year end (EUR)	21.84	25.97	56.19	93.93	186.29
Share price at year end (DKK)	162.13	193.34	417.96	700.79	1,389.00
Dividend per share of DKK 10 – DPS (EUR)	0.13	0.34	2.55	3.22	4.69
Dividend per share of DKK 10 – DPS (DKK)	1.00	2.50	19.00	24.00	35.00
Payout ratio (%)	19.0	25.1	102.1	97.6	86.9
Price/book value per share – P/BV (EUR)	1.9	2.0	3.7	5.8	10.1
Market capitalisation (EURm)	104.0	124.9	272.7	461.9	893.1
Average number of shares	4,680,985	4,715,667	4,760,843	4,779,249	4,794,796

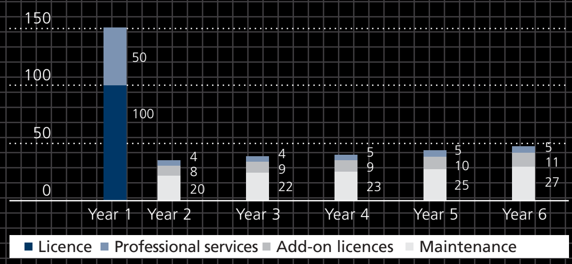
Note: Number of shares adjusted for capital increases. Keyfigures for 2002-2003 have not been adopted to the new accounting policies. Definitions of key ratios are set out on page 70.

Group overview

SimCorp's business model is based partly on sales of software licences and partly on maintenance income and fees from professional services.

Licence fees are generated from selling the right to use SimCorp's software. Maintenance income derives from sales of the right to current system upgrades and access to current user support, while sales of professional services on implementation, introduction and expansion of software installations generate professional service fees.

SIMCORP'S BUSINESS MODEL



SIMCORP

SimCorp develops, sells and provides system solutions to the international financial sector and to corporate treasuries. At 31 December 2006, SimCorp had a total of 765 employees based at the Copenhagen headquarters and with subsidiaries in Europe, North America and Australia. SimCorp is listed on the OMX Copenhagen Stock Exchange, and in 2006 the company posted a profit of EUR 27m on revenue of EUR 134m.

SIMCORP DIMENSION

SimCorp Dimension is an internationally recognised, comprehensive system solution for professional investment managers. *SimCorp Dimension* supports all the elements of the investment management process: analysis of investment opportunities, order placing, order management, risk monitoring and control, performance measurement, reconciliation, bookkeeping and reporting. *SimCorp Dimension* integrates the entire work flow on a single platform and allows the entire investment management organisation to access data that is continually updated in real time.

SimCorp Dimension is one of the most comprehensive standard solutions of its kind on the market. It comes with add-on services and can be configured to support the customer's entire investment management process. The Group's market units handle sales and supply of the system and provide professional services in connection with the implementation, use and integration of the solution in the customer's business operations. Product development is based mainly in Copenhagen.

Over a period of more than ten years, more than 150 financial organisations, mainly European, have chosen to base their investment management activities on the *SimCorp Dimension* software platform. In 2006, 95% of the Group's aggregate income was generated by SimCorp's core product, *SimCorp Dimension*.

IT2

IT2, SimCorp's treasury management system, is designed specifically to support cash management and financial risk management in large corporate treasuries. Easily integratable with other corporate ERP systems, *IT2* is a standard system, which is distributed by SimCorp market units in London, New York and Hong Kong and also via the Internet under the name of *IT2 Choice*. More than 180 large corporates worldwide use *IT2*.

KNOW-HOW

Being a knowledge-based company, almost 80% of SimCorp's employees hold an academic degree, most of them within financing, economics, IT or engineering. In-depth knowledge of financial theory and software development combined with thorough insight into customers' business processes is crucial for SimCorp's ability to continue to develop and offer customers competitive, high-quality products. This know-how also forms the strategic platform of SimCorp's business activities, facilitating additional value to all SimCorp stakeholders.

Strategic business model focusing on growth and earnings

In 2006, SimCorp achieved the best financial results ever in company history, further consolidating its market position.

At SimCorp, we dedicate substantial resources to development activities, which we consider key to SimCorp's sustained ability to offer solutions that accommodate the requirements of tomorrow's markets. Against this backdrop our 2006 performance was highly convincing: our EBIT margin of 26.5% was up from 21.4% in 2005, despite a 31% increase in our research and development costs. This serves to underline the positive effects of our long-term focus on striking the right balance between growth and earnings.

Retaining SimCorp's long-term strategic development is one of our ongoing focus areas. SimCorp's management firmly believes that while a curtailment of our research and development efforts would allow us to increase our earnings and margins further, such improvement would soon turn out to be of a short-term nature, jeopardising our long-term growth and business development.

We increased our revenue in 2006 by 31% to EUR 134m – close to DKK 1bn. I should, however, mention that special circumstances in 2006 caused revenue and earnings to grow significantly to a level well ahead of the guidance provided at the beginning of 2006. We achieved the planned shift towards a higher number of licence contracts that are recognised immediately in the income statement earlier than expected, and part of the earnings improvement must therefore be attributed to a one-off impact.

SimCorp's treasury management system, *IT2*, which is designed specifically to support cash management and financial risk management in large corporate treasuries, maintained its very satisfactory performance in 2006. With revenue growth of 44% and 31 new contracts being won in 2006, *IT2* is now used by more than 180 customers worldwide.

PETER L. RAVN
Chief Executive Officer

Our relationships with our loyal customers is a key element of SimCorp's business. By communicating openly with our customers, we have in recent years identified trends towards a higher degree of specialisation and more demanding requirements within the individual investment management functions. *SimCorp Dimension* has an unrivalled market position and is recognised as integrating an overall investment management solution on a single platform, enabling users to handle transactions, processes and data in an efficient and transparent environment. Over the past few years, *SimCorp Dimension* has evolved into a socalled enterprise solution for investment managers. To become even better at meeting their future demands, we have changed the structure of our organisation to reflect the set up of our customers' activities even more closely. We have therefore organised our activities and work flows with respect to both software development and the provision of professional services around domains, which are areas of know-how representing typical functional areas in our customers' businesses.

Our changed organisation signals our strategic ambition to be recognised as the leading, innovative, global provider of advanced solutions within individual domains. Our investment in enhanced functionality for executing securities trades and for general front-office functions is one of our strategic initiatives in this area. Being the leading provider within the individual domains and integrating all the domains on one shared enterprise platform would contribute significantly to ensuring SimCorp's long-term competitiveness.

We are a knowledge-based organisation and our ability to attract, retain and develop the most talented employees is key to our continuing efforts to developing and providing the best products in the market. We are clearly seeing fiercer competition also in this respect. It is a strategic asset in its own right to develop employees who are able to cooperate on an international scale, continue to acquire new knowledge quickly, are ready to accommodate change and at the same time behave with ethical responsibility in a performance-driven culture. I am proud of all our competent employees, who meet these requirements and help us continue to achieve good results.

We look forward to a good and trustful cooperation in the years ahead.

BUSINESS TARGETS FOR 2006

SimCorp defined the following operational targets for business development in 2006, focusing on sustained profitable growth, driven primarily by *SimCorp Dimension*:

- Increasing *SimCorp Dimension*'s market shares in Germany, Switzerland, Benelux and Asia.
- Winning new licence agreements in the UK.
- Winning new licence agreements in the USA and building a solid pipeline for future growth.
- Retaining *SimCorp Dimension*'s solid market position in the Nordic region.
- Continuing to build customer relations.
- Expanding the distribution capacity for *SimCorp Dimension*.
- Expanding the development capacity for *SimCorp Dimension*, including through additional offshore activities in the Ukraine and ensuring full integration of Solutionforge software with *SimCorp Dimension*.
- Improving the positive contribution to profit from the *IT2* activities and increasing the number of *IT2* customers.

ACHIEVEMENT OF TARGETS

SimCorp saw strong demand for *SimCorp Dimension* and *IT2* in 2006, achieving an order inflow worth EUR 53.4m, the largest in company history.

As in 2005, SimCorp also achieved good geographical diversification among customers in 2006, winning orders in Denmark, Finland, Belgium, the Netherlands, Germany, Austria, Switzerland, Singapore, the UK and the USA. SimCorp concluded 16 new *SimCorp Dimension* agreements, equalling a satisfactory proportion of the overall number of new licence agreements won in SimCorp's markets in 2006. Management believes that SimCorp increased *SimCorp Dimension*'s share in a number of markets.

SimCorp's German subsidiary strengthened its position further in the insurance and fund management segment. The Group won licence agreements with ALTE LEIPZIGER – HALLESCHE, INKA, Austrian Sparkassen Versicherung and Berenberg Bank.

SimCorp set up a Dutch branch office in Amsterdam in the autumn of 2006, expanding its partnership with customers and consolidating the company's dominant position in the pension sector by concluding a licence agreement with PGGM. Likewise, SimCorp's Benelux market unit concluded a licence agreement with Ethias Insurance in Belgium.

In Switzerland, an important licence agreement was concluded with Baloise Asset Management.

The positive development continued in Asia, and a licence agreement was signed with Deutsche Bank Asia Pacific in Singapore.

In the UK, SimCorp signed licence agreements in 2006 with Alliance Trusts, DLIBJ Asset Management International, Genesis Investment Management and Schroder Investment Management, thereby expanding its market position significantly in the important UK market, which is one of the world's largest financial markets.

The awareness of SimCorp and *SimCorp Dimension* was strongly enhanced in the USA in 2006. The company built a healthy pipeline of sales projects, and SimCorp's US subsidiary signed two important licence agreements with Janus Capital Management and Nuveen Investments, respectively.

SimCorp Dimension retained its leading market position in the Nordic region in 2006 thanks to, among other things, new licence agreements with Sydinvest (Denmark) and Tapiola Asset Management Ltd. (Finland) and very satisfactory development in the volume of business with the Group's customers.

The volume of business with customers overall developed very satisfactorily in 2006. Maintenance income as well as fees from professional services continued to grow, and the inflow of orders for add-on licences amounting to EUR 19.7m, equal to 9.7% of the licence base at 1 January, was the company's highest ever. Add-on licences worth EUR 20.5m were recognised in the financial year.

The development and distribution capacity was also enhanced during the year, partly by an expansion of the offshore development agreements signed with two companies in the Ukraine in 2005, partly through the conclusion of partnership agreements with consultancies that will assist in the implementation of SimCorp system solutions. Finally, the Group took on net 94 new employees, mainly in customer and development-related functions.

The *IT2* business continued its profitable development from 2005. Revenue was up 44%, and 31 new *IT2* agreements were signed in 2006.

The 2005 annual report set out revenue and profit guidance for 2006. The guidance predicted annual revenue growth and overall order book growth in the range of 15-20% for 2006. Revenue was predicted to be in the range of EUR 115-120m with an EBIT margin around 20%. The outlook assumed that the growth estimate would be achieved through an order inflow of new licences of EUR 25-40m and revenue from sales of add-on licences to customers remaining at 6-8% of the licence base.

ORDER INTAKE AND ORDER BOOK

	SimCorp Dimension	IT2
Licence sales		
Number of new customers	16	31
Licence value, new licences and add-on licences	51.1	1.8
Number of customers at year-end		
Total	150	181
Order book		
Value, Ultimo 2006 (EURm)	23.7	0.2
Growth relative to 2005 (%)	7	89

In announcing the financial results for the second quarter of 2006 (announcement no. 17/2006 of 15 August 2006), SimCorp raised the 2006 guidance to revenue in the range of EUR 120-125m with an EBIT margin in line with the 21.4% achieved in 2005.

In November 2006, SimCorp announced the financial results for the third quarter of 2006 (announcement no. 20/2006 of 9 November 2006), upgrading the forecast for 2006 to revenue in the range of EUR 125-130m with an EBIT margin of at least 23%.

The actual performance of revenue growth of 31% to EUR 134m and an EBIT margin of just over 26% was marginally better than the November guidance to the 2006 results. Part of the improvement was of a one-off nature as the impact of the planned shift in contract types was significantly greater than assumed prior to the fourth quarter of 2006. The one-off impact is described in greater detail below under income.

At 26.6%, the overall business growth measured according to the method applied in the 2005 annual report also exceeded the guidance provided. Calculated as total revenue growth plus net growth in the order book, growth was 36%.

INCOME

The very satisfactory results were, in part, attributable to SimCorp's strengthened market position. SimCorp's success in the market facilitated the establishment of new customer relationships and had the effect that a growing number of the company's licence agreements are being concluded on terms that are in accordance with international practice in the software industry rather than being based on local customs. Looking ahead, SimCorp expects to retain the proportion of agreements that are made in accordance with international practice.

As a result of this, the proportion of licence agreements with licence fees being recognised at the date of installation increased with a resulting relative decrease in the proportion of agreements with recognition of licence fees related to the date of implementation, which is generally eight or nine months after the agreement has been signed and installation has taken place. Costs are unrelated to the shift between the two types of agreement.

Part of the improvement of SimCorp's financial performance in 2006 was attributable to the one-off impact of this shift.

SimCorp generated total revenue of EUR 134.0m in 2006, equal to an increase of 31% over 2005. Exchange rate fluctuations had a negative impact of EUR 0.3m on revenue, but a EUR 1.5m positive impact on EBIT. Approximately 95% of total revenue was generated by SimCorp's core product, *SimCorp Dimension*.

SimCorp derives revenue from three sources: licence fees, fees from professional services and maintenance income.

The Group's total licence revenue was 43% higher than last year and accounted for 39% of total revenue in 2006. SimCorp recognised licence fees totalling EUR 52.3m in 2006, with add-on licences to customers accounting for EUR 20.5m.

Licence fees were generated partly in connection with the completion of a number of implementation projects, and partly in connection with the sale of 16 new *SimCorp Dimension* solutions and 31 new *IT2* solutions, representing a total licence value of EUR 52.7m.

The total order intake was EUR 54.5m. The order book stood at EUR 24.6m at 1 January 2007.

Fees from professional services, mainly related to the implementation of *SimCorp Dimension* solutions, increased by 32% over last year to EUR 40.1m in 2006. Fees from professional services accounted for 30% of total revenue in 2006.

Regular maintenance income, which increases with the completion and implementation of new customer installations, was up by 17% over last year to EUR 39.3m. Maintenance income accounted for 29% of consolidated revenue.

On full implementation, the year's new licence agreements will add EUR 10m to the Group's current annual maintenance income.

COSTS

SimCorp's total operating expenses (including amortisation and depreciation) increased by 22% relative to 2005 to stand at EUR 98.6m. The increase in costs was the result of the strong increases in distribution and development capacity during the year.

The Group increased its sales and distribution capacity during the year in order to enhance its presence in key markets and accommodate the stronger demands stemming from the higher level of activity. SimCorp's total sales and distribution costs increased by 12% in 2006 to stand at EUR 15.9m.

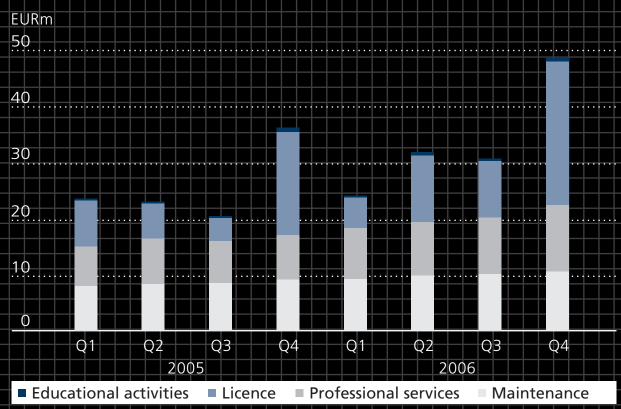
The Group's costs of sales increased by 30% in 2006 to stand at EUR 43.9m. Development costs are charged, and the intensified development effort directed at the *SimCorp Dimension* core product increased research and development costs by 31% to stand at EUR 27.3m. Administrative expenses, including costs of enhancing business processes, fell by 1% to stand at EUR 11.5m.

CONSOLIDATED RESULTS

SimCorp generated EBIT of EUR 35.5m in 2006, a 63% increase from EUR 21.8m in 2005. The EBIT margin improved to 26.5% in 2006 from 21.4% in 2005. The company estimates that some 3-4 percentage points of the improved EBIT margin was attributable to the one-off impact as described above.

The *SimCorp Dimension* activities accounted for EUR 34.2m of EBIT, and the *IT2* activities accounted for EUR 1.3m.

QUARTERLY INCOME



The bond portfolio and cash holdings generated financial income of EUR 2.5m, and financial expenses amounted to EUR 1.4m. The Group thus posted a profit before tax of EUR 36.8m against EUR 22.9m in 2005. After tax provisions totalling EUR 10.1m, the Group posted a net profit for the year of EUR 26.6m against EUR 16.2 in 2005.

The effective tax rate was 28%, equal to the Danish corporate tax rate.

BALANCE SHEET

SimCorp had total assets of EUR 121.4m at 31 December 2006, including securities and cash of EUR 60.8m, or EUR 4.1m less than at 31 December 2005.

Total receivables stood at EUR 39.1m at 31 December 2006 against EUR 20.5m at 31 December 2005. The increase was due in part to a strong increase in business activity in December and a related increase in receivables from customers totalling EUR 37.6m. At 31 January 2007 the Group's position of securities and cash had increased by EUR 11.0m.

SIMCORP DIMENSION MARKET UNITS

	Share of revenue	Inflow of new customers	Number of customers, year-end	Number of employees
SimCorp market units				
Germany	30%	4	32	130
Nordic region	29%	2	71	75
UK and Ireland	14%	4	15	37
Benelux	11%	2	15	36
Australia and Asia	8%	1	7	35
Switzerland	6%	1	6	19
North America	2%	2	4	27
Total	**100%**	**16**	**150**	**359**

BREAKDOWN OF COSTS

	Costs 2006 (EURm)	Share of costs 2006	Share of income 2006	Growth relative to 2005
Sales and distibution costs	15.9	16%	12%	12%
Cost of sales	43.9	44%	33%	30%
Research and development costs	27.3	28%	20%	31%
Administrative expenses	11.5	12%	9%	-1%
Total	**98.6**	**100%**	**74%**	**22%**

The Group had non-current assets of EUR 12.3m at 31 December 2006, which was EUR 2.5m higher than the year before. Goodwill on consolidation was EUR 1.0m at 31 December 2006. Software increased from EUR 4.9m to EUR 5.7m, while deferred tax increased by EUR 1.3m to EUR 8.9m.

CHANGES IN EQUITY

The Group's equity increased during the year from EUR 77.8m to EUR 88.3m. Increasing equity were the profit for the year of EUR 26.6m, a capital increase of EUR 0.4m resulting from the exercise of warrants and tax income on equity items of EUR 2.6m. Reducing equity were purchases of treasury shares in the amount of EUR 3.3m, and dividend payments of EUR 15.5m and EUR 0.4m resulting from the share based incentive schemes.

CASH POSITION AND INVESTING ACTIVITIES

Operating activities generated a cash inflow of EUR 20.4m while there was a cash outflow of EUR 4.0m from investing activities. SimCorp's business activities thus generated a net cash inflow of EUR 16.3m, equivalent to a cash conversion ratio of 80%*.

The Group's investing activities comprised the purchase of intangible assets worth EUR 2.2m, property, plant and equipment, including leasehold improvements, worth EUR 0.3m, computing and communication equipment (technical equipment) worth EUR 0.2m, and office and other equipment worth EUR 0.1m.

SimCorp acquired 28,500 treasury shares of DKK 10 each and sold 20,578 treasury shares of DKK 10 each as part of the year's employee share scheme, and delivered 1,900 treasury shares of DKK 10 each in connection with the exercise of stock options.

At 31 December 2006, SimCorp held 130,802 treasury shares of DKK 10 each (2.7% of the total share capital) at an acquisition value of some EUR 5.7m and a market value of EUR 24.4m at 31 December 2006.

PROFIT ALLOCATION

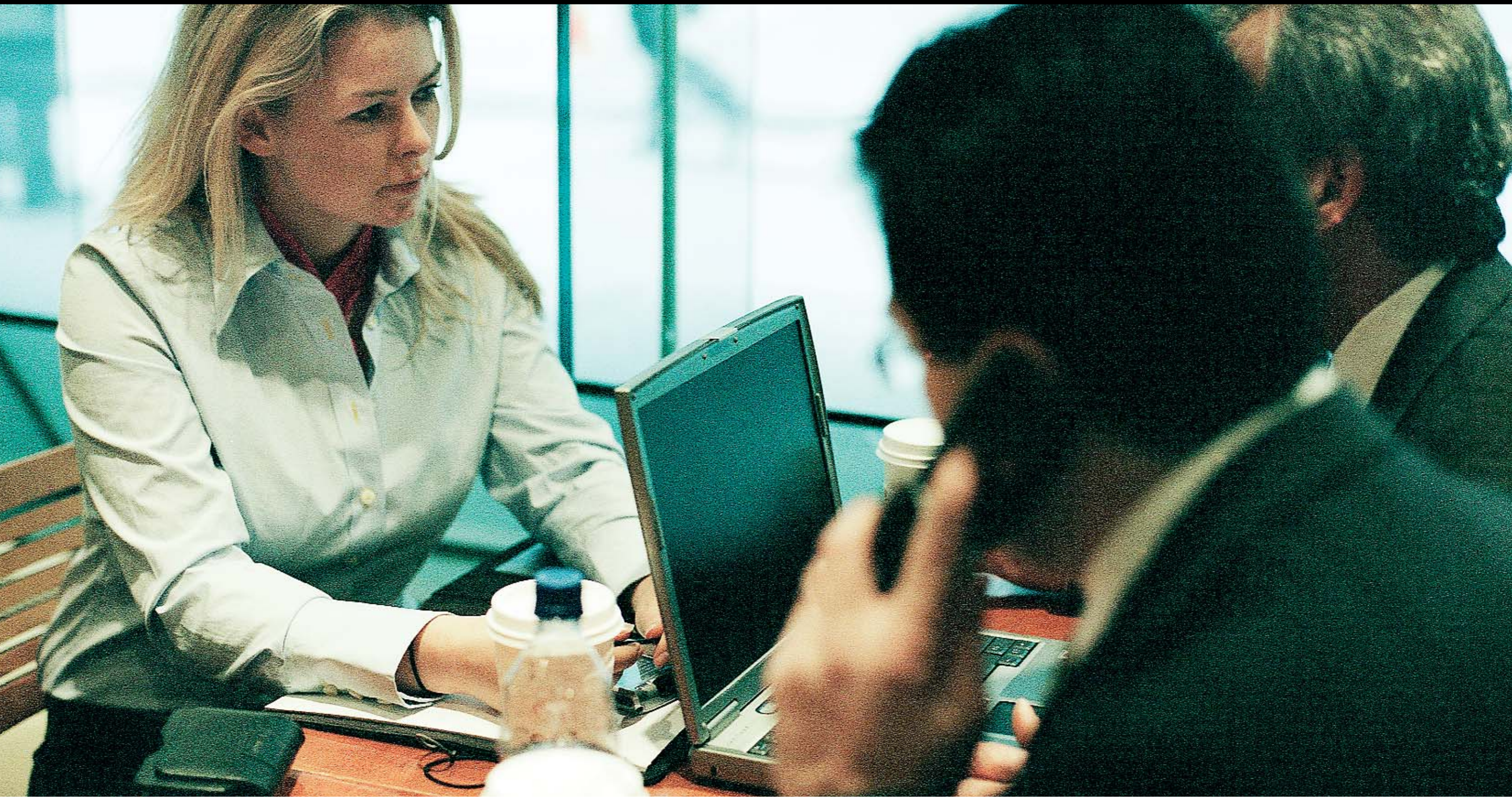
The Board of Directors intends to recommend to the shareholders at the annual general meeting of the parent company that, out of the profit for the year of EUR 25.9m, dividends be paid to shareholders at the rate of DKK 35 per share, equivalent to EUR 22.5m, and that EUR 3.4m be transferred to retained earnings.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the balance sheet date that affect the 2006 annual report. Please refer to Announcement no. 1/2007 to the OMX Copenhagen Stock Exchange, cf. page 70.

**) Note: The cash conversion ratio is calculated as the ratio of cash flow from operating activities before financial items to earnings before financial items, depreciation and amortisation.*

Sustained strong growth



GROWTH STRATEGY

SimCorp's fundamental management objective is to promote the long-term interests of the company, and thus of all shareholders. Accordingly, long-term value creation is the primary criterion of success. SimCorp's growth strategy is based on a number of elements, including the establishment of durable customer relations, a forward-looking product strategy and sustained focus on talent development.

BUSINESS MODEL

SimCorp's business model is based on sales of software licences, which is a major contributor to business growth, and on the provision of maintenance and professional services.

Licence fees are generated from selling the right to use SimCorp's software. Maintenance income derives from selling the right to current system upgrades and access to current user assistance, while sales of professional services on implementation, introduction and expansion of software installations generate professional service fees. Maintenance income and fees from professional services, in particular, are growing at a steady pace, and SimCorp believes their contribution to consolidated income will continue to grow in the years ahead.

SimCorp's business model is based on long-term, strategic partnerships with customers. Such long-standing relations enable SimCorp to achieve in-depth insight into the customer's current business and to contribute ideas for the further development of the installation in order to enhance efficiency and flexibility. This provides SimCorp's consultants with greater understanding of the customer's business, enabling them to offer high-quality assistance and support services. SimCorp's customer base includes some of the financially strongest investment managers, and the partnership between SimCorp and its customers is based on mutual trust and respect.

SimCorp's growth strategy also provides for greater focus on setting up partnerships with third-party suppliers. SimCorp seeks a proactive partnership with third-party suppliers that can add value to SimCorp or its customers, allowing SimCorp to benefit from a number of additional business opportunities and strengthen the company's competitive position.

There are different types of partners: Product partners, whose solutions can be integrated or incorporated into SimCorp's own products; development partners offering tools SimCorp can use in its in-house development process; and implementation partners that offer third-party professional services either through SimCorp or directly to customers.

SimCorp pursues a structured market penetration strategy, aiming to implement expansion in a controlled process and striving to balance between profitability and investing for the future. The consistent objective is to position the Group for further growth.

- Market interest in SimCorp's products remained satisfactory in 2006, and the Group increased its overall market share in a number of markets. SimCorp signed 16 new *SimCorp Dimension* licence agreements and 31 new *IT2* licence agreements in 2006.

- In 2006, the Group spent more than 250 man-years on designing, developing, testing and preparing updated versions of *SimCorp Dimension* and *IT2*. SimCorp had more than 33% of its employees engaged in system development related tasks, and the share of total costs allocated to R&D was approximately 28%.

- SimCorp had 765 employees at 31 December 2006. The average age of SimCorp staff was 36 years and the average length of service was five years at 31 December 2006. SimCorp is an international workplace with more than 25 different nationalities being represented among its staff. In 2006, more than 50 employees were on international assignment to other SimCorp companies.

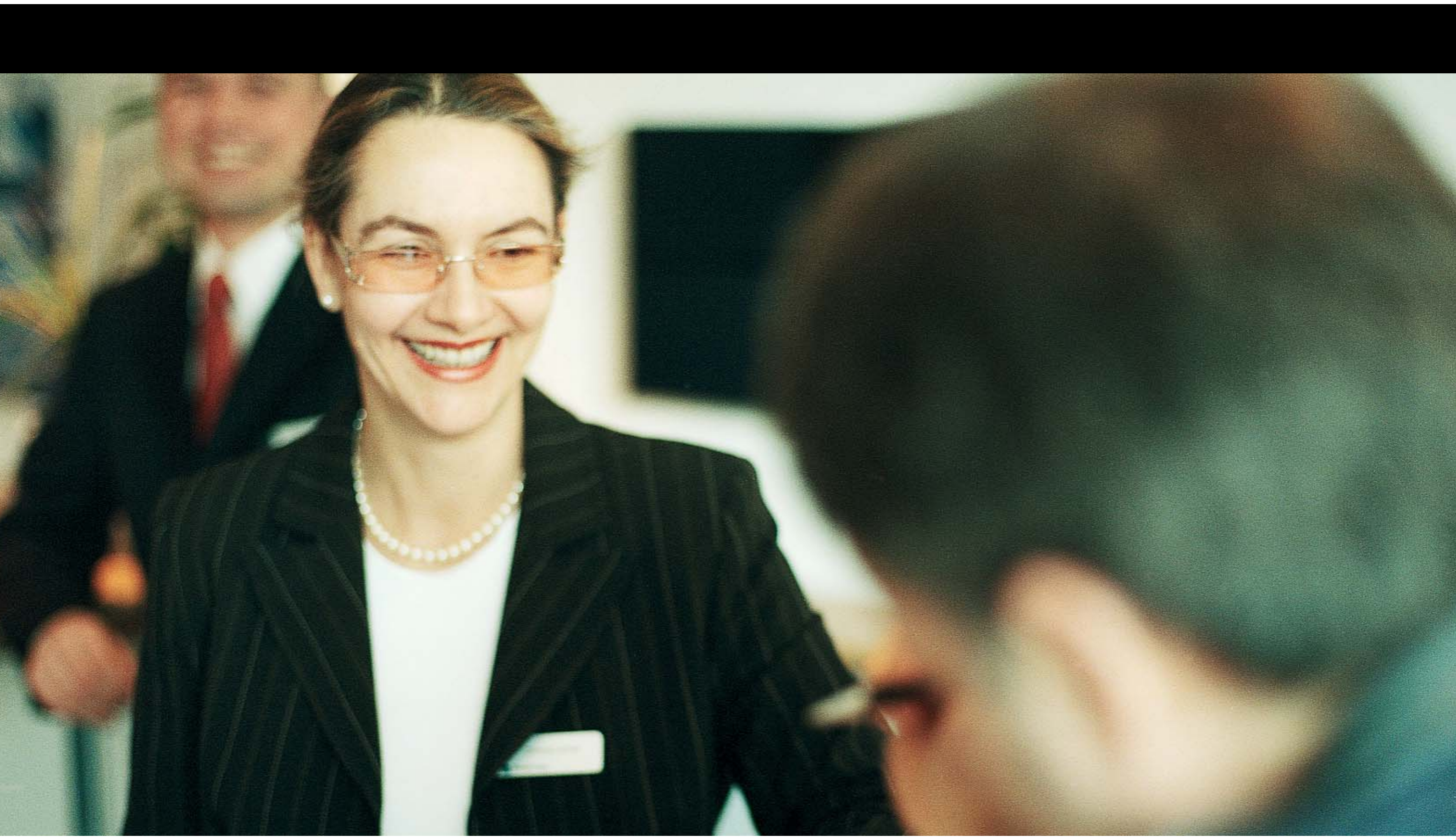
PRODUCT DEVELOPMENT STRATEGY

SimCorp continuously allocates substantial resources to the further development of its software products in order to be able to meet existing and future customer requirements at all times. This applies to enhanced system functionality as well as to improved technical infrastructure.

SimCorp's product development is based on the systematic collection and prioritising of customer and market requirements and demands, enabling SimCorp to provide cutting-edge products that drive market developments and offer customers the solutions required by the financial markets and regulators. The product development strategy for *SimCorp Dimension* is furthermore based on a domain concept designed to enhance functionality, the implementation process and the strategic perspectives of *SimCorp Dimension*. The domains are based on the customers' business processes. Focusing the product strategy on a number of domains allows SimCorp to achieve a better functional match between *SimCorp Dimension* and customer requirements and reduce time-to-market. This latter factor is a key parameter of success in future financial markets which see demands and conditions changing at a growing pace.

The product development strategy generates a lot of synergies as one customer's specific requirements with respect to system functionality can often be applied generally in the market. Such synergies make for more profitable product development and enable SimCorp to offer competitive products for the benefit of customers and shareholders alike.

Investment managers worldwide are subject to ever intensifying competition and thus pressure in the market to make their in-house work processes more efficient and reduce operating costs. SimCorp therefore intends to continue to devote a large part of its development resources to making customers' work processes more efficient. Furthermore, parts of the system are being further modularised in order to increasingly improve *SimCorp Dimension*'s availability as an independent partial solution integratable with other systems. This provides new business opportunities in a competitive market.



MANAGING AND DEVELOPING TALENT

Highly qualified employees are essential to developing, selling and implementing world-class software. In order to strengthen SimCorp's market position, the company relies on continually developing its financial expertise and software know-how. To offer customers added value when they choose a SimCorp system solution, it is essential that SimCorp's employees have updated knowledge of financial instruments and investment management processes, including international and national standards, as well as legislation and other requirements.

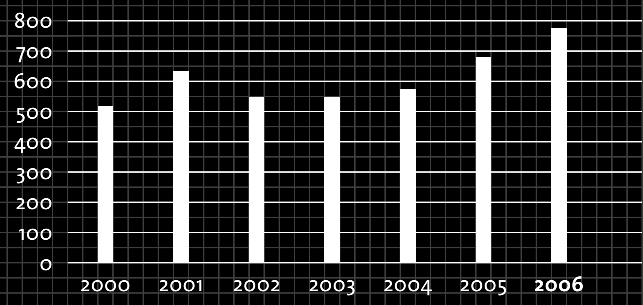
In order to ensure that the employees continually develop their skills SimCorp continuously focuses on recruitment and ongoing training of competent employees and on strengthening knowledge sharing. SimCorp promotes knowledge sharing by way of, among other things, job rotation, assignment and implementation of information technology to support the business processes.

SimCorp makes a sustained, targeted effort to continue to attract and retain highly qualified employees.

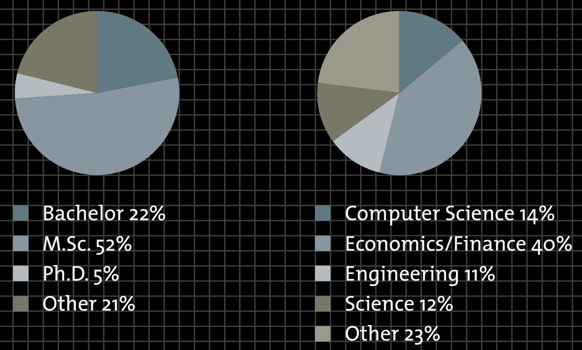
These efforts include focused management and measurement of employee performance and development of skills to ensure that competent employees are rewarded and motivated to continuous learning in step with the development of SimCorp's business.

SimCorp has a comprehensive training programme, which aims to efficiently translate general knowledge into specialised skills and ensure that all employees' competences are currently upgraded and developed. An important feature of this programme is the SimCorp Academy certification programme which is mandatory for all new *SimCorp Dimension* consultants. The certification programme consists of three levels designed to build competences in and around the use and implementation of *SimCorp Dimension* and thus give all SimCorp consultants the very best qualifications for offering customers high-quality service and sparring. SimCorp Academy courses are also available to SimCorp customers, enabling them to maximise the benefits of their system solution.

NUMBER OF EMPLOYEES, YEAR-END



EDUCATIONAL BACKGROUND



In addition to the comprehensive training programme targeting professional development of all employees, SimCorp also invests in management development activities in order to ensure that SimCorp always has qualified management resources, as this is a prerequisite for achieving the company's growth targets and key to achieving its business targets.

As a workplace, SimCorp is characterised by a challenging professional environment, in which working with competent colleagues is a natural part of their day-to-day activities. The combination of challenging tasks and an inspirational working environment creates strong motivation for SimCorp's highly qualified employees.

SimCorp's organisational and communications structure supports delegation and short chains of command, offering employees ample scope for influencing the performance of their tasks.

SimCorp's continued growth and geographic expansion provide the employees with a strong potential for professional and personal development and for influencing their own work situation. SimCorp's presence in 12 countries on four continents offers good opportunities for an international career through assignment within the Group.

Targets and outlook

MARKET DEVELOPMENTS

The positive trends in the financial markets continued in 2006, and the structural changes driving recent years' trends in institutional investment management are expected to continue. The Group expects that for several years to come a number of diversified factors will dominate the market for investment management and determine the market trends that will drive SimCorp's business development.

The principal trends are expected to be:

- Sustained growth in assets under management.
- Increased globalisation and harmonisation of the financial markets.
- Stronger competition among investment managers on their ability to generate excess returns.
- Continued consolidation among investment managers, also across national borders.
- Continuously growing and more complex demands on investment management systems:
    - Sophisticated financial strategies and increasingly complex instruments.
    - Simultaneous handling of different financial instruments in different jurisdictions with different financial reporting rules and accounting standards.
    - Greater integration of risk management into the investment management process.
- Continued consolidation of the number of investment management systems and stronger demand for enterprise solutions comprising software, professional services and other services.

The market is currently undergoing structural changes that do not necessarily point in any one single direction, and SimCorp sees significant variations across markets. SimCorp believes, however, that institutional investment managers will increasingly seek to focus on their core business, which in many cases they do not consider to include maintenance and updating of proprietary software systems. Accordingly, in line with trends observed in other industries, SimCorp expects sustained demand for standard enterprise software solutions. Such comprehensive standard solutions are expected to replace proprietary systems or system complexes consisting of many different components from a variety of providers.

SimCorp believes that the Group is well positioned structurally for the future market developments, supported by the functionality provided by its existing software products and the substantial investments in developing new and improved functionality in future product versions.

OPERATIONAL TARGETS FOR 2007

SimCorp's business development in 2007 will remain focused on maintaining profitable growth.

The operational business targets for the year include:

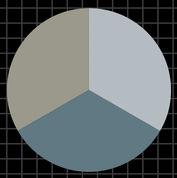
- Further increasing awareness of *SimCorp Dimension* in the USA and winning new licence agreements.
- Strengthening *SimCorp Dimension*'s market position in the UK and increasing the number of customers.
- Increasing *SimCorp Dimension*'s market shares in Germany, Switzerland, Benelux and Asia.
- Retaining *SimCorp Dimension*'s solid market position in the Nordic region.
- Continuing to build customer relations.
- Expanding the distribution capacity for *SimCorp Dimension*.
- Expanding the development capacity for *SimCorp Dimension*, including through additional offshore activities in the Ukraine.
- Further improving *SimCorp Dimension*'s functionality by developing a domain-based development organisation.
- Increasing the number of *IT2* customers and further improving the positive contribution to profit from the *IT2* activities.

REVENUE AND PROFIT OUTLOOK FOR 2007

Based on the operational targets for 2007, SimCorp projects licence orders to be in the EUR 45-65m range in 2007. Of this amount, the licence base is expected to continue to grow organically at an annual rate of 6-8% from sales of add-on licences. The licence base, which is the aggregate value of installed software licences, stood at EUR 258m at 31 December 2006.

SimCorp's long-term target is to generate annual revenue growth in the range of 10-20%. The Group's revenue will continue to be impacted by relatively few, but large system orders, and such orders are expected to be won at relatively irregular intervals. The terms agreed in any specific licence agreement will determine the impact on the order book and on licence income for any given financial reporting period. Accordingly, income will vary considerably from one reporting period to the next. Revenue growth for 2007 is expected to be in the mid-range of the long-term revenue growth target, that is around 15% over 2006.

EXPECTED BREAKDOWN OF REVENUE FOR 2007



The projected breakdown of revenue for 2007 is as follows: licence fees 34%, fees from professional services 33% and maintenance income 33%.

The quality of SimCorp's pipeline of sales projects in all markets supports the expectations of sustained growth in orders. Against this background, the Group expects overall business growth of 15-20% in 2007. Overall business growth is measured as revenue growth plus net growth in the licence order book.

Customers who already had business relations with SimCorp at 1 January 2007 are expected to account for more than 75% of total revenue in 2007. Sales to existing customers are generally less dependent on general economic conditions in the short term and mainly consist of recurring maintenance income.

Fees from professional services and income from the sale of add-on licences also contribute to revenue. Revenue from customers in the process of implementing a SimCorp system solution consists mainly of professional service fees and licence income from existing licence agreements (order book) as and when such implementation projects are completed.

Maintenance income is stable and can be reliably predicted. Fees from professional services are primarily based on hourly-paid services and have proven to be relatively stable.

SimCorp's business structure has resulted in more robust earnings in recent years and has reduced the company's short-term dependence on winning new licence agreements.

SimCorp intends to allocate substantial resources in 2007 to setting up the infrastructure and organisation required to expand the Group's activities outside its traditional core markets in Europe. These initiatives aim to make the company even better prepared to continue to generate high growth rates beyond 2007. The anticipated positive impact of the related costs charged in 2007 will take full effect in the years ahead.

The overall EBIT margin for 2007 is expected to be around 20%.

Backed by its *SimCorp Dimension* and *IT2* software solutions and a stronger sales, service and development organisation SimCorp believes that the company is well positioned to meet market demands and that the Group holds a strong competitive edge. Overall, SimCorp thus has positive expectations for long-term business developments.

Shareholder information

SIMCORP SHARES

SimCorp shares (ISIN code DK0016026164) are listed on the OMX Copenhagen Stock Exchange and classified under sector code 45103010. The official price of the share at 31 December 2006 was DKK 1,389 after an increase of DKK 688.21 or 98% relative to the price at 31 December 2005. The OMXC20 index, the OMX Copenhagen Stock Exchange blue chip index, rose by 10.5%, while the MidCap+ index, of which the SimCorp share is a component, rose by 46.1% in 2006. The average daily turnover of SimCorp shares on the OMX Copenhagen Stock Exchange rose by 110% to DKK 17.4m in 2006.

The annualised share price volatility in 2006, that is, the average daily price variation (standard deviation), was 31.6%, as compared with 15.5% for the OMXC20 index in the same period.

SHARE CAPITAL

SimCorp's share capital increased by 7,500 shares of DKK 10 each, corresponding to DKK 75,000 nominal value, or 0.2%, during the year due to the exercise of warrants. The proceeds of the increase amounted to EUR 0.4m, for an average subscription price of DKK 373 per share of DKK 10. This brought the company's share capital to DKK 49,250,000 at 31 December 2006, comprising 4,925,000 shares of DKK 10 nominal value each. All shares confer equal rights on their holders.

SHAREHOLDER STRUCTURE

At 31 December 2006, SimCorp had more than 6,000 registered shareholders representing approximately 79% of the company's share capital. Around 12% of the company's share capital is held by the company's management and employees. Furthermore, SimCorp estimates that Danish and foreign institutional investors held some 55% of the company's shares. The company held 2.7% of the shares as treasury shares.

The following shareholders have notified the company, as required by section 28 of the Danish Public Companies Act, that they hold more than 5% of the company's share capital:

- The Danish Labour Market Supplementary Pension Fund (ATP), Hillerød, Denmark (9.1%)
- Nordea Bank AB, Stockholm, Sweden (6.2%).

EMPLOYEE SHARE SCHEME

In March 2005, the shareholders at SimCorp's annual general meeting authorised the company to increase the share capital during the period until 2009 by up to 90,000 shares of DKK 10 each, equivalent to a nominal value of DKK 900,000, for the purpose of employee share schemes.

The authority was not utilised in 2006, as 20,578 shares of DKK 10, equivalent to a nominal value of DKK 205,780, of the company's holding of treasury shares were used for the year's employee share scheme. The proceeds from the sale amounted to EUR 1.4m, for an average price of DKK 512 per share of DKK 10. As part of the employee share scheme, members of the Management Board bought 600 shares and members of the Board of Directors who are also employees bought 197 shares.

The Group plans to continue the employee share scheme in 2007 and, as in 2006, treasury shares will be acquired to cover the scheme.

STOCK OPTION PROGRAMME

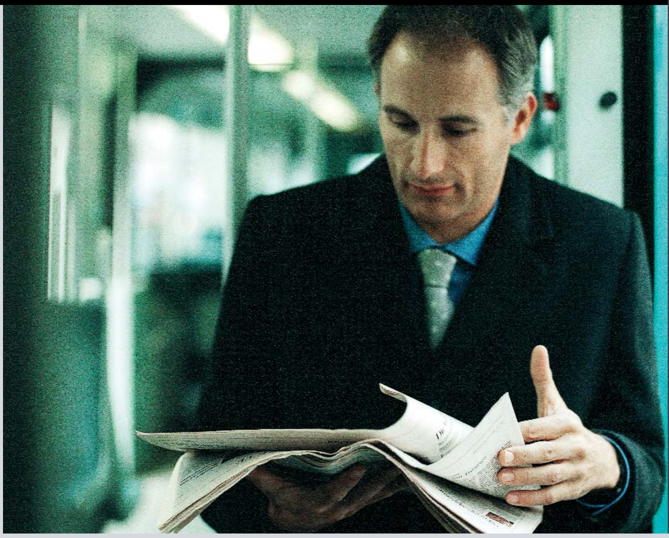
In 2003, SimCorp introduced a stock option programme for the Board of Directors, Management Board, senior managers and a few key employees. The stock option programme is intended to provide the company's management and selected key employees with a special incentive to contribute to the company's positive long-term performance and thus to the positive development in the price of the company's shares.

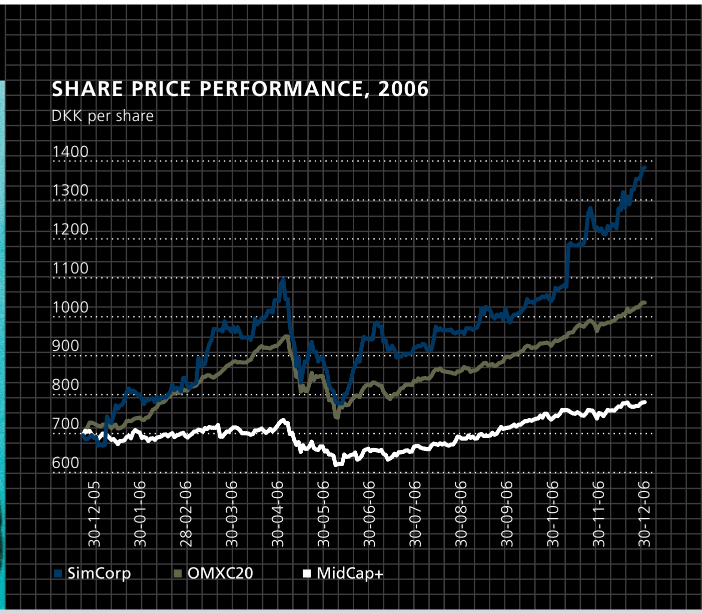
In 2006, the Board of Directors continued the stock option programme and awarded 33,500 stock options entitling the holders to purchase 33,500 shares to the Management Board, senior managers and a few other key employees. The exercise price has been fixed, as a minimum, at the price of the shares at the time of issue plus 5% for each year until the options may be exercised. Furthermore, the Board of Directors has obtained approval from the shareholders to receive 3,700 stock options in respect of the 2006 financial year. All obligations under the stock option programme will be covered by the Group's holding of treasury shares. SimCorp's stock option programme is described in greater detail in note 29 to the financial statements.

The Board of Directors plans to expand the stock option programme for 2007 to include the company's top performers. The stock option programme will be expanded up to a maximum of 75,000 stock options, which will almost double the 2007 stock option programme compared with 2006. As in 2006, treasury shares will be acquired to cover the programme obligations.

SHARES, STOCK OPTIONS AND WARRANTS HELD BY RELATED PARTIES

At 31 December 2006, the six members of the company's Board of Directors held a total of 13,766 SimCorp shares. The three members of the Group's Management Board held a total of 37,187 SimCorp shares.





Pursuant to the Danish Securities Trading Act, SimCorp has reported changes in related party shareholdings to the OMX Copenhagen Stock Exchange. These reports are available at the company's web site.

Additional information on the holdings of shares, stock options and warrants in SimCorp by members of the Board of Directors, the Management Board and other related parties is disclosed in note 28 to the financial statements.

ANNUAL GENERAL MEETING

The annual general meeting of SimCorp A/S will be held at 15:00 on Thursday, 29 March 2007, at "Den Sorte Diamant" (the Royal Danish Library), Søren Kierkegaards Plads 1, DK-1221 Copenhagen K, Denmark.

In order to ensure a balance between continuity and renewal in the Board of Directors, the Board intends to propose that, for a limited period of time, the shareholders elect an additional Board member, expanding the membership to five, and that the existing four members elected by the shareholders be re-elected.

The Board of Directors intends to propose that Jesper Brandgaard be elected new member of the Board of Directors.

Jesper Brandgaard was born in 1963 and is a Danish citizen. He holds an MSc (Economics and Auditing) and an MBA from the Copenhagen Business School. Since 2000, he has been Executive Vice President and CFO of Novo Nordisk A/S. Jesper Brandgaard is chairman of the Boards of NNE A/S and NNIT A/S and has experience in international group management within professional services and IT, strategy development and implementation, negotiations and finance.

The Board of Directors intends to propose that in connection with a continuation of the stock option programme, the shareholders approve a grant of 4,200 stock options to members of the Board in respect of the 2007 financial year and that the Board's aggregate cash remuneration for 2007 be fixed at DKK 1.6m.

Furthermore, the Board of Directors intends to propose that the shareholders authorise the company to acquire treasury shares in the period until the next annual general meeting of a total nominal value of up to 10% of the company's share capital, see section 48 of the Danish Public Companies Act.

In addition, the Board of Directors intends to ask the shareholders at the annual general meeting for an authorisation to pay interim dividends pursuant to section 109 A of the Danish Public Companies Act during the period until the next annual general meeting.

Finally, the Board of Directors intends to propose that the shareholders approve an amendment of the company's Articles of Association to bring them up to date with respect to the company's register of shareholders as the previous registrar, Danske Bank A/S, has transferred its activities in this area to VP Investor Services A/S.

DIVIDENDS

When cash resources exceed 25% of an upcoming year's projected revenue, SimCorp's dividend policy is that the company will pay out between 75% and 100% of the net profit for the year, provided the company does not anticipate specific needs for cash resources. Accordingly, the Board of Directors intends to recommend to the shareholders at the annual general meeting that dividends at the rate of DKK 35 per share of DKK 10 nominal value be distributed in respect of the 2006 financial year.

Dividends are expected to be at the shareholders' disposal 4 April 2007.

SimCorp's Board of Directors has examined each of the recommendations for corporate governance issued by the OMX Copenhagen Stock Exchange and has assessed that, to a very large extent, SimCorp operates in accordance with the recommendations. Based on the company's specific situation, SimCorp has decided to deviate from the recommendations in a few respects, each of which is specifically described below as part of the general description of SimCorp's corporate governance guidelines.

Principles for the overall management of SimCorp are embodied in the company's Corporate Governance Guidelines ("Retningslinjer for den overordnede ledelse af SimCorp"). These guidelines are available at the company's web site.

THE BOARD'S WORK WITH CORPORATE GOVERNANCE GUIDELINES FOR SIMCORP

The guidelines are the key tool for SimCorp's management when defining working procedures and principles. The guidelines are intended to ensure the efficient and adequate management of SimCorp within the framework defined by applicable legislation and rules for Danish listed companies and by SimCorp's Articles of Association, mission, corporate vision and basic values.

SimCorp's relationship with its stakeholders

SimCorp's management objective is, in all respects, to promote the long-term interests of the company, and thus of all shareholders. The objective of creating long-term value requires, among other things, that SimCorp sets up durable and constructive relationships with the Group's primary stakeholders: shareholders, customers, employees and suppliers. Such relations are based on the Group's mission and on professional and commercial relations.

SimCorp's information policy plays a key role in this connection. The policy is designed to ensure that stakeholders receive timely, relevant, accurate and full information on the Group's activities to the extent such disclosure would not be detrimental or potentially detrimental to SimCorp's existing or future competitive position. In order to enable shareholders and equity market participants to make an independent, professional evaluation and analysis of SimCorp's commercial and financial position and future prospects, SimCorp publishes material information on the company's financial results, business activities and strategic goals.

Part of this disclosure is a regular part of SimCorp's interim reports.

The work of the Board of Directors and the Management Board

The Board of Directors is a collective body for promoting the long-term interests of the company in all respects. The Board of Directors is responsible for the overall strategic management and the financial and managerial control of the company being conducted adequately in all respects. Thus, the Board of Directors acts as a sparring partner to the Management Board in relation to strategic initiatives and monitors the Group's financial position, risk management and business activities on an ongoing basis.

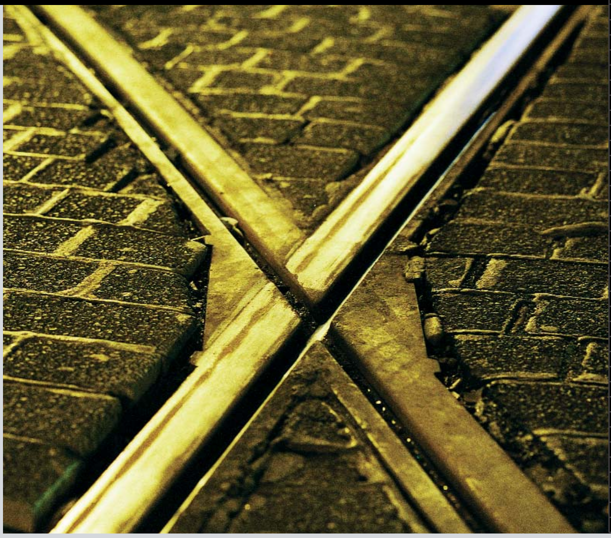
SimCorp's Board of Directors held six meetings in 2006. At these meetings, the Board discussed the Group's current business and financial performance and the Group's overall strategy. In addition, the Board of Directors held a two-day strategy seminar in 2006 to discuss the Group's long-term strategy.

Composition and qualifications of the Board of Directors

The composition of the Board of Directors should ensure its independence of any special interests. The Board of Directors should consist of a number of members that is sufficient to enable an appropriate distribution of tasks among the members as well as an efficient and rapid decision-making process.

It is essential that the Board of Directors acts as an efficient, visionary and result-oriented dialogue partner for SimCorp's Management Board. The Board of Directors has therefore drawn up the ideal profile for the Board's aggregate competencies to ensure that its members between them represent the required professional breadth and knowledge of the industry as well as the required business and financial competencies. These competencies have been identified within the areas of strategy, finance and operations, as well as organisation and management, and the ideal profile is updated regularly taking into account SimCorp's current strategic position.

SimCorp's Board of Directors consists of between three and six members elected by the company's shareholders and members elected by the company's employees. Members of SimCorp's Board of Directors are elected for one year at a time (employee representatives for four years). The chairman shall ensure that new Board members are being thoroughly introduced to the Board's work. The shareholders in general meeting elect new members to the Board of Directors. The retiring Board nominates candidates and explains the reasons for their nomination. If a Board member elected by the employees leaves SimCorp or is otherwise absent for a prolonged period of time, the alternate elected by the employees will replace such member.



Self-assessment
Again in 2006, SimCorp's Board of Directors and Management Board performed a self-assessment process headed by the Chairman of the Board based on written contributions from the individual members. The self-assessment focuses on the quality and efficiency of the work of the Board of Directors and the collaboration between the Board of Directors and the Management Board.

The self-assessment process comprises an evaluation of the Management Board's and the Board of Directors' work and contributions in the areas of strategy, finance and operations, as well as organisation and management. Furthermore, individual evaluations are performed of each Board member's work and contribution to the Board's work as a whole and the Board member's competencies relative to the defined ideal profile. The results of the self-assessment were discussed by the Board of Directors, which also evaluated the collaboration between the Board of Directors and the Management Board.

REMUNERATION POLICY

SimCorp's Board of Directors has adopted an overall policy for incentive programmes, the overall objective being to promote awareness of profitable growth and the Group's long-term goals. A portion of the total remuneration received by all employees is therefore performance related and linked to the profitable performance of SimCorp's business.

The most important elements of this policy are:
- The policy is based on local market conditions.
- Remuneration principles apply equally to all managers irrespective of their geographic location, but the actual remuneration depends on local market conditions and may therefore vary.
- To ensure transparency in performance-related pay, only a few milestones are used, primarily growth and the profitable development of SimCorp's business.
- Senior management employees will have a higher proportion of performance-related pay relative to overall salary.
- Share-based incentive plans are based on business or share price performance and are structured so as to enhance the Group's focus on the long-term interests of the shareholders.

The Board of Directors expects for the company to continue to offer employee shares. Furthermore, the Board of Directors believes that it is natural for a growth company such as SimCorp to offer stock options to its Board members as a minor proportion of their total remuneration, although this does not comply with the OMX Copenhagen Stock Exchange recommendations.

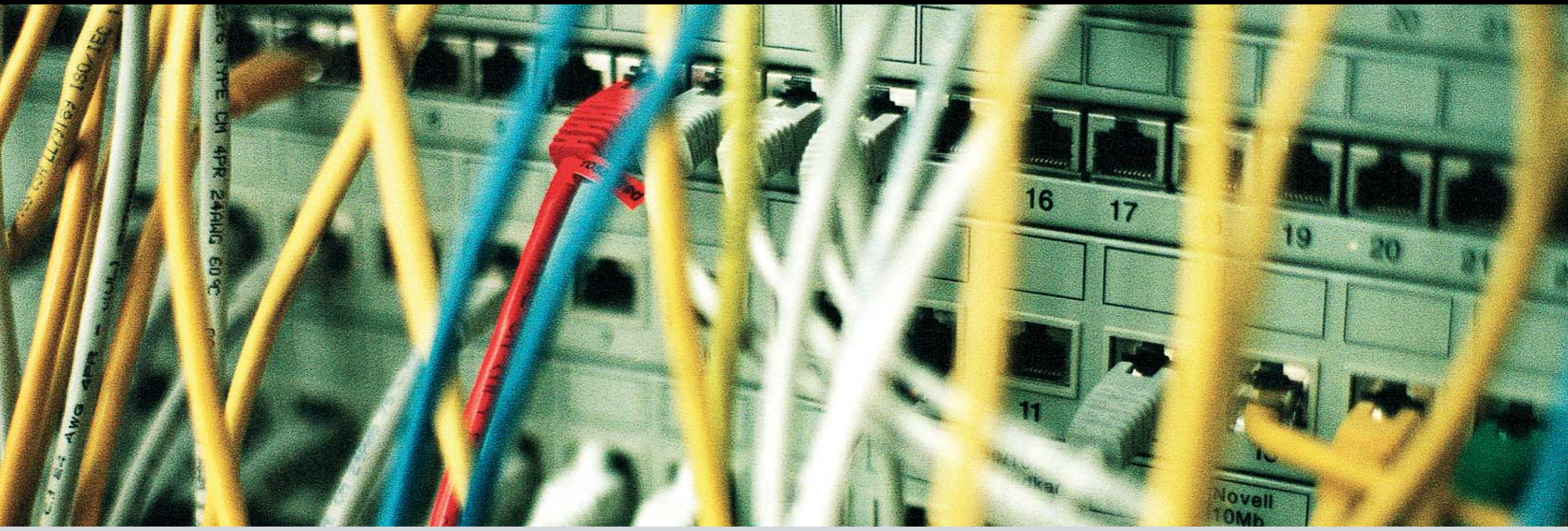
Stock options are granted to members of the Board of Directors subject to approval by the shareholders in general meeting. The value of such grants cannot exceed half of the annual cash Board remuneration at the time of grant.

The aggregate remuneration of the Management Board consists of a fixed salary and a bonus component subject to the financial results achieved in a given financial year, as well as eligibility for the stock option programme. If the performance targets are achieved, the bonus element will typically make up one-third of the fixed remuneration. Each year, the Board of Directors determines the fixed remuneration and the size of the performance-related bonus for the Management Board and the specific targets that will trigger a bonus. Generally, the stock option programme consists of about 4,000 stock options for each member of the Management Board, and the aggregate theoretical value at the time of grant may represent up to around one-third of the fixed remuneration.

Stock option programmes
The company's stock option programmes should be designed so as to enhance the Group's focus on the shareholders' long-term interests. Stock option programmes should be revolving with options being granted and vesting over a number of years. The exercise price should be higher than the market price of SimCorp shares at the time the options are granted, and options should have a term up to five years.

In order to eliminate any conflict of interest as to timing for stock option programmes comprising both the Board of Directors and the Management Board, the specific terms will provide for different exercise dates for the Board of Directors and the Management Board.

Risk factors



The development of SimCorp's business depends on a number of success criteria. Management believes the company stands well prepared to meet these criteria. However, certain factors are subject to uncertainty and therefore represent a potential risk. SimCorp's management considers the following general risk factors to be the most important:

Customers and markets

The risk that competitors foresee trends in the financial markets earlier than SimCorp does and make a more structured expansion of their international distribution networks.

Corporate culture and know-how

The risk of failure to continue to attract, retain and develop the best employees and failure to identify and incentivise the best management talent.

The risk of failure in connection with acquisitions and expansion of new business areas to integrate new employees into the organisation and failure to maintain, protect and continue SimCorp's strong corporate values as a fundamental element of business development.

Execution

The risk of inadequate execution of business processes as and when the capacity and the ability for continued market growth is expanded.

Products

The risk that competitors' product innovation is better able to meet actual market requirements. The risk of inadequate quality control and testing of the Group's products prior to the release of new software versions.

IT resources

The risk of breakdown or temporary interruption of IT systems not adequately backed by technical infrastructure to provide solutions for restoring critical business IT services immediately.

Currency risk

The risk of failure to hedge the Group's currency exposure as and when SimCorp accelerates its expansion outside the Euro area.

Contract risk

The risk that the Group's customer contracts or other agreements impose abnormal obligations on SimCorp. This is the risk of failure to draft customer contracts and other agreements in a balanced way taking into account local business practices, customers' legitimate requirements as well as protection of the Group's material business interests.

Interest rate risk

The risk of inadequately structured financial management of cash and funding to hedge losses due to potential changes in interest rates.

Accounting policies

GENERAL

The annual report of the parent company SimCorp A/S and the Group is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies, see the OMX Copenhagen Stock Exchange's disclosure requirements for annual reports of listed companies and the Danish Statutory Order on Adoption of IFRS issued under the Danish Financial Statements Act. The annual report also complies with the International Financial Reporting Standards issued by the IASB.

The functional currency for SimCorp A/S is DKK.

The annual report is presented in EUR as most of the Group's transactions are in this currency, which is also the Group's presentation currency.

NEW FINANCIAL REPORTING STANDARDS

In 2006, the following revised IFRS standards came into force: IAS 19; IAS 21 and IAS 39.

The Group has chosen to maintain its previous method of accounting for defined benefit plans under IAS 19, see the description under pension obligations. The changes to IAS 21 will not affect either the parent company or the Group.

The parent company and the Group have chosen to continue to measure the short-term bond portfolio at fair value in accordance with IAS 39, as the portfolio serves as a cash reserve in accordance with the Group's risk and investment strategy. The bond portfolio consists of Danish mortagebacked bonds, which are regularly monitored and reported at fair value. In addition, any parent company guarantees in respect of subsidiaries' financial commitments are issued on arm's length terms, and the change to IAS 39 in this respect therefore does not affect recognition.

Except for the effect of the above-mentioned revised accounting standards, the accounting policies are consistent with those of last year. Management has reassessed the distribution of costs by function to better reflect the parent company's and the Group's use of these functions. The comparative figures for 2005 have been adjusted in accordance with this reassessment.

DESCRIPTION OF ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise SimCorp A/S (the parent company) and subsidiaries in which the parent company directly or indirectly holds more than 50% of the votes or otherwise exercises a controlling influence.

Companies in which the group holds between 20% and 50% of the voting rights and/or otherwise exercises a significant but not a controlling influence are considered associates.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company and the subsidiaries, which have been prepared in accordance with the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, balances, dividends and unrealised intra-group gains and losses are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Investments in subsidiaries are eliminated at the proportionate share of the subsidiaries' fair value of identifiable net assets and recognised contingent liabilities at the date of acquisition.

BUSINESS COMBINATIONS

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition. Companies divested or wound up are consolidated in the income statement until the date divested or wound up. The comparative figures are not adjusted to reflect acquisitions. Discontinued operations are presented as a separate item.

The takeover method is applied on acquisitions if the parent company gains control of the company acquired. Identifiable assets, liabilities and contingent liabilities in companies acquired are measured at the fair value at the date of acquisition. Identifiable intangible assets are recognised if they can be separated or arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

For business combinations effected on or after 1 January 2004, any excess of the cost of acquisition over the fair value of the acquired identifiable assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested for impairment annually.

The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is transferred to the cash-generating units which will subsequently form the basis for future impairment tests. Any goodwill arising and any fair value adjustments made on the acquisition of a foreign entity whose functional currency is not the same as the SimCorp A/S Group's presentation currency are treated as assets and liabilities of the foreign entity and translated to the foreign entity's functional currency at the exchange rate at the transaction date. Any excess of the fair value over the cost of acquisition (negative goodwill) is recognised in the income statement at the acquisition date.

For business combinations made before 1 January 2004, the classification under the previous accounting policy is maintained. Goodwill is recognised based on the cost recognised under the previous accounting policy less amortisation and impairment up to 31 December 2003. Goodwill is not amortised after 1 January 2004, but tested for impairment annually. The accounting treatment of business combinations before 1 January 2004 has not been adjusted in connection with the opening balance sheet at 1 January 2004. Goodwill recognised in the opening balance sheet has been tested for impairment at 1 January 2004.

Any gains or losses on the disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets, including goodwill, at the date of disposal plus anticipated disposal costs.

FOREIGN CURRENCY TRANSLATION

For each of the reporting enterprises in the Group, a functional currency is determined. The functional currency is the currency in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are transactions denominated in foreign currencies. The Group's presentation currency is EUR.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. The average rate of exchange for the month is used to reflect the transaction date's exchange rate. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognised in the income statement under financial income or financial expenses.

Foreign exchange adjustment of intra-group accounts between SimCorp A/S and subsidiaries that are considered as part of the net investment in the enterprise in question are in the consolidated financial statements recognised directly in equity. Corresponding foreign exchange adjustments are in SimCorp A/S' financial statements recognised in the income statement. On repayment of loans classified as additions to the net investment, the part of the accumulated foreign exchange adjustment relating to the repayment is recognised in the income statement.

On consolidation of foreign subsidiaries and associates with functional currencies differing from SimCorp A/S' presentation currency, the income statements are translated at the exchange rates ruling at the transaction date and the balance sheets are translated at the exchange rates ruling at the balance sheet date. The average exchange rate for each individual month is used as the transaction date exchange rate. Exchange differences arising on the translation of foreign subsidiaries' opening equity at the exchange rates ruling at the balance sheet date and on the translation of the income statements from the exchange rates ruling at the transaction date to the exchange rates ruling at the balance sheet date are taken directly to equity in a separate exchange adjustment reserve.

INCOME STATEMENT

REVENUE

Revenue from sales of standard software licences is recognised at the time of delivery if the delivery of standard software does not depend on acceptance of delivery of functionality. If there is demand for customer acceptance of delivery of functionality, the licence revenue is recognised at the time of acceptance.

The total contract sum is allocated to the individual components in connection with contracts to deliver standard software comprising several components. The individual components are recognised according to the principles described above.

In case of sales through distributors, the company's portion of the licence revenue is recognised on delivery to the end-user.

Lease payments under operating leases are recognised on a straight-line basis over the lease term from the time of the customer's acceptance of delivery, see above.

Professional service fees are recognised as and when the work is performed.

Revenue from maintenance agreements is recognised on a straight-line basis over the contract period.

Other revenue, such as revenue from the sale of hardware and training course activities, is recognised in the income statement when the products and services have been delivered.

COST OF SALES

Cost of sales comprises costs defrayed to achieve the year's revenue, including costs of delivering and implementing systems, training courses, support etc. Cost of sales primarily comprises salaries, share-based payment, other staff-related costs, depreciation, amortisation etc. and indirect costs such as rent, technological infrastructure etc.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs comprise costs, salaries, share-based payment, depreciation and amortisation directly attributable to the Group's research and development activities.

Research and development costs are expensed in the year in which they are incurred, where they do not qualify for capitalisation, see the section "Capitalisation of software development costs".

SALES AND DISTRIBUTION COSTS

Sales and distribution costs primarily comprise salaries, share-based payment and other staff-related costs to sales staff, travel and meeting expenses, marketing expenses, depreciation, amortisation etc. and indirect costs such as rent, technological infrastructure etc.

ADMINISTRATIVE EXPENSES

Administrative expenses comprise expenses related to management, administrative staff, office costs, depreciation, amortisation etc. and indirect costs such as rent, technological infrastructure etc.

OTHER OPERATING INCOME

Other operating income comprises income of a secondary nature relative to the activities of the Group, including gains on the sale of intangible assets and property, plant and equipment, rental income, and, for the parent company, re-invoicing to subsidiaries of costs incurred.

OTHER OPERATING EXPENSES

Other operating expenses comprise expenses of a secondary nature relative to the activities of the Group, including losses on the sale of intangible assets and property, plant and equipment.

RESULTS OF INVESTMENTS IN ASSOCIATES

The proportionate share of the profit or loss of associates after tax and elimination of the proportionate share of intra-group gains or losses is recognised in the consolidated income statement.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses include interest income and expenses in respect of the financial year and realised and unrealised capital gains and losses on securities and realised and unrealised exchange gains and losses on foreign currency.

Dividend on investments in subsidiaries and associates is recognised in the parent company's income statement in the financial year in which the dividend is declared. However, to the extent that the dividend distributed exceeds accumulated earnings after the acquisition date dividend is recognised as a reduction of the cost of the investment rather than being recognised in the income statement.

TAX ON PROFIT FOR THE YEAR

In 2005 and subsequent years, SimCorp A/S is jointly taxed with the Danish subsidiary only. The estimated current tax on the income of the jointly taxed companies is allocated to the jointly taxed Danish companies included in the on-account tax scheme.

The tax charge on taxable income for the year is recognised in the income statement, adjusted for the year's change in deferred tax provisions and any changes in prior-year taxable income. The recognised tax is allocated to the profit for the year and to equity for the part relating to changes recognised directly in equity.

CORPORATION TAX AND DEFERRED TAX

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on–account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all temporary differences between the accounting and tax values of assets and liabilities, apart from temporary differences relating to goodwill which is not amortisable for tax purposes.

Deferred tax assets, including the tax value of tax losses carried forward, are measured at the amount at which they are expected to be used, either by setting off tax on future earnings or by setting off deferred tax liabilities within the same legal tax entity.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill

On initial recognition, goodwill is recognised in the balance sheet at cost as described under the heading "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised.

The carrying amount of goodwill is tested for impairment at least annually. Any impairment losses are recognised directly in the profit for the year and are not subsequently reversed.

Goodwill on acquisitions effected before 1 January 2004 is recognised at the carrying amount at 1 January 2004.

The treatment of the takeover and disposal of enterprises or assets to which goodwill relates is described in a paragraph under consolidation.

Intangible assets with limited economic lives

Intangible assets with limited economic lives are measured at cost less accumulated amortisation and impairment losses. Intangible assets include proprietary and acquired software.

Amortisation is provided on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Software	up to 5 years

CAPITALISATION OF SOFTWARE DEVELOPMENT COSTS

Proprietary software for the company's own use

Costs of development projects for software for the company's own use are recognised as intangible assets where they are clearly defined and identifiable, where there are sufficient resources to implement the project, and where it is certain that the capital value of identifiable future income or cost reductions will cover the project costs and future operating costs.

Capitalised development costs comprise direct payroll costs plus overheads. Overheads comprise staff costs, rent, IT, communication etc. Any financing expenses in the development period are not included.

Development costs comprise costs attributable to the Group's development functions, including salaries, wages and other staff costs, amortisation and other indirect costs. The uncapitalised portion of development costs is expensed in the relevant item.

Proprietary software for resale

Costs of developing software for resale are recognised as intangible assets subject to fulfilment of criteria similar to those applicable to software for the company's own use. Capitalised development costs are recognised using similar principles as those applicable to software for the company's own use.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Property, plant and equipment is depreciated on a straight-line basis over the estimated economic lives of the assets, which are as follows:

Leasehold improvements	up to 10 years
Technical equipment	3 years
Other fixtures and fittings, tools and equipment	5 years

Leasehold improvements are depreciated over the expected remaining term of the lease up to a maximum of 10 years.

The basis of depreciation is calculated with due consideration to the asset's scrap value, reduced by any impairment write-downs. The scrap value is determined at the date of acquisition and assessed annually. Where the scrap value exceeds the carrying amount of the asset, the asset ceases to be depreciated.

If the depreciation period or the scrap value are changed, the effect on depreciation going forward is recognised as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, research and development costs, selling costs or administrative expenses.

IMPAIRMENT OF NON-CURRENT ASSETS

Goodwill, intangible assets with unlimited economic lives and development projects in progress are tested for impairment annually by comparing the carrying amounts of the assets with their recoverable amounts.

The carrying amounts of other non-current assets, except for tax assets, are reviewed on an ongoing basis to determine any indications of impairment in excess of what is expressed in the normal depreciation of assets. If there is an indication that an asset may be impaired, it is tested for impairment.

If the carrying amount of a non-current asset exceeds its recoverable amount, the carrying amount of the asset is written down to the recoverable amount.

INVESTMENTS IN ASSOCIATES IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investments in associates are recognised according to the equity method and measured in the balance sheet at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies less or plus the proportionate share of any unrealised intra-group profits and losses and plus the carrying amount of goodwill.

Associates with a negative equity value are recognised at zero. A provision is made if SimCorp A/S has a legal or constructive obligation to cover the associate's negative balance.

INVESTMENTS IN SUBSIDARIES AND ASSOCIATES IN THE PARENT COMPANY'S FINANCIAL STATEMENTS

Investments in subsidiaries and associates are measured at cost in the parent company's financial statements. Where the recoverable amount is lower than cost, the investments are written down to the lower value.

The cost is reduced to the extent that dividend distributed exceeds the accumulated earnings after the takeover date.

CONTRACTS IN PROGRESS

Contracts in progress relating to professional services are measured at the estimated sales value of the proportion of the contract completed at the balance sheet date.

Amounts invoiced on account in excess of work completed are included in prepayments under short-term liabilities.

RECEIVABLES

Receivables are measured on the basis of an individual assessment of each receivable and include the value of contract amounts recognised but not yet invoiced.

SECURITIES

Listed securities are recognised at fair value under current assets on the trade date and are subsequently measured at fair value, corresponding to the share price of listed securities at the balance sheet date. Realised and unrealised capital gains and losses are recognised in the income statement under financial income and expenses.

EQUITY

Dividends are recognised as a liability at the time of adoption by the shareholders in general meeting. Dividends recommended to be paid for the year are stated as a separate line item under equity.

TREASURY SHARES

Treasury shares acquired by the parent company or subsidiaries are recognised at cost directly in equity under retained earnings. Gains on the sale of treasury shares are recognised directly in equity. Dividends in respect of treasury shares are recognised in equity under retained earnings.

Proceeds from the sale of treasury shares or the issue of shares in SimCorp A/S in connection with the exercise of warrants or employee shares are taken directly to equity.

EXCHANGE ADJUSTMENT RESERVE

The exchange adjustment reserve in the consolidated financial statements comprises foreign exchange differences arising on the translation of the financial statements of enterprises from their functional currencies to the Group's presentation currency (EUR).

On full or partial realisation of a net investment, foreign exchange adjustments are recognised in the income statement.

The exchange adjustment reserve was reset to zero at 1 January 2004 in accordance with IFRS 1.

PENSION OBLIGATIONS

The Group has entered into pension agreements and similar agreements with most of the Group's employees.

Obligations relating to defined contribution plans are recognised in the income statement in the period in which they are earned, and payments due are recognised in the balance sheet under other payables.

For defined benefit plans, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of salary, interest, inflation and mortality rates. The net present value is only calculated for those benefits earned by the employees through their employment with the Group until the present. The actuarial calculation of the net present value less the fair value of any assets related to the plan is included in the balance sheet as pension obligations.

Differences between the expected development of pension assets, liabilities and the realised values are termed actuarial gains and losses. If the accumulated actuarial gains or losses at the beginning of a financial year exceed the higher numerical value of 10% of pension liabilities or 10% of the fair value of pension assets, the excess amount is recognised in the income statement over the expected average working lives of the covered employees in the company. Actuarial gains and losses that do not exceed the above limits are not recognised in the income statement or the balance sheet, but are disclosed in the notes.

In connection with a change in benefits regarding the employees' employment in the enterprise up to now, there is a change in the actuarial calculation of the net present value, which is termed historical costs. Historical costs are expensed immediately if the employees have already earned the right to the changed benefits. Otherwise, they are recognised in the income statement over the period during which the employees earn the right to the benefits.

If a pension plan represents a net asset, the asset is recognised only to the extent that it offsets unrecognised actuarial losses, future repayments from plans, or will not lead to any future payments to the plan.

PROVISIONS

A provision is recognised when the Group has a legal or a constructive obligation as a result of a past event and it is probable that an outflow of the Group's resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The minority shareholders' right to sell their part of the equity of partially owned subsidiaries to SimCorp is recognised as a liability. This liability is measured at the present value of expected future payments and treated as contingent purchase consideration.

Obligations to re-establish and refurbish leased offices when the premises are vacated are recognised at the estimated future costs at the time of vacation.

LIABILITIES

Other liabilities are measured at amortised cost.

INCENTIVE SCHEMES

The Board of Directors, the Management Board and the employees are covered by one or more incentive schemes. The most important terms and conditions of the schemes are disclosed in the notes.

STOCK OPTIONS AND WARRANTS

For equity-settled stock options and warrants, the fair value is measured at the grant date and recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity.

On initial recognition of stock options and warrants, the number of options and warrants expected to vest is estimated. Subsequently, adjustment is made only for changes in the number of employees estimated to become entitled to options or warrants.

The fair value is measured using the Black-Scholes model with the parameters indicated in note 29 to the financial statements.

EMPLOYEE SHARES

When the SimCorp Group's employees are given the opportunity to acquire or subscribe shares at a price below the market price, the discount is recognised as an expense in staff costs. The balancing item is recognised directly in equity. The discount is calculated at the subscription date as the difference between fair value and the subscription price of the shares acquired or subscribed.

CASH FLOW STATEMENT

The cash flow statement shows the parent company's and the Group's cash flows divided into operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the profit for the year before tax adjusted for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flows for investing activities comprise payments in connection with acquisitions and disposals of intangible assets and property, plant and equipment as well as other non-current assets.

Cash flows from financing activities comprise changes in the size or composition of share capital and costs incurred in this respect and receipts from or repayments of long-term liabilities, purchase or sale of bonds and treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash and bank deposits.

SEGMENT INFORMATION

It has been assessed that the company has just one primary segment, as it sells only standard software licences and related services. Information on the primary segment is disclosed in the income statement, the balance sheet and the cash flow statement. The secondary segment is the Group's geographical markets. Information on these is disclosed in note 31 to the financial statements.

Segment information is based on the Group's management and reporting structure and prepared in accordance with the Group's accounting policies.

Signatures

Statement by the Board of Directors and the Management Board
The Board of Directors and Management Board of SimCorp A/S have today presented the annual report for 2006.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies. We consider the accounting policies to be appropriate to the effect that the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2006 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2006.

We recommend that the annual report be adopted by the shareholders at the annual general meeting.

Copenhagen, 27 February 2007

MANAGEMENT BOARD

Peter L. Ravn *CEO*	Peter Theill	Torben Munch

BOARD OF DIRECTORS

Steen Rasborg *Chairman*	Torben Ballegaard Sørensen *Vice Chairman*	Susan Haroun
Carl Christian Ægidius	Kim S. Andreasen	Ulrich Rosenquist

Independent auditors' report

To the shareholders of SimCorp A/S
We have audited the annual report of SimCorp A/S for the financial 1 January to 31 December 2006, comprising a statement by the Board of Directors and the Management Board, management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements for the Group as well as the parent company. The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies.

Management's responsibility for the annual report
The company's Board of Directors and Management Board are responsible for preparing and presenting an annual report that gives a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion
Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Management Board, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion
In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2006 and the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2006 in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies.

Copenhagen, 27 February 2007

Grant Thornton *Incorporated State Authorised Public Accountants*	**KPMG C. Jespersen** *State Authorised Public Accountants*
Christian Fløistrup *State Authorised Public Accountant*	**Lars Andersen** *State Authorised Public Accountant*

Income statement year ended at 31 December

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
			Income		
38,765	51,798	2, 3	Revenue	134,044	102,254
8,920	10,673	4, 5	Cost of sales	43,888	33,811
29,845	41,125		**Gross profit**	90,156	68,443
4,322	6,295		Other operating income	130	120
18,585	22,264	4, 5	Research and development costs	27,315	20,821
2,384	2,469	4, 5	Sales and distribution costs	15,933	14,283
10,721	12,791	4, 5	Administrative expenses	11,497	11,613
2	26		Other operating expenses	36	7
2,477	9,870		**Profit from operations (EBIT)**	35,505	21,839
0	0		Share of profit after tax in associates	152	9
17,899	21,381	6	Financial income	2,461	2,225
1,746	2,547	7	Financial expenses	1,362	1,136
18,630	28,704		**Profit before tax**	36,756	22,936
1,055	2,815	8	Tax on the profit for the year	10,147	6,736
17,575	25,889		**Profit for the year**	26,609	16,201
			which is distributed as follows:		
			SimCorp A/S shareholders	26,609	16,201
		12	Minority interests	0	0
				26,609	16,201
			Earnings per share		
		9	Earnings per share (EPS)	5.55	3.39
		9	Diluted earnings per share (EPS-D)	5.44	3.36
			Proposed distribution of net profit		
15,418	22,505		Proposed dividend		
2,157	3,384		Transferred to retained earnings		
17,575	25,889				

Balance sheet as at 31 December

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
			ASSETS		
			Non-current assets		
			Intangible assets		
0	0		Goodwill	954	941
1,085	2,005		Acquired software	5,613	4,696
210	94		Proprietary software	94	210
1,295	2,099	10	**Total intangible assets**	6,661	5,847
			Property, plant and equipment		
212	179		Leasehold improvements	443	466
604	336		Technical equipment	615	1,202
264	195		Other equipment, fixtures and fittings	420	524
1,080	710	11	**Total property, plant and equipment**	1,478	2,192
			Other non-current assets		
27,910	25,714	12	Investments in subsidiaries	-	-
895	893	13	Investments in associates	1,065	915
11,709	11,754	12	Receivables from subsidiaries	-	-
409	406	13	Receivables from associates	406	409
377	1,745	14	Deposits	1,931	555
0	1,841	15	Deferred tax	8,910	7,940
41,300	42,353		**Total other non-current assets**	12,312	9,819
43,675	45,162		**Total non-current assets**	20,451	17,858
			Current assets		
4,313	13,787	16	Receivables	39,074	20,533
909	267		Prepayments	1,085	1,584
19,436	26,824	17	Bonds	26,824	26,925
32,861	27,365		Cash and cash equivalents	33,952	37,911
57,519	68,243		**Total current assets**	100,935	86,953
101,194	113,405		**Total assets**	121,386	104,811

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
			LIABILITIES AND EQUITY		
		18	**Equity**		
6,605	6,616		Share capital	6,616	6,605
0	0		Exchange adjustment reserve	386	384
53,550	56,230		Retained earnings	58,764	55,411
15,418	22,505		Proposed dividend	22,505	15,418
75,573	85,351		Share of equity attributable to SimCorp A/S' shareholders	88,271	77,818
0	0	12	Minority interests	0	0
75,573	85,351		**Total equity**	88,271	77,818
			Liabilities		
			Non-current liabilities		
1,850	0	15	Deferred tax	428	2,862
0	0	19	Pensions and similar liabilities	0	0
1,779	2,004	20	Provisions	2,559	1,946
3,629	2,004		**Total non-current liabilities**	2,987	4,808
			Current liabilities		
1,060	256		Prepayments from customers	4,628	2,600
19,709	25,787	21	Trade payables and other payables	20,867	15,315
1,199	0	22	Income tax	4,626	4,246
24	7		Deferred income	7	24
21,992	26,050		**Total current liabilities**	30,128	22,185
25,621	28,054		**Total liabilities**	33,115	26,992
101,194	113,405		**Total liabilities and equity**	121,386	104,811

1 Accounting estimates and assessments
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Statement of changes in equity

Parent company

	Share capital	Retained earnings	Proposed dividend for the year	EUR'000 Total
Equity at 1 January 2005	6,520	50,667	12,210	69,397
Changes in equity in 2005				
Treasury shares	0	(5,286)	0	(5,286)
Share-based payment, employee shares	0	1,065	0	1,065
Share-based payment, options	0	257	0	257
Tax on changes in equity	0	806	0	806
Foreign exchange adjustment	0	(219)	0	(219)
Net gains are taken directly to equity	0	(3,377)	0	(3,377)
Profit for the year	0	17,575	0	17,575
Comprehensive income	0	14,198	0	14,198
Dividend paid to shareholders	0	(22)	(12,210)	(12,232)
Additions during the year	85	4,127	0	4,212
Proposed dividend to shareholders	0	(15,418)	15,418	0
Equity at 31 December 2005	6,605	53,550	15,418	75,573
Equity at 1 January 2006	6,605	53,550	15,418	75,573
Changes in equity in 2006				
Treasury shares	0	(3,261)	0	(3,261)
Share-based payment, employee shares	0	1,051	0	1,051
Share-based payment, options	0	(1,471)	0	(1,471)
Tax on changes in equity	0	2,598	0	2,598
Foreign exchange adjustment	0	47	0	47
Net gains are taken directly to equity	0	(1,036)	0	(1,036)
Profit for the year	0	25,889	0	25,889
Comprehensive income	0	24,853	0	24,853
Dividend paid to shareholders	0	(33)	(15,418)	(15,451)
Additions during the year	11	365	0	376
Proposed dividend to shareholders	0	(22,505)	22,505	0
Equity at 31 December 2006	6,616	56,230	22,505	85,351

Group

	Share capital	Exchange adjustment reserve	Retained earnings	Proposed dividend for the year	EUR'000 Total
Equity at 1 January 2005	6,520	(88)	54,011	12,210	72,653
Changes in equity in 2005					
Share-based payment, employee shares	0	0	1,065	0	1,065
Share-based payment, options	0	0	257	0	257
Tax on changes in equity	0	0	476	0	476
Foreign exchange adjustment	0	472	0	0	472
Net gains are taken directly to equity	0	472	1,798	0	2,270
Profit for the year	0	0	16,201	0	16,201
Comprehensive income	0	472	17,999	0	18,471
Dividend paid to shareholders	0	0	(22)	(12,210)	(12,232)
Additions during the year	85	0	4,127	0	4,212
Treasury shares	0	0	(5,286)	0	(5,286)
Proposed dividend to shareholders	0	0	(15,418)	15,418	0
Equity at 31 December 2005	6,605	384	55,411	15,418	77,818
Equity at 1 January 2006	6,605	384	55,411	15,418	77,818
Changes in equity in 2006					
Share-based payment, employee shares	0	0	1,051	0	1,051
Share-based payment, options	0	0	(1,471)	0	(1,471)
Tax on changes in equity	0	0	2,598	0	2,598
Foreign exchange adjustment	0	2	0	0	2
Net gains are taken directly to equity	0	2	2,178	0	2,180
Profit for the year	0	0	26,609	0	26,609
Comprehensive income	0	2	28,787	0	28,789
Dividend paid to shareholders	0	0	(33)	(15,418)	(15,451)
Additions during the year	11	0	365	0	376
Treasury shares	0	0	(3,261)	0	(3,261)
Proposed dividend to shareholders	0	0	(22,505)	22,505	0
Equity at 31 December 2006	6,616	386	58,764	22,505	88,271

At 31 December 2006, the share capital amounted to DKK 49,250,000 divided into 4,925,000 shares of DKK 10 nominal value each. No shares shall confer any special rights upon any shareholder. Costs of capital increases amounted to EUR 2.6 thousand in 2006 (2005: EUR 2.6 thousand).

Dividend is distributed with DKK 24 per share nominal value DKK 10 in 2006 (2005: DKK 19 per share nominal value DKK 10).

Cash flow statement

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
17,575	25,889		Profit for the year	26,609	16,201
(18,114)	(13,569)	34	Adjustments	13,391	8,513
			Changes in working capital:		
4,397	(8,657)		Changes in receivables	(17,587)	3,731
7,730	5,482		Changes in liabilities	8,176	(93)
11,588	9,145		**Cash from/used in operating activities before financial items**	30,589	28,352
8,561	3,177		Financial income received	2,746	1,691
(1,746)	(2,547)		Financial expenses paid	(2,036)	(1,136)
128	(5,331)		Income tax paid	(10,935)	(3,018)
18,531	4,444		**Net cash from/used in operating activities**	20,364	25,889
(4,743)	0	26	Acquisition of subsidiaries	0	(3,314)
(1,304)	0	13	Acquisition of associates	0	(1,304)
0	2	13	Disposal of associates	2	0
(154)	(1,742)		Purchase of intangible assets	(2,173)	(157)
0	640		Sale of intangible assets	0	0
(547)	(267)		Purchase of property, plant and equipment	(620)	(1,201)
18	116		Sale of property, plant and equipment	127	44
(58)	(1,378)		Acquisition of investments	(1,408)	(142)
2	10		Sale of investments	26	14
8,803	20,396		Dividends from subsidiaries	-	-
2,017	17,777		**Net cash from/used in investment activities**	(4,046)	(6,060)
20,548	22,221		**Net cash from/used in operating and investment activities**	16,317	19,829
983	1,413		Sale of shares to employees	1,413	983
3,229	(3,265)		Exercise of options and warrants	(3,265)	3,229
(12,232)	(15,451)		Dividend paid	(15,451)	(12,232)
(5,286)	(3,261)		Acquisition of treasury shares	(3,261)	(5,286)
0	19,436		Sale of bonds	26,925	0
(13,297)	(26,608)		Purchase of bonds	(26,608)	(13,164)
(26,603)	(27,737)		**Net cash from/used in financing activities**	(20,247)	(26,470)
(6,055)	(5,516)		**Change in cash and cash equivalents**	(3,929)	(6,641)
			Total cash flows for the year		
39,033	32,861		Cash and cash equivalent at 1 January	37,911	44,296
(117)	20		Foreign exchange adjustment of cash and cash equivalents	(29)	256
32,861	27,365		**Cash and cash equivalents at 31 December**	33,952	37,911

Notes

Note 1

ACCOUNTING ESTIMATES AND ASSESSMENTS

Estimation uncertainty
The calculation of the future value of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities on the balance sheet date. Estimations of significance to the financial statements are made in a calculation of, inter alia, depreciation and impairment losses, sales value of contracts in progress relating to professional services, pensions, provisions and contingent liabilities.

The estimates applied are based on assumptions which management believes to be reasonable, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. In addition, the company is subject to risks and uncertainties encountered in the ordinary course of business that may cause actual results to deviate from the estimates. Risk factors specific to the SimCorp Group are described in the Management Report on page 22.

The notes to the financial statements contain information about the assumptions of future events and other sources of estimation uncertainty at the balance sheet date involving the risk of changes that could lead to an adjustment of the carrying amount of assets or liabilities within the upcoming financial year.

For the SimCorp Group, the measurement of intangible assets, including goodwill, could be affected by significant changes in estimates and assumptions underlying their calculation. See note 10 for a more detailed description of impairment tests for intangible assets.

Accounting policies
In applying the Group's accounting policies, in addition to estimations, management makes other judgments that may impact the amounts recognised in the Annual Report.

Such judgments include, inter alia, the timing of income recognition and whether leases should be treated as operating or finance leases.

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		2	REVENUE		
			Revenue by geographical market:		
19,022	26,128		Nordic region	37,531	28,492
10,206	12,946		Germany and Austria	36,791	29,556
1,344	1,470		Switzerland	7,395	6,959
2,021	3,819		UK and Ireland	14,726	7,169
5,369	5,809		Benelux	16,190	15,414
(45)	657		Asia and Australia	9,905	6,005
848	969		North America and other markets	11,506	8,659
38,765	51,798		**Total**	134,044	102,254
			Revenue by type of service		
14,749	22,511		Licences	52,272	36,522
6,580	8,792		Professional services	40,129	30,386
17,290	20,190		Maintenance	39,255	33,560
146	305		Training activities, etc.	2,388	1,786
38,765	51,798		**Total**	134,044	102,254
		3	FUTURE REVENUE, OPERATING LEASES		
			Rental of software		
477	972		Future revenue within 1 year	2,111	845
1,779	3,405		Future revenue within 2-5 years	7,386	3,381
489	542		Future revenue after 5 years	1,083	979
2,745	4,919		**Total operating leases**	10,580	5,205

Revenue from rental of software is based on agreements giving customers the right to use SimCorp's standard software over a limited period of time. The term of these agreements is typically five years, but may be up to eight years. Customers subsequently have an option to extend the lease period at unchanged contractual terms.

Revenue from rental of software is recognised at EUR 0.4m for the parent company and EUR 1.0m for the Group in 2006.

Parent company 2005	Parent company 2006	Note		Group 2006	Group 2005
EUR'000	EUR'000	Note		EUR'000	EUR'000
		4	WAGES AND SALARIES		
			Staff costs:		
25,048	28,501		Wages and salaries	57,835	48,549
0	0		Pensions	691	317
1,327	1,807		Share-based payment	1,807	1,327
121	138		Social security costs	3,824	3,387
26,496	30,446		**Total wages and salaries**	64,157	53,580
			Of which remuneration to parent company management:		
			Board of Directors:		
161	177		Remuneration	177	161
51	88		Share-based payment	88	51
212	265		**Total remuneration to the Board of Directors**	265	212
			Remuneration to members of the Management Board:		
			Peter L. Ravn:		
333	363		Salary, pension and other benefits	363	333
106	194		Performance-related bonus	194	106
34	84		Share-based payment	84	34
473	641		**Total**	641	473
			Peter Theill:		
269	292		Salary, pension and other benefits	292	269
84	155		Performance-related bonus	155	84
34	84		Share-based payment	84	34
387	531		**Total**	531	387
			Torben Munch:		
265	288		Salary, pension and other benefits	288	265
84	155		Performance-related bonus	155	84
34	85		Share-based payment	85	34
383	528		**Total**	528	383
312	340		**Average number of employees**	681	595
Options	Options		Stock options awarded to parent company management:	Options	Options
3,700	3,700		Board of Directors	3,700	3,700
12,000	12,000		Management Board	12,000	12,000
15,700	15,700		**Total stock options awarded to parent company management**	15,700	15,700
			Employee shares acquired by parent company management:		
250	197		Board of Directors*	197	250
600	600		Management Board	600	600
850	797		**Total number of employee shares acquired by parent company management**	797	850

* Employee shares acquired in capacity as employees of SimCorp A/S.

Management Board remuneration policy
The aggregate remuneration of the Management Board consists of a fixed salary and a bonus component subject to the financial results achieved in a given financial year, as well as eligibility for the stock option programme. The bonus component may generally make up about one-third of the fixed remuneration. Each year, the Board of Directors determines the fixed remuneration and the size of the performance-related bonus for the Management Board and the specific targets that will trigger a bonus. Generally, the stock option programme consists of about 4,000 stock options for each member of the Management Board, and the aggregate theoretical value at the time of grant may represent up to around one-third of the fixed remuneration.

Members of the Management Board can terminate their service contracts giving six months' notice. The company can terminate the service contracts giving 12 months' notice. Termination on the part of the company triggers a severance pay of 6-9 months' salary subject to the term of employment. In case of very material changes to the company's ownership, the company's term of notice to members of the Management Board is prolonged for a two-year period up to 12 months.

Incentive programmes
The Group's incentive programmes are described and specified in note 29.

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		5	AMORTISATION AND IMPAIRMENT		
			Amortisation and impairment for the year is recognised in the income statement as follows:		
165	172		Cost of sales	791	546
507	499		Research and development costs	1,058	682
34	23		Sales and distribution costs	312	239
440	184		Administrative expenses	550	811
1,146	878		**Total amortisation and impairment**	2,711	2,278
			Of which: amortisation and impairment of intangible assets:		
38	88		Cost of sales	176	59
172	146		Research and development costs	745	308
8	24		Sales and distribution costs	110	29
74	38		Administrative expenses	405	380
292	296		**Total amortisation and impairment**	1,436	776
		6	FINANCIAL INCOME		
8,806	12,890		Dividend from subsidiaries	-	-
5,627	5,299		Revaluation, subsidiaries	-	-
448	864		Interest income, subsidiaries	-	-
15	20		Interest income, associates	20	15
1,633	720		Foreign exchange adjustments	743	452
0	216		Fair value adjustments, bonds	216	0
1,370	1,372		Other interest income	1,482	1,758
17,899	21,381		**Total financial income**	2,461	2,225
		7	FINANCIAL EXPENSES		
513	0		Impairment in subsidiaries	-	-
316	543		Interest expenses, subsidiaries	-	-
532	1,840		Foreign exchange adjustments	1,132	580
293	0		Fair value adjustments, bonds	0	403
92	164		Other financial expenses	230	153
1,746	2,547		**Total financial expenses**	1,362	1,136
		8	TAX ON PROFIT FOR THE YEAR		
1,552	4,586		Current tax	11,814	7,234
(278)	(1,728)		Deferred tax	(1,477)	(462)
(9)	(43)		Prior-year adjustment	(190)	156
(210)	0		Adjustment of tax rate	0	(192)
1,055	2,815		**Total tax on profit for the year**	10,147	6,736
(128)	5,331		**Tax paid during the year**	10,935	3,018
			Tax on profit for the year breaks down as follows:		
5,222	8,034		Tax calculated on the year's pre-tax profit, 28%	10,292	6,422
0	0		Difference in tax in subsidiaries relative to 28%	93	270
(210)	0		Change in tax rate	0	(192)
(3,903)	(5,092)		Dividend and value adjustment, subsidiaries	-	-
(15)	8		Non-taxable income and non-deductable expenses	69	42
0	0		Share of profit after tax in associates	43	0
(39)	(135)		Other, including prior-year adjustments	(350)	194
1,055	2,815		**Total tax on profit for the year**	10,147	6,736
6%	10%		**Effective tax rate**	28%	29%

Note		Parent company 2006	Parent company 2005
		EUR'000	EUR'000
9	EARNINGS PER SHARE		
	Profit for the year	26,609	16,201
	Minority interests' share of the consolidated profit	0	0
	Share of profit for the year attributable to the SimCorp Group	26,609	16,201
	Average number of shares	4,923,747	4,907,030
	Average number of treasury shares	(128,951)	(127,781)
	Average number of shares in circulation	4,794,796	4,779,249
	Average dilutive impact of outstanding stock options	96,158	44,185
	Average number of diluted shares in circulation	4,890,954	4,823,434
	Earnings per share (EPS)	5.55	3.39
	Diluted earnings per share (EPS-D)	5.44	3.36

Note | EUR'000

10 INTANGIBLE ASSETS

Parent Company	Goodwill	Acquired software	Proprietary software	Total
Cost at 1 January 2005	0	2,349	564	2,913
Foreign exchange adjustment	0	(7)	0	(7)
Additions	0	154	0	154
Cost at 31 December 2005	0	2,496	564	3,060
Depreciation and impairment at 1 January 2005	0	1,238	239	1,477
Foreign exchange adjustment	0	(3)	0	(3)
Depreciation	0	176	115	291
Depreciation and impairment at 31 December 2005	0	1,411	354	1,765
Carrying amount at 31 December 2005	0	1,085	210	1,295
Cost at 1 January 2006	0	2,496	564	3,060
Foreign exchange adjustment	0	1	0	1
Additions	0	1,742	0	1,742
Disposals	0	(695)	0	(695)
Cost at 31 December 2006	0	3,544	564	4,108
Depreciation and impairment at 1 January 2006	0	1,411	354	1,765
Foreign exchange adjustment	0	1	1	2
Depreciation	0	181	115	296
Disposals	0	(54)	0	(54)
Depreciation and impairment at 31 December 2006	0	1,539	470	2,009
Carrying amount at 31 December 2006	0	2,005	94	2,099

Note | EUR'000

10 INTANGIBLE ASSETS

Group	Goodwill	Acquired software	Proprietary software	Total
Cost at 1 January 2005	127	2,905	564	3,596
Foreign exchange adjustment	12	(8)	0	4
Addition on acquisition of subsidiaries	802	3,867	0	4,669
Additions	0	157	0	157
Cost at 31 December 2005	941	6,921	564	8,426
Depreciation and impairment at 1 January 2005	0	1,570	239	1,809
Foreign exchange adjustment	0	(6)	0	(6)
Depreciation	0	661	115	776
Depreciation and impairment at 31 December 2005	0	2,225	354	2,579
Carrying amount at 31 December 2005	941	4,696	210	5,847
Cost at 1 January 2006	941	6,921	564	8,426
Foreign exchange adjustment	13	81	0	94
Additions	0	2,173	0	2,173
Disposals	0	(54)	0	(54)
Cost at 31 December 2006	954	9,121	564	10,639
Depreciation and impairment at 1 January 2006	0	2,225	354	2,579
Foreign exchange adjustment	0	5	1	6
Depreciation	0	1,332	115	1,447
Disposals	0	(54)	0	(54)
Depreciation and impairment at 31 December 2006	0	3,508	470	3,978
Carrying amount at 31 December 2006	954	5,613	94	6,661
Amortised over		Up to 5 years	Up to 5 years	

Goodwill:
As at 31 December 2006, management performed an impairment test of the carrying amount of goodwill in SimCorp Asia Pty. EUR 0.2m and Solutionforge Ltd. EUR 0.8m.

The present value of estimated future cash flows based on the companies' plans for 2007, expected revenue and cost related to SimCorp Dimension for the next five years is expected to be adequate to offset the carrying amount of goodwill at 31 December 2006. Calculation based on 10% discount rate per annum.

Note | EUR'000

11 PROPERTY, PLANT AND EQUIPMENT

Parent company	Leasehold improvements	Technical equipment	Other equipment, fixtures and fittings	Total
Cost at 1 January 2005	689	3,049	606	4,344
Foreign exchange adjustment	(2)	(9)	(2)	(13)
Additions	39	451	57	547
Disposals	0	(364)	(86)	(450)
Cost at 31 December 2005	726	3,127	575	4,428
Depreciation and impairment at 1 January 2005	375	2,293	267	2,935
Foreign exchange adjustment	(1)	(7)	(1)	(9)
Depreciation and impairment	140	598	116	854
Disposals	0	(361)	(71)	(432)
Depreciation and impairment at 31 December 2005	514	2,523	311	3,348
Carrying amount at 31 December 2005	212	604	264	1,080
Cost at 1 January 2006	726	3,127	575	4,428
Foreign exchange adjustment	0	1	0	1
Additions	64	146	57	267
Disposals	(28)	(1,943)	(181)	(2,152)
Cost at 31 December 2006	762	1,331	451	2,544
Depreciation and impairment at 1 January 2006	514	2,523	311	3,348
Foreign exchange adjustment	(1)	0	0	(1)
Depreciation and impairment	98	397	87	582
Disposals	(28)	(1,925)	(142)	(2,095)
Depreciation and impairment at 31 December 2006	583	995	256	1,834
Carrying amount at 31 December 2006	179	336	195	710

Note					EUR'000
11	PROPERTY, PLANT AND EQUIPMENT				
	Group	Leasehold improvements	Technical equipment	Other equipment, fixtures and fittings	Total
	Cost at 1 January 2005	2,134	5,893	1,578	9,605
	Foreign exchange adjustment	(6)	24	7	25
	Addition on acquisition of subsidiaries	9	53	4	66
	Additions	100	913	188	1,201
	Disposals	0	(617)	(167)	(784)
	Cost at 31 December 2005	2,237	6,266	1,610	10,113
	Depreciation and impairment at 1 January 2005	1,440	4,716	955	7,111
	Foreign exchange adjustment	10	28	11	49
	Depreciation and impairment	321	925	256	1,502
	Disposals	0	(605)	(136)	(741)
	Depreciation and impairment at 31 December 2005	1,771	5,064	1,086	7,921
	Carrying amount at 31 December 2005	466	1,202	524	2,192
	Cost at 1 January 2006	2,237	6,266	1,610	10,113
	Foreign exchange adjustment	(13)	(4)	(1)	(19)
	Additions	276	196	148	620
	Disposals	(75)	(2,029)	(303)	(2,407)
	Cost at 31 December 2006	2,425	4,429	1,454	8,308
	Depreciation and impairment at 1 January 2006	1,771	5,064	1,086	7,921
	Foreign exchange adjustment	(12)	(2)	0	(14)
	Depreciation and impairment	298	754	211	1,263
	Disposals	(75)	(2,002)	(263)	(2,340)
	Depreciation and impairment at 31 December 2006	1,982	3,814	1,034	6,830
	Carrying amount at 31 December 2006	443	615	420	1,478
	Depreciated over	Up to 10 years	3 years	5 years	

The SimCorp Group does not hold assets under finance leases, has not provided assets as security and has not contracted to buy assets for delivery in future years.

Parent company

2005 EUR'000	2006 EUR'000	Note	
		12	INVESTMENTS IN SUBSIDIARIES
30,259	33,519		Cost at 1 January
(91)	15		Foreign exchange adjustment
3,351	0		Additions
0	(7,506)		Paid out as Dividend
33,519	26,028		Cost at 31 December
5,333	5,609		Impairment at 1 January
(17)	3		Foreign exchange adjustment
513	0		Impairment losses
(220)	(5,298)		Revaluations
5,609	314		Impairment at 31 December
27,910	25,714		**Carrying amount at 31 December**
8,803	12,890		Dividends paid
			RECEIVABLES FROM SUBSIDIARIES
9,167	11,709		Cost at 1 January
1,150	(941)		Foreign exchange adjustment
2,310	1,901		Additions
(918)	(915)		Disposals
11,709	11,754		Cost at 31 December
5,418	0		Impairment at 1 January
(16)	0		Foreign exchange adjustment
0	0		Impairment losses
(5,402)	0		Revaluations
0	0		Impairment at 31 December
11,709	11,754		**Carrying amount at 31 December**

The addition in 2005 relates to the acquisition of Solutionforge Ltd., in which SimCorp holds a 62%-stake. The company is audited by Baker Tilly, Chelmsford, Great Britain. See note 27.

The revaluation in 2006 relating to investments in subsidiaries SimCorp Financial Training A/S and SimCorp Treasury Solution Ltd. is based on the subsidiaries very positive development in revenue and profit after tax, which is expected to continue in the years to come. Revaluation of investments in 2005 are related to SimCorp Financial Training A/S and SimCorp USA Inc. The recoverable amount is calculated by discounting the expected future cash flow with 10% after tax.

Impairment losses on investment in subsidiaries as at January 2006 relate to SimCorp Financial Training A/S. Impairment losses on investment in subsidiaries as at January 2005 relate to SimCorp USA, SimCorp Treasury Solutions Ltd., SimCorp Ltd. and SimCorp Financial Training A/S. Impairment losses on receivables from subsidiaries at 1 January 2005 relate to SimCorp USA and SimCorp Treasury Solutions Ltd. The impairment losses in 2006 have been taken in accordance with the same accounting policies as applied in 2005.

As part of the acquisition of Solutionforge Ltd., it was agreed that the minority shareholders have an option to sell their shares SimCorp until the end of January 2010. The value at 31 December 2006 of this liability was recognised as a provision regarding contingent consideration. The liability exceeds the carrying amount of the minority shareholders' share of the equity in Solutionforge Ltd. by an amount that has been recognised under goodwill in SimCorp's balance sheet.

The Group's subsidiaries are:

Name	Registered office	Ownership interest in 2006	Share capital	Total revenue (EUR'000)	Profit for the year (EUR'000)	Equity (EUR'000)
SimCorp Financial Training A/S	Copenhagen, Denmark	100%	550T DKK	870	446	1,448
SimCorp Ltd.	London, Great Britain	100%	100T GBP	18,025	3,888	6,179
SimCorp Treasury Solutions Ltd.	London, Great Britain	100%	548T GBP	6,918	1,047	4,187
SimCorp GmbH	Bad Homburg, Germany	100%	102T EUR	38,740	6,040	7,079
SimCorp Norge AS	Oslo, Norway	100%	1,000T NOK	8,196	1,364	1,831
SimCorp Sverige AB	Stockholm, Sweden	100%	100T SEK	10,726	1,732	2,348
SimCorp Benelux SA/NV	Brussels, Belgium	100%	62T EUR	14,986	1,851	3,851
SimCorp USA Inc.	New York, USA	100%	10T USD	3,040	(1,728)	(5,185)
SimCorp Schweiz AG	Zurich, Switzerland	100%	100T CHF	7,255	2,347	2,960
SimCorp Asia Pty. Ltd.	Sydney, Australia	100%	1,000T AUD	4,128	(558)	(2,076)
SimCorp Singapore Pte. Ltd.	Singapore, Singapore	100%	1 SGD	6,713	3,162	4,812
Solutionforge Ltd.	Shenfield, Great Britain	62%	200 GBP	1,608	(1,499)	715

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		13	INVESTMENT IN ASSOCIATES		
0	895		Cost at 1 January	895	0
895	0		Additions	0	895
0	(2)		Disposals	(2)	0
895	893		Cost at 31 December	893	895
0	0		Adjustments at 1 January	20	0
0	0		Foreign exchange adjustment	0	11
0	0		Share of profit for the year	152	9
0	0		Disposals	0	0
0	0		Adjustments at 31 December	172	20
895	893		**Carrying amount at 31 December**	1,065	915
			RECEIVABLES FROM ASSOCIATES		
0	409		Cost at 1 January	409	0
0	10		Foreign exhange adjustment	10	0
409	0		Additions	0	409
0	(13)		Disposals	(13)	0
409	406		Cost at 31 December	406	409
0	0		Impairment at 31 December	0	0
409	406		**Carrying amount at 31 December**	406	409

EUR'000							Share attributable to the SimCorp Group	
Name	Country of incorp-oration	Ownership interest	Revenue	Profit for the period	Total assets	Liabilities	Equity	Profit for the year
Dyalog Ltd.	UK	35%	1,802	413	2,709	2,126	204	144
Equipos Ltd.	UK	20%	1,074	39	576	321	51	8
							255	152
Goodwill at 31 December 2006							810	0
							1,065	152

Investments in associates are measured in the consolidated balance sheet according to the equity method. Investments in associates are measured at cost in the parent company's balance sheet.

With effect from 31 December 2006 Dyalog Ltd. has transferred all assets and liabilities to Dyalog Holding Ltd. and Dyalog Holding Ltd. changed name to Dyalog Ltd. The disposal relates to Dyalog Ltd., where sale of shares to a key-employee has taken place. Sales price equals cost.

Parent company 2005	Parent company 2006			Group 2006	Group 2005
EUR'000	EUR'000	Note		EUR'000	EUR'000
		14	DEPOSITS		
323	377		Cost at 1 January 2006	555	423
(2)	0		Foreign exchange adjustment	(6)	3
58	1,378		Additions	1,408	142
(2)	(10)		Disposals	(26)	(14)
377	1,745		**Carrying amount at 31 December**	1,931	555

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		15	DEFERRED TAX		
2,913	1,850		Deferred tax at 1 January	(5,078)	(4,514)
7	71		Foreign exchange adjustment	113	(603)
(4)	11		Prior-year adjustment, profit	5	195
(278)	(1,728)		Adjustment of deferred tax, profit for the year	(1,477)	(462)
(578)	(2,045)		Adjustment of deferred tax, equity	(2,045)	(578)
0	0		Addition on acquisitions of subsidiaries	0	1,076
(210)	0		Adjustment of tax rate	0	(192)
1,850	(1,841)		**Deferred tax at 31 December**	(8,482)	(5,078)
			Deferred tax recognised in the balance sheet as follows:		
0	1,841		Deferred tax (asset)	8,910	7,940
1,850	0		Deferred tax (liability)	428	2,862
1,850	(1,841)		**Net deferred tax at 31 December**	(8,482)	(5,078)
			Deferred tax (asset)		
0	(588)		Property, plant and equipment	(616)	47
0	294		Other non-current assets	665	336
0	(60)		Current assets	374	0
0	535		Long-term liabilities	544	(19)
0	2,671		Short-term liabilities	2,785	9
0	(1,011)		Retaxation balances relating to foreign subsidiaries	(1,011)	0
0	0		Tax losses	6,169	7,567
0	1,841		**Deferred tax (asset) at 31 December**	8,910	7,940
			Deferred tax (liability)		
362	0		Intangible assets	888	1,464
(312)	0		Property, plant and equipment	(24)	(304)
(99)	0		Other non-current assets	(20)	(55)
(935)	0		Current assets	(122)	(1,045)
(123)	0		Short-term liabilities	0	(123)
0	0		Tax losses	0	(32)
2,957	0		Retaxation balances relating to foreign subsidiaries	(294)	2,957
1,850	0		**Deferred tax (liability) at 31 December**	428	2,862

Based on the growth in revenue in 2006 with further plans for continuous growth in 2007 and onwards the expected capitalised value of the deferred tax assets is expected to be used within a few years for the relevant subsidiaries.

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		16	RECEIVABLES		
1,547	4,481		Receivables from customers	37,608	19,145
1,854	8,374		Receivables from subsidiaries	-	-
16	16		Receivables from associates	16	16
0	220		Income tax receivable	455	0
896	696		Other receivables	995	1,372
4,313	13,787		**Total receivables**	39,074	20,533

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		17	BONDS		
			Listed bonds are recognised in the balance sheet as follows:		
19,436	26,824		Current assets, DKK-denominated bonds	26,824	26,925
19,436	26,824		**Carrying amount at 31 December**	26,824	26,925
4.0	2.0		Yield (%)	2.0	4.0
0.00	0.00		Average duration (years)	0.00	0.00

The bond portfolio consists of Danish Mortagebacked bonds with maturity 2 January 2007, nominal value equals carring amount an a cupon of 2%.

Note

18 EQUITY

Share Capital:	Number 2005	Number 2006	Nominal value (EUR'000) 2005	Nominal value (EUR'000) 2006
At 1 January	4,853,900	4,917,500	6,520	6,605
Warrants exercised	63,600	7,500	85	11
At 31 December	4,917,500	4,925,000	6,605	6,616

At 31 December 2006, the share capital amounted to DKK 49,250,000 divided into 4,925,000 shares of DKK 10 nominal value each. No shares shall confer any special rights upon any shareholder.

The company issued 7,500 new shares in March 2006 in connection with the exercise of warrants. Total costs related to the share issues amounted to EUR 2.6 thousand and included fees to banks, legal advisers and auditors. These costs are included in "Retained earnings".

Treasury shares:	Number 2005	Number 2006	Acquisition value (EUR'000) 2005	Acquisition value (EUR'000) 2006	Percent of share capital 2005	Percent of share capital 2006
At 1 January	74,000	124,780	734	5,726	1.5	2.5
Purchases	82,000	28,500	5,302	3,262	1.7	0.6
Options exercised	0	(1,900)	0	(19)	0.0	0.0
Sold to employees	(31,220)	(20,578)	(310)	(204)	(0.6)	(0.4)
At 31 December	124,780	130,802	5,726	8,765	2.6	2.7

The market value of the treasury shares at 31 December 2006 was EUR 24.4m. The shares are carried at EUR 0.0m in the financial statements. The Board of Directors has been authorised to let the company acquire treasury shares of up to a total nominal value of 10% of the company's share capital.

SimCorp A/S has acquired treasury shares for an aggregate nominal value of DKK 285,000 at an average price of DKK 853 per share, equal to an aggregate purchase price of EUR 3.3m. In addition, SimCorp A/S has divested treasury shares in relation to the sale/delivery of shares to employees under the employee share programme, for an aggregate nominal value of DKK 205,780 at a calculated market price of DKK 892.79 per share, equal to an aggregate selling price of EUR 2.5m. and by exercise of options nominal DKK 19,000 at a calculated market price of DKK 964.37 equal to an aggregate selling price of EUR 0.2 mio.

The company acquires treasury shares for the purpose of covering the Group's incentive programmes, among other things.

The Board of Directors intends to recommend at the annual general meeting that dividends at the rate of DKK 35 per share of DKK 10 be distributed, corresponding to EUR 22.5m.

Note

19 PENSIONS AND SIMILAR LIABILITIES

The Danish and certain foreign companies' pension obligations are covered by insurance (defined contribution plans).

Foreign companies' pension obligations not or only partly covered by insurance (defined benefit plans) are recognised in accordance with IAS 19.

For defined contribution plans, the employer is obliged to pay a defined contribution (for example a fixed percentage of an employee's salary) to independent insurance companies or the like. For a defined contribution plan, the Group runs no risk in respect of future developments in interest rates, inflation, mortality or disability.

Under defined benefit plans, the employer is obliged to pay a defined benefit (for example a fixed percentage of an employee's final salary) to the employee after retirement. Under a defined benefit plan, the Group carries the risk in respect of future developments in interest rates, inflation, mortality or disability.

Note		Group 2006	Group 2005
		EUR'000	EUR'000
19			
	Charged to the income statement		
	Contributions for current financial year	581	235
	Defined benefit plans:		
	Expenses related to current financial year	112	85
	Interest expenses	34	28
	Recognised actuarial gains	(38)	(36)
	Amortisation of accumulated actuarial gains/loss	2	0
	Limitation as a result of asset ceiling	0	5
		110	82
	Charged to the income statement, total	691	317
	Liability recognised in respect of defined benefit plans:		
	At 1 January	584	450
	Foreign exchange adjustment	(18)	15
	Expensed in the income statement	112	85
	Interest expenses	34	28
	Actuarial gains/loss	497	6
	At 31 December	1,209	584
	Recognised value of plan assets:		
	At 1 January	589	388
	Foreign exchange adjustment	(19)	15
	Expected return of plan assets	38	36
	Actuarial gains/loss	232	(69)
	Payments made by employer	125	219
	At 31 December	965	589
	Specification of recognised net liabilities:		
	Present value of defined benefit plan	1,209	584
	Fair value of plan assets	(965)	(589)
	Unrecognised actuarial gain/loss	(357)	(98)
	Net liability before limitation of assets ceiling	(113)	(103)
	Reduction as a result of asset ceiling	0	5
	Net liability after limitation of asset ceiling	(113)	(98)
	Change in recognised liability:		
	Net liability/asset at 1 January	(98)	39
	Expensed in the income statement, net	110	82
	Group payments to plan assets	(125)	(219)
	Net receivable at 31 December	(113)	(98)
	Actual return on plan assets	270	(31)
	Average assumptions for actuarial calculations at the balance sheet day were as follows:		
	Average discount rate	4.4%	6.0%
	Expected return on plan assets	5.4%	7.0%
	Future salary increases	3.5%	3.5%
	Expected pension increases	3.0%	3.0%
	Increase in social benefit contributions	3.0%	3.0%

Actual gains/losses have been reduced to nil at 1 January 2004.

The Company's Norwegian subsidiary has a pension plan comprising a total of 17 employees. The plans entitle the employees to defined future benefits. These principally depend on the number of years of service, salary level at retirement age and the size of the national pension. The obligation is funded through an insurance company and actuarially calculated.

The expense is recognised in the following income statement items:

	Group	
	2006	2005
	EUR'000	EUR'000
Administrative expenses	140	105
Research and development costs	37	19
Cost of sales	320	151
Sales and distribution costs	194	42
Total	691	317
Asset allocation at 31 December 2006		
Shares	27.0%	
Bonds	29.0%	
Mortgage bonds	28.0%	
Property	10.0%	
Other financial assets	6.0%	
Total	100.0%	

The expected return on the plan has been calculated by Storebrand Pensjonstjenester AS (Norway) on the basis of standardised assumptions, prepared by Forsikringsnæringens Hovedorganisasjon (Norway), regarding life expectancy and other demographic factors. Specifically, the tariff K1963 has been applied.

The calculations have been made on the basis of exact ages and employment dates. Up to the age of 51 years, a resignation rate of 8% is assumed. After this age, the resignation rate is assumed to be 0%.

The Group expects to pay EUR 115 thousand to the defined benefit pension plan in 2007.

The Group's pension liability for the current and the preceding financial years are as follows:

	Group	
	2006	2005
	EUR'000	EUR'000
Actuarial calculation of pension liabilities	(1,209)	(584)
Plan assets	965	589
Overfunding/underfunding	(244)	5
Experience adjustments, assets	232	(69)
Experience adjustments, liability	0	0

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		20	PROVISIONS		
702	1,779		Liability at 1 January	1,946	849
0	20		Foreign exchange adjustment	20	3
(13)	0		Used during the year	0	(13)
0	(18)		Reversal of unused liabilities	(18)	0
1,090	223		Provisions for the year	611	1,107
1,779	2,004		**Total provisions**	2,559	1,946
			Expected due dates for provisions:		
13	244		Falling due within 1 year	418	13
1,593	1,636		Falling due within 2 to 5 years	2,017	1,758
173	124		Falling due after 5 years	124	175
1,779	2,004			2,559	1,946

The provision cover costs of relocation, provisions for anniversary bonuses and the value of the option on the outstanding shares of Solutionforge Ltd.

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		21	TRADE PAYABLES AND OTHER PAYABLES		
2,367	3,125		Trade payables	5,710	4,542
11,671	15,705		Debt to subsidiaries	-	-
3,425	3,775		Holiday pay	4,833	4,351
2,000	2,643		Wages and commissions payable	6,893	3,488
246	539		Personal income tax, VAT, etc., payable	3,431	2,934
19,709	25,787		**Total trade payables and other payables**	20,867	15,315
		22	INCOME TAX		
(258)	1,199		Payable at 1 January	4,246	637
(3)	4		Foreign exchange adjustment	(25)	(3)
(5)	(43)		Prior-year adjustments	(294)	(8)
1,552	4,586		Current tax on profit for the year	11,814	7,234
(215)	(635)		Tax on equity items	(635)	(215)
128	(5,331)		Income tax paid	(10,935)	(3,466)
-	-		Addition on acquisition of subsidiaries	0	67
1,199	(220)		**Total income tax**	4,171	4,246
			which is distributed as follows:		
0	220		Income tax receivable	455	0
1,199	0		Income tax payable	4,626	4,246
1,199	(220)		**Total income tax**	4,171	4,246

Parent company 2005 EUR'000	Parent company 2006 EUR'000	Note		Group 2006 EUR'000	Group 2005 EUR'000
		23	CONTRACTS IN PROGRESS RELATING TO PROFESSIONAL SERVICES		
182	1,799		Sales value of contracts in progress	2,124	3,576
(125)	(1,083)		Payments received on account	(1,352)	(2,448)
57	716			772	1,128
			which are recognised as follows:		
57	807		Contracts in progress relating to professional services (assets)	970	1,128
0	(91)		Contracts in progress relating to professional services (liabilities)	(306)	0
57	716			664	1,128
0	0		Prepayments received from customers	108	0
0	0		Payments withheld	0	0
		24	OPERATING LEASES		
			Rent commitments		
1,572	1,914		Payable within 1 year	4,311	4,926
968	11,169		Payable within 2 to 5 years	17,277	3,930
0	23,897		Payable after 5 years	26,592	0
2,540	36,980		**Rent commitments until expiry of minimum term of tenancy**	48,180	8,856
			Other commitments		
863	1,107		Payable within 1 year	1,348	1,956
1,361	990		Payable within 2 to 5 years	1,227	2,945
0	0		Payable after 5 years	0	0
2,224	2,097		**Total other commitments**	2,575	4,901
			Total commitments		
2,435	3,021		Payable within 1 year	5,659	6,882
2,329	12,159		Payable within 2 to 5 years	18,504	6,875
0	23,897		Payable after 5 years	26,592	0
4,764	39,077		**Total commitments**	50,755	13,757

The Group's other liabilities comprise operating equipment leases, generally with a lease period of between 2 and 5 years. Amounts of EUR 5.8m relating to operating leases in the Group and EUR 3.0m in the parent company have been recognised in the income statement for 2006.

As part of the planned expansion, SimCorp A/S has entered into a lease for a new head office of approximately 12,400 sq.m., located at Amager Boulevard 6, Copenhagen. The expected moving date is toward the end of 2008. The lease has been entered into at market terms and with normal rent adjustment clauses. The lease is non-terminable for a period of ten years, with an option to extend for up to 20 years from the commencement of the lease. An office was set up in the Netherlands, and the subsidiaries in Sweden and the USA moved to new premises during 2006. In addition, the subsidiaries in Australia, Germany and Belgium have entered into leases for new, larger office premises to be moved into during 2007.

The company has an option to renew all leases save one which expires in 2007.

Note

25 CONTINGENT LIABILITIES

In some contracts, as part of building long-term customer relationships, the company has made a commitment to provide product support for up to 8 years from the date of the contract.

Following the acquisition of a subsidiary, the minority shareholders have an option to sell their shares to SimCorp until the end of January 2010 at a price to be determined on the basis of specific development and earnings targets. The value of this option is recognised as liabilities. See note 12.

SimCorp A/S has issued guarantees for its subsidiaries' delivery commitments to customers for a total of EUR 23.5m.

The parent company has issued letters of support to certain subsidiaries.

SimCorp A/S is liable for VAT and excise duties payable by jointly registered Danish companies.

Parent company				Group	
2005	2006			2006	2005
EUR'000	EUR'000	Note		EUR'000	EUR'000
		26	FEES TO INDEPENDENT AUDITORS		
			Audit fees		
150	160		Grant Thornton	304	316
27	40		KPMG C. Jespersen	40	27
177	200		**Total audit fees**	344	343
			Non-audit fees		
6	30		Grant Thornton	70	27
6	30		**Total non-audit fees**	70	27

Note

27 ACQUISITION OF SUBSIDIARIES IN 2005

	Fair value at time of acquisition	Carrying amount prior to acquisition
Intangible assets	3,867	0
Property, plant and equipment	66	66
Other non-current assets	1	1
Receivables	109	109
Cash and cash equivalents	42	42
Deferred tax	(1,076)	(3)
Prepayments from customers	(291)	11
Trade payables	(23)	(23)
Other payables	(183)	(194)
Net assets acquired	2,512	9
Goodwill	802	-
Acquisition cost	3,314	9
of which cash and cash equivalents	(42)	-
Cash acquisition cost	3,272	9

At 20 September 2005, SimCorp A/S acquired 62% of the shares in Solutionforge Ltd. The minorityshareholders have an option to sell their remaining shares to SimCorp A/S to the end of January 2010.

The company develops software used, inter alia, in SimCorp Dimension. The acquisition price was EUR 3.3m, of which goodwill amounted to EUR 0.8m.

On the acquisition of Solutionforge, intangible non-current assets were identified, including software, which has been recognised at fair value.

In connection with the acquisition, goodwill has been made up at EUR 0.8m after recognition at fair value of identifiable assets, liabilities and contingent liabilities. Goodwill represents the value of know-how and expected synergies. Management has performed an impairment test of the carrying amount of goodwill. Subject to Solutionforge Ltd's ongoing production of software components to SimCorp Dimension, the value in use of company's future net cash flows will exceed the carrying amount of goodwill.

In November 2006 SimCorp A/S agreed in line with the terms in the options agreement to purchase further 8% of the sharecapital in 2007.
The purchase sum is part of the provisions in note 20.

Note

28 RELATED PARTY TRANSACTIONS

SimCorp's related parties exercising a significant influence comprise the company's Board of Directors and Management Board as well as relatives of these persons. Related parties also comprise companies in which the individuals mentioned above have material interests.

For the parent company, related parties also comprise subsidiaries and associates, cf. notes 12 and 13, in which SimCorp A/S has a controlling or significant influence.

The Group did not enter into any agreement, deals or other transactions in 2006 in which the parent company's Board of Directors or Management Board had a financial interest, except for transactions following from the employment relationship. See note 4.

Parent company			Group	
2005	2006		2006	2005
EUR'000	EUR'000		EUR'000	EUR'000
		Subsidiaries and associates		
		Trading with subsidiaries and associates has involved the following:		
2,119	8,461	Purchases of services from subsidiaries	-	-
80	64	Purchases of services from associates	137	80
30,049	45,158	Sale of services to subsidiaries	-	-
0	0	Sales of services to associates	0	0

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies applied.

The parent company's outstanding balance with subsidiaries and associates is specified in notes 16 and 21. Loans account for a total of EUR 18.2m (2005: EUR 12.1m) of the outstanding balances with subsidiaries. The loans fall due for payment when the companies have excess liquidity.

In addition, balances with subsidiaries and associates comprise ordinary trade balances relating to the purchase and sale of services. Outstanding balances carry interest and are subject to terms and conditions identical to those made with the parent company's and the Group's customers and suppliers.

Trading with subsidiaries and associates of the SimCorp Group is conducted on arm's length terms. Ownership interests appear from notes 12 and 13.

Interest on outstanding balances with subsidiaries and associates is specified in notes 6 and 7.

The parent company has received dividend of EUR 20.4m (2005: EUR 8.8m) from subsidiaries.

No dividend has been received from associates.

The parent company has provided delivery bonds to certain customers of its subsidiaries, cf. note 25.

	Group	
	2006	**2005**
	Total	Total
The interest in company of members of the board of Directors and the Management Board are listed below:		
Shareholdings by members of the Board of Directors and the Management Board:		
Board of Directors:		
Steen Rasborg	2,394	2,394
Torben Ballegaard Sørensen	25	400
Carl Christian Ægidius	2,100	2,000
Kim S. Andreasen	9,037	9,450
Ulrich Rosenquist	210	180
Board of Directors, total	13,766	14,424
Management Board:		
Peter L. Ravn	21,420	21,720
Peter Theill	7,300	8,550
Torben Munch	8,467	13,267
Management Board, total	37,187	43,537
Total shareholdings by members of the Board of Directors and the Management Board	50,953	57,961
Warrants held by members of the Board of Directors and the Management Board:		
Board of Directors:		
Torben Ballegaard Sørensen	0	500
Board of Directors, total	0	500
Management Board:		
Peter L. Ravn	0	6,000
Management Board, total	0	6,000
Total warrants held by members of the Board of Directors and the Management Board	0	6,500
Stock options held by members of the Board of Directors and the Management Board:		
Board of Directors:		
Steen Rasborg	2,800	3,000
Torben Ballegaard Sørensen	2,800	2,100
Carl Christian Ægidius	1,400	1,000
Susan Haroun	1,400	1,000
Kim S. Andreasen	1,400	1,500
Ulrich Rosenquist	900	500
Board of Directors, total	10,700	9,100
Management Board:		
Peter L. Ravn	12,000	12,000
Peter Theill	12,000	12,000
Torben Munch	12,000	12,000
Management Board, total	36,000	36,000
Total stock options held by members of the Board of Directors and the Management Board	46,700	45,100

Except as set out above, no transactions were made during the year with members of the Board of Directors, Management Board, senior management, major shareholders or any other related parties.

Note

29 INCENTIVE PROGRAMMES

SimCorp's Board of Directors has adopted an overall policy for incentive programmes, the overall objective being to promote awareness of profitable growth and the Group's long-term goals. The Board of Directors wishes the company to offer employee shares. The Board of Directors also believes that it is a natural decision for a growth company such as SimCorp to offer stock options to its Board members as a minor part of their overall remuneration. Stock options are granted to members of the Board of Directors subject to approval by the company in general meeting. The value of such grants cannot exceed half of the cash board remuneration at the time of grant.

Since 2000, the company has operated incentive programmes for members of the Board of Directors, the Management Board and the employees. Such incentive programme comprised warrants in 2000-2002 and stock options as from 2003. Since 2002, the company has also issued employee shares or sold shares to the employees.

Warrants granted in 2000 and 2001
Around 90% of the issued warrants, totalling 320,000 warrants, lapsed in connection with the termination of employment or were without value prior to or during 2004. The remaining warrants were either exercised or lapsed in 2005. The average market price at the time of exercise was DKK 473.72 per share. Warrants outstanding at 1 January 2005 were issued at subscription prices of DKK 375, DKK 379 or DKK 418, respectively, equal to the price at the time of the grant plus 30%. No cost has been recognised in the income statement, because the warrants were issued before 7 November 2002 and finally vested before 1 January 2005. SimCorp A/S has applied the transitional provisions of IFRS 1 and IFRS 2. Exercise of the warrants resulted in a share capital increase corresponding to 0.5% of the share capital.

Warrants granted in 2002
A total of 50,000 warrants were granted to members of the Board of Directors, the Management Board and the employees in 2002. The subscription price was fixed at DKK 373, equal to the market price at the time of the grant plus 30%, and the term was fixed at about 3 years. No cost has been recognised, because the warrants were issued before 7 November 2002. Exercise of the warrants in 2005 resulted in a share capital increase corresponding to 0.8% of the share capital. The average market price at the time of exercise was DKK 590.59 per share. Exercise of the remaining warrants in 2006 resulted in a share capital increase corresponding to 0.2% of the share capital. The average market price at the time of exercise was DKK 819.82 per share.

Stock options granted in 2003
A total of 37,000 stock options were granted to members of the Board of Directors, the Management Board and the employees in 2003. The subscription price was fixed at DKK 221, equal to the market price at the time of issue plus 30%, and the term was fixed at about 3 years. EUR 33 thousand (2005: EUR 32 thousand) was charged to the income statement in respect of this programme in the 2006 financial year. All obligations under the programme will be met by the Group's holding of treasury shares.

Stock options granted in 2004
A total of 35,200 stock options were granted to members of the Board of Directors, the Management Board and the employees in 2004. The subscription price was fixed at DKK 327, equal to the market price at the time of issuance plus 30%, and the term was fixed at about 3 years. EUR 72 thousand (2005: EUR 92 thousand) was charged to the income statement in respect of this programme in the 2006 financial year. All obligations under the programme will be met by the Group's holding of treasury shares.

Stock options granted in 2005
A total of 38,200 options were granted to members of the Board of Directors, the Management Board and the employees in May 2005. When issued, the stock options had terms of between one and three years. The subscription price was fixed subject to the term of the stock options at a minimum of 5%, 10% or 15%, respectively, above the market price at the time of issue for options with terms of 1, 2 and 3 years, respectively. EUR 168 thousand (2005: EUR 135 thousand) was charged to the income statement in respect of this programme in the 2006 financial year. All obligations under the programme will be met by the Group's holding of treasury shares.

Stock options granted in 2006
A total of 37,200 options were granted to members of the Board of Directors, the Management Board and the employees in May 2006. When issued, the stock options had terms of between one and three years. The subscription price was fixed subject to the term of the stock options at a minimum of 5%, 10% or 15%, respectively, above the market price at the time of issue for options with terms of 1, 2 and 3 years, respectively. EUR 484 thousand was charged to the income statement in respect of this programme in the 2006 financial year. All obligations under the programme will be met by the Group's holding of treasury shares.

Employee shares awarded in 2005
The company sold 31,220 treasury shares of DKK 10 each to employees of the parent company and all foreign subsidiaries who had a minimum of 12 months' seniority with the company when the programme was adopted on 18 May 2005. The price was DKK 235 per share, corresponding to 50% of the market price from 9 May to 13 May 2005. 293 employees subscribed shares as part of the programme. EUR 1.1m was charged to the income statement in connection with the programme in the financial year.

Employee shares awarded in 2006
The company sold 20,578 treasury shares of DKK 10 each to employees of the parent company and all foreign subsidiaries who had a minimum of 12 months' seniority with the company when the programme was adopted on 11 May 2006. The price was DKK 512 per share, corresponding to 50% of the market price from 1 May to 5 May 2006. 236 employees subscribed shares as part of the programme. EUR 1.4m was charged to the income statement in connection with the programme in the financial year.

As provided of Danish law, the employee shares are held in restricted accounts until the end of the fifth calendar year after the purchase for Danish employees. For foreign employees, the shares are subject to selling restrictions for two years after the purchase. Employees cannot sell or otherwise dispose of the shares during the period they are subject to selling restrictions.

	Board of Directors	Management Board	Senior management	Other employees	Total	Theoretical market value at 31 Dec. (EURm)	Avg. remaining term
No. of warrants issued, 1 January 2005							
Subscription price - 379 - exercise period Aug. 2004 - Aug. 2005	2,500	6,000	2,000	3,000	13,500	0.0	0.16
Subscription price - 418 - exercise period Aug. 2004 - Aug. 2005	0	0	3,200	10,500	13,700	0.0	0.16
Subscription price - 375 - exercise period Aug. 2004 - Aug. 2005	0	0	1,300	5,550	6,850	0.0	0.16
Subscription price - 373 - exercise period Aug. 2005 - Aug. 2006	2,500	18,000	22,300	5,200	48,000	0.1	1.63
Total number of warrants issued, 1 January 2005	5,000	24,000	28,800	24,250	82,050	0.1	1.02
Exercised							
Subscription price - 379 - exercise period Aug. 2004 - Aug. 2005	(1,500)	(6,000)	(2,000)	(3,500)	(13,000)		
Subscription price - 418 - exercise period Aug. 2004 - Aug. 2005	0	0	(2,000)	(4,200)	(6,200)		
Subscription price - 375 - exercise period Aug. 2004 - Aug. 2005	0	0	(1,200)	(2,700)	(3,900)		
Subscription price - 373 - exercise period Aug. 2005 - Aug. 2006	(1,500)	(12,000)	(19,300)	(7,700)	(40,500)		
Total number of warrants exercised	(3,000)	(18,000)	(24,500)	(18,100)	(63,600)		
Lapsed							
Subscription price - 379 - exercise period Aug. 2004 - Aug. 2005	(500)	0	0	0	(500)		
Subscription price - 418 - exercise period Aug. 2004 - Aug. 2005	0	0	(1,200)	(6,100)	(7,300)		
Subscription price - 375 - exercise period Aug. 2004 - Aug. 2005	0	0	(100)	(2,800)	(2,900)		
Total number of warrants lapsed	(500)	0	(1,300)	(8,900)	(10,700)		
Cancelled							
Subscription price - 418 - exercise period Aug. 2004 - Aug. 2005	0	0	0	(200)	(200)		
Subscription price - 375 - exercise period Aug. 2004 - Aug. 2005	0	0	0	(50)	(50)		
Total number of warrants cancelled	0	0	0	(250)	(250)		
Transferred between categories							
Subscription price - 379 - exercise period Aug. 2004 - Aug. 2005	(500)	0	0	500	0		
Subscription price - 373 - exercise period Aug. 2005 - Aug. 2006	(500)	0	(2,000)	2,500	0		
Total warrants	(1,000)	0	(2,000)	3,000	0		
No. of warrants issued, 1 January 2006							
Subscription price - 373 - exercise period Aug. 2005 - Aug. 2006	500	6,000	1,000	0	7,500	0.3	0.63
Total number of warrants issued at 1 January 2006	500	6,000	1,000	0	7,500	0.3	0.63
Exercised							
Subscription price - 373 - exercise period Aug. 2005 - Aug. 2006	(500)	(6,000)	(1,000)	0	(7,500)		
Total number of warrants exercised	(500)	(6,000)	(1,000)	0	(7,500)		
Total number of warrants issued at 31 December 2006	0	0	0	0	0		

The average market price at the time of exercise was DKK 820 per share (2005: DKK 589 per share).

	Board of Directors	Management Board	Senior management	Other employees	Total	Fair value at time of grant (EURm)	Theoretical market value at 31 Dec. (EURm)	Avg. remaining term
No. of stock options issued, 1 January 2005								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	2,700	12,000	17,900	4,400	37,000		1.1	2.63
Purchase price - 327 - exercise period Aug. 2007 - Aug. 2008	3,700	12,000	17,000	2,500	35,200		0.7	3.63
Total number of stock options issued, 1 January 2005	6,400	24,000	34,900	6,900	72,200		1.8	3.11
Awarded in 2005								
Purchase price - 494 - exercise period Aug. 2006 - Aug. 2009	740	2,400	3,900	400	7,440	0.8		
Purchase price - 517 - exercise period Aug. 2007 - Aug. 2009	1,110	3,600	5,850	600	11,160	1.1		
Purchase price - 541 - exercise period Aug. 2008 - Aug. 2009	1,850	6,000	9,750	1,000	18,600	1.7		
Purchase price - 530 - exercise period Mar. 2007 - Aug. 2008	0	0	1,000	0	1,000	0.1		
Total number of stock options awarded	3,700	12,000	20,500	2,000	38,200	3.7		
Cancelled								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	0	0	(1,100)	0	(1,100)			
Purchase price - 327 - exercise period Aug. 2007 - Aug. 2008	0	0	(1,000)	0	(1,000)			
Purchase price - 494 - exercise period Aug. 2006 - Aug. 2009	0	0	(300)	0	(300)			
Purchase price - 517 - exercise period Aug. 2007 - Aug. 2009	0	0	(450)	0	(450)			
Purchase price - 541 - exercise period Aug. 2008 - Aug. 2009	0	0	(750)	0	(750)			
Total number of stock options cancelled	0	0	(3,600)	0	(3,600)			
Transferred between categories								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	(500)	0	0	500	0			
Purchase price - 327 - exercise period Aug. 2007 - Aug. 2008	(500)	0	0	500	0			
Total stock options	(1,000)	0	0	1,000	0			
Total number of stock options issued, 31 December 2005								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	2,200	12,000	16,800	4,900	35,900		5.2	1.63
Purchase price - 327 - exercise period Aug. 2007 - Aug. 2008	3,200	12,000	16,000	3,000	34,200		4.6	2.63
Purchase price - 494 - exercise period Aug. 2006 - Aug. 2009	740	2,400	3,600	400	7,140		0.8	3.63
Purchase price - 517 - exercise period Aug. 2007 - Aug. 2009	1,110	3,600	5,400	600	10,710		1.2	3.63
Purchase price - 541 - exercise period Aug. 2008 - Aug. 2009	1,850	6,000	9,000	1,000	17,850		1.9	3.63
Purchase price - 530 - exercise period Mar. 2007 - Aug. 2008	0	0	1,000	0	1,000		0.1	2.63
Total number of stock options issued, 31 December 2005	9,100	36,000	51,800	9,900	106,800		13.8	2.40

	Board of Directors	Management Board	Senior management	Other employees	Total	Fair value at time of grant (EURm)	Theoretical market value at 31 Dec. (EURm)	Avg. remaining term
Total number of stock options issued, 1 January 2006								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	2,200	12,000	16,800	4,900	35,900		5.2	1.63
Purchase price - 327 - exercise period Aug. 2007 - Aug. 2008	3,200	12,000	16,000	3,000	34,200		4.6	2.63
Purchase price - 494 - exercise period Aug. 2006 - Aug. 2009	740	2,400	3,600	400	7,140		0.8	3.63
Purchase price - 517 - exercise period Aug. 2007 - Aug. 2009	1,110	3,600	5,400	600	10,710		1.2	3.63
Purchase price - 541 - exercise period Aug. 2008 - Aug. 2009	1,850	6,000	9,000	1,000	17,850		1.9	3.63
Purchase price - 530 - exercise period Mar. 2007 - Aug. 2008	0	0	1,000	0	1,000		0.1	2.63
Total number of stock options issued, 1 January 2006	9,100	36,000	51,800	9,900	106,800		13.8	2.40
Awarded in 2006								
Purchase price - 1076 - exercise period Aug. 2007 - Aug. 2010	740	2,400	3,900	400	7,440	0.4		
Purchase price - 1128 - exercise period Aug. 2008 - Aug. 2010	1,110	3,600	5,850	600	11,160	0.5		
Purchase price - 1179 - exercise period Aug. 2009 - Aug. 2010	1,850	6,000	9,750	1,000	18,600	0.8		
Total number of stock options awarded	3,700	12,000	19,500	2,000	37,200	1.7		
Cancelled								
Purchase price - 530 - exercise period Mar. 2007 - Aug. 2008	0	0	(1,000)	0	(1,000)			
Purchase price - 517 - exercise period Aug. 2007 - Aug. 2009	0	0	(450)	0	(450)			
Purchase price - 541 - exercise period Aug. 2008 - Aug. 2009	0	0	(750)	0	(750)			
Purchase price - 1076 - exercise period Aug. 2007 - Aug. 2010	0	0	(300)	0	(300)			
Purchase price - 1128 - exercise period Aug. 2008 - Aug. 2010	0	0	(450)	0	(450)			
Purchase price - 1179 - exercise period Aug. 2009 - Aug. 2010	0	0	(750)	0	(750)			
Total number of stock options cancelled	0	0	(3,700)	0	(3,700)			
Exercised								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	(1,500)	(12,000)	(16,800)	(4,900)	(35,200)			
Purchase price - 494 - exercise period Aug. 2006 - Aug. 2009	(600)	0	(3,300)	(400)	(4,300)			
Total number of stock options exercised	(2,100)	(12,000)	(20,100)	(5,300)	(39,500)			
Total number of stock options issued, 31 December 2006								
Purchase price - 221 - exercise period Aug. 2006 - Aug. 2007	700	0	0	0	700		0.1	0.63
Purchase price - 327 - exercise period Aug. 2007 - Aug. 2008	3,200	12,000	16,000	3,000	34,200		5.0	1.63
Purchase price - 494 - exercise period Aug. 2006 - Aug. 2009	140	2,400	300	0	2,840		0.4	2.63
Purchase price - 517 - exercise period Aug. 2007 - Aug. 2009	1,110	3,600	4,950	600	10,260		1.3	2.63
Purchase price - 541 - exercise period Aug. 2008 - Aug. 2009	1,850	6,000	9,000	1,000	17,850		2.2	2.63
Purchase price - 1076 - exercise period Aug. 2007 - Aug. 2010	740	2,400	3,600	400	7,140		0.5	3.63
Purchase price - 1128 - exercise period Aug. 2008 - Aug. 2010	1,110	3,600	5,400	600	10,710		0.8	3.63
Purchase price - 1179 - exercise period Aug. 2009 - Aug. 2010	1,850	6,000	9,000	1,000	17,850		1.2	3.63
Total number of stock options issued, 31 December 2006	10,700	36,000	48,250	6,600	101,550		11.5	2.63

The table shows the number of shares, exercise prices, the fair value at the time of award and the theoretical market value applying the Black-Scholes formula.

Fair values at the time of grant are calculated using the Black-Scholes option pricing formula. The model applies the following assumptions: the market price of SimCorp shares at the time of award DKK 1,071 (2006) and DKK 470 (2005), the subscription price, remaining term, volatilities of 37.5% (2006) and 26% (2005) and a rate of interest of 3.7% (2006) and 2.2% (2005) per annum. The Group's "senior management" is defined as management of subsidiaries and department managers at SimCorp A/S. The volatility value applied equals the volatility of SimCorp shares during the preceding 12 months.

The model applies the following assumptions for the theoretical market value: volatility 32.0% (2006) and 25.3% (2005), dividend DKK 35 (2007) and DKK 24 (2006) per share, rate of interest 4.0% (2006) and 2.8% (2005). The estimated time of exercise is assumed to be at the end of the period. The volatility value applied equals the volatility of SimCorp shares during the preceding 12 months.

EUR 1.8m was charged to the income statement in respect of share-based payment in the financial year.

The average market price at the time of exercise was DKK 985 per share.

Note

30 FINANCIAL INSTRUMENTS

Due to the nature of its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. The Group's policy is to direct financial management towards the management of financial risks related to operations and finance.

The scope and nature of the Group's financial instruments appear from the income statement and the balance sheet in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment or reliability of future payments, where such information is not provided directly in the financial statements or is subject to customary practise.

Currency risk:
The Group's foreign subsidiaries are not severely impacted by foreign exchange fluctuations, as both income and costs are generally settled in local currency.

The Group is impacted by changes in exchange rates, because foreign subsidiaries' profit is translated into EUR using average exchange rates.

The Group's foreign exchange policy is to balance incoming and outgoing payments in local currency as much as possible and to generally seek to ensure that an increasing number of contracts entered into are EUR-denominated. When placing surplus funds, the Group generally seeks to minimise its net exposure in individual currencies. Currency positions have not been hedged at the balance sheet date.

Currency exposures on investments in subsidiaries have not been hedged. Any foreign exchange adjustments are recognised directly in equity.

Currency	Bonds and cash/equivalents EUR'000	Receivables EUR'000	Debt EUR'000	Net position EUR'000
The parent company's currency risks recognised in the balance sheet at 31 December 2005:				
DKK	52,280	2,436	8,037	46,679
SEK	0	0	3,387	(3,387)
NOK	0	0	711	(711)
EUR	8	125	4,424	(4,291)
Others	9	1,752	3,150	(1,389)
	52,297	4,313	19,709	36,901
The parent company's currency risks recognised in the balance sheet at 31 December 2006:				
DKK	54,128	5,396	9,093	50,431
SEK	0	0	882	(882)
NOK	0	0	591	(591)
EUR	51	1,801	6,608	(4,756)
GBP	10	4,574	1,034	3,550
SGD	0	0	3,744	(3,744)
Others	0	2,015	2,686	(671)
	54,189	13,786	24,638	43,337
The Group's currency risks recognised in the balance sheet at 31 December 2005:				
DKK	59,768	2,743	8,039	54,472
SEK	202	853	667	388
NOK	606	1,025	845	786
EUR	2,266	10,193	3,081	9,378
Others	1,994	5,719	2,683	5,030
	64,836	20,533	15,315	70,054
The Group's currency risks recognised in the balance sheet at 31 December 2006:				
DKK	54,128	5,396	8,935	50,589
SEK	896	995	687	1,204
NOK	1,289	1,370	1,102	1,557
EUR	2,047	14,174	4,774	11,447
GBP	719	14,012	2,636	12,095
SGD	627	1,443	258	1,812
Others	1,070	1,685	1,327	1,427
	60,776	39,074	19,719	80,131

Interest rate risk:
The Group's and the parent company's interest rate risks are generally related to its bond portfolio and bank deposits. The parent company is liable for the Group's commitment with the Nordea group. (A maximum of EUR 5.7m).

The Group's bond portfolio had a nominal value of EUR 26.8m and a market value of EUR 26.8m at 31 December 2006. The portfolio carries a fixed rate of interest, has an average duration of 0 years and a yield of 2.0%.

The Group had bank deposits of EUR 34.0m at 31 December 2006 carrying a variable rate of interest based on the money market rate.

The Group had no long-term loans.

The Group's and the parent company's bond portfolio and bank deposits mature as follows:

Parent company	0-12 months EUR'000	1-5 years EUR'000	> 5 years EUR'000	Total EUR'000	Yield %
Bonds	19,436	0	0	19,436	4.0
Bank deposits	32,861	0	0	32,861	1.0-3.0
31 December 2005	52,297	0	0	52,297	
Bonds	26,824	0	0	26,824	2.0
Bank deposits	27,365	0	0	27,365	1.0-3.0
31 December 2006	54,189	0	0	54,189	

Group	0-12 months EUR'000	1-5 years EUR'000	> 5 years EUR'000	Total EUR'000	Yield %
Bonds	26,925	0	0	26,925	4.0
Bank deposits	37,911	0	0	37,911	1.0-3.0
31 December 2005	64,836	0	0	64,836	
Bonds	26,824	0	0	26,824	2.0
Bank deposits	33,952	0	0	33,952	1.0-3.0
31 December 2006	60,776	0	0	60,776	

Yield calculated at the balance sheet date.

Credit risk:
The Group is not exposed to significant risks concerning individual customers or business partners. The Group's policy for undertaking credit risks involves an ongoing credit assessment of all major customers and other business partners.

Customers are generally major businesses in the financial sector or financially strong corporations.

Note

31 GEOGRAPHICAL SEGMENT DATA

EUR'000	Nordic region	Germany and Austria	Switzerland	UK and Ireland	Benelux	Asia and Australia	North America and other markets	Not allocated	Total
2005									
Revenue	28,492	29,556	6,959	7,169	15,414	6,005	8,659	0	102,254
Total assets	15,159	10,864	2,835	11,887	6,219	3,232	3,931	50,684	104,811
Total investments	1,583	155	43	4,106	98	86	22	0	6,093
2006									
Revenue	37,531	36,791	7,395	14,726	16,190	9,905	11,506	0	134,044
Total assets	25,197	12,845	3,475	16,625	8,364	7,008	4,366	43,506	121,386
Total investments	2,467	0	0	140	12	22	152	0	2,793

32 EVENTS AFTER THE BALANCE SHEET DATE

Group

No material events have occurred after 31 December 2006, that have any consequences for Annual Report 2006.

33 NEW ACCOUNTING REGULATIONS

The following new IFRS and IFRICs have not taken effect in the presentation of the 2006 financial statements: IFRS 7, IFRS 8 and IFRIC 7-12. EU has yet to approve IFRS 8 and IFRIC 10-12.

When they take effect in connection with the presentation of the financial statements for 2007, 2008 and 2009, the standards and interpretations in question are not expected to affect the amounts in SimCorp's financial results, assets and liabilities or equity.

Parent company 2005	Parent company 2006	Note		Group 2006	Group 2005
EUR'000	EUR'000			EUR'000	EUR'000
		34	ADJUSTMENTS		
1,146	878		Depreciation	2,711	2,278
(17,899)	(21,381)		Financial income	(2,461)	(2,225)
1,746	2,547		Financial expenses	1,362	1,136
1,055	2,815		Tax on profit for the year	10,147	6,736
(4,162)	1,572		Other	1,632	588
(18,114)	(13,569)		**Total adjustments**	13,391	8,513

Boards of Directors

STEEN RASBORG

Business address:
Dalsborgvej 13,
DK-3070 Snekkersten

Personal background and education

Born 1940, DK citizen, HD(R), PMD (Harvard Business School)

Career

Privatbanken, after merger Unibank (now Nordea), went from trainee to Chief Executive Officer, and retired in 1992, since then Chairman of the boards of directors of several companies.

Directorships

Chairman of SimCorp's Board of Directors since 1994. Besides Chairman of the Board of Directors of Bianco International A/S and Vice Chairman of the Board of Directors of Investeringsselskabet af 30/4 1992 A/S.

Relevant competences and experiences

Corporate governance, Danish listed companies and IR, risk management, strategy development and implementation, negotiations, finance, service management, and leadership development.

TORBEN BALLEGAARD SØRENSEN

Business address:
Bang & Olufsen A/S,
Peter Bangs Vej 15,
DK-7600 Struer

Personal background and education

Born 1951, DK citizen, MSc in economics and business administration

Career

Chief Financial Officer. Later on Chief Executive Officer of CCI-Europe (IT systems), Executive Vice President of Lego Company, and currently Chief Executive Officer of Bang & Olufsen A/S.

Directorships

Member of SimCorp's Board of Directors since 2000. Vice Chairman of the Board of Directors since 2003. Also member of the Board of Directors of LEGO Holding A/S and Egmont Gruppen.

Relevant competences and experiences

System sales, internationalisation, technology and IT, business development, management.

CARL CHRISTIAN ÆGIDIUS

Business address:
212C Avenue de la Californie,
06200 Nice, Frankrig

Personal background and education

Born 1944, DK citizen, MSc (Econ.)

Career

Employed with IBM for 35 years, of which 13 abroad. 7 years as Executive Vice President of IBM Nordic and 3 years as Chief Executive Officer of IBM Danmark A/S.

Directorships

Member of SimCorp's Board of Directors since 2004. Besides member of the boards of Directors of Industriens Pension and M. Goldschmidt Holding A/S.

Relevant competences and experiences

Management of international company, implementation of international business procedures and methods, international sales channel strategies and product sales.

SUSAN HAROUN

Business address:
River House, 24 Upper Mall,
London W6 9TA, England

Personal background and education

Born 1961, UK citizen, BA in economics and French

Career

Long career within investment management at UBS Brinson and Schroders Investment Management in London, most recently employed as managing director and head of institutional investment.

Directorships

Member of SimCorp's Board of Directors since 2004.

Relevant competences and experiences

Overall experience from the investment management industry focusing on the English market, and expertise in managing teams of highly-qualified employees.

KIM S. ANDREASEN

Business address:
SimCorp A/S, Oslo Plads 12,
DK-2100 Copenhagen Ø

Personal background and education

Born 1955, DK citizen, M.Sc. (Eng.)

Career

Consultant and partner in Beta-Plan ApS, director for I.P. Sharp ApS, consultant and partner in Insight Systems ApS. In SimCorp A/S since 1994, in both management positions and as system development consultant.

Directorships

Employee-selected member of SimCorp's board since 2000 and re-elected 2005. The election term ends in 2009. Besides member of the Board of Directors at Prolog Development Center A/S since 2002.

Relevant competences and experiences

27 years' experience with system development and implementation in the finance industry. General management experience though both partnerships and actual management and directorships.

ULRICH ROSENQUIST

Business address:
SimCorp A/S, Oslo Plads 12,
DK-2100 Copenhagen Ø

Personal background and education

Born 1959, DK citizen, officer of the reserve, education in banking and finance, HD(U)

Career

13 years in Kjøbenhavn Handelsbank (now Danske Bank) of which 3 years in the USA, ABN AMRO Bank for 7 years, managing director for 415 Denmark for 1 year, now manager IT2, Sales Nordic & Central Europe.

Directorships

Employee-selected member of SimCorp's board since 2005. The election term ends in 2009.

Relevant competences and experiences

Finance, sales, internationalisation and management.

Management Board and Management

Management Board

PETER L. RAVN
Born 1955
Chief Executive Officer
Present position held since 2001
Member of the Board of Directors of 7-Technologies A/S

PETER THEILL
Born 1952
Executive Vice President
Present position held since 1995
Chairman of the Board of Directors for People Aps and Dyalog Ltd. and member of the Board of Directors of Scanjour A/S and Cbindslev A/S

TORBEN MUNCH
Born 1958
Executive Vice President
Present position held since 2001
Member of the Board of Directors of Equipos Ltd, Atomistix A/S og TIA Holding III A/S

Management of subsidiaries

ARNT EILERTSEN
Born 1960
Senior Vice President, SimCorp Norge AS, SimCorp Sverige AB
Present position held since 2001

GEORG HETRODT
Born 1966
Senior Vice President, SimCorp GmbH
Present position held since 2001

PETER HILL
Born 1955
Senior Vice President, SimCorp Asia Pty. Ltd.
Present position held since 2006

TROELS PHILIP JENSEN
Born 1967
Senior Vice President, SimCorp Benelux SA/NV
Present position held since 2000

PETER SØRENSEN
Born 1965
Senior Vice President, SimCorp USA Inc.
Present position held since 2000

PIERO VISANI
Born 1952
Senior Vice President, SimCorp Schweiz AG
Present position held since 2002

LEE WRIGHT
Born 1969
Senior Vice President, SimCorp Ltd.
Present position held since 2007

Senior managers

MICHAEL H. ANDERSEN
Born 1964
Senior Vice President, Market Support
Present position held since 2004

NIELS BECK
Born 1962
Senior Vice President, Corporate HR & Communication
Present position held since 2001

THOMAS BRY
Born 1955
Senior Vice President, Finance
Present position held since 1997

MICHAEL KRISTENSEN
Born 1959
Senior Vice President, Corporate IT
Present position held since 2002

KLAUS LØIE-ANDERSEN
Born 1964
Senior Vice President, IMS Development
Present position held since 1996

JOCHEN MÜLLER
Born 1966
Senior Vice President, SimCorp GmbH
Present position held since 2002

FLEMMING B. THOMSEN
Born 1964
Senior Vice President, Nordic Markets
Present position held since 2002

Announcements and financial calendar

ANNOUNCEMENTS TO THE COPENHAGEN STOCK EXCHANGE IN 2006

1/2006	16.01.2006	SimCorp raises its expectations to the 2005 financial results
2/2006	23.02 2006	SimCorp's annual report 2005
3/2006	07.03 2006	Capital increase in connection with exercise of warrants
4/2006	14.03 2006	Notice of Annual General Meeting in SimCorp A/S
5/2006	15.03 2006	PGGM Chooses SimCorp Dimension
6/2006	30.03 2006	Business transacted at the annual general meeting held on 30 March 2006
7/2006	11.04 2006	Notice of extraordinary general meeting in SimCorp A/S
8/2006	20.04 2006	INKA Chooses SimCorp Dimension
9/2006	02.05 2006	Business transacted at the extraordinary general meeting held on 2 May 2006
10/2006	05.05 2006	Presentation of interim report for Q1, 2006
11/2006	11.05 2006	Good start to 2006
12/2006	24.05 2006	Large US mutual fund company chooses SimCorp Dimension
13/2006	29.06 2006	Baloise Asset Management chooses SimCorp Dimension
14/2006	07.07 2006	Deutsche Bank Asia Pacific chooses SimCorp Dimension
15/2006	02.08 2006	German Sparkassen Informatik extends SimCorp Dimension license agreement
16/2006	08.08 2006	Presentation of interim report for Q2, 2006
17/2006	15.08 2006	Highly satisfactory first half-year performance
18/2006	14.09 2006	Schroder Investment Management chooses SimCorp Dimension
19/2006	02.11 2006	Presentation of interim report for Q3, 2006
20/2006	09.11 2006	Strong nine-month performance
21/2006	13.11 2006	Financial calendar 2007
22/2006	28.12 2006	Ethias Insurance chooses SimCorp Dimension

ANNOUNCEMENTS AFTER 31 DECEMBER 2006

1/2007	15.02.2007	QBE Australia has chosen SimCorp Dimension
2/2007	27.02.2007	SimCorp's annual report 2006

FINANCIAL CALENDAR 2007

27.02 2007	Release of annual report 2006
29.03 2007	Annual general meeting
15.05 2007	Release of interim report, Q1 2007
21.08 2007	Release of interim report, Q2 2007
13.11 2007	Release of interim report, Q3 2007

DEFINITIONS OF RATIOS

Key ratios

EBIT margin:	100 x Operating profit / Revenue
ROIC:	100 x Operating profit / Average operating assets
Debtor turnover ratio:	Revenue / Receivables at year-end
Equity ratio:	100 x Equity at year-end / Total assets at year-end
Return on equity:	100 x Profit for the year / Average equity

Per share data

Earnings per share (EPS):	Profit for the year / Average number of shares
Diluted earnings per share (EPS-D):	Profit for the year / Average number of diluted shares
Cash flow per share (CFPS):	Cash flows from operating activities / Average number of shares
Book value per share (BVPS):	Equity at year-end / Average number of shares at year-end
Dividend per share of DKK 10 (DPS):	Dividends paid / Number of shares at year-end
Payout ratio:	100 x Dividends / Profit for the year

The key ratios have been calculated in accordance with IAS 33 and "Recommendations and Ratios 2005" issued by the Danish Financial Analyst Association.

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