



Quarterly Statement as of March 31, 2006



Growth

To the Shareholders, Employees and Friends of the Company

Dear Sir or Madam,

Nemetschek is and remains on a successful course. We have continued the positive developments for sales and earnings in the first three months of 2006, reporting much higher growth than in the previous quarters. As a result, we have been able to increase the EBIT by more than 50 %. The development of the share price has been excellent, management and employees are highly motivated, and our products and services are demanded by customers around the world.

Foreign business again made a significant contribution in the first quarter. We now generate almost 60 % of sales with customers outside Germany. Western and eastern Europe and the United States are important target markets here for Nemetschek. The economy in the building industry in these regions will continue to grow in the coming years, and we are therefore continuing our policy of expansion in these future markets.

One important step towards achieving this goal was the acquisition of the Belgian company SCIA in February. This acquisition hugely strengthens our position in Europe.

Nemetschek is now the number one for integrated civil engineering software on a 3D basis in Europe. We will take full advantage of the new opportunities for growth and synergies. This is particularly true for sales, as Nemetschek and SCIA have a customer base that can be expanded, and there is a high potential for cross-selling.

We expect the positive development for sales and earnings to continue for the whole of 2006. The positive response to international trade fairs and conferences such as DEUBAU in Essen and the buildingSMART conference in Munich, along with the high acceptance of the products, give us every cause for optimism. Today, our customers have access to a comprehensive range of software and consulting services. The new 2006 product generation has been launched and has received top marks from the experts. This also includes Allplan, Germany's most widely-used planning software in the CAD domain. Our method for quantity take-off is TÜV-certified, and the new mobile solutions are award-winners. Nemetschek's strength is its industry and technical expertise, which remains unsurpassed by any competitor.



As a result of the positive company development and liquid assets in the group, the managing board and supervisory board will recommend the payout of a dividend of 0.65 euros at the general meeting on May 23, 2006.

Best regards,

Gerhard Weiss
Chairman of the Managing Board

Nemetschek Group at a Glance

	in million €	March 31, 2006	March 31, 2005	Change
Sales		23.8	22.2	7.3 %
Operating income		24.4	22.4	8.6 %
Gross profit		22.9	20.7	10.4 %
in % of sales		96.1 %	93.4 %	
EBITDA		3.6	2.8	27.6 %
in % of sales		15.2 %	12.8 %	
EBIT		3.0	2.0	50.6 %
in % of sales		12.5 %	8.9 %	
Net income (Group shares)		2.3	1.5	55.5 %
per share in €		0.24	0.15	
Net income		2.4	1.6	53.2 %
Cash flow for the period		3.6	2.9	24.4 %
Cash and cash equivalents		27.2	43.6	- 37.6 %
Equity		51.5	61.8	- 17.4 %

Leading Position for Civil Engineering Software in Europe

On our route towards a stronger internationalization, we made a very promising acquisition at the beginning of the year, gaining a majority share in SCIA International NV. As a result, we are the leading provider of integrated CAD/CAE software in the civil engineering sector in Europe. Our distinct advantage over our competitors is that we offer our customers integrated architecture, civil engineering, and structural design solutions. With this integrated product family, we are able to strengthen our market position significantly. For the capture of new markets, we are focusing on an international approach. We want to grow in Europe and gain a foothold in Asia.

SCIA has around 5,000 customers worldwide and is represented in 16 countries. The group, founded in 1974, is market leader in the Benelux countries and is also one of the



SCIA.ESA PT - used to design the new footbridge at the European Parliament

leading companies in the industry in the Czech Republic and Slovakia. A high office building in „La Défense“ in Paris, the Olympic soccer stadium in Crete, and the King Abdulaziz International Airport in Saudi-Arabia were created using software from SCIA. SCIA continued to grow in the first quarter, but only sales as of March are included in the Nemetschek quarterly statement.

Together with SCIA, Nemetschek will be better represented in the area of high-end engineering design for complex structures such as bridges, tunnels, and industrial constructions. Nemetschek is thus the only company to offer its customers innovative solutions that enable them to improve work processes within a single data structure, from CAD, structural and design calculations through to the optimization of complete structures.

Greater Internationalism Thanks to Innovative IT Solutions

Nemetschek has always been trendsetter in its industry. One particularly important example is costing during design, for which we have developed leading IT solutions in recent years. In the coming months, we will capture further potential with a large „Design to Cost“ campaign covering cost-efficient planning. Our success in this area is also demonstrated by the international Building-Smart conference in April 2006, attended by software vendors and users from around the world. At this event, Nemetschek was able to demonstrate impressively that we identified the topics of integrated planning and costing – which are becoming increasingly important worldwide – at a very early stage and implemented pioneering IT solutions such as the 2006 generation. We will be extending this leading position and capturing additional markets.

One of the main priorities in all our business units is the ambition of a stronger internationalization. In the first quarter, we were particularly successful in France, Austria, and North America. Nemetschek France was able to convert numerous customer contacts obtained at BATIMAT at the end of 2005 into orders. Our product quality and practice-oriented range of services are key driving forces here. In Austria, ING.AUER – Die Bausoftware GmbH was able to increase training sales in the first quarter, and also concluded a large order with nine Viennese consortiums (ARGE). These ARGE, which all construction companies in Vienna belong to, can now carry out contract awards and accounting more effectively with AUER. AUER also showcased a mobile dimensioning system for the first time at the PRObau trade fair in Wels: this combines AUER Success, a mobile pocket PC (PDA), and a laser distance measuring device. NEMETSCHKE NORTH AMERICA can look back on a successful quarter, particularly thanks to the sales success of Version 12.

MAXON Computer GmbH had a good start to the new year. This January was the best in the company's history, and internationalization is increasing with successes in the United States and the United Kingdom. MAXON was also the first manufacturer of professional graphics software in the world to present a version for the new Intel-based Apple Macintosh computers.

Nemetschek Bausoftware GmbH was successful again in Switzerland in particular, where the Nemetschek company already boasts a market share of 50 %. In a group with the Austrian AUER and national subsidiary Nemetschek Austria, initial steps have been taken to drive this growth in the whole GSA region (Germany, Switzerland, and Austria). The AUER Success and 'BAU financials' software solutions will be more tightly integrated. In Austria, the three Nemetschek subsidiaries are now organizing their market approach jointly. With greater integration of the IT solutions, we will be better placed to meet customer requirements in the Build business unit in the future.

Good Start to the New Fiscal Year

Nemetschek has enjoyed a successful start to the 2006 fiscal year. Demand for the Group's products and services was higher than in the previous year. Sales grew by 7.3 % in the first quarter of 2006. The operating profit was 3.0 million euros, compared to 2.0 million euros in the same period of the previous year. This represents an increase of 50.6 %. Improved business development in all business units contributed to this success. The higher growth rate is due mainly to successful activities abroad. Business in Germany also showed positive trends for the first time following years of economic decline.

Greater Organic Growth in Sales

The sales in the first quarter of 2006 of 23.8 million euros were 7.3 % higher than the previous year's figure of 22.2 million euros. The main reason for the increase in sales was the organic growth in the international subsidiaries. Business in the United States with the two subsidiaries NEMETSCHKEK NORTH AMERICA and MAXON developed particularly well. In western Europe, an increase in demand was seen in France, in particular. The Austrian ING.AUER – Die Bausoftware GmbH and German Friedrich + Lochner GmbH were again very successful in the first quarter and continued on the growth course of the previous year. The consolidation of SCIA International NV, Herk-de-Stad, Belgium on March 1, 2006 (+ 0.7 million euros) and the deconsolidation

of acadGraph CAD Studio GmbH, Munich on December 31, 2005 (– 1.0 million euros) makes hardly any difference to the comparison of sales.

Proportion of Foreign Sales Increases to around 58 %

The proportion of foreign business rose to 13.7 million euros in the first quarter (previous year: 11.6 million euros). This corresponds to 58 % of the total sales, compared with 52 % in 2005. The change is due to organic growth in the international sphere and the acquisition of SCIA International NV. At home, sales were 10.1 million euros compared with 10.6 million euros in the previous year, caused by the sale of acadGraph.

Consolidated Income Statement for the Period from January 1 to March 31, 2006 und 2005

Thousands of €	1st quarter 2006	1st quarter 2005
Sales	23,821	22,208
Other operating income	529	205
Operating income	24,350	22,413
Cost of materials/cost of purchased services	– 1,451	– 1,666
Personnel expenses	– 11,230	– 10,785
Depreciation of property, plant and equipment and amortization of intangible assets	– 632	– 853
Other operating expenses	– 8,050	– 7,126
Operating expenses	– 21,363	– 20,430
Operating result	2,987	1,983
Interest income	138	146
Income expenses	–22	–18
Income from associates	30	35
Earnings before tax	3,133	2,146
Income taxes	– 736	– 581
Net income	2,397	1,565
Of this amount:		
Equity of the parent company	2,298	1,478
Minority interests	99	87
	2,397	1,565
Earnings per share (basic) in EUR	0.24	0.15
Earnings per share (diluted) in EUR	0.24	0.15
Average number of shares outstanding (basic)	9,625,000	9,625,000
Average number of shares outstanding (diluted)	9,625,000	9,625,000

Consolidated Balance Sheet as of March 31, 2006 and as of December 31, 2005

All Business Units with Increased Sales

The first quarter was more successful than the same period of the previous year for activities in all business units. In the Design business unit, sales increased by 1.0 million euros to 17.6 million euros. Sales revenues in the Build and Manage business units increased by a total of 0.3 million euros. The Multimedia/NBO unit had the strongest growth rate, increasing around 20,4 % to 1.9 million euros.

Earnings Increased by over 50 %

In the first quarter, Nemetschek achieved an operating profit of 3.0 million euros, 1.0 million euros higher than the same quarter of the previous year. All the business divisions contributed to these improved earnings. Improvements were seen primarily in the western European subsidiaries, with Nemetschek France enjoying particular success in the first quarter. The sale of acadGraph CAD Studio GmbH continues to have a positive effect on the results (previous year: – 0.2 million euros). Because of the initial consolidation as of March, and the burden of purchase price allocation, the effect of the SCIA International NV results is very low. The net income was 2.4 million euros, compared with 1.6 million euros in the previous year. The earnings per share rose by 55.5 % from 0.15 euros to 0.24 euros.

Cash Flow for the Period up 24 %

In the first quarter, the cash flow for the period increased from 2.9 million euros to 3.6 million euros. The cash flow from operating activities was 7.5 million euros, and the cash flow from investing activities was – 9.1 million euros, of which a total of 8.6 million euros was due to the payment of the remaining 25 % of shares in ING.AUER – Die Bausoftware GmbH and the acquisition of a 78 % share in SCIA International NV. Both investments were paid for using internally-generated funds. Cash and cash equivalents amounted to 27.2 million euros on March 31, 2006 (December 31, 2005: 29.0 million euros).

Assets	Thousands of €	March 31, 2006	Dec. 31, 2005
Current assets			
Cash and cash equivalents		27,195	28,966
Trade receivables, net		17,279	14,435
Receivables from associates		141	148
Inventories		449	481
Tax refunded claims for income taxes		1,411	1,917
Prepaid expenses and other current assets		4,563	2,777
		51,038	48,724
Non-current assets classified as held for sale		560	2,075
Current assets, total		51,598	50,799
Non-current assets			
Property, plant, and equipment		3,408	2,811
Intangible assets		5,279	1,166
Goodwill		25,231	23,734
Shares in associates/financial assets		417	387
Deferred taxes		1,950	1,835
Other non-current assets		230	230
Non-current assets, total		36,515	30,163
Total assets		88,113	80,962

Equity and liabilities	Thousands of €	March 31, 2006	Dec. 31, 2005
Current liabilities			
Short-term loans and current portion of long-term loans		872	702
Trade payables		4,253	3,615
Payments on account		50	64
Provisions and accrued liabilities		8,442	8,780
Deferred income		15,788	6,807
Income taxes		1,296	1,118
Other current liabilities		2,409	9,181
		33,110	33,267
Liabilities directly associated with non-current assets classified as held for sale		0	763
Current liabilities, total		33,110	31,030
Long-term loans without current portion		91	0
Deferred taxes		2,515	1,215
Pension provisions		591	583
Other non-current liabilities		745	0
Non-current liabilities, total		3,942	1,798
Equity			
Subscribed capital		9,625	9,625
Capital reserves		41,402	41,354
Revenue reserve		52	52
Currency translation		– 2,121	– 1,851
Retained earnings/accumulated loss		215	– 2,083
Minority interests (restated)		1,888	1,037
Equity, total		51,061	48,134
Total equity and liabilities		88,113	80,962

Equity Ratio of 58 %

In the current assets, the asset values of a sale group classified as „held for sale“ were reduced as a result of the sale of acadGraph. The non-current assets increased by 6.4 million euros primarily as a result of the acquisition of the SCIA group. On the equity and liabilities side, the deferred income increased

by around 9.0 million euros, as in the previous year. Other liabilities were reduced through the payment of the purchase price for ING.AUER – Die Bausoftware GmbH.

The deconsolidation of acadGraph meant that the liabilities directly connected with the assets classified as held for sale were reduced by 0.8 million euros. Equity was

51.1 million euros (December 31, 2005: 48.1 million euros). This is equivalent to an equity ratio of 58 %.

Dividend Payment of 0.65 Euros Planned

The managing board and supervisory board will recommend a dividend of 0.65 euros per share at the general meeting on May 23, 2006.

Consolidated Cash Flow Statement for the Period from January 1 to March 31, 2006 and 2005

Thousands of €	2006	2005
Earnings (before taxes)	3,133	2,059
Amortization and depreciation of non-current assets	632	853
Change in pension provision	9	9
Non-cash transactions	48	0
Income from associates	– 30	0
Expense from disposal of property, plant and equipment	– 157	0
Cash flow for the period	3,635	2,921
Interest income	– 138	– 146
Interest expenses	22	18
Change in other provisions and accruals	– 338	– 866
Change in trade receivables	– 203	– 869
Change in inventories, other assets	124	– 1,174
Change in trade payables	65	– 1,856
Change in other liabilities	4,266	6,829
Interest received	138	146
Income taxes received	650	0
Income taxes paid	– 694	– 517
Cash flow from operating activities	7,527	4,486
Capital expenditure	– 514	– 5,075
Acquisition of a subsidiary after deduction of acquired means of payment	– 3,341	
Changes in liabilities from acquisitions	– 5,295	4,800
Cash received from the disposal of non-current assets	4	0
Cash flow from investing activities	– 9,146	– 275
Interest paid	– 22	– 18
Cash received from the sale of shares	0	234
Cash flow from financing activities	– 22	216
Changes in cash and cash equivalents	– 1,641	4,427
Effect of exchange rate differences on cash and cash equivalents	– 130	110
Cash and cash equivalents at the beginning of the period	28,966	39,033
Cash and cash equivalents at the end of the period	27,195	43,570

Outlook

For 2006 as a whole, the managing board expects continued sales growth in international business. The growth markets are primarily western and eastern Europe and the United States. The development in Germany for existing business will probably stabilize and remain at the previous year's level. Overall, the managing board will continue with the growth-oriented course for 2006 as a whole, and expects a further increase in sales and a significant increase in the operating profit compared to the previous year.

Group Segment Information for the Period from January 1 to March 31, 2006 und 2005

Thousands of €	2006 Sales	Amortization and depreciation	EBIT	2005 Sales	Amortization and depreciation	EBIT
Design	17,614	515	2,048	16,581	713	1,227
Build	3,008	36	870	2,848	45	819
Manage	1,349	25	- 357	1,241	25	- 409
Core business units	21,972	577	2,561	20,671	783	1,638
Multimedia/NBO	1,850	56	426	1,537	70	344
Total	23,821	632	2,987	22,208	853	1,983

Statement of Changes in Group Equity for the Period from January 1, 2005 to March 31, 2006

Thousands of €	Equity applicable to the parent company's shareholders						Minority interests	Total equity
	Subscribed capital	Capital reserve	Revenue reserve	Currency translation	Retained earnings accumulated loss	Total		
As of January 1, 2005	9,625	46,345	0	- 3,037	5,496	58,429	1,497	59,926
Sales of shares		182	52			234		234
Additional share purchase		- 5,254				- 5,254	- 66	- 5,320
Share-based compensation		81				81		81
Income payment from minority interests						0	- 874	- 874
Difference from currency translation				1,186	3	1,189		1,189
Dividend payments					- 19,250	- 19,250		- 19,250
Net income for the year					11,668	11,668	480	12,148
As of December 31, 2005	9,625	41,354	52	- 1,851	- 2,083	47,097	1,037	48,134
Share purchases						0	191	191
Identifiable assets acquired, minority interest						0	561	561
Share-based compensation		48				48		48
Difference from currency translation				- 270		- 270		- 270
Net income for the year					2,298	2,298	99	2,397
As of March 31, 2006	9,625	41,402	52	- 2,121	215	49,173	1,888	51,061

Number of Shares Held by Directors as of March 31, 2006

	Number of shares	Subscription rights
Managing board		
Gerhard Weiß	26,092	0
Dr. Peter Mossack	1,000	50,000
Michael Westfahl	0	50,000
Supervisory board		
Kurt Dobitsch	0	0
Prof. Georg Nemetscheck	2,314,497	0
Rüdiger Herzog	0	0

Quarterly Statement Based on IAS/IFRS

The Nemetschek Group's quarterly statement is compiled in accordance with the International Accounting Standards Board's (IASB) International Financial Reporting Standards (IFRS). It is based on the same accounting, appraisal, and calculation methods as the annual financial statement dated December 31, 2005.

The group of companies corresponds to the situation on December 31, 2005, with the following differences:

- Deconsolidation of 100 % of shares in acad Graph CAD Studio GmbH, Munich on January 1, 2006.
- Acquisition: In the purchase agreement of February 14, 2006, Nemetschek AG acquired – via the two companies Campus Technology Fund, Heverlee, Belgium and Software Adventure Cv, Herk-de-Stad, Belgium – a 78.84 % stake in SCIA International NV, Herk-de-Stad, Belgium, which acts as a holding company for the subsidiaries of the SCIA group.

The SCIA International NV group includes the following companies:

SCIA Group NV, Herk-de-Stad, Belgium
SCIAW+B Software BV, Arnhem, Netherlands
SCIA Sarl, Roubaix, France
SCIA Cz s.r.o., Brno Czech Republic
SCIA SK s.r.o, Zilina Slovakia
SCIA MAPS SA, Gurmels, Switzerland

The date of acquisition was February 28, 2006. The acquisition costs for the merger are 4.4 million euros, 0.2 million euros of which are incidental acquisition costs.

On the date of acquisition, long term asset values amounting to 8.3 million euros (book value 4.4 million euros) and liabilities of 5.6 million euros (book value 3.5 million euros) as well as goodwill amounting to 1.6 million euros were applied

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