



1ST HALF YEAR 2007 / 2008

(31 DECEMBER 2007)

FINANCIAL REPORT CREALOGIX GROUP

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Group Key Figures

CREALOGIX

| Amounts in thousands of CHF | July–Dec. 2007 | July–Dec. 2006 |
|---|----------------|----------------|
| Revenue | 32 483 | 30 840 |
| % change | 5.3 | 2.5 |
| Operating result before interest, taxes, depreciation and amortisation (EBITDA) | 3 719 | 2 240 |
| in % of revenue | 11.4 | 7.5 |
| Operating profit (EBIT) | 1 285 | 1 043 |
| in % of revenue | 4.0 | 3.4 |
| Consolidated profit | 847 | 1 071 |
| in % of revenue | 2.6 | 3.5 |
| in % of shareholders' equity | 1.2 | 1.6 |
| Net cash flow from operating activities | 7 072 | 9 363 |
| in % of revenue | 21.8 | 30.4 |
| Cash flow from investing activities | –450 | –315 |
| Depreciation/Amortisation | 2 434 | 1 197 |
| Full-time employees | 275.3 | 263.3 |
| Full-time freelancers | 51.7 | 57.8 |
| Total full-time employees (incl. freelancers) | 327.0 | 321.1 |
| Revenue per full-time employee (incl. freelancers) | 99 | 96 |
| Personnel expense per full-time employee | 69 | 67 |
| Headcount on December 31 | 308 | 294 |
| Total full-time employees in December | 290.8 | 270.3 |

| | | |
|--|--------|-------|
| Share Prices | | |
| High | 101.50 | 96.50 |
| Low | 81.70 | 81.50 |
| On December 31 | 84.00 | 94.00 |
| Market capitalization (in millions) | | |
| High | 108.6 | 103.3 |
| Low | 87.4 | 87.2 |
| Market capitalization on December 31 (in millions) | 89.9 | 100.6 |
| in % of revenue | 138.4 | 163.1 |
| in % of shareholders' equity | 127.6 | 147.7 |
| Basic earnings per share | 0.79 | 1.09 |
| Price-earnings ratio (P/E) | 53.5 | 43.0 |
| Shareholders' equity per share | 66.3 | 65.5 |
| Price-book value | 1.3 | 1.4 |

| Amounts in thousands of CHF | 31 Dec. 2007 | 31 Dec. 2006 |
|---|---------------|--------------|
| Total Assets | 88 093 | 94 378 |
| Total current assets | 60 569 | 62 905 |
| thereof: Cash, cash equivalents and marketable securities | 41 448 | 45 627 |
| Non-current assets | 27 524 | 31 474 |
| Liabilities | 17 639 | 26 273 |
| Shareholders' equity | 70 454 | 68 105 |
| Equity ratio (in %) | 80.0 | 72.2 |

Overview

CREALOGIX Holding AG (the Company) and its subsidiaries (together forming the CREALOGIX Group) is one of the leading service providers for e-business (electronic business) and ERP (enterprise resource planning) in Switzerland, Germany and Austria.

Shareholder structure

Richard Dratva 24.28 %, Bruno Richle 23.83 %
Daniel Hildebrand 16.13 %, Peter Süssstrunk 7.45 %,
Chase Nominees Ltd. 5.39 %, Noser Management AG 3.50 %

Share data

CREALOGIX Holding AG (CLXN) shares are listed on the SWX Swiss Exchange.

Trading platform = SWX Swiss Exchange

Valor number = 1 111 570

Ticker symbols:

Telekurs = CLXN

Reuters = CLXZn.S

Bloomberg = CLXN SW

Calendar

30 September 2008

Report on the 2007/2008 financial year

30 October 2008

Annual General Meeting

If you have any questions about Crealogix, please contact the officers responsible for investor relations:

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Dear Shareholder

Sales and earnings trends: In the first half of 2007/2008, the CREALOGIX Group increased its sales to CHF 32.5 million from CHF 30.8 million in the previous year, equivalent to 5.3 per cent growth. EBIT reached CHF 1.3 million (previous year CHF 1.0 million) with an EBIT margin of 4.0 per cent (3.4 per cent). Consolidated profits came to CHF 0.85 million (CHF 1.1 million) due to a deterioration of the financial results compared to the previous year caused by turbulence in the financial markets.

Employees

The CREALOGIX Group employed 308 persons on 31 December 2007 (294 in the previous year). This is equivalent to a 4.8 per cent increase.

e-business Division

The e-business Division – which comprises our web solutions, e-learning and mobile solutions business areas, business in custom software development, our standard e-banking solutions and also integrated offline banking solutions with the accompanying optical document readers – exceeded even our high expectations. This division can look back on an outstanding first half. The EBIT margin stood at a high figure of 22 per cent, and in strictly organic terms sales were increased by 27 per cent – in some areas growth even exceeded 50 per cent.

Newly acquired customers include Geberit, Thales Switzerland, the University of St. Gallen, Kuoni, VBV (Vocational Training Federation of the Insurance Industry), BSI Bank, the City of Zurich, Lombard Odier Darier Hentsch & Cie and MRI Trading AG.

Another great success was the achievement of our aspiration of a Gold Partnership with Microsoft. This is an award which Microsoft grants only to businesses that are able to produce evidence of outstanding professional expertise and project experience. This Gold Partnership also gives us access to significantly better purchasing conditions for the basic technologies we require and gives us a privileged link to Microsoft in the USA to deal with technological support enquiries.

This award is also attributable to our strong expansion into innovative Microsoft technologies. One of them is dot NET (MS.Net) which, along with Java, is the latest programming language for Internet applications. Another is Sharepoint, a new and very powerful development tool by Microsoft which enables companies to build efficient links between ERP (enterprise resource planning), e-mail and CRM (customer relationship management) systems as well as Internet and Intranet portals. This technology is a perfect match for our strategic vision, announced for some years now, of establishing a future linkage between e-business and ERP. Demand for our secure e-banking solutions is also growing strongly; we have developed these solutions substantially to handle the latest threats over the Internet and to achieve maximum security through the adoption of a pioneering new method.

ERP Division

Sales figures reported by the ERP Division were down 15 per cent from the previous year. At the same time, the EBIT achieved was CHF –3.6 million. This unsatisfactory result was due in part to exceptional writedowns and provisions amounting to CHF 1.7 million together with restructuring costs in the order of CH 1.5 million.

Three main factors adversely affected the result: Firstly, our bid for a major project in Germany at a price that, with hindsight, proved to be too low and did not enable us to cover our costs; even with the present special re-

serves in excess of CHF 1 million set up in the first half, this project will not have a positive impact on our financial statements until its completion in 2010. Secondly, we had to make a high non-recurring write-down running into 7 figures on our school ERP product "evento" because, contrary to the first indications received some two years ago, the present Swiss solution is not yet entirely suitable for the German market; substantial parts therefore had to be redeveloped for Germany. Thirdly, we have made local investments to build up our access to the EU market and we also incurred costs of just under CHF 1 million for product development in the area of vertical branch solutions for the international fashion, transportation and logistics markets.

The following measures have been taken in the current financial year to improve the situation: boosting the staffing in critical sectors such as project management and controlling, and increased recruitment of specialists. In addition, our organizational and management structures were simplified, the shareholding structures of the subsidiaries with minority participations adjusted, and significant steps were taken to downsize or combine business sites.

That being so, on the ERP business side we have concentrated our energies on improving the situation with existing customer projects and have had to accept a decline in sales. This was all the more painful as demand for our products and solutions remains intact and further projects could have been acquired.

We are pleased to report that the restructured business areas which do not have content with the problem projects referred to earlier are already earning a good operating margin, running well into double-digit figures in percentage terms. We are therefore confident for the future.

The following list shows that the market on which we operate remains as attractive as ever. A series of new customers could be acquired, among them the University of Eichstätt, WISS (Business IT School Switzerland), Wincasa, the Intercantonal Police School in Hitzkirch, and Simon Keller AG for our Evento product. For our business with Microsoft Dynamics we won new customers including Engbers GmbH & Co. KG, Bellaflorea AG, Jamal GmbH, Plains Midstream Canada L.P., Murotex AG, Supreme Foodservice AG, Polygena Group and Axpo AG. In addition, a number of orders have been taken from existing customers in newly established supplementary areas such as business intelligence. Furthermore, a considerable number of international sales of our attractively positioned add-on for business process control for Microsoft Dynamics AX have been reported in Germany, France, USA, Canada, Australia, South Africa and Saudi Arabia.

Outlook

In the light of our excellent positioning in e-business, we believe that the groundwork for further growth has been laid. Even if we must expect the second half of the year to be significantly weaker after this exceptionally strong first half because of a cooling in the IT sector within Swiss banks, we are set to achieve the best ever annual results in e-business on 30 June 2008.

On the other hand, within the next six months we will not be able to remedy the adverse influences on the ERP side, which will therefore again show a loss in the second half.

In aggregate terms for the Group as a whole, results expected for the second half will therefore be positive, but the figure for the annual results taken together will be less than satisfactory.

We will achieve better utilization of existing potential synergies as well as a significant increase in efficiency largely thanks to measures due for completion in the current half: full integration of Evento into Crealogix AG, and combining the activities of four Group companies at a central site in Zurich. The related expenditures will still have some adverse impact on our results.

However, we look forward to the coming financial year 2008/2009 with great confidence for two reasons. On the e-business side we benefit from an excellent position with our latest generation of security solutions for e-banking. In the ERP Division we have identified problem areas and sustained work is in progress to remedy them. The restructured business areas which are already earning good revenue streams today are destined to play a still more important role in future and will largely offset the remaining burdens created by the problem areas referred to earlier.

In addition, the transportation branch solution has now been fully developed and is ready for market launch, while the initial launch of the entirely revised "Fashion Wholesale" solution is about to be completed. Both products reflect the latest state of the art.

We therefore regard development and growth opportunities for future financial years as very good. The CREALOGIX Group will pursue its growth strategy and remain dedicated to its Swiss "Software Powerhouse" vision. In that context, we also aim to make further business acquisitions. Activities in this regard are being pushed forward actively at present.



Bruno Richle

Chairman of the Board of Directors and CEO

| | 31 December 2007 | in % | 30 June 2007 | in % |
|---|----------------------|--------------|---------------|-------|
| A S S E T S | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 18 274 295.84 | | 18 734 067.66 | |
| Marketable securities | 23 173 891.68 | | 23 583 832.72 | |
| Trade and other receivables | 15 195 696.58 | | 16 736 846.74 | |
| Work in progress/inventory | 3 925 040.07 | | 4 038 371.78 | |
| Total Current Assets | 60 568 924.17 | 68.8 | 63 093 118.90 | 68.5 |
| Non-current Assets | | | | |
| Financial assets | 458 320.00 | | 669 500.00 | |
| Investments in associates | 53 631.10 | | 33 729.20 | |
| Property, plant and equipment | 4 460 441.87 | | 4 275 344.74 | |
| Intangible assets | 20 582 793.70 | | 22 477 881.26 | |
| Deferred tax assets | 903 023.62 | | 478 781.60 | |
| Prepaid pension assets | 1 066 000.00 | | 1 066 000.00 | |
| Total Non-current Assets | 27 524 210.29 | 31.2 | 29 001 236.80 | 31.5 |
| Total A S S E T S | 88 093 134.46 | 100.0 | 92 094 355.70 | 100.0 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current Liabilities | | | | |
| Trade and other short-term payables | 15 692 100.42 | | 13 782 717.44 | |
| Current income tax liabilities | 1 313 309.26 | | 652 556.84 | |
| Total Current Liabilities | 17 005 409.68 | 19.3 | 14 435 274.28 | 15.7 |
| Non-current Liabilities | | | | |
| Financial liabilities | 0.00 | | 252 500.00 | |
| Deferred purchase price obligations | 0.00 | | 6 639 919.00 | |
| Deferred tax liabilities | 633 709.24 | | 917 884.20 | |
| Total Non-current Liabilities | 633 709.24 | 0.7 | 7 810 303.20 | 8.5 |
| Total Liabilities | 17 639 118.92 | 20.0 | 22 245 577.48 | 24.2 |
| Shareholders' Equity | | | | |
| Share capital | 8 560 000.00 | | 8 560 000.00 | |
| Share premium | 40 856 344.64 | | 40 856 344.64 | |
| Treasury shares | -1 367 532.90 | | -1 210 333.05 | |
| Other reserves | 2 481 142.97 | | 2 230 778.35 | |
| Retained earnings | 19 892 004.75 | | 19 304 777.73 | |
| Total Equity before Minorities | 70 421 959.46 | | 69 741 567.67 | |
| Minority interest | 32 056.08 | | 107 210.55 | |
| Total Shareholders' Equity | 70 454 015.54 | 80.0 | 69 848 778.22 | 75.8 |
| Total LIABILITIES AND SHAREHOLDERS' EQUITY | 88 093 134.46 | 100.0 | 92 094 355.70 | 100.0 |

The condensed Group notes on pages 11 to 22 are an integral part of these consolidated financial statements for the first half of 2007/2008.

Group Income Statement

CREALOGIX

| | July–December 2007 | in % | July–December 2006 | in % |
|---|-----------------------|--------------|-----------------------|-------|
| Revenue | 32 482 647.97 | 100.0 | 30 839 716.64 | 100.0 |
| Cost of goods sold | -7 542 436.18 | -23.2 | -7 906 193.31 | -25.6 |
| Personnel expense | -18 876 217.61 | -58.1 | -17 594 415.91 | -57.0 |
| Depreciation expense | -421 262.49 | -1.3 | -566 145.52 | -1.8 |
| Amortisation expense ¹⁾ | -2 013 126.88 | -6.2 | -630 403.08 | -2.0 |
| Marketing expense | -451 178.07 | -1.4 | -656 115.20 | -2.1 |
| Rent, maintenance and repairs | -814 201.59 | -2.5 | -776 375.93 | -2.5 |
| General and administration expenses | -1 079 688.34 | -3.3 | -1 667 112.82 | -5.4 |
| | | | | |
| Operating profit | 1 284 536.81 | 4.0 | 1 042 954.87 | 3.4 |
| | | | | |
| Financial income | 709 747.72 | 2.2 | 1 588 020.10 | 5.1 |
| Financial expenses | -805 308.18 | -2.5 | -1 119 468.05 | -3.6 |
| Financial result | -95 560.46 | -0.3 | 468 552.05 | 1.5 |
| Income from associates | 19 901.90 | 0.1 | 8 571.05 | 0.0 |
| | | | | |
| Profit before tax | 1 208 878.25 | 3.7 | 1 520 077.97 | 4.9 |
| Income tax expense | -362 160.29 | -1.1 | -448 816.78 | -1.5 |
| | | | | |
| Consolidated profit | 846 717.96 | 2.6 | 1 071 261.19 | 3.5 |
| | | | | |
| Attributable to: | | | | |
| Shareholders of CREALOGIX Holding AG | 819 872.22 | 2.5 | 1 133 699.34 | 3.7 |
| Minority interest | 26 845.74 | 0.1 | -62 438.15 | -0.2 |
| | | | | |
| Earnings per share attributable to shareholders | | | | |
| Basic | 0.785 | | 1.093 | |
| Diluted | 0.776 | | 1.061 | |

¹⁾ thereof an impairment loss on intangible assets of CHF 1 174 941.48

The condensed Group notes on pages 11 to 22 are an integral part of these consolidated financial statements for the first half of 2007/2008.

Group Consolidated Statement of Changes in Shareholders' Equity
CREALOGIX

| | Shareholders of CREALOGIX Holding AG | | | | | Minority interest | Total Shareholders' equity |
|-------------------------------|--------------------------------------|----------------------|----------------------|---------------------|----------------------|-------------------|----------------------------|
| | Share capital | Share premium | Treasury Shares | Other reserves | Retained earnings | | |
| At 1 July 2006 | 10 700 000.00 | 39 694 424.68 | -1 591 729.99 | 1 440 312.61 | 16 799 839.52 | 178 275.91 | 67 221 122.73 |
| Change in consolidation scope | | | | | -93 241.00 | 93 241.00 | 0.00 |
| Translation differences | | | | 29 778.63 | | | 29 778.63 |
| Consolidated profit | | | | | 1 133 699.34 | -62 438.15 | 1 071 261.19 |
| Share-based payments | | | | 470 129.10 | -744 874.80 | | -274 745.70 |
| Change in treasury shares | | | 57 832.00 | | | | 57 832.00 |
| At 31 December 2006 | 10 700 000.00 | 39 694 424.68 | -1 533 897.99 | 1 940 220.34 | 17 095 423.06 | 209 078.76 | 68 105 248.85 |
| At 1 July 2007 | 8 560 000.00 | 40 856 344.64 | -1 210 333.05 | 2 230 778.35 | 19 304 777.73 | 107 210.55 | 69 848 778.22 |
| Change in consolidation scope | | | | -59 408.66 | | -101 466.34 | -160 875.00 |
| Translation differences | | | | -2 330.72 | | -533.87 | -2 864.59 |
| Consolidated profit | | | | | 819 872.22 | 26 845.74 | 846 717.96 |
| Share-based payments | | | | 312 104.00 | -232 645.20 | | 79 458.80 |
| Change in treasury shares | | | -157 199.85 | | | | -157 199.85 |
| At 31 December 2007 | 8 560 000.00 | 40 856 344.64 | -1 367 532.90 | 2 481 142.97 | 19 892 004.75 | 32 056.08 | 70 454 015.54 |

| | Retained Earnings | |
|----------------------------|---------------------|----------------------|
| | Statutory reserves | Free reserves |
| At 1 July 2007 | 4 690 406.81 | 14 614 370.92 |
| At 31 December 2007 | 4 774 406.81 | 15 117 597.94 |

The condensed Group notes on pages 11 to 22 are an integral part of these consolidated financial statements for the first half of 2007/2008.

Group Consolidated Cash Flow Statement

CREALOGIX

| | July–December 2007 | July–December 2006 |
|---|----------------------|----------------------|
| Cash flow from operating activities | | |
| Gross cash flow from operating activities | 7 377 059.77 | 11 037 622.35 |
| Interest paid | -78 875.55 | -954 525.14 |
| Tax received | 55.70 | 0.00 |
| Tax paid | -225 940.30 | -720 443.49 |
| | | |
| Net cash flow from operating activities | 7 072 299.62 | 9 362 653.72 |
| | | |
| Cash flow from investing activities | | |
| Purchase of property and equipment | -668 406.75 | -488 040.40 |
| Proceeds from sale of property and equipment | 97 103.05 | -2 184.03 |
| Purchase of intangible assets | -133 018.47 | -524 140.30 |
| Grant/Repayment of loans | 0.00 | 75 840.00 |
| Acquisition of subsidiaries, net of cash acquired | -160 875.00 | 0.00 |
| Interest received | 415 389.78 | 623 291.50 |
| | | |
| Cash flow from investing activities | -449 807.39 | -315 233.23 |
| | | |
| (Free Cash Flow) | 6 622 492.23 | 9 047 420.49 |
| | | |
| Cash flow from financing activities | | |
| Payment of loans | -252 500.00 | -1 600 471.25 |
| Payment/Refund of purchase price obligations | -6 439 919.00 | -5 280 313.00 |
| Purchase/sale of treasury shares – net | -157 199.85 | 57 832.00 |
| Share-based payments | -232 645.20 | -744 874.80 |
| | | |
| Cash flow from financing activities | -7 082 264.05 | -7 567 827.05 |
| | | |
| Net change in cash and cash equivalents | -459 771.82 | 1 479 593.44 |
| | | |
| Cash and cash equivalents at beginning of period | 18 734 067.66 | 19 955 486.43 |
| Net foreign exchange difference | 0.00 | 83 581.08 |
| | | |
| Cash and cash equivalents at end of period | 18 274 295.84 | 21 518 660.95 |

The condensed Group notes on pages 11 to 22 are an integral part of these consolidated financial statements for the first half of 2007/2008.

Basic information

CREALOGIX Holding AG (the Company) and its subsidiaries (together forming the CREALOGIX Group) is one of the leading service providers for e-business (electronic business) and ERP (enterprise resource planning) in Switzerland, Germany and Austria. The two segments e-business and ERP make up the core business activities. The Group is a limited company with its registered office in Switzerland. The address of the registered office is Hohlstrasse 535, CH-8048 Zurich.

The registered shares of the Group (CLXN) are traded on the SWX Swiss Exchange under Swiss Valor number 1 111 570.

This half-year statement was approved for publication by the Board of Directors on 18 March 2008.

Subsidiaries

The following subsidiaries exist and are fully consolidated:

| Company | Activity | Capital | Interest held | Proportion of voting rights |
|---|---|---------------|---------------|-----------------------------|
| CREALOGIX AG, Bubikon, Switzerland | Consultancy and services in information technology and data communication | CHF 100 000 | 100 % | 100 % |
| CREALOGIX Corp., Toronto, Canada | Consultancy and services in information technology and data communication | CAD 100 000 | 100 % | 100 % |
| CREALOGIX AG, Frankfurt, Germany | Consultancy and services in information technology and data communication | EUR 100 000 | 100 % | 100 % |
| CREALOGIX E-Banking Solutions AG, Zurich, Switzerland | Consultancy and services in information technology and data communication | CHF 100 000 | 100 % | 100 % |
| CIRCON Holding AG, Baar, Switzerland | Management of investments | CHF 1 000 000 | 100 % | 100 % |
| CIRCON Circle Consulting AG, Glattbrugg, Switzerland | Development of/trading in software | CHF 150 000 | 100 % | 100 % |
| CIRCON Circle Consulting AG, Villingen, Germany | Development of/trading in software | EUR 200 000 | 60 % | 60 % |
| CIRCON Circle Consulting AG, Thalheim, Austria | Development of/trading in software | EUR 150 000 | 95 % | 95 % |
| CIRCON Circle Consulting GmbH, Dornbirn, Austria | Development of/trading in software | EUR 75 000 | 100 % | 100 % |
| Balzano Informatik AG, Zurich, Switzerland | Services in information technology and trading in hardware and software | CHF 200 000 | 100 % | 100 % |
| C-CHANNEL AG, Hünenberg, Switzerland | Services in information technology, development of software, trading in hardware and software | CHF 550 000 | 100 % | 100 % |

Summary of significant accounting and valuation principles

These unaudited consolidated interim financial statements for the first half of 2007/2008 as at 31 December 2007 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These consolidated financial statements have been prepared in Swiss francs (CHF). The same accounting principles have been applied as they were to the consolidated financial statements for 2006/2007; however, capitalized software development costs of CHF 185 020 (last year: CHF 482 590) are now included under "Revenue" (last year shown as cost reductions under "Personnel expenses"). The statement of last year has been adapted. New or amended standards or interpretations have either no impact at all, or no material impact, on the half-year report.

Crealogix operates in areas which are not subject to marked seasonal fluctuations.

As in the past, there were no contingent claims or liabilities during the period under review.

Segment reporting

As at 31 December 2007, the Group was organized into two main divisions:

1) e-business (electronic business)

e-business covers IT services and products with which communications, cooperation, services or trading processes and information are handled on distributed systems and sites using web technologies, both throughout a corporation and, in particular, across different corporations. Areas of specialization here include e-finance, e-learning and mobile business.

2) ERP (enterprise resource planning)

ERP systems are IT solutions in which complex and standardized application software is used for an entire corporation. ERP systems are used to manage goods and production resources and to integrate different departments into a common system. ERP systems constitute the administrative backbone of most larger corporations. Areas of specialization here include branch solutions for the textile/fashion industry and also for the transportation industry.

Segment results for the period 1 July to 31 December 2007 are as follows (figures for the previous year given for comparison purposes):

| July–December 2007 | E-Business | ERP | Other | Eliminations | Total Group |
|---|----------------------|----------------------|-------------------|----------------------|----------------------|
| Segment revenue from external customers | 21 300 624.61 | 11 182 023.36 | 0.00 | 0.00 | 32 482 647.97 |
| Inter-segment revenue | 1 227 310.20 | 4 266.05 | 0.00 | –1 231 576.25 | 0.00 |
| Revenue | 22 527 934.81 | 11 186 289.41 | 0.00 | –1 231 576.25 | 32 482 647.97 |
| EBIT | 4 996 578.68 | –3 616 266.29 | –95 775.58 | 0.00 | 1 284 536.81 |
| Financial result | | | | | –95 560.46 |
| Income from associates ¹⁾ | | | | | 19 901.90 |
| Profit before tax | | | | | 1 208 878.25 |
| Income tax expense | | | | | –362 160.29 |
| Consolidated profit | | | | | 846 717.96 |
| (attributable to minority interests) | | | | | 26 845.74 |

¹⁾ Refers to the ERP segment

| July–December 2006 | E-Business | ERP | Other | Eliminations | Total Group |
|---|---------------------|--------------------|-------------------|---------------------|---------------------|
| Segment revenue from external customers | 17 676 000.43 | 13 163 716.21 | 0.00 | 0.00 | 30 839 716.64 |
| Inter-segment revenue | 93 861.25 | 513.82 | 0.00 | –94 375.07 | 0.00 |
| Revenue | 17 769 861.68 | 13 164 230.03 | 0.00 | –94 375.07 | 30 839 716.64 |
| EBIT | 2 102 469.42 | –973 614.14 | –85 900.41 | 0.00 | 1 042 954.87 |
| Financial result | | | | | 468 552.05 |
| Income from associates ¹⁾ | | | | | 8 571.05 |
| Profit before tax | | | | | 1 520 077.97 |
| Income tax expense | | | | | –448 816.78 |
| Consolidated profit | | | | | 1 071 261.19 |
| (attributable to minority interests) | | | | | –62 438.15 |

¹⁾ Refers to the ERP segment

Holdings in associated companies

The Group's holdings in associated companies which are not listed on a stock exchange are as follows:

| | 31 December 2007 | 30 June 2007 |
|-------------------------|---------------------|--------------|
| At beginning of period | 33 729.20 | 53 389.00 |
| Share of profit | 19 901.90 | -19 659.80 |
| At end of period | 53 631.10 | 33 729.20 |

| | Name | Country of domicile | Assets | Liabilities | Sales from external cus- tomers | Profit / Loss | Percentage |
|---------------------|--------|------------------------|------------|-------------|---------------------------------------|---------------|------------|
| 31 December 2007 | Circon | Czech Republic | 342 961.16 | 181 743.94 | 129 981.79 | 39 803.80 | 50% |
| 30 June 2007 | Circon | Czech Republic | 208 094.63 | 142 189.17 | 172 719.49 | -39 319.56 | 50% |

Property and equipment

Depreciation/amortization of property and equipment is taken on a straight-line basis whereby the purchase costs are written down to the residual book value over the anticipated useful lifetime of the assets as follows:

| | Years |
|---|-------|
| Furniture and fixed installations | 10 |
| Office equipment, IT and communications systems | 2 |
| Other office equipment | 5 |
| Vehicles | 5 |
| Real estate | 40 |

The residual book values and useful economic lifetimes are reviewed at each balance sheet date and adjusted if necessary.

Property and equipment

| July–December 2006 | Furniture | Fixed Installations | Office Equipment | Vehicles | Real Estate | Total |
|---|--------------|---------------------|------------------|--------------|--------------|----------------|
| Cost | | | | | | |
| at 1 July 2006 | 1 285 445.05 | 529 745.49 | 2 350 743.42 | 1 189 817.62 | 2 300 000.00 | 7 655 751.58 |
| Exchange adjustments | 1 928.27 | 160.47 | 4 923.31 | 838.47 | 0.00 | 7 850.52 |
| Additions | 22 430.88 | 22 088.44 | 158 616.28 | 284 904.80 | 0.00 | 488 040.40 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Elimination of property, plant and equipment no longer in use | 0.00 | 0.00 | -1 465.00 | -227 296.11 | 0.00 | -228 761.11 |
| Effect of movements in foreign exchange | 161.77 | 0.00 | 848.61 | 0.00 | 0.00 | 1 010.38 |
| at 31 December 2006 | 1 309 965.97 | 551 994.40 | 2 513 666.62 | 1 248 264.78 | 2 300 000.00 | 7 923 891.77 |
| Accumulated Depreciation | | | | | | |
| at 1 July 2006 | 378 330.37 | 333 819.89 | 1 932 865.86 | 719 255.06 | 21 147.00 | 3 385 418.18 |
| Exchange adjustments | 447.41 | 28.44 | 3 589.00 | 0.00 | 0.00 | 4 064.85 |
| Depreciation for the year | 69 444.03 | 27 484.07 | 328 780.76 | 108 668.64 | 31 768.02 | 566 145.52 |
| Elimination of property, plant and equipment no longer in use | 0.00 | 0.00 | -1 465.00 | -227 296.11 | 0.00 | -228 761.11 |
| Effect of movements in foreign exchange | 105.43 | 6.54 | 593.89 | 41.92 | 0.00 | 747.78 |
| at 31 December 2006 | 448 327.24 | 361 338.94 | 2 264 364.51 | 600 669.51 | 52 915.02 | 3 727 615.22 |
| Net Book Values | | | | | | |
| at 1 July 2006 | 907 114.68 | 195 925.60 | 417 877.56 | 470 562.56 | 2 278 853.00 | 4 270 333.40 |
| at 31 December 2006 | 861 638.73 | 190 655.46 | 249 302.11 | 647 595.27 | 2 247 084.98 | 4 196 276.55 |
| Fire insurance value of fixed assets | | | | | | |
| 31 December 2006 | | | | | | 10 624 072.00 |
| (attributable to buildings) | | | | | | (1'165'000.00) |
| Pledged for mortgage loan | | | | | 1 550 000.00 | |

Property and equipment

| July–December 2007 | Furniture | Fixed Installations | Office Equipment | Vehicles | Real Estate | Total |
|---|---------------------|----------------------------|-------------------------|---------------------|---------------------|---------------------|
| Cost | | | | | | |
| at 1 July 2007 | 1 294 081.04 | 560 085.95 | 2 476 622.56 | 1 291 210.20 | 2 300 000.00 | 7 921 999.75 |
| Exchange adjustments | 0.01 | -0.01 | 0.01 | 0.00 | 0.00 | 0.01 |
| Additions | 41 258.95 | 10 968.20 | 247 003.93 | 369 175.67 | 0.00 | 668 406.75 |
| Disposals | 0.00 | 0.00 | 0.00 | -209 344.00 | 0.00 | -209 344.00 |
| Elimination of property, plant and equipment no longer in use | 0.00 | 0.00 | 0.00 | -69 000.00 | 0.00 | -69 000.00 |
| Revaluation | 4 446.75 | 613.80 | 23 010.80 | 0.00 | 0.00 | 28 071.35 |
| Effect of movements in foreign exchange | -74.73 | 0.01 | -66.93 | -30.81 | 0.00 | -172.46 |
| at 31 December 2007 | 1 339 712.02 | 571 667.95 | 2 746 570.37 | 1 382 011.06 | 2 300 000.00 | 8 339 961.40 |
| Accumulated Depreciation | | | | | | |
| at 1 July 2007 | 510 623.72 | 389 234.03 | 2 120 120.34 | 541 993.88 | 84 683.04 | 3 646 655.01 |
| Exchange adjustments | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 |
| Depreciation for the year | 66 710.92 | 28 153.18 | 152 616.15 | 142 014.22 | 31 768.02 | 421 262.49 |
| Disposals | 0.00 | 0.00 | 0.00 | -147 382.66 | 0.00 | -147 382.66 |
| Elimination of property, plant and equipment no longer in use | 0.00 | 0.00 | 0.00 | -69 000.00 | 0.00 | -69 000.00 |
| Revaluation | 4 446.75 | 613.80 | 23 010.80 | 0.00 | 0.00 | 28 071.35 |
| Effect of movements in foreign exchange | -15.09 | -0.80 | -58.90 | -11.88 | 0.00 | -86.67 |
| at 31 December 2007 | 581 766.30 | 418 000.21 | 2 295 688.40 | 467 613.56 | 116 451.06 | 3 879 519.53 |
| Net Book Values | | | | | | |
| at 1 July 2007 | 783 457.32 | 170 851.92 | 356 502.22 | 749 216.32 | 2 215 316.96 | 4 275 344.74 |
| at 31 December 2007 | 757 945.72 | 153 667.74 | 450 881.97 | 914 397.50 | 2 183 548.94 | 4 460 441.87 |
| Fire insurance value of fixed assets | | | | | | |
| 31 December 2007 | | | | | | 9 192 620.00 |
| (attributable to buildings) | | | | | | (1'349'000.00) |
| Pledged for mortgage loan | | | | | 1 550 000.00 | |

Intangible assets

The amortization of intangible assets is taken on a straight-line basis whereby the purchase costs are written down to the residual book value over the anticipated useful lifetime of the assets as stated below in the item "Amortisation":

| | Years |
|--|-------|
| Software licences acquired | 4 |
| Capitalized software development costs | 5 |
| Trademarks and licences | 5 |

| July–December 2006 | Software Licenses | Other ¹⁾ | Goodwill | Total |
|---|-------------------|---------------------|----------------------|----------------------|
| Cost | | | | |
| at 1 July 2006 | 608 256.42 | 8 659 530.07 | 21 935 598.10 | 31 203 384.59 |
| Exchange adjustments | 289.12 | 0.00 | 0.00 | 289.12 |
| Additions | 41 550.13 | 482 590.17 | 0.00 | 524 140.30 |
| Elimination of intangible assets no longer in use | 0.00 | 0.00 | 0.00 | 0.00 |
| Goodwill adjustment from purchase price obligations | 0.00 | 0.00 | -520 012.00 | -520 012.00 |
| Effect of movements in foreign exchange | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>at 31 December 2006</i> | <i>650 095.67</i> | <i>9 142 120.24</i> | <i>21 415 586.10</i> | <i>31 207 802.01</i> |
| Accumulated Amortisation | | | | |
| at 1 July 2006 | 574 454.87 | 3 351 625.07 | 0.00 | 3 926 079.94 |
| Exchange adjustments | 243.72 | 0.00 | 0.00 | 243.72 |
| Amortisation for the year | 8 295.51 | 622 107.57 | 0.00 | 630 403.08 |
| Elimination of intangible assets no longer in use | 0.00 | 0.00 | 0.00 | 0.00 |
| Effect of movements in foreign exchange | 1.62 | 0.00 | 0.00 | 1.62 |
| <i>at 31 December 2006</i> | <i>582 995.72</i> | <i>3 973 732.64</i> | <i>0.00</i> | <i>4 556 728.36</i> |
| Net Book Values | | | | |
| at 1 July 2006 | 33 801.55 | 5 307 905.00 | 21 935 598.10 | 27 277 304.65 |
| <i>at 31 December 2006</i> | <i>67 099.95</i> | <i>5 168 387.60</i> | <i>21 415 586.10</i> | <i>26 651 073.65</i> |

¹⁾ Other intangible assets comprise stated software-development costs and maintenance/production contracts listed on the balance sheet in connection with company acquisitions. These assets have a particular useful lifetime over which they are amortized.

Intangible assets

| July–December 2007 | Software Licenses | Other ¹⁾ | Goodwill | Total |
|---|-------------------|---------------------|----------------------|----------------------|
| Cost | | | | |
| at 1 July 2007 | 805 121.01 | 9 718 079.15 | 17 473 356.35 | 27 996 556.51 |
| Exchange adjustments | –0.01 | 0.00 | 0.00 | –0.01 |
| Additions | 133 018.47 | 185 020.00 | 0.00 | 318 038.47 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 |
| Elimination of intangible assets no longer in use | 0.00 | 0.00 | 0.00 | 0.00 |
| Goodwill adjustment from purchase price obligations | 0.00 | 0.00 | –200 000.00 | –200 000.00 |
| Revaluation | 1 239.15 | 0.00 | 0.00 | 1 239.15 |
| Effect of movements in foreign exchange | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>at 31 December 2007</i> | <i>939 378.62</i> | <i>9 903 099.15</i> | <i>17 273 356.35</i> | <i>28 115 834.12</i> |
| Accumulated Amortisation | | | | |
| at 1 July 2007 | 597 418.10 | 4 921 257.15 | 0.00 | 5 518 675.25 |
| Exchange adjustments | –0.01 | 0.00 | 0.00 | –0.01 |
| Amortisation for the year | 36 973.51 | 801 211.89 | 0.00 | 838 185.40 |
| Impairment loss | 0.00 | 1 174 941.48 | 0.00 | 1 174 941.48 |
| Elimination of intangible assets no longer in use | 0.00 | 0.00 | 0.00 | 0.00 |
| Revaluation | 1 239.15 | 0.00 | 0.00 | 1 239.15 |
| Effect of movements in foreign exchange | –0.85 | 0.00 | 0.00 | –0.85 |
| <i>at 31 December 2007</i> | <i>635 629.90</i> | <i>6 897 410.52</i> | <i>0.00</i> | <i>7 533 040.42</i> |
| | | | | |
| | | | | |
| Net Book Values | | | | |
| at 1 July 2007 | 207 702.91 | 4 796 822.00 | 17 473 356.35 | 22 477 881.26 |
| at 31 December 2007 | 303 748.72 | 3 005 688.63 | 17 273 356.35 | 20 582 793.70 |

¹⁾ Other intangible assets comprise stated software-development costs and maintenance/production contracts listed on the balance sheet in connection with company acquisitions. These assets have a particular useful lifetime over which they are amortized.

Impairment on intangible assets

The impairment loss on the intangible assets relates to no longer valuable software development costs, which in the past have been capitalised. Because of software updates and product changes, the Group reassessed the estimates of recoverable amount for capitalized software costs based on value in use in accordance with IAS 36. The impairment test led to the conclusion that for capitalized software development costs in the business segment ERP from the fiscal years 2004/05 and 2005/06 no future economic benefits will flow to the entity anymore, and thus had to be completely adjusted.

Goodwill

For the purpose of an impairment test, goodwill is distributed among cash generating units. Each of these cash generating units represents the investment by the Group according to the primary reporting segment.

| Book Value of Goodwill | 31 December 2007 | 30 June 2007 |
|------------------------|----------------------|----------------------|
| E-Learning | 1 200 000.00 | 1 200 000.00 |
| E-Banking | 2 889 905.15 | 2 889 905.15 |
| C-Channel | 3 729 261.41 | 3 729 261.41 |
| Circon | 7 157 922.93 | 7 157 922.93 |
| Balzano | 2 296 266.86 | 2 496 266.86 |
| Total | 17 273 356.35 | 17 473 356.35 |

Deferred conditional purchase price commitments

| July–December 2006 | E-Banking Solutions | C-Channel | Circon | Balzano | Total |
|---------------------------|---------------------|---------------|---------------|--------------|---------------|
| at 1 July 2006 | 3 205 358.00 | 4 775 847.02 | 5 040 000.00 | 1 426 786.00 | 14 447 991.02 |
| Revaluation adjustment | 0.00 | 493 800.00 | 300 000.00 | –520 012.00 | 273 788.00 |
| Payments | –3 205 358.00 | –1 168 181.00 | 0.00 | –906 774.00 | –5 280 313.00 |
| at 31 December 2006 | 0.00 | 4 101 466.02 | 5 340 000.00 | 0.00 | 9 441 466.02 |
| July–December 2007 | | | | | |
| at 1 July 2007 | 0.00 | 4 331 819.00 | 2 108 100.00 | 200 000.00 | 6 639 919.00 |
| Revaluation adjustment | 0.00 | 0.00 | 0.00 | –200 000.00 | –200 000.00 |
| Payments | 0.00 | –4 331 819.00 | –2 108 100.00 | 0.00 | –6 439 919.00 |
| at 31 December 2007 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Share capital

There are a total of 1 070 000 outstanding registered shares.

The shares have a nominal value of CHF 8 per share (until 28 February 2007: CHF 10 per share).

The conditional share capital comprising 250 000 registered shares with a nominal value of CHF 8 (previous year: CHF 10) for employee stock option plans has been in existence since 5 September 2000.

The authorized capital of 300 000 registered shares with a nominal value of CHF 8 (previous year: CHF 10) for the acquisitions of companies has existed since 30 October 2007.

| July–December 2006 | Number of shares | | | Capital | | |
|--|------------------|-----------------|--------------|---------------|-----------------|---------------|
| | Issued shares | Treasury shares | Total shares | Issued shares | Treasury shares | Total shares |
| at 1 July 2006 | 1 070 000 | –32 771 | 1 037 229 | 10 700 000.00 | –1 591 729.99 | 9 108 270.01 |
| Treasury shares purchased | | –55 489 | –55 489 | | –4 124 793.20 | –4 124 793.20 |
| Treasury shares sold | | 31 618 | 31 618 | | 2 690 110.00 | 2 690 110.00 |
| Treasury shares used for share option plan | | 27 061 | 27 061 | | 1 492 515.20 | 1 492 515.20 |
| at 31 December 2006 | 1 070 000 | –29 581 | 1 040 419 | 10 700 000.00 | –1 533 897.99 | 9 166 102.01 |
| July–December 2007 | Number of shares | | | Capital | | |
| | Issued shares | Treasury shares | Total shares | Issued shares | Treasury shares | Total shares |
| at 1 July 2007 | 1 070 000 | –8 159 | 1 061 841 | 8 560 000.00 | –1 210 333.05 | 7 349 666.95 |
| Treasury shares purchased | | –42 100 | –42 100 | | –4 015 397.60 | –4 015 397.60 |
| Treasury shares sold | | 30 246 | 30 246 | | 3 151 236.29 | 3 151 236.29 |
| Treasury shares used for share option plan | | 12 357 | 12 357 | | 706 961.46 | 706 961.46 |
| at 31 December 2007 | 1 070 000 | –7 656 | 1 062 344 | 8 560 000.00 | –1 367 532.90 | 7 192 467.10 |

Share options and share plan

As at 31 October 2007, 18 860 options with a strike price of CHF 82.40 were granted on the basis of Option Plan 3. These options expire on 31 October 2012, and they remain blocked until 31 October 2010.

In the period between 1 July 2007 and 31 December 2007, the "Personnel expenses" item included compensation expenditures of CHF 162 225 for share options for employees granted after 7 November 2002. The corresponding figure for the same period of the previous year (1 July 2006 to 31 December 2006) was CHF 305 258.

The following table shows the trend in the value of all outstanding options in the past two years:

| July–December 2006 | Weighted average exercise price | Number of options |
|-----------------------------------|---------------------------------|-------------------|
| Outstanding at 1 July | 70.47 | 208 339 |
| Issued | 95.40 | 12 663 |
| Forfeited | 104.40 | –2 737 |
| Exercised | 51.18 | –20 182 |
| Expired unexercised | 0 | 0 |
| <i>Outstanding at 31 December</i> | <i>73.55</i> | <i>198 083</i> |
| <i>Exercisable at 31 December</i> | <i>85.75</i> | <i>96 882</i> |
| July–December 2007 | | |
| Outstanding at 1 July | 78.69 | 162 724 |
| Issued | 82.40 | 18 860 |
| Forfeited | 95.68 | –4 250 |
| Exercised | 56.74 | –6 289 |
| Expired unexercised | 0 | 0 |
| Outstanding at 31 December | 79.47 | 171 045 |
| Exercisable at 31 December | 88.23 | 91 842 |

As at 31 October 2007, 6 068 employee shares were issued at a price of CHF 57.70. The fair value per share was calculated as the difference between the average price during the five trading days prior to the reference date and the issue price, and it amounts to CHF 24.70. No allowance has been made for expected dividends because corporate policy does not make provision for the distribution of dividends.

In the period between 1 July 2007 and 31 December 2007, the item "Personnel expenses" included compensation expenditures of CHF 149 880 for employee shares. The corresponding figure for the same period of the previous year (1 July 2006 to 31 December 2006) was CHF 196 876.

Minority holdings

| | July – Dezember 2007 | July – December 2006 |
|----------------------------------|-------------------------|-------------------------|
| At 1 July | 107 210.55 | 178 275.91 |
| Acquisition of minorities | -101 466.34 | 93 241.00 |
| Share of profit | 26 845.74 | -62 438.15 |
| Currency translation differences | -533.87 | 0.00 |
| At 31 December | 32 056.08 | 209 078.76 |

Buyout of CIRCON Group minority holdings

As at 31 August 2007, CIRCON Holding AG acquired a further 15 per cent of CIRCON Circle Consulting AG in Thalheim (Austria) for EUR 97 500.

Events after the balance sheet date

As at 3 January 2008, CIRCON Holding AG acquired the remaining 40 per cent of CIRCON Circle Consulting AG in VS-Villingen (Germany) for CHF 658 900.

No other important events which might impair the accuracy of the half-year financial statements approved by the Board of Directors on 18 March 2008 have occurred since the balance sheet date of 31 December 2007.