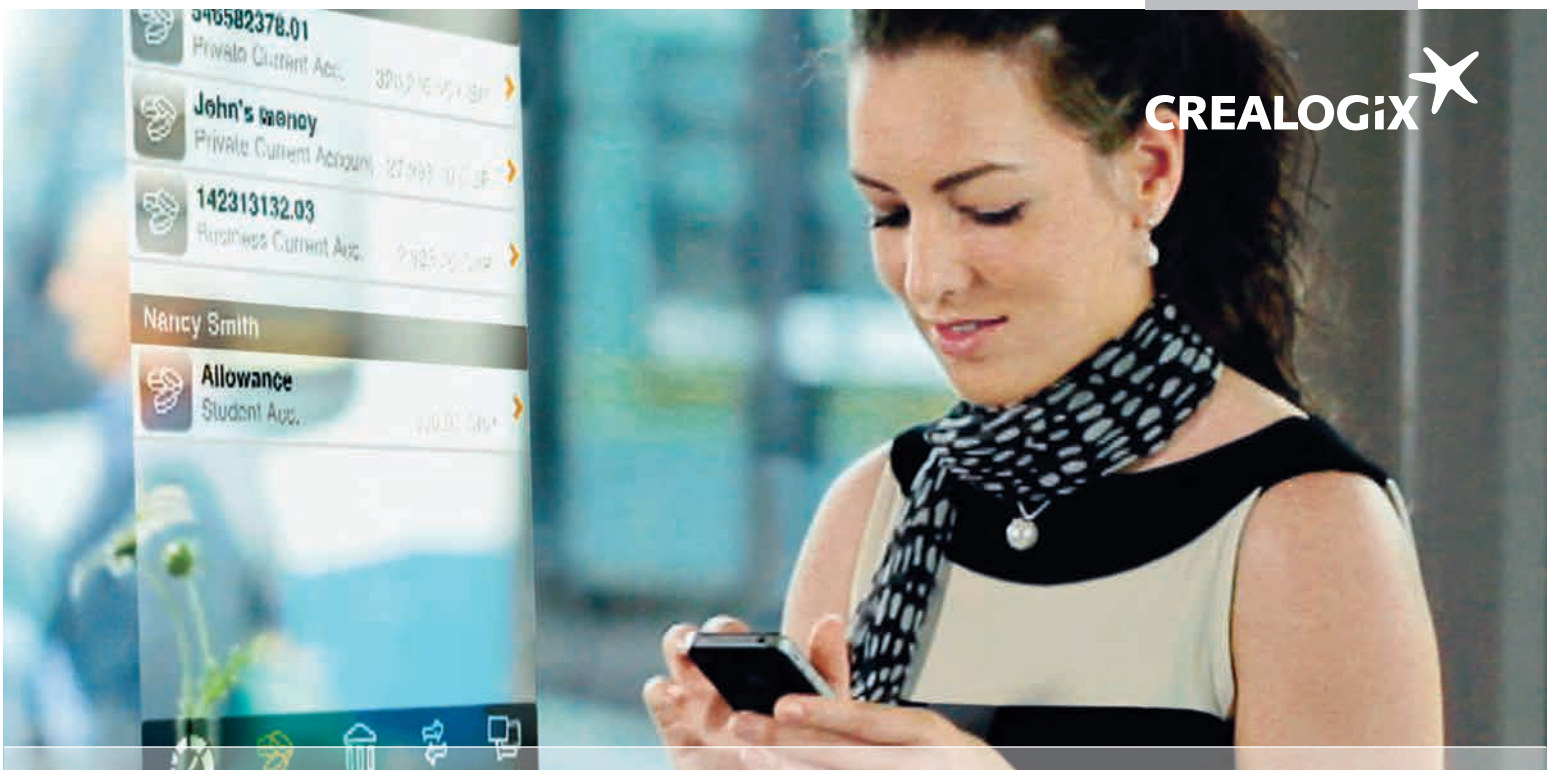


CREALOGIX

CREALOGIX GROUP
ANNUAL REPORT 2011/2012

BANK 2.0

CREALOGIX – Software for tomorrow's banks

The bank 2.0 age confronts banking with new challenges for the future. Tomorrow's bank clients will want user-friendly interaction, personalized networking with Internet services, high mobility, advice and a better all-round banking experience. As the examples on pages 12, 34, 44, 80 and 92 of this annual report show, CREALOGIX supplies innovative solutions in every business area, enabling banks to satisfy their customers' future needs.

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

CREALOGIX

CONTENTS
ANNUAL REPORT 2011/2012

KEY FIGURES

INCOME STATEMENT

Amounts in CHF thousand	July – June 2008/2009	July – June 2009/2010	July – June 2010/2011	July – June 2011/2012
Operating revenue	57 720	52 495	52 843	**49 536**
change in %	–8.2	–9.1	0.7	**–6.3**
Operating result before interest, taxes depreciation and amortisation (EBITDA)	6 727	4 993	6 391	**5 291**
as % operating revenue	11.7	9.5	12.1	**10.7**
Operating profit (EBIT)	4 533	3 276	5 123	**4 173**
as % operating revenue	7.9	6.2	9.7	**8.4**
Consolidated profit	2 568	3 199	4 692	**3 146**
as % operating revenue	4.4	6.1	8.9	**6.4**
as % shareholders' equity	5.1	5.9	8.2	**8.3**
Net cash flow from operating activities	13 419	4 134	8 292	**8 143**
as % operating revenue	23.2	7.9	15.7	**16.4**
Cash flow from investment activities	–460	–990	–937	**–2 147**
Depreciation/amortisation	2 194	1 717	1 268	**1 118**
Depreciation/amortisation	262.0	233.4	232.7	**200.7**
Full-time freelance capacity	26.3	21.3	23.2	**33.4**
FTE capacity including freelancers	288.3	254.7	255.9	**234.1**
Operating revenue per FTE including freelancers	200	206	206	**212**
Personnel expenses per FTE	131	138	140	**150**
Headcount as of 30 June	279	265	236	**221**
FTE capacity, June	240.5	233.4	220.6	**197.0**

SHARE DEVELOPMENT

Share prices in CHF	July – June 2008/2009	July – June 2009/2010	July – June 2010/2011	July – June 2011/2012
High	74.00	69.95	110.00	**115.00**
Low	52.00	53.00	57.00	**83.05**
as of 30 June	55.00	58.00	96.00	**90.00**
Market capitalisation (million)				
High	79.2	74.8	117.7	**123.1**
Low	55.6	56.7	61.0	**88.9**
Market capitalisation as of 30 June (million)	58.9	62.1	102.7	**96.3**
as % of operating revenue	102.0	118.2	194.4	**194.4**
as % of shareholders' equity	117.0	113.9	179.9	**253.4**
Profit per share – undiluted	2.448	3.040	4.411	**2.957**
Price-earnings ratio (P/E)	22.5	19.1	21.8	**30.4**
Shareholders' equity per share (at par)	48.7	51.5	53.5	**35.8**
Price-book value (P/B)	1.1	1.1	1.8	**2.5**

BALANCE SHEET DATA

Amounts in CHF thousand	30 June 2009	30 June 2010	30 June 2011	30 June 2012
Total assets	65 599	67 982	69 385	**53 284**
Current assets	55 408	58 860	60 965	**47 410**
of which cash, cash equivalents and marketable	39 692	42 273	46 509	**31 906**
Non-current assets	10 191	9 122	8 420	**5 874**
Liabilities	15 285	13 481	12 300	**15 284**
Shareholders' equity	50 314	54 501	57 085	**38 000**
Equity ratio (%)	76.7	80.2	82.3	**71.3**

All values in CHF, unless mentioned separately

“Bank 2.0 products, which are strongly positioned on the market, made a substantial contribution to this success.”

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

Dear Sir or Madam

The CREALOGIX Group performed well in a challenging environment and ended its 2011/2012 financial year (1 July 2011 to 30 June 2012) successfully, if somewhat weaker than in the previous year. It did so despite the banking crisis, the weak euro and divestments which had an adverse effect on our operating income and profit. Bank 2.0 products, which are strongly positioned on the market, made a substantial contribution to this success.

With our extended and renewed product range for tomorrow's banks, we have further strengthened our focus on the financial industry. The acquisition of the Abaxx business has also enabled us to enter the German market as a supplier of e-banking solutions. In the financial year 2011/2012, this already accounted for 20 per cent of the CREALOGIX Group's operating income outside Switzerland.

In the last financial year, CREALOGIX shareholders benefited from a distribution of CHF 15 per share from the reserves set aside from capital contributions, while the average share price remained stable at more than CHF 95.

Operating income and result

In the financial year 2011/2012, the CREALOGIX Group's consolidated operating income was CHF 49.5 million, thus 6 per cent short of the equivalent figure for the previous year (CHF 52.8 million). The pleasing trend of demand for our software products was not enough to fully compensate the adverse effects of the banking crisis, divestments and the weak Euro.

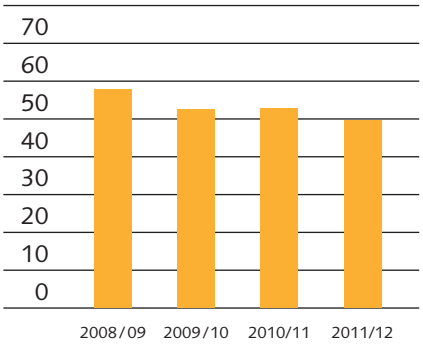
The operating profit (EBIT) of the CREALOGIX Group declined by 18 per cent to CHF 4.2 million (previous year: CHF 5.1 million), equivalent to an EBIT margin which remains satisfactory at 8 per cent (previous year: 10 per cent). The financial profit stood at CHF –0.1 million. This figure includes the net proceeds of the sale of subsidiary companies. By comparison with the record figure achieved in the previous year, the net profit fell 32 per cent to CHF 3.2 million (previous year: CHF 4.7 million). The profit margin for the financial year 2011/2012 stands at 6 per cent (previous year: 9 per cent).

The financial situation of the CREALOGIX Group remains very healthy. This is also reflected in the cash position. In the period under review, this admittedly fell by CHF 10.5 million – which can be explained by the distribution from the reserves of CHF 16 million, the acquisition of Abaxx in Germany and a final earn-out payment to the former owners of BVIconsult AG set against the inflow of funds from operational business activities (free cash flow: CHF 6.0 million) – but still stood at an impressive figure of CHF 29.3 million (previous year: CHF 39.8 million). Our equity capital base remains solid at CHF 38.0 million (previous year: CHF 57.1 Mio.), equivalent to an equity ratio of 71 per cent (previous year: 82 per cent), which is unusually high for our sector.

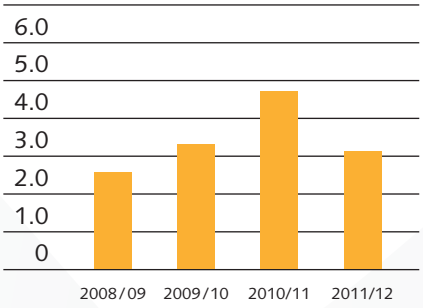
E-banking: innovations, new clients and internationalization

In the year under review, the CREALOGIX e-banking business developed satisfactorily – despite the ongoing financial crisis. Our existing clients remained loyal to us in what are challenging times for them and we were able to win major new clients. We succeeded in expanding our market presence in Europe considerably. We consolidated and expanded our presence in Germany, where in late July 2011 we acquired the e-banking business of Cordys Deutschland AG (trading under the Abaxx name). In Great Britain we were able to acquire a major bank as a client for our "Bank 2.0" products; this is an

OPERATING REVENUE
IN CHF MILLION



CONSOLIDATED PROFIT
IN CHF MILLION



important step towards the implementation of our strategy. The sales and profitability of this sector were increased once again. In Switzerland, our operating income rose by 9 per cent and by a satisfactory figure of 28 per cent overall.

In the year under review, we once again invested a total of more than 20 person/years in the development of new products. Our CLX.E-Banking product suite underwent further development and expansion with the use of new technologies – such as Rich Internet Applications (RIA) and HTML5 – with a fully integrated mobile banking offering, Personal Finance Management (PFM) and a campaigner for targeted marketing and information activities on the part of banks. We added a new user interface that employs the very latest standards in the areas of user experience and web design.

In the Mobile Banking sector, CREALOGIX, working with experts from ETH Zurich and industrial partners, developed a product which sets new standards in security: CLX.MobileSecurity paves the way for mobile e-banking applications which were previously reserved for stationary computers. This product is suitable for smartphones, tablets and laptops made by the widest range of manufacturers. In this regard, CREALOGIX is breaking new ground and using NFC technology for authentication. A special technology is being employed for transaction signing which makes use of the audio channel. The solution was presented to the market in early September 2012, after the end of the reporting year.

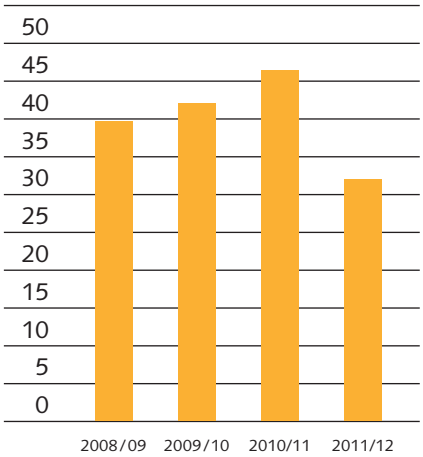
CREALOGIX has charged all the "Bank 2.0" development costs to the current financial statement.

E-payment: living up to expectations

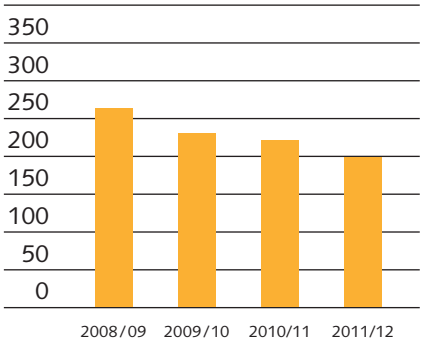
Demand for our payment transaction products in Switzerland is very high. As the market leader, CREALOGIX makes particularly sustained efforts to constantly renew its product range so as to further simplify payment transactions for both private households and businesses. In the year under review, we again invested some 10 person/years in this task.

The mouse scanner CLX.ScanPackage, distributed on an exclusive basis by CREALOGIX in Switzerland and launched as a world first with the integrated CREALOGIX ScanApp (able to interpret the 25 digit code used on

CASH AND CASH EQUIVALENTS AND SECURITIES IN CHF MILLION



FULL TIME EMPLOYEES (FTE)



Swiss in-payment forms), has not yet achieved the market success hoped for it.

We successfully completed the integration of the previous Hünenberg site into our Zurich headquarters. This merger will bring cost savings and positive synergy effects in the current financial year.

Education: leading Swiss software partner in the educational field

Many public authorities also adopted far-reaching savings measures in the financial year 2011/2012; our performance therefore fell short of expectations for the new licences business in education. However, the education market remains a business area with an assured future. Today the 30 biggest banks in Switzerland are already using education products by CREALOGIX. Here too, we have therefore invested in the renewal of our product range. New developments include the author's tool CLX.Stage for the preparation of e-learning contents and the CLX.Satellite product. This enables companies to make learning contents available for interactive training of their personnel, even when they are travelling. In the year under review, CREALOGIX also combined its Education product range in a comprehensive learning suite. The learning suite helps our clients to compile and operate learning contents which are up to date, meet existing needs and remain economical; it also allows them to make this content available to their personnel.

CREALOGIX learning platforms are already being used by more than 40 companies today. In the year under review, we developed and extended the CLX.Tracker and time2learn platforms as well as the CYP-Cloud in the educational and skills centre of the Swiss banks, to include mobile learning applications.

The CLX.Evento planner for automatic teaching event and resource planning has been successfully introduced at one of the leading German universities. To canvas the German market, CREALOGIX has entered into a partnership with the HIS company, the leading supplier of university management systems in Germany.

E-business: withdrawal from the development of individual software

As planned, CREALOGIX has pulled out of the individual software development business – this was generally accompanied by body leasing of software engineers to big companies. In the financial year 2011/2012 this did admittedly bring some loss of turnover, but it also released capacities. These were deployed almost entirely for product development and the provision of services surrounding our products.

CREALOGIX Transport & Logistics AG sold

As part of our focus on the financial branch, we sold the small subsidiary company CREALOGIX Transport & Logistics AG to its management at the end of 2011; that company was no longer compatible with our strategy. This disposal only had a minor impact on the 2011/2012 annual result.

Personnel

With our divestments and the withdrawal from the individual software development business our head count fell slightly in the year under review from 236 employees at the end of June 2011 to 221 at the end of June 2012.

Outlook

In the 2011/2012 financial year, our strategy of developing our own software products for the financial industry and marketing them both at home and abroad proved successful. We will continue to pursue this strategy consistently, especially in the "Bank 2.0" sector and in particular on the European market. For the first time in the history of CREALOGIX, demand for our "Bank 2.0" is proving stronger abroad, especially in Germany and Great Britain, than in Switzerland. We look forward to dynamic growth in Germany.

Because of the volatile environment in the financial sector, specific forecasts are again hard to make for the financial year 2012/2013. However, as things stand at present, we are looking forward to organic growth in an order of magnitude of 10 per cent. And we are confident in our ability to maintain our earning power.

We still regard our medium-term growth target of CHF 100 million annual turnover for the CREALOGIX Group as realistic. We will continue to take a careful look at acquisition opportunities both in Switzerland and elsewhere.

Planned distribution

On the basis of our reported net profit, the positive outlook for the future and having regard also to the tax environment, the Board of Directors has decided to propose to our shareholders at the general meeting the distribution of CHF 2 per share from the reserves set aside from capital contributions. At the same time, we are confirming our growth strategy. Our equity ratio remains in excess of 71 per cent.

Acknowledgements

On behalf of the Board of Directors and Group Management Committee, I want to thank all our staff members for their dedication in the past financial year. We are also grateful to our clients for their confidence in our performance and for their close cooperation. We owe a heartfelt debt of gratitude to you too, our valued shareholders, for your confidence in the CREALOGIX Group.

Bruno Richle
Chairman of the Board of Directors and CEO

CREALOGIX clearly positioned: Experts in Finance

E-Banking Suite
/// CLX.E-Banking/CLX.Abaxx
/// CLX.TB-Server

Mobile Banking
/// CLX.MobileBanking

E-Banking Security
/// CLX.SecureBrowser
/// CLX.Sentinel
/// CLX.SentinelDisplay
/// CLX.MobileSecurity

Finance Portals/
Online Advisory
/// CLX.Abaxx

User Experience Engineering
/// CLX.Experience

Mobile Banking
Banking wherever you are, whenever you like

Pages 12/13

E-Banking Security
Full protection for e-banking

Pages 44/45

E-Payment
Financial management professionally organized

Pages 92/93

Mobile Learning
Acquiring knowledge on the move

Pages 34/35

User Experience
User-friendly benefits for our clients

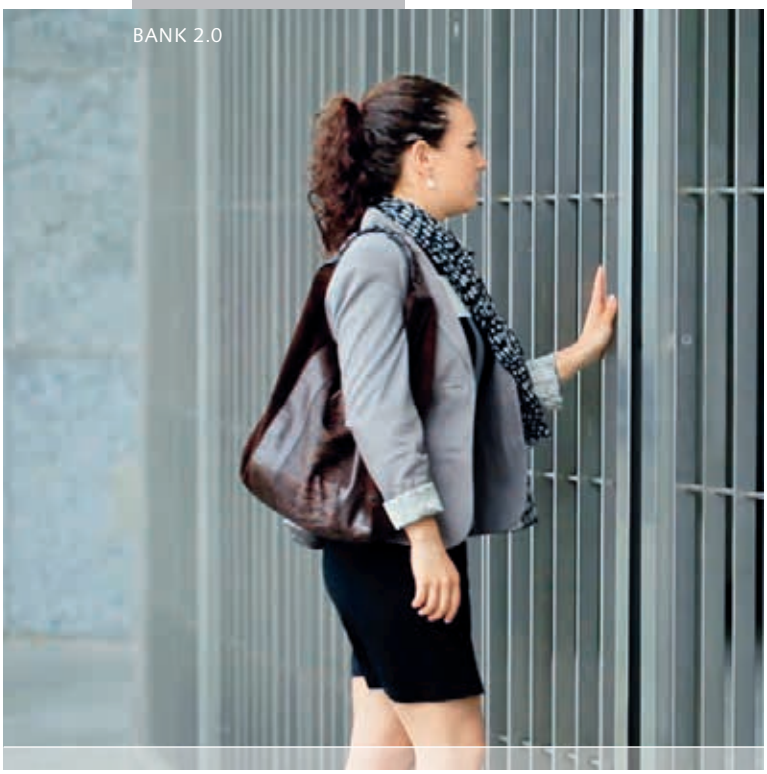
Pages 80/81

E-Payment Software
/// CLX.PayMaker
/// CLX.OfficeWings
/// CLX.FTX

E-Payment Devices
/// CLX.PayPen
/// CLX.ArchiveBox
/// CLX.Giromat

E-Learning
/// BankingToday 2.0
/// CLX.Tracker
/// CLX.Satellite
/// CYPnet Lernplattform

Innovative QR codes
The black-and-white code squares on pages 13, 35, 45, 81 and 93 are called QR (Quick Response) codes and contain links which take the reader straight to further information on the CREALOGIX website www.crealogix.com. To read them you will need your smartphone and a QR code reader which you can download as an app (e.g. barcode scanner or n-igma). Then take a photo of the QR code with your mobile phone camera – and find out more.



/// In the old days, clients depended on their bank's opening hours. Today, banking business can still be done long after the bank's doors have closed. Bank 2.0 and mobile banking enable clients to choose for themselves when and where to do their financial business. Regardless of whether the client is in the train or on his way to the next meeting, a mobile phone is all he needs to transact his banking business.

Pick up a mobile phone – and your banking business takes care of itself.

Clients nowadays want to be able to handle their banking business round the clock and independently, no matter where they happen to be. CLX.MobileBanking – part of the CLX.E-Banking Software Suite – gives you that opportunity. Useful e-banking functions are available at any time via your mobile phone. For example, selling stocks and shares, entering payment instructions or receiving e-bills – all with the accustomed security of e-banking.

/// www.crealogix.com/mobilebanking

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 and shareholders of the 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 2012, market capitalisation was CHF 96.3 million.

1.1 Group structure

The participations held by the CREALOGIX Holding AG in the different subsidiary companies are listed in detail on page 46 (scope of consolidation as of 30 June 2012) of the Annual Report.
CREALOGIX E-Banking AG, Zuchwil, was absorbed by CREALOGIX E-Payment AG with retroactive effect as of 1 July 2011.
On 28 July 2011, CREALOGIX AG acquired the entire business involving e-banking and portal clients under the Abaxx name from Cordys Deutschland AG in Germany in the form of an asset deal. This transaction extends the CREALOGIX product portfolio and strengthens its presence on the German market.
CREALOGIX Transport & Logistics AG was sold to its management team as of 30 December 2011 as part of the ongoing strategy to focus on financial sector products.
On 29 May 2012, CREALOGIX ERP AG moved its headquarters from Villingen to Stuttgart and simultaneously renamed itself CREALOGIX International AG.

1.2 Significant shareholders

Current disclosures made in accordance with Article 20 of the Federal Act on Stock Exchanges and Securities Trading are published on the disclosures platform of the Disclosure Office of SIX Swiss Exchange (www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_de.html).

As of 30 June 2012, the following shareholders each had a proportion of votes of more than 3 per cent at their disposal:

Shareholders	Proportion of votes	Number of shares	Number of options
Dr Richard Dratva	23.81%	254 806	0
Bruno Richle	23.19%	248 126	0
Daniel Hiltebrand	15.26%	163 324	0
Peter Süsstrunk	6.92%	74 000	0
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 on the conditions offered by the third party (right of first refusal). In the event of the sale of at least 30 per cent 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 2012 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 nominal value of CHF 8 per share.

2.2 Authorised and conditional capital in particular

Authorised share capital	CHF 2 400 000 divided into 300 000 registered shares with a nominal value of CHF 8 per share. Issue possible until 31 October 2013
Conditional capital	CHF 2 000 000 (for employee option plans*) Divided into 250 000 registered shares with a nominal value of CHF 8.00 per share.

* Detailed information on employee share option plans can be found in the appendix to the corporate governance report on pages 30 to 32.

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 are (1) 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 shareholders' equity 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 2012, CREALOGIX Holding AG had issued 1,070,000 fully paid registered shares with a nominal value of CHF 8 per share. CREALOGIX Holding AG owned 7,476 shares of treasury stock as of 30 June 2012, equivalent to 0.7 per cent of share capital. A registered share entitles the holder to one vote at the Annual General Meeting (one share, one vote).
All shares are entitled to dividends. Dividend policy is explained on page 29 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 CREALOGIX Holding AG register of shareholders is not bound by any conditions.
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 per cent 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 per cent 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 options

There are no convertible bonds in existence.
As of 30 June 2012, there were no outstanding employee options on shares in CREALOGIX Holding AG; all issued employee options were closed out during the financial year. The Company issued no other options. For details on the option pe-

riod, strike price, subscription ratio and further information on the employee options please refer to pages 30 to 32.

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 has similarly proved advantageous that the CSO functions as Vice-Chairman of the Board of Directors. The Board of Directors 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 majoring 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 board of directors' mandates: Yachtwerft Portier AG and Elektrizitätswerk Jona-Rapperswil 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.

After working at 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. From 2001 to 2011, he was Chief Executive Officer of the Adval Tech Group with full operative responsibility. He has been serving on boards of directors and working as an independent consultant since 2012. 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. Between 1987 and 2008, he was a 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 served as Director of the Institute for Media and Communication Management at the University of St. Gallen. In summer of 2008 he was given emeritus status. Additional board of directors' 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 the curricula vitae on pages 19 to 21.

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 75 of the Annual Report.

3.3 Election and term of office

The members of the Board of Directors are elected by the Shareholders' Meeting in each case for a term of office of three financial years. Re-election 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	2014

3.4 Internal organisation

Responsibilities and competencies

The Board of Directors convenes as often as required by business, at a minimum four times per year. In the financial year 2011/2012 the Board met five times for meetings of four to five hours. Two additional meetings were conducted as telephone conferences; a circular resolution was passed. Juerg Haessig, CFO, and other members of the Executive Management as required took part in the meetings.

The Board of Directors has a quorum if the majority of its members are present. The Board makes its decisions with the majority of votes cast. 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 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 6 September 2012.

Committees

The Board of Directors has formed an Audit Committee and a Compensation Committee. The Audit Committee supports and advises the Board of Directors in questions of financial reporting, 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 of Directors.

Currently, Jean-Claude Philipona (Chairman) and Dr. Christoph Schmid form the Audit Committee. The Audit Committee convenes three times yearly as a rule. Juerg Haessig, CFO, and Peter Süsstrunk, Chief Corporate Finance take part in each meeting. In the financial year 2011/2012 the Audit Committee met three times for meetings of four to five hours. Representatives of the auditor were present at all of the meetings.

The Compensation Committee is responsible for the formulation of recommendations to the Board of Directors with regard to the compensation of the members of the Board and the Executive Management as well as the allotment of share-based payments. The Committee prepares the human resource planning on the level of the Board of Directors and the Executive 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 is 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 financial year 2011/2012 the Committee met twice for meetings of two to three hours.

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

3.5 Powers

As far as allowed by law and the Articles of Association, the Board of Directors delegates the entire business execution and responsibility to the Executive Management ("Group Management").

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

- Monitoring of on-going business;
- Keeping of the accounts and establishment of the budget;
- Implementation and maintenance of the internal control system;
- Arrangement of the organisation of leadership between the 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 of Directors;
- Preparation of the basis for decisions for the attention of the Board of Directors concerning significant investments, cooperation etc.;
- Reporting on the course of business for the attention of the Board of Directors;
- Observance and fulfilment of legal publication obligations pertinent to the stock exchange following orientation of the Board of Directors in advance.

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

The Executive Management reports to the Board of Directors on a monthly basis regarding the current business situation. The reports are based on the Microsoft Dynamics NAV business management software and IBM Cognos business intelligence and performance management products for financial controlling and Vertec for tracking internal and customer projects. These grant a comprehensive overview of the business situation and allow statements regarding future capacity utilisation.

Moreover, the Executive Management informs the members of the Board of Directors 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 Board of Directors is guaranteed to receive information immediately because two members of the Group Management also sit on the Board of Directors.

4 Executive Management

4.1 Members of the Executive Management

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

The members of the Executive Management are:

Thomas F.J. Avedik

Member of the Executive 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. In 1991, he joined the Swiss Bank Corporation (today: UBS AG) and from 1997 he was in charge of the design and upgrade of 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 1 July 2007, Thomas Avedik has been CEO of CREALOGIX E-Banking AG.

Richard Dratva

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

For detailed information see page 20.

Jürg A. Hässig

Member of the Executive 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 concentration in finance and controlling in 1983, Jürg A. Hässig started his career at Arthur Andersen in the auditing department. 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 1 November 2008, he has held the position of CFO of CREALOGIX Holding AG.

Bruno Richle

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

For detailed information see page 19.

Louis-Paul Wicki

Member of the Executive 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 of "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 has been CEO of CREALOGIX E-Business AG.

4.2 Other activities and interests

Additional activities and commitments of interest of Bruno Richle, CEO, and Dr. Richard Dratva, CSO, are disclosed on page 19 and 20. No other members of Group Management had reportable activities or commitments of interest.

4.3 Management contracts

No management contracts have been established.

5 Compensation and share-based payments

Compensation to related persons or parties is disclosed in the notes on the consolidated financial statements on pages 74 to 76.

5.1 Content and method of determination for compensation and share-based payments

The Board of Directors takes decisions regarding compensation and share-based payments to members of the Group Management (including executive members of the Board of Directors) and the remuneration of the non-executive members of the Board of Directors. The executive members of the Board of Directors abstain from voting in connection with decisions concerning them. Proposals of the Compensation Committee form the basis for these decisions. The Committee assesses the performance of the Group Management for the attention of the Board of Directors. The amount of the remuneration is set at its 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 engaged during the year under review.

The remuneration of the non-executive members of the Board of Directors consists of a fixed fee of CHF 30,000 p.a., compensation per meeting and share-based payments. The remuneration of the 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 contributions, business expenses). The amount of the variable component, depending on the function, is linked to the operative performance of the respective division and/or the Group (Sales, EBIT).

The division targets can account for 60 per cent while the Group targets can contribute between 40 and no more than 100 per cent in determining the variable remuneration. In the reporting year, the achievement of targets reached between 0 and 100 per cent.

Further, share-based payments schemes are in place. The allotment of share-based payments is carried out by the Board of Directors on the proposal of the Compensation Committee as a rule once per year according to the provisions for the share-based payment schemes. 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 30 to 32 of this Annual Report.

The remuneration and interests of the directors and officers according to art. 663b^{bis} CO are listed on page 27 as well as pages 74 to 76.

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

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 on voting rights. Every shareholder can have shares represented by proxy at the Shareholders' Meeting by another person (not necessarily a shareholder) with written power of attorney, by the CREALOGIX Holding AG, or by an independent proxy designated by the company.

6.2 Statutory quorum

See Articles of Association, Art. 15.

The Shareholders' Meeting votes and passes its resolutions with the absolute majority of the attendant and proxy share votes to the extent that legal regulations or Articles of Association do not prescribe a qualified majority for passage of a resolution as mandatory.

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

6.3 Convening the Shareholders' Meeting

See Articles of Association, Art. 9.

The Shareholders' Meeting 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 Shareholders' Meeting.

The invitation to shareholders occurs through publication in the Swiss Official Gazette of Commerce. The Board of Directors can designate other avenues of publication. Provided that the names and addresses of all shareholders are known to the company and legal regulations or Articles of Association 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 Inclusion of items on the agenda

See Articles of Association, Art. 9, 10.

In convening the Shareholders' Meeting, the items of discussion as well as the proposals of the Board of Directors and of the shareholders that require a Shareholders' Meeting to be held must be made known. Furthermore, items of discussion and proposals made by shareholders representing a value of at least one million Swiss francs that have been submitted to the Board of Directors 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 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.

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

7 Change in control and defensive measures

7.1 Obligation to announce a public takeover offer

The CREALOGIX Holding AG Articles of Association contain neither an opting-out nor an opting-up clause. Whoever acquires in excess of one third ($33^1/_3$ per cent) of the share capital of the corporation is required in accordance with the Federal Act on Stock Exchanges and Securities Trading (BEHG, Art. 32) to submit a public takeover offer for the remaining shares.

7.2 Change-in-control clauses

No change-in-control clauses have been incorporated into agreements or share option plans with members of the Board of Directors, members of Executive Management or other members of management (no "golden parachutes").

8 Auditor

8.1 Duration of mandate and term of office of lead auditor

PricewaterhouseCoopers AG in Zurich has served as the auditor of CREALOGIX Holding AG since 2 November 2009. The lead auditor since this date has been Mr Hanspeter Gerber. The rotation plan of the lead auditor complies with the law and thus is seven years. The auditor is elected by the Shareholders' Meeting in each case on an annual basis 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 the financial year 2011/2012, the agreed audit fees for PricewaterhouseCoopers AG in Zurich amounted to CHF 92 thousand.

8.3 Additional fees

PricewaterhouseCoopers AG did not provide any further consulting services during the financial year 2011/2012.

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, especially in respect of the annual financial statements and the internal control system.

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 financial statements. The Audit Committee itself informs the Board of Directors of these findings.

The Audit Committee assesses the performance of the auditor based, among other parameters, on criteria such as punctuality, efficiency in collaboration and clarity of statements and reports to the Board of Directors accordingly.

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 Shareholders' Meeting. As an exchange-listed company, CREALOGIX Holding AG is obligated to publish information relevant to its stock price (Ad hoc publication, Art. 72, Listing Rules). The Listing Rules of the SIX Swiss Exchange can be found under www.six-exchange-regulation.com/regulation/listing_rules_en.html.

Inquiries about CREALOGIX can be addressed to the following persons responsible for Investor Relations:

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Jürg A. Hässig
CFO
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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	328 166
in %	30.67%
Shareholders' equity per share in CHF	35.8
Earnings per share in CHF, undiluted	2.96
Share price in CHF	
30 June 2012	90.00
High (28 Oct 2011)	115.00
Low (4 Apr 2012)	83.05
Issue price (7 Sep 2000)	200.00
Market capitalisation in CHF million	
30 June 2012	96.3
High (28 Oct 2011)	123.1
Low (4 Apr 2012)	88.9
Issue price (7 Sep 2000)	214.0
Market capitalisation (30 June 2012)	
in % of revenue	194.4
in % of shareholders' equity	253.4
Price earnings ratio (P/E ratio)	30.4
Trading volume in CHF million	
1 Jul 2011 to 30 Jun 2012	4.2

Trading platform and ticker symbols

Registered shares (at nominal 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

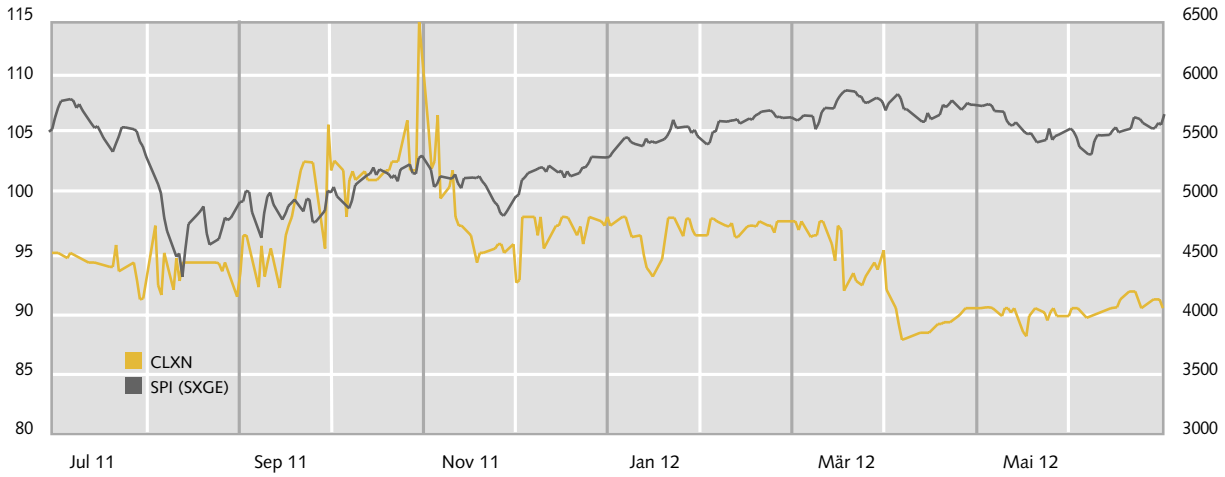
The Board of Directors proposes to the Shareholders' Meeting of 15 November 2012 a distribution of share premium of CHF 2 per share, totalling CHF 2,140 thousand on 22 November 2012. This distribution is income and withholding tax-free to private shareholders and comparable to a repayment of the nominal value of the shares.

Articles of Association

The Articles of Association can be accessed under: www.crealogix.com.

Share price from 1 July 2011 to 30 June 2012

All amounts in CHF



Symbols	High	Low	Year-on-year % change
CLXN	115.00	83.05	-6.00 (-6.25%)
SPI (SXGE)	5 827.03	4 328.06	-51.23 (-0.90%)

APPENDIX: DETAILS ON SHARE-BASED PAYMENTS

Employee share option plans (I, Ia and II)

One option gives the right to buy one share of CREALOGIX Holding AG (CLXN) at the fixed strike price.

The Board of Directors of CREALOGIX Holding AG offers share plans, at its own discretion, to selected employees and members of the Board of Directors of the CREALOGIX Group. The strike price 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 strike price is 20 per cent 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 options allotted under these plans 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 upon departure from 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 correspondingly 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 five years, as set out under the policy. The share options still outstanding retain their validity until the final expiry or their earlier execution or termination. As of 30 June 2012, there were no more options outstanding under these plans.

Option Plan 3

On 1 July 2006, the Board of Directors implemented CREALOGIX Option Plan 3. One option gives the right to buy one share of CREALOGIX Holding AG (CLXN) at the fixed strike price.

The Board of Directors of CREALOGIX Holding AG offers share plans, at its own discretion, to selected employees and members of the Board of Directors of the CREALOGIX Group. The Board of Directors can issue options once a year. 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 five 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 three years exists for these options. All options issued under Optional Plan 3 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. Upon departure from the company, all outstanding options lapse without compensation for options not exercised.

Unexercised options expire five years after the issue date. Option plan 3 will lose its validity five 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, employee 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. As of 30 June 2012, there were no more options outstanding under this plan.
The Board of Directors 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 plans, at its own discretion, to selected employees and members of the Board of Directors of the CREALOGIX Group.
Each authorised employee is given the option of receiving locked shares of CREALOGIX Holding AG up to a maximum value of CHF 50 thousand. The sales price of an employee share is equivalent to 70 per cent 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 three years, during which they cannot be exercised, pledged or transferred in any other way. After the three-year 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 domiciled in Switzerland, remain subject to the applicable vesting period. They remain the property of the former employee or member of the Board of Directors.
Since the participating employees and members of the 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 per cent 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 expired as of 30 June 2011. The Board of Directors decided to extend Share Plan 1 by five years to 30 June 2016.
On 28 November 2011, 6,714 employee shares were issued at a price of CHF 67.55. The fair value per share was calculated as the difference between the average price of the last five trading days before the cut-off date and the issue price; this amounts to CHF 28.95.

Free share plan 2010

The Board of Directors introduced the CREALOGIX free share plan 2010 as of 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 three years for the employee shares in his possession which are still blocked under the terms of the CREALOGIX Share Plan 1 of July 2006 (extended until 2016) 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 vesting period.

For each CREALOGIX employee share on which a further vesting period of three 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 three years (vesting period). During this vesting period, the CREALOGIX employee shares may not be sold, pledged or otherwise transferred by the employee/member of the Board of Directors concerned.

No 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 three 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 three 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 five 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).

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CREALOGIX

CREALOGIX
CONSOLIDATED FINANCIAL REPORT

KEY FIGURES

Amounts in thousands of CHF	**July – June 2011/2012**	July – June 2010/2011
Operating revenue	**49 536**	52 843
% change	**–6.3**	0.7
Operating result before interest, taxes, depreciation and amortisation (EBITDA)	**5 291**	6 391
in % of operating revenue	**10.7**	12.1
Operating profit (EBIT)	**4 173**	5 123
in % of operating revenue	**8.4**	9.7
Consolidated profit	**3 146**	4 692
in % of operating revenue	**6.4**	8.9
in % of shareholders' equity	**8.3**	8.2
Net cash flow from operating activities	**8 143**	8 292
in % of operating revenue	**16.4**	15.7
Cash flow from investing activities	**–2 147**	–937
Depreciation/Amortisation	**1 118**	1 268
Full-time employees	**200.7**	232.7
Full-time freelancers	**33.4**	23.2
Full-time employees (incl. freelancers)	**234.1**	255.9
Revenue per full-time employee (incl. freelancers)	**212**	206
Personnel expense per full-time employee	**150**	140
Headcount on 30 June	**221**	236
Full-time employees in June	**197.0**	220.6
Share prices		
High	**115.00**	110.00
Low	**83.05**	57.00
as of 30 June	**90.00**	96.00
Market capitalisation (in millions)		
High	**123.1**	117.7
Low	**88.9**	61.0
Market capitalisation on 30 June (in millions)	**96.3**	102.7
in % of operating revenue	**194.4**	194.4
in % of shareholders' equity	**253.4**	179.9
Earnings per share - undiluted	**2.957**	4.411
Price-earnings ratio (P/E)	**30.4**	21.8
Shareholders' equity per share	**35.8**	53.5
Price-book value	**2.5**	1.8

	30 June 2012	30 June 2011
Balance sheet total	**53 284**	69 385
Current assets	**47 410**	60 965
thereof cash, cash equivalents and marketable securities	**31 906**	46 509
Non-current assets	**5 874**	8 420
Liabilities	**15 284**	12 300
Shareholders' equity	**38 000**	57 085
Equity ratio (in %)	**71.3**	82.3

CONSOLIDATED BALANCE SHEET

Amounts in thousands of CHF	Notes	30 June 2012	in %	30 June 2011	in %
ASSETS					
Current assets					
Cash and cash equivalents	6	**29 297**		39 765	
Securities	7	**2 609**		6 744	
Trade receivables	8	**9 174**		5 837	
Other current receivables	9	**2 322**		2 816	
Prepaid expenses and accrued income		**342**		257	
Work in progress/inventories	10	**3 666**		5 546	
Total current assets		**47 410**	**89.0**	60 965	87.9
Non-current assets					
Financial assets	11	**-**		200	
Property, plant and equipment	12	**1 931**		4 319	
Intangible fixed assets	13	**939**		668	
Deferred tax assets	16	**1 099**		1 233	
Asset from employer contribution reserve	17	**1 905**		2 000	
Total non-current assets		**5 874**	**11.0**	8 420	12.1
Total ASSETS		**53 284**	**100.0**	69 385	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade and other short-term payables		**1 526**		743	
Other current liabilities		**826**		1 879	
Deferred income and accrued expenses	14	**11 984**		8 630	
Income tax liabilities		**218**		177	
Total current liabilities		**14 554**	**27.3**	11 429	16.4
Non-current liabilities					
Financial liabilities	15	**-**		-	
Deferred tax liabilities	16	**730**		871	
Total non-current liabilities		**730**	**1.4**	871	1.3
Total liabilities		**15 284**	**28.7**	12 300	17.7
Shareholders' equity					
Share capital	18	**8 560**		8 560	
Treasury shares	18	**–721**		–342	
Premium		**21 517**		37 551	
Other capital reserves		**705**		642	
Capital reserves		**22 222**		38 193	
Retained earnings		**7 939**		10 674	
Total shareholders' equity		**38 000**	**71.3**	57 085	82.3
Total LIABILITIES AND SHAREHOLDERS' EQUITY		**53 284**	**100.0**	69 385	100.0

The notes on the consolidated financial statements on pages 46 to 77 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of CHF	Notes	**July – June 2011/2012**	**in %**	July – June 2010/2011	in %
Operating revenue	5	**49 536**	**100.0**	52 843	100.0
Cost of goods sold		**–8 451**	**–17.1**	–10 007	–18.9
Change in inventories		**–771**	**–1.6**	1 624	3.1
Personnel expenses	19	**–30 033**	**–60.6**	–32 492	–61.5
Depreciation of property, plant and equipment	12	**–728**	**–1.5**	–750	–1.4
Amortisation expense	13	**–390**	**–0.8**	–518	–1.0
Marketing expense		**–1 239**	**–2.5**	–1 399	–2.6
Rent, maintenance and repairs		**–1 766**	**–3.6**	–1 812	–3.4
General and administration expenses		**–1 985**	**–4.1**	–2 366	–4.6
Operating profit (EBIT)		**4 173**	**8.4**	5 123	9.7
Result from divestments		**–170**	**–0.3**	118	0.2
Financial income	20	**200**	**0.4**	436	0.8
Financial expense	20	**–137**	**–0.3**	–321	–0.6
Financial result		**63**	**0.1**	115	0.2
Earnings before taxes		**4 066**	**8.2**	5 356	10.1
Income tax	16	**–920**	**–1.8**	–664	–1.2
Consolidated profit		**3 146**	**6.4**	4 692	8.9

The notes on the consolidated financial statements on pages 46 to 77 are an integral part of these consolidated financial statements.

CHANGES IN CONSOLIDATED EQUITY

Amounts in thousands of CHF	Share capital	Treasury shares	Share premium	Retained earnings	Translation adjustments	**Total Shareholders' Equity**
as of 30 June 2010	*8 560*	*–655*	*40 282*	*6 963*	*–649*	*54 501*
Netting of goodwill				–800[1]		–800
Goodwill netted at acquisition date				521[2]		521
Distribution of share premium			–2 133			–2 133
Currency translation differences					–53	–53
Consolidated profit				4 692		4 692
Change in treasury shares		313	44			357
as of 30 June 2011	*8 560*	*–342*	*38 193*	*11 376*	*–702*	*57 085*
Netting of goodwill				–5 970		–5 970
Distribution of share premium			–16 034			–16 034
Currency translation differences					89	89
Consolidated profit				3 146		3 146
Change in treasury shares		–379	63			–316
as of 30 June 2012	**8 560**	**–721**	**22 222**	**8 552**	**–613**	**38 000**

[1] Represents the netting of the contingent purchase price obligation (goodwill) for the acquisition of CREALOGIX E-Banking AG, Zuchwil (formerly BVI Consult AG) with shareholders' equity

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

The notes on the consolidated financial statements on pages 46 to 77 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of CHF	Notes	**July – June 2011/2012**	July – June 2010/2011
Consolidated profit		**3 146**	4 692
Income tax	16	**920**	664
Depreciation/Amortisation	12/13	**1 118**	1 268
Impairment of trade receivables		**–68**	73
Defined-benefit pension plans	17	**95**	–40
Capitalised software development costs	13	**–596**	0
Gain on sale of property, plant and equipment		**–486**	–45
Financial result	20	**–63**	–115
Result from divestments		**170**	–118
Trade and other receivables		**–3 271**	4 050
Work in progress/inventories		**1 879**	–1 787
Other financial assets		**4 245**	1 246
Trade and other payables, incl. tax liabilities		**1 445**	–1 492
Gross cash flow from operating activities		**8 534**	8 396
Interest received		**78**	210
Interest paid		**–11**	–30
Tax received		**1**	207
Tax paid		**–459**	–491
Net cash flow from operating activities		**8 143**	8 292
Cash flow from investing activities			
Purchase of property, plant and equipment	12	**–719**	–577
Proceeds from sale of property, plant and equipment		**2 783**	235
Purchase of intangible assets	13	**–418**	–380
Extension/repayment of loans	10	**200**	0
Disposal of subsidiaries, net of cash disposed		**445**	–215
Acquisition of subsidiaries/minority interests, net of cash acquired		**–4 438**	0
Cash flow from investing activities		**–2 147**	–937
Free cash flow		**5 996**	7 355
Cash flow from financing activities			
Repayment of loans		**0**	1
Distribution of share premium		**–16 034**	–2 133
Purchase/sale of treasury shares – net		**–315**	357
Cash flow from financing activities		**–16 349**	–1 775
Net change in cash and cash equivalents		**–10 353**	5 580
Cash and cash equivalents at beginning of period		**39 765**	34 484
Effects of exchange rate changes		**–115**	–299
Cash and cash equivalents at end of period		**29 297**	39 765

The notes on the consolidated financial statements on pages 46 to 77 are an integralpart of these consolidated financial statements.

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Full protection for secure e-banking.

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NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basic information

CREALOGIX Holding AG (the "Company") and its subsidiaries (collectively" the CREALOGIX Group") provide innovative products and dynamic services in e-finance and education.
The CREALOGIX Group is a stock corporation headquartered in Switzerland. The address of its registered office is Baslerstrasse 60, CH-8048 Zurich.
The Group's registered shares (CLXN) are traded on the SIX Swiss Exchange under identification number 1 111 570.
The consolidated financial statements were approved for issue by the Board of Directors on 6 September 2012 and proposed for adoption at the Shareholders' Meeting on 15 November 2012.
All figures in the annual financial statements are, if not mentioned otherwise, in thousands of Swiss francs.

The following foreign exchange rates were applied:

	Year-end rates (balance sheet)		Average annual rates income statement	
	30 June 2012	30 June 2011	**July – June 2011/2012**	July – June 2010/2011
EUR	**1.20**	1.23	**1.20**	1.31
CAD	**0.94**	0.88	**0.89**	0.95
USD	**0.95**	0.84	**0.89**	0.96

As of 30 June 2012, the following subsidiaries were fully consolidated:

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

Changes in equity interests from the previous year are explained 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 consolidated financial statements in agreement with Swiss GAAP FER requires estimates. Further, the application of group-wide accounting and valuation 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 financial statements 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 in the consolidated financial statements 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 of assets given, the equity instruments issued by the acquirer, and the liabilities incurred or assumed on the date of transaction, 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 assets recognised at fair value, is recorded as goodwill and netted with the shareholders' equity.

If the net assets of the acquired subsidiary recognised at fair value exceed 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 to 50 per cent 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 consolidated reserves. The cumulative post-acquisition changes 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.

The information with regard to the income statement in the notes contains details on the net sales proceeds, assets and capital expenditure by geographical markets and business segments as well as details on the operating revenue by category.

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 time of the transaction. Gains and losses resulting from the execution of such transactions as well as from the translation at the closing rate of foreign currency denominated assets and liabilities are recorded in the income statement.

c) Group companies

The results and balance sheet items 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 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 translation differences are recognised as a separate item in shareholders' equity.

On consolidation, exchange rate differences arising on translation of the reporting entity's net investments in a foreign operation or of financial liabilities and other currency instruments designated as hedges of such investments, are recognised in shareholders' equity with no impact on net earnings.

With the divestment of a foreign entity, such exchange rate 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 entity are recognised as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Cash, cash equivalents and securities

Cash and cash equivalents comprise cash on hand, post office and bank account deposits, and other short-term, highly liquid financial assets with a residual term to maturity of three months or less.

Current account overdrafts are disclosed in the balance sheet as liabilities due to banks under current financial liabilities.

Marketable securities are recognised at their current value. Should no such value be available, they will are best be valued at cost less any value impairments.

Securities recognised at fair value through profit or loss are shown under cash and cash equivalents as part of the changes to net current assets.

Changes to the fair values of such financial assets recognised through profit or loss are shown in the income statement under the item “financial result”.

2.6 Trade and other current receivables

Trade receivables are recognised at nominal value less an allowance for doubtful accounts. An impairment is recognised 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 bad debt provisions are recognised.

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 out the current status quo, but excluding any borrowing costs. The net realisable value is the estimated selling price attainable in the ordinary course of business, less the estimated variable costs necessary to make the sale.

Costs are measured using the weighted average cost method.

Prepayments from customers on work in progress are shown in the item deferred income under income received in advance.

Cash discounts are treated as reductions in costs.

2.8 Financial assets

Financial assets are valued at cost less any value impairments.

2.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation. Costs include all expenses directly attributable to the acquisition

Subsequent costs are only included in the property, plant and equipment's costs or recognised as separate property, plant and equipment, as appropriate, if it is likely that future economic benefits associated with the item will flow to the Group and the cost of the property, plant and equipment can be reliably measured. Repair and maintenance costs are recognised as expense in the income statement in the financial year in which they were incurred.

Property, plant and equipment is depreciated using the straight line method, with the acquisition cost being depreciated to the residual book value over the expected useful life of the property, plant and equipment, as follows:

	Years
Furniture and fixed installations	10
IT and communications systems	2
Office machines, other office equipment	5
Vehicles	5
Property	40

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

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 recognised in profit or loss.

2.10 Intangible fixed assets

Intangible assets are amortised under the item „Amortisations" using the straight line method, with the acquisition cost being depreciated to the residual book value over the expected useful life of the asset, as follows:

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

a) Trademarks and licences

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

b) Computer software

The cost of licences acquired for computer software are capitalised on the basis of the purchase price and any costs directly attributable to preparing the asset for its intended use.

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

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

- the costs are clearly and unmistakably attributable to the specific software;
- the costs can be, and are, controlled by the Group; and
- the asset will probably generate future economic benefits in excess of the costs over an extended period of time. Costs include labour costs for the software developers and a reasonable portion of the relevant overhead expenses.

2.11 Impairment of assets

Intangible assets are tested annually for impairment. All other assets are tested 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 asset's fair value less disposal costs or its value in use, whichever is higher.

2.12 Deferred taxes

Deferred taxes are recognised, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Swiss GAAP FER financial statements using the effective tax rate. Deferred taxes are determined using tax rates (and laws) that apply or have essentially been enacted on 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 offset.

Deferred tax liabilities arising due to temporary differences in connection with investments in subsidiaries are recognised, except where the Group can influence the realisation date of the temporary differences and it is likely it will not be possible to realise the temporary differences in the foreseeable future.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax receivables against the current tax liabilities and if deferred taxes are levied by the same tax authority.
A deferred tax liability is only recognised on investments if their sale is foreseeable.

2.13 Liabilities

Liabilities are recorded at nominal value.
Loan liabilities are classified as current 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

Leases are classified as operating leases if the lessor retains a substantial portion of the risks and rewards incident to ownership of the leased item. Payments in connection with an operating lease (net of reductions conceded by the lessor) are recognised in the income statement on a straight-line basis over the term of the lease.

2.15 Employee benefit plans

a) Pension obligations

The Group operates a number of pension plans that qualify as defined benefit plans, the assets of which are held and managed autonomously by legally independent foundations.
Although pension plans in Switzerland are established according to the Swiss defined contributions principle, these do not meet all the criteria of a purely defined contribution pension plan.
The pension fund organisations are financed through employee and employer contributions of the affiliated group companies with respect to the recommendations of independent, qualified actuaries.
The contributions are accrued for the period and recorded as personnel expenses, as are the change in recorded economic benefit or liability of the reporting period and the change in the assets from the employer's contribution reserves. If the Group grants the pension fund a conditional waiver of usage, or intends to do so shortly after the balance sheet date, the asset from the employer's contribution reserves is value-adjusted.

b) Share-based payments

The Group has set up share-based payment models covering employee share option plans, a share- and free share plan. Detailed information on the plans can be found on pages 30x to 32.

On exercise date, 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 recognise as personnel expenses.

To counteract unscheduled fluctuations in expense, a temporary liability is formed as of the balance sheet date in the amount of the options exercisable on this date multiplied by their intrinsic value. The change in the reporting period is shown as personnel expenses. This compensates for the effects of actual future exercise, which cannot be planned.

c) Profit sharing and bonus plans

For bonuses and profit sharing payments, a liability and an expense is recognised based on operating profit (revenue, 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. These 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 the expected cash outflow for discharging the liability is in excess of one year after the balance sheet date.

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

2.17 Shareholders' equity

Common shares are classified as shareholders' equity. Costs directly attributable to the issuance of new shares or options are disclosed in shareholders' 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 in connection with 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 recalled, 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 recognised in the shareholders' equity of the Company.

2.18 Revenue recognition

A. Revenue

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 by 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 according to the percentage-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 agreed hourly work rates

a) Recognition of revenue for fixed-price contracts

As soon as reliable estimates can be made regarding the profitability of an order, the revenue resulting from the transaction is recognised according to 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:

- the 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 percentage of completion of the transaction at the balance sheet date can be reliably measured;
- the costs already 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 recognised 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 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 of 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 pro rata temporis 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 Financial income and expenses

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 (ICS) with the objective of ensuring the effectiveness and efficiency of operations, the reliability of financial reporting and adherence to the law. In the compliance with the provisions of the Swiss Code of Obligations, 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 assessment of the financial statements. Such risks were identified and quantified in workshops and brought to the attention of the Executive 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 exposes it 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 from 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 marketable 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 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 interest 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 per cent.

The Group has no obligations to third parties regarding the maintenance of specific equity ratios (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 was 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.

5 Segment information

5.1 Geographical segments

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

Operating revenue	**July – June 2011/2012**	July – June 2010/2011
Switzerland	**39 483**	46 672
Europe	**9 483**	5 723
Other countries	**570**	448
Total Group	**49 536**	52 843

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

5.2 Operating revenue by category

Operating revenue	**July – June 2011/2012**	July – June 2010/2011
Net sales from services	**24 472**	30 921
Net sales of goods	**6 201**	8 737
Net revenue from licensing fees	**17 913**	12 818
Total sales	**48 586**	52 476
Other operating income	**950**	367
Total operating revenue	**49 536**	52 843

Sales from fixed-price contracts in the financial year amounted to CHF 14,341 thousand (previous year: CHF 15,878 thousand).

6 Cash and cash equivalents

Cash and cash equivalents	**30 June 2012**	30 June 2011
Cash on hand and bank accounts	**27 040**	37 885
Short-term investments	**2 257**	1 880
Total cash and cash equivalents	**29 297**	39 765

7 Securities

Marketable securities	**30 June 2012**	30 June 2011
Obligations	**1 326**	3 452
Shares	**703**	1 300
Property/alternative investments	**580**	1 992
Total securities	**2 609**	6 744

8 Trade receivables

Trade receivables	**30 June 2012**	30 June 2011
Current	**8 474**	5 152
Overdue 1-30 days	**539**	221
Overdue 31-90 days	**104**	319
Overdue more than 90 days	**58**	214
Total trade receivables (gross)	**9 175**	5 906
Less: Allowance for trade receivables	**–1**	–69
Total trade receivables (net)	**9 174**	5 837

Allowance for trade receivables	**July – June 2011/2012**	July – June 2010/2011
At beginning of period	**–69**	–57
Derecognition due to change in scope of consolidation	**0**	33
Allowance for doubtful accounts	**–1**	–68
Use of allowance for doubtful accounts	**12**	24
Write-off of allowance for doubtful accounts	**57**	0
Currency translation differences	**0**	–1
At end of period	**–1**	–69

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

Currencies of book values of trade receivables	**30 June 2012**	30 June 2011
Swiss franc	**7 813**	5 484
EURO	**1 362**	422
Other currencies	**0**	0

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 financial year, the Group recognised a net income of CHF 56 thousand (previous year: expense of CHF 68 thousand) on its allowance for receivables. The change is recorded under "general and administration expenses" in the income statement.

9 Other current receivables

Other current receivables	**30 June 2012**	30 June 2011
Tax receivable	**308**	621
Other third-party receivables	**1 952**	2 044
Prepaid expenses	**62**	151
Total other current receivables	**2 322**	2 816

10 Work in progress/inventories

Work in progress	**30 June 2012**	30 June 2011
Work in progress (projects)	**1 827**	2 936
Inventories	**1 839**	2 610
Total work in progress/Inventories	**3 666**	5 546

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 is disclosed as an expense in the amount of CHF 2,756 thousand (previous year: CHF 3,932 thousand) under cost of goods sold. Inventories comprise mainly trading goods (slip scanners, mouse scanners and security sticks).

11 Financial assets

Financial assets	**Term**	**Interest rate**	**Security**	**30 June 2012**	30 June 2011
Loans to related parties	indefinite	2.250%/ 2.375%	no	**0**	200
Total financial assets				**0**	200

12 Property, plant and equipment

July – June 2010/2011	Furniture	Fixed installations	Office equipment	Vehicles	Property[1]	Total
Cost						
Value at start of period	1 629	1 554	3 271	1 180	2 650	10 284
Exchange differences on opening balance	–5	0	–8	–6	0	–19
Acquisition/disposal of subsidiaries	–64	–3	–103	–96	0	–266
Additions	109	60	220	188	0	577
Disposals	–13	0	–30	–439	0	–482
Derecognition of property, plant and equipment no longer in use	–194	0	–1 846	–84	0	–2 124
Effect of changes in foreign exchange	5	0	7	7	0	19
Value at end of period	*1 467*	*1 611*	*1 511*	*750*	*2 650*	*7 989*
Accumulated depreciation						
Value at start of period	949	638	3 004	630	295	5 516
Exchange differences on opening balance	–3	–0	–6	–3	0	–12
Acquisition/disposal of subsidiaries	–43	–2	–80	–55	0	–180
Depreciation	151	123	209	195	72	750
Disposals	–4	0	–29	–258	0	–291
Derecognition of property, plant and equipment no longer in use	–194	0	–1 846	–84	0	–2 124
Effect of changes in foreign exchange	3	0	5	3	0	11
Value at end of period	*859*	*759*	*1 257*	*428*	*367*	*3 670*
30 June 2011						
Net book values						
Value at start of period	680	916	267	550	2 355	4 768
Value at end of period	*608*	*852*	*254*	*322*	*2 283*	*4 319*
Fire insurance value of property, plant and equipment						
30 June 2011						8 211
attributable to buildings						*1 449*

[1] Property represents a condominium in the canton of Zug.

July – June 2011/2012	Furniture	Fixed installations	Office equipment	Vehicles	Property[1]	Total
Cost						
Value at start of period	1 467	1 611	1 511	750	2 650	7 989
Exchange differences on opening balance	0	0	0	0	0	0
Acquisition/disposal of subsidiaries	–138	0	–27	0	0	–165
Additions	21	15	266	417	0	719
Disposals	–350	–523	0	–142	–2 650	–3 665
Effect of changes in foreign exchange	0	0	2	–1	0	1
Value at end of period	*1 000*	*1 103*	*1 752*	*1 024*	*0*	*4 879*
Accumulated depreciation						
Value at start of period	859	759	1 257	428	367	3 670
Exchange differences on opening balance	0	0	0	0	0	0
Acquisition/disposal of subsidiaries	–138	0	–15	0	0	–153
Depreciation	132	125	241	158	72	728
Disposals	–301	–424	0	–133	–439	–1 297
Derecognition of property, plant and equipment no longer in use	0	0	0	0	0	0
Effect of changes in foreign exchange	0	0	1	–1	0	0
Value at end of period	*552*	*460*	*1 484*	*452*	*0*	*2 948*
30 June 2012						
Net book values						
Value at start of period	608	852	254	322	2 283	4 319
Value at end of period	**448**	**643**	**268**	**572**	**0**	**1 931**
Fire insurance value of property, plant and equipment						
30 June 2012						8 222
attributable to buildings						*0*

[1] The condominium in the canton of Zug was sold as of 28 June 2012.

13 Intangible fixed assets

July – June 2010/2011	Software licences acquired	Other[1)]	Total
Cost			
Value at start of period	1 277	4 595	5 872
Exchange differences on opening balance	0	–4	–4
Acquisition/disposal of subsidiaries	0	–74	–74
Additions	380	0	380
Derecognition of intangible fixed assets no longer in use	–557	0	–557
Effect of changes in foreign exchange	0	5	5
Value at end of period	*1 100*	*4 522*	*5 622*
Accumulated amortisation			
Value at start of period	923	4 118	5 041
Exchange differences on opening balance	0	–3	–3
Acquisition/disposal of subsidiaries	0	–47	–47
Amortisation	202	316	518
Derecognition of intangible fixed assets no longer in use	–557	0	–557
Effect of changes in foreign exchange	0	2	2
Value at end of period	*568*	*4 386*	*4 954*
30 June 2011			
Net book values			
Value at start of period	354	477	831
Value at end of period	*532*	*136*	*668*

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

July – June 2011/2012	**Software licences acquired**	**Other**	**Total**
Cost			
Value at start of period	1 100	4 522	5 622
Exchange differences on opening balance	0	0	0
Acquisition/disposal of subsidiaries	–33	–377	–410
Additions	418	0	418
Addition (fair value income statement)	0	596	596
Derecognition of intangible fixed assets no longer in use	0	0	0
Effect of changes in foreign exchange	0	–5	–5
Value at end of period	*1 485*	*4 736*	*6 221*
Accumulated amortisation			
Value at start of period	568	4 386	4 954
Exchange differences on opening balance	0	0	0
Acquisition/disposal of subsidiaries	–33	–30	–63
Amortisation	257	133	390
Derecognition of intangible fixed assets no longer in use	0	0	0
Effect of changes in foreign exchange	0	1	1
Value at end of period	*792*	*4 490*	*5 282*
30 June 2012			
Net book values			
Value at start of period	532	136	668
Value at end of period	**693**	**246**	**939**

Goodwill

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

	July – June 2011/2012	July – June 2010/2011
Net result, as reported	**3 146**	4 692
Planned amortisation of goodwill (5 years)	**–1 372**	–798
Impairment	**0**	0
Prorated netted portion of goodwill in sales proceeds	**0**	410
Net result with capitalised goodwill on 30 June	**1 774**	4 304
Cost value of goodwill on 1 July	**16 840**	16 561
Additions/disposals	**5 970**	800
Goodwill netted at acquisition date	**0**	–521
Cost value of goodwill on 30 June	**22 810**	16 840
Value adjustments on 1 July	**–16 244**	–15 856
Planned amortisation	**–1 372**	–798
Impairment	**0**	0
Amortisation netted at acquisition date	**0**	410
Value adjustments on 30 June	**–17 616**	–16 244
Net value with capitalised goodwill on 30 June	**5 194**	596
Shareholders' equity, as reported on 30 June	**38 000**	57 085
Effect of capitalised goodwill in balance sheet on 1 July	**596**	705
Additions/disposals	**5 970**	689
Effect of capitalised goodwill in the income statement	**–1 372**	–798
Equity with capitalised goodwill on 30 June	**43 194**	57 681

14 Deferred income and accrued expenses

Deferred income and accrued expenses	**30 June 2012**	30 June 2011
Deferred expenses	**7 947**	5 032
Income received in advance (for long-term contracts)	**2 230**	1 658
Accruals/deferrals for vacation, overtime, bonuses	**1 807**	1 940
Total prepaid expenses and accrued income	**11 984**	8 630

15 Financial liabilities

Financial liabilities	**Term**	**Interest rate**	**Collateral**	**30 June 2012**	30 June 2011
Loans	-	-	none	**0**	0
Other financial liabilities	-	-	none	**0**	0
Total financial liabilities				**0**	0
Unused credit limits				**2 000**	2 000

16 Taxes

Deferred Taxes	**30 June 2012**	**30 June 2012**	**30 June 2012**	30 June 2011	30 June 2011	30 June 2011
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Use of loss carryforwards	**1 457**	**0**	**–1 457**	1 653	0	–1 653
Receivables	**0**	**248**	**248**	0	232	232
Work in progress/ inventories	**0**	**104**	**104**	0	147	147
Financial assets	**0**	**0**	**0**	0	0	0
Property, plant and equipment	**2**	**160**	**158**	4	328	324
Intangible fixed assets	**0**	**94**	**94**	0	95	95
Accruals/deferrals from pension provision	**0**	**395**	**395**	0	419	419
Share-based payments	**0**	**0**	**0**	0	0	0
Liabilities	**0**	**89**	**89**	3	77	74
Total deferred taxes	**1 459**	**1 090**	**–369**	1 660	1 298	–362
Netting	**–360**	**–360**	**0**	–427	–427	0
Deferred taxes	**1 099**	**730**	**–369**	1 233	871	–362

Deferred tax assets are 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 tax 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 CHF 777 thousand (previous year: CHF 898 thousand) 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 2012**	30 June 2011
Expiry in next 3 years	**445**	0
Expiry in 4–7 years	**9 919**	10 720
Expiry after 7 years	**453**	870
Total tax losses	**10 817**	11 590
Thereof tax losses for which deferred tax assets were recorded	**6 717**	7 426
Tax losses for which no deferred tax assets were recorded	**4 100**	4 164
Unrecorded deferred tax assets	**868**	882

Income tax	**July – June 2011/2012**	July – June 2010/2011
Current tax	**–803**	–275
Deferred tax	**–117**	–389
Total income tax	**–920**	–664

The income tax calculated on the earnings 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	**July – June 2011/2012**	July – June 2010/2011
Earnings before income tax	**4 066**	5 356
Domestic rate where the entity is domiciled	**21.17%**	21.17%
Tax expense at the domestic rate	**–861**	–1 134
Effect of different tax rates in other tax jurisdictions	**1**	78
Effect from disposal of subsidiaries	**–123**	–28
Non-tax-deductible expenses	**166**	95
Tax losses from current year for which no deferred tax assets were recognised	**–76**	–89
Use of tax losses for which no deferred tax assets were recognised in previous periods	**–23**	428
Prior-year adjustments	**0**	–3
Translation and other adjustments	**–4**	–11
Total income tax	**–920**	–664

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 carryforwards could be used to offset profits, for which no deferred tax assets were recognised in the prior years.

17 Accruals/deferrals from pension provision

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, reinsurance cover has been taken out with a collective insurer.

The information about the financial situation of the pension funds is always based on the interim financial statements as of 30 June of the financial year.

In the amount of the declared deficit, CREALOGIX has granted a conditional waiver of usage for the employer contribution reserves. The nominal value of the employer contribution reserve was value adjusted to the extent of this waiver of usage and the remaining portion was capitalised in the balance sheet. As a result of the waiver of usage, no economic liability exists for CREALOGIX.

Employer contribution reserve	**July – June 2011/2012**	July – June 2010/2011
Nominal value at start of period	**3 319**	3 279
Additions	**0**	0
Interest	**–95**	40
Nominal value at end of period	**3 224**	3 319
Appropriation waiver	**–1 319**	–1 319
Balance at end of period	**1 905**	2 000
Interest	**–95**	40
Release appropriation waiver	**0**	0
Additions appropriation waiver	**0**	0
Impact on personnel expense	**–95**	40

Economic benefit/economic liability and pension costs	July – June 2011/2012	July – June 2010/2011
Funded status at start of period	**–1 078**	–1 284
Change	**65**	206
Funded status at end of period	**–1 013**	–1 078
Economic share of CREALOGIX at start of period	**0**	0
Economic share of CREALOGIX at end of period	**0**	0
Effect on income statement	**0**	0
Employer contribution	**–1 591**	–1 738
Pension costs included in personnel expense	**–1 591**	–1 738

18 Share capital

July – June 2010/2011	Number of shares			Capital		
	Issued	**Treasury**	**Outstanding**	**Issued**	**Treasury**	**Outstanding**
At beginning of period	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 end of period	*1 070 000*	*–3 467*	*1 066 533*	*8 560*	*–342*	*8 218*
July – June 2011/2012						
At beginning of period	1 070 000	–3 467	1 066 533	8 560	–342	8 218
Treasury shares purchased		–19 826	–19 826		–1 930	–1 930
Treasury shares sold		1 938	1 938		192	192
Treasury shares used for share-based payments		13 879	13 879		1 359	1 359
At end of period	**1 070 000**	**–7 476**	**1 062 524**	**8 560**	**–721**	**7 839**

The total number of issued registered shares is 1,070,000 (previous year: 1,070,000). The shareholders' equity comprises CHF 4,770 thousand (previous year: CHF 4,799 thousand) in non-distributable reserves.
Since 1 March 2007, each share has a par value of CHF 8.
The conditional share capital with 250,000 registered shares with a nominal value of CHF 8 for employee share option plans has existed since 5 September 2000.
The authorised capital with 300,000 registered shares with a nominal value of CHF 8 and reserved for business acquisitions has existed since 2 November 2011.
The reduction in value of CHF –379 thousand (previous year: CHF 313 thousand) from transactions with treasury shares 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 2011/2012**	July – June 2010/2011
Wages and salaries	**–24 164**	–26 704
Social security costs	**–2 074**	–2 121
Pension fund costs	**–1 591**	–1 738
Other personnel expenses	**–2 204**	–1 929
Total personnel expenses	**–30 033**	–32 492
Full-time employees	**200.7**	232.7
Headcount on 30 June	**221**	236

20 Financial result

Financial result	**July – June 2011/2012**	July – June 2010/2011
Interest income	**79**	211
Gain on marketable securities/dividends	**121**	225
Total financial income	**200**	436
Interest expense	**–13**	–29
Foreign exchange loss	**–104**	–271
Other financial expenses	**–20**	–21
Total financial expense	**–137**	–321
Financial result	**63**	115

21 Earnings per share

Undiluted

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

Undiluted	**July – June 2011/2012**	July – June 2010/2011
Consolidated profit attributable to shareholders of CREALOGIX Holding AG	**3 146**	4 692
Weighted average number of ordinary shares outstanding	**1 063 757**	1 063 627
Undiluted earnings per share (in CHF)	**2.957**	4.411

22 Obligations

Operating lease obligations

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

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

Future minimum lease payments	**30 June 2012**	30 June 2011
Due within 1 year	**1 699**	1 351
Due between 1 and 5 years	**1 077**	1 651
Due > 5 years	**0**	0
Total future liabilities	**2 776**	3 002

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

CREALOGIX E-Banking AG, Zuchwil, was absorbed by CREALOGIX E-Payment AG with retroactive effect as of 1 July 2011.

On 28 July 2011, CREALOGIX AG acquired the entire business involving e-banking and portal clients under the Abaxx name from Cordys Deutschland AG in Germany in the form of an asset deal. This transaction extends the CREALOGIX product portfolio and strengthens its presence on the German market. Goodwill resulting from the capitalisation of acquired extra value was offset against shareholders' equity.

CREALOGIX Transport & Logistics AG was sold to its management team as of 30 December 2011 as part of the ongoing strategy to focus on financial sector products. In the course of the divestment, net assets of CHF 683 thousand were sold.

24 Related-party disclosures

Related parties include members of the Board of Directors, the Executive Management 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) Majority shareholders
The Group is controlled by Bruno Richle, Richard Dratva, Daniel Hiltebrand and Peter Süsstrunk, who together have a 69 per cent shareholding in the Group. The remaining 31 per cent 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 Management are composed as follows:

Board of Directors	**Executive Management**
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 2011/2012	Annual fixed compensation	Annual variable compensation	Share-based payments	Social security contributions	Payments in kind	Total
Board of Directors						
Bruno Richle, Chairman and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vice-Chairman and CSO	0	0	0	0	0	**0**
Jean-Claude Philipona, Member	30	16	30	4	0	**80**
Prof. em. Dr. Beat Schmid, Member	30	9	11	2	0	**52**
Dr. Christoph Schmid, Member	30	5	0	2	0	**37**
Total Board of Directors	**90**	**30**	**41**	**8**	**0**	**169**
Executive Management (five members)	1 050	614	390	407	41	**2 502**
Total	**1 140**	**644**	**431**	**415**	**41**	**2 671**
Highest compensation to Thomas Avedik, Member of Executive Management	*214*	*210*	*107*	*52*	*7*	**590**

July – June 2010/2011	Annual fixed compensation	Annual variable compensation	Share-based payments	Social security contributions	Payments in kind	Total
Board of Directors						
Bruno Richle, Chairman and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vice-Chairman 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 Management (six members, from 1 September five 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**

1) Compensation of members of the Board of Directors and Executive Management
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 Management, and other key personnel 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 meeting allowances and bonuses.

2) Social security contributions
Social security contributions consist of the actual regulatory premiums paid to the pension foundations during the current financial year.

3) Share-based payments

As disclosed on page 25, a profit-sharing programme is in place for the Board of Directors and selected members of the Executive Management, senior staff and employees. The fair value is the basis for the valuation of expenditures recorded in the income statement relating to options granted and employees shares taken up.

4) Other compensation and credits

There were no 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 the year under review (previous year: none).

In relation to legal consultation, services were provided by Wenger & Vieli AG, a law firm closely related to member of the Board of Directors Dr. Christoph Schmid. Wenger & Vieli's fees for legal advice totalled CHF 54 thousand (previous year: CHF 82 thousand).

5) Shareholdings

As of 30 June 2012, members of the Board of Directors, the Executive Management, other key personnel as well as major shareholders owned CREALOGIX shares and employee options as follows:

	CREALOGIX shares		CREALOGIX employee options	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
Board of Directors				
Bruno Richle, Chairman and CEO	**248 126**	246 887	**0**	1 951
Dr. Richard Dratva, Vice-Chairman and CSO	**254 806**	253 567	**0**	1 951
Jean-Claude Philipona, Member	**990**	336	**0**	900
Prof. em. Dr. Beat Schmid, Member	**1 943**	1 943	**0**	900
Dr. Christoph Schmid, Member	**3 436**	3 140	**0**	1 000
Members of the Executive Management				
Thomas Avedik, member of the Executive Group Management and CEO of CREALOGIX E-Banking AG	**428**	428	**0**	5 600
Jürg A. Hässig, member of the Executive Group Management and CFO	**2 834**	2 040	**0**	146
Dr. Louis-Paul Wicki, member of the Executive Group Management and CEO of CREALOGIX E-Business AG	**3 693**	4 197	**0**	4 280
Other significant shareholders				
Noser Management AG	**42 000**	42 000	**0**	0
Total	**558 256**	554 538	**0**	16 728

25 Subsequent events

Since the balance sheet date on 30 June 2012, there have been no material events that would affect the integrity of the annual financial statements approved by the Board of Directors on 6 September 2012.

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 39 to 77), for the year ended 30 June 2012.

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 2012 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.

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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 Ltd

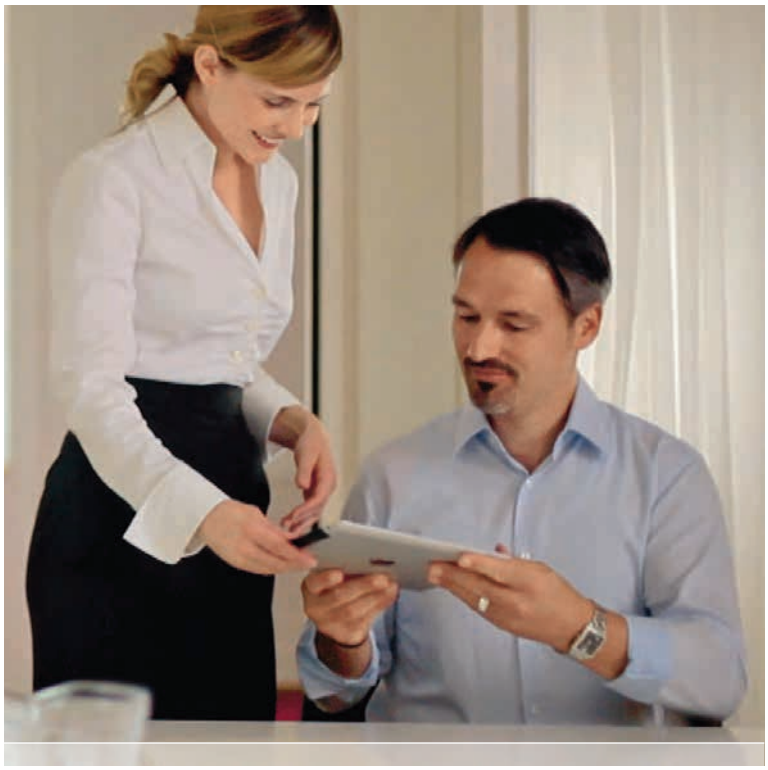
Hanspeter Gerber
Audit expert
Auditor in charge

Andreas Fontanive
Audit expert

Zürich, 6 September 2012

Enclosure:

- Consolidated financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes)



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/// www.crealogix.com/userexperience

CREALOGIX

CREALOGIX
FINANCIAL STATEMENT HOLDING AG

BALANCE SHEET

Amounts in thousands of CHF	30 June 2012	in %	30 June 2011	in %
ASSETS				
Cash, cash equivalents and marketable securities	**15 120**		27 249	
Other current receivables	**28**		8	
Accounts receivable from subsidiaries	**4 958**		5 915	
Treasury shares	**673**		322	
Prepaid expenses and accrued income	**28**		0	
Current Assets	**20 807**	**57.4**	33 494	68.3
Financial assets	**15 459**		15 559	
Non-current assets	**15 459**	**42.6**	15 559	31.7
Total ASSETS	**36 266**	**100.0**	49 053	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Trade payables	**9**		23	
Other current liabilities	**570**		624	
Accounts payable to subsidiaries	**7 298**		3 631	
Deferred income and accrued expenses	**31**		24	
Liabilities	**7 908**	**21.8**	4 302	8.8
Share capital	**8 560**		8 560	
General reserve	**250**		250	
Share premium	**25 533**		41 567	
Reserve for treasury shares	**721**		342	
Legal reserves	**26 504**		42 159	
Free reserves	**–731**		–352	
Accumulated net loss	**–5 975**		–5 616	
Shareholders' equity	**28 358**	**78.2**	44 751	91.2
Total LIABILITIES AND SHAREHOLDERS' EQUITY	**36 266**	**100.0**	49 053	100.0

INCOME STATEMENT

Amounts in thousands of CHF	**July – June 2011/2012**	July – June 2010/2011
Group revenue	**1 228**	1 506
Personnel expenses	**–218**	–188
Advertising expenses	**–5**	–5
Insurance expense and duties	**–7**	–7
Consulting expenses	**–62**	–36
Other third-party operating expenses	**–32**	–56
Group operating expenses	**–776**	–152
Operating expenses	**–882**	–256
Operating result before interest and taxes	**128**	1 062
Financial income	**1 835**	2 351
Financial expenses	**–2 322**	–1 784
Financial result	**–487**	567
Earnings before taxes	**–359**	1 629
Income tax	**0**	0
Net profit	**–359**	1 629

NOTES ON 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. 13 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 Shareholdings

Company	Activity	Capital	Ownership interest	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 AG, Stuttgart, Germany	Consultancy and services in information technology and data communication	EUR 100 000	100%	100%
CREALOGIX International AG, Stuttgart, Germany (formerly CREALOGIX ERP AG, Villingen, Germany)	Consultancy and services in information technology and data communication	EUR 50 000	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 price	Value
as of 1 July 2011	3 467	92.93	322 175
Purchases 2011/2012	19 826	97.33	1 929 584
Sales 2011/2012	–15 817	98.03	–1 550 571
Loss			–28 348
as of 30 June 2012	**7 476**	**90.00**	**672 840**

The reserve for treasury shares amounts to CHF 721 thousand (previous year: CHF 342 thousand), which equals the acquisition costs.

4 Share capital

Since 5 September 2000, 1,070,000 registered shares of the company have been 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 has amounted to CHF 8,560,000 since 1 March 2007.

The conditional share capital with 250,000 registered shares with a nominal value of CHF 8 for employee share option plans has existed since 5 September 2000.

The authorised capital with 300,000 registered shares with a nominal value of CHF 8 and reserved for business acquisitions has existed since 2 November 2011.

	30 June 2012	30 June 2011
Contingent share capital	**2 000 000**	2 000 000
Authorised share capital	**2 400 000**	2 400 000

5 Significant shareholders

As of 30 June 2012, each of the following shareholders held more than 3 per cent of the voting rights:

Shareholders	**Share of votes**		**Number of shares**	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
Richard Dratva	**23.81%**	23.70%	**254 806**	253 567
Bruno Richle	**23.19%**	23.07%	**248 126**	246 887
Daniel Hiltebrand	**15.26%**	15.26%	**163 324**	163 324
Peter Süsstrunk	**6.92%**	6.92%	**74 000**	74 000
Noser Management AG	**3.93%**	3.93%	**42 000**	42 000

6 Other disclosures

Details regarding compensation, credits, and other transactions with members of the Board of Directors and the Executive Management are shown in Note 24 of the consolidated financial statements.

The necessary detailed information on risk management is included in the consolidated financial statements on pages 55 to 57.

No valuation reserves were liquidated during the reporting year (previous year: CHF 528 thousand).

7 Proposal of the Board of Directors to the Shareholders' Meeting

	July – June 2011/2012	July – June 2010/2011
Allocation of accumulated net loss		
Balance carried forward from the previous year	**–5 616**	–7 245
Net profit	**–359**	1 629
Accumulated net loss	**–5 975**	–5 616
Appropriation to general reserves	**0**	0
Profit/loss carried forward	**–5 975**	–5 616
Distribution of share premium	**–2 140**	–16 050

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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 84 to 89), for the year ended 30 June 2012.

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 2012 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.

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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 recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Hanspeter Gerber
Audit expert
Auditor in charge

Andreas Fontanive
Audit expert

Zürich, 6 September 2012

Enclosure:

- Financial statements (balance sheet, income statement and notes)

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/// www.crealogix.com/e-payment

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CREALOGIX
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