CREALOGIX

CREALOGIX GROUP
ANNUAL REPORT 2010/2011

Mobile solutions

The intensive use of smartphones and tablet PCs, as well as increasing mobility, are generating new customer needs. People who travel a great deal want to make efficient use of this time, e.g. for learning purposes, to perform banking transactions or obtain information about the products or services supplied by a particular company. CREALOGIX caters for those needs and develops customised mobile solutions for businesses in the e-banking, e-learning and user experience areas.

Four such mobile solutions by CREALOGIX are presented on pages 10, 32, 42 and 78 of this annual report.

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

CREALOGIX

CONTENTS
ANNUAL REPORT 2010/2011

KEY FIGURES

INCOME STATEMENT

Amounts in CHF thousand	July – June 2007/2008 [1]	July – June 2008/2009	July – June 2009/2010	Juli – Juni 2010/2011
Operating revenue	62852	57720	52495	**52843**
chang ein %	1.7	–8.2	–9.1	**0.7**
Operating result before interest, taxes depreciation and amortisation (EBITDA)	3553	6727	4993	**6391**
as % operating revenue	5.7	11.7	9.5	**12.1**
Operating profit (EBIT)	–960	4533	3276	**5123**
as % operating revenue	–1.5	7.9	6.2	**9.7**
Consolidated profit	–2658	2568	3199	**4692**
as % operating revenue	–4.2	4.4	6.1	**8.9**
as % shareholders' equity	–4.0	5.1	5.9	**8.2**
Net cash flow from operating activities	10212	13419	4134	**8292**
as % operating revenue	16.2	23.2	7.9	**15.7**
Cash flow from investment activities	–2571	–460	–990	**– 937**
Depreciation/amortisation	4513	2194	1717	**1268**
Depreciation/amortisation	290.9	262.0	233.4	**232.7**
Full-time freelance capacity	48.4	26.3	21.3	**23.2**
FTE capacity including freelancers	339.3	288.3	254.7	**255.9**
Operating revenue per FTE including freelancers	185	200	206	**206**
Personnel expenses per FTE	134	131	138	**140**
Headcount as of 30 June	324	279	265	**236**
FTE capacity, June	309.8	240.5	233.4	**220.6**

[1] Figures/values according to IFRS; not adapted to Swiss GAAP FER

SHARE DEVELOPMENT

Share prices in CHF	July – June 2007/2008 [1]	July – June 2008/2009	July – June 2009/2010	Juli – Juni 2010/2011
High	101.50	74.00	69.95	**110.00**
Low	67.00	52.00	53.00	**57.00**
as of 30 June	74.00	55.00	58.00	**96.00**
Market capitalisation (million)				
High	108.6	79.2	74.8	**117.7**
Low	71.7	55.6	56.7	**61.0**
Market capitalisation as of 30 June (million)	79.2	58.9	62.1	**102.7**
as % of operating revenue	126.0	102.0	118.2	**194.4**
as % of shareholders' equity	119.9	117.0	113.9	**179.9**
Profit per share – undiluted	–2.571	2.448	3.040	**4.411**
Price-earnings ratio (P/E)	n.a.	22.5	19.1	**21.8**
Shareholders' equity per share (at par)	62.2	48.7	51.5	**53.5**
Price-book value (P/B)	1.2	1.1	1.1	**1.8**

BALANCE SHEET DATA

Amounts in CHF thousand	30 June 2008 [1]	30 June 2009	30 June 2010	30 June 2011
Total assets	84669	65599	67982	**69385**
Current assets	58977	55408	58860	**60965**
of which cash, cash equivalents and marketable	38213	39692	42273	**46509**
Non-current assets	25692	10191	9122	**8420**
Liabilities	18626	15285	13481	**12300**
Shareholders' equity	66043	50314	54501	**57085**
Equity ratio (%)	78.0	76.7	80.2	**82.3**

[1] Figures/values according to IFRS; not adapted to Swiss GAAP FER

All values in CHF, unless mentioned separately

"Our strategy of developing proprietary software products for the finance industry and marketing them at home and abroad has proved a great success."

/// Bruno Richle
Chairman of the Board of Directors and
CEO CREALOGIX Holding AG

Dear Sir or Madame

The CREALOGIX Group looks back upon a successful financial year 2010/2011. The focus on our strengths in software products for the financial industry has proved successful. The conversion of our Group, which began four years ago, from a pure software service provider to a product supplier, has now been completed. During the financial year we divested three business units, but we were still able to increase our Group's operating revenues from CHF 52.5 to CHF 52.8 million. This was achieved through substantial organic growth with our own software products, especially in e-banking and e-payment. The CREALOGIX Group reported a record net profit of CHF 4.7 million (previous year CHF 3.2 million). As a shareholder you were also able to benefit in the last financial year from a distribution of CHF 2 per share from the reserves set aside from capital contributions, and also from the share price gain of CHF 58 to CHF 96.

We are holding firm to our medium-term growth target of CHF 100 million net profit for the CREALOGIX Group. With the acquisition of Abaxx e-banking activities in Germany in July 2011, we took another big step in the direction of growth and internationalisation. We now have excellent opportunities for market access to the banking industry in Germany and throughout Europe. We will continue to look at attractive acquisition opportunities both in Switzerland and abroad.

The Board of Directors will be proposing to the Annual General Meeting a further distribution from the reserves set aside from capital contributions of CHF 15 per share.

Trend of operating revenues and results

The consolidated operating revenues of CREALOGIX for the financial year 2010/2011 stand at CHF 52.8 million (previous year: CHF 52.5 million). This figure reflects a pleasing trend in demand for our software products. On the other hand, the software service provision sector had to contend with falling market prices because users are increasingly relying on the recruitment of temporary personnel. We therefore reorganized these activities in the course of the financial year. The capacities of software engineers with outstanding training which were released in that way were used to effectively strengthen the development departments of our product segments.

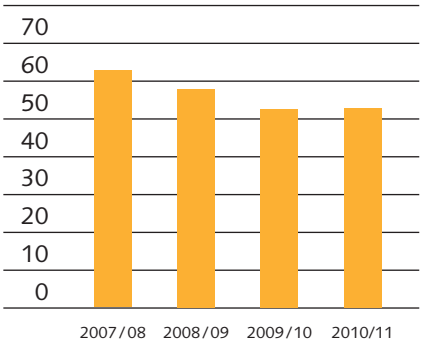
For the financial year 2010/2011, the CREALOGIX Group EBIT stands at CHF 5.1 million (previous year: CHF 3.3 million), which is equivalent to an EBIT margin of 10 per cent (previous year: 6 per cent). Including the net proceeds of the disposal of subsidiary companies, this gives a financial profit of CHF 0.2 million and net profit for the year of CHF 4.7 million, with a profit margin of 9 per cent (previous year: CHF 3.2 million, profit margin 6 per cent).

The continuing robust financial strength of our Group is reflected in our cash resources which rose in the period under review by CHF 5.3 million, and in our equity capital whose value increased from CHF 54.5 million to CHF 57.1 million. Even after the distribution of CHF 2 per share in January 2011 from the reserves set aside from capital contributions, our equity ratio still stands at an impressive 82 per cent (previous year 80 per cent).

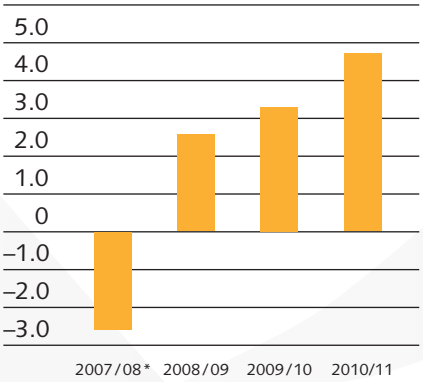
E-banking: strong demand and innovations

In the year under review, the e-banking business at CREALOGIX developed very satisfactorily and substantially increased our sales and profitability. In the year under review, most clients brought their software up to date by changing over to the latest releases. We took an important strategic step forward by gaining a major foreign bank as a new client for our CLX.Sentinel online security solution. We also invested a total of more than twenty person-years in the development of new products – in mobile banking, but also for our standard CLX.E-banking product range and for online security solutions built around CLX.Sentinel.

OPERATING REVENUE
IN CHF MILLION



CONSOLIDATED PROFIT
IN CHF MILLION



*Not adjusted to Swiss GAAP FER.

At the end of July 2011, i.e. already in the new financial year, we took over the entire e-banking and portal client business of Cordys Deutschland AG. This business unit – widely known as "Abaxx" – is an e-banking pioneer on the German software market and makes an admirable addition to the CREALOGIX product portfolio. With Abaxx we are strengthening our presence on the German market and gaining an established client base and attractive products, together with an experienced and proven team.

E-payment: expectations exceeded

Our products for Swiss payment transactions remain in high demand. To defend our market leadership, we invested some ten person-years in the renewal of our product range and further extended the relevant software development capacities. We also entered into an exclusive partnership with the ETH Dacuda spin-off and developed a special payment app for recognizing Swiss payment slips for ScanMouse, a unique product. The market launch is scheduled for autumn 2011. To our great satisfaction, client relationship managers of the Swiss financial institutions actively recommend our hardware and software products.

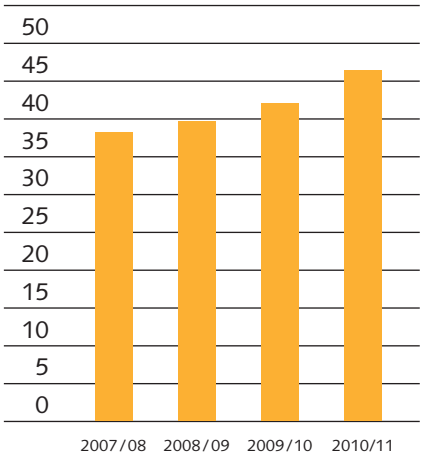
Education: concentration of energies in the educational sector

By concentrating energies we achieved a significant improvement of our market position in education and further education. We invested in mobile learning and launched a new product with a pilot client. In Germany, we adjusted our marketing strategy slightly; we now offer the CLX.Evento planning module as a standalone product and, by doing so, are also able to gain German manufacturers of campus management software as distribution partners.

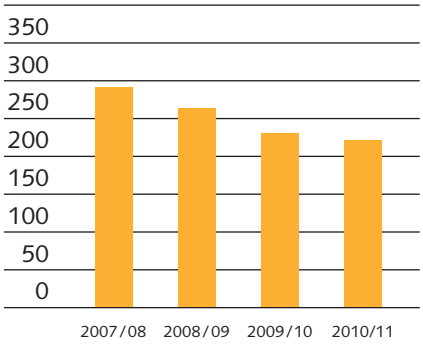
ERP/Unified Communications: sale of the implementing business in Germany and Austria

In January 2011, CREALOGIX divested two business units: CREALOGIX ERP AG, Thalheim (Austria) and CREALOGIX Unified Communications GmbH, Cologne (Germany). The implementing business of CREALOGIX ERP AG, Villingen (Germany) was also sold. The disposal of the business for the implementation of standard products is a consequence of our focus on the develop-

CASH AND CASH EQUIVALENTS AND SECURITIES IN CHF MILLION



FULL TIME EMPLOYEES (FTE)



ment of our own software products. These changes do not affect the ERP business unit in Switzerland.

Personnel matters

The disposal of the two business units and the sale of the implementing business of CREALOGIX ERP AG, Villingen (Germany) also had an impact on our work force. This fell from 265 employees at the end of June 2010 to 236 at the end of June 2011.

Outlook

Our strategy of developing our own software products for the finance industry and marketing them both at home and abroad has proved successful. Because of the volatile environment, specific forecasts for the financial year 2011/2012 are very hard to make. But we expect our sales to be increased through further acquisitions. We also hope to be able to maintain our earning power.

The acquisition of Abaxx in July 2011 opens up good opportunities for CREALOGIX to access the banking industry market in Germany and elsewhere in Europe.

Fifteen years of CREALOGIX – exceptional distribution of CHF 15 per share planned

In the past fifteen years the CREALOGIX Group has earned substantial profits and generated high free cash flows. The Board of Directors has therefore decided to propose to the Annual General Meeting on 2 November 2011 an exceptional distribution of CHF 15 per share from the reserves set aside from capital contributions. Following the Corporation Tax Reform which took effect on 1 January 2011, the distribution will be paid out without any deduction of withholding tax and will be tax-free for private shareholders.

The CREALOGIX growth strategy remains unchanged and can still be financed in full from our own resources, even after this distribution. After allowance for the amount to be distributed, cash and cash equivalents in excess of CHF 23 million are still stated in the balance sheet and will permit further attractive distributions and dividend yields in future. With an equity ratio in excess of 76 per cent, the business continues to benefit from an extremely robust financial base.

Acknowledgements

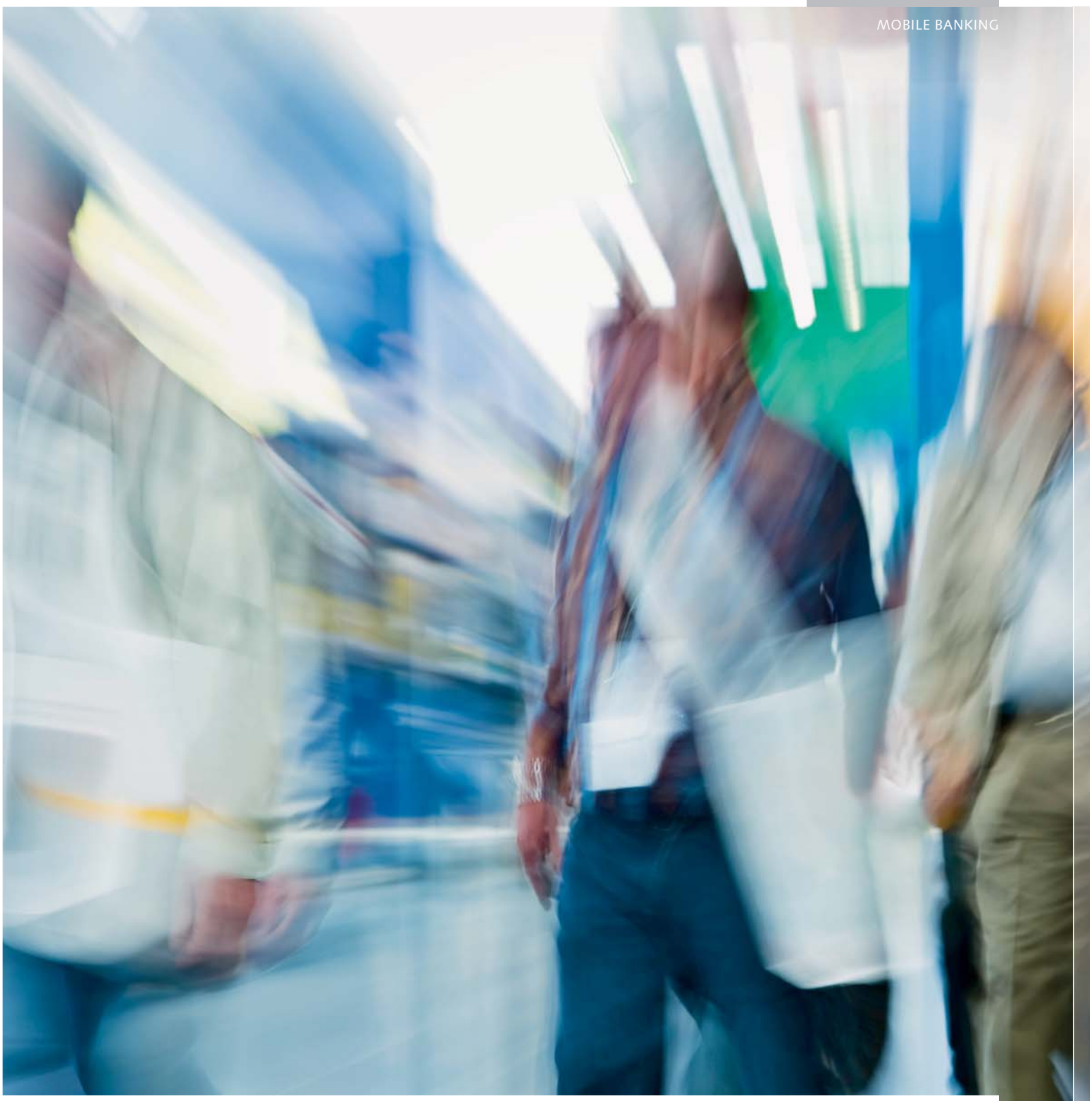
On behalf of the Board of Directors and the Group Management, I wish to thank all our employees for their hard work in the past financial year. We wish to thank our clients for the confidence placed in our services and for their close cooperation. Our cordial thanks are also due to you, our shareholders, for your confidence in the CREALOGIX Group.

Bruno Richle
Chairman of the Board of Directors and CEO

A takeway Bank

The challenge

Mobile business is becoming increasingly important for banks. Customers are looking for a takeaway bank for their trouser pocket or briefcase. The great challenge in developing a mobile e-banking solution resides in the wide variety of mobile appliances and the different operating systems which are in use today.



The solution

The mobile-banking function in the CLX.E-Banking Software Suite is the right solution. Alongside the versions for mobile phones, including the iPhone, another version has been developed for tablet PCs and iPads. The client can personalise his e-banking portal with mobile banking. In other words, he can put together a range of functions to suit his own particular needs, depending on the banking transactions which he wishes to handle via the mobile appliance. He can choose from a wide range of mobile-banking apps. They include apps to perform payment transactions and process stock market orders.

/// www.crealogix.com/e-banking

CREALOGIX

CREALOGIX
CORPORATE GOVERNANCE

GROUP STRUCTURE

Management and controlling at the highest corporate levels at CREALOGIX are conducted in accordance with the principles and rules of the Swiss Code of Best Practice of economiesuisse and the SIX Swiss Exchange.
The information required to be published in accordance with the Swiss Exchange Corporate Governance Directive is presented below in the prescribed sequence and numbering.

1 Group structure CREALOGIX Group

CREALOGIX Holding AG is a corporation with headquarters in Zurich (Switzerland). The registered shares of the corporation are traded on the SiX Swiss Exchange under the identification number 1 111 570 and ISIN CH0011115703. As of 30 June 2011, market capitalisation was CHF 102.7 million.

1.1 Group structure

The participations held by the CREALOGIX Holding AG in the different subsidiary companies are listed in detail on page 44 (scope of consolidation as at 30 June 2011) of the annual report.
CREALOGIX Transport & Logistics AG was newly incorporated on 11 August 2010.
CREALOGIX Unified Communications GmbH, Cologne/Germany was sold to its former owner on 29 December 2010.
CREALOGIX ERP AG, Thalheim/Austria was sold to WIKA Systems Schweiz AG on 30 December 2010.
terna GmbH acquired all the business activities of CREALOGIX ERP AG, Villingen/Germany with effect from 1 February 2011 under the terms of an asset deal.
CREALOGIX E-Banking AG, Zuchwil, was merged with CREALOGIX E-Payment AG with retroactive effect to 1 July 2011.

1.2 Significant shareholders

In the year under review one disclosure was made in accordance with Article 20 of the Federal Act on Stock Exchanges and Securities Trading.

On 30 July 2011, CREALOGIX Holding AG reported a participation of less than 3 percent. As of 30 June 2011 the following shareholders had a proportion of votes of more than 3 percent at their disposal, whereby shares held as well as options held are considered in the calculation of the percentage of votes:

Shareholders	Portion of shares	Number of shares	Number of options
Dr. Richard Dratva	23.88%	253 567	1 951
Bruno Richle	23.26%	246 887	1 951
Daniel Hiltebrand	15.47%	163 324	2 159
Peter Süsstrunk	7.07%	74 000	1 686
Noser Management AG	3.93%	42 000	0

The first four of the shareholders named (founder shareholders) have concluded a shareholder pooling agreement. Under the terms of this agreement they undertake to jointly exercise their voting rights in all substantive items of business transacted at the Annual General Meeting of CREALOGIX Holding AG (voting trust).

Upon sale of shares in the company to a third party by a founding shareholder, the other founding shareholders have the right of first refusal at the conditions offered by the third party (right of first refusal). In the event of the sale of at least 30 percent of the share capital of the company to a third party by two or three founding shareholders, the remaining founding shareholders are entitled to request that their shares be simultaneously tendered for sale at the same conditions (take-along).

1.3 Cross-shareholdings

There are no cross-shareholdings with other enterprises.

2 Capital structure

2.1 Capital

As of 30 June 2011 CREALOGIX Holding AG had the following share capital at its disposal:

Ordinary share capital	CHF 8 560 000 divided into 1 070 000 registered shares with a par value of CHF 8 per share.

2.2 Authorised and contingent capital in particular

Authorised share capital	CHF 2 400 000 divided into 300 000 registered shares with a par value of CHF 8 per share, with issue possible until 30 October 2011.
Contingent share capital	CHF 2 000 000 (for employee option plans*) divided into 250 000 registered shares with a par value of CHF 8 per share.

* Detailled information on employee stock option plans can be found in the appendix to the corporate governance report on the pages 28 to 31.

The Board of Directors is authorised to exclude the subscription right of shareholders in respect of the approved capital either in whole or in part and to grant that right to third parties if the new shares concerned (1) are to be used to acquire companies by an

exchange of shares or (2) to finance the acquisition of enterprises, parts of enterprises or participations or new investment projects of the company, or (3) for a share placement on the capital market. Shares for which subscription rights are granted, but not taken up, are to be used by the Board of Directors in the interest of the company or allowed to lapse. The share capital may be increased by the conversion of freely disposable equity capital pursuant to Art. 652d OR.
The timing of the particular issue and the issued amount, together with the timing of the entitlement to a dividend and the nature of the contributions, will be determined by the Board of Directors.

2.3 Changes in share capital

No change in the capital structure of the company occurred in the last three years.

2.4 Shares and participation certificates

As of 30 June 2011 CREALOGIX Holding AG had issued 1 070 000 fully paid registered shares with a par value of CHF 8 per share. CREALOGIX Holding AG owned 3467 shares of treasury stock as of 30 June 2011, equivalent to 0.3 percent. A registered share entitles the holder to one vote at the annual general meeting of the general assembly (one share, one vote).
All shares are entitled to dividends. Dividend policy is explained on page 27 of the Annual Report.
CREALOGIX Holding AG has not issued any participation certificates.

2.5 Bonus certificates

CREALOGIX Holding AG has not issued any bonus certificates.

2.6 Limitations on transferability of shares and nominee registration

Registered shares of CREALOGIX Holding AG can be transferred without restrictions. The registration of purchasers who hold shares for their own account in the register of shareholders is not bound by any condition.
Nominee registrations are governed by the Regulation Regarding Registration of Nominees in the Register of Shareholders. This regulation was adopted by the Board of Directors on 18 September 2006.
Under particular conditions the Board of Directors registers individuals, who in their registration application do not expressly declare that shares are held for their own account ("nominees"), up to a maximum of 3 percent of the entire share capital with voting rights in the register of shareholders. The Board of Directors can enter nominees in the register of shareholders as shareholders with more than 3 percent of voting rights provided the nominee discloses the name, address and stock of shares of the person in whose account shares are held. The Board of Directors establishes an agreement regarding obligation to inform with such nominees.

2.7 Convertible bonds and warrants

There are no convertible bonds in existence.
As of 30 June 2011, CREALOGIX Holding AG had a total of 39205 share options outstanding. The Company issued no other options. The issued share options comprise a share capital of TCHF 314. For details to option period, exercise price and further information to the share options please refer to pages 28 to 31.
The current share option plan will not be renewed upon expiry. Since the business year 2008/2009 no allotments were made.

3 Board of Directors

The Board of Directors is currently composed of two executive members (in dual office on one hand the Chairman and CEO, as well as the Vice-Chairman and CSO) and three non-executive members.

Executive Members

The dual office of the Chairman and CEO is consistent with the current size of the CREALOGIX Group. It similarly proves advantageous that the CSO functions as Vice-Chairman of the Board of Directors. The Board can thus make use of the profound expertise and market knowledge of the Chairman/CEO and Vice-Chairman/CSO for its decisions without restriction. Furthermore this ensures efficient preparation of the basis for complex decisions, enabling flexibility and speed in the most important decision processes.

Non-executive Members

None of the non-executive board members exercised an executive function previously within the CREALOGIX Group or stands in a critical business relationship to it.

3.1 Members of the Board of Directors

Bruno Richle

Chairman, dipl. El.-Ing. HTL, Swiss citizen,
CEO of the CREALOGIX Group.

Following his studies of electrical engineering with focus in computer science and communications engineering at the Hochschule Rapperswil, Bruno Richle was employed from 1985 to 1989 in the Bührle Group. During this time, from 1986 he was Head of the Department of Electronic Engineering with Oerlikon Aerospace in Montreal, Canada, and responsible for the electronic engineering of the guided missile system ADATS. From 1990 to 1996 he was a member of the executive management and Technical Director with Teleinform AG in Bubikon, at that time the leading Swiss company in telematics. In 1996 he was a founding member of CREALOGIX, which entered the Swiss Exchange SWX under his leadership in 2000. Additional supervisory board mandates: Yachtwerft Portier AG. Foundation board mandates: Foundation FUTUR and Innovation Foundation of the Bank of Canton Schwyz as well as "Hochschulrat der Hochschule für Technik in Rapperswil (HSR)".

Richard Dratva

Vice Chairman, Dr. oec. HSG, Swiss citizen,
Chief Strategy Officer (CSO) of the CREALOGIX Group.

From 1987 to 1991 Richard Dratva was employed as an internal consultant with the Swiss Bank Corporation (today: UBS AG). From 1992 to 1994 he was engaged as a research associate at the Institute of Information Management at the University of St. Gallen. From 1995 to 1996 he acted as a consultant with Teleinform AG, before becoming a founding member of CREALOGIX in 1996.

Jean-Claude Philipona

Member, lic.oec.publ., Swiss citizen.

Following professional activity with the Federal Price Monitor (1977–1980) and a sojourn in the USA (1981), Jean-Claude Philipona was employed from 1982 to 1989 with PricewaterhouseCoopers as a management consultant in a leadership role with focus on strategy, organisation and controlling. He then transferred to Papierfabrik Biberist, where from 1989 to 1997 as divisional head of finance and administration in the executive management he was instrumental in the renewal and restructuring process instituted with the extension project Biber-Nova, among other areas. In 1997 Mr. Philipona entered Adval Tech Holding AG as CFO in view of the company's IPO. Since 2001 he is Chief Executive Officer of the Adval Tech Group with full operative responsibility. Additional mandates: chairman of the board of Wolfensberger AG, Bauma, board member of Swissmem.

Beat Schmid

Member, Prof. em. Dr., Swiss citizen.

The Swiss Federal Institute of Technology Zurich awarded Beat Schmid a Master of Science in theoretical physics, a doctoral degree in mathematics and a postdoctoral lecture qualification. Since 1987 he has been Professor for Information Management at the University of St. Gallen. From 1989 to 1997 he was Director of the Institute of Information Management. Since its founding in 1998 he has been Director of the Institute for Media and Communication Management at the University of St. Gallen. In summer of 2008 he was emerited. Additional supervisory board mandates: Abraxas Informatik AG, St. Gallen and Zurich.

Christoph Schmid

Member, Dr. iur. and attorney-at-law, Swiss citizen.

Christoph Schmid's professional career began in the legal department of Ringier AG in Zurich. Following this he was employed as auditor and judicial clerk at the district court of Meilen and later as an attorney with Arnold & Porter in Washington D.C. In 1986 he joined Wenger & Vieli AG in Zurich as an attorney, and has been a partner of the firm since 1989. Christoph Schmid is a member of the Board of Directors of Robert Bosch Internationale Beteiligungen AG, Kessler & Co AG and EBS Service Company Limited (chairman).

3.2 Other activities and interests

Information on other activities and interests is disclosed together with curricula vitae on pages 17 and 19.

The law firm of Wenger & Vieli AG provides consulting services for the CREALOGIX Group. The amount of compensation for these services is given on page 74 of the Annual Report.

3.3 Election and term of office

The members of the Board of Directors are elected by the general assembly respectively for a term of office of three business years. Reelection is allowed. The Board of Directors constitutes itself and elects the Chairman and Vice-Chairman from among its members.

Information concerning the term of office of the current members of the Board is listed in the following table:

	Function	elected since GA	elected until GA
Bruno Richle	Chairman	1996	2012
Richard Dratva	Vice Chairman	1996	2012
Christoph Schmid	Member	2000	2012
Beat Schmid	Member	2001	2013
Jean–Claude Philipona	Member	2005	2011

3.4 Internal organisation

Responsibilities and competencies

The Board of Directors convenes as often as required by business, at a minimum of four times per year. In the business year 2010/2011 the Board met five times for 4–5 hour meetings. One meeting was conducted as a telephone conference. Participant in the meetings were Juerg Haessig, CFO, and as required other members of the Executive Group Management respectively.

The Board of Directors is quorate if the majority of its members are present. The Board makes its decisions with the majority of votes rendered. In case of a tie the Chairman's vote is decisive. The Board of Directors is responsible for defining corporate strategy, the supervision of the corporation and the establishment of its organisation, the appointment and recall of members of the Executive Group Management as well as the definition of accounting, financial planning and financial controlling. The Board decides upon acquisitions and sets annual targets as well as the annual and investment budget for the Group.

The Annual Report was approved at the meeting of the Board of Directors on 08 September 2011.

Committees

The Board of Directors has formed an Audit Committee and a Compensation Committee. The Audit Committee supports and advises the Board in questions of accounting, internal controlling, composition of quarterly and annual reports as well as collaboration with and evaluation of the services of the group auditor. The Audit Committee is composed primarily of non-executive members of the Board.

Currently Jean-Claude Philipona (chairman) and Dr. Christoph Schmid form the Audit Committee. The Audit Committee convenes three times yearly as a rule. Participant in the meetings are Juerg Haessig, CFO, and Peter Süsstrunk, Chief Corporate Finance respectively. In the business year 2010/2011 the Audit Committee met three times for meetings of 4–5 hours. Representatives of the group auditor were present at two of the three meetings.

The Compensation Committee is responsible for the formulation of recommendations to the Board with regard to the compensation of the members of the Board and the Executive Group Management as well as the allotment of share-based payments. The Committee prepares the human resource planning on the level of the Board and the Executive Group Management. This includes the definition of criteria for the selection of candidates and the preparation of the selection process as well as succession planning and promotion of young employees. The Committee composed of: Dr. Christoph Schmid (chairman), Prof. em. Dr. Beat Schmid and Dr. Richard Dratva. The Compensation Committee convenes twice yearly as a rule. In the business year 2010/2011 the Committee met twice for 2–3 hour meetings.

In all cases resolutions remain reserved to the full Board of Directors.

3.5 Competencies and information tools

As far as allowed by law and permissible by statute, the Board of Directors delegates the entire business execution and responsibility to the management (also called "Executive Group Management").

In particular the following responsibilities inhere to the Executive Group Management regarding the operative organisation and leadership of the CREALOGIX Group:

– Monitoring of ongoing business;
– Leadership of accounting and establishment of the budget;
– Implementation and maintenance of the internal control system;
– Arrangement of the organisation of leadership between the Executive Group Management and the management bodies of group companies;
– Engagement and dismissal of personnel, in as much as this is not reserved for the Board of Directors;
– Preparation and execution of the resolutions and directives of the Board;
– Preparation of the basis for decisions for the attention of the Board concerning significant investments, cooperations etc.;
– Reporting on the course of business for the attention of the Board;
– Observance and fulfilment of legal publication obligations pertinent to the stock exchange following orientation of the Board in advance.

3.6 Information and controlling tools vis-à-vis the Executive Group Management

The Executive Group Management reports to the Board of Directors on a monthly basis regarding the current business situation. The reports are based on controlling tools employed for monitoring the status of projects and

finances. These grant a comprehensive overview of the business situation and allow statements regarding future capacity utilisation.

The Executive Group Management informs the members of the Board moreover without delay by telephone or in writing regarding extraordinary occurrences and events (e.g. changes in areas of business, loss of a significant customer, resignation of a member of the executive management etc.) that are of great significance for the business development of the CREALOGIX Group.

The organisational regulations contain further stipulations regarding information of the Board of Directors by the Executive Group Management.

4 Executive Group Management

4.1 Members of the Executive Group Management

The Executive Group Management assumes the operative functions and represents the CREALOGIX Group externally. The Executive Group Management consists of five members, two of whom are executive members of the Board of Directors.

The members of the Executive Group Management are:

Thomas F.J. Avedik

Member of the Executive Group Management, CEO CREALOGIX E-Banking AG, Dipl. Ing. ETH, Swiss citizen.

After studying at ETH in Zurich, Thomas Avedik conceived and developed mathematical and statistical simulation models. 1991 he joined Swiss Bank Corporation (today: UBS AG) and from 1997 he was in charge of the design and upgrade of the UBS E-Banking. In addition to projects such as the implementation of the UBS market data system for clients and advisors and the design and implementation of an E-Banking security solution, he developed the global E-Banking-Strategy of UBS. Since July 1, 2007 Thomas Avedik is CEO of CREALOGIX E-Banking AG.

Richard Dratva

Dr. oec. HSG, Swiss citizen, CSO of the CREALOGIX Group.

Detailed information on page 18.

Jürg A. Hässig

Member of the Executive Group Management, Chief Financial Officer, lic. oec. HSG, Swiss citizen.

After graduation from the University of St. Gallen (HSG) with a master's degree in business administration and economics and a major in finance and controlling in 1983, Juerg A. Haessig started his career at Arthur Andersen in the audit practise. From 1986 to 1990 he held a management function in finance at today's Flughafen Zürich AG and up to 1995 at Saurer Group. Prior to his activity at CREALOGIX Group, he held the position of Group Controller and deputy CFO at Zellweger Luwa Group. Since November 1, 2008 he holds the position of CFO of CREALOGIX Holding AG.

Bruno Richle

dipl. El.-Ing. HTL, Swiss citizen, CEO of the CREALOGIX Group

Detailinformationen siehe Seite 17.

Louis-Paul Wicki

Member of the Executive Group Management, CEO of CREALOGIX E-Business AG, Dr. oec. HSG, Swiss citizen.

Louis-Paul Wicki both studied and received his doctorate at the University of St. Gallen (HSG). Following his studies he was employed from 1989 to 1992 with Digital Equipment (DEC), where he developed software for financial institutions after attending DEC College.He worked at the Institute for Information Management of the University of St. Gallen from 1992 to 1995, achieving his doctorate in close collaboration with the Bank of Canton Zurich on the topic "Bank-wide Value Creation Potential of a Computer Science Platform." From 1996 to 2000 Louis-Paul Wicki was engaged with the St. Gallen Consulting Group (SCG), where he entered the executive management in 1999. Since 2000 he is CEO of CREALOGIX E-Business AG.

4.2 Other activities and interests

Information on additional activities and commitments of interest is given along with curricula vitae on page 17 and 18. Further information on the members of executive management can be found under www.crealogix.com.

4.3 Management contracts

No management contracts have been established.

5 Benefits and share-based payments

Compensation to related persons or parties is disclosed in the Group appendix to the Annual Report on pages 72 and 74.

5.1 Content and method of determination for benefits and sharebased payments

The Board of Directors takes decisions regarding benefits and share-based payments to members of the Board and the Executive Group Management (including non-executive members of the Board). The executive members of the Board abstain from voting in connection with decision concerning them. Proposals of the Compensation Committee build the basis for these decisions. The Committee assesses the performance of the Group Executive Management for the attention of the Board of Directors. The amount of the remuneration is set at sole discretion taking into account the existing benefit structure as well as Information received from external specialists on a yearly basis. No external consultants were involved.

The remuneration of the non-executive members of the Board of Directors consists of a fixed fee of TCHF 30 p.a., compensation per meeting and share-based payments. The remuneration of the Executive Group Management (including the executive members of the Board of Directors) comprises a fixed and a variable performance based component. The fixed compensation comprises a base salary linked to responsibility and fringe benefits (company car, partial takeover of pension fund contribution, business expenses). The amount of the variable component, depending on the function, is linked to the operative performance of the respective business and/or the Group (Sales, EBIT). The business related targets can account for 60 percent and the Group targets for 40 percent to the determination of the variable component. The portion of the variable component is approximately 40 percent of the total remuneration. In the reporting year, the achievement of targets reached between 24 and 100 percent.

Further, share-based payments schemes are in place. The allotment of share-based payments is carried out by the Board of Directors at the proposal of the Compensation Committee as a rule once per year according to the provisions for share-based payments. The criteria for allotment of options are professional classification (junior, regular, senior etc.) as well as an evaluation of potential regarding leadership, teamwork capability and motivation.

These schemes are explained on pages 28 to 31 of this annual report.

The remunerations and interests of the representative office according to Art. 663b CO are listed on page 25 as well as pages 72 to 74.

5.2 Transparency of compensation, participations and loans from issuers with foreign domicile

Not applicable

6 Shareholder participation rights

Participation and custody rights of shareholders comply with the stipulations of Swiss stock corporation law.

6.1 Voting rights restrictions and representation

See Articles of Association, Art. 14.

There are no restrictions of voting rights. Every shareholder can have shares represented by proxy at the annual general meeting by another shareholder with written power of attorney, by the CREALOGIX Holding AG, or by an independent proxy designated by the company.

The register of shareholders will be closed ten days prior to the annual general meeting. Shareholders not listed in the register by this date have no voting rights at the annual general meeting.

6.2 Statutory quorum

See Articles of Association, Art. 15.

The general assembly votes and passes its resolutions with the absolute majority of the attendant and proxy share votes to the extent that legal regulations or statutes do not prescribe a qualified majority for passage of a resolution as mandatory.

The statutes of CREALOGIX Holding AG foresee no special quorum above and beyond the stipulations of stock corporation law.

6.3 Convening the general assembly

See Articles of Association, Art. 9.

The general assembly is convened by the Board of Directors. The calling of the meeting must occur at the latest twenty days prior to the date of the annual general meeting.

The invitation to shareholders occurs through publication in the Swiss Official Gazette of Commerce. The Board can designate other avenues of publication. Provided that the names and addresses of all shareholders are known to the company and legal regulations or statutes do not stipulate other procedures as mandatory, the invitation to shareholders can also be conducted as legally valid in letter form to all the addresses listed in the register of shareholders. In this instance a publication in the Swiss Official Gazette of Commerce can be omitted.

6.4 Entrance of items to the agenda

See Articles of Association, Art. 9, 10.

In convening the general assembly, the items of discussion as well as the proposals of the Board of Directors and of the shareholders that require a general assembly to be implemented must be made known. Furthermore the items of discussion and the proposals made by shareholders representing a value of at least one million Swiss francs that have been submitted to the Board in writing before the calling of the meeting must be placed on the agenda.

6.5 Registration of shares

See Articles of Association, Art. 5.

The Board of Directors administers a register of shareholders for registered shares in which the owners and benefactors are listed with name and address or respectively with company name and headquarter location. Only those persons registered as shareholders in the register of shareholders are held as shareholder or beneficiary in relation to the corporation.

7 Change in control and defensive measures

7.1 Obligation to announce a public takeover offer

The CREALOGIX Holding AG statutes contain neither an opting-out nor an opting-up clause. Whoever acquires one third (33 $^{1}/_{3}$ percent) of the share capital of the corporation is required in accordance with the Federal Act on Stock Exchanges and Securities Trading (BEHG article 32) to submit a public takeover offer for the remaining shares.

7.2 Clauses regulating change in control

No agreements have been made with Board Members, members of Executive Group Management or other members of management regarding a change in control (no "golden parachutes").

8 Auditors

8.1 Duration of mandate and term of office of lead auditor

PricewaterhouseCoopers in Zurich has served as group auditor of CREALOGIX Holding AG since 2 November 2009. The auditor in charge since this date has been Mr. Hanspeter Gerber. The rotation plan of the auditor in charge agrees to the law and thus is seven years. The group auditor is elected by the general assembly on an annual basis respectively for one year. It conducts its work within the scope of the pertinent legal regulations as well as in compliance with the principles of the profession.

8.2 Auditing fees

In business year 2010/2011, the agreed audit fees of PricewaterhouseCoopers in Zurich amounted to TCHF 92.

8.3 Additional fees

In business year 2010/2011 fees for consulting services by PricewaterhouseCoopers in Zurich amounted to TCHF 6.

8.4 Information tools of external auditors

The auditors inform the Executive Group Management and Board of Directors regularly concerning determinations and suggestions for improvement.
At least once per year a meeting of the Audit Committee takes place at which representatives of the auditing company take part and provide information on its determinations, particularly regarding the annual statement of accounts. The Audit Committee itself informs the Board of these findings.
The board of directors judges the performance of the auditors, among other parameters, on criteria such as punctuality, efficiency in collaboration and clarity of statements.

9 Information policy

CREALOGIX Holding AG informs its shareholders and the capital markets openly, currently and with the greatest possible transparency. The most important vehicles of information are the Annual and Half-Year Report, the website (www.crealogix.com), information to the media, the presentation of the balance sheet for journalists and analysts as well as the annual general meeting. As an exchangelisted company CREALOGIX Holding AG is obligated to publish information relevant to its stock price (Ad hoc publication, Listing Rules). The Listing Rules of the SIX Swiss Exchange can be found under www.six-exchange-regulation.com.
Inquiries about CREALOGIX can be addressed to the following persons responsible for Investor Relations:

Bruno Richle
Chairman of the Board and CEO
T +41 58 404 8000, F +41 58 404 8090
bruno.richle@crealogix.com

Jürg A. Hässig
CFO
T +41 58 404 8000, F +41 58 404 8090
juerg.haessig@crealogix.com

SHARE INFORMATION

Key figures – shares

Share capital in CHF	8 560 000
Total number of outstanding shares	1 070 000
of which publicly traded	331 082
in %	30.94%
Shareholders' equity per share in CHF	53.5
Earnings per share in CHF, undiluted	4.41
Share price in CHF	
30 June 2011	96.00
High (03 Mar 2011)	110.00
Low (12 Aug 2010)	57.00
Issue price (7 Sep 2000)	200.00
Market capitalisation in CHF million	
30 June 2011	102.7
High (03 Mar 2011)	117.7
Low (06 Aug 2010)	61.0
Issue price (7 Sep 2000)	214.0
Market capitalisation (30 June 2011)	
as % of revenue	194.4
as % of shareholders' equity	179.9
Price earnings ratio (P/E ratio)	21.8
Trading volume in CHF million	
1 Jul 2010 to 30 Jun 2011	6.8

Trading platform and ticker symbols

Registered shares (at par value CHF 8) of CREALOGIX Holding AG have been listed on the SIX Swiss Exchange since 7 September 2000 under the identification number 1 111 570.

Ticker symbols	
Telekurs	CLXN
Reuters	CLXZn. S
Bloomberg	CLXN SW

Dividend policy

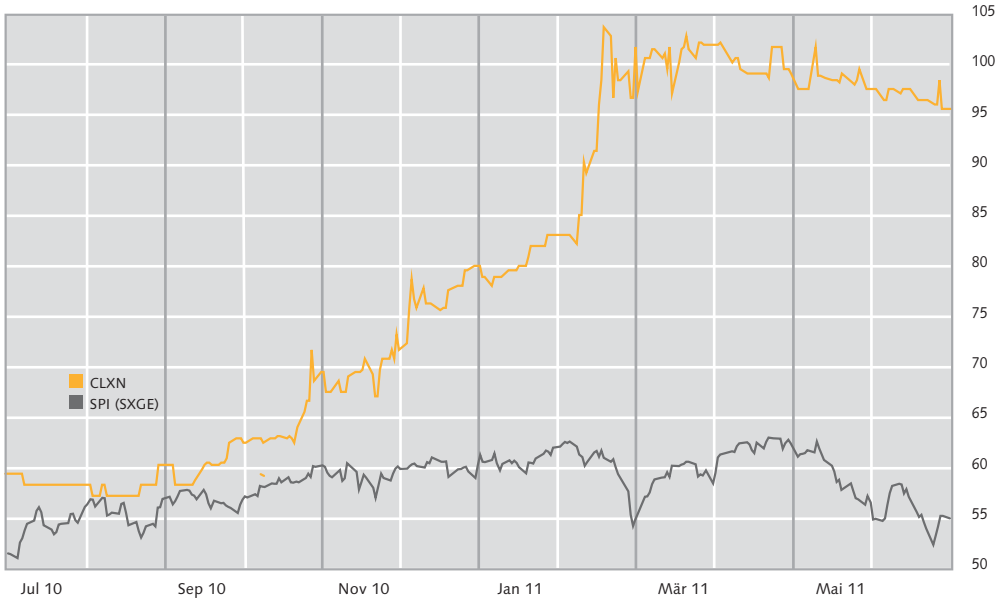
The Board of Directors proposes to the General Meeting of 2 November 2011 a distributon from surplus capital paid-in of CHF 15 per share, totalling TCHF 16 050 on 9 November 2011. This distribution is tax and withholding tax free to private shareholders and comparable to a reduction of the face value of the shares.

Company bylaws

The company bylaws can be accessed under: www.crealogix.com.

Share price development 1 July 2010 to 30 June 2011

Share capital in CHF



Symbols	High	Low	Change in % to previous year
CLXN	110.00	57.00	38.00 (69.1%)
SPI (SXGE)	6 078.48	5 249.15	276.7 (5.10%)

NOTES: DETAILS TO SHARE-BASED PAYMENTS

Employee Share Option Plans (I, Ia and II)

Share options are usually granted once a year. Each option entitles the holder to buy one share in CREALOGIX Holding AG (CLXN) at the fixed exercise price.

The exercise prices for options under Option Plans I and Ia correspond to the closing price of registered shares traded on the SIX Swiss exchange on the issue date. For options under Option Plan II, the exercise price is 20 percent higher than that of options under Option Plan I.

Options under Option Plans I and Ia expire five years after the issue date. Options under Option Plan II expire ten years and six months after the date of issue.

All share option allotments are subject to a vesting period of one year, during which the options cannot be exercised. The vesting period for one quarter of a given allotment expires at the end of one year, a further quarter is released at the end of two years, and so on, until, at the end of four years, all options from a single allotment are available for exercise. When employment is terminated, the options lapse a full six months after the employee leaves the company, without compensation being paid for options not exercised.

As of 2003, the taxation of Option Plan I was changed at the behest of the Zurich tax authorities, so that options granted under Option Plan I only become taxable when exercised. To take account of these changes, the former Option Plan I is now conducted as Option Plan Ia, with a shorter term to maturity. Since 2003, allotments have been made under Option Plan Ia only.

On 1 July 2005, employee share options under these option plans were granted for the last time. The option plans will expire after 5 years, as set out under the policy. The outstanding options are valid either until expiry, premature exercise or on loss.

Option Plan 3

On 1 July 2006, the board of directors implemented CREALOGIX Option Plan 3. The board of directors can issue options once a year. One option gives the right to buy one share of CREALOGIX Holding AG (CLXN) at the stated exercise price.

Under Option Plan 3, a maximum of 100 000 options can be issued over the entire term. The options are granted to employees free of charge. The exercise price of the options under Option Plan 3 corresponds to the average closing price of the CREALOGIX share for the last 5 trading days before the issue of the options.

Options issued under Option Plan 3 can be exercised three years after the date of issue until expiry; that is, a vesting period of 3 years exists for these options. All options can be exercised on any trading day on the SIX Swiss exchange.

The exercise of options issued under Option Plan 3 requires an established employment status or membership of the board of directors of one of the CREALOGIX Group companies. Six months after employment termination, all outstanding options lapse without compensation for options not exercised. Unexercised options expire 5 years after the issue date. Option plan 3 will lose its validity 5 years after authorisation by the board of directors. All options issued before that date are still effective until their expiry.

According to the decision made by the Zurich tax authorities on 10 November 2006, the expected revenue from exercise of the options represents taxable income. However, granting of the options does not result in taxable income.

On 27 October 2008, share options of this share option plan were allotted for the last time. The share option plan was terminated as stipulated in the policy after the five-

year running period. The share options still outstanding retain their validity until the final expiry or their earlier execution or termination.
The Board decided not to set up a new share option plan.

Share Plan 1
On 1 July 2006, the board of directors implemented the new CREALOGIX Share Plan 1. The board of directors of CREALOGIX Holding AG offers share option plans, at its own discretion, to selected members of staff and directors.
Each authorised employee is given the option of receiving locked shares of CREALOGIX Holding AG (up to a maximum value of TCHF 50) instead of cash payment of their granted bonus. The sales price of an employee share is equivalent to 70 percent of the average closing price of the last five trading days on the SIX Swiss exchange before the definitive share allotment.
Employee shares are subject to a vesting period of 3 years, during which they cannot be exercised, pledged, nor transferred in any other way. After the vesting period, all issued shares are available for exercise by the employee. Employee shares, for which the vesting period has not yet expired at the time of employment termination from a CREALOGIX company with domicile in Switzerland, remain subject to the applicable vesting period. They remain the property of the former employee.
Because the participating employees and board of directors received the shares at a discounted price, taxable income from dependent gainful employment must be recognised. The amount of the taxable income is calculated as the difference between the tax value of a CREALOGIX share and the discounted issue price. Because Share Plan 1 stipulates a three-year vesting period, a discount of approx. 6 percent per vesting year is granted on the trading value of the share for the calculation of its tax value.
A maximum of 100 000 CREALOGIX shares can be issued throughout the term of Share Plan 1. Share Plan 1 expires five years after its adoption by the board of directors.
On 29 October 2010, 19497 options were granted at an exercise price of CHF 43.85. The fair value per share was calculated as the difference between the average price of the last five trading days before year-end and the issue date; this amounts to CHF 18.79. Expected dividends were not taken into consideration because corporate policy does not include dividend distributions.

Free share plan 2010

The Board of Directors introduced the CREALOGIX free share plan 2010 as at 31 October 2010. The right to participate in the free share plan extends to the employees and members of the Board of Directors of the CREALOGIX Group determined by the Board of Directors at its own discretion.

A condition for the allocation of free shares under this plan is that (i) the employee/member of the Board of Directors concerned must declare his willingness to accept, on the basis of a separate agreement, a further vesting period of 3 years for the employee shares in his possession which are still blocked under the terms of the CREALOGIX share plan 1 of June 2006 even after the expiry of the vesting period stipulated in that plan and (ii) that the employee/member of the Board of Directors concerned must still be in an employment/board membership relationship for which notice of termination has not been given upon the expiry of the further blocking period.

For each CREALOGIX employee share on which a further vesting period of 3 years has been imposed, the entitled employee/member of the Board of Directors will receive one CREALOGIX free share on the expiry of the further vesting period and subject to the condition stipulated above.

The additional limitation placed on the right to dispose of the CREALOGIX employee shares is 3 years (vesting period). During that vesting period, the CREALOGIX employee shares may not be sold, pledged or otherwise transferred by the employee/member of the Board of Directors concerned.

Not more than 50 000 shares may be issued under this free share plan 2010 during its period of validity.

The Board of Directors will decide every year at its own discretion on the number of CREALOGIX employee shares on which a further vesting period of 3 years may be imposed in the year concerned. If the requests for allocation made by the participants in a particular year exceed the number of employee shares stipulated by the Board of Directors with a further vesting period of 3 years, the allocation request of each individual participant will be reduced by the proportion in which the allocation requests exceed the number of shares to be issued.

The free share plan 2010 will lapse 5 years after it has been approved by the Board of Directors. After that date, no further shares will be issued under this free share plan 2010.

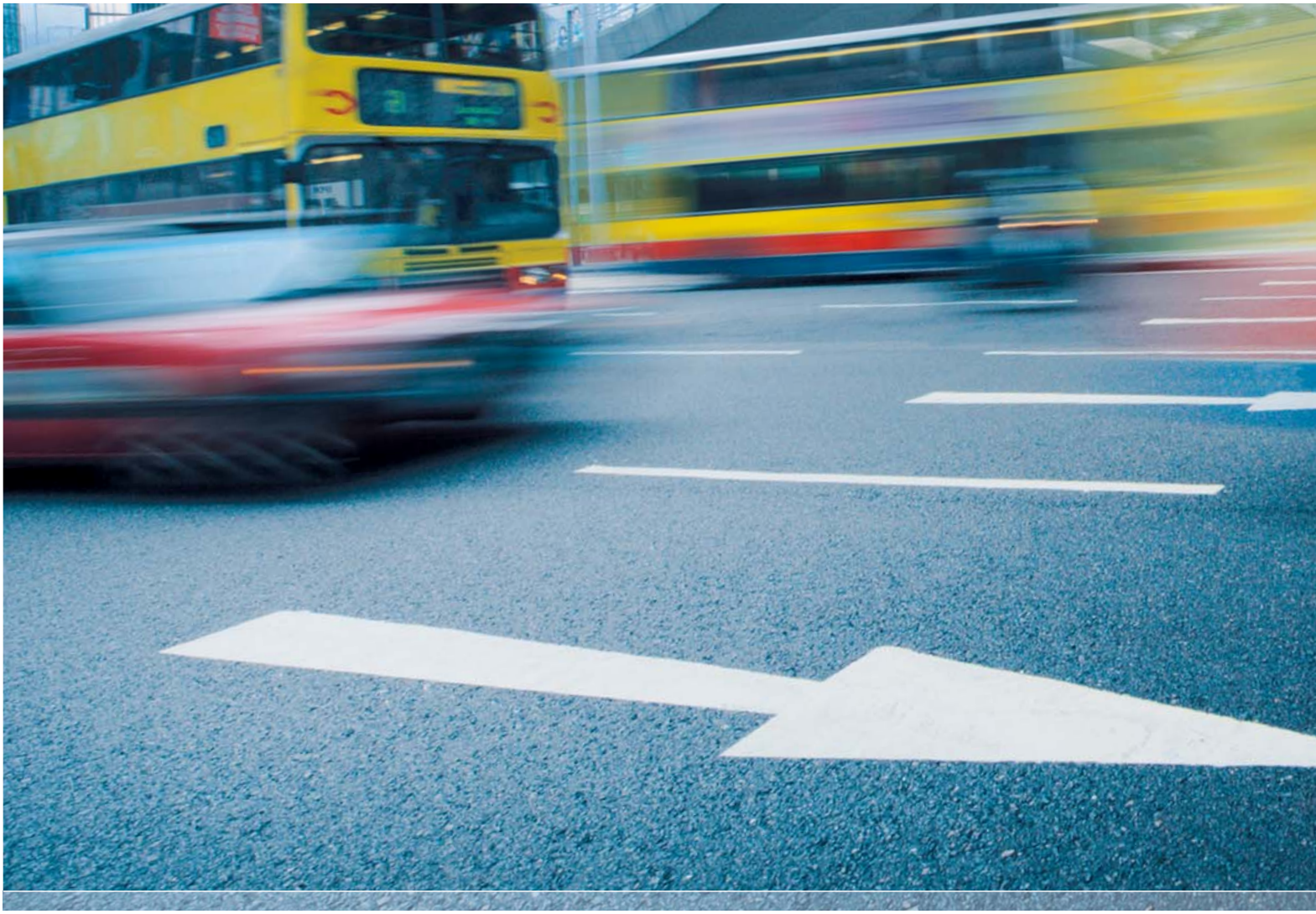
However, for all the shares issued prior to this expiry date, the rules of this free share plan 2010 and of share plan 1 will continue to apply until the expiry of the limitations on disposal imposed in the particular plan (or until the expiry of the agreed additional vesting period for shares issued under share plan 1).

The following table provides an overview of all allotted employee share options:

30 June 2011 Plan No.	Allotment date	Expiry date	Exercise price	No. of options allotted
II	07.09.2000	07.03.2011	240.00	35 104
I	03.01.2001	03.01.2006	86.00	424
II	03.01.2001	04.07.2011	103.00	2 184
II	02.04.2001	03.10.2011	75.00	3 648
I	02.07.2001	03.07.2006	64.00	3 288
II	02.07.2001	03.01.2012	76.80	37 832
II	01.10.2001	02.04.2012	48.00	808
I	02.01.2002	02.01.2007	47.00	84
II	02.01.2002	02.07.2012	56.40	2 000
I	01.07.2002	02.07.2007	32.80	11 316
II	01.07.2002	03.01.2013	39.35	45 628
Ia	03.01.2003	03.01.2008	30.00	1 000
Ia	03.07.2003	03.07.2008	46.00	28 172
Ia	01.07.2004	30.06.2009	50.90	20 370
Ia	03.01.2005	31.12.2009	47.00	48 172
Ia	01.07.2005	30.06.2010	69.50	54 108
3	30.11.2006	30.11.2011	95.40	12 663
3	31.10.2007	31.10.2012	82.40	18 860
3	27.10.2008	27.10.2013	69.30	14 582
Total Plan I				15 112
Total Plan II				127 204
Total Plan Ia				151 822
Total Plan 3				46 105
Total of all plans				**340 243**

On each allotment date, vesting periods of one, two, three and four years apply to 25 percent of the assigned employee options according to Option Plans I, Ia and II. For Option Plan 3, the vesting period for the total allotment consists of 3 years.

Exciting learning on your travels



The challenge

Big bandwidths are seldom available for fast downloads of learning content on your travels. That is why it is preferable to download major learning modules via a powerful Internet line at home, so that learning can begin as soon as you are on your way.

The solution

The CLX.MobilePlayer by CREALOGIX is the ideal solution. It downloads the desired contents and stores them on the iPhone so that they are always available offline. The user downloads the learning app once only from the Apple Store and can then learn on his travels as often and for as long as he likes.

The contents are made available via the CLX.WBT-Tracker learning platform for learning without any limitations of time and place. User results are sent back to the learning platform, where they can be evaluated.

/// www.crealogix.com/education

CREALOGIX

CREALOGIX
FINANCIAL STATEMENTS

KEY FIGURES

Amounts in thousands of CHF	**July – June 2010/2011**	July – June 2009/2010
Revenue	**52 843**	52 495
% change	**0.7**	–9.1
Operating result before interest, taxes, depreciation and amortisation (EBITDA)	**6 391**	4 993
in % of revenue	**12.1**	9.5
Operating profit (EBIT)	**5 123**	3 276
in % of revenue	**9.7**	6.2
Consolidated profit	**4 692**	3 199
in % of revenue	**8.9**	6.1
in % of shareholders' equity	**8.2**	5.9
Net cash flow from operating activities	**8 292**	4 134
in % of revenue	**15.7**	7.9
Cash flow from investing activities	**–937**	–990
Depreciation/amortisation	**1 268**	1 717
Full-time employees	**232.7**	233.4
Full-time freelancers	**23.2**	21.3
Total full-time employees (incl. freelancers)	**255.9**	254.7
Revenue per full-time employee (incl. freelancers)	**206**	206
Personnel expense per full-time employee	**140**	138
Headcount on 30 June	**236**	265
Total full-time employees in June	**220.6**	243.5
Share Prices		
High	**110.00**	69.95
Low	**57.00**	53.00
On 30 June	**96.00**	58.00
Market capitalisation (in millions)		
High	**117.7**	74.8
Low	**61.0**	56.7
Market capitalisation on 30 June (in millions)	**102.7**	62.1
in % of revenue	**194.4**	118.2
in % of shareholders' equity	**179.9**	113.9
Basic earnings per share	**4.411**	3.040
Price-earnings ratio (P/E)	**21.8**	19.1
Shareholders' equity per share	**53.5**	51.5
Price-book value	**1.8**	1.1

	30 June 2011	30 June 2010
Total Assets	**69 385**	67 982
Total current assets	**60 965**	58 860
thereof: Cash, cash equivalents and marketable securities	**46 509**	42 273
Non-current assets	**8 420**	9 122
Liabilities	**12 300**	13 481
Shareholders' equity	**57 085**	54 501
Equity ratio (in %)	**82.3**	80.2

CONSOLIDATED FINANCIAL STATEMENTS

Amounts in thousands of CHF	Notes	30 June 2011	in %	30 June 2010	in %
ASSETS					
Currrent Assets					
Cash and cash equivalents	6	**39 765**		34 484	
Marketable securities	7	**6 744**		7 789	
Trade receivables	8	**5 837**		9 499	
Other receivables	9	**2 816**		2 976	
Accrued income		**257**		310	
Work in progress/inventory	10	**5 546**		3 802	
Total Current Assets		**60 965**	**87.9**	58 860	86.6
Non-Current Assets					
Financial assets	11	**200**		200	
Property, plant and equipment	12	**4 319**		4 768	
Intangible assets	13	**668**		831	
Deferred tax assets	16	**1 233**		1 363	
Asset from employer contribution reserve	17	**2 000**		1 960	
Total Non-Current Assets		**8 420**	**12.1**	9 122	13.4
Total ASSETS		**69 385**	**100.0**	67 982	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade and other short-term payables		**743**		1 948	
Other short-term payables		**1 879**		1 189	
Accrued liabilities	14	**8 630**		9 437	
Current income tax liabilities		**177**		131	
Total Current Liabilities		**11 429**	**16.4**	12 705	18.7
Non-Current Liabilities					
Financial liabilities	15	**0**		181	
Deferred tax liabilities	16	**871**		595	
Total Non-Current Liabilities		**871**	**1.3**	776	1.1
Total Liabilities		**12 300**	**17.7**	13 481	19.8
Shareholders' Equity					
Share capital	18	**8 560**		8 560	
Treasury shares	18	**–342**		–655	
General		**37 551**		39 684	
Other share premium		**642**		598	
Share premium		**38 193**		40 282	
Retained earnings		**10 674**		6 314	
Total Shareholders' Equity		**57 085**	**82.3**	54 501	80.2
Total LIABILITIES AND SHAREHOLDERS' EQUITY		**69 385**	**100.0**	67 982	100.0

The notes on pages 44 to 74 are an integral part of these consolidated financial statements.

GROUP INCOME STATEMENT

Amounts in thousands of CHF	Notes	**July – June 2010/2011**	**in %**	July – June 2009/2010	in %
Revenue	5	**52 843**	**100.0**	52 495	100.0
Cost of goods sold		**–10 007**	**–18.9**	–8 880	–16.9
Change in inventory		**1 624**	**3.1**	–457	–0.9
Personnel expense	19	**–32 492**	**–61.5**	–32 255	–61.4
Depreciation expense	12	**–750**	**–1.4**	–1 002	–1.9
Amortisation expense	13	**–518**	**–1.0**	–715	–1.4
Marketing expense		**–1 399**	**–2.6**	–1 167	–2.2
Rent, maintenance and repairs		**–1 812**	**–3.4**	–1 968	–3.7
General and administration expenses		**–2 366**	**–4.6**	–2 775	–5.4
Operating Profit		**5 123**	**9.7**	3 276	6.2
Result from divestments		**118**	**0.2**	0	0.0
Financial income	20	**436**	**0.8**	751	1.5
Financial expense	20	**–321**	**–0.6**	–499	–1.0
Financial Result		**115**	**0.2**	252	0.5
Earnings before Taxes		**5 356**	**10.1**	3 528	6.7
Income tax expense	16	**–664**	**–1.2**	–329	–0.6
Consolidated Earnings		**4 692**	**8.9**	3 199	6.1

The notes on pages 44 to 74 are an integral part of these consolidated financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Amounts in thousands of CHF	Share capital	Treasury shares	Share premium	Retained erarnings	Translation adjustments	**Total Shareholders' Equity**
At 30 June 2009	*8 560*	*–2 119*	*40 195*	*3 876*	*–198*	*50 314*
Netting of Goodwill				–112		–112
Translation differences					–451	–451
Consolidated profit				3 199		3 199
Change in treasury shares		1 464	87			1 551
At 30 June 2010	*8 560*	*–655*	*40 282*	*6 963*	*–649*	*54 501*
Netting of Goodwill				–800		–800
Goodwill netted at acquisition date				521		521
Distribution of share premium			–2 133			–2 133
Translation differences					–53	–53
Consolidated profit				4 692		4 692
Change in treasury shares		313	44			357
At 30 June 2011	**8 560**	**–342**	**38 193**	**11 376**	**–702**	**57 085**

The notes on pages 44 to 74 are an integral part of these consolidated financial statements.

GROUP CASH FLOW STATEMENT

Amounts in thousands of CHF	Notes	**July – June 2010/2011**	July – June 2009/2010
Consolidated profit		**4 692**	3 199
Income tax expense	16	**664**	329
Depreciation/amortisation	12/13	**1 268**	1 717
Impairment of trade receivables		**73**	–22
Defined-benefit plans	17	**–40**	–48
Gain on sale of property, plant and equipment		**–45**	13
Financial result	20	**–115**	–252
Result from divestments		**–118**	0
Trade and other receivables		**4 050**	–2 000
Work in progress/inventory		**–1 787**	588
Other financial assets		**1 246**	2 344
Trade and other payables, incl. tax liabilities		**–1 492**	–460
Gross cash flow from operating activities		**8 396**	5 408
Interest received		**210**	138
Interest paid		**–30**	–23
Tax received		**207**	73
Tax paid		**–491**	–1 462
Net cash flow from operating activities		**8 292**	4 134
Cash flow from investing activities			
Purchase of property and equipment	12	**–577**	–513
Proceeds from sale of property and equipment		**235**	54
Purchase of intangible assets	13	**–380**	–160
Disposal of subsidiaries, net of cash disposed		**–215**	0
Acquisition of subsidiaries/minority interest, net of cash acquired		**0**	29
Allocation to employer contribution reserve	17	**0**	–400
Cash flow from investing activities		**–937**	–990
Free Cash Flow		**7 355**	3 144
Cash flow from financing activities			
Repayment of loans		**1**	3
Distribution of share premium		**–2 133**	0
Purchase/sale of treasury shares – net		**357**	1 551
Cash flow from financing activities		**–1 775**	1 554
Net change in cash and cash equivalents		**5 580**	4 698
Cash and cash equivalents at beginning of period		**34 484**	30 150
Net foreign exchange difference		**–299**	–364
Cash and cash equivalents at end of period		**39 765**	34 484

The notes on pages 44 to 74 are an integral part of these consolidated financial statements.

The same service via every channel

The challenge

Companies contact their clients through an increasingly wide range of channels – in particular via mobile appliances such as mobile phones or tablet PCs. For banks, these touch points range from cash dispensers via an information panel in the branch to e-banking applications for smartphones. How can we make it as easy as possible for clients to work with familiar processes and interfaces across a whole range of appliances?

The solution

Intuitive user interfaces which match every channel. These ensure ease of operation and an outstanding user experience. The user finds a similar navigation procedure on every channel and a design implemented on the basis of uniform visual criteria. To develop a user experience, CREALOGIX supplies a method and a comprehensive service offering with CLX.Experience. This contains various modules – ranging from user analysis, development of user scenarios and the derivation of a concept via design and its visual directives – to implementation of prototypes in ready-to-run software.

/// www.crealogix.com/ux

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basic Information

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, Education and Transport & Logistics 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.
The consolidated financial statements were approved for issue by the Board of Directors on 8 September 2011 and proposed for adoption at the annual General Shareholder's Meeting on 2 November 2011.
All figures in the annual financial statements are, if not mentioned otherwise, in thousands of Swiss francs (TCHF).
The following foreign exchange rates were applied:

	Year–end rates (Balance Sheet)		Average rates (P&L statement)	
	30 June 2011	30 June 2010	**July – June 2010/2011**	July – June 2009/2010
EUR	**1.23**	1.31	**1.31**	1.49
CAD	**0.88**	1.01	**0.95**	1.00
USD	**0.84**	1.07	**0.96**	1.06

As of 30 June 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-Banking AG, Zuchwil, Switzerland	Consultancy and services in information technology and data communication. Development/trading of software	CHF	200 000	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 Transport & Logistics AG, Zurich, Switzerland	Consultancy and services in the area for solutions in the transport and logistics industrie	CHF	100 000	100%	100%
CREALOGIX ERP AG, Villingen, Germany	Development/trading of software	EUR	50 000	100%	100%
CREALOGIX AG, Frankfurt, Germany (from 5.9.2011 Stuttgart)	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%

Changes in equity interest from the previous year are defi ned in Note 23.

2 Summary of Significant Accounting and Valuation Policies

The significant accounting and valuation policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements of CREALOGIX Holding AG have been prepared in accordance with Swiss GAAP FER, Swiss Law and the requirements of SIX Swiss Exchange. The consolidated financial statements have been prepared under the historical cost accounting convention. The preparation of financial statements in agreement with Swiss GAAP FER requires estimates. Further, the application of groupwide accounting and valutation methods requires assessments by the management. Areas with more room for judgement and higher complexity or areas, where assumptions and estimates are crucial for the consolidated closing, are listed in note 4.

2.2 Consolidation

a) Subsidiaries

Subsidiaries consist of all entities over which the Group has the power to govern the financial and operating policies; generally the Group would also have acquired more than one-half of the entity's voting rights. When assessing whether or not the Group controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered. Subsidiaries are fully consolidated once control is transferred to the Group; however, they are deconsolidated as soon as that control no longer exists.

The purchase method of accounting is used to account for subsidiaries that have been acquired by the Group. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, plus any costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are initially measured at fair value on the acquisition date, regardless of the extent of any minority interest. The excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill and netted with the equity.

If the acquired interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the difference is immediately recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction shows evidence of an impairment of the transferred asset. Accounting and valuation policies of subsidiaries have been revised where necessary in order to ensure consistency with the policies adopted by the Group.

b) Associates

Associates are all entities over which the Group has significant influence but not control, and generally has also acquired 20 percent to 50 percent of the voting rights. Investments in associates are accounted for under the equity method and are initially recognised at cost.

The Group's share of the profits and losses of associates is recognised in the income statement on acquisition, and its share of changes in reserves is recognised in the reserves. The cumulative postacquisition movements were adjusted to the carrying amount of the investment. When the Group's share of losses of an associate equals or exceeds its interest in the associate (including any unsecured receivables), the Group does not recognise any further losses at the expense of the Group equity unless the minority has a corresponding liability and is able to offset these losses.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction shows evidence of impairment of the transferred asset. Accounting and valuation policies of associates have been revised where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment Reporting

The Group is only active in one segment. Due to the convergence of the segments reported in the past, the organisational modifications and the development of the markets, the activities of the Group no longer differ significantly.

The informaton with regard to the income statement in the notes contains details to the sales figres, assets and capital expenditure by geographical markets as well as details to the sales categories.

2.4 Foreign Currency Translation

a) Functional Currency and Reporting Currency

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

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.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency at the average monthly exchange rate prevailing at the month of the transaction date. Gains and losses resulting from the execution of such transactions as well as from the translation of foreign currency denominated assets and liabilities, are recorded in the income statement.

c) Group Companies

The results and financial position of all the Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency differing from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities in each balance sheet are translated at the closing rate on the relevant balance sheet date;
- income and expenses in each income statement are translated at average exchange rates for the year under review; and
- all resulting exchange rate differences are recognised as a separate component of equity.

On consolidation, exchange differences arising on monetary items forming part of a reporting entity's net investment in a foreign operation and on other currency instruments designated as hedges of such investments, are recognised in shareholders' equity with no impact on earnings.

With the divestment of a foreign activity, such exchange differences are charged through the income statement as part of the gain/loss on the sale. Adjustments to the fair value that were booked upon acquisition of a foreign subsidiary are translated as assets and liabilites at the closing rate.

2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, postal and bank accounts, and any short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value (e.g. short term maturity of three months or less). Bank overdrafts are disclosed in the balance sheet under current liabilities as bank payables.

Marketable securities under current assts, are valued at actual value. Should no such value be available, they are valued at cost less value adjustment.

Marketable securities vailue at fair value are shown as part of the net working capital.

Changes to the fair values of such financial assets are shown in the income statement under the position "financial result".

2.6 Trade and Other Current Receivables

Trade receivables are stated at nominal value less an allowance for doubtful accounts. An impairment is made for trade receivables when the Group has objective evidence that it is not in a position to realise the full amount of the claim.

No general value adjustments are booked.

2.7 Work in Progress, Inventories

Work in progress (projects) is recognised using the valuation method outlined in Note 2.18. Inventories are measured at the lower of cost and net realisable value. Cost includes all purchase costs, costs of conversion and all other costs incurred in bringing the inventories to their present location and condition, but excluding any borrowing costs. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs are measured using the weighted average method.

Prepayments from customers on work in progress are shown in the position accrued liabilities under income received in advance.

Cash discounts are shown as reduction to the cost value.

2.8 Financial Assets

Financial assets are valued at cost less value adjustments.

2.9 Property, Plant and Equipment

Items of property, plant and equipment are stated at historical cost less any accumulated depreciation. Historical cost includes the purchase price and all expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of them can be reliably measured. All other repair and maintenance costs are reported in the income statement in the financial period in which they were incurred.

Depreciation/amortisation on capital assets is calculated on a straight-line basis over the useful lives 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 assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if necessary, at each financial year-end.

Gains and losses arising from the disposal of property, plant and equipment are determined as the difference between the net proceeds and the carrying amount of the item and are included in profit or loss.

2.10 Intangible Assets

Amortisation on intangible assets is calculated on a straight-line basis over the useful lives of the assets, as follows:

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

a) Trademarks and Licenses

Trademarks and licenses are disclosed at historical cost. Trademarks and licenses have clearly defined useful lives and are valued at cost less accumulated amortisation.

b) Software

The cost of licenses acquired for computer software comprises the purchase price and any directly attributable costs of preparing the asset for its intended use.

Costs arising from the development and maintenance of computer software are recognised as expenses in the income statement.

Costs for internally developed software are capitalised, provided the following conditions are met:

– the expenditures directly attributable to the software during its development can be reliably measured;
– the costs can be, and are, controlled by the Group, and
– the asset will generate probable future economic benefi ts in excess of the costs over an extended period of time. Costs include salary costs for the software developers and a reasonable portion of the relevant overhead expenses.

2.11 Impairment of Assets

Assets are tested annually for impairment. Assets subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs and its value in use.

2.12 Deferred Taxes

Deferred taxes are provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Swiss GAAP FER financial statements. Deferred taxes are determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.
Deferred tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference cannot be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.
A deferred tax liability is only recognised on these amounts if the sale of these affiliates is foreseeable.

2.13 Liabilities

Liabilities are recorded at nominal value.
Loan liabilities are classified as short-term liabilities unless the Group has the unconditional right to postpone settlement of the debt until 12 months after the balance sheet date or later.

2.14 Leases

classified as operating leases. Payments in connection with an operation lease (net of reductions conceeded by the lessor) are recognised in income on a straight-line basis over the term of the lease.

2.15 Employee Benefit Plans

a) Pension liabilities

The Group operates a number of pension plans that qualify as defined benefit plans, the assets of which are held and managed autonomously by separate, legally independent foundations.
The pension fund organisations are financed through employee and employer contributions of the affiliated group companies with respect to the recommendation of independent, qualified actuary.
The contributions are accrued for the period and recorded as personnel costs, as well as the movement of the recorded economic benefit and liability respectively and the movement of the employer's contribution reserves.
In the case of a conditional waiver of usage by the Group to the pension fund, the asset is value-adjusted.

b) Share-based payments

At the date of exercise, the difference between the share price and the strike price of the option, i.e. the intrinsic value of the option, is multiplied with the number of options exercised and recorded under personnel cost.

To counteract unscheduled fluctuations in expense through the exercise of options an accrual is formed based on the options available in cash and exercisable as of the balance sheet date multiplied with the intrinsic value. The movement of the accrual in the reporting period is shown as personnel costs.

c) Profit sharing and bonus plans

For bonuses and profit sharing payments, a liability and an expense is recognised based on net operating profit (EBIT). The Group recognises a liability in cases of contractual obligations or where a de facto obligation exists due to past business practices.

2.16 Provisions

Provisions are made to cover guarantee, restructuring, litigation and other costs that are uncertain with respect to amount and date of occurrence. Provisions are recognised if the Group is subject to present legal or de facto obligations that resulted from a past event, payment is probable, and the amount can be reliably estimated. Provisions are recorded at discounted present value if their expected cash outflow is past one year after the balance sheet date.

Restructuring provisions include payments for pre-term lease cancellations and employee severance payments.

2.17 Share Capital

Common shares are classified as equity. Costs directly attributable to the issuance of new shares or options are disclosed in equity, net of tax, as a deduction from the proceeds of the issue. Costs directly attributable to the issuance of new shares or incurred directly through the acquisition of a company are included in the acquisition cost as part of the consideration paid for the acquisition.

When any Group company purchases the Company's equity (treasury shares), the consideration paid, including any directly attributable additional costs (net of taxes), is deducted from the shareholders' equity in the Company until the shares are cancelled, reissued or disposed of. When such shares are subsequently reissued or sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax, is recognized in the shareholders' equity of the Company.

2.18 Revenue Recognition

A. Sales

CREALOGIX generates income primarily from services and licenses. The Company focuses on the design and production of highly sophisticated applications in the e-business and ERP segments. These applications are developed and supported according to the "plan-build-run" model.

Revenue is recognised on delivery of the goods and, where contractually stipulated, on acceptance from the buyer. Revenue from services is recognised by percentage of completion. Revenue is usually recognised in the income statement on delivery, with the exception of major projects not completed until after the balance sheet date. In such cases, revenue is recognised by the percent-age-of-completion method, reporting the percentage completed as of the balance sheet date.

Revenues are only realised if the client is deemed "creditworthy".

Each project is recognised individually. CREALOGIX distinguishes between two different types of contracts:

- fixed-price contracts
- contracts based on hourly work rates

a) Recognition of revenue for fixed-price contracts

As soon as reliable estimates can be made regarding the profitability of an assignment, the revenue resulting from the transaction is recognised by the percentage-of-completion method, recording the percentage completed as of the balance sheet date. The percentage of completion is measured as the ratio of the number of hours of work performed to date to the total number of hours of work according to the contract. The profitability of the transaction can be reliably estimated when all of the following criteria are met:

- he amount of revenue expected from the order can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction at the balance sheet date can be reliably measured;
- the costs incurred for the transaction and the costs to complete the transaction can be reliably measured

If no reliable estimates on the outcome of a project can be made:

- revenue is recognised only to the extent of the expenses recognised that are recoverable;
- these expenses are recognized as expenses in the period in which they were incurred.

For each contract not completed at the end of the year, future estimated expenses are set against the corresponding future revenues.

Should the costs exceed the revenues, the expected loss is accrued.

b) Recognition of revenue for contracts based on hourly work rates

For this type of contract, CREALOGIX receives an agreed-upon fixed fee per hour of work performed. Ideally, this fee should cover all costs.

Revenue from such transactions is posted with reference to the number of hours of work performed as at the balance sheet date. The total number of hours of work performed is billed on a monthly basis.

c) User fees
Revenue from user fees is recognised on an accrual basis according to the economic substance of the relevant agreements.

B. Other operating income
This position comprises capitalised software development costs and other operating revenue, which cannot be assigned to sales

2.19 Interest Income and Expense

a) Interest income and expense
Both interest income and expenses incurred from interest-bearing assets and liabilities, including interest paid on trade assets, are included in this item. If the value of a receivable declines, the Group writes down the carrying value to the recoverable amount (i.e. the sum of expected future payment streams discounted at the initial effective interest rate) and releases the interest income over the corresponding period.
Interest income from impaired receivables is recognised, depending on the circumstances, when payment is received or costs are incurred.

b) Net income/expense – trade assets
Realised and unrealised gains and losses from trade assets are recognised at the actual profit realised, which is based on the market price at the balance sheet date.

c) Other financial income/expenses
Other financial income and other financial expenses consist of all amounts that are not interest or trading income/expenses. Included in this category is dividend income. Dividend income is recognised when the right to receive payment is established.

2.20 Dividend Distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved.

3 Internal Controlling System and Risk Management

For several years, the Group has operated an internal control system (IKS) with the objective of ensuring the effectiveness and the efficiency of operations, the reliability of financial reporting and adherence to the law. In the application of the regulation of the Swiss Code of Obligation, it was integrated, documented and applied in the controlling and reporting process.
The risk management process is monitored by the CLX.Risk-Management-Concept. With this all business risks are identified, but with focus on risks that could have a material impact on the financial statements. Such risks were identified and quantified in workshops and brought to the attention of the Executive Group Management and the Board of Directors and discussed there. The risk management process is repeated in regular intervals, at least once a year.

3.1 Financial Risk Management

The fair values of financial assets and liabilities essentially correspond to their carrying values.

The nature of the Group's activities causes exposure to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, and liquidity risk. The comprehensive Group risk-management system focuses on the unpredictability of financial market developments and aims at minimising potential negative impacts on the Group's financial position. The Group is able to use derivative financial instruments to hedge against certain risks.
Risk management is conducted by the corporate (Group) Finance Department in accordance with guidelines adopted by the Board of Directors. The Group Finance Department identifies, assesses and hedges against financial risks in close cooperation with the Group's operating units. Thereby financial risks (including concentration risks) are quantified by means of scenario planning and compared with the risk competence and risk tendency of the Group.
Financial risk management remains unchanged to the prior year.

3.2 Financial Risk Factors

a) Market risks

i) Foreign exchange risks

The Group operates internationally and is consequently exposed to foreign exchange risks arising from fluctuations in the exchange rates of various foreign currencies, primarily the Euro. Foreign exchange risks arise from anticipated future transactions, recognised assets and liabilities, as well as net investments in foreign operations.
Foreign exchange risks arise when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the entity's functional currency. To hedge against risks from anticipated future transactions and recognised assets and liabilities, futures contracts can be finalised.
The Group holds interests in foreign operations whose net assets are subject to risks from exchange rate fluctuations. Foreign exchange risks of the net assets of foreign business operations are partially minimised at Group level due to the risk assessment system. However, the risk is reduced primarily through the direct settlement of the cash flow in foreign currencies.

ii) Interest rate risks

Since the Group has interest-bearing assets, interest income is dependent on the movement of market interest rates. On the balance sheet, this affects cash and cash equivalents, securities, financial assets, as well as financial liabilities.
Financial assets with variable interest rates expose the Group to cash flow risks, and assets with fixed interest rates subject the Group to fair value risks.
The Group analyses the interest rate risk on a regular basis by estimating the future development of the fixed and variable interest rates and regrouping the financial assets accordingly.

iii) Price risks

The Group is subject to risks arising from fluctuations in the market prices of securities (recognised at fair value through profit or loss) and affects this balance sheet position. Investments in listed securities with excellent ratings are managed according to Group guidelines and are monitored through continuous performance analyses.
The Group diversifies its investments by investing in various products and at various institutions.

The Group is not exposed to any significant commodity risks with respect to raw materials or any substantial prepayment risks.

b) Credit risks

Basic principles are followed by the Group that ensure that transactions are only conducted with customers having an acceptable credit history. Investments in cash and cash equivalents as well as transactions involving financial derivatives or cash are only carried out with prime financial institutions. The maximum default risk is limited mainly to the book values of the corresponding financial assets.

c) Liquidity risks

Liquidity management involves maintaining sufficient reserves of cash, cash equivalents, and marketable securities, the possibility of financing through adequate available credit lines, and the ability to issue capital stock (authorised capital stock with 300 000 registered shares). The central finance department bases its liquidity management on contractually fixed payment terms as well as cautious estimates regarding expected deferments. There is no concentration risk with respect to liquidity.

3.3 Capital Resource Management

The objectives of capital resource management are as follows:
– to ensure the Group's operation as a going concern
– an adequate yield on equity.

For implementation purposes, equity is considered in relation to risk, and adjustments are made if necessary. These adjustments are the basis for dividend policies, repayment of capital, increases in capital, or the sale of assets for subsequent debt repayments. Capital is managed on the basis of the equity ratio, which should amount to at least 30 percent. As per 30 June 2011, the equity ratio came to 83.3 percent (previous year: 80.2 percent). The increase in the equity ratio is due to a greater reduction on a percentage basis of the balance sheet total as compared to equity.
The Group has no obligations to third parties regarding the maintenance of the equity ratio (covenants).
Capital resource management remains unchanged from the prior year.

4 Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions with respect to future developments. Naturally, the actual subsequent circumstances rarely match these estimates.
All estimates and assessments are continually revised and are based on past experience as well as on other factors, including expectations of future events deemed reasonable under the given circumstances. Those estimates and assumptions entailing significant risks in the form of substantial adjustments to the carrying value of assets and liabilities during the following financial year are discussed below.

a) Revenue recognition
According to Note 2.18, service revenues are recognised according to the degree of completion at the balance sheet date.
Remaining expenses up to completion, and thus the degree of completion, are estimated as accurately as possible. If actual expenses were to differ significantly from these estimates, the differences would require recognition in subsequent accounting periods.

b) Capitalisation of tax losses
The amount of the capitalised deferred tax assets resulting from loss carryforwards is estimated on the basis of the future taxable profit of the respective Group entity based on budget calculations. Should the entities develop differently than expected, the impact will be on future tax expenses.

Segment Information

5.1 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 – June 2010/2011**	July – June 2009/2010
Switzerland	**46 672**	43 444
Europe	**5 723**	8 711
Other countries	**448**	340
Total Group	**52 843**	52 495

Sales are assigned to the country in which the client is domiciled.

5.2 Revenue by Categories

Revenue	**July – June 2010/2011**	July – June 2009/2010
Net sales from services	**30 921**	30 975
Net sales of goods	**8 737**	8 241
Net revenue from licensing fees	**12 818**	13 072
Total Sales	**52 476**	52 288
Other operating revenues	**367**	207
Total Revenue	**52 843**	52 495

Sales from such fixed-price contracts in the current year amounted to TCHF 15878 (previous year: TCHF 14863)

6 Cash and Cash Equivalents

Cash and Cash Equivalents	**30 June 2011**	30 June 2010
Cash on hand and bank accounts	**37 885**	34 055
Short-term investments	**1 880**	429
Total Cash and Cash Equivalents	**39 765**	34 484

7 Securities

Marketable Securities	30 June 2011	30 June 2010
Obligations	3 452	3 609
Shares	1 300	997
Property/alternative investments	1 992	3 183
Total Securities	**6 744**	7 789

8 Trade Receivables

Trade Receivables	30 June 2011	30 June 2010
Current	5 152	7 925
Overdue 1–30 days	221	1 139
Overdue 31–90 days	319	325
Overdue more than 90 days	214	167
Total Trade Receivables	**5 906**	9 556
Less: provision for value adjustment trade receivables	–69	–57
Net Trade Receivables	**5 837**	9 499

Allowance for Doubtful Accounts	July – June 2010/2011	July – June 2009/2010
At beginning of period	–57	–87
Change in scope of consolidation	33	0
Allowance for doubtful accounts	–68	–72
Use of allowance for doubtful accounts	24	33
Write-off of allowance for doubtful accounts	0	63
Translation differences	–1	6
At end of period	–69	–57

Carrying values of trade receivables are denominated in the following currencies:

Currencies of Book Values of Trade Receivables	30 June 2011	30 June 2010
Swiss franc	5 484	7 186
EURO	422	2 326
Other currencies	0	44

As the Group has a broad international client base, there is no concentration of credit risks with respect to trade receivables.
The amounts on the balance sheet are not secured. The maximum credit default risk corresponds to the stated carrying values.
During the business year, the Group recognised a net expense of TCHF 68 (previous year: TCHF 9) on its allowance für doubtful debts. The movement is recorded under "general and administration expenses" in the income statement.

9 Other Current Receivables

Other Current Receivables	**30 June 2011**	30 June 2010
Tax receivable	**621**	574
Other third-party receivables	**2 044**	1 981
Prepaid expenses	**151**	421
Total other Current Receivables	**2 816**	2 976

10 Work in Progress/Inventories

Work in Progress/Inventory	**30 June 2011**	30 June 2010
Work in progress (projects)	**2 936**	2 816
Inventory	**2 610**	986
Total Work in Progress/Inventory	**5 546**	3 802

Work in progress (projects) is accounted for under the valuation method described in Note 2.18.
Inventories are measured at cost. The cost of inventories (purchase price, conversion costs, and other costs incurred in bringing the inventories to their present location) is disclosed as an expense in the amount of TCHF 3932 (previous year: TCHF 3777) under cost of goods sold. Inventories comprise mainly trading goods (scanner pen and slip scanner).

11 Financial Assets

Financial Assets	**Term**	**Interest Rate**	**Security**	**30 June 2011**	30 June 2010
Loans to related parties	indefinite	2.250% / 2.375%	no	**200**	200
Total financial Assets				**200**	200

12 Property, Plant and Equipment

July – June 2009/2010	Furniture	Fixed Installations	Office Equipment	Vehicles	Real Estate[1]	Total
Cost						
At 1 July 2009	1 730	1 525	2 470	1 125	2 650	9 500
Exchange adjustments	–12	0	–18	–15	0	–45
Acquisition of subsidiaries	0	16	635	19	0	670
Additions	11	13	225	264	0	513
Disposals	0	0	0	–213	0	–213
Elimination of property, plant and equipment no longer in use	–100	0	–39	0	0	–139
Effect of movements in foreign exchange	0	0	–2	0	0	–2
At 30 June 2010	*1 629*	*1 554*	*3 271*	*1 180*	*2 650*	*10 284*
Accumulated Depreciation						
At 1 July 2009	843	514	2 082	519	223	4 181
Exchange adjustments	–5	0	–13	–6	0	–24
Acquisition of subsidiaries	0	6	630	11	0	647
Depreciation for the year	213	118	347	252	72	1 002
Disposals	0	0	0	–146	0	–146
Elimination of property, plant and equipment no longer in use	–100	0	–39	0	0	–139
Effect of movements in foreign exchange	–2	0	–3	0	0	–5
At 30 June 2010	*949*	*638*	*3 004*	*630*	*295*	*5 516*
Net Book Values						
At 1 July 2009	887	1 011	388	606	2 427	5 319
At 30 June 2010	*680*	*916*	*267*	*550*	*2 355*	*4 768*
Fire insurance value of fixed assets						
30 June 2010						8 108
attributable to buildings						*1 748*

[1] Real Estate represents an operationally used condominium in the canton Zug.

July – June 2010/2011	Furniture	Fixed Installations	Office Equipment	Vehicles	Real Estate[1]	Total
Cost						
At 1 July 2010	1 629	1 554	3 271	1 180	2 650	10 284
Exchange adjustments	–5	0	–8	–6	0	–19
Divestment of subsidiaries	–64	–3	–103	–96	0	–266
Additions	109	60	220	188	0	577
Disposals	–13	0	–30	–439	0	–482
Elimination of property, plant and equipment no longer in use	–194	0	–1 846	–84	0	–2 124
Effect of movements in foreign exchange	5	0	7	7	0	19
At 30 June 2011	*1 467*	*1 611*	*1 511*	*750*	*2 650*	*7 989*
Accumulated Depreciation						
At 1 July 2010	949	638	3 004	630	295	5 516
Exchange adjustments	–3	0	–6	–3	0	–12
Divestment of subsidiaries	–43	–2	–80	–55	0	–180
Depreciation for the year	151	123	209	195	72	750
Disposals	–4	0	–29	–258	0	–291
Elimination of property, plant and equipment no longer in use	–194	0	–1 846	–84	0	–2 124
Effect of movements in foreign exchange	3	0	5	3	0	11
At 30 June 2011	*859*	*759*	*1 257*	*428*	*367*	*3 670*
Net Book Values						
At 1 July 2010	680	916	267	550	2 355	4 768
At 30 June 2011	**608**	**852**	**254**	**322**	**2 283**	**4 319**
Fire insurance value of fixed assets						
30 June 2011						8 211
attributable to buildings						*1 449*

[1] Real Estate represents an operationally used condominium in the canton Zug.

13 Intangible Assets

July – June 2009/2010	Software Licenses	Other[1)]	Total
Cost			
At 1 July 2009	1 117	4 607	5 724
Exchange adjustments	0	–12	–12
Additions	160	0	160
Effect of movements in foreign exchange	0	0	0
At 30 June 2010	*1 277*	*4 595*	*5 872*
Accumulated Amortisation			
At 1 July 2009	752	3 580	4 332
Exchange adjustments	0	–3	–3
Amortisation for the year	171	544	715
Effect of movements in foreign exchange	0	–3	–3
At 30 June 2010	*923*	*4 118*	*5 041*
Net Book Values			
At 1 July 2009	365	1 027	1 392
At 30 June 2010	*354*	*477*	*831*

[1)] Other intangible assets include capitalised software development costs, trademark/licences and service/production contracts, which were acquired from business acquisitions. These assets have definable useful lives over which they are amortised, until 30 June 2011 at the latest.

July – June 2010/2011	Software Licenses	Other[1)]	Total
Cost			
At 1 July 2010	1 277	4 595	5 872
Exchange adjustments	0	–4	–4
Divestment of subsidiaries	0	–74	–74
Additions	380	0	380
Elimination of intangible assets no longer in use	–557	0	–557
Effect of movements in foreign exchange	0	5	5
At 30 June 2011	*1 100*	*4 522*	*5 622*
Accumulated Amortisation			
At 1 July 2010	923	4 118	5 041
Exchange adjustments	0	–3	–3
Divestment of subsidiaries	0	–47	–47
Amortisation for the year	202	316	518
Elimination of intangible assets no longer in use	–557	0	–557
Effect of movements in foreign exchange	0	2	2
At 30 June 2011	*568*	*4 386*	*4 954*
Net Book Values			
At 1 July 2010	354	477	831
At 30 June 2011	**532**	**136**	**668**

[1)] Other intangible assets include capitalised software development costs, trademark/licences and service/production contracts, which were acquired from business acquisitions. These assets have definable useful lives over which they are amortised, until 30 June 2011 at the latest.

Goodwill

Goodwill from acquisition, is netted with the equity at acquisition date or at first-time adoption of Swiss GAAP FER. The effect of a theoretical capitalisation and a planned amortisation is shown below:

	30 June 2011	30 June 2010
Net result, as reported	**4 692**	3 199
Planned amortisations of goodwill (5 years)	**–798**	–1 313
Impairment	**0**	0
Portion of netted goodwill at result from divestment	**0**	0
Net result with capitalised goodwill on 30 June	**3 894**	1 886
Cost value of goodwill on 1 Juli	**16 561**	16 469
Additions/disposals	**279**	92
Cost value of goodwill on 30 June	**16 840**	16 561
Value adjustments on 1 July	**–15 856**	–14 543
Planned amortisations	**–798**	–1 313
Impairment	**0**	0
Disposals	**410**	0
Value adjustments on 30 June	**–16 244**	–15 856
Net value with capitalised goodwill on 30 June	**596**	705
Equity, as reported	**57 085**	54 501
Effect of capitalised goodwill in balance sheet on 1 July	**705**	1 926
Additions/disposals	**279**	92
Effect of capitalised goodwill in the income statement	**–798**	–1 313
Equity with capitalised goodwill on 30 June	**57 271**	55 206

14 Accrued Liabilities

Accrued liabilities	30 June 2011	30 June 2010
Deferred expenses	5 032	5 192
Income received in advance (for long-term contracts)	1 658	2 044
Accruals/deferrals for vacation, overtime, bonuses	1 940	2 201
Total other Current Payables	**8 630**	9 437

15 Financial Liabilities

Financial Liabilities	Term	Interest Rate	Collateral	30 June 2011	30 June 2010
Loan	indefinite	3.00%	none	0	106
Other financial liabilities	until 30/06/11	0.08%	none	0	75
Total Financial Liabilities				0	181
Unused Credit Limits				2 000	1 783

16 Taxes

Deferred Taxes	30 June 2011	30 June 2011	30 June 2011	30 June 2010	30 June 2010	30 June 2010
	Assets	Liabilities	Net	Assets	Liabilities	Net
Use of tax loss carryforwards	1 653	0	–1 653	2 072	0	–2 072
Receivables	0	232	232	0	367	367
Work in progress/inventories	0	147	147	0	59	59
Financial assets	0	0	0	0	56	56
Property, plant and equipment	4	328	324	39	328	289
Intangible assets	0	95	95	3	94	91
Prepaid pension assets	0	419	419	0	411	411
Share-based payments	0	0	0	0	0	0
Liabilities	3	77	74	46	77	31
Total Deferred Taxes	1 660	1 298	–362	2 160	1 392	–768
Netting	–427	–427	0	–797	–797	0
Deferred Taxes	1 233	871	–362	1 363	595	–768

A deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.
Provided a Group entity has suffered a loss in either the current or preceding year, deferred tax assets are recognised to the extent that they can be offset with profits resulting from the recognition of deferred tax liabilities. Should these be insufficient, the remaining tax assets are recognised to the extent that they can be offset with future taxable profits. The Group determines these gains based on the budget as well as on corresponding general and realisable tax strategies. Therefore, deferred tax assets of TCHF 898 (previous year: TCHF 766) were capitalised, which most likely can be used against future profits.

The existing tax loss carryforwards can be used as follows:

Expiry of Loss Carryforwards	**30 June 2011**	30 June 2010
Next 3 years	**0**	0
4–7 years	**10 720**	13 990
After 7 years	**870**	880
Total Tax Losses	**11 590**	14 870
Thereof tax losses for which deferred tax assets were recorded	**7 426**	9 479
Tax losses for which no deferred tax assets were recorded	**4 164**	5 391
Unrecorded deferred tax assets	**882**	1 172

Income Tax Expense	**July – June 2010/2011**	July – June 2009/2010
Current tax	**–275**	–228
Deferred tax	**–389**	–101
Total Income Tax Expense	**–664**	–329

The income tax expense calculated on the profit before tax differs from the theoretical tax expense, which is based on the domestic rate in which the Group is domiciled, as follows:

Income Tax Expense	**July – June 2010/2011**	July – June 2009/2010
Profit before tax	**5 356**	3 528
Domestic rate in which the entity is domiciled	**21.17%**	21.17%
Tax expense at the domestic rate	**–1 134**	–747
Effect of different tax rates in other tax jurisdictions	**78**	35
Effect from disposal of subisidiaries	**–28**	0
Non-tax-deductible expenses	**95**	–160
Tax losses from current year for which no deferred tax assets were recognised	**–89**	–97
Use of tax losses for which no deferred tax assets were recognised in previous periods	**428**	694
Prior-year adjustments	**–3**	–2
Translation and other adjustments	**–11**	–52
Total Income Tax Expense	**–664**	–329

The effect from the difference between the expected tax rate and the effective tax rate results from the fact that in the reporting year tax loss carry-forwards could be used to offset profits, for which no deferred tax asset was set up in the prior years.

17 Accruals and Deferrals Relating to Pensions

The plan assets of the pension funds are held in separate legally independent foundations, while CREALOGIX maintains separate accounts. In order to cover the insurance benefits for the risks death, disability and longevity, a counter guarantee with a collective insurer is maintained.

The information about the financial situation of the pension funds are always based on the preceding closing as of 31 December. In the amount of the declared deficit, CREALOGIX has granted a conditional waiver of usage for the employer contribution reserves. To the extend of the waiver of usage, the nominal value of the employer contribution reserve was value adjusted and the remaining portion was capitalised in the balance sheet. As a result of the waiver, no economic liability exists for CREALOGIX.

Employer Contribution Reserve	**July – June 2010/2011**	July – June 2009/2010
Nominal value at 1 July	**3 279**	2 765
Additions	**0**	400
Interest	**40**	114
Nominal value at 30 June	**3 319**	3 279
Appropriation waiver	**–1 319**	–1 319
Balance Sheet at 30 June	**2 000**	1 960
Interest	**40**	114
Release appropriation waiver	**0**	456
Additions appropriation waiver	**0**	–522
Impact on personnel expense	**40**	48

Economic benefit / economic liability and pension costs	**July – June 2010/2011**	July – June 2009/2010
Funded Status at 1 July	**–1 284**	–2 477
Movement	**206**	1 193
Funded Status at 30 June	**–1 078**	–1 284
Economic share of CREALOGIX at 1 July	**0**	0
Economic share of CREALOGIX at 30 June	**0**	0
Effect on income statement	**0**	0
Employer contribution	**–1 738**	–1 969
Pension costs included in personnel expense	**–1 738**	–1 969

18 Share Capital

July – June 2009/2010	Number of shares			Capital		
	Issued shares	**Treasury shares**	**Total shares**	**Issued shares**	**Treasury shares**	**Total shares**
At 1 July 2009	1 070 000	–37 262	1 032 738	8 560	–2 119	6 441
Treasury shares purchased		–49 432	–49 432		–2 919	–2 919
Treasury shares sold		45 194	45 194		2 977	2 977
Treasury shares used for share-based payments		30 538	30 538		1 406	1 406
At 30 June 2010	*1 070 000*	*–10 962*	1 059 038	*8 560*	*–655*	7 905
July – June 2010/2011						
At 1 July 2010	1 070 000	–10 962	1 059 038	8 560	–655	7 905
Treasury shares purchased		–29 223	–29 223		–2 262	–2 262
Treasury shares sold		8 102	8 102		477	477
Treasury shares used for share-based payments		28 616	28 616		2 098	2 098
At 30 June 2011	**1 070 000**	**–3 467**	**1 066 533**	**8 560**	**–342**	**8 218**

A total of 1 070 000 registered shares are outstanding at 30 June (previous year: 1 070 000). The equity comprises TCHF 4799 (previous year: TCHF 4910) non-distributable reserves.

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 2009, the authorised capital consisted of 300 000 nominal shares with a par value of CHF 8 per share for the purpose of acquisitions.
The reduction in value of TCHF 313 (previous year: 1464) was accounted for in shareholders' equity. The shares are held as treasury shares. The Company is entitled to resell these treasury shares in the future.

19 Personnel Expenses

Personnel Expense	**July – June 2010/2011**	July – June 2009/2010
Wages and salaries	**–26 704**	–26 595
Social security costs	**–2 121**	–2 358
Pension fund costs	**–1 738**	–1 921
Other personnel expenses	**–1 929**	–1 381
Total Personnel Expenses	**–32 492**	–32 255
Full-time employees	**232.7**	233.4
Headcount at 30 June	**236**	265

20 Financial Result

Financial Result	**July – June 2010/2011**	July – June 2009/2010
Interest income	**211**	138
Gain on marketable securities/dividends	**225**	613
Total Financial Income	**436**	751
Interest expense	**–29**	–22
Foreign exchange loss	**–271**	–454
Other financial expenses	**–21**	–23
Total Financial Expense	**–321**	–499
Financial Result	**115**	252

21 Earnings Per Share

Undiluted

Basic earnings per share is calculated by dividing the profit attributable to CREALOGIX shareholders by the weighted average number of outstanding shares during the fiscal year, excluding treasury shares.

Undiluted	**July – June 2010/2011**	July – June 2009/2010
Profit attributable to ordinary equity holders of CREALOGIX Holding AG	**4 692**	3 199
Weighted average number of ordinary shares outstanding	**1 063 627**	1 052 257
Basic earnings per share	**4.411**	3.040

22 Liabilities

Operating lease obligations

The Group rents office space and vehicles under non-cancelable operating lease agreements. The lease agree-ments are subject to various conditions, rental increase clauses and extension options. The lease and rental expenses recognised in the income statement for the current year.

The future aggregate minimum lease payments required under non-cancelable operating leases are as follows:

Future Minimum Lease Payments	**30 June 2011**	30 June 2010
Due within 1 year	**1 351**	1 714
Due between 1 and 5 years	**1 651**	3 117
Due > 5 years	**0**	0
Total Future Obligations	**3 002**	4 831

In January 2008, a rental agreement was signed for office space in the Baslerpark in Zurich until 31 December 2013.

23 Legal Restructuring / Acquisition of subsidiary

On 11 August 2010, CREALOGIX Transport & Logistics AG was incorporated. CREALOGIX Unified Communications GmbH, Köln/Germany, was sold to the former owner on 29 December 2010 and on 30 December 2010 CREALOGIX ERP AG, Thalheim/Austria, was sold to WIKA Systems Schweiz AG. In the course of these divestments, net assets of TCH 646 were sold. On 1 February 2011, terna GmbH took over all business activities of CREALOGIX ERP AG, Villingen/Germany in an asset deal.

24 Related-Party Disclosures

Related parties include members of the Board of Directors, the executive board and other key personnel as well as friends and family members of the aforementioned persons, major shareholders and companies controlled by them, associated companies, and the Group's pension funds.

a) Major Shareholders

The Group is controlled by Bruno Richle, Richard Dratva, Daniel Hiltebrand and Peter Süsstrunk, who together have a 69.1 percent shareholding in the company. The remaining 30.9 percent of shares are in free float.

b) Group Companies and Associates

Note 1 provides an overview of the Group companies and associates. Transactions between the parent and its subsidiaries and those between Group companies have been eliminated in the consolidated financial statements.

c) Key Management Personnel

The Board of Directors and the Executive Board are composed as follows:

Board of Directors	Executive Board
Bruno Richle	Bruno Richle (CEO)
Dr. Richard Dratva	Dr. Richard Dratva
Jean-Claude Philipona	Juerg A. Haessig (CFO)
Prof. em. Dr. Beat Schmid	Dr. Louis-Paul Wicki
Dr. Christoph Schmid	Thomas F.J. Avedik

d) Compensation

July – June 2010/2011	**Annual Fixed Compensa-tion**	**Annual Variable Compensa-tion**	**Share-Based Payments**	**Social Security Contribu-tions**	**Payment in kind**	**Total**
Board of Directors						
Bruno Richle, President and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vicepresident and CSO	0	0	0	0	0	**0**
Jean-Claude Philipona, Member	30	12	0	2	0	**44**
Prof. em. Dr. Beat Schmid, Member	30	9	10	2	0	**51**
Dr. Christoph Schmid, Member	30	18	4	3	3	**58**
Total Board of Directors	**90**	**39**	**14**	**7**	**3**	**153**
Executive Board (6 members, from 1 September 5 members)	1 054	603	42	393	42	**2 134**
Total	**1 144**	**642**	**56**	**400**	**45**	**2 287**
Highest compensation to Bruno Richle, chairman of the Board and CEO	*241*	*144*	*10*	*112*	*9*	**516**

July – June 2009/2010	**Annual Fixed Compensa-tion**	**Annual Variable Compensa-tion**	**Share-Based Payments**	**Social Security Contribu-tions**	**Payment in kind**	Total
Board of Directors						
Bruno Richle, President and CEO	0	0	0	0	0	0
Dr. Richard Dratva, Vicepresident and CSO	0	0	0	0	0	0
Jean-Claude Philipona, Member	30	12	0	2	0	44
Prof. em. Dr. Beat Schmid, Member	30	9	10	2	0	51
Dr. Christoph Schmid, Member	30	18	8	3	0	59
Total Board of Directors	*90*	*39*	*18*	*7*	*0*	*154*
Executive Board (6 members)	1 191	815	118	432	44	2 600
Total	1 281	854	136	439	44	2 754
Highest compensation to Bruno Richle, chairman of the Board and CEO	*241*	*249*	*42*	*119*	*9*	660

1) Compensation of members of the Board of Directors the Executive Board

For discharging their duties, the non-executive members of the Group's Board of Directors receive an annual fixed salary plus additional reimbursement per meeting related to their committee membership.

The executive members of the Group's Board of Directors, members of the Executive Board, and other key per-sonnel receive contractually agreed compensation for their role in the company's operations. Fixed compensation includes annual salary, company vehicle, and lump-sum expense reimbursement. Variable compensation consists of the bonus.

2) Social Insurance Contributions

Social insurance contributions consist of the actual regulatory premiums paid to the pension foundation during the current fiscal year.

3) Share-Based Payments

As disclosed on page 23, a profit-sharing program is in place for the Board of Directors and selected management members and employees. The fair value is the basis for the valuation of expenditures recorded in the income statement relating to options granted to related parties.

4) Other Compensation and Credits

There were no further claims or commitments to/from persons in key management positions in the current year (previous year: none).

No long-term payments or severance payments were made in 2010/2011 (prior year: none).

In relation to legal consultation, services were provided in the current fiscal year by Wenger & Vieli AG, a law firm closely related to Director Dr. Christoph Schmid. Wenger & Vieli's fees for legal advice totaled TCHF 82 (previous year: TCHF 66).

The Group additionally granted an unsecured loan amounting to TCHF 200 to a shareholder and member of the management. This is a variable-rate loan with no fixed term. Interest on the loan is charged at 2.250 percent (previous year: 2.375 percent).

5) Shareholdings

As of 30 June 2011, members of the board of directors, the executive board, other key personnel as well as major shareholders owned CREALOGIX shares and employee stock options as follows:

	CREALOGIX Shares		CREALOGIX Employee Options	
	30 June 2011	30 June 2010	**30 June 2011**	30 June 2010
Board of Directors				
Bruno Richle, President and CEO	**246 887**	245 747	**1 951**	1 951
Dr. Richard Dratva, Vicepresident and CSO	**253 567**	252 427	**1 951**	1 951
Jean-Claude Philipona, Member	**336**	336	**900**	900
Prof. em. Dr. Beat Schmid, Member	**1 943**	1 487	**900**	900
Dr. Christoph Schmid, Member	**3 140**	2 000	**1 000**	1 160
Members of the Executive Board				
Thomas Avedik, member of the Group executive board and CEO of CREAOGIX E-Banking AG	**428**	200	**5 600**	5 600
Juerg A. Haessig, member of the Group executive board and CFO	**2 040**	900	**146**	146
Dr. Louis-Paul Wicki, member of the Group executive board and CEO of CREALOGIX E-Business AG	**4 197**	3 057	**4 280**	6 280
Other Significant Shareholders				
Noser Management AG	**42 000**	42 000	**0**	0
Total	**554 538**	548 154	**16 728**	18 888

25 Contigent assets and liabilities

The contingent liability existing in connection with the acquisition of BVIconsult AG, Zuchwil in November 2009, no longer exists. Based on the unthought-of positive development of the business, the deferred contingent purchase price obligations of maximal CHF 0.8 million became due at the contractual payment date.

26 Subsequent Events

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.

pwc

Report of the statutory auditor
to the general meeting of
CREALOGIX Holding AG
Zürich

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of CREALOGIX Holding AG, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pages 37 to 74), for the year ended 30 June 2011.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 30 June 2011 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telephone: +41 58 792 44 00, Facsimile: +41 58 792 44 10, www.pwc.ch

pwc

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

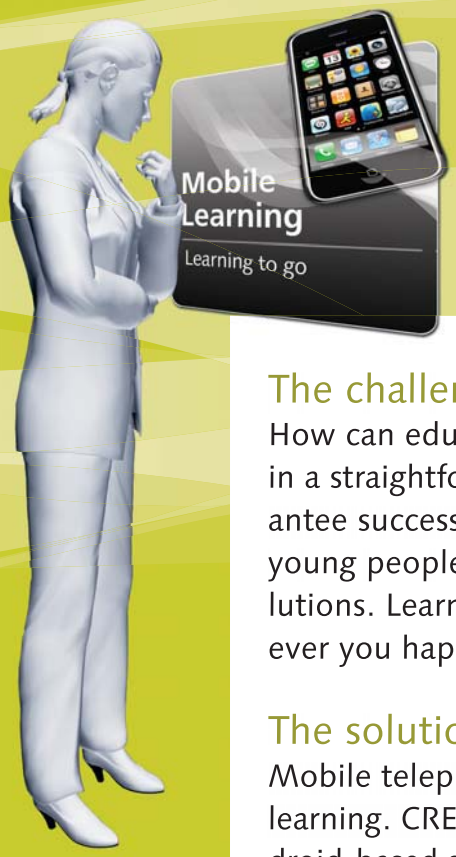
E. Reiners

Hanspeter Gerber
Audit expert
Auditor in charge

Eveline Reiners
Audit expert

Zürich, 9 September 2011

Getting education moving



The challenge

How can educational establishments impart knowledge in a straightforward manner to their students and guarantee successful learning? New approaches are needed; young people who travel frequently prefer mobile solutions. Learning must be done easily and quickly, wherever you happen to be.

The solution

Mobile telephone apps are particularly suitable for learning. CREALOGIX develops them for iPhones or Android-based smartphones. They enable students to acquire or deepen their basic knowledge on specific topics. When the touch screen is activated the learning modules with the relevant questions appear. Depending on the task, the user answers them by drag & drop, multiple and single choice or right/wrong indications. Information as to where the solution can be found in the printed teaching material can also be provided, together with a background display of the correct answer.

The contents are produced in the database-assisted author's tool CLX.Testpool. Apart from the know-how for technical implementation of the solution, CREALOGIX also has the teaching experience necessary for preparing the learning contents and make them fit for the different media.

/// www.crealogix.com/education

CREALOGIX

CREALOGIX
FINANCIAL STATEMENT HOLDING AG

BALANCE SHEET

Amounts in thousands of CHF	30 June 2011	in %	30 June 2010	in %
ASSETS				
Cash and marketable securities	**27 249**		19 499	
Other current receivables	**8**		62	
Accounts receivable from subsidiaries	**5 915**		12 414	
Treasury shares	**322**		636	
Current Assets	**33 494**	**68.3**	32 611	66.2
Financial assets	**15 559**		16 673	
Non-Current Assets	**15 559**	**31.7**	16 673	33.8
Total ASSETS	**49 053**	**100.0**	49 284	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Trade payables	**23**		4	
Other current liabilities	**624**		599	
Accounts payable to subsidiaries	**3 631**		3 340	
Accrued liabilities	**24**		85	
Total Liabilities	**4 302**	**8.8**	4 028	8.2
Share capital	**8 560**		8 560	
General	**250**		250	
Share premium	**41 567**		43 700	
Legal reserves	**41 817**		43 950	
Free reserves	**–352**		–664	
Reserve for treasury shares	**342**		655	
Retained earnings	**–5 616**		–7 245	
Shareholders' Equity	**44 751**	**91.2**	45 256	91.8
Total LIABILITIES AND SHAREHOLDERS' EQUITY	**49 053**	**100.0**	49 284	100.0

INCOME STATEMENT

Amounts in thousands of CHF	**July – June 2010/2011**	July – June 2009/2010
Group Revenue	**1 506**	1 608
Personnel expense	**–188**	–156
Marketing expense	**–5**	0
Insurance expense and duties	**–7**	–10
Consulting expense	**–36**	–54
Other third-party operating expenses	**–56**	–95
Group operating expenses	**–152**	–733
Operating Expenses	**–256**	–892
Operating Result before Interest and Taxes	**1 062**	560
Financial income	**2 351**	1 486
Financial expense	**–1 784**	–818
Financial Result	**567**	668
Profit before Tax	**1 629**	1 228
Income tax expense	**0**	0
Net profit	**1 629**	1 228

NOTES TO THE FINANCIAL STATEMENTS

1 Joint and Several Liability for debt from value added tax

The CREALOGIX subsidiaries in Switzerland are treated as a single taxable entity for VAT purposes (group taxation, art. 22 VAT law). If one of the Group companies is unable to meet its payment obligations to the Federal tax authorities, the other Group companies are jointly and severally liable.

2 Subsidiaries

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 Transport & Logistics AG, Zurich, Switzerland	Consultancy and services in the area for solutions in the transport and logistics industrie	CHF	100 000	100%	100%
CREALOGIX ERP AG, Villingen, Germany	Development/trading of software	EUR	50 000	100%	100%
CREALOGIX AG, Frankfurt, Germany (from 5.9.2011 Stuttgart)	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%

Changes to subsidiaries compared to previous year, are shown in note 23 of the consolidated financial statements.

3 Treasury Shares

	Quantity	Average Share Price	Value
at 1 July 2010	10 962	58.00	635 796
Purchases 2010/2011	29 223	77.39	2 261 516
Sales 2010/2011	–36 718	70.13	–2 575 137
at 30 June 2011	**3 467**	**92.93**	**322 175**

The reserve for treasury shares amounts to TCHF 342 (previous year: TCHF 655), which equals the acquisition costs.

4 Share Capital

Since 5 September 2000, 1 070 000 nominal shares of the company were outstanding: these are all fully paid-in. Each share has a nominal value of CHF 8 since their devaluation on 1 March 2007. Share capital amounts to CHF 8 560 000 since 1 March 2007.
The conditional share capital with 250 000 shares with a nominal value of CHF 8 for staff share option plans has existed since 5 September 2000.
The authorised capital with 300 000 shares with a nominal value of CHF 8 and reserved for business combinations has existed since 2 November 2009.

	30 June 2011	30 June 2010
Contingent share capital	**2 000 000**	2 000 000
Authorized share capital	**2 400 000**	2 400 000

5 Significant Shareholders

As at 30 June 2011, each of the following shareholders held more than 3 percent of the voting rights:

Shareholders	**Share of Votes**		**No. of Shares**	
	30 June 2011	30 June 2010	**30 June 2011**	30 June 2010
Richard Dratva	**23.70%**	23.59%	**253 567**	252 427
Bruno Richle	**23.07%**	22.97%	**246 887**	245 747
Daniel Hiltebrand	**15.26%**	15.26%	**163 324**	163 324
Peter Süsstrunk	**6.92%**	6.92%	**74 000**	74 030
Noser Management AG	**3.93%**	3.93%	**42 000**	42 000

Disclosure of ownership ratios are shown here without, and in the Corporate Governance section on page 15 including share options.

6 Other Disclosures

Details regarding compensation, credits, and other transactions with members of the Board of Directors and the Group Executive Board are shown in Note 24. The necessary detailed information to risk management is included in the consolidated financial statements on page 53 to 55.
In the reporting year valuation reserves of TCHF 528 (previous year: TCHF 72) were released.

7 Proposal of the Board of Directors to the General Meeting

	July – June 2010/2011	July – June 2009/2010
Allocation of accumulated loss		
Retained earnings, 1 July	**–7 245**	–8 473
Net profit	**1 629**	1 228
Total retained earnings	**–5 616**	–7 245
Appropriation for general reserves	**0**	0
Retained earnings, 30 June	**–5 616**	–7 245
Distribution of share premium	**–16 050**	–2 140

pwc

Report of the statutory auditor
to the general meeting of
CREALOGIX Holding AG
Zürich

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of CREALOGIX Holding AG, which comprise the balance sheet, income statement and notes (pages 82 to 86), for the year ended 30 June 2011.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 30 June 2011 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telephone: +41 58 792 44 00, Facsimile: +41 58 792 44 10, www.pwc.ch

pwc

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Hanspeter Gerber	Eveline Reiners
Audit expert	Audit expert
Auditor in charge	

Zürich, 9 September 2011

CREALOGIX

CREALOGIX
ADDRESSES AND LOCATIONS

ADDRESSES

SWITZERLAND

ZURICH

CREALOGIX Holding AG
Baslerstrasse 60
CH-8048 Zurich
T +41 58 404 80 00
F +41 58 404 80 90

CREALOGIX E-Banking AG
Baslerstrasse 60
CH-8048 Zurich
T +41 58 404 87 57
F +41 58 404 87 60

CREALOGIX E-Business AG
Geschäftsstelle Zürich
Baslerstrasse 60
CH-8048 Zurich
T +41 58 404 81 21
F +41 58 404 82 65

CREALOGIX Transport
& Logistics AG
Baslerstrasse 60
8048 Zurich
T +41 58 404 88 00
F +41 58 404 88 99

BERN

CREALOGIX E-Banking AG
Filiale Bern
Mühlemattstrasse 53
CH-3007 Bern
T +41 31 381 31 57
F +41 31 381 31 59

CREALOGIX E-Business AG
Geschäftsstelle Bern
Mühlemattstrasse 53
CH-3007 Bern
T +41 31 381 31 57
F +41 31 381 31 59

BUBIKON

CREALOGIX E-Business AG
Rosengartenstrasse 6
CH-8608 Bubikon
T +41 55 253 21 21
F +41 55 253 21 20

HÜNENBERG

CREALOGIX E-Payment AG
Bösch 83B
CH-6331 Hünenberg
T +41 41 784 55 55
F +41 41 784 55 66

ZUCHWIL

CREALOGIX E-Payment AG
Filiale Zuchwil
Hauptstrasse 55
4528 Zuchwil
T +41 32 686 81 88
F +41 32 686 81 80

GERMANY

STUTTGART

CREALOGIX AG
Breitscheidstrasse 10
70174 Stuttgart
T +49 711 61416 0
F +49 711 61416 1111

/// www.crealogix.com

CREALOGIX