

moving minds



2012

HALF YEAR REPORT AS OF JUNE 30

To our Shareholders



Tanja Tamara Dreilich, CFO

Dear shareholders, ladies and gentlemen,

In the second quarter of the current year the Nemetschek Group was able to grow again. Revenues rose in the first half year by 7 percent to EUR 84.4 million, whereby the foreign revenues and the revenue share from software service contracts increased over-proportionally. The result before interest, taxes and depreciation (EBITDA) of EUR 18.2 million was at the prior year level in the same period of time. Here, growth of the Group was especially positive in the Asian markets.

However, the development of our largest subsidiary, Nemetschek Allplan had a negative influence. The reasons for this lie on the one hand in the development of the construction industry in parts of Europe. This had an impact on the revenue growth of Allplan. On the other hand, the generation of new revenues was more labour intensive which burdened the earnings situation of Allplan.


Therefore, the managing board decided on an extensive new orientation of Allplan. With effect from July 1, 2012 there was already a change in the management of Nemetschek Allplan. Together with the new management of Allplan measures will be processed in the next few weeks which will lead Allplan to new profitability and strong growth. During the third quarter we will comment in detail on the planned steps.

Overall, our Group is still on a growth course and is expanding in almost all areas. In the first half year, therefore, 78 new jobs were created to strengthen the growth initiatives. The number of employees at the closing date June 30, 2012 amounted to 1,231 compared to 1,153 in the prior year.

We also have something positive to report from our ordinary meeting on May 24 in Munich. All points on the agenda received unanimous approval or almost unanimous approval of the shareholders present. The dividend was increased by 15 percent to 1.15 Euro per share. At the time of the distribution the return was at 3.8 percent.

I thank you for your trust.

Yours sincerely


Tanja Tamara Dreilich

Nemetschek on the Capital Market

SHARE DEVELOPS BETTER IN UNSETTLED MARKET ENVIRONMENT THAN COMPARATIVE INDICES

As part of the growing worries about the future of the eurozone international stock exchanges appeared shaped by an unsettled to negative development. With a price decline of 7 percent in the past quarter the Nemetschek share was also not able to avoid this development. Nevertheless, the share was again able to develop better than the DAX and the TecDAX looking back at the last 12 months. At the beginning of June the Close Brothers Seydler Bank (CBSB) took up its commission as designated sponsor for Nemetschek. It thus replaces the West LB which ceased activities for Nemetschek at the end of June. With its commission as designated sponsor the analysis of the share is also related to the equity research of CBSB. Publication of the first research study is expected in the third quarter of 2012.

PRICE DEVELOPMENT OF THE NEMETSCH EK SHARE FROM JUNE 1, 2011 ONWARDS



Nemetschek share develops better than the TecDAX

KEY FIGURES

in million €	June 30, 2012	June 30, 2011	Change
Revenues	84.4	79.1	7%
EBITDA	18.2	18.3	-1%
as % of revenue	22 %	23 %	
EBIT	12.6	13.3	-5%
as % of revenue	15 %	17 %	
Net income (group shares)	8.3	9.0	-8%
per share in €	0.86	0.94	
Cash flow from operating activities	16.9	18.3	-8%
Free Cash Flow	13.8	15.1	-8%
Net cash *)	30.9	28.8	7%
Equity ratio *)	65 %	64 %	
Headcount as of balance sheet date	1,231	1,153	7%

*) Presentation of previous year as of December 31, 2011

Interim Management Report

Report on the earnings, financial, and asset situation

CONTINUITY IN RESULTS

In the first six months the Group increased revenues by 7 % to EUR 84.4 million (previous year: EUR 79.1 million). The Group EBITDA amounted to EUR 18.2 million (previous year: EUR 18.3 million) which represents an operative margin of 22 % (previous year: 23 %). Net income for the year (group shares) amounted to EUR 8.3 million (previous year: EUR 9.0 million). The Nemetschek Group generated an operating cash flow of EUR 16.9 million (previous year: EUR 18.3 million).

MAINTENANCE AND LICENSE REVENUES CLIMB

Revenues from foreign markets climb by 8 percent

In the first half year 2012 license revenues rose by 6.5 % to EUR 41.0 million (previous year: EUR 38.5 million). Thus, their share of total revenues is in line with the previous year at 49 %. Revenues from maintenance contracts also rose by 6.5 % to EUR 38.8 million (previous year: EUR 36.5 million). In the foreign markets the Nemetschek Group generated revenues of EUR 51.7 million (previous year: EUR 48.0 million). This is equivalent to a growth rate of 8 % (mainly in USA and Asia). The share of revenues from overseas thus amounted to 61 %, the same as in the previous year. The domestic revenues increased by 5 % to EUR 32.7 million (previous year: EUR 31.1 million).

PROFITABLE SEGMENTS

In the Design segment the Group generated revenue growth of 8 % to EUR 68.3 million (previous year: EUR 63.3 million). At EUR 12.2 million EBITDA was at the prior year level and represents an operative margin of 18 % (previous year: 19 %). The Multimedia business segment was able to increase its revenues slightly from EUR 7.0 million to EUR 7.1 million, with an above-average EBITDA margin of 45 % (previous year: 51 %).

In the Build segment the Group achieved revenues at the prior year level amounting to EUR 7.0 million with an EBITDA margin of 35 % (previous year: 34 %). The Manage segment showed a positive development, its revenues increasing by 14 % from EUR 1.8 million to EUR 2.0 million. The operative EBITDA increased from EUR 0.1 million EUR 0.2 million and thus reached a margin of 12 % (previous year: 7 %).

EARNINGS PER SHARE OF EUR 0.86

Operating margin amounts to 22 percent

In the first six months the Nemetschek Group achieved EBITDA of EUR 18.2 million (previous year: EUR 18.3 million). This represents an operating margin of 22 % (previous year: 23 %).

The operating expenses rose from EUR 67.1 million to EUR 74.0 million. This is mainly related to increased personnel expenses and other operating expenses in several group companies as part of the initiated growth projects. Personnel expenses rose mainly due to the targeted increase of 78 employees (closing date 30.6.) from EUR 34.3 million to EUR 37.8 million. Other operating expenses rose from EUR 24.1 million to EUR 27.0 million, primarily due to increases in sales and marketing services as well as to external services.

Within the Graphisoft subgroup additional deferred tax assets were set up after the Hungarian tax authorities confirmed the loss carryforwards as part of a tax audit. The tax rate of the Group amounted to 26 % (previous year: 27 %). The net income for the year (group shares) of EUR 8.3 million was below that of the prior year (EUR 9.0 million), which included EUR 0.9 million representing non-cash interest income as part of the market valuation of the interest hedge. The earnings per share were thus EUR 0.86 (previous year: EUR 0.94).

OPERATING CASH FLOW AT EUR 16.9 MILLION

The Nemetschek Group generated an operating cash flow in the first six months of the year 2012 of EUR 16.9 million (previous year: EUR 18.3 million). The decline is mainly due to increased tax prepayments as well as the repayment of liabilities and decreases of accruals. The cash flow from investing activities of EUR –3.0 million was similar to the prior year level (EUR –3.2 million). The cash flow from financing activities of EUR –16.8 million (previous year: EUR –19.3 million) primarily includes dividend distributions amounting to EUR 11.1 million as well as the repayment of the last instalment of the bank loan amounting to EUR 4.7 million.

LIQUID FUNDS OF EUR 31 MILLION

After dividend payments and loan repayments amounting to EUR 15.8 million in total the liquid funds amounted to EUR 30.9 million (December 31, 2011: EUR 33.5 million).

Current assets reduced marginally by EUR 2.0 million to EUR 63.7 million (December 31, 2011: EUR 65.7 million). The lower cash payments are matched by higher tax reimbursement claims, mainly from distributions received from Group subsidiaries and tax prepayments. The non-current assets reduced as a result of scheduled amortisation on assets from the purchase price allocation to EUR 94.7 million (December 31, 2011: EUR 96.7 million).

EQUITY RATIO AMOUNTS TO 65 PERCENT

Equity ratio at
65 percent

The bank loan from the Graphisoft acquisition was completely repaid in June 2012 and, thus, Nemetschek has repaid capital in total of EUR 100 million within the last five and a half years. The deferred revenues increased by EUR 6.6 million to EUR 25.8 million in line with maintenance fees invoiced. The balance sheet total was EUR 158.4 million as of June 30, 2012 (December 31, 2011: EUR 162.4 million). Equity amounted to EUR 102.7 million (December 31, 2011: EUR 103.7 million). Accordingly the equity ratio increased to 65 % (December 31, 2011: 64 %).

EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

There were no significant events after the end of the interim reporting period.

EMPLOYEES

At the reporting date June 30, 2012, the Nemetschek Group employed 1,231 staff (June 30, 2011: 1,153). The increase is due to the planned recruitment in several group companies.

REPORT ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

There are no significant changes compared to the disclosures in the consolidated financial statements as of December 31, 2011.

OPPORTUNITY AND RISK REPORT

With regard to the significant opportunities and risks for the prospective development of the Nemetschek Group we refer to the opportunities and risks described in the Group management report as of December 31, 2011. In the interim period there have been no material changes.

Consolidated Statement of Comprehensive Income

for the period from January 1 to June 30, 2012 and 2011

STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	2nd Quarter 2012	2nd Quarter 2011	6 month 2012	6 month 2011
Revenues	42,810	40,267	84,403	79,097
Own work capitalized	381	242	773	483
Other operating income	665	355	1,417	788
Operating Income	43,856	40,864	86,593	80,368
Cost of materials/cost of purchased services	- 1,925	- 1,802	- 3,617	- 3,680
Personnel expenses	- 19,317	- 17,126	- 37,793	- 34,257
Depreciation of property, plant and equipment and amortization of intangible assets	- 3,056	- 2,530	- 5,569	- 5,013
thereof amortization of intangible assets due to purchase price allocation	- 1,763	- 1,763	- 3,525	- 3,525
Other operating expenses	- 13,836	- 12,899	- 27,030	- 24,137
Operating expenses	-38,134	-34,357	-74,009	-67,087
Operating results (EBIT)	5,722	6,507	12,584	13,281
Interest income	157	- 130	294	1,038
Interest expenses	- 396	- 474	- 764	- 954
Loss / Income from associates	- 80	3	- 82	48
Earnings before taxes	5,403	5,906	12,032	13,413
Income taxes	- 1,168	- 1,539	- 3,113	- 3,656
Net income for the year	4,235	4,367	8,919	9,757
Other comprehensive income:				
Difference from currency translation	990	397	1,477	142
Total comprehensive income for the year	5,225	4,764	10,396	9,899
Net income for the year attributable to:				
Equity holders of the parent	3,926	4,012	8,264	9,019
Minority interests	309	355	655	738
Net income for the year	4,235	4,367	8,919	9,757
Total comprehensive income for the year attributable to:				
Equity holders of the parent	4,916	4,409	9,741	9,161
Minority interests	309	355	655	738
Total comprehensive income for the year	5,225	4,764	10,396	9,899
Earnings per share (undiluted) in euros	0.41	0.42	0.86	0.94
Earnings per share (diluted) in euros	0.41	0.42	0.86	0.94
Average number of shares outstanding (undiluted)	9,625,000	9,625,000	9,625,000	9,625,000
Average number of shares outstanding (diluted)	9,625,000	9,625,000	9,625,000	9,625,000

REPORT ON FORECASTS AND OTHER STATEMENTS ON PROSPECTIVE DEVELOPMENT

The developments in the first six months of the financial year enable a closer quantification of the published expectations for the fiscal year 2012. Against this background the managing board expects that the results for the whole year 2012 will lie at the lower end of the expected range published until now.

Notes to the Interim Financial Statements based on IFRS

The half-year financial statements of the Nemetschek Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), as required to be applied in the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as well as of the Standing Interpretations Committee (SIC). The half-year financial statements have been prepared in accordance with the provisions of IAS 34 and the requirements of § 37w WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The interim financial statements as of June 30, 2012 have not been audited and have not undergone an audit review. The same accounting policies and calculation methods are applied to the interim financial statements as for the consolidated financial statement dated December 31, 2011. Significant changes to the consolidated statement of financial position and consolidated statement of comprehensive income are detailed in the report on the earnings, financial and asset situation.

The group of companies consolidated is the same as at December 31, 2011 except for the following changes:

On February 7, 2012 the disposal of Graphisoft CAD Studio Kft., Budapest, Hungary was completed on its recording in the commercial register. There were no material effects on the consolidated financial statements.

Declaration of the legal representatives

„We hereby confirm that to the best of our knowledge, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the interim Group management report gives a true and fair view of the business performance, including the results of operations and the situation of the Group, and describes the main opportunities and risks and anticipated development of the Group in the remaining fiscal year, in accordance with the applicable accounting principles for interim financial reporting.“

Munich, July 2012



Tim Alexander Lüdke
CEO
Spokesman of the managing board



Tanja Tamara Dreilich
CFO

Consolidated Statement of Financial Position

as of June 30, 2012 and December 31, 2011

STATEMENT OF FINANCIAL POSITION

ASSETS	Thousands of €	June 30, 2012	December 31, 2011
Current assets			
Cash and cash equivalents		30,850	33,501
Trade receivables, net		21,980	23,680
Inventories		787	667
Tax refunded claims for income taxes		2,711	1,363
Current financial assets		34	96
Other current assets		7,294	6,410
Current assets, total		63,656	65,717
Non-current assets			
Property, plant and equipment		4,957	4,541
Intangible assets		33,477	36,226
Goodwill		52,852	52,728
Associates/investments		1,047	1,136
Deferred tax assets		1,310	1,214
Non-current financial assets		78	78
Other non-current assets		991	784
Non-current assets, total		94,712	96,707
Total assets		158,368	162,424

EQUITY AND LIABILITIES	Thousands of €	June 30, 2012	December 31, 2011
Current liabilities			
Short-term loans and current portion of long-term loans		0	4,700
Trade payables		4,877	5,672
Provisions and accrued liabilities		11,255	14,157
Deferred revenue		25,833	19,220
Income tax liabilities		1,658	2,477
Other current liabilities		5,588	4,953
Current liabilities, total		49,211	51,179
Non-current liabilities			
Deferred tax liabilities		1,479	2,459
Pensions and related obligations		944	814
Non-current financial obligations		3,160	3,372
Other non-current liabilities		857	887
Non-current liabilities, total		6,440	7,532
Equity			
Subscribed capital		9,625	9,625
Capital reserve		41,360	41,360
Revenue reserve		52	52
Currency translation		- 3,105	- 4,582
Retained earnings		52,849	55,909
Equity (Group shares)		100,781	102,364
Minority interests		1,936	1,349
Equity, total		102,717	103,713
Total equity and liabilities		158,368	162,424

Consolidated Cash Flow Statement

for the period from January 1 to June 30, 2012 and 2011

CASH FLOW STATEMENT

Thousands of €	2012	2011
Profit (before tax)	12,032	13,413
Depreciation and amortization of fixed assets	5,569	5,013
Change in pension provision	130	154
Other non-cash transactions	- 322	- 804
Loss/Income from associates	82	- 48
Losses from disposals of fixed assets	17	105
Cash flow for the period	17,508	17,833
Interest income	- 294	- 1,038
Interest expenses	764	954
Change in other provisions and accrued liabilities	- 2,902	- 2,193
Change in trade receivables	1,810	746
Change in other assets	- 447	- 1,627
Change in trade payables	- 795	- 298
Change in other liabilities	4,170	5,558
Cash received from distributions of associates	0	156
Interest received	81	90
Income taxes received	482	426
Income taxes paid	- 3,521	- 2,351
Cash flow from operating activities	16,856	18,256
Capital expenditure	- 2,541	- 2,667
Cash paid for granted loans	- 500	- 500
Cash received from the disposal of fixed assets	9	15
Cash flow from investing activities	- 3,032	- 3,152
Dividend payments	- 11,069	- 9,625
Minority interests paid	- 312	- 841
Cash paid for additional shares purchased from intercompanies	0	- 73
Repayments of borrowings	- 4,700	- 7,800
Interest paid	- 711	- 954
Cash flow from financing activities	- 16,792	- 19,293
Changes in cash and cash equivalents	- 2,968	- 4,189
Effect of exchange rate differences on cash and cash equivalents	317	- 344
Cash and cash equivalents at the beginning of the period	33,501	30,634
Cash and cash equivalents at the end of the period	30,850	26,101

Consolidated Segment Reporting

for the period from January 1 to June 30, 2012 and 2011

SEGMENT REPORTING

2012	Thousands of €	Total	Elimination	Design	Build	Manage	Multimedia
Revenue, external		84,403		68,291	6,985	2,000	7,127
Intersegment revenue		0	- 314	1	25	4	284
Total revenue		84,403	-314	68,292	7,010	2,004	7,411
EBITDA		18,153		12,212	2,474	248	3,219
Depreciation/Amortization		- 5,569		- 5,269	- 112	- 29	- 159
Segment Operating result (EBIT)		12,584		6,943	2,362	219	3,060

2011	Thousands of €	Total	Elimination	Design	Build	Manage	Multimedia
Revenue, external		79,097		63,309	7,023	1,756	7,009
Intersegment revenue		0	- 325	3	1	4	317
Total revenue		79,097	-325	63,312	7,024	1,760	7,326
EBITDA		18,294		12,181	2,413	115	3,585
Depreciation/Amortization		- 5,013		- 4,831	- 68	- 20	- 94
Segment Operating result (EBIT)		13,281		7,350	2,345	95	3,491

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2012 and 2011

STATEMENT OF CHANGES IN EQUITY

Thousands of €	Equity attributable to the parent company's shareholders					Total	Minority interests	Total equity
	Subscribed capital	Capital reserve	Revenue reserve	Currency translation	Retained earnings			
As of January 1, 2011	9,625	41,420	52	-3,746	44,747	92,098	1,369	93,467
Difference from currency translation				142		142		142
Net income for the year					9,019	9,019	738	9,757
Total comprehensive income for the year	0	0	0	142	9,019	9,161	738	9,899
Share purchase from minorities		-60				-60	-13	-73
Dividend payments minorities					-15	-15	-826	-841
Dividend payment					-9,625	-9,625		-9,625
As of June 30, 2011	9,625	41,360	52	-3,604	44,126	91,559	1,268	92,827
As of January 1, 2012	9,625	41,360	52	-4,582	55,910	102,365	1,348	103,713
Difference from currency translation				1,477		1,477		1,477
Net income for the year					8,264	8,264	655	8,919
Total comprehensive income for the year	0	0	0	1,477	8,264	9,741	655	10,396
Share purchase from minorities						0	-11	-11
Dividend payments minorities					-256	-256	-56	-312
Dividend payment					-11,069	-11,069		-11,069
As of June 30, 2012	9,625	41,360	52	-3,105	52,849	100,781	1,936	102,717

Financial Calendar 2012

IMPORTANT DATES 2012

<u>April 16, 2012</u>	Start of quiet period ¹⁾
<u>April 30, 2012</u>	Publication Quarterly Statement 1/2012
<u>May 24, 2012</u>	Annual General Meeting
<u>July 16, 2012</u>	Start of quiet period ¹⁾
<u>July 25, 2012</u>	Publication Quarterly Statement 2/2012
<u>October 15, 2012</u>	Start of quiet period ¹⁾
<u>October 31, 2012</u>	Publication Quarterly Statement 3/2012
<u>November 12 – 14, 2012</u>	German Equity Forum, Frankfurt / Main

1) With the beginning of the quiet period Nemetschek limits its communication with the capital market.
The quiet period ends with the release of the corresponding financials.

CONTACT

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