



CREALOGIX GROUP
HALF-YEARLY REPORT 2011/2012

CREALOGIX FINANCIAL STATEMENTS

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KEY FIGURES

Amounts in thousands of CHF	July – December 2011	July – December 2010
Revenue	25 342	28 019
% change	-9.6	11.0
Operating result before interest, taxes, depreciation and amortisation (EBITDA)	2 586	3 565
in % of revenue	10.2	12.7
Operating profit (EBIT)	2 031	2 811
in % of revenue	8.0	10.0
Consolidated earnings	1 341	2 890
in % of revenue	5.3	10.3
in % of shareholders' equity	3.8	5.0
Net cash flow from operating activities	2 854	2 703
in % of revenue	11.3	9.6
Cash flow from investing activities	-4 660	-1 441
Depreciation/amortisation	555	754
Full-time employees	205.6	234.8
Full-time freelancers	33.2	23.4
Total full-time employees (incl. freelancers)	238.8	258.2
Revenue per full-time employee (incl. freelancers) ¹⁾	212	217
Personnel expense per full-time employee ¹⁾	148	145
Headcount on 31 December	224	261
Total full-time employees in December	196.6	229.4
Share Prices		
High	115.00	77.75
Low	91.00	57.00
On 31 December	99.00	76.75
Market capitalisation (in millions)		
High	123.1	83.2
Low	97.4	61.0
Market capitalisation on 31 December (in millions)	105.9	82.1
in % of revenue	209.0	146.5
in % of shareholders' equity	298.6	142.5
Basic earnings per share	1.260	2.728
Price-earnings ratio (P/E)	39.3	14.1
Shareholders' equity per share	33.3	54.1
Price-book value	3.0	1.4
Distribution of share premium per share	15.00	0.00
	31 December 2011	31 December 2010
Total Assets	47 893	69 074
Total current assets	39 485	60 151
thereof: Cash, cash equivalents and marketable securities	28 451	44 159
Non-current assets	8 408	8 923
Liabilities	12 416	11 431
Shareholders' equity	35 477	57 643
Equity ratio (in %)	74.1	83.5

¹⁾ Annualised to 12 months

INVESTOR INFORMATION

Overview

CREALOGIX Holding AG (the Company) and its subsidiaries (together the CREALOGIX Group) is a leading and independent provider of software and hardware-related products. Its core business is focused on E-Finance, E-Business and Education in Switzerland and Europe.

Shareholder structure

Richard Dratva 23.81%, Bruno Richle 23.19%
 Daniel Hildebrand 15.26%, Peter Süsstrunk 6.92%,
 Noser Management AG 3.93%

Share data

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

Trading platform = SIX Swiss Exchange

Valor number = 1 111 570

Ticker symbols:

Telekurs = CLXN

Reuters = CLXZn.S

Bloomberg = CLXN SW

Calendar

28 September 2012

Report on the 2011/2012 financial year

15 November 2012

Annual General Meeting

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

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The English version is a translation of the German version. The German version is legally binding.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

We are able to look back on a very satisfactory first half of the financial year 2010/ Like other companies, the CREALOGIX Group was affected by the consequences of the financial crisis in the first half of the financial year 2011/2012 (1.7. to 31.12.2011) and, by comparison with the first half of 2010/2011, experienced a 10 per cent downturn in sales caused by the prevailing economic situation and the weak euro. As a result, both the EBIT and net profit fell short of the corresponding values for the same period in the previous year. At the end of July 2011, the acquisition of the e-banking business of Cordys Deutschland AG – known under the Abaxx brand – enabled us to consolidate and extend our presence on the German market. We continued to focus more intensively on the financial industry.

In the first half, CREALOGIX made further investments in product development in all its business units, so making us perfectly fit for the future requirements of banks tomorrow under the 'Bank 2.0' designation. For the second half (1.1. to 30.6.2012), assuming that the economic and political situation remains unchanged, we are expecting a trend in line with the first half for both sales and profitability.

Trend of sales and results

In the first half of 2011/2012, the CREALOGIX Group reported sales worth CHF 25.3 million, 10 per cent less than in the first half of the financial year 2010/2011 (CHF 28.0 million). We recorded a 28 per cent decline in our EBIT at CHF 2.0 million (first half 2010/2011: CHF 2.8 million). As a result the EBIT margin fell from 10 per cent to a figure of 8 per cent, which is still good for our branch of business. Had it not been for the negative impact of the euro exchange rate, the previous year's figures for the EBIT margin and sales would have just been equalled. Influenced by the results of divestments (CHF -0.2 million), our net profit stood at CHF 1.3 million (first half 2010/2011: CHF 2.9 million). In other words, the profit margin halved to 5 per cent (first half 2010/2011: 10 per cent).

Financially speaking, our Group remains perfectly sound with an equity ratio at a high 74.1 per cent. The reduction against the previous year (82.3 per cent) is primarily attributable to two payouts from capital contribution reserves amounting to a total of CHF 18.2 million which we effected in January and November 2011 (CHF 2 and CHF 15 per share respectively).

Innovations for tomorrow's banks

Web 2.0 has brought about great changes in the conduct of IT users. Today customers place substantially higher requirements on their bank's online offering. For example, users are looking for more opportunities in mobile computing and apps. CREALOGIX detected this trend at an early stage and set about extensive development work. The first products of an application suite tailored specifically to meet the new needs of bank clients today will already be introduced with some of our banking clients in the spring of 2012.

Pleasant trend in e-banking

Our e-banking business is exposed to tougher competition and the prevailing uncertainty on the financial market. Nevertheless this sector has developed well. Our extended market presence in Germany is proving effective. Today, some five million users handle their banking transactions via CREALOGIX systems.

Permanent high demand for our payment transactions products

CREALOGIX products for payment transactions continue to benefit from strong demand and excellent positioning on the market. In the first half of 2011/2012, we invested heavily in product development and expanded our development capacities. In addition, we placed our product management on a professional basis. The accompanying costs had an adverse impact on profitability in the near term.

The universal mouse scanner CLX.ScanPackage distributed by CREALOGIX on an exclusive basis in Switzerland and launched as a world first with an integrated CREALOGIX ScanApp, which is able to interpret the 25-digit code of Swiss payment slips, has not yet achieved the anticipated market success. Development of the new user interface for our CLX.OfficeWings software product will shortly be completed. The developments were put in hand around one year ago. We expect to be able to reap the benefits of our investments from next summer onwards.

Leading Swiss software partner in the education sector

Because many public authorities imposed far-reaching savings measures in the first half of 2011/2012, the expectations which we had placed in the business with new licences for our e-learning and Campus Management platforms were not met. However, products and services in the education market remain a business with an assured future. In this area too, we have therefore invested in the renewal of our product range. We have modernised and extended the authors' tools while at the same time driving forward developments in the mobile learning sector. Here too synergies between the applications in the Bank 2.0 and Mobile Learning Apps play an important role within the CREALOGIX Group. The first clients, such as the Cantonal Bank of Zurich or the Center for Young Professionals in Banking CYP are already making use of these possibilities. CREALOGIX products are also the first choice around the training offer of Banking Today.

CREALOGIX Transport & Logistics AG sold

Because of our focus on the financial branch, we sold the small CREALOGIX Transport & Logistics AG subsidiary company, which was no longer compatible with our strategy, to management. This sale had only a minor impact on the half-yearly result for 2011/2012 and on the financial year as a whole.

Profitable investment in own products

Our strategy of developing software products ourselves and also marketing them ourselves both in Switzerland and abroad is proving a success. Both licence royalties and recurring income from maintenance and support contracts are growing all the time. That is why our Group is investing heavily in product development. CREALOGIX currently employs more than 50 staff members in the area of applied research and development alone.

Outlook

CREALOGIX has a good strategic position. With our existing and future products and services in the Bank 2.0 sector, we are admirably positioned to benefit from the forthcoming changes in the world of banking. CREALOGIX will once again play something of a pioneering role in the forthcoming far-reaching process of change in the financial branch, comparable to the introduction of the Internet in banks back in the year 1996. Because of the weak global economic situation and the related financial uncertainties, we do not yet expect wide use to be made of this potential in the second half of 2011/2012 with the accompanying impacts in the shape of higher growth and further improvement of our results. However, we do expect to equal our first-half profitability again in the second half of 2011/2012.

Acknowledgements

On behalf of the Board of Directors and the Group Executive Management I wish to thank all our staff members for their hard work in the first half of 2011/2012. We are grateful to all our clients for the confidence placed by them in our services and for their close cooperation. Finally our heartfelt thanks are due to you, our Shareholders, for your confidence in our Group.



Bruno Richle

Chairman of the Board of Directors and CEO

CONSOLIDATED BALANCE SHEET

Amounts in thousands of CHF	31 December 2011	in %	30 June 2011	in %
A S S E T S				
Current Assets				
Cash and cash equivalents	21 680		39 765	
Marketable securities	6 771		6 744	
Trade receivables	5 646		5 837	
Other receivables	814		2 816	
Accrued income	432		257	
Work in progress/inventory	4 142		5 546	
Total Current Assets	39 485	82.4	60 965	87.9
Non-Current Assets				
Financial assets	0		200	
Property, plant and equipment	4 390		4 319	
Intangible assets	904		668	
Deferred tax assets	1 114		1 233	
Asset from employer contribution reserve	2 000		2 000	
Total Non-Current Assets	8 408	17.6	8 420	12.1
Total A S S E T S	47 893	100.0	69 385	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Trade payables	929		743	
Other short-term payables	1 569		1 879	
Accrued liabilities	9 091		8 630	
Current income tax liabilities	45		177	
Total Current Liabilities	11 634	24.3	11 429	16.4
Non-Current Liabilities				
Deferred tax liabilities	782		871	
Total Non-Current Liabilities	782	1.6	871	1.3
Total Liabilities	12 416	25.9	12 300	17.7
Shareholders' Equity				
Share capital	8 560		8 560	
Treasury shares	-598		-342	
General	21 517		37 551	
Other share premium	717		642	
Share premium	22 234		38 193	
Retained earnings	5 281		10 674	
Total Shareholders' Equity	35 477	74.1	57 085	82.3
Total LIABILITIES AND SHAREHOLDERS' EQUITY	47 893	100.0	69 385	100.0

The condensed notes on pages 13 to 16 are an integral part of these consolidated financial statements for the first half of 2011/2012.

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of CHF	July – December 2011		July – December 2010	
		in %		in %
Revenue	25 342	100.0	28 019	100.0
Cost of goods sold	-4 811	-19.0	-6 427	-22.9
Change in inventory	-150	-0.6	1 783	6.4
Personnel expense	-15 205	-60.0	-16 968	-60.6
Depreciation expense	-357	-1.4	-389	-1.4
Amortisation expense	-198	-0.8	-365	-1.3
Marketing expense	-659	-2.6	-672	-2.4
Rent, maintenance and repairs	-847	-3.3	-920	-3.3
General and administration expenses	-1 084	-4.3	-1 250	-4.5
Operating Profit (EBIT)	2 031	8.0	2 811	10.0
Result from divestments	-187	-0.7	122	0.4
Financial income	102	0.4	709	2.5
Financial expenses	-92	-0.4	-487	-1.7
Financial Result	10	0.0	222	0.8
Earnings before Taxes	1 854	7.3	3 155	11.2
Income tax expense	-513	-2.0	-265	-0.9
Consolidated Earnings	1 341	5.3	2 890	10.3

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of CHF	Share capital	Treasury shares	Share premium	Retained earnings	Translation adjustments	Total Shareholders' Equity
At 1 July 2010	8 560	-655	40 282	6 963	-649	54 501
Netting of goodwill				-600 ²⁾		-600
Goodwill netted at acquisition date				521 ³⁾		521
Translation differences					-78	-78
Consolidated earnings				2 890		2 890
Change in treasury shares		392	17			409
At 31 December 2010	8 560	-263	40 299 ¹⁾	9 774	-727	57 643
At 1 July 2011	8 560	-342	38 193	11 376	-702	57 085
Netting of goodwill				-6 791		-6 791
Distribution of share premium			-16 034			-16 034
Translation differences					57	57
Consolidated earnings				1 341		1 341
Change in treasury shares		-256	75			-181
At 31 December 2011	8 560	-598	22 234	5 926	-645	35 477

¹⁾ Comprises the distribution of share premium of CHF 2.14 million, due on 10 January 2011, as per resolution of the general meeting held on 2 November 2010

²⁾ Represents the netting of the deferred contingent purchase price obligation (goodwill) for the acquisition CREALOGIX E-Banking AG, Zuchwil (formerly BVI Consult AG) with the equity

³⁾ As a consequence of the divestment of the subsidiaries CREALOGIX ERP AG, Thalheim, Austria and CREALOGIX Unified Communications GmbH, Cologne, Germany, the goodwill previously netted with the equity had to be recycled at its original value through the income statement

The condensed notes on pages 13 to 16 are an integral part of these consolidated financial statements for the first half of 2011/2012.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of CHF	July – December 2011	July – December 2010
Consolidated earnings	1 341	2 890
Income tax expense	513	265
Depreciation/amortisation	555	754
Impairment of trade receivables	-56	-27
Intangible assets	-596	0
Gain on sale of property, plant and equipment	-3	0
Financial result	-10	-222
Result from divestments	187	-122
Trade and other receivables	1 666	3 649
Work in progress/inventory	1 404	-2 197
Other financial assets	221	-67
Trade and other payables, incl. tax liabilities	-2 252	-2 322
Gross cash flow from operating activities	2 970	2 601
Interest received	71	112
Interest paid	-7	-4
Tax received	1	172
Tax paid	-181	-178
Net cash flow from operating activities	2 854	2 703
Cash flow from investing activities		
Purchase of property and equipment	-447	-376
Proceeds from sale of property and equipment	12	78
Purchase of intangible assets	-188	-113
Grant/repayment of loans	200	-150
Disposal of subsidiaries, net of cash disposed	201	-880
Acquisition of subsidiaries/asset deal, net of cash acquired	-4 438	0
Cash flow from investing activities	-4 660	-1 441
Free Cash Flow	-1 806	1 262
Cash flow from financing activities		
Repayment of loans	0	-24
Distribution of share premium	-16 034	0
Purchase/sale of treasury shares – net	-181	409
Cash flow from financing activities	-16 215	385
Net change in cash and cash equivalents	-18 021	1 647
Cash and cash equivalents at beginning of period	39 765	34 484
Net foreign exchange difference	-64	-20
Cash and cash equivalents at end of period	21 680	36 111

The condensed notes on pages 13 to 16 are an integral part of these consolidated financial statements for the first half of 2011/2012.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basic Information

CREALOGIX Holding AG (the Company) and its subsidiaries (together the CREALOGIX Group) is a leading and independent provider of software and hardware-related products. Its core business is focused on E-Finance, E-Business and Education in Switzerland and Europe.

The CREALOGIX Group is a stock corporation headquartered in Switzerland. The address of their registered office is Baslerstrasse 60, CH-8048 Zurich.

The Group's nominal shares are traded on the SIX Swiss Exchange under Swiss security number 1 111 570.

This half-year statement was approved for issue by the Board of Directors on 29 March 2012.

Subsidiaries

As of 31 December 2011 the following subsidiaries were fully consolidated:

Company	Activity	Capital	Interest held	Proportion of voting rights
CREALOGIX E-Business AG, Bubikon, Switzerland	Consultancy and services in information technology and data communication	CHF 100 000	100%	100%
CREALOGIX E-Banking AG, Zurich, Switzerland	Consultancy and services in information technology and data communication	CHF 100 000	100%	100%
CREALOGIX E-Payment AG, Hünenberg, Switzerland	Services in information technology, development of software, trading of hardware and software	CHF 550 000	100%	100%
CREALOGIX ERP AG, Villingen, Germany	Development/trading of software	EUR 50 000	100%	100%
CREALOGIX AG, Stuttgart, Germany (until 4.9.2011 Frankfurt)	Consultancy and services in information technology and data communication	EUR 100 000	100%	100%
CREALOGIX Corp., Toronto, Canada	Consultancy and services in information technology and data communication	CAD 100 000	100%	100%

CREALOGIX E-Banking AG, Zuchwil, was merged with CREALOGIX E-Payment AG with retroactive effect to 1 July 2011.

On 28 July 2011, CREALOGIX AG acquired the entire business involving e-banking and portal clients under the Abaxx name from Cordys Deutschland AG in Germany in the form of an asset deal. This transaction extends the CREALOGIX product portfolio and strengthens its presence on the German market. The goodwill resulting from the capitalisation of the acquired surplus values was netted with equity.

Summary of Significant Accounting and Valuation Policies

These unaudited consolidated interim financial statements for the first half of 2011/2012 as of 31 December 2011 have been prepared in accordance with Swiss GAAP FER 12 Interim Financial Reporting. The half-yearly report does not contain all the information and disclosures required for a full annual report.

The consolidated financial statements are reported in Swiss francs (CHF), the Company's reporting currency. In tables, money values are presented in thousands CHF, if not mentioned otherwise.

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

Exchange Rates

	Year-end rates (Balance Sheet)		Average rates (Income Statement)	
	31 December 2011	31 December 2010	July – December 2011	July – December 2010
EUR	1.22	1.25	1.20	1.34
CAD	0.93	0.94	0.86	0.97

Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis, where the purchase costs are written off over the anticipated useful economic lifetime of the assets as follows:

	Years
Furniture and fixed installations	10
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.

Intangible Assets

Intangible assets are amortised on a straight-line basis where the purchase costs are written off over the anticipated useful economic lifetime of the assets as follows:

	Years
Software licences acquired	4
Capitalised software development costs	5
Trademarks and licences	5

Segment Information

Geographical Segments

The Group's main activity is in two geographical Segments: Switzerland, the home country of the Group, where also the main activities take place, and in Europe.

Revenue	July – December 2011	July – December 2010
Switzerland	21 216	23 903
Europe	3 853	3 768
Other countries	273	348
Total Group	25 342	28 019

Revenue by Categories

Revenue	July – December 2011	July – December 2010
Net sales from services	13 415	17 274
Net sales of goods	3 010	4 442
Net revenue from licensing fees	8 171	6 139
Total Sales	24 596	27 855
Other operating revenues	746	164
Total Revenue	25 342	28 019

Share Capital

There are a total of 1 070 000 outstanding registered shares (previous year: 1 070 000).

Since 1 March 2007, each share has a par value of CHF 8.

Since 5 September 2000, the Company's conditional share capital consisted of 250 000 nominal shares with a par value of CHF 8 per share for employee option plans.

Since 2 November 2011, the authorised capital consisted of 300 000 nominal shares with a par value of CHF 8 per share for the acquisition of organisations.

Goodwill

	31 December 2011	31 December 2010
Consolidated Earnings, as reported	1 341	2 890
Planned amortisations of goodwill (5 years)	-768	-731
Impairment	0	0
Portion of netted goodwill at result from divestment	0	410
Net result with capitalised goodwill on 31 December	573	2 569
Cost value of goodwill on 1 July	16 840	16 561
Additions/disposals	6 791	600
Goodwill netted at acquisition date	0	-521
Cost value of goodwill on 31 December	23 631	16 640
Value adjustments on 1 July	-16 244	-15 856
Planned amortisations	-768	-731
Additions/disposals	0	410
Impairment	0	0
Value adjustments on 31 December	-17 012	-16 177
Net value with capitalised goodwill on 31 December	6 619	463
Equity, as reported	35 477	57 643
Effect of capitalised goodwill in balance sheet on 1 July	596	705
Additions/disposals	6 791	489
Effect of capitalised goodwill in the income statement	-768	-731
Equity with capitalized goodwill on 31 December	42 096	58 106

Events after the Balance Sheet Date

Since 31 December 2011 (balance sheet date), no events occurred that would have a material impact on the presentation of the half-year financial statements as approved by the Board of Directors on 29 March 2012.