moving minds

NEMETSCHEK

2012
ANNUAL REPORT

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Nemetschek publishes preliminary figures for 2011: Further growth of 10 percent

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Key Figures

NEMETSCHEK GROUP 2012

in € million	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Revenues	**175.1**	**164.0**	**149.7**	**135.6**	**150.4**
EBITDA	**40.7**	**39.3**	**37.1**	**30.4**	**31.4**
as % of revenue	23 %	24 %	25 %	22 %	21 %
EBIT	**29.1**	**29.1**	**27.5**	**20.9**	**21.0**
as % of revenue	17 %	18 %	18 %	15 %	14 %
Net income (group shares)	**18.9**	**20.8**	**18.9**	**12.2**	**10.4**
per share in €	1.96	2.16	1.97	1.27	1.08
Cash flow from operating activities	**36.5**	**37.1**	**32.3**	**23.4**	**30.4**
Free cash flow	**29.8**	**31.5**	**28.5**	**19.8**	**25.7**
Net liquidity/net debt	**44.3**	**28.8**	**11.1**	**−9.3**	**−26.1**
Equity ratio	**68 %**	**64 %**	**57 %**	**50 %**	**41 %**
Headcount as of balance sheet date	**1,229**	**1,173**	**1,076**	**1,064**	**1,114**

OPEN BIM™: OPEN VISIONS

COLLABORATION IS OUR BUSINESS

The subsidiary Graphisoft, a pioneer of Building Information Modeling (BIM), launched ArchiCAD, one of the world's first BIM software solutions, on the market in 1987 and thereby revolutionized the collaboration process in the construction industry.

Within the framework of the Open BIM Initiative, Nemetschek has taken this revolution to a whole new level. Open BIM is a universal approach to end-to-end collaboration for planning, implementing and operating buildings. It uses open data standards to enable workflows that are successful and smooth.

All those involved benefit equally from the advantages: Architects, planners, engineers, contractors as well as building owners and facility managers. They all save time and eliminate potential sources of error in connection with data transfer.

And Open BIM is even more: In the data-driven world of the 21st century, it is possible for all the different players involved in a project to collaborate beyond the bounds of companies and the interfaces of different hardware and software in a technologically seamless manner. Everyone can concentrate on what they do best: Design and management. Planning and construction. Creativity and know-how. This is the future of construction.

OPEN BIM™: OPEN WORLD

A world without boundaries – we re-create one every day with our Open BIM software solutions. Imagine the whole world speaking a single language. Imagine the whole world understanding one another. Imagine the whole world working hand in hand. With Open BIM, it is possible. Open BIM enables collaboration without bounds. And it still ensures the individuality of every single person.

Thanks to the consistent, open standard, Open BIM projects can be realized with a wide range of software solutions from globally leading vendors. Open BIM itself is not a software – Open BIM is a philosophy! – The open standard ensures that every Open BIM software from the Nemetschek Group communicates smoothly with every other Open BIM software.

In a globalized world Open BIM means greater freedom in planning, implementing and operating buildings. Open BIM projects can be carried out with a larger selection of architects and engineers than any other project. This way, Open BIM removes boundaries for architects, engineers and, not least important, owners.

The greater the number of specialists who, as a result of the open standard, can participate in an Open BIM project, the greater the freedom for the owner when it comes to selecting the right architecture and engineering firms. We are open to new things. Our customers are, too, with Open BIM.

Confluence museum, Lyon, France
Engineering office: Tractebel Engineering, realized with Scia Engineer

Bridge De Oversteek, Nijmegen, The Netherlands
Engineering office: Ney & Partner, realized with Scia Engineer
© Design: Ney-Poulissen Architects & Engineers/Image bmd

OPEN BIM™: OPEN WORKFLOW

Open BIM supports a transparent, open workflow that allows those involved in the project to collaborate, regardless of the software they use, and offers 100% workflow compatibility.

The open data interfaces of Open BIM make transferring data across systems easy and error-free. Collaboration and productivity among the individual project teams are thus maximized while the time invested and susceptibility to error are minimized. Open BIM stands for bidirectional, cross-language communication and ensures data quality.

More than 300,000 customers in 142 countries have already opted for Open BIM solutions from the Nemetschek Group. And new customers are being added every day, customers who are investing in the future of construction today: in Open BIM.


Red Bull
STRATOS
UBIMET
RIEDEL
SAGE Cheshire
MISSION TO THE
EDGE OF SPACE
REDBULLSTRATOS.COM
FELIX
Red Bull

OPEN BIM™: OPEN MIND

"The automobile is just a passing phase. I believe in the horse."
Emperor Wilhelm II (1859 – 1941)

You need visions if you want things to change. Since the company was founded 50 years ago, the staff of the Nemetschek group has been making their own vision a reality. The vision: To simplify the construction process with the use of intelligent innovation and to improve collaboration among all those involved in the construction project. With Open BIM, Nemetschek has set another milestone to this end.

Optimum, interdisciplinary results can only happen in a team and only if every single person involved has enough space for creative ideas. Architecture is an expression of the artistic process. Art follows no rules. With Open BIM, we support the freedom of our customers to work with vision. For architects, engineers and others involved in building creation.

The future has a name: Open BIM. Today and tomorrow.

Stratos client: Red Bull Media House, Creation & Production: Peter Clausen Film Production,
Director & Producer: Peter Clausen
Animation: AixSponza, realized with Maxon Cinema 4D

MORE THAN 300,000 CUSTOMERS. WORLDWIDE.

Albania | Algeria | Angola | Argentina | Australia | Austria | Azerbaijan | Bahamas | Bahrain | Barbados | Belarus | Belgium | Benin | Bermuda | Bolivia | Bosnia-Herzegovina | Botswana | Brazil | Brunei | Bulgaria | Burkina Faso | Burma | Cameroon | Canada | Chile | China | Colombia | Comoros | Congo | Costa Rica | Côte d'Ivoire | Croatia | Cyprus | Czech Republic | Denmark | Djibouti | Dominican Republic | Ecuador | Egypt | El Salvador | Estonia | Fiji | Finland | France | French Guiana | Gabon | Georgia | Germany | Ghana | Gibraltar | Greece | Guadeloupe | Guatemala | Hong Kong | Hungary | Iceland | India | Indonesia | Iran | Iraq | Ireland | Israel | Italy | Jamaica | Japan | Jordan | Kazakhstan | Kenya | Korea | Kosovo | Kuwait | Kyrgyzstan | Latvia | Lebanon | Lesotho | Libya | Liechtenstein | Lithuania | Luxembourg | Macedonia | Malawi | Malaysia | Mali | Malta | Mauritania | Mauritius | Mexico | Moldova

THE COMPANY BRANDS OF THE NEMETSCHEK GROUP:

NEMETSCHEK Allplan | NEMETSCHEK Auer | NEMETSCHEK Bausoftware | NEMETSCHEK Crem | NEMETSCHEK Frilo

Monaco | Montenegro | Morocco | Mozambique | Namibia | Nepal | Netherlands | New Zealand | Niger | Nigeria Norway | Oman | Pakistan | Panama | Papua New Guinea | Paraguay | Peru | Philippines | Poland | Portugal Puerto Rico | Qatar | Romania | Russia | San Marino | Saudi Arabia | Senegal | Serbia | Singapore | Slovakia | Slovenia South Africa | Spain | Sri Lanka | Sudan | Suriname | Swaziland | Sweden | Switzerland | Syria | Taiwan | Tajikistan Tanzania | Thailand | Tonga | Trinidad & Tobago | Tunisia | Turkey | Turkmenistan | Uganda | Ukraine | United Arab Emirates | United Kingdom | United States | Uruguay | Uzbekistan | Venezuela | Vietnam | Yemen | Zambia | Zimbabwe

GLASER -isb cad- a NEMETSCHEK Company

GRAPHISOFT. a NEMETSCHEK Company

MAXON a NEMETSCHEK Company

NEMETSCHEK Scia

NEMETSCHEK Vectorworks

Library and Cultural Center, Vennesla, Norway
Architects: Helen&Hard, realized with Graphisoft ArchiCAD

TO OUR SHAREHOLDERS

To our Shareholders

Tanja Tamara Dreilich, Executive Board

Dear Shareholders, ladies and Gentlemen,

In the course of the year 2012, the Nemetschek Group generated an increase in revenue of 6.8 percent, rising to EUR 175.1 million, and met the forecasts published for the overall year. The earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 40.7 million and were above the previous year's figure of EUR 39.3 million. The operating margin was 23.3 percent. The managing board and supervisory board will therefore be proposing a dividend of EUR 1,15 to the annual general meeting.

Having just been appointed to the managing board of Nemetschek AG in May of that year, I took on the management of the Nemetschek Group a short time later as sole member of the managing board following the departure of my managing board colleague Tim Lüdke. It is a pleasure for me to look back on the history of Nemetschek AG together with you.

50 years ago, in 1963, Professor Georg Nemetschek founded an engineering office, and thus set the cornerstone for today's Nemetschek Group. Optimizing the constraints of costs, deadlines and quality across the value chain of buildings by means of information technology has been Nemetschek's vision for 50 years.

Our subsidiary Graphisoft, a pioneer of Building Information Modeling (BIM), launched ArchiCAD, one of the world's first BIM software solutions, on the market in 1987 and thus revolutionized the collaboration process in the construction industry. Within the framework of the Open BIM Initiative, Nemetschek is continuing this revolution and pursuing the universal approach to end-to-end collaboration for planning, implementing and operating buildings, which uses open data standards to enable efficient workflows.

In the construction industry, all parties involved in the process benefit: architects, planners, engineers, contractors as well as building owners and facility managers. In the data-driven world of the 21st century, it is possible within the scope of Open BIM for the various people involved in the process to collaborate beyond the bounds of companies, disciplines and interfaces, as well as different hardware and software, in a way that is seamless in terms of technology. This is the future of construction at Nemetschek.

Internationalization will continue to be a key to Nemetschek's success. In 2012, we were also able to strengthen and further expand our position in North and South America as well as Asia, markets which are important to us. One way we achieved this was by means of numerous cooperations, which made it possible for us to reinforce our brands in terms of technology as well as with regard to their positioning on the market. Last September, for example, we arranged a strategic partnership with CABR Technology, a leading Chinese provider of software solutions for the construction industry, in order to support the definition of the national BIM standard for the Chinese market.

We followed new paths in terms of technology in 2012 and gained much recognition on the market. The ArchiCAD 16, the leading Open BIM solution belonging to our Graphisoft brand, was awarded the "BIM Product of the Year 2012," which was just one of many prizes. We achieve successes like this mainly through top innovation. Big data – Mobile apps – Cloud solutions. Nemetschek AG has responded to these future mega trends in the industry with new software solutions. Under the bim+ brand, we developed a web-based pay-per-use service as an open platform for the construction industry. This platform will link structural engineering information, models and the people involved in the construction process in a whole new way. Optimum use of BIM models is possible on the cloud-based bim+ server. Users can work in an open eco-system with the mobile device of their choice as well as with a multitude of innovative apps. In our opinion, bim+ is the future of the web-based construction industry. We presented bim+ at the BAU tradeshow at the beginning of 2013, and, to date, it has met with a more than positive reception among our customers.

In addition, in 2012, we introduced a novel hybrid software solution called Nevaris. It is used in the usual way as a desktop solution, or can be made available to our customers as a software as a service ("SaaS"). Nevaris, a new product of our Build business segment, is a software based on the construction process that covers all the relevant segments for planners and contractors, from cost planning and AVA all the way to controlling. In the next two years, we will continue to develop Nevaris further in an ongoing dialog with our customers. The result will be a tailored solution with a close orientation to the requirements of the market.

But the success we are fortunate to look back on is not self-perpetuating. We, too, will keep asserting our position in order to thrive in the face of competition. In 2013 the Nemetschek Group will therefore continue on its promising path of change on the AEC market as a provider of Open BIM-based software solutions. We have to modernize on an ongoing basis in order to remain our customers' first choice on the market.

As you see, dear shareholders, as one of the pioneers of Building Information Modeling, we are continuing on the course set by our company founder, who had the vision of digitalizing the construction process. Within the scope of the Open BIM Initiative. It is my pleasure to warmly invite you to pursue this path of change together with us and I thank you for your trust.

Sincerely yours,

T. Dreilich

Tanja Tamara Dreilich

The Nemetschek Management Team

The strategic and operative management of Nemetschek AG is carried out by the managing board of the company in consultation with the Corporate Strategy Committee (CSC), which was established at the beginning of 2012. This consists of the managing board and of the management of the five largest brand companies of the Nemetschek Group.

Tanja Tamara Dreilich

Sole member of the executive board, member of the managing board since May 2012, sole member of the executive board since October 30, 2012

43, hitherto manager within the Gagfah Group, prior to that, at Nordzucker AG and General Motors

Jean-Pierre Rammant

Managing Director of Scia since 1974

62, founder of Scia, as well as head of the Nemetschek Structural Group

Viktor Varkonyi

CEO of Graphisoft since 2009

45, started as a software engineer at Graphisoft in 1992, later served as CTO

Sean Flaherty

CEO of Vectorworks since 2005

44, since 1985 at Vectorworks (formerly Diehl Graphsoft), successor of the company founder

Permanent Members of the Corportate Strategy Committee (f.l.t.r.):

Tanja Tamara Dreilich
Viktor Varkonyi
Sean Flaherty
Jean-Pierre Rammant

Nonpermanent Members of the Corportate Strategy Committee (f.l.t.r.):

Ales Siroky
Harald Schneider

Sven Larsen

Managing Director of Allplan since July 2012

45, previously, CFO and managing director at IHS Group, prior to that, at General Motors and PwC

Ales Siroky

Technical Director of Allplan since July 2012

44, previously, managing director of Nemetschek Slovensko from 2001, prior to that, software engineer for Nemetschek from 1994

Harald Schneider

Managing Director of Maxon since 1986

50, co-founder of Maxon Computer GmbH, nonpermanent member of CSC

The Nemetschek Management Team also includes

Helmut Houdek: Managing Director AUER – die Bausoftware
Michael Homscheid, Wolfgang Götz: Managing Directors Nemetschek Bausoftware
Uwe Bärtels, Harald Egel: Managing Directors MAXON
Hans Stegmüller: Managing Director Nemetschek Frilo
Daniel Niesler (until December 31, 2012), Jürgen Pak: Managing Director NEMETSCHEK Crem Solutions
Werner Maresch: Managing Director Nemetschek Precast
Matthias Glaser: Managing Director GLASER -isb cad-
Christian Ehl: Managing Director bim+ (since February 2013)

Nemetschek on the Capital Market

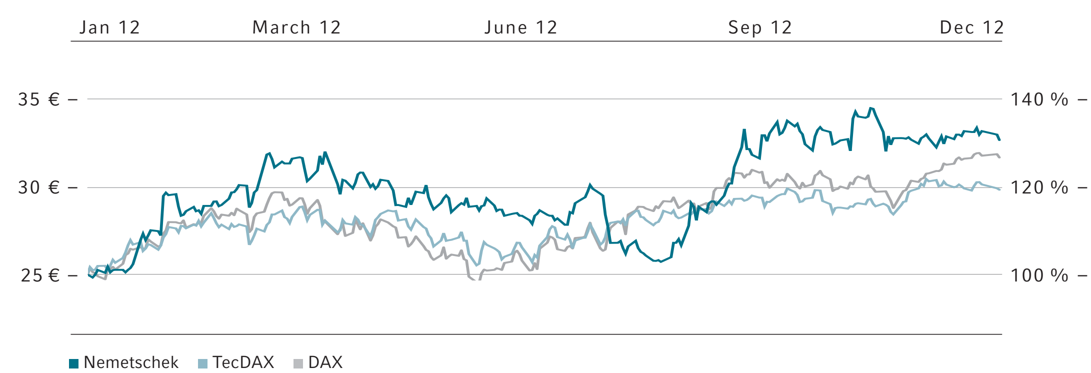
A GOOD YEAR FOR GERMAN SHARES

Unexpectedly, 2012 turned out to be the best year for shareholders of German companies since 2003. Most investors assumed that concerns about the European debt crisis and its impact on economic developments in Europe and around the world were already priced in. Consequently, cheap money and low interest on savings made it possible for share prices to rise on a wide front.

Since the beginning of the year, the DAX (German stock index) has risen by 25.3 percent to 7,612 points. The selective index for technology values climbed 18.4 percent to 828 points. Nemetschek stock, however, which is listed in the Prime Standard (ISIN DE0006452907), experienced more positive development. It closed at EUR 33.20, an increase of 29.1 percent, on the last day of trading.

Price development of Nemetschek shares in comparison to the TecDAX (indexed)

PRICE DEVELOPMENT OF NEMETSCHEK SHARES FROM JANUARY 1, 2012 TO DECEMBER 31, 2012



A NEW FOOTING FOR INVESTOR RELATIONS

Nemetschek lived by the philosophy of dynamic change and continuous further development, including with regard to capital market communication, during the past year. The company decided to enter into a more proactive dialog with its investors in future and considerably increase the number of investor contacts from the 2nd quarter on. In the course of the year, Nemetschek AG presented itself to interested analysts and investors at numerous road shows and capital market conferences in Barcelona, Frankfurt, Geneva, Hamburg, London, Munich, Paris and Zurich.

During this time, the company opted for a change in the area of designated sponsoring. Since May, Nemetschek has reduced the number of its contracts to just one mandate. Since then this task has been taken on by the Close Brothers Seydler Bank, headquartered in Frankfurt am Main.

One main focus of investor relations efforts was to increase the number of equity research studies ("coverage") on Nemetschek AG. After recent active tracking of the stock by just three analysts (DZ Bank, Goldman Sachs, WestLB), four new institutes were found by year's end for publication of stock analyses. Thus, at the end of December, the stock was being actively monitored by a total of five renowned addresses: Baader Bank, Berenberg Bank, BHF Bank, Close Brothers Seydler and Goldman Sachs. Early 2013, Montega Research and M.M. Warburg published their initiation of coverage of the stock.

ANALYSTS' RECOMMENDATION ON NEMETSCHEK

Institution	Vote	Price Target	Analyst
Baader Bank	Buy	46.00 €	Knut Wollert
Berenberg Bank	Buy	45.00 €	Sebastian Grabert
BHF Bank	Overweight	46.80 €	Jens Jung
Close Brothers Seydler Reserach	Buy	48.00 €	Felix Parmantier
Goldman Sachs	Sell	31.00 €	Mohammed Moawalla
Montega Research*	Hold	45.00 €	Alexander Drews
M.M. Warburg Research*	Buy	45.00 €	Andreas Wolf

* Publication in January 2013

DESTINATION TECDAX

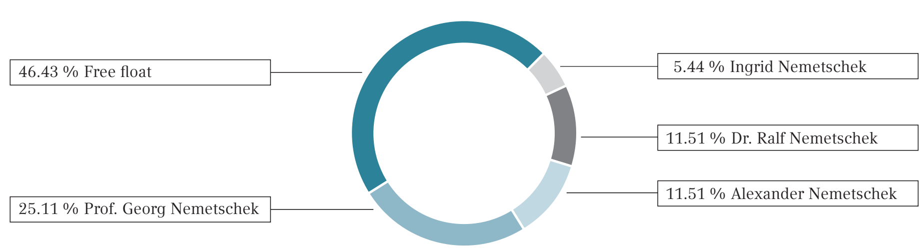
The Nemetschek stock revenue development in German trading centers was also clearly positive. While this amounted to 3,260 shares on average per trading day in January 2012, the average had more than doubled by December of that year with 7,824 shares per trading day.

Growing volume of trade leads to improved market perception

Nemetschek stock improved accordingly in the index ranking for the TecDAX from 31 to 29 in terms of market capitalization and from 52 to 43 in terms of trading turnover. From a ranking of 35 on (35/35 rule), a stock qualifies as a candidate for inclusion in the index.

The free float as of the year's end was 46.4 percent. The Nemetschek family holds 53.6 percent of the total 9,625,000 shares.

SHAREHOLDER STRUCTURE*



*As of December 31, 2012

CONTINUOUSLY GROWING DIVIDEND

Shareholders approve of corporate direction

There was a high level of participation at the Nemetschek AG annual general meeting in 2012 as well. In total, about 72 percent of the share capital of the company was represented at the general meeting held in Munich on May 24, 2012. All agenda items were passed with at least 99.5 percent votes in favor.

Again, the shareholders present were also in favor of increasing the dividend. The payment of dividends increased to € 11,068,750.00 or € 1.15 per bearer share (previous year: € 1.00). As a result of the solid business development in 2012, the managing board and supervisory board plan to again propose a dividend of € 1.15 per bearer share at the upcoming annual general meeting.

KEY FIGURES

	2012	2011
Earnings per share in €	1.96	2.16
Cash flow for the period per share in €	4.07	3.95
Equity per share in € (group shares)	11.50	10.64
Dividend per share in €	1.15	1.15
High in €	34.98	35.67
Low in €	25.58	23.48
Closing price in €	33.20	25.80
Price/earnings ratio	16.94	11.94
Market capitalization in Mio. €	319.55	248.33
Average number of shares traded per day (via Xetra)	7,165	6,290
Average number of outstanding shares in millions	9.625	9.625

Corporate Governance

The current version of the German Corporate Governance Code dated May 15, 2012, contains recommendations on the management and oversight of Germany's publicly traded corporations as well as nationally and internationally recognized standards for good corporate management. For Nemetschek AG's managing board and supervisory board, responsible and value-based corporate management and supervision are a matter of course and a basic prerequisite for economic activity over the long term. This includes efficient cooperation between the managing board and supervisory board, respect for the interests of shareholders and employees, transparent corporate communication and responsible risk handling.

The managing board and supervisory board largely follow the recommendations in the current version of the Corporate Governance Code. The few exceptions concern individual regulations in the Code, which, from their point of view, do not suit the requirements of medium-sized enterprises.

Every year, as part of the statutory regulations, the managing board and supervisory board of Nemetschek AG issue a statement that the company adhered to and adheres to recommendations of the government commission's German Corporate Governance Code. If certain recommendations have not been followed, then this is stated, too. The current Nemetschek AG declaration of conformity in accordance with § 161 of the Stock Corporation Act (AktG), which can be viewed on the company's website at www.nemetschek.com, was made in March 2013.

Additional Information

COOPERATION BETWEEN MANAGING BOARD AND SUPERVISORY BOARD

The managing board has sole responsibility for the management of Nemetschek AG and is committed to the interests of the company and to increasing shareholder value over the long term. It reports to the supervisory board regularly, quickly and comprehensively in written and verbal form about all relevant issues relating to business development and company planning, including the risk situation, risk management and compliance. More information on this can be found in the supervisory board's report on pages 22–24 of this annual report as well as in the management report.

COMPLIANCE AND RISK MANAGEMENT

Compliance, i.e., the act of adhering to valid provisions, is a basic prerequisite for successful economic activity over the long term. The managing board ensures that legal requirements and internal company guidelines within the Nemetschek Group are adhered to. They are supported in this by a Compliance Team. The Compliance Team's tasks include providing support for the management bodies and departments in the group's companies to ensure that all business processes conform to the law and meet internal guidelines.

To highlight the importance of compliance in the group and ensure the sustainability of the compliance program, all employees in the Nemetschek Group go through a compliance training program. This training program is conducted on site in order to enhance the program's effectiveness.

Detailed information on Nemetschek AG's risk management system can be found on pages 46–52 of the management report.

REMUNERATION OF MANAGING BOARD AND SUPERVISORY BOARD

In accordance with the recommendations of the German Corporate Governance Code, we have been reporting the individual remuneration of all members of the managing board and supervisory board for a long time. The individual remunerations, broken down into remuneration components, can be found in the management report.

The remuneration for members of the managing board consists of a base salary (fixed) and performance-dependent variable remuneration. The variable remuneration, in turn, contains a short-term and long-term component. The short-term, performance-dependent variable remuneration depends primarily on company targets achieved with respect to sales and earnings, which are agreed upon at the beginning of each year between the supervisory board and managing board. With a view to corporate management over the long term and in accordance with the provisions of the act on the appropriateness of managing board remuneration ["Gesetz zur Angemessenheit der Vorstandsvergütungen (VorstAG)"], a long-term component was added to the managing board remuneration system at the end of 2009, the payment of which depends on the achievement of defined company targets relating to earnings and share price. The period to be observed is always three financial years.

The members of the supervisory board also receive performance-related and fixed remuneration. This is based on the consolidated earnings per share (diluted earnings per share in accordance with IAS 33).

DIRECTORS' DEALINGS AND STOCK OPTION SCHEME

Tim Alexander Lüdke (spokesman of the board until October 19, 2012) and his wife Renate Lüdke purchased 650 shares of Nemetschek AG at a price of EUR 29.60 on May 7, 2012. No other transactions subject to report were announced in 2012.

There are currently no stock option schemes at Nemetschek AG and Nemetschek AG has not issued any option rights.

TRANSPARENCY

Nemetschek lays great importance on transparency and strictly ensures that the principle of equal treatment for shareholders is adhered to. The entire corporate communication is geared to informing all investors comprehensively and in a timely manner. As part of its investor relations activities, Nemetschek regularly organizes meetings with analysts and institutional investors. The publication of the quarterly statements is followed by regular telephone conferences. The presentations made in this connection are simultaneously made freely available on the Internet at www.nemetschek.com; this is followed by publication of the corresponding audio recordings.

As soon as Nemetschek receives notification from a shareholder that he or she has reached, surpassed, or fallen below the voting threshold defined in the German Securities Trading Act, this information is published immediately by the company. Information on the shares held by the managing board and supervisory board can be found in the notes.

The financial calendar published on the Internet contains all the publication dates for the relevant financial reports. In this respect, Nemetschek has set itself the goal of exceeding the provisions of the German Corporate Governance Code and publishes its quarterly results within 30 days of the end of the relevant reporting period.

Declaration of Conformity in Accordance with § 161 of the German Stock Corporation Act (AktG) dated March 2013

In accordance with § 161 of the German Stock Corporation Act (AktG), the managing board and supervisory board of Nemetschek AG declare that the recommendations of the "Government Commission of the German Corporate Governance Code", version dated May 15, 2012, published in the official part of the electronic Federal Gazette on July 15, 2012, (hereinafter "Code"), have been and are being met with the following exceptions:

- The D & O insurance does not include excess insurance for supervisory board members (Code Item 3.2 Clause 2). Nemetschek AG does not believe that excess insurance would increase the motivation and sense of responsibility of the members of the supervisory board.
- From January to April 2012, the managing board of Nemetschek Aktiengesellschaft consisted of just one person (Mr. Tim Alexander Lüdke) and since October 20, 2012 until further notice, it has again consisted of just one person (Ms. Tanja Tamara Dreilich) (Code Item 4.2.1). The managing board and supervisory board believe that the organizational structure of the Nemetschek Group and the focus of Nemetschek AG on holding tasks and group control does not call for a managing board with several people. In addition, a Corporate Strategy Committee has been established within the Nemetschek Group to support the board. This committee is made up of the board and the heads of the most important product organizations and has the task of defining and implementing the Group's strategic alignment.
- Code Items 5.1.2 Clause 2 and 5.4.1 Clauses 2 and 3 are not followed. An age limit for members of the managing board and the supervisory board has not been defined explicitly and is not currently planned. Such age limit would generally restrict the company in its selection of suitable members of the managing board and the supervisory board. With regard to the composition of the supervisory board, the individual's experience, skills and knowledge are of primary importance to the company. In contrast, the supervisory board regards diversity criteria as less important, even if these are expressly welcomed – as are the associated efforts toward an appropriate representation of women.
- In view of the fact that the company's supervisory board has only three members, the supervisory board is of the opinion that it does not make sense to specify defined targets for its composition in a manner which has no connection to the time of the next supervisory board elections (Code Item 5.4.1 Clause 2). Consequently, such objectives are not published in the Corporate Governance Report. The supervisory board will, however, come to an agreement as to suitable candidates for the next supervisory board elections in good time.
- The Code's recommendation on the formation of qualified committees of the supervisory board is not followed (Code Item 5.3), as the supervisory board has only three members. The tasks for which the Code recommends the formation of such committees are all performed by the supervisory board of Nemetschek Aktiengesellschaft.
- The members of the supervisory board receive performance-related and fixed remuneration. This is based on the consolidated earnings per share (diluted earnings per share in accordance with IAS 33) and furthermore does not have special components to account for the company's long-term development (Code Item 5.4.6 Clause 2). The existing remuneration system has worked well for quite some time, without any tendency that the short-term success of the company has been at the expense of the company's long-term development.

Munich, March 21, 2013
Nemetschek Aktiengesellschaft

Tanja Tamara Dreilich
Executive Board

Kurt Dobitsch
Chairman of the Supervisory Board

Supervisory board's report on the 2012 fiscal year of Nemetschek AG

The supervisory board of Nemetschek AG carried out the auditing and control tasks assigned to it by law and the articles of incorporation with the utmost care in the fiscal year 2012. We supported the managing board of Nemetschek AG in an advisory capacity and comprehensively monitored the company's development in detail. The supervisory board was directly involved in decisions of fundamental importance for the company and obtained extensive information on backgrounds and contexts.

The managing board instructed the entire committee about the development of sales, revenue and liquidity, as well as adherence to the plans of the Group and the individual companies each month with written reports, in addition to maintaining personal contacts with individual members of the supervisory board. Current quarterly development and short- and medium-term prospects as well as the long-term growth and earnings strategy were discussed and, within the scope of regular meetings over the course of the year, checked, critically evaluated and scrutinized. On the basis of the managing board's reports, the supervisory board supported the managing board's work and made decisions on actions requiring approval. The supervisory board regularly requested information from the managing board concerning the internal control system, Group-wide early stage risk detection system, and compliance. Detailed reports were also requested with regard to the Allplan section of the Group. The result was that, in this case, the supervisory board decided to provide support to the managing board by monitoring Allplan's management. This was coupled with redevelopment of the management competence at Nemetschek AG, especially by means of introducing further reservations of consent.

Moreover, the committee formed its own picture of the company. At the meetings, the supervisory board was regularly occupied with the development of the Group as well as with the net assets, financial position and implementation of the strategy. The committee continuously dealt with the risk situation of the Group and actively followed the control and early stage risk detection systems of Nemetschek AG.

MEETINGS AND PARTICIPATION

In the year 2012 being reported, six supervisory board meetings were held – in the months of February, March (balance sheet meeting for the 2011 financial report), May, July, October, and December. Where required, decisions were also included in the written circular procedure. In the balance sheet meeting, the committee – attended by the appointed auditor – approved the financial statement of Nemetschek AG and the consolidated financial statements for the fiscal year 2011, agreed to the proposal of the managing board for the appropriation of profits, and approved the 2012 annual plan.

The supervisory board is made up three members and formed no committees. The supervisory board was aware of no conflicts of interest on the part of any supervisory board member. The full supervisory board and managing board attended all supervisory board meetings.

In addition to the personnel decisions relating to the managing board, which are described below, the other important advisory topics in the past financial year were:

- Consultation on the 2011 results of operations and the 2012 corporate and investment planning
- Invitation and agenda for the 2012 Annual General Meeting
- Managing board and general managers' specification of targets reached in 2011 and release of payment of variable remuneration shares as well as target agreements for the 2012 fiscal year
- Reorientation and restructuring of the Allplan section of the Group
- Declaration of Conformity in accordance with the "German Corporate Governance Code"
- Product developments of the brand companies
- Opportunities arising from acquisitions, interests and cooperations
- Innovations resulting from web-based software solutions
- Internal control and early stage risk detection systems
- 2013 business plan and investment projects
- Performance of regular efficiency evaluations of the supervisory board
- Meeting dates for the 2013 fiscal year

CHANGED COMPOSITION OF THE MANAGING BOARD

Changes were made to the managing board in the fiscal year 2012. As a result of the resolution of October 19, 2012, the supervisory board removed Tim Alexander Lüdke from his office as a member of the managing board. This removal took effect immediately. Tim Alexander Lüdke was spokesman of the board at that time. In addition, the supervisory board decided to terminate the employment contract of Mr. Tim Alexander Lüdke with immediate effect; this contract was to run until December 31, 2014. On the same day, Tim Alexander Lüdke resigned from his office as managing board member and terminated his employment contract with immediate effect. Tanja Tamara Dreilich, previously Chief Financial Officer (CFO) of Nemetschek AG, has since represented the company as sole member of the managing board. The reason for the removal of Tim Alexander Lüdke as a member of the managing board of the company and the extraordinary termination of his employment contract, which took effect immediately, was his neglect of obligations on numerous occasions. In several instances, he failed to obtain the required approval of the supervisory board for specific actions, which was in violation of the articles of incorporation, or performed such actions although the supervisory board had refused to grant approval of such. The neglect of obligations described above also applied to measures which affect the Allplan section of the Group. In addition, he neglected to report on specific subjects to the supervisory board although the supervisory board had repeatedly asked him to do so. In order to avert damages to the company, it was therefore necessary in the opinion of the supervisory board that Mr. Tim Alexander Lüdke be removed from the office of member of the managing board and that the employment contract made with him be extraordinarily terminated. There were no personnel changes in the supervisory board in the reporting period.

FINANCIAL STATEMENT AUDIT 2012

The annual financial statement prepared by the managing board according to the German Commercial Code, taking into consideration the accounting principles and annual report of Nemetschek AG for the 2012 fiscal year, the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS), as applicable in the EU, and also according to § 315a Paragraph 1 of the German Civil Code, and the consolidated annual report for the 2012 fiscal year have been audited and approved without qualification by auditing firm KPMG AG Berlin, Munich branch. The supervisory board has investigated the independence of the auditors and obtained a written declaration of independence from the auditors.

The final documents and managing board's proposal on the appropriation of profits as well as the auditor's audit reports were available to the supervisory board in good time. The meeting of the supervisory board, held on March 21, 2013, to discuss, on the basis of the auditor's reports, Nemetschek AG's annual financial statements and management report as well as the consolidated financial statements and Group management report, was attended by the auditors, who answered all questions thoroughly, reported in detail on all the key results of their audit, and answered all the supervisory board's questions in detail.

Taking the auditor's reports into consideration, the supervisory board has examined the annual financial statements, the management report, the consolidated financial statements, and the Group's management report, and is convinced of the correctness and completeness of the actual information. The supervisory board approved the result of the auditor's examinations based on its own examinations. The supervisory board raised no objections. The supervisory board explicitly endorsed the financial statements and consolidated financial statements 2012 of Nemetschek AG in the balance sheet meeting on March 21, 2013. The annual financial statements of Nemetschek AG for the fiscal year 2012 are thus final.

In March 2013, the supervisory board also approved the new Declaration of Conformity in accordance with the German Corporate Governance Code (in the version dated May 15, 2012; see pages 20–21).

RESOLUTION ON DIVIDEND

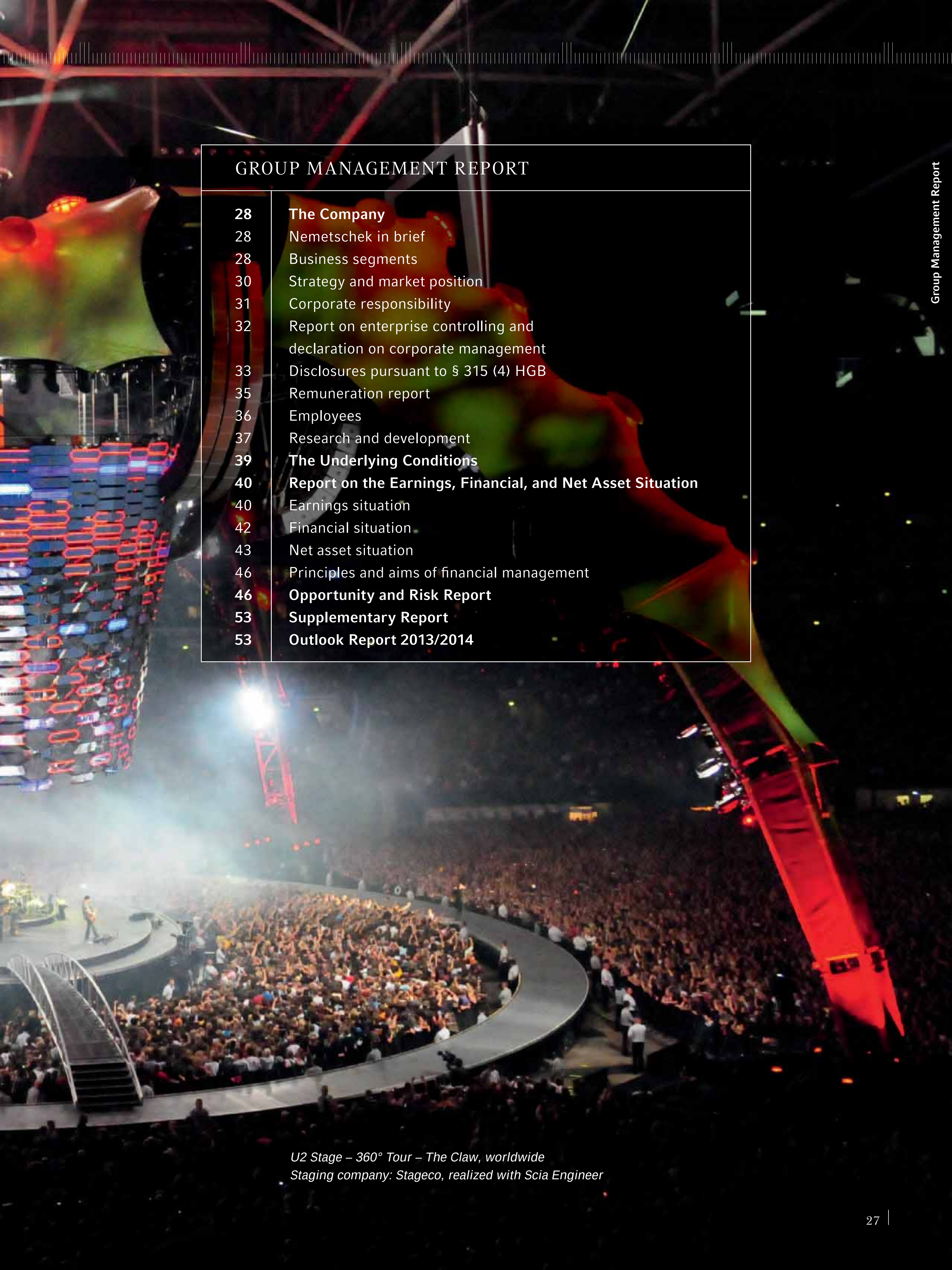
Upon making its own check, the supervisory board accepts the proposal of the managing board to use retained earnings. We agree with the managing board's management report and Group management report, and regard the proposal on the appropriation of profits as reasonable. In accordance with legal rulings and the articles of incorporation, it was decided to propose the following appropriation of profits to the Annual General Meeting in May 2013:

Of the balance sheet profit amounting to 46,854,159.70 euros, 11,068,750.00 euros will be paid out to the shareholders. This represents a dividend per share of 1.15 euros (previous year: 1.15 euros). The remaining balance sheet profit of 35,785,409.70 euros will be carried to a new account.

The supervisory board thanks the managing board and all staff for their commitment in the 2012 fiscal year.

Munich, March 21, 2013
The Supervisory Board

Kurt Dobitsch
Chairman



GROUP MANAGEMENT REPORT

U2 Stage – 360° Tour – The Claw, worldwide
Staging company: Stageco, realized with Scia Engineer

Group Management Report for the Financial Year 2012

The Company

Nemetschek in brief

The Nemetschek Group is a leading global software provider for the architecture, engineering and construction (AEC) market. The companies under the umbrella of Nemetschek Aktiengesellschaft provide end-to-end solutions for architects, structural designers, civil and specialist engineers – ranging all the way to construction software for cost and schedule planning, tenders, awarding of contracts, invoicing and execution of building work. There are also solutions for technical facility management and commercial property management as well as visualization software for architecture, film, animation and advertising.

In the Building Information Modeling (BIM) area, the Nemetschek Group is the leading open standard supplier ("Open BIM") worldwide. The graphical, analytical and commercial solutions from the group cover a substantial portion of the entire value chain in construction – from the planning and visualization of a building and the construction process itself, through to building management.

Headquartered in Munich, Germany and present at 40 locations worldwide, the Nemetschek Group, with its 10 brands, offers a wide range of software solutions for a heterogeneous market. The software solutions, some of which are closely interlinked, facilitate interdisciplinary collaboration among those involved in the building process and, thus, make the process itself more efficient. Globally, more than 300,000 customers from 142 countries work with software solutions from the group.

Nemetschek was founded in 1963 as an engineering office by Professor Georg Nemetschek. Today, the company, which has been on the stock exchange since 1999, employs 1,229 people worldwide. In the fiscal year 2012, Nemetschek achieved revenues of EUR 175.1 million and an operating result (EBITDA) of EUR 40.7 million.

Business segments

In the decentralized structure of the Nemetschek Group, the ten brands (eleven brands from January 2013 on) of the Group appear in the market as independently operating companies. Each brand is assigned to one of the four business segments: Design, Build, Manage and Multimedia.

DESIGN

The Plan business segment has a global presence

In the largest business segment of the group, the companies have a global presence and offer software solutions for architects, civil engineers, structural designers as well as design professionals and landscape designers. These include mainly programs for so-called building information modeling (BIM), as well as computer aided design (CAD) and computer aided engineering (CAE), which set worldwide standards in the 2D and 3D planning of buildings.

DESIGN – FOCUS ON ARCHITECTURE

Companies focused on architecture include Nemetschek **Allplan**, the Hungarian company **Graphisoft** with its core product ArchiCAD, and Nemetschek **Vectorworks** with its main headquarters in the USA.

Nemetschek **Allplan**, which until now has had a strong presence primarily in Europe, represents the group`s platform product: Allplan offers comprehensive solutions for architects, civil engineers and facility managers, and thus provides an instrument for largely integrated planning, from design through execution to subsequent building management. The integration of specialist design solutions and their seamless connection to the software of the globally active Construction Engineering Group make the product attractive not least for general contractors and for projects in the area of public-private partnerships.

The Hungarian company **Graphisoft**, with its globally marketed open BIM solution, ArchiCAD, primarily targets architects and covers the entire value chain of a design office, from the initial draft through to the final details of the working drawings. In the last few years Graphisoft was able to secure its international presence and to attract leading construction groups as customers, also in Japan. Since the end of 2011 the company has had its own branch in Hong Kong and an office in Shanghai.

Graphisoft was able to promote its internationalism especially in Asia

The American Nemetschek subsidiary **Vectorworks** (located close to Washington D.C.) develops and sells an open BIM solution for design and execution planning and offers a broad spectrum of specific industry solutions for architects, interior designers, landscape planners and for stage and lighting designers. Vectorworks is also sold worldwide and is the CAD program most used on Apple Mac OS.

DESIGN – FOCUS ON CONSTRUCTION ENGINEERING

Companies focused on construction engineering include Nemetschek **Allplan** (with the product line for construction engineering), Nemetschek **Scia**, Nemetschek **Frilo** and **Glaser**, as well as the pre-cast solution based on Allplan. The group offers solutions for all areas of construction engineering, including BIM, CAD, structural analysis, logistics and project management, from easy-to-learn starter products through to high-end solutions. The companies focused on construction engineering together have over 20,000 customers.

The Belgian company Nemetschek Scia, alongside Allplan the largest company in the group, offers solutions for the high-end engineering area. These are used by construction engineers in stress planning to analyze and measure general two- and three-dimensional steel and reinforced concrete structures with other materials. The core product, Scia Engineer, permits the modeling of large and complex structures such as bridges, towers, energy plants and tower blocks. Additionally, there is Scia Steel, software for integrated production management in steel construction manufacturing.

An important product of the Engineering Group is the program Precast, based on Allplan, with which manufacturers of pre-fabricated concrete units can plan their work. The integrated Precast part manager supports order processing, from bids processing to implementation, and thus connects the operating departments, such as construction, sales, production, delivery and assembly. With the Precast solution Nemetschek has already been able to win numerous contracts in the so-called emerging countries, including Mexico, China and Singapore.

The Stuttgart company Nemetschek **Frilo** is also a member of the Engineering Group. This company represents a comprehensive range of structural engineering programs that primarily support engineers’ day-to-day work. The Frilo software is particularly characterized by ease of use and fast results.

BUILD

The Build business segment comprises all products and solutions that deal with commercial and technical cost and work invoicing, cost and deadline planning, and calls for tenders, assignment and invoicing (TAI) of construction work. They cover the actual construction process – from project cost planning and technical building site management through to commercial construction invoicing. The Build business segment, which has to date concentrated on German-speaking markets, includes the companies Nemetschek **Bausoftware** GmbH, the Austrian Nemetschek **Auer** and the Allplan BCM product line of Nemetschek Allplan GmbH. They operate primarily in Germany, Austria and Switzerland.

The Build business segment includes all products and solutions which cover the actual building process

Together, they have over 8,000 customers from the areas of design (architects and engineers) and construction management companies as well as construction companies, and support more than 50,000 user licenses. Nemetschek is the undisputed market leader in Austria. Nemetschek Bausoftware GmbH, with its primarily commercial solutions, has a strong position in Germany and, in its target group of the larger medium-sized construction companies, is also market leader in Switzerland.

In autumn 2012 Nemetschek Auer presented a new software generation to the German and Austrian markets. A new universal, business process-oriented software was developed under the name of Nevaris, which covers the areas from cost planning via TAI right through to controlling all relevant areas for planners and those executing. Its simple user guidance and flexible utilization models, as well as the consequent lower expense, make Nevaris an attractive hybrid solution for the market. In developing it, a particular focus was on customer wishes. Therefore, the focus is on time-saving and cost-saving, however also on transparent processes.

Nevaris shall offer access to a high-quality, cost favorable and location independent solution

With the new product, the user has access to three different variations, Basis, International (simultaneous support of several languages and country norms) and Enterprise (support of database servers and terminal server operations). These can be used over a self-determined term. The "Software-as-a-service-variation" should also offer, to those offices that only prepare a few tenders per year, access to a high-quality, reasonably priced solution regardless of location. Nevaris currently supports the application areas of tendering, assigning, invoicing, scheduling, planning and administering. From the end of 2013 further functions, such as calculation and construction invoicing, are expected to be offered.

MANAGE

The Manage business segment is represented by Nemetschek **Crem Solutions**. Its product portfolio aims at real estate and the housing industry for the management and settlement of its real estate and property. The main product, Crem iX-Haus is an integrated all-in-one solution for the management of large portfolios with complex operating requirements. Characteristics related to the industry offer perfectly tailored solutions for commercial administrations and for housing sector administration processes. Beause of its detailed reporting, in particular, Crem iX-Haus is also a valuable support in the area of asset management.

MULTIMEDIA

The Multimedia business unit comprises the **MAXON** headquarters in Germany and its subsidiaries in the USA and England, as well as representatives in France and Japan. The 3D software for visualization and animation is available in ten languages and is marketed in over 80 countries. Thanks to the numerous areas of application for the Cinema 4D software and the heterogeneous customer structure – from architecture offices to film studios – Maxon is comparatively independent of single sectors. International radio stations also rely upon the software from Maxon just as leading film studios and producers of online games do.

Strategy and market position

ON THE WAY TO BECOMING INTERNATIONAL MARKET LEADER

Nemetschek would like to catch up with the global market leader profitably

Since the acquisition of Graphisoft in the year 2007, Nemetschek has been a leading worldwide software producer for the architecture, engineering and construction (AEC) sector and would like to close the gap in the next few years profitably to the global market leader. Currently, the group is market leader in Europe and number two globally after the US supplier Autodesk. The industry has undergone a process of consolidation actively driven by Nemetschek. Today, there are now just a few international players. In contrast, there are numerous small, local providers, which make up a good half of the market volume. This reflects the marked heterogeneous nature of the market, which is characterized by the numerous disciplines involved in the building process, different philosophies and different regional requirements and standards.

CUSTOMER NEEDS ARE FOCUSED ON

Unlike its largest competitors, Nemetschek concentrates almost exclusively on the AEC market (Architecture, Engineering, Construction). As a sector specialist, the company understands how to orientate its products to the needs of its customers. To meet the wide range of customer demands, the group offers a broad range of solutions that are tailored to the special working requirements and local guidelines. Staying close to the customer and the transformation of customer desires into own products is part of the aspiration and philosophy of the group.

In order to satisfy the numerous customer demands, Nemetschek relies on its cooperation with partners from the sector who, themselves, offer the leading solutions in specialist areas – for example in the area of service engineering.

OPEN BIM – BUILDING ON COLLABORATION

The central topic in the planning process of building objects is today the so-called Building Information Modeling (BIM). This is to be understood as an integrated process of planning, building and administration of buildings – with the objective of improving quality and efficiency to a maximum, using as much interdisciplinary cooperation as possible. As the pioneer of the BIM idea, the Nemetschek Group has followed this holistic philosophy for almost 30 years already, and this is reflected clearly in the business units of Design, Build and Manage.

However, to continually bring the vision and collaboration, as the basic idea of the corporate philosophy, to a higher level, Nemetschek does not stop at BIM. With the open BIM initiative, the Nemetschek Group promotes the open standard in Building Information Modeling. This open standard is based on the philosophy that a specialist software solution is always a better choice than a generalist standard application. With the open BIM standard, on which all open BIM solutions of the Group meanwhile work, the products of Nemetschek also now communicate error-free with the open BIM solutions of other software providers. As a result, for the customers this provides a new variety of BIM processes which will make open BIM the preferred standard of the building industry worldwide.

INTERNATIONAL PRESENCE

Growth markets of the future are mainly the USA, Latin America and Asia

The Nemetschek Group has its roots in Europe and also generates 80 % of its revenues here. Above all, the countries where Nemetschek is traditionally strong (for example the DACH region) guarantee the company sustainable growth, even in the currently uncertain economic environment. The growth markets of the future for the company primarily include the USA, Latin America and Asia. Against this background, Nemetschek has now opened branches in Brazil and China – with the focus on the marketing of solutions from the construction engineering group. The precast solution based on Allplan, with which manufacturers of prefabricated concrete units can plan their work, was able to further expand its market position in the Asian area in 2012.

The demand for Nemetschek Group open BIM solutions is also rising on an international level. Mid-2012 the Nemetschek Group concluded an extensive development co-operation with the leading Chinese software provider for 2D-CAD solutions, CABR Technologies. Together with this company, Nemetschek will, under the authority of the Chinese government, develop an obligatory nationwide standard for BIM processes. The co-operation offers the companies within the Nemetschek Group an ideal platform to support the international progress of the open BIM initiative and to further increase awareness for the software solutions of all brands in this important growth market.

Corporate responsibility

Responsible behavior means, for Nemetschek, that it will support its customers and employees as well possible and always find future-oriented solutions. The business model of Nemetschek is based on sustainability. Three aspects are its forefront: the environment, employees and society.

ENVIRONMENT

The Nemetschek Group gives consideration to sustainability

With its software solutions the Nemetschek Group also takes account of the idea of sustainability and supports efficient and environmentally compatible building. These help architects and engineers to design energy-efficient buildings and minimize material consumption. All brands under Nemetschek's roof have integrated appropriate solutions in their programs. With EcoDesigner from Graphisoft, architects are, for example, able to determine the likely energy requirements of their buildings in the early design phase and compare different designs with each other. This program has been granted several awards.

Environmental protection is also taken seriously within the company. For example, almost all companies use telephone and video conferences in order to reduce business trips to a minimum. They are also increasingly using innovative teaching methods, such as e-learning and learning videos instead of printed manuals and operating instructions, which clearly minimize the consumption of paper. The sending of DVDs is also gradually being replaced by the availability of download possibilities from the internet. In addition to this, there are various individual initiatives in the companies.

EMPLOYEES

The companies in the group make every effort to provide their employees with the best possible working conditions and the opportunity to balance their professional and family lives. The focus here is on offering more flexible working times and a comprehensive continuing education program. The concrete conditions vary from country to country. In the larger companies there are various special services such as, for example, the possibility of company pension schemes, company car rules and subsidies for canteen meals.

For Nemetschek, gender equality is a matter of course in salary payments. Also, in selecting the appropriate candidates for management positions, the company makes a point of maintaining a balance of male and female empolyees where possible. In the year 2012 this was also practiced in the Executive Board of the AG. With Tanja Tamara Dreilich, a woman, was appointed to the managing board of the company for the first time in May of this year. Since the end of October she has represented the company as sole member of the board.

The Nemetschek Group places great importance on treating its employees correctly and on having a good working relationship. The principles for this are laid down in the internal code of conduct and are made accessible to employees, together with other aspects in special internal training courses.

SOCIETY

The company has its roots in the university environment, and for many years has had a presence there with its software and the corresponding support. All the large product companies provide free software licenses and online training materials to students and professors as part of their so-called campus programs. In addition to the core markets in Europe this is also applicable for many foreign markets, above all the USA. Furthermore, Nemetschek also supports university projects on a regular basis. For example, in the year 2012 it was involved in the activities of the faculty for construction engineers and surveying at the technical university Munich. In this way the company promotes the young generation in architecture and engineering and, at the same time, secures for itself the high affinity of potential future customers for its software solutions.

Report on enterprise controlling and declaration on corporate management

As a holding company with registered offices in Munich, Nemetschek Aktiengesellschaft holds majority interests in companies that develop and globally distribute software solutions for the complete life cycle of buildings. The group, with its nationally and internationally operational product brands, is split into four business segments, Design, Build, Manage and Multimedia. The operational and strategic management of the group is performed via the four segments.

The corporate management of the group is based on the group strategy jointly approved by the managing board and supervisory board. This covers the strategic positioning of the group and its portfolio, as well as the concrete, medium-term sales and revenue projections. Enterprise controlling is performed at the level of reporting segments. The group specifications and annual targets for the product brands and their companies are derived from the strategic aims. In the annual planning process, at profit center level these company targets are agreed with the group companies, are substantiated by them and assigned individual quantitative and qualitative targets for marketing and development. The agreement of the annual plan, its individual targets and medium-term plan are made together with the supervisory board in a special meeting.

During the year, the group targets are monitored on the basis of a group-wide management information system, with detailed reporting of the key performance indicators for the revenue, cost and earnings situation. The central controlling indicators for Nemetschek Aktiengesellschaft are revenues and growth as well as the operating result (EBITDA) per segment.

Strategic and operating corporate management is carried out in close consultation with the newly founded Corporate Strategy Committee of the Nemetschek Group. This comprises the top managers from the five largest organizations and the managing board. Furthermore, there are regular cross-company reconciliation processes in important areas such as, for example, finances and controlling.

COMPLIANCE DECLARATION IN ACCORDANCE WITH § 161 AKTG (GERMAN STOCK CORPORATION ACT)

The declaration in accordance with §161 AktG is published within a separate section of the annual report of Nemetschek Aktiengesellschaft as well as on the website www.nemetschek.com.

WORKING PRACTICES OF THE SUPERVISORY BOARD

For information on the working practices of the supervisory board, we refer to the supervisory board report.

Disclosures pursuant to § 315 (4) HGB (German Commercial Code) and explanatory report

(1) COMPOSITION OF THE SUBSCRIBED CAPITAL

Nemetschek Aktiengesellschaft's share capital as of December 31, 2012 amounts to EUR 9,625,000.00 (unchanged compared to prior year) and is divided into 9,625,000 bearer shares.

(2) RESTRICTIONS RELATING TO THE VOTING RIGHTS OR TRANSFERABILITY OF SHARES

There are no restrictions relating to the voting rights or transferability of shares.

(3) INVESTMENTS IN CAPITAL EXCEEDING 10 % OF VOTING RIGHTS

Direct and indirect investments in subscribed capital (shareholder structure) which exceed 10 % of the voting rights are presented in the notes to the financial statements or in the notes to the consolidated financial statements of Nemetschek Aktiengesellschaft.

(4) SHARES WITH SPECIAL RIGHTS GRANTING CONTROL

There are no shares with special rights granting control.

(5) TYPE OF VOTING RIGHT CONTROLS WHEN EMPLOYEES HOLD INTERESTS IN CAPITAL AND DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY

There are no voting right controls on employees with shareholdings.

(6) LEGAL PROVISIONS AND STATUTES ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGING BOARD AND AMENDMENTS TO THE STATUES

The appointment and dismissal of managing board members is governed by § 84 and § 85 of AktG in connection with § 7 of the statutes of Nemetschek Aktiengesellschaft. Accordingly, managing board members are appointed by the supervisory board for a maximum of five years. Reappointment or extension of the term of office is allowed, for a term of up to five years each time.

The amendment to the statutes is subject to § 179 AktG in connection with § 18 and § 13 of the statutes of Nemetschek Aktiengesellschaft. These stipulate that the annual general meeting must pass a resolution to amend the statutes by a simple majority of the voting rights represented – provided that the law does not require a greater majority – simple majority of basic capital represented. According to § 13 of the statutes of Nemetschek Aktiengesellschaft the supervisory board is authorized to pass resolutions that only affect the wording of the statutes.

(7) AUTHORIZATION OF THE MANAGING BOARD TO ISSUE OR REDEEM SHARES

According to § 71 (1) No. 8 AktG the company requires a special authorization by the annual general meeting to acquire and trade its treasury shares, to the extent not legally expressly permitted. An authorization resolution was presented to the annual general meeting on May 26, 2010 and resolved accordingly by the shareholders. This recommended resolution was based on the changed § 71 (1) No. 8 AktG in the law for the implementation of the rights of shareholders guideline dated July 30, 2009 (ARUG) according to which the authorization can be given for a period of up to five years.

In accordance with the resolution on agenda item 6 of the annual general meeting dated May 26, 2010, the authorization is valid, worded as follows:

"6.1 The company is empowered to purchase up to 962,000 treasury shares by May 25, 2015, once or several times, which is almost 10 % of the current nominal capital, in full or in part complying with the following conditions. At no time may the shares acquired on the basis of this authorization together with other shares of the company the company has already purchased and still holds or which are attributable to it in accordance with §§ 71a et seq. AktG constitute more than 10 % of its share capital. The authorization may not be used for the purpose of trading treasury shares.

This authorization replaces the authorization adopted by the annual general meeting of Nemetschek Aktiengesellschaft on May 25, 2009 as agenda item 6, concerning the acquisition of treasury shares, which is hereby cancelled to the extent it is not exercised.

6.2 The shares are purchased, as opted by the managing board, via the stock exchange or by way of a public offer addressed to all the company's shareholders.

a) If the shares are purchased on the stock exchange, the purchase price of a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price in the last five days of trading prior to the obligation to purchase them on the electronic exchange (Xetra – or a representative, comparably functioning successor system) by more than 10 %.

b) If a public purchase offer is made, the offer price for a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price on the Xetra exchange over the five days of trading prior to publication of the purchase offer by more than 10 %. If the total number of shares tendered exceeds the volume of the purchase offer, shares will be subscribed on the basis of the relative quotas. Preferential subscription to small numbers of shares may be allowed, up to a maximum of 100 shares offered for sale for each shareholder of the company.

6.3 The managing board is empowered to use the treasury shares purchased pursuant to this authorization for any legally permitted purpose, in particular also for the following purposes:

a) With authorization by the supervisory board the shares may be offered as consideration for the acquisition of entities, investments in entities or parts of entities.

b) The shares may be redeemed with the approval of the supervisory board, without any further resolution of the annual general meeting being required for the redemption to take effect. Redemption leads to a reduction in capital. The managing board may alternatively decide that the share capital remains unchanged on redemption and is increased instead by the inclusion of the proportion of other shares within share capital in accordance with § 8 (3) AktG. The managing board is authorized in this case to adjust the number of shares in the statutes.

6.4 The subscription right of the shareholders on these treasury shares is excluded to the extent that these are exercised in accordance with the above-mentioned authorization under item 6.3 lit. a) of the agenda."

(8) SIGNIFICANT AGREEMENTS THAT ARE SUBJECT TO A CHANGE IN CONTROL AS A RESULT OF A TAKEOVER BID

The company has not entered into any significant agreements that are subject to a change in control as a result of a takeover bid.

(9) COMPENSATION AGREEMENTS OF THE COMPANY WITH THE MEMBERS OF THE MANAGING BOARD OR EMPLOYEES IN THE EVENT OF A TAKEOVER BID

The company has not entered into any compensation agreements with the members of the managing board or employees in the event of a takeover bid.

Remuneration report

SUPERVISORY BOARD

In addition to a fixed component, the remuneration paid to members of the supervisory board contains a profit-based component. The variable compensation component is based on the consolidated earnings (diluted earnings per share). It is the view of the managing board and the supervisory board that this important ratio constitutes a reliable benchmark for increasing the intrinsic value of the shares and, thus, the company's performance.

Remuneration of the supervisory board breaks down as follows:

REMUNERATION OF THE SUPERVISORY BOARD

2012 Thousands of €	Fixed components	Variable components	2012
Kurt Dobitsch	30.0	53.0	83.0
Prof. Georg Nemetschek	22.5	53.0	75.5
Rüdiger Herzog	15.0	53.0	68.0
Total	**67.5**	**159.0**	**226.5**

2011 Thousands of €	Fixed components	Variable components	2011
Kurt Dobitsch	30.0	63.0	93.0
Prof. Georg Nemetschek	22.5	63.0	85.5
Rüdiger Herzog	15.0	63.0	78.0
Total	**67.5**	**189.0**	**256.5**

EXECUTIVE BOARD

The remuneration of members of the managing board consists of a basic salary (fixed compensation) and variable, performance-based compensation. The variable compensation has a current and non-current component.

Remuneration of the management board breaks down as follows:

REMUNERATION OF THE MANAGING BOARD

2012 Thousands of €	Fixed components	Variable components (short-term)	Variable components (long-term)	Compensation	2012
Tanja Tamara Dreilich	146	133	0	0	279
Tim Alexander Lüdke	283	137	0	250	670
Total	**429**	**270**	**0**	**250**	**949**

2011 Thousands of €	Fixed components	Variable components (short-term)	Variable components (long-term)	2011
Tim Alexander Lüdke	64	45	0	109
Ernst Homolka	264	213	0	477
Total	**328**	**258**	**0**	**586**

The fixed compensation includes the fixed salary and other taxable salary components such as health and nursing insurance as well as a company car. Further, the remuneration of Mr. Tim Alexander Lüdke additionally includes a compensation payment of EUR 250 k. This payment is not in connection with the resignation of Mr. Lüdke as managing board member but had already been agreed in terms of its basis in 2011 an was paid out in the first half of 2012.

The current performance-based (variable) compensation mainly depends on corporate objectives achieved with regard to the development of revenues and share prices which are agreed between the supervisory and managing boards at the beginning of each fiscal year.

The non-current performance-related (variable) compensation of the managing board depends on the achievement of defined corporate objectives with regard to the development of results and share price, such as set out at the end of 2009 in the Long-Term Incentive Plan (LTIP). The period to be observed is always 3 fiscal years. Participation of the managing board in the LTIP requires an appropriate nomination by the supervisory board at the annual financial statement meeting of the supervisory board.

On May 1, 2012 Tanja Tamara Dreilich was appointed financial director (CFO) by the supervisory board. Since October 30, 2012 Tanja Tamara Dreilich has managed the company as sole managing director. The variable remuneration agreed with Mrs. Dreilich amounting to EUR 16.7 k gross monthly will be paid for the period from May 1, 2012 to December 31, 2012, independent of further conditions.

The remuneration agreed in the previous year on occasion of termination of the employment relationship with Mr. Ernst Homolka, amounting to EUR 330 k, was paid as agreed in the fiscal year 2012.

Employees

As of December 31, 2012 the Nemetschek Group employed 1,229 staff worldwide (previous year: 1,173). The statistical determination and allocation of employee numbers does not include any employees on parent leave, freelancers and those ill long-term. The Nemetschek Group employed an annual average of 1,221 people (previous year: 1,150). The background to the increase in the number of employees is the specific increase in personnel in the Group companies in order to lay the foundations for future growth.

The Nemetschek Group employed 62 % (previous year: 59 %) of its staff outside Germany. On average, 572 employees (previous year: 545) are employed in the area of research and development in the Nemetschek Group. An average of 520 employees (previous year: 484) work in sales, marketing and hotline, 129 employees (previous year: 121) work in administration – including 19 trainees (previous year: 22), who primarily work in the commercial departments as well as in IT and development. As a rule, they have a good chance of being employed by the company once their training has been completed.

WORK-LIFE-BALANCE AND IDEAL WORKING ENVIRONMENT

A high degree of motivation amongst employees, along with their identification with Nemetschek, is a core element for the success of the company, just as are the creation of attractive working conditions and an inspiring working environment. Rulings on flexible working hours are a matter of course for many employees in the group, but the details vary considerably from company to company and also depend on country-specific rulings. The same applies for part-time work, in the context of either parental leave or semi-retirement.

Over 30 % of the workforce comprises architects and engineers, which demonstrates the company’s strong roots in the industry. These also include a large group of women – overall the group has around 30 % female employees. Also at management level there are more and more women. With the appointment of Tanja Tamara Dreilich to the managing board of the Nemetschek Group, women have been represented at the highest level of the group since 2012.

Employees in the Nemetschek Group have numerous opportunities for development in the form of internal and external training courses. The topics of training events range from subject-specific training to foreign-language and IT courses through to manager training and seminars on the subject of teamwork and self-management.

It goes without saying for Nemetschek that employees are appropriately remunerated. In addition to this, voluntary additional benefits are often paid, such as subsidies for canteen meals. Performance-related pay also contributes to the high level of employee motivation. This is the norm in most of the companies.

The revenues and earnings of the company, as well as the achievement of personal targets, are usually the criteria for measuring this. In some cases, managers and sales employees are primarily measured based on the overall success of the company, while the variable portion for the other employees, in contrast, depends on the achievement of individual or team targets.

Research and development

The continual investment in new development and enhancement of products and solutions is the basis for Nemetschek‘s success. Around a quarter of the revenues generated, therefore, flow regularly into product and process innovations, which secures the future profitable growth of the group. In fiscal 2012, the group invested EUR 45.1 million (previous year: EUR 41.2 million) in research and development.

Nemetschek constantly invests in the development of products and solutions

In addition to the releases of the individual software solutions of the relevant brands published on an annual basis, Nemetschek developed, in the Build segment, a fundamentally new software generation for the German and Austrian markets with the product “Nevaris“. As the first software as a service solution (SaaS) for the group, the product covers the building process in all relevant areas for planners as well as implementers, from budgeting via TAI through to controlling.

Furthermore, the company developed the first group-wide cloud solution in the past fiscal year which will be introduced under the name “bim+“. The cloud-platform shall be positioned as the central market place for Building Information Modeling in the future and offer innovative solutions in the areas of mobile applications and for large quantities of data; that is, it shall simplify the handling of large and process-intensive data quantities. The company will publish further information on the operational capabilities of the platform at its launch which is planned for the first quarter in 2013.

In developing new products and continuing the development of trusted solutions, internal group resources were mostly utilized while third-party services were used only to a limited extent. On average for the year, the Nemetschek group employed 572 staff (previous year: 545) in this area, which is 47 % (previous year: 47 %) of the total headcount of the Nemetschek Group.

BUILDING INFORMATION MODELING IN FOCUS

BIM represents a planning method aimed at maximum collaboration

Building Information Modeling (BIM) is an elementary part of the future growth strategy of Nemetschek. As an integrated process of planning, building and managing a building, BIM represents a planning method directed at maximum collaboration for digital building models. These models are prepared with the help of 3-dimensional and building component-oriented CAD software, and integrate all geometric and descriptive information. The exchange of the building models via exchange formats, which are independent of manufacturers, simplifies the reconciliation between the various technical areas and optimizes the complete planning process. Through this the energy volume and cost calculations, or the handover to facility management, can be simply integrated.

As the pioneer in Building Information Modeling, Nemetschek is banking on Open BIM as the basis for the producer-wide cooperation in the future, as ensured via the open data exchange format IFC. Furthermore, Nemetschek is working on the development of collaborative additional functions – for example, in order to follow which project participant has received, read and potentially changed or approved which detailed information and when. A reference model (BIM model) results for the relevant building project in which the relevant properties of the process models are administered, and these models are also linked to each other. Thus, for example, the consequence of individual changes to a technical model on all other models can be simulated and better coordinated. This development is currently being promoted across the companies by the Nemetschek Construction Engineering Group.

CLOUD COMPUTING AND SOFTWARE AS A SERVICE

Nemetschek considers itself a leading provider of software for the digitalization of building processes and a pioneer with regard to innovation. With regard to the topics of cloud computing and software as a service (“SaaS“) Nemetschek used the time for directed market studies and designed new, tailor-made solutions. The result is two new products with which Nemetschek again presented a high degree of innovation on the market at the end of 2012 and at the beginning of 2013.

Nemetschek offers a comprehensive approach to simplify the working day

With Nevaris, Nemetschek Auer introduced a new software generation for the German and Austrian markets in autumn 2012 with which the user can, for the first time, choose the period of use. As a SaaS product, the user fee amounts to EUR 39 per month in the implementation period and shall offer access to a high-quality, reasonably priced and location-independent solution, also to those offices that only produce a few tenders a year. Nevaris currently supports the application areas of tendering, assigning, invoicing, scheduling, planning and administering. From the end of 2013 further functions such as calculation and construction invoicing are expected to be offered.

Furthermore, in the year 2012 the focus of the development engineers was on bim+. The comprehensive cloud solution will be introduced to the market at the beginning of 2013 and shall be positioned as the leading platform in the area of building information modeling.

In addition to the solutions for the internet-based collaboration in BIM processes already integrated, the Nemetschek Group offers its customers here a comprehensive approach in the future, which should simplify the cooperation with partners and contractors and facilitate the overall working day.

The Underlying Conditions

Overall economic conditions

The year 2012 continued to be marked by the debt crisis of several European economies, such as Greece, Portugal and Spain. Also, leading economies to date had to accept downgrading by the rating agencies. In particular, in the middle of the year the national debt crisis became more acute and the macro-economic crisis grew in the Euro area, which caused a high degree of uncertainty in the global economy. This development was also reflected in the ifo world economic climate index, which, after a slight improvement in the first half year, decreased again to the level of the first quarter.

Thus, the economic development in Germany also slowed down during the year 2012. The growth rate of the gross domestic product as estimated by the council of experts amounted to 0.8 % and, thus, remained under the potential growth of 1.1 %. In 2012 Germany was no longer able to decouple itself, as in the prior year, from the difficult foreign trade environment.

The US economy developed moderately with real growth of the gross domestic product of around 2 % in 2012. Therefore, the upward economic movement, after the big economic and financial crisis, still progressed slowly compared to earlier recovery processes.

Building sector situation

The building volume in Europe was clearly in decline in 2012 compared to the prior year

In the year 2012 the underlying economic conditions also had an effect on the development of the building industry. According to the sector experts from EuroConstruct, the building volume was clearly in decline in Europe in 2012, compared to the prior year. Even construction engineering, which showed a slight plus in growth in 2011 in Europe, developed negatively in 2012.

According to EuroConstruct, as a result of this trend, building volume in 2012 in Germany fell slightly, by –0.2 %, compared to the prior year. Mid-year 2012 sector experts still expected the building volume in Germany to increase by 1.6 %, compared to the prior year. This slight upwards trend is also to be found in the annual expert report by the council of experts, which reveals a slightly reduced production in the main building sector, whereby order intake, particularly in residential building, was significantly above the prior year level.

On the other hand, the situation in the US American construction industry improved clearly during the year 2012: The apartment and house market, the collapse of which in 2007 was the starting point for the worldwide economic and financial crises, has passed through its lowest point and commenced on a strong upwards movement. Thus, for example, the Case-Shiller-Index, which indicates the main price index in 20 important American metropolises in one year, showed a plus again in the 2nd quarter 2012 for the first time since the summer 2010. The overall building volume of the USA climbed in 2012 by 5 % in accordance with sector experts.

The situation of the Japanese building sector similarly improved significantly compared to previous years. In its quarterly report from October 2012 the government -related Research Institute of Construction and Economy (RICE) expects an increase in building investments, compared to the previous year, of more than 4 % for 2012. The main reason for this is that after the triple catastrophes of earthquake, Tsunami and nuclear accident in March 2011 the reconstruction of the region in the North East of Japan has begun. The state, which has held back in the past few years, particularly in infrastructure projects, has strongly expanded its building activities. There were also more movements from the private house and apartment construction as well as from commercial building.

Report on the Earnings, Financial, and Net Asset Situation

Earnings situation

GROUP REVENUES OF EUR 175.1 MILLION

It was possible to increase group revenues by 6.8 %

In fiscal 2012, the Nemetschek Group achieved revenues of EUR 175.1 million (previous year: EUR 164.0 million), which represents a plus of 6.8 %. Revenues in license business amount to EUR 85.8 million, EUR 5.6 % above those of the prior year. The revenues from service agreements rose by 7.9 % from EUR 74.3 million to EUR 80.1 million – thus, in the meantime, over 45 % of group revenues are recurring. In the foreign markets, revenues increased by 8.8 % to EUR 104.8 million, in Germany they rose moderately by 3.8 % to EUR 70.3 million. The Nemetschek Group thus generated 59.8 % (previous year: 58.7 %) of its revenues outside of Germany.

STRONG GROWTH IMPULSES IN THE TWO LARGEST BUSINESS SEGMENTS

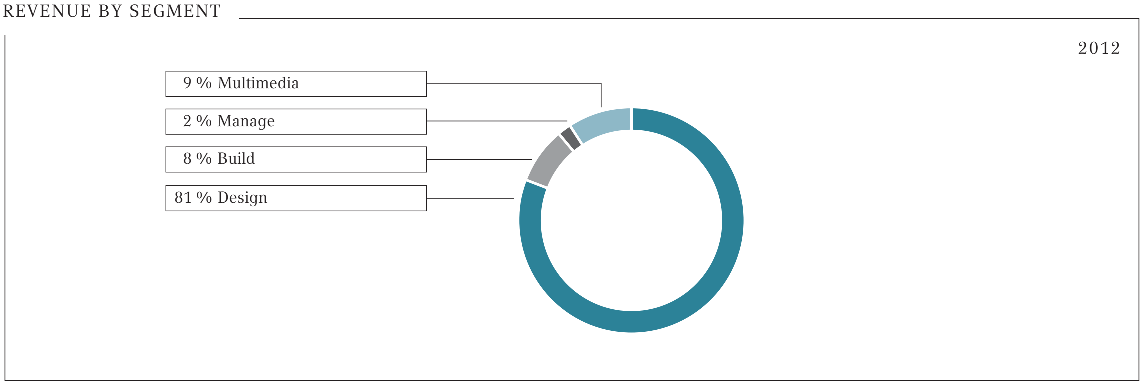
In the Design business segment; that is, in the companies with their focus on architecture and construction engineering, revenues rose by 6.9 % to EUR 141.8 million (previous year: EUR 132.6 million). Accordingly, EBITDA climbed by 2.7 % to EUR 28.8 million (previous year: EUR 28.1 million), the EBITDA margin was 20.3 % (previous year: 21.2 %). The companies in this business area increased domestically and abroad, in particular they benefited from a stable construction economy in Germany.

In the Multimedia Segment, revenues increased again compared to the previous year by 6.2 % to EUR 14.8 million after an increase of 25.8 % had already been achieved in the previous year. However, EBITDA was slightly below that of the prior year at EUR 6.1 Mio; this corresponds with a margin of 41.5 % (previous year: 44.4 %). Therefore, the positive growth trend from the previous years could be continued, even if it was in a slightly weakened form. The growth impulses also mainly came from the North American market. The unusually high revenue margin of Maxon in the previous year is due to the fact that the costs of the initiatives for further growth introduced in 2011 were not fully visible until 2012.

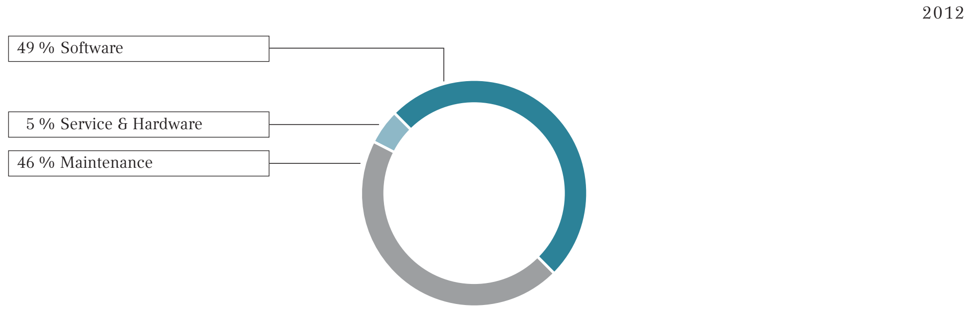
Both companies in the Build segment were able to marginally increase the revenue level of the previous year and reached revenues of EUR 14.3 million (previous year: EUR 13.8 million). With an EBITDA of EUR 5.3 million (previous year: EUR 4.8 million), the EBITDA margin was 36.7 % (previous year: 34.5 %). In this business unit, which is strongly influenced by the project business, a slight recovery was noticeable. In comparison to the prior year, the customer's willingness to invest rose again.

In the Manage business segment, sales rose slightly from EUR 3.7 million to EUR 4.2 million, it was possible to significantly raise EBITDA from EUR 0.3 million to EUR 0.5 million. The reorganization performed in the prior year had a positive effect on the earnings situation. Nemetschek Crem Solutions was able to both increase business with regular customers and achieve success in new customer business.

REVENUE BY SEGMENT



REVENUE BY ELEMENTS



GROUP EBITDA ROSE AGAIN

After the record EBITA in the prior year, the Nemetschek Group was able, as a result of increased revenues, to again increase the operating Group result before tax, interest and depreciation in fiscal 2012 (EBITDA) to EUR 40.7 million (previous year: EUR 39.3 million). Thus, the forecast in July 2012 was exceeded. The EBITDA margin amounted to 23.3 % (previous year: 23.9 %).

It was possible to increase the EBITDA again compared to the prior year

The operating expenses before depreciation amounted to EUR 138.9 million (previous year: EUR 129.0 million). The higher personnel expenses of EUR 77.0 million (previous year: EUR 70.6 million) mainly resulted from the targeted increase in personnel at some group companies, one-off effects from changes in management, and from rises in variable salary components due to the positive revenue development.

The other operating expenses amounted to EUR 54.1 million (previous year: EUR 50.4 million). The increase is primarily due to higher expenses for the market introduction of new product versions of the subsidiaries as well as the revenue-related expenses for the distributor commissions. In addition to these there were currency exchange fluctuations, as well as higher expenses for external personnel and for allowances against receivables as part of the planned growth initiatives.

EARNINGS PER SHARE OF EUR 1.96

In the fiscal year 2012 group earnings before taxes and interest (EBIT) of EUR 29.1 million were at the level of the previous year despite higher group EBITDA. The reason for this was, in particular, the impairment loss on a non-current loan amounting to EUR 1.0 million. Depreciation on fixed assets increased overall from EUR 10.2 million to EUR 11.6 million. Amortization on the purchase price allocation related to the acquisitions of Graphisoft and SCIA was unchanged compared to the previous year at EUR 7.1 million.

In 2012 the net financial result improved from EUR – 1.0 million to EUR – 0.6 million. The net financial result includes the interest income of EUR 0.7 million (previous year: EUR 0.4 million) which is due to a changed market valuation of the interest hedge concluded as part of the financing of the Graphisoft acquisition. Furthermore, interest expenses have reduced as part of the complete repayment of the loan liabilities. Interest expenses continue to include the expenses of the interest hedge.

The group`s tax rate amounted to 28 % (previous year: 20 %). Taxes on income increased in the fiscal year 2012 from EUR 5.6 million to EUR 8.1 million. Among other things, the increase is due to a one-off effect in the previous year. As a result of the application of the progressive tax rate in Hungary, net deferred tax income of EUR 1.4 million arose particularly from revaluation of deferred taxes as part of the purchase price allocation of the Hungarian Graphisoft Group. Furthermore, revenue growth in countries with higher tax rates contributed to the increase.

Against this background, net income for the year fell by 8.8 % to EUR 20.5 million. Net income for the year (group share) increased to EUR 18.9 million (previous year: EUR 20.8 million). The earnings per share were EUR 1.96 (previous year: EUR 2.16), a fall of 9.3 %.

Financial position

OPERATING CASHFLOW OF EUR 36.5 MILLION CONTINUES AT HIGH LEVEL

The operating cash flow reached the high level of the prior year

At EUR 36.5 million it was possible to maintain operating cash flow at almost the high level of the previous year (EUR 37.1 million) despite the increased tax charges. The cash flow for the period rose by EUR 1.2 million to EUR 39.2 million (previous year: EUR 38.0 million).

The cash flow from investing activities of EUR – 6.7 million was above the prior year level (EUR – 5.6 million). Capital expenditure was incurred mainly for replacement investment purposes.

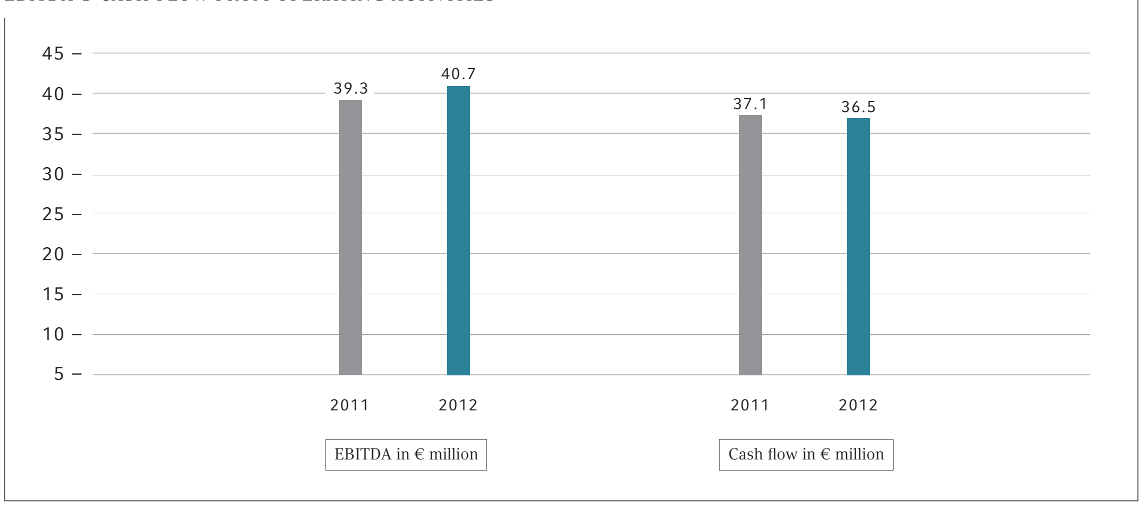
CASH AND CASH EQUIVALENTS OVER EUR 44 MILLION

The cash flow from financing activities amounted to EUR – 19.2 million (previous year: EUR – 28.0 million) and primarily consists of the dividend distribution amounting to EUR – 11.1 million and repayment of loans from the financing of the Graphisoft acquisition amounting to EUR – 4.7 million (previous year: EUR – 14.8 million).

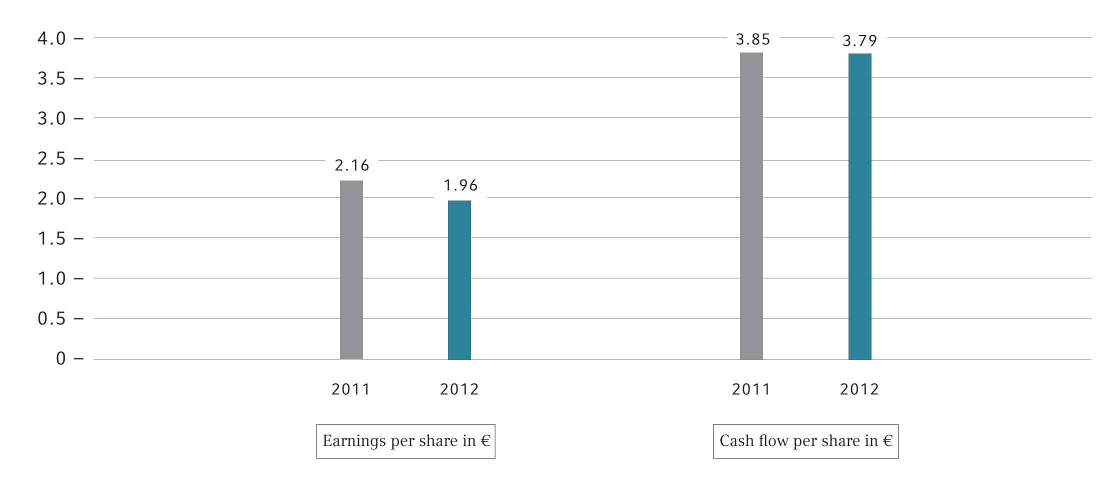
With this, the bank loan amounting to EUR 100.0 million taken up to finance the Graphisoft acquisition was completely repaid. There are thus no bank liabilities in existence as of the balance sheet date December 31, 2012.

Cash and cash equivalents amounted to EUR 44.3 million at the balance sheet date (previous year: EUR 33.5 million).

EBITDA & CASH FLOW FROM OPERATING ACTIVITIES



NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIES



Net asset situation

EQUITY RATIO OF 67.9 %

On the assets side of the balance sheet, current assets increased from EUR 65.7 million to EUR 74.4 million. The main reason for this was the increase in liquid funds of EUR 10.8 million. Trade receivables decreased in the year 2012 from EUR 23.7 million to EUR 21.4 million despite the expansion in business activities.

Non-current assets decreased by EUR 6.1 million to EUR 90.6 million, primarily due to the systematic depreciation and amortization of assets from the purchase price allocation. The sum of intangible assets including goodwill thus decreased from EUR 89.0 million to EUR 84.0 million. Interests in associated companies / financial assets have decreased because of an impairment loss as well as distributions by an associate.

Current financial liabilities reduced by EUR 4.3 million to EUR 46.9 million. This is mainly due to the repayment of the loan debt. The deferred revenues increased as a consequence of maintenance fees already invoiced from EUR 19.2 million to EUR 21.6 million. Provisions and accrued liabilities were almost at the level of the previous year.

Other non-current financial obligations relate to the interest-rate hedge accounted for at market value, amounting to EUR 2.7 million (previous year: EUR 3.4 million). The decline in deferred tax liabilities of EUR 0.8 million to EUR 1.7 million results primarily from their systematic reduction, as a consequence of amortization of the capitalized intangible assets, as part of the purchase price allocation.

The equity capital amounts to EUR 112.0 million as of the balance sheet date (previous year: EUR 103.7 million). On December 31, 2012, total assets amounted to EUR 165.0 million (previous year: EUR 162.4 million). The equity ratio rose accordingly from 63.9 % to 67.9 %.

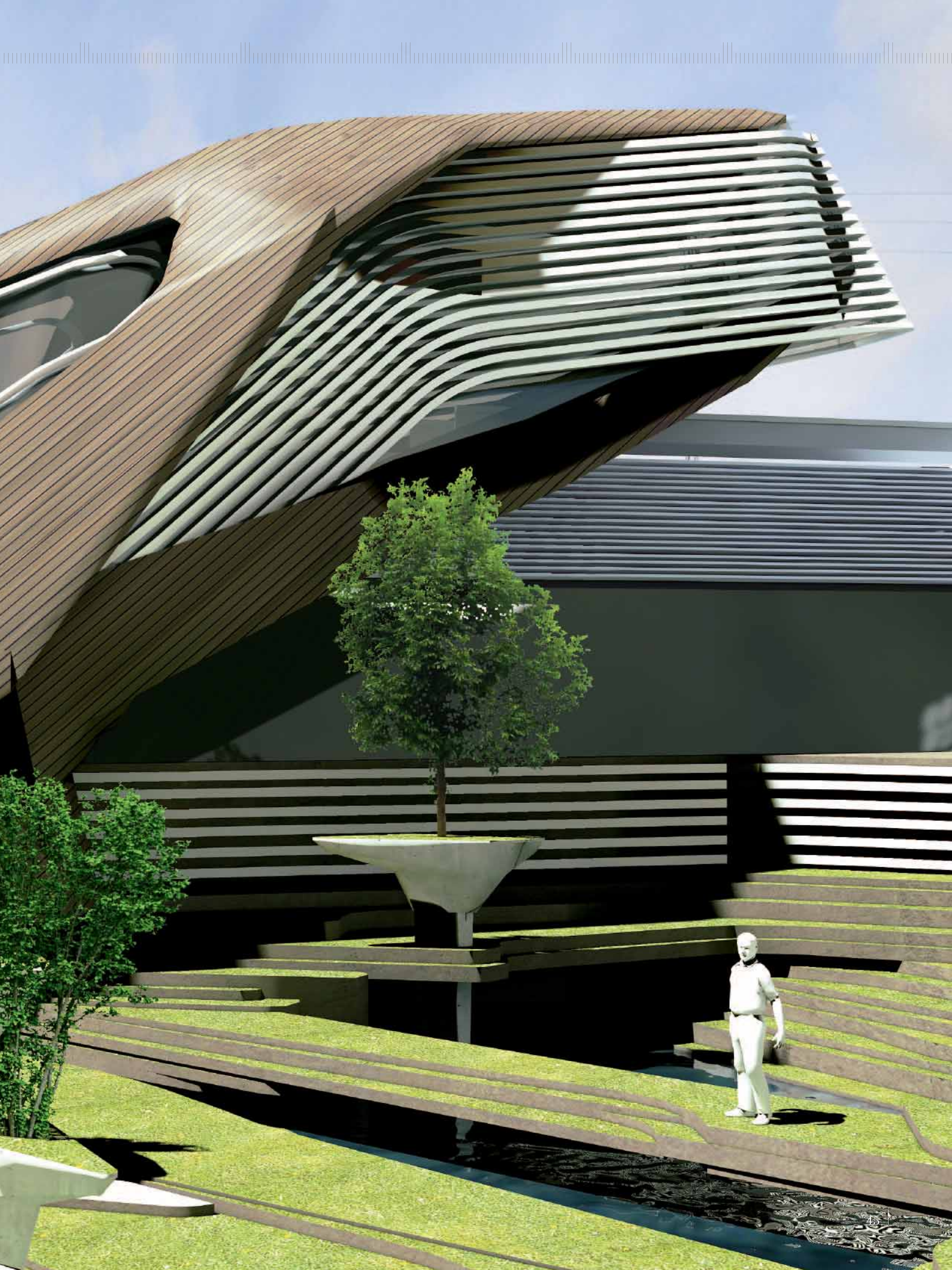
The equity ratio rose to 67.9 %

OPEN BIM™

OPEN BIM AS A COMMON PLATFORM

Open BIM describes building structures, defined spaces or building elements with their attributes; it can evaluate building information and represent it in 3D; and it derives floor plans, views and sections. Open BIM thus enables the shared use of relevant data in large teams and different application areas.

Museum of Modern Art, Odessa, Ukraine
Architect: Dmitriy Sivak (winner of the Architects Jury competition), realized with Graphisoft ArchiCAD



INVESTMENT ANALYSIS

In total the group invested EUR 6.2 million (previous year: EUR 5.1 million) in property, plant and equipment and intangible fixed assets. Nemetschek regularly makes investments to replace fixed assets. Additionally, in the fiscal year 2012 the group invested EUR 1.4 million in new product development in the Build business segment (previous year: EUR 1.1 million). Investments of about EUR 6 million are expected for the fiscal year 2013.

Principles and aims of financial management

The main aim of financial management is to secure the group`s financial stability and flexibility. This is achieved by ensuring equilibrium between equity and debt capital. The Nemetschek Group`s capital structure breaks down as follows: Equity 67.9 % (previous year: 63.9 %), current liabilities 28.4 % (previous year: 31.5 %), non-current liabilities 3.7 % (previous year: 4.6%). The current liabilities mainly comprise trade payables and the current portion of loans as well as other liabilities that fall due in less than one year and are covered by current operating cash flow. The main sources of finance are current assets, including trade receivables, which stem directly from the group`s operating business.

The loan capital taken up for the acquisition of the Graphisoft Group was repaid in 2012

The group repaid the debt capital borrowed for the acquisition of the Graphisoft Group within the fiscal year 2012. The group has not implemented any other financing measures in the fiscal year.

To ensure efficient cash and liquidity management, Nemetschek Aktiengesellschaft, as the group`s ultimate parent, carries out group-wide cash pooling with selected subsidiaries. Other liquid assets flow to the ultimate parent of the group through the annual profit distributions of subsidiaries.

MANAGEMENT OF LIQUIDITY RISKS

Liquidity risks arise from the possibility that customers may not be able to settle obligations to the Nemetschek Group under normal trading conditions. To manage this risk the Company periodically assesses the credit rating of its customers.

The credit rating of the group allows sufficient cash to be procured. Furthermore, lines of credit not yet taken up are amounting to EUR 1.5 million are also available. The group monitors its risk of a shortage of funds using monthly liquidity planning. This considers the maturity of both its financial assets (accounts receivable, fixed-term deposits, etc.) and projected cash flows from operating activities. The group`s objective is to maintain a balance between constant coverage of financial funding requirements and the guarantee of main-taining flexibility.

Opportunity and Risk Report

Risk management

Nemetschek Aktiengesellschaft's business activities involve both opportunities and risks. We operate a risk management and control system for early detection, assessment and management of business risks.

The aim is to analyze the risk profile of potential factors, detect changes in risk conditions and counteract negative developments in advance. An additional objective is to recognize and benefit from possible opportunities.

Responsibility for detecting risks at an early stage and dealing with them generally rests with the managing board. In performing its duties in this area, it is assisted by the general managers of the subsidiaries, the defined risk owners, and the risk manager. The risk manager is responsible for planning, providing information, monitoring, and controlling risks. The so-called risk owners are responsible for continuously identifying, assessing and managing risks in their respective strategic and operational areas. The internal auditor is also a key element of the risk management system, who, in the course of his activities, continually monitors the functional diligence and effectiveness of the processes.

To improve comparability, risks are valued across the whole group based on uniform quantitative and qualitative criteria. A risk inventory is performed every six months by surveying and recording the group`s current risk position. Regular reporting can be supplemented during the year using ad hoc information, for example, when identifying risks to the continued existence of the company as a going concern.

To improve comparability, risks are valued uniformly across the whole group

Accounting-related risk management system and internal controlling system

The risk management system and internal controlling system generally also cover the accounting processes as well as all risks and checks with regard to accounting. This relates to all parts of the risk management system and internal controlling system that could have a significant impact on the consolidated financial statement of Nemetschek Aktiengesellschaft.

The aim of risk management with regard to the accounting processes is to identify and assess risks that could prevent the consolidated financial statement from complying with the applicable regulations. The impact of identified risks on the consolidated financial statement must be assessed and evaluated. The aim of the internal controlling system is to establish sufficient security through the set-up of controls so that the consolidated financial statement complies with the relevant regulations, despite identified risks.

Both the risk management system and the internal controlling system cover Nemetschek Aktiengesellschaft and all subsidiaries relevant for the consolidated financial statement using all processes relevant for preparation of the financial statements. The controls relevant for accounting primarily concern the risk of a significant misstatement in the consolidated financial statement of Nemetschek Aktiengesellschaft. An evaluation of the significance of misstatements is based on the probability of occurrence and the effects on revenue, on EBITDA and on the balance sheet total.

Significant elements of risk controlling and management in accounting are the assignment of responsibilities and controls during the preparation of the financial statements, group-wide requirements in the form of guidelines on accounting and the preparation of the financial statements, and appropriate rules for accessing the IT systems. The principle of dual control and functional separation are also important control principles in the accounting process.

The allocation of responsibilities and controls are significant elements for managing risks

An evaluation of the effectiveness of internal controls with regard to accounting is an integral part of the checks carried out in 2012 by the internal audit department. In addition to the internal audit department, the year-end auditor carries out an evaluation with regard to accounting-relevant processes as part of his auditing activities.

Twice a year, the supervisory board is informed about the significant identified risks in the group and the efficiency of the risk management system and accounting-relevant internal controlling system. As part of his audit, the year-end auditor is also obliged to report to the supervisory board about accounting-relevant risks or control weaknesses, as well as other significant weaknesses of the risk management system and accounting-relevant internal controlling system identified during his audit work.

Risks and opportunities

On the one hand, the Nemetschek Group is faced with strategic risks of a medium-to-long-term nature, which relate to changes in the environmental and market factors, competitive conditions, technological progress and management processes, such as, for example, development, marketing, organizational and management processes. On the other hand, there are also operating risks that tend to be of a more short-term nature, and that can arise from changes in the market environment, inadequate and erroneous internal processes, systems or external factors as well as human error. As a result, the efficiency of the organization and the recoverable value of assets can be impaired.

Opportunities for further development of the business basis are identified and used systematically

The Nemetschek Group`s factors for success are based on its decades of experience in the development and marketing of software in the AEC environment, its well-qualified, innovative and highly motivated employees at all levels as well as stringent and efficient business processes. Opportunities for further development of the business base and for expansion of the portfolio are systematically identified and exploited where possible.

Economic, political and regulatory risks, social conflicts, instabilities, natural catastrophes

The demand by customers for software, services and solutions from the Nemetschek company depends on their order situation and financing conditions. These could be influenced by the current situation and future expectations for the underlying conditions of the sector and the economy generally. Nemetschek is active in various markets, the economies of which can go into a recession and crisis as a result of potential cuts in state spending, new financial laws on spending and debt limitations, high unemployment, as well as natural catastrophes or conflicts. There is the basic possibility that, as part of a rapid change in the economic situation or state regulation in individual countries or in economic communities, conditions arise that substantially threaten our existing business models or market opportunities. Such changes can in turn also have a negative influence on the sales, the financial and earnings situation, and the existing assets of the company.

Nemetschek regularly follows the development in important economies and their construction industries

Nemetschek regularly follows the development of the important economies and their construction industries using generally available early warning indicators and analysis of their own marketing situation. Thanks to its international sales orientation, the company has the possibility of spreading risk. However, we cannot rule out that the economic conditions in central markets can have lasting negative influence on business activities, financial position and results of operations or on our funds.

Market

The main opportunities and risks, which could lead to a significant change to the Nemetschek Group`s economic situation, lie in the market and industry environments.

The Nemetschek Group generally generates revenues from software licenses and income from maintenance contracts from clients in the global AEC sector (architecture, engineering, construction).

In the software industry, it is possible to react comparatively quickly to an increase in demand, and the results of additional revenue have an immediate, positive effect. Conversely, a fall in demand can impact the revenue situation at short notice through a delay in adjusting costs.

Revenue from products of the Nemetschek Group is attributable to numerous countries

Revenue from products of the Nemetschek Group is distributed, however, across several countries. Moreover, no individual customers account for a major share of revenues. Consequently, the risks described above have not yet had any significant impact on the group`s earnings situation. As a leading company in the AEC industry and thanks to its size and expertise, Nemetschek has a good chance of continuing to expand its market share.

The success of the Nemetschek Group mainly hinges on the economic development in the construction and real estate industry. The order situation and financial strength of the construction industry and its players influence the industry's investments in software, and, in turn, the development of the group`s business.

The fundamental willingness of private and institutional building clients to invest also plays an important role in future development. Even after this latest recession has passed, there will still be certain risks that global economic conditions will take another turn for the worse. The general conditions of the economies in which Nemetschek is active can permanently impair the purchasing power of our target groups. In addition, the negative expectation as regards further economic development could lead to a decline in investment.

The Nemetschek Group tracks such changes by regularly analyzing the early key indicators. From a medium-term perspective, there is the possibility that the construction industry will continue to recover and, additionally, there are growth opportunities in the emerging countries which the group would also like to use consistently.

Risks are diversified at Nemetschek additionally through involvement in markets in different countries, which are generally also characterized by different economic and competition risks. In addition, risk is spread by maintaining a broad client base and a wide product portfolio, while the large portion of revenue from maintenance work also serves to mitigate risk. Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, limits, monitoring procedures and regular debt reminder cycles.

Competitive conditions also have a substantial impact on the risk profile. Apart from Nemetschek, there are not many large vendors active on the global AEC market. Risks may arise in this context as a result of the pace of technological change, competitors' innovations, or the appearance of new companies in the market. Nemetschek, however, considers these risks manageable. The company invests substantially in research and development and has innovative products. It sees itself as a competence provider who is prepared to go to special lengths to accommodate the needs of its customers. With its business segments, Design, Building and Manage, it covers the whole life cycle of buildings. In addition to these, the Multimedia segment, which is mostly not dependent on a sector, has made good progress. Thus, Nemetschek is exposed to lower risks than the other market participants.

Corporate strategy

Risks can also result from corporate decisions which change the opportunity and risk profiles in the short and long terms.

Furthermore, the demand of our customers for products, solutions and services is generally subject to constant change. The measures introduced for the continued development of our business, including further product development, expansion of business fields, or marketing measures initiated, could prove not to be successful. The risk also exists that the corporate decisions met and the allocation of resources for the permanent securing of the company are not adequate and jeopardize the substance of the company.

In order to control these risks there is a close cooperation between development and marketing of our products and the requirements of the markets and our target groups. The competitive situation is regularly analyzed with regard to technology, market participants and business models. Furthermore, as part of various sector forums we are in continuously close dialogue on the development of the AEC sector with analysts and key customers.

Close dialogue with analysts and key customers on the development of the AEC sector

Marketing and distribution risks

The varying sales models of the group are based on the approach of technically reliable sales partners and highly qualified employees with special knowledge. These contribute to the optimal processing of the customer segments as well as to ensuring high customer satisfaction and guaranteeing sustainability of the earnings situation. We administer the various markets as part of differing sales and business models. Because of the substantial high complexity of the products, marketing them is very demanding. Knowledge of the technologies and products is subject to constant change, given the fast pace of technical progress.

The loss of sales partners or of parts of sales personnel could negatively influence the earnings situation of the group. The group companies meet this risk through careful selection and training, as well as management, of the sales partners and personnel using incentive and performance systems. The sales employees are also paid performance-related variable premiums and provisions in addition to their fixed remuneration.

Product risks

There is a basic risk that the innovative advantage achieved by the Nemetschek Group might be lost through innovations from competitors as well as through failure to acknowledge and adapt, at all or in time, to changing customer requirements and technological innovation. Nemetschek counters this risk by generally maintaining annual release cycles for its software products. This is an opportunity to win additional market shares, thanks to an extensive products range tailored to local customer requirements.

Promoting internationalization in emerging markets offers growth potential

There are potential internal risks attached to the process of developing software products in that they might fail to sufficiently fulfill customers' needs and internal quality standards. However, because of its closeness to customers and its innovative products, Nemetschek has good opportunities for future profitable growth. Also, the continued promotion of internationalism in emerging countries, such as Brazil, offers growth potential.

The technology of third-parties is partly included in the software production of the group companies. Where this is lost or there is a lack of quality in technology, this can lead to delays in its own software supply, as well as to increased expenses for the procurement of replacement technology or for quality improvement. The group companies account for this risk through careful selection of suppliers and adequate quality assurance.

Project risks

To a limited extent Nemetschek generates revenues as part of project contracts with customers in various countries. This type of business has a different risk profile from a traditional software license business since, in order to provide the services, we have to at times use staff with key knowledge as well as external personnel, and we are reliant on the support of the customers for project realization and on an exact documentation for provision of the service (systems specification).

It is possible that, based on inadequate service provision, compensation for damages can be claimed from our company. For example, as a consequence of country-specific varying legal requirements, contractual claims may only be met to a limited extent. To avoid such risks we have issued guidelines on the awarding of contracts which require a legal and commercial examination of such projects.

Technological risks

The risk exists that technology used is no longer "state of the art". This can relate to both existing and also future Products.

The product portfolio strategy followed for cloud applications and web services is to help the group to develop new markets and to secure market position.

Should the expected market demand for open BIM applications and web services weaken, or should completely different web technologies prevail, the situation could arise in which income does not cover the investments made.

The group bears this risk by constantly evaluating technology and by regularly updating market estimates, as well as focusing the product portfolio strategy on current market conditions. Overall, Nemetschek is convinced that new business opportunities will arise from the trend toward open BIM.

Processes

The core processes of software development, marketing and organization in the Nemetschek Group are subject to continuous checks and improvements by management. The performance and goal orientation of these processes is assessed and optimized during strategic and operational planning. Nevertheless, the fundamental risks still exist that, because of inadequate availability of resources or changed underlying conditions, the required and planned process results might not meet customer requirements in terms of timing and content and, therefore might lead to loss of capital.

Employees

Recruiting and retaining highly qualified employees is a key success factor for the Nemetschek Group. If managers or other qualified employees leave the Nemetschek Group and suitable replacements are not found, this may adversely affect business development. This issue is particularly sensitive if it also means losing knowledge and specific company data. To prevent this risk, the Nemetschek Group offers attractive labor conditions and is continually improving knowledge management processes.

In order to commit employees, the group offers attractive working conditions

Compliance and governance risks

The regulatory environment of Nemetschek Aktiengesellschaft listed in the German Prime Standard is complex, with numerous regulations. Any potential infringement of the existing regulations can have a negative effect on the net assets, financial situation and results of operations, the share price, and the reputation of the company.

In the software sector, developments are increasingly protected by patents. The patent activities mainly relate to the American market, but protection of software by patents is also steadily increasing in other markets. The infringement of patents can have a negative effect on the net assets, financial situation and results of operations, the share price, and the reputation of the company. The Nemetschek Group performs regular monitoring of patent activities of competitors.

Customers of the Nemetschek Group are, to a limited extent, governments or companies publicly owned, and the business activities in the Engineering division partially consist of contracts with large volumes. The prevalence of corruption, or merely accusations thereof, can impede participation in public tendering and have negative effects on further economic activity, net assets, financial situation and results of operations, the share price, and reputation. Against this background, Nemetschek has, together with the implementation of the Code of Conduct for all employees, issued an anti-corruption program.

The Nemetschek Group has branches in 17 countries and is subject to the local tax laws and rules. Changes to these regulations could lead to a high tax expense and to cash outflows related to this. Furthermore, changes would also have an impact on the deferred tax assets and liabilities set up. However, it is also possible that changes in tax regulations have a positive effect on the earnings of the company. The Nemetschek Group has no influence on changes to the tax environment.

Finances

Where there are high financial liabilities there is basically a liquidity risk if the earnings situation of the group worsens. Currently, the Nemetschek Group has no financial liabilities and generates a clearly positive cash flow which offers the possibility of future acquisitions. The availability of decentralized funds is ensured by Nemetschek Aktiengesellschaft using a centralized cash pooling system. The objective of the group with regard to financial risk management is to mitigate the risks presented below by the methods described. The group generally pursues a conservative, risk-averse strategy.

Currency risk and risk management

In the course of ordinary operations, the Nemetschek Group is exposed to exchange rate fluctuations in particular. The group`s strategy is to eliminate or reduce these risks by entering into hedging transactions. The currency risks of the group occur because of the fact that the group operates and has production sites and sales establishments in different countries worldwide. All hedging measures are centrally agreed and coordinated with group Treasury. Exchange rate fluctuations have only a limited effect at the top group level because the operating subsidiaries outside of the Euro area record revenue as well as cost of materials, personnel expenses and other expenses in their local currencies. The group companies enter into various types of foreign exchange contracts to manage their foreign exchange risk resulting from cash flows from (anticipated) business activities and financing arrangements (in foreign currencies). On the balance sheet date, there are no pending forward exchange contracts in the group.

Default risk and risk management

Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, limits, monitoring procedures, and regular debt reminder cycles. Where appropriate, the company obtains additional collateral in the form of rights to securities or arranges global netting agreements.

The company does not expect that any of its business partners deemed highly creditworthy will fail to meet their obligations. The Nemetschek Group has no significant concentration of credit risks with any single customer or specific customer group. From today’s perspective, the maximum credit risk can be calculated from the amounts shown in the balance sheet.

The group trades only with recognized, creditworthy third parties. All customers that wish to trade on credit terms with the group are subject to credit verification procedures if materiality criteria are exceeded. In addition, receivable balances are monitored on an ongoing basis with the result that the group`s exposure to bad debts is not significant. If risks of default are identified, appropriate accounting precautions will be taken.

For transactions that do not occur in the country of the relevant operating unit, the group does not offer credit terms without the prior approval of the head of credit control. Within the group there is no material concentration of default risks from today’s perspective. With respect to the other financial assets of the group, which comprise cash and cash equivalents, the group`s maximum exposure to credit risk arising from default of the counter-party is equal to the carrying amount of these instruments.

Interest risk

The group`s exposure to the risk of fluctuation in market interest rates relates primarily to the group`s long-term financial obligations with floating interest rates. Interest risks no longer exist after the complete repayment of the financial liabilities. From the interest hedging transaction in connection with the prematurely repaid loan liabilities, there will be interest expenses until the end of the term July 15, 2014, against which there is interest income from the change in market value of the interest hedge.

Summary assessment of the group`s opportunity and risk situation

In summary, the management of Nemetschek is convinced that none of the main risks identified above, neither individually nor as a whole, threaten the existence of the company, and that the group will continue to successfully master challenges now and in the future. Its chances of expanding market position as the leading supplier of integrated software solutions for the whole life cycle of buildings are based on stronger internationalization, as well as in the systematic exploitation of the potential within existing markets, supported by the consistent implementation of new technologies.

Supplementary Report

There were no significant events after the end of the fiscal year. With regard to the underlying conditions described, there were no further changes worthy of note after the end of the fiscal year.

Note on forecasts

This management report contains statements and information about transactions and processes that are in the future. These forward-looking statements are indicated by phrases such as "expect", "intend", "plan", "evaluate" or similar terms. These forward-looking statements are based on our expectations today and certain assumptions. They therefore involve a number of risks and uncertainties. Numerous factors, many of which are outside the Nemetschek Group`s sphere of influence, affect the Nemetschek Group`s business activity, success, business strategy, and results. These factors may mean that the actual results, success, and performance of the Nemetschek Group may significantly deviate from the information on results, success, or performance explicitly or implicitly mentioned in these forward-looking statements.

Outlook report 2013/2014

INCREASED RISK OF A LULL IN THE ECONOMY

The unexpectedly mixed first half-year 2012 not only put pressure on industrial production and trade but on the economic prospects in all economic regions worldwide. The International Monetary Fund (IMF) sees the world before a historical choice between recession and recovery. Firstly, the IMF has reduced the growth forecast for the global economy and warned against a global recession. Secondly, the IMF is carefully optimistic in case the countries of the Euro zone implement their promises and avoid the USA, their "fiscal cliff". Although in their half yearly "World Economic Outlook" in October 2012, the IMF economists predict 3.6 % growth for 2013. They also increased the probability from 4 to 17 % that global growth could sink below 2 %. 2 % is considered to be the threshold for a global recession. Viewed as such, the worldwide economic environment outside of the Euro zone appears as relatively stable.

The Euro zone remains divided in two: On the one hand, the number of EMU countries that get into a crisis, into a recession or even into a deep depression is rising. On the other hand, individual economies, such as Germany will continue to try to escape the crisis. However, the Euro zone as a whole will remain in a crisis in 2013. In October 2012 the International Monetary Fund (IMF) forecasts only slight growth of 0.2 % for the Euro zone. For Germany, the IMF still expects a plus in gross domestic product (GDP) of 0.9 %, whereas countries such as Italy, Greece and Spain will slide further into recession.

Individual economies such as Germany will continue to try to avoid the crisis

Forecasts for the US economy look somewhat better: Here the IMF expects slight growth, amounting to 2.1 %. The Japanese economy is also expected to climb again in 2013. Although, at 1.2 %, the increase in GDP was lower than in the prior year, the necessary reconstruction after the devastating earthquake in March 2011 was still able to drive the economy on again.

Comparable significant growth is only expected by the experts of the IMF in some emerging countries: For Brazil an increase in gross domestic product of 4 % is forecast, for China it is even 8.2 %.

DIFFERING FORECASTS FOR THE CONSTRUCTION INDUSTRY

The prospects for the European construction industry are limited given this background. In December 2012 the research association EuroConstruct withdrew its forecasts for the year 2013. In early summer 2012 it expected growth of 0.4 % for 2013 and now rather forecasts a decline in overall investments in the European construction sector of – 1.6 %. And for 2014, this would only increase by 1.0 %.

On closer observation, however, there is a more differentiated picture. According to this, the experts of EuroConstruct are confident that the countries of the DACH region (Germany, Austria and Switzerland) and Scandinavia will grow substantially: For Germany it forecasts an increase in construction services in 2013 amounting to 2.5 %, for Norway a plus of 5.6 %.

Business climate index rises again in December after longer dip in 2012

In the German construction industry the business climate index rose again in December after a longer dip in 2012. Although the construction companies interviewed viewed the current situation more cautiously than a month ago, they are clearly more optimistic with regard to their business development in the next half year. For the architects, the business climate became slightly unfavorable in the 4th quarter 2012. The average level of orders on hand shrank slightly to 5.7 months. However, a year ago the backlog of orders was the same.

On the other hand, substantial growth of up to 8 % was forecast for the construction industry in the USA for 2013. The trend reversal occurred already in 2012 and is due to private residential property construction, which has continued to recover since that very depressed point. The positive prospects for the sector are, however, somewhat limited by the reluctance to invest on the part of the public sector, who will be forced to save for a longer period because of current indebtedness problems.

For 2013 in Japan the climb in real construction is forecast at 2.0 %, above all driven by private residential property construction, which is expected to rise by 5.1 % in the current fiscal year.

The emerging countries in Asia and Latin America promise significantly higher growth rates in the construction sector: for 2013 industry experts expect an average growth in construction volume of around 4 % in Brazil, in China this is even expected to reached around 7 % in 2013.

CAREFUL OPTIMISM IN THE BUSINESS SEGMENTS

The product companies in the Plan segment expect sustainable revenue growth in 2013

Assuming mainly stable underlying conditions, the product companies expect sustainable growth in revenues for 2013 in the Manage business segment – thanks to its strong presence in the DACH region, but also driven by further internationalization, above all in new markets. In the Build segment, Nemetschek has been able to benefit from the expected positive situation of the construction industry in the German-speaking countries, as well as from a new software generation, and thus grow marginally in 2013. However, this segment, which is strongly dependent on project business, is particularly vulnerable if economic uncertainty should continue to increase. Also, in the area of Manage, we expect growth impulses through the constant, continued development of the company into a solutions provider. The Multimedia area is expected to continue to benefit from the trend for visualization in 3D, as well as from its strong international presence and, thus, also be a growth engine for Nemetschek in the current fiscal year.

FOCUS ON INNOVATION AND INTERNATIONALIZATION

The share of revenue dedicated to research and development amounted to around 25 % in previous years. In 2013 and 2014 this expenditure shall remain at a high level in order to secure the market leadership of the company in the long term. By optimizing the innovation processes in the individual subsidiaries it should be ensured in the next few years, however, that the ratio between costs and benefit of research and development is constantly improved in the whole group.

In order to guarantee the growth of the group long-term, the Nemetschek Group will promote internationalization in clearly defined growth regions worldwide. Growth regions include, above all, Brazil and Mexico in Latin America; the USA in North America; the Scandinavian countries and Poland and Turkey in Europe; and Japan and primarily the Chinese market in Asia. Therefore, the initiated growth programs of the brands Graphisoft and Vectorworks will also be be pursued further in 2013 in order to bolster the sales successes already achieved.

Nemetschek is planning the expansion of its network through partnerships and international cooperations. This applies to both joint BIM platforms and to the further internationalization or connectivity of special software solutions. In this context acquisitions are conceivable, as are the formation of joint ventures.

FURTHER INCREASES IN REVENUES PLANNED

Based on the assessment of its global sales markets, Nemetschek expects further growth in revenues of approximately 6 % – 9 % in the fiscal year 2013, compared to the previous year. In addition to its own expectations of future economic development, this estimation also includes the findings of recognized economic studies as well as the expectations of the capital market.

Against this background the managing board expects an increase in earnings for the year 2013 before interest, taxes and depreciation (EBITDA) at a margin of 22 % – 24 % of revenues.

The company will provide information, as usual, on the continued development of the revenue and earnings prospects in a timely and transparent way.

Currently, the company also expects a similar development in revenues and results in the year 2014, as long as the environment does not deteriorate substantially.

Munich, March 8, 2013

T. Dreilich

Tanja Tamara Dreilich
Executive Board

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Arboleda Building, Santo Domingo, Dominican Republic
Architects: Modo Forma, realized with Vectorworks

Consolidated Financial Statements for the Fiscal Year 2012

Consolidated Statement of Comprehensive Income

for the period from January 1 to December 31, 2012 and 2011

STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	2012	2011	[Notes]
Revenues	**175,089**	**164,011**	[1]
Own work capitalized	1,893	1,109	[2]
Other operating income	2,629	3,176	[3]
Operating Income	**179,611**	**168,296**	
Cost of materials/cost of purchased services	– 7,710	– 7,981	[4]
Personnel expenses	– 77,019	– 70,647	[5]
Depreciation of property, plant and equipment and amortization of intangible assets	– 11,629	– 10,203	[6]
thereof amortization of intangible assets due to purchase price allocation	– 7,050	– 7,050	[6]
Other operating expenses	– 54,136	– 50,397	[7]
Operating expenses	**–150,494**	**–139,228**	
Operating results (EBIT)	**29,117**	**29,068**	
Interest income	917	617	[9]
Interest expenses	– 1,589	– 1,808	[9]
Income from associates	102	179	[8]
Earnings before taxes	**28,547**	**28,056**	
Income taxes	– 8,065	– 5,609	[10]
Net income for the year	**20,482**	**22,447**	
Other comprehensive income:			
Difference from currency translation	772	– 836	
Total comprehensive income for the year	**21,254**	**21,611**	
Net income for the year attributable to:			
Equity holders of the parent	18,872	20,805	
Minority interests	1,610	1,642	
Net income for the year	**20,482**	**22,447**	
Total comprehensive income for the year attributable to:			
Equity holders of the parent	19,644	19,969	
Minority interests	1,610	1,642	
Total comprehensive income for the year	**21,254**	**21,611**	
Earnings per share (undiluted) in €	1.96	2.16	[11]
Earnings per share (diluted) in €	1.96	2.16	
Average number of shares outstanding (undiluted)	9,625,000	9,625,000	
Average number of shares outstanding (diluted)	9,625,000	9,625,000	

The accompanying notes to this statement of comprehensive income form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as of December 31, 2012 and 2011

STATEMENT OF FINANCIAL POSITION

ASSETS Thousands of €	December 31, 2012	December 31, 2011	[Notes]
Current assets			
Cash and cash equivalents	44,283	33,501	[23]
Trade receivables, net	21,388	23,680	[13]
Inventories	738	667	[14]
Tax refunded claims for income taxes	1,994	1,363	[14]
Current financial assets	48	96	[14]
Other current assets	5,919	6,410	[14]
Current assets, total	**74,370**	**65,717**	
Non-current assets			
Property, plant and equipment	5,014	4,541	[12]
Intangible assets	31,396	36,226	[12]
Goodwill	52,642	52,728	[12]
Associates/investments	76	1,136	[12]
Deferred tax assets	627	1,214	[10]
Non-current financial assets	86	78	[14]
Other non-current assets	792	784	[14]
Non-current assets, total	**90,633**	**96,707**	
Total assets	**165,003**	**162,424**	

The accompanying notes to this statement of financial position form an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES Thousands of €	December 31, 2012	December 31, 2011	[Notes]
Current liabilities			
Short-term loans and current portion of long-term loans	0	4,700	[19]
Trade payables	4,931	5,672	[19]
Provisions and accrued liabilities	14,051	14,157	[18]
Deferred revenue	21,617	19,220	[20]
Income tax liabilities	1,156	2,477	[19]
Other current liabilities	5,151	4,953	[19]
Current liabilities, total	**46,906**	**51,179**	
Non-current liabilities			
Long-term loans without current portion	0	0	[19]
Deferred tax liabilities	1,685	2,459	[10]
Pensions and related obligations	901	814	[18]
Other non-current financial obligations	2,672	3,372	[21]
Other non-current liabilities	841	887	[19]
Non-current liabilities, total	**6,099**	**7,532**	
Equity			
Subscribed capital	9,625	9,625	[16]
Capital reserve	41,360	41,360	[17]
Revenue reserve	52	52	[17]
Currency translation	– 3,810	– 4,582	[17]
Retained earnings	63,456	55,909	
Equity (Group shares)	**110,683**	**102,364**	
Minority interests	1,315	1,349	
Equity, total	**111,998**	**103,713**	
Total equity and liabilities	**165,003**	**162,424**	

The accompanying notes to this statement of financial position form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the period from January 1 to December 31, 2012 and 2011

STATEMENT OF CASH FLOWS

Thousands of €	2012	2011	[Notes]
Profit (before tax)	28,547	28,056	
Depreciation and amortization of fixed assets	11,629	10,203	
Change in pension provision	87	78	
Other non-cash transactions	– 971	– 451	
Income from associates	– 102	– 179	
Losses from disposal of fixed assets	16	333	
Cash flow for the period	**39,206**	**38,040**	[23]
Interest income	– 917	– 617	
Interest expenses	1,589	1,808	
Change in other provisions and accrued liabilities	– 106	1,917	
Change in trade receivables	2,563	– 614	
Change in other assets	2,157	5,297*	
Change in trade payables	– 741	1,122	
Change in other liabilities	– 437	– 4,299*	
Cash received from distributions of associates	648	156	
Interest received	169	207	
Income taxes received	2,528	2,306*	
Income taxes paid	– 10,183	– 8,227*	
Cash flow from operating activities	**36,476**	**37,096**	[23]
Capital expenditure	– 6,203	– 5,071	
Cash paid for granted loans	– 500	– 500	
Cash received from disposal of shares in associates		0	
Cash received from the disposal of fixed assets	13	108	
Cash paid for founding subsidiaries	0	– 103	
Cash flow from investing activities	**–6,690**	**–5,566**	[23]
Dividend payments	– 11,069	– 9,625	
Minority interests paid	– 1,889	– 1,667	
Cash paid for additional shares purchased from intercompanies	0	– 73	
Repayments of borrowings	– 4,700	– 14,800	
Interest paid	– 1,504	– 1,797	
Cash flow from financing activities	**–19,162**	**–27,962**	[23]
Changes in cash and cash equivalents	**10,624**	**3,568**	
Effect of exchange rate differences on cash and cash equivalents	**158**	**–701**	
Cash and cash equivalents at the beginning of the period	**33,501**	**30,634**	
Cash and cash equivalents at the end of the period	**44,283**	**33,501**	[23]

*For reasons of comparability the prior year figures were reclassified.

The accompanying notes to this statement of cash flows form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

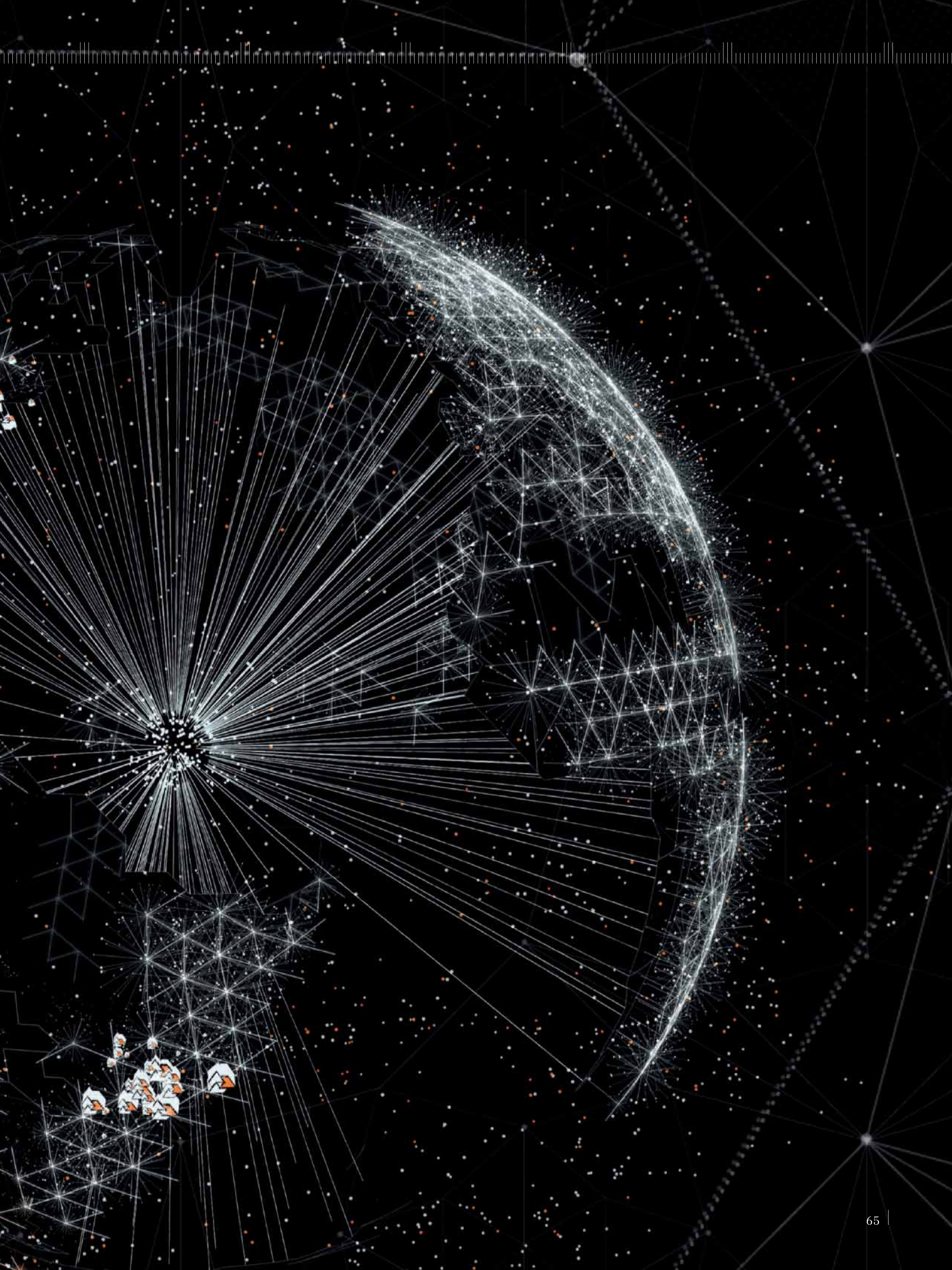
for the period from January 1 to December 31, 2012 and 2011

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the parent company's shareholders							
Thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Currency translation	Retained earnings	Total	Minority interests	Total equity
As of January 1, 2011	**9,625**	**41,420**	**52**	**−3,746**	**44,747**	**92,098**	**1,369**	**93,467**
Difference from currency translation				– 836		– 836		– 836
Net income for the year					20,805	20,805	1,642	22,447
Total comprehensive income for the year	**0**	**0**	**0**	**−836**	**20,805**	**19,969**	**1,642**	**21,611**
Share purchase from minorities		– 60				– 60	– 13	– 73
Dividend payments minorities					– 18	– 18	– 1,649	– 1,667
Dividend payment					– 9,625	– 9,625		– 9,625
As of December 31, 2011	**9,625**	**41,360**	**52**	**−4,582**	**55,909**	**102,364**	**1,349**	**103,713**
As of January 1, 2012	**9,625**	**41,360**	**52**	**−4,582**	**55,909**	**102,364**	**1,349**	**103,713**
Difference from currency translation				772		772		772
Net income for the year					18,872	18,872	1,610	20,482
Total comprehensive income for the year	**0**	**0**	**0**	**772**	**18,872**	**19,644**	**1,610**	**21,254**
Share purchase from minorities						0	– 11	– 11
Dividend payments minorities					– 256	– 256	– 1,633	– 1,889
Dividend payment					– 11,069	– 11,069		– 11,069
As of December 31, 2012	**9,625**	**41,360**	**52**	**−3,810**	**63,456**	**110,683**	**1,315**	**111,998**

The accompanying notes to this statement of changes in equity form an integral part of these consolidated financial statements.

Computer game Syndicate, Prologue
Illustration: Design Agency Vincent, London, realized with Maxon Cinema 4D



Notes to the Consolidated Financial Statements for the Fiscal Year 2012

The Company

The Nemetschek Group is a leading global software provider for the architecture, engineering and construction (AEC) market. The companies under the umbrella of Nemetschek Aktiengesellschaft provide end-to-end solutions for architects, structural designers, civil and specialist engineers - ranging all the way to construction software for cost and schedule planning, tenders, awarding of contracts, invoicing and execution of building work. Additionally, it offers solutions for technical facility management and commercial property management, as well as visualization software for architecture, film, animation and advertising. In the Building Information Modeling (BIM) area, the Nemetschek Group is the leading open source supplier ("Open BIM") worldwide. The graphical, analytical and commercial solutions from the group cover a substantial portion of the entire value chain in construction – from the planning and visualization of a building and the construction process itself, through to building management.

Headquartered in Munich, Germany, with its 10 brands, the Nemetschek Group offers a wide range of software solutions for a heterogeneous market. The software solutions, some of which are closely interlinked, facilitate interdisciplinary collaboration among those involved in the building process and, thus, make the process itself more efficient. Globally more than 300,000 customers from 142 countries work with software solutions from the group.

As the ultimate group company, Nemetschek Aktiengesellschaft was founded on September 10, 1997 by conversion of Nemetschek GmbH and has been listed on the German Stock Exchange in Frankfurt since March 10, 1999, and in the Prime Standard segment since January 1, 2003. The registered office of Nemetschek Aktiengesellschaft is at Konrad-Zuse-Platz 1, 81829 Munich, Germany. The annual report 2012 can be obtained there, or can be called up from the internet at www.nemetschek.com.

Information on the "German Corporate Governance Code"

The declaration of conformity was submitted on March 21, 2012. The relevant current version is available to the shareholders on the website of Nemetschek Aktiengesellschaft (www.nemetschek.com).

General Information

The currency used in the consolidated financial statements is EUR. Information is shown in the consolidated financial statements in EUR k (€ k) unless otherwise specified.

The consolidated financial statements of Nemetschek Aktiengesellschaft, including prior year comparatives, 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 Interpretation Committee (IFRIC) as well as of the Standing Interpretations Committee (SIC). All compulsory standards and interpretations have been observed. Furthermore, in addition to disclosure requirements in accordance with IFRS, all information and explanations applicable under § 315a (1) HGB, which are required additionally under German Commercial Law where consolidated financial statements are prepared under IFRS, have also been disclosed.

The consolidated statement of financial position and consolidated statement of comprehensive income have been prepared in accordance with IAS 1 (revised 2007) "Presentation of Financial Statements". The statement of comprehensive income has been prepared using the nature of expense method as well as according to the definition of the "one statement approach". The statement of financial position has been classified applying the current/non-current distinction.

Accounting policies adopted

Accounting policies adopted in the fiscal year 2012 are consistent with those policies adopted in the previous year. Compared to the consolidated financial statements for the year ending December 31, 2011, the following standards and interpretations have changed or were applied for the first time as a result of being adopted by EU law or because they became mandatory for the first time:

IFRS 1 "FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS"

In December 2010 the IASB approved the amendment of IFRS 1 "First-time Adoption of International Financial Reporting Standards". The amendment is applicable for fiscal years beginning after July 1, 2011, and has not yet been adopted by the EU. Through the amendments, the reference to the fixed transition date "January 1, 2004" was replaced with "date of transition to IFRS" as well as application guidance in the presentation of financial statements conforming to IFRS in the event that an entity cannot comply with the IFRS requirements for a period due to hyperinflation of its functional currency.

IFRS 7 "FINANCIAL INSTRUMENTS"

In October 2010 IASB published an enhancement to IFRS 7 "Financial Instruments: Disclosures". The enhancement shall apply to financial years which begin on or after July 1, 2011. The changes to IFRS 7 relate to enhanced disclosure requirements for the transfer of financial assets. This is to make the relationships more understandable between financial assets, which shall not be entirely derecognized, and the corresponding financial liabilities. Furthermore, the nature, as well as in particular the risk of continuing involvement, should be better assessable for derecognized financial assets. With the changes, additional disclosures are also required if there is a disproportionately large number of transfers with "continuing involvement", e.g. around the end of a reporting period.

IAS 12 "INCOME TAXES"

In December 2010 the IASB issued an enhancement to IAS 12 "Deferred Tax: Recovery of Underlying Assets". The enhancement is applicable for fiscal years beginning after January 1, 2012, and has not yet been adopted by the EU. According to IAS 12, the measurement of deferred taxes depends on whether or not the temporary difference reverses through use or sale. In those cases where measurement is at the fair value in accordance with IAS 40 Investment Property, a presumption is made that recovery of the carrying amount will be through sale. The application of these amendments has no material effect on the consolidated financial statements of Nemetschek AG.

Future changes in accounting policies

PROSPECTIVE IFRS CHANGES 2012/2013

The following IFRSs were issued at the balance sheet date by the IASB or IFRIC but are not mandatorily applicable until later reporting periods or have not yet been adopted by EU law. The Nemetschek Group has decided not to exercise the possible option of early application of standards and interpretations which are not mandatorily applicable until later reporting periods.

IAS 1 "PRESENTATION OF FINANCIAL STATEMENTS"

In June 2010 the IASB published an enhancement to IAS 1 "Presentation of Financial Statements". The enhancement shall apply to financial years which begin on or after July 1, 2012. Through the amendment there is an allocation of the item of other results into amounts that are classified to the profit and loss and amounts that are not classified to the profit and loss. The Nemetschek Group expects corresponding effects on the disclosure of other results from this change.

IAS 19 "EMPLOYEE BENEFITS"

In June 2010 the IASB published an enhancement to IAS 19 "Employee Benefits". The enhancement shall apply to financial years which begin on or after January 1, 2013. In addition to more comprehensive disclosures on employee benefits, the following amendments (in particular) result from the revised standard:

Currently there is choice as to how unexpected changes in pension obligations, the so-called actuarial gains and losses, can be presented in the financial statements. These can either (a) be recorded in profit and loss, (b) in other comprehensive income (OCI) or (c) delayed according to the so-called corridor method. With the revision of IAS 19 these options were abolished for a more transparent and comparable presentation so that in future only an immediate and fully comprehensive recording in other comprehensive income is permitted. Furthermore, the retrospective adjustment to past service cost is to be recorded directly in profit or loss in the year it arises.

Additionally, at the beginning of the accounting period the expected income on plan assets is calculated based on the expectations of management on the development of the value of the asset portfolio. With the application of IAS 19 (revised 2011) only a uniform interest component on plan assets amounting to the discount rate of the pension obligation at the beginning of the period is still permitted.

To date the expected amount of administration costs for plan assets has been accounted for in net interest cost. According to the changes, the administration costs for plan assets shall be recorded in other comprehensive income as a part of the re-measurement component, whereas other administration costs are to be allocated to operative profit at the time they are incurred. The amendments to IAS 19 will lead, overall, to the following mater-ial effects: On changing to the amended method, the profit and loss will, in future, remain free of effects from actuarial gains and losses (e.g. due to interest rate fluctuations) since these shall be immediately recorded in other comprehensive income. Furthermore, there are amendments with regard to accounting for the top-up payments as part of part-time early retirement agreements. These are to be allocated in future, as a rule, over a determinable period of time.

IFRS 10 "CONSOLIDATED FINANCIAL STATEMENTS, IFRS 11 "JOINT ARRANGEMENTS", IFRS 12 "DISCLOSURE OF INTERESTS IN OTHER ENTITIES", IAS 27 "SEPARATE FINANCIAL STATEMENTS", IAS 28 "INVESTMENTS IN ASSOCIATES AND JOINT VENTURES"

In May 2011 a package of five standards was issued by the IASB, which deal with consolidation (IFRS 10), joint arrangements (IFRS 11), disclosures of interests in other entities (IFRS 12), separate financial statements (IAS 27 (2011)) and with investments in associates and joint ventures (IAS 28 (2011)). These are obligatory for financial years which begin on or after January 1, 2013.

The major requirements of the new standards are as follows:

- IFRS 10 "Consolidated Financial Statements" includes the introduction of a uniform consolidation model for all entities, which is based on the control of the subsidiary by the parent company. The concept of control is to be applied both to the parent-subsidiary relationships which are based on voting rights, as well as to parent-subsidiary relationships which result from other contractual agreements. The definition of the controlling principle as a basis for the consolidation is supported by comprehensive application guidelines which show various possibilities as to how a reporting entity (investor) can control another entity (investee).
- IFRS 11 "Joint Arrangements" deals with the classification of joint arrangements. A joint arrangement is defined as a contractual agreement under which two or more parties have joint control of something. Joint control can extend to a joint operation or a joint venture. The classification of a joint arrangement as a joint operation or as a joint venture depends on the rights and obligations that are attributed to the parties of the arrangement. Inclusion in the consolidated financial statements is through the use of the equity method.

- IFRS 12 "Disclosure of Interests in Other Entities" relates to the necessary disclosures in the notes for en-tities which hold joint interests in subsidiaries, joint arrangements (joint operations or joint ventures), associates and/or non-consolidated structured units.
- IAS 27 (2011) "Separate Financial Statements" only includes, after the amendment, the unchanged rules for IFRS separate financial statements,
- IAS 28 (2011) "Investments in Associates and Joint Ventures" has been aligned to the new standards IFRS 10, 11 and 12.

The Nemetschek Group will apply the five standards for the first time in the consolidated financial statements for the fiscal year beginning on January 1, 2013. The effects are currently being analyzed.

IFRS 13 "FAIR VALUE MEASUREMENT"

In May 2011 the IASB issued IFRS 13 "Fair Value Measurement". The standard is applicable for fiscal years beginning on or after January 1, 2013, and has not yet been adopted by the EU. IFRS 13 contains uniform guidelines regarding fair value measurement as well as the related disclosures for monetary and non-monetary items. The Nemetschek Group will apply IFRS 13 for the first time in the consolidated financial statements for the fiscal year beginning on January 1, 2013. Application can influence values in the consolidated financial statements and thus lead to extensive disclosures. The effects are currently being analyzed.

IMPROVEMENTS TO IFRS 2011

As part of its annual improvements project in June 2011, the IASB issued an exposure draft on changes to existing IFRSs. These include both amendments to various IFRSs affecting recognition, measurement and the disclosure of business transactions, as well as terminology or editorial corrections. The deadline for comments ended on October 21, 2011, and these are currently being evaluated. It cannot presently be estimated when a final publication can be expected. The Nemetschek Group is currently checking the potential effects of implementation of the changes on the consolidated financial statements.

IMPROVEMENTS TO IFRS 9 AND IFRS 7

The amendments allow the adjustment of prior year figures to be waived for the first-time application of IFRS 9. Originally, this simplification was only possible if IFRS 9 was applied early before January 1, 2012. The simplification brings additional disclosures at the transition time according to IFRS 7. Similar to the rules of IFRS 9, the amendments are applicable for the first time in financial years which start on or after January 1, 2015 – subject to the adoption of still outstanding EU law. No substantial effects are expected on the consolidated financial statements of Nemetschek AG.

IMPROVEMENTS TO IFRS 10, IFRS 11 AND IFRS 12

The amendments include clarification and additional simplifications on transition to IFRS 10, IFRS 11 and IFRS 12. Thus amended, comparative information is only required for the preceding comparative period. Further-more, in connection with disclosure information on unconsolidated structured entities, the obligation to disclose comparative information is not applicable for periods prior to the first-time application of IFRS 12.

The amendments of IFRS 10, IFRS 11 and IFRS 12 are – subject to adoption still outstanding under EU law – applicable for the first time in financial years which start on or after January 1, 2014. The effects are currently being analyzed.

IFRS 9 "FINANCIAL INSTRUMENTS"

The recognition and measurement requirements of financial instruments under IFRS 9 will replace IAS 39.

Financial assets will only be classified and measured in two groups in future: At amortized cost and at fair value. The group of financial assets at amortised cost comprises such financial assets that only offer a right to interest and capital payments at predefined times and, additionally, maintained as part of a business model, the goal of which is to hold assets. All other financial assets form the group for fair value. Under certain conditions the financial assets from the first category – as has been the case to date – can be subject to allocation to the category at fair value (fair value option).

Changes in measurement of financial assets to the fair value category shall basically be recorded in profit or loss. However, for defined equity instruments an option can be exercised to record changes in value in other comprehensive income and dividend claims from these assets against profit or loss.

The requirements for financial liabilities are principally adopted from IAS 39. The main difference relates to the recording of measurement changes of the financial liabilities measured at fair value. In future these are to be separated: the portion relating to own risk shall be recorded neutrally under other comprehensive income, the remaining portion of the measurement change shall be recorded in profit or loss.

IFRS 9 – should it still be adopted under EU law – is not applicable for the first time until financial years commencing on or after January 1, 2015. The Nemetschek Group is currently analyzing the effects on the consolidated financial statements.

Companies consolidated and basis of consolidation

SUBSIDIARIES

The consolidated financial statements comprise Nemetschek Aktiengesellschaft, Munich and all of the domestic and foreign subsidiaries. Subsidiaries are consolidated in full from the date of acquisition, i.e. the date on which control is transferred to the group. They are deconsolidated when the parent ceases to have control.

Control exists if the group is able to govern the financial and operating policies of an entity so as to gain benefits for the group from its activities. Control is assumed if the group owns, either directly or indirectly, more than half of the voting rights of an entity.

Minority interests represent the portion of net income/loss and net assets not attributable to the group. Minority interests are disclosed separately in the consolidated statement of comprehensive income and in the consolidated statement of financial position. In the consolidated statement of financial position, minority interests are disclosed in equity separately from the equity attributable to owners of the parent company.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances, income and expenses and unrealized gains and losses from inter-company transactions are eliminated in full.

As part of the capital consolidation, business combinations are accounted for using the acquisition method. According to this, the acquisition costs of the business combination are allocated to the identifiable assets acquired, and the identifiable liabilities and contingent liabilities assumed in accordance with their fair values at the acquisition date. Any excess of the cost of the business combination over the interest of the group in the fair value of the identifiable assets, liabilities and contingent liabilities acquired is reported as goodwill. Entities acquired or disposed of during the year are included in the consolidated financial statements from the date of the acquisition or until control is lost.

SHARES IN ASSOCIATES

Investments in associates are generally accounted for using the equity method. Nemetschek Aktiengesellschaft defines associates (generally investments of between 20 % and 50 % of capital) as entities subject to significant influence that are neither subsidiaries nor joint ventures. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The statement of comprehensive income reflects the group's share of the results of operations of the associate.

Unless stated otherwise, the financial statements of the associates are prepared as of the same balance sheet date as the parent. Where necessary, adjustments are made to comply with the group's uniform accounting policies.

ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

Name, registered office of the entity Thousands of €	Shareholding in %	Equity Dec. 31, 2012	**pro rata**
DocuWare GmbH, Germering	22.41	1,939	435

ADDITIONAL DISCLOSURES ON DOCUWARE GMBH

	Dec. 31, 2012	pro rata	Dec. 31, 2011	pro rata
Assets	11,258	2,523	9,931	2,226
Liabilities	9,319	2,088	5,356	1,200
Total assets	11,258	2,523	9,931	2,226
Revenue	8,164	1,830	11,725	2,628
Net income for the year	457	102	799	179

FINANCIAL ASSETS

Name, registered office of the entity Thousands of €	Shareholding in %	Equity Dec. 31, 2012	**Net income/loss for the year 2012**
Sidoun International GmbH, Freiburg i. Breisgau *)	16.27	485	296
NEMETSCHEK EOOD, Sofia, Bulgaria	20.00	1,735	345
rivera GmbH, Karlsruhe via Nemetschek Bausoftware GmbH	20.00	15	14

*) Fiscal year ends as of June 30, 2012

The assumption that significant influence is exercised on the financial assets in which voting rights of 20 % or more are held does not hold true for either NEMTSCHEK EOOD, Sofia, Bulgaria, or rivera GmbH, Karlsruhe, as influence is neither exercised on management nor in the form of a governing body. Similarly, there are neither material business relationships, nor is influence exercised, beyond the mere capital investment. The financial assets constitute mere capital investments.

AFFILIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE

(the companies listed are fully consolidated in the group financial statements of Nemetschek Aktiengesellschaft):

AFFILIATED COMPANIES

Name, registered office of the entity	Shareholding in %
Nemetschek Aktiengesellschaft, Munich	
Direct equity investments	
Design segment	
Nemetschek Allplan Deutschland GmbH, Munich *)	100.00
Nemetschek Allplan Systems GmbH, Munich *)	100.00
NEMETSCHEK Vectorworks Inc., Columbia, Maryland, USA	100.00
Nemetschek Allplan France S.A.R.L., Asnières, France	100.00
Nemetschek Allplan Schweiz AG, Wallisellen, Switzerland	93.33
Nemetschek Allplan Italia S.r.l., Trient, Italy	100.00
NEMETSCHEK ESPANA S.A., Madrid, Spain	100.00
Nemetschek Allplan Česko s.r.o., Prag, Czech Republic	100.00
NEMETSCHEK OOO, Moskau, Russia	100.00
NEMETSCHEK DO BRASIL SOFTWARE LTDA, São Paulo, Brazil	99.90
Nemetschek Frilo GmbH, Stuttgart *)	100.00
SCIA Group International nv, Herk-de-Stad, Belgium	100.00
Glaser isb cad Programmsysteme GmbH, Wennigsen	70.00
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	100.00
DACODA GmbH, Rottenburg	51.00
Build segment	
Nemetschek Bausoftware GmbH, Achim	98.50
AUER – Die Bausoftware GmbH, Mondsee, Austria	49.90
Manage segment	
Nemetschek CREM Solutions GmbH & Co. KG, Ratingen	100.00
Nemetschek CREM Verwaltungs GmbH, Munich	100.00
Multimedia segment	
MAXON Computer GmbH, Friedrichsdorf	70.00
Other	
Nemetschek Austria Beteiligungen GmbH, Mondsee, Österreich	100.00
Nemetschek Verwaltungs GmbH, Munich	100.00

CONTINUED

Name, registered office of the entity	Shareholding in %
Indirect equity investments	
Design segment	
Nemetschek Allplan Österreich Ges.m.b.H., Wals, Austria, via Nemetschek Austria Beteiligungen GmbH	100.00
Nemetschek Engineering GmbH, Wals, Austria, via Nemetschek Austria Beteiligungen GmbH	100.00
Nemetschek Allplan Slovensko s.r.o., Bratislava, Slovakia, via NEMETSCHEK Allplan GmbH	100.00
Via SCIA Group International nv, Herk-de-Stad, Belgium:	
Nemetschek Scia nv, Herk-de-Stad, Belgium	100.00
Nemetschek Scia B.V., Arnhem, Netherlands	100.00
Nemetschek Scia sarl, Roubaix, France	100.00
Nemetschek Scia s.r.o., Brno, Czech Republic	100.00
Nemetschek Scia s.r.o., Zilina, Slovakia	100.00
Online Projects bvba, Herk-de-Stad, Belgium	70.00
Via Graphisoft SE European Company Limited by Shares, Budapest, Hungary:	
Graphisoft Deutschland GmbH, Munich	100.00
Graphisoft USA Inc., Newton, Massachusetts, USA	100.00
Graphisoft Japan KK, Tokyo, Japan	100.00
Graphisoft Spain SL, Madrid, Spain	100.00
Graphisoft UK Ltd., Surrey, UK	100.00
Graphisoft Hong Kong Ltd., Victoria, Hong Kong	100.00
Build segment	
AUER – Die Bausoftware GmbH, Mondsee, Austria, via Nemetschek Austria Beteiligungen GmbH	50.10
Multimedia segment	
MAXON Computer Inc., Thousand Oaks, California, USA, via MAXON Computer GmbH	63.00
MAXON Computer Ltd., Bedford, UK via MAXON Computer GmbH	70.00

*) In fiscal year 2012, the entities exercised the exemptions of Sec. 264 (3) HGB as follows:

- Option not to prepare notes to the financial statements so that the annual financial statements comprise a balance sheet and income statement
- Option not to prepare a management report
- Option not to publish the annual financial statements

Changes in consolidated companies in the fiscal year 2012

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

GRAPHISOFT CAD Studio Kft., Budapest, Hungary
In the fiscal year 2012, the company was liquidated. There were no material effects in the group.

Changes in consolidated companies in the fiscal year 2011

GRAPHISOFT HONG KONG LTD., VICTORIA, HONG KONG
On September 5, 2011, Graphisoft SE, Budapest, Hungary, purchased 100 % of the shares in an off-the-shelf company in Hong Kong. This was renamed Graphisoft Hong Kong Ltd., Victoria, Hong Kong. This purchase involved the payment of EUR 4 k. The company is included in the sub-consolidation of Graphisoft SE. Nemetschek AG still holds 100 % of the shares in Graphisoft SE.

NEMETSCHEK DO BRASIL SOFTWARE LTDA, São Paulo, BRAZIL
On August 22, 2011, the foundation of NEMETSCHEK DO BRASIL SOFTWARE LTDA, Sao Paulo, Brazil was completed on filing of the subscribed capital amounting to EUR 99 k in the commercial register. Nemetschek Aktiengesellschaft holds a 99.9 % share of the company.

NEMETSCHEK FIDES & PARTNER AG, WALLISELLEN, SWITZERLAND
On June 15, 2011, Nemetschek Aktiengesellschaft purchased 1.6 % of the shares in Nemetschek Fides & Partner AG, Wallisellen, Switzerland. This purchase involved the payment of EUR 73 k. As of December 31, 2011, Nemetschek Aktiengesellschaft holds 93.3 % of the shares (2010: 91.7 %).

SCIA MAPS SA, GURMELS, SWITZERLAND
In the fiscal year 2011, the non-operating company was liquidated. There were no material effects on the group.

Goodwill

Goodwill developed as follows:

GOODWILL DEVELOPMENT

Thousands of €	**2012**	2011
Amount carried forward as of January 1	52,728	52,271
Additions	0	316
Currency differences	– 86	141
Balance as of December 31	**52,642**	**52,728**

In accordance with IFRS 3, the impairment only approach is applied. There was no impairment of goodwill in the fiscal year.

The goodwill acquired from business combinations was allocated to the cash-generating unit for impairment testing. The cash-generating unit is the group entity in each case.

Carrying amounts of the goodwill were allocated to the respective cash-generating units as follows:

GOODWILL ALLOCATION

Thousands of €	2012	2011
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	25,500	25,500
AUER – Die Bausoftware GmbH, Mondsee, Austria	6,486	6,486
Nemetschek Bausoftware GmbH, Achim	5,541	5,541
NEMETSCHEK Vectorworks Inc., Columbia, Maryland, USA	4,373	4,458
MAXON Computer GmbH, Friedrichsdorf	3,007	3,008
SCIA Group NV, Herk-de-Stad, Belgium	2,785	2,785
Nemetschek CREM Solutions GmbH & Co. KG, Ratingen	2,028	2,028
Nemetschek Frilo GmbH, Stuttgart	1,293	1,293
DACODA GmbH, Rottenburg	720	720
Glaser isb cad Programmsysteme GmbH, Wennigsen	697	697
Other	212	212
Total goodwill	**52,642**	**52,728**

The carrying amounts of the goodwill allocable to Graphisoft SE European Company Limited by Shares, Budapest, Hungary; AUER – Die Bausoftware, GmbH, Mondsee, Austria; Nemetschek Bausoftware GmbH, Achim, and NEMETSCHEK Vectorworks Inc., Columbia, Maryland, USA, are material by comparison with the total carrying amount of goodwill. The recoverable amount of the cash-generating unit of the respective group entity is based on a calculation of its value in use, derived from the cash flow projections based on the financial planning for a period of three years, approved by management. The discount rate underlying the cash flow forecasts ranges between 8.75 % and 13.65 % before tax (previous year: between 9.74 % and 14.61 %). After the detailed planning phase of three years, sustainable cash flows are stated as a perpetuity.

FUNDAMENTAL ASSUMPTIONS FOR SIGNIFICANT CASH-GENERATING UNITS

The fundamental assumptions for the significant cash-generating units are explained below, on the basis of which management has prepared its cash flow projections to test the goodwill for impairment.

PLANNED REVENUE/GROSS PROFIT MARGIN

For the purpose of this valuation, management has based its projections on those customary for the industry. The developments in the previous fiscal year have been taken into account. The markets are expected to develop in a similar manner to the previous year.

DISCOUNT RATES

The discount rates reflect the estimates of management concerning the specific risks attributable to each cash-generating unit. These are the benchmark used by management to assess the operating performance and evaluate future investment projects.

ASSUMPTIONS PERTAINING TO MARKET SHARE

These assumptions are important to the extent that they enable management – as with the definition of assumptions for growth rates – to assess how the position of the cash-generating unit might change compared to its competitors during the budget period. Management expects the market share held by the group to increase during the budget period.

INCREASE IN PERSONNEL EXPENSES

Employee remuneration includes cost developments typical for the sector.

CAPITAL EXPENDITURE

Capital expenditure is planned in the form of replacement investments at the amount of annual depreciation and amortization.

SENSITIVITY OF ASSUMPTIONS MADE

Management believes that, at present, none of the reasonably possible changes of the key assumptions made to determine value in use of the cash-generating units could increase the carrying amount of cash-generating units materially beyond their recoverable amount.

Headquarters HUGO BOSS Industries, Coldrerio, Switzerland
Architect: Matteo Thun, realized with Vectorworks

OPEN BIM AS A MEANINGFUL OPERATIVE ADVANTAGE

On the one hand, by making it easier to exchange data and information and therefore ensure more efficient coordination. But also by means of early detection of potential conflicts and actual errors. The result: Open BIM inevitably leads to a decrease in risks and an increase in quality.

Significant Discretionary Decisions, Estimates and Assumptions when Preparing the Consolidated Financial Statements

In the process of preparing the consolidated financial statements, management has made discretionary decisions, estimates and assumptions that have an effect on the income, expenses, assets and liabilities recognised as at the balance sheet date as well as on the disclosure of contingent liabilities. The uncertainty relating to these assumptions and estimates could lead to results that may require material adjustment to the carrying amounts of the assets and liabilities concerned in the future. The most important assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year, are analyzed below:

IMPAIRMENT OF NON-FINANCIAL ASSETS

The group assesses at each reporting date whether there are any indications that a non-financial asset may be impaired. Goodwill and other intangible assets with indefinite useful lives as well as intangible assets not yet available for use are tested for impairment at least once a year, or whenever there is evidence that they might be impaired. Other non-financial assets are tested for impairment when there is evidence that their carrying amount might exceed their recoverable amount. Estimating a value in use requires management to make an estimate of the expected future cash flows from the assets or cash-generating unit, and also to choose a suitable discount rate, in order to calculate the present value of those cash flows.

DEFERRED TAX ASSETS

Deferred tax assets are recognised for all unused tax losses, to the extent that it is probable that taxable profit will be available in the future so that the loss carry forwards can actually be utilized. Significant judgment is required of management to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

PENSIONS

The cost of defined benefit plans is determined using actuarial valuations. The actuarial calculation is based on assumptions concerning discount rates, mortality and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions are reviewed at each balance sheet date.

DEVELOPMENT COSTS

Development costs are capitalized in accordance with the accounting policy presented in the notes. Initial recognition is based on the assumption by management that the technical and economic feasibility is demonstrated; this is generally the case when a product development project has reached a certain milestone with an existing project management model. In addition, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of future cash flows from the assets, in order to assess the future economic benefits.

Currency Translation

The group's consolidated financial statements are presented in Euros, which is the group's presentation currency. Each entity in the group determines its own functional currency. That is the currency of the primarily economic environment in which the company operates. Items included in the financial statements of each entity are measured using the functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the balance sheet date. Foreign exchange differences are recorded to profit or loss.

Currency translation differences on foreign currency borrowings represent the exception to this where these are accounted for as hedges to a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Deferred taxes attributable to exchange differences on those borrowings are also recorded in equity.

Non-monetary items that are measured at historical acquisition or production cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates applicable at the date when the fair value is determined.

Assets and liabilities of foreign companies are translated to the Euro at the closing rate (including goodwill). Income and expenses are translated at the average exchange rate. Any resulting exchange differences are rec-ognized separately in equity.

Exchange rate differences arising on the settlement of monetary items, at rates different from those at which they were initially recorded during the period, are recognized as an other operating expense or other operating income in the period in which they arose.

The following exchange rates are used for translation of currencies in countries outside the European Currency Union:

EXCHANGE RATES

Currency	**Average exchange rate in 2012**	**Exchange rate as of December 31, 2012**	Average exchange rate in 2011	Exchange rate as of December 31, 2011
EUR/USD	1.28	1.32	1.39	1.29
EUR/CHF	1.21	1.21	1.23	1.22
EUR/CZK	25.15	25.15	24.59	25.79
EUR/RUB	39.93	40.33	40.88	41.76
EUR/JPY	102.49	113.61	110.96	100.20
EUR/HUF	289.25	292.30	279.37	314.58
EUR/GBP	0.81	0.82	0.87	0.84
EUR/BRL	2.51	2.70	2.33	2.42

Accounting Policies

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The costs for replacing a part of an item of property, plant and equipment are included in its carrying amount at the time the costs are incurred, provided they meet the recognition criteria. Costs of ongoing repairs and maintenance are expensed immediately.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the assets:

USEFUL LIFE OF TANGIBLE ASSETS

	Useful life in years
IT equipment	3
Motor vehicles	5
Factory equipment	3 - 10
Leasehold improvements	5 - 10

Property, plant and equipment are derecognized upon disposal or when no further economic benefits are expected from their continued use or sale. Gains or losses arising on derecognition of the asset are calculated as the difference between the net recoverable value and the carrying amount of the asset and are included in profit and loss in the period in which the asset is derecognized. The historic cost and accumulated depreciation of the asset are eliminated from the balance sheet.

The residual values of the assets, useful lives and depreciation methods are reviewed at the end of each fiscal year at the latest and adjusted if necessary.

BORROWING COSTS

Borrowing costs are recognized as an expense when incurred. There is no capitalization of borrowing costs since the production of qualified assets is not financed externally.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method. Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the group`s interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities.

Where put options are agreed on purchase of minorities, the group applies the so-called “anticipated acquisition method”. Any resulting measurement changes in the purchase price liability are included in goodwill and do not impact profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash generating units of the group which are expected to benefit from the synergy effects of the business combination, irrespective of whether other assets or liabilities of the company acquired are assigned to those units.

Goodwill is tested for impairment at least once a year or whenever facts or changes in circumstances indicate that the carrying value may be impaired.

Each unit or group of units to which the goodwill has been allocated represents the lowest level in the group at which goodwill can be monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized.

Impairment losses relating to goodwill cannot be reversed in future periods.

Where goodwill forms part of a cash-generating unit, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of under those circumstances is measured based on the relative values of the operation disposed of and the remaining part of the cash-generating unit.

INTANGIBLE ASSETS

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each fiscal year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with an indefinite useful life and intangible assets not yet ready for use are tested for impairment at least once a year either individually or at the cash-generating unit level. Such intangible assets are not amortized systematically. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable.

Intangible assets not acquired in a business combination are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization. At each balance sheet date a review is conducted to check whether the reasons for impairment still exist. The maximum amount for reversals of impairment losses is represented by acquisition costs less accumulated scheduled amortization.

Intangible assets are amortized using the straight-line method over their normal useful lives of between three and five years.

Intangible assets are amortized as follows, based on the purchase price allocation:

USEFUL LIFE OF INTANGIBLE ASSETS DUE TO PURCHASE PRICE ALLOCATION

	Useful life in years
Brand name	15
Trademarks	10
Software	3 - 7
Customer Relationship	10 - 12

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net realizable value and the carrying amount of the asset and are recorded to profit or loss when the asset is derecognized.

RESEARCH AND DEVELOPMENT EXPENSES

Research costs are expensed in the period in which they are incurred. Development expenditure on an individual project is recognized as an intangible asset when the group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset, so that it will be available for use or sale
- the intention to manufacture, use or sell the intangible asset
- the ability to manufacture, use or sell the intangible asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- its ability to reliably measure the expenditure attributable to the intangible asset during its development

Following the initial recognition of the development expenditure, the cost model is applied. This requires that the asset be carried at cost less any accumulated amortization. Amortization is charged upon completion of the development phase as soon as the asset can be used. It is amortized over the period in which future benefits are expected (estimated 3-8 years). During the development phase the assets are tested for impairment once a year.

DEVELOPMENT SUBSIDIES

Development subsidies for basic research are recorded on the basis of hours worked. These are recognized as other operating income in the consolidated financial statements. Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Special-purpose development subsidies are treated as deductions from acquisition costs.

INVENTORIES

Inventories mainly comprise merchandise, which is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Estimated costs of completion are accounted for where appropriate. Inventory risks relating to reduced salability are accounted for using appropriate mark-downs.

PREPAID EXPENSES

Prepaid expenses are expenses paid before the balance sheet date that relate to a certain period after that date.

TREASURY SHARES

Own equity instruments which are repurchased (treasury shares) are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the company`s treasury shares.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash on hand, bank balances and short-term deposits with a maturity of three months or less. Insignificant fluctuations in value can occur.

COMPOSITION OF CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents in the consolidated cash flow statement also include cash equivalents with original maturities of three months or less.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the group assesses whether there are indications that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset`s recoverable amount. An asset`s recoverable amount is the higher of an asset`s or cash-generating unit`s fair value less costs to sell and its value in use. The recoverable amount is determined for each individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by measurement multiples or other available fair value indicators.

For assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the group makes an estimate of recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset`s recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. The reversal of an impairment loss is recognized in profit or loss.

The following criteria are also applied in assessing impairment of specific assets:

GOODWILL

The group determines at each balance sheet date whether there is any indication that goodwill has been impaired. Goodwill is tested for impairment at least once a year. Impairment tests are also conducted if events or circumstances indicate that the carrying amount may be impaired.

The impairment loss is determined by calculating the recoverable amount of the cash-generating unit to which goodwill has been allocated. If the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss is recorded. Any impairment loss recognized on goodwill is not reversed in a subsequent period. The group performs its impairment test of goodwill at least once a year, by December 31, at the latest.

INTANGIBLE ASSETS

Intangible assets with indefinite useful lives and intangible assets not yet ready for use are tested for impairment at least once a year, either individually or at the cash generating unit by December 31, at the latest. Impairment testing is performed, depending on the individual case, at asset level or at the cash generating unit level. Testing is also carried out if circumstances indicate that a value may be impaired.

ASSOCIATED COMPANIES

After application of the equity method, the group determines whether it is necessary to recognize an additional impairment loss of the group`s investment in its associates. The group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the amount of impairment is calculated as the difference between the fair value of the investment in the associate and the cost of the investment.

FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

INITIAL RECOGNITION

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial assets at initial recognition.

Financial assets are recognized initially at fair value. In the case of financial investments which are not classified at fair value through profit or loss, the directly attributable transaction costs are additionally accounted for (which are directly attributable to the purchase of the asset).

Purchases or sales of financial assets that require delivery of assets within a period established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e. the date that the group commits to purchase or sell the asset.

The group`s financial assets include cash and short-term deposits, trade receivables, loans and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as follows:

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered into by the group that do not meet the hedge accounting criteria as defined by IAS 39. Derivatives, including separately recognized embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets recorded at fair value through profit or loss are carried in the balance sheet at fair value, whereby gains or losses are recognized in profit or loss. The group has not designated any financial assets measured as at fair value through profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value, with gains or losses arising from changes in fair value recognized in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise have resulted from the contract.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortization process. In addition to cash and cash equivalents, the group currently carries financial assets consisting almost exclusively of loans and receivables.

HELD-TO-MATURITY INVESTMENTS

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity investments when the group intends and is able to hold these to maturity. Upon initial recognition held-to-maturity investments are measured at amortized cost using the effective interest method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Gains and losses are recognized in the consolidated statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortization process. The group did not have any held-to-maturity investments in the fiscal years ending December 31, 2012 and 2011.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value. Unrealized gains or losses are recognized directly in equity. If such an investment is derecognized, the cumulative gain or loss recorded in equity is recognized in profit or loss. If such an investment is impaired, the cumulative loss previously recorded in equity is recognised in profit and loss.

FAIR VALUE

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm`s length market transactions, reference to the current market value of another instrument, which is substantially the same, or discounted cash flow analysis and other valuation models.

AMORTIZED COST

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is calculated using the effective interest method net of any impairment losses, taking into account any discount or premium on acquisition, and includes transaction costs and fees that are an integral part of the effective interest rate.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date, the group assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (a `loss event`) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

AMOUNTS DUE FROM CUSTOMERS

For amounts due from customers carried at amortized cost, the group first assesses on an individual basis whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment, and for which an impairment loss is or continues to be recognized, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset`s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount, based on the original effective interest rate of the asset. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a receivable written-off is later deemed recoverable due to an event that occurred after it was written off, the relevant amount is recognized directly in profit or loss.

The present value of the estimated future cash flows is discounted at the financial asset`s original effective interest rate.

ASSETS CARRIED AT AMORTIZED COST

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the impairment loss is measured as the difference between the asset`s carrying amount and the present value of estimated future cash flows (with the exception of future credit defaults) discounted at the financial asset`s original effective interest rate (i.e. the effective interest rate determined upon initial recognition). The carrying amount of the asset is reduced through an allowance account. The impairment loss is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The new carrying amount of the asset may not exceed the amortized cost at the time the impairment loss is reversed. The impairment loss is reversed through profit or loss.

AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

If an available-for-sale asset is impaired, an amount is transferred from equity to profit or loss at the amount of the difference between its cost (net of any principal repayment and amortization) and current fair value (less any impairment loss on that asset previously recognized in profit or loss). Reversals in respect of equity instruments classified as available for sale are not recognized in profit or loss. Reversals of impairment losses on debt instruments classified as available-for-sale are reversed through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when one of the following three conditions is met:

- The contractual rights to receive cash flows from the asset have expired.
- The group retains the right to receive cash flows from the financial asset, but has assumed a contractual obligation to pay them in full without material delay to a third party under a pass-through arrangement that meets the criteria of IAS 39.19.
- The group has transferred its contractual rights to receive cash flows from the financial asset and either

  (a) has transferred substantially all the risks and rewards of the asset, or

  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the group`s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset (including a cash-settled option or similar provision), the extent of the group`s continuing involvement is the amount of the transferred asset that the group may repurchase. However, in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the group`s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

FINANCIAL LIABILITIES

INITIAL RECOGNITION

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, less directly attributable transaction costs.

The group`s financial liabilities include trade and other payables, bank overdraft facilities, loans and borrowings, and derivative financial instruments.

SUBSEQUENT MEASUREMENT

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and other financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered into by the group that do not meet the hedge accounting criteria as defined by IAS 39. Gains or losses on financial liabilities held for trading are recognized in profit or loss. The group has not designated any financial liabilities as at fair value through profit or loss.

Loans

After initial recognition, interest-bearing loans are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS

The group uses derivative financial instruments such as forward exchange contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Where the group holds a derivative as an economic hedge for a period beyond twelve months after the balance sheet date, the derivative is classified as non-current, or separated into current and non-current portions, consistent with the classification of the underlying item.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of forward exchange contracts is determined by referring to the current foreign exchange rates for forward contracts with similar terms. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The group uses foreign currency denominated borrowings and forward currency contracts to manage some of its transaction exposures. These currency forward contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency transaction exposures, generally 1 to 24 months. Such derivatives do not qualify for hedge accounting. At the balance sheet date there were no open currency forward contracts.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

LIABILITIES

Trade payables and other liabilities are recognized at amortized cost.

DEFERRED REVENUE

Deferred revenue is income received before the balance sheet date that relates to a certain period after that date.

PROVISIONS AND ACCRUALS

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions and accrued expenses which do not already lead to an outflow of resources in the subsequent year are measured at their discounted settlement amount at the balance sheet date where the interest effect is material. Where the group expects some or all of a provision to be reimbursed (for example under an insurance contract), the reimbursement is recognized as a separate asset, provided the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

CONTINGENT LIABILITIES

Contingent liabilities are not recognized in the consolidated financial statements until their utilization is more than 50 % likely. Contingent liabilities are disclosed in the notes to the consolidated financial statements when the probability of their utilization is between 5 % and 50 %.

PENSIONS AND SIMILAR OBLIGATIONS

The company provides a company pension plan for selected members of management.

The provisions are measured every year by reputable independent appraisers. Provisions for pensions and similar obligations are determined using the projected unit credit method (IAS 19). The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The pension obligation less plan assets is recorded as the provision in the balance sheet. Actuarial gains and losses are recognized immediately in personnel expenses in profit or loss. Effects relevant to interest are disclosed accordingly in interest result. Additionally, the group introduced a part-time pre-retirement contract during the fiscal year 2010 under the block model, as well as long-term incentive plans which are also accounted for under IAS 19.

RESERVES

Reserves are set up in accordance with statutory requirements and the articles of association.

MINORITY INTERESTS

The share of fair values of the identifiable assets and liabilities attributable to minority interests is allocated at the time the subsidiary is acquired. The losses allocable to minority interests in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses allocable to the minority interest, are charged against the majority interest in the group`s equity, except to the extent that the minority interest has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority`s share of losses previously absorbed by the majority has been recovered.

LEASING

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

THE GROUP AS LESSEE

Finance leases, which transfer to the group substantially all the risks and rewards incidental to ownership of the leased asset, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. A liability item of the same value is recorded as a lease liability.

The lease liability is reduced and carried forward in subsequent years according to the effective interest method.

Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term. The group leases office buildings, motor vehicles and other technical equipment using operating leases.

THE GROUP AS LESSOR

Leases where the group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and concluding an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease income. Contingent rents are recognized as revenue in the period in which they are earned.

TAXES

CURRENT INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation is based on the tax rates and tax laws applicable as of the balance sheet date.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

DEFERRED TAX

Deferred tax is recognized using the liability method on all temporary differences as of the balance sheet date between the carrying amounts of assets and liabilities in the balance sheet and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences, except for the following instances:

(a) Where the deferred income tax liability arises from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, it may not be recognized.

(b) The deferred tax liability in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures may not be recognized, if the entity controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized, except for the following instances:

(a) Deferred tax assets relating to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, may not be recognized.

(b) Deferred tax assets in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures may only be recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or at least part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted at the balance sheet date. Future changes in tax rates have been taken into account at the balance sheet date, to the extent that the conditions to their material effectiveness have been fulfilled in the course of the legislative process.

Deferred tax relating to items recognized directly in equity is similarly recognized in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax related to the same taxable entity and the same taxation authority.

VALUE ADDED TAX

Revenue, expenses and assets are generally recognized net of VAT, except for the following instances:

(a) where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of the asset or as part of the expense item as applicable.

(b) Trade receivables and trade payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or liabilities in the balance sheet.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company from the transaction and the revenue can be reliably measured. Revenue is recognized net of VAT and discounts when delivery has taken place and transfer of risks and rewards has been completed. Revenue from the provision of services is recognized by reference to the percentage of completion when it can be measured reliably. The percentage of completion is determined based on surveys of work performed and is generally based on the hours worked in proportion to the budgeted total number of hours.

BASIC INFORMATION ON REVENUE RECOGNITION

The Nemetschek Group generally distinguishes between the recognition of revenue from the sale of goods and merchandise, from the provision of services and revenue from royalties.

Revenue from the sale of goods and merchandise must be recognized when all the following conditions have been satisfied (IAS 18.14):

- The significant risks and rewards incidental to ownership of the goods and merchandise sold have been transferred (transfer of title)
- The entity does not retain control over the goods and merchandise sold
- The amount of revenue can be measured reliably
- The cash flow from the economic benefit of the sale is reasonably certain (receipt of receivable)
- The costs incurred in respect of the sale can be measured reliably

Revenue from the provision of services must be recognized when (IAS 18.20):

- The amount of revenue can be measured reliably
- It is sufficiently probable that the economic benefit associated with the transaction will flow to the entity (receipt of receivable)
- The stage of completion of the transaction at the balance sheet date can be measured reliably
- The costs incurred for the transaction and the costs to fully complete the transaction can be measured reliably.

Customized construction contracts are concluded as contracts for work or services or fixed price contracts. In such cases, revenue and income are calculated using the percentage of completion method, provided that the prerequisites set out in IAS 11.23 are met. This involves recognizing the individual revenue components in accordance with the percentage of completion, measured by reference to the percentage of contract costs incurred to date as a percentage of estimated total contract costs.

This has the following implications for the Nemetschek Group:

1. Software and licenses

1.1 Standard software

The aforementioned criteria for the sale of goods and merchandise are generally applied, i.e. revenue is recognized when the software is sold.

The transfer of licenses in return for fixed compensation (non-recurring licenses), which give the licensee unrestricted use, is a sales transaction from an economic perspective and can be fully recognized as income.

License fees and royalties resulting from the use of company assets (software) are recorded in accordance with the economic substance of the agreement. Revenue is recorded on a straight-line basis over the term of the license agreement unless agreed otherwise.

1.2 Sales transactions via sales representatives / agents

From an economic perspective, revenue is generally recorded when ownership and the incidental risks and rewards are transferred. However, if the seller is acting as an agent / representative, revenue is not recognized until the software / hardware has been sold to the final customer.

2. Hardware

The aforementioned criteria for the sale of goods and merchandise generally apply, i.e. revenue is recognized when the hardware is sold (when the goods are delivered).

3. Consulting

3.1 Contract for Services

The aforementioned criteria for the sale of services generally apply. Revenue is recognized using the percentage of completion method.

3.2 Service Contract

For pure service contracts, revenue is recognized in the period in which the service is rendered (consulting agreements).

4. Maintenance/Software Service Agreements

The aforementioned criteria for the sale of services generally apply, i. e. revenue from maintenance contracts or services is recognized straight-line over the period in which the service is rendered.

5. Training

The aforementioned criteria for the sale of services generally apply, i. e. revenue is recognized in the period in which the service is rendered.

INTEREST INCOME

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset).

DIVIDENDS

Dividends are recognized when the group`s right to receive the payment is established.

SEGMENT REPORTING

The primary segment reporting format is determined to be business segments as the group`s risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating business segments are organized and managed separately according to the nature of the products and services provided. Each segment represents a strategic business unit whose product range and markets differ from those of the other segments.

For the purpose of managing the company, management has split the group into business segments and has four reportable segments worldwide: Design, Build, Manage and Multimedia. The business segments Design, Build, Manage and Multimedia form the basis for the primary segment reporting.

Transfer prices between operating segments are fixed on an arm`s length basis in a manner similar to transactions with third parties.

POST BALANCE SHEET EVENTS

Events after the balance sheet that provide additional information about the group`s position at the balance sheet date have been taken into account in the financial statements as required. Non-adjusting events after the balance sheet date are stated in the notes to the consolidated financial statements if they are material.

Notes to the Consolidated Statement of Comprehensive Income

[1]
Revenues

REVENUES

Thousands of €	2012	2011
Software and licenses	85,802	81,264
Maintenance (software service agreements)	80,129	74,270
Services (consulting and training)	8,978	7,930
Hardware	180	547
	175,089	**164,011**

Revenues include EUR 366 k (previous year: EUR 597 k) relating to the application of the percentage of completion method. These revenues are matched by expenses amounting to EUR 111 k (previous year: EUR 262 k). In the fiscal year 2012, profit from projects based on application of the percentage of completion method amounts to EUR 255 k (previous year: EUR 335 k). At the balance sheet date, deferred revenue included customer prepayments amounting to EUR 179 k (previous year: EUR 676 k). Contract costs include the costs that are directly and indirectly attributable to the contract, as well as costs specifically chargeable to the customer under the terms of the contract. The progress of the project is determined by the costs incurred to date compared to planned costs. The stage of completion of the project is determined by the current project controlling. Revenue recognition is based on this. A security deposit appropriate for the market is accounted for. At the balance sheet date no customer contracts existed with a debit (previous year: EUR 84 k) or a credit balance (previous year: EUR 17 k).

The breakdown of revenue by segment is shown under Segment Reporting.

[2]
Own work capitalized

The group capitalized its own to the sum of EUR 1,893 k (previous year: EUR 1,109 k), of this, in the fiscal year 2012, EUR 1,579 k (previous year: EUR 1,058 k) related to internally developed software and EUR 314 k (previous year: EUR 51 k) to other own work capitalized, mainly due to ancillary acquisition costs in connection with the implementation of an ERP system at a subsidiary. Amortization starts upon commercial exploitation of the development results in the year the costs were incurred using the straight-line method.

[3]
Other operating income

OTHER OPERATING INCOME

Thousands of €	2012	2011
Foreign exchange rate gains	1,124	1,584
Development subsidies	455	454
Offsetting other services	305	433
Income from subletting property	25	25
Other	720	680
	2,629	**3,176**

[4] Cost of materials/Cost of purchased services

COST OF MATERIALS AND PURCHASED SERVICES

Thousands of €	2012	2011
Cost of purchased materials	6,940	7,041
Cost of purchased services	770	940
	7,710	**7,981**

Cost of merchandise mainly includes purchased software licenses.

[5] Personnel expenses

PERSONNEL EXPENSES

Thousands of €	2012	2011
Wages and salaries	62,428	57,987
Social security, other pension costs and welfare	14,591	12,660
	77,019	**70,647**

The headcount developed as follows:

HEADCOUNT

	2012	2011
Sales/marketing/hotline	520	484
Development	572	545
Administration	129	121
Average headcount for the year	**1,221**	**1,150**
Headcount as of December 31	**1,229**	**1,173**

[6] Depreciation and amortization

DEPRECIATION AND AMORTIZATION

Thousands of €	2012	2011
Amortization of intangible assets	1,672	1,442
Depreciation of property, plant and equipment	1,860	1,711
Depreciation of financial assets	1,047	0
Depreciation/amortization of tangible, intangible and financial assets	**4,579**	**3,153**
Amortization due to purchase price allocated intangible assets	**7,050**	**7,050**
Total depreciation and amortization	**11,629**	**10,203**

Write-downs on financial assets include impairment losses of EUR 1,047 k on a non-current loan.

[7] Other operating expenses

OTHER OPERATING EXPENSES

Thousands of €	2012	2011
Commissions	10,334	10,061
Expenses for third-party services	8,952	7,955
Rents	7,180	6,909
Marketing expenses	6,769	6,112
Legal and consulting costs	4,009	4,010
Travel expenses	3,974	3,406
Vehicle costs	2,543	2,288
EDP equipment	1,844	1,552
Communication	1,293	1,216
Currency translation expenses	2,063	1,122
Other	5,175	5,766
	54,136	**50,397**

The item “Other” consists of various individual items, all of which are less than EUR 1,000 k.

Contractually fixed rental expenses are offset by income from subletting office space of EUR 25 k (previous year: EUR 25 k) (see note 3 – Other operating income).

[8] Income from associates

The income from associates from financing activities of EUR 102 k (previous year: EUR 179 k) includes income of associates consolidated at equity.

[9] Interest income/expenses

INTEREST INCOME / EXPENSES

Thousands of €	2012	2011
Other interest and similar income	917	617
Interest and similar expenses	– 1,589	– 1,808
	–672	**–1,191**

Interest income includes interest from the market valuation of the interest derivative amounting to EUR 700 k (previous year: EUR 352 k). Interest expenses include interest from the loan for financing the Graphisoft acquisition amounting to EUR 61 k (previous year: EUR 437 k) as well as interest expenses paid from an interest hedging transaction amounting to EUR 1,293 k (previous year: EUR 1,220 k).

[10] Income taxes

The major components of the income tax expense are as follows:

INCOME TAXES

Thousands of €	2012	2011
Income from deferred tax	2,108	4,747
Expenses from deferred tax	– 1,948	– 2,222
Total deferred tax result (income)	**160**	**2,525**
Current income from income tax	1,421	1,090
Current expenses from income tax	– 9,646	– 9,224
Total current income tax (expenses)	**–8,225**	**–8,134**
Total income tax	**–8,065**	**–5,609**

The income tax rates of the individual entities range from 10.0 % to 42.8 % (previous year: from 10.0 % to 42.8 %). The income tax rate of Nemetschek Aktiengesellschaft is calculated as follows:

INCOME TAX RATES

in %		2013		2012		2011
Earnings before taxes	100.0		100.0		100.0	
Trade tax (weighted)	16.8	16.8	16.8	16.8	16.8	16.8
	83.2		**83.2**		**83.2**	
Corporate income tax	15.0	15.0	15.0	15.0	15.0	15.0
Solidarity surcharge	0.8	0.8	0.8	0.8	0.8	0.8
	67.4	**32.6**	**67.4**	**32.6**	**67.4**	**32.6**

Deferred taxes are measured on the basis of the nominal tax rates of Nemetschek Aktiengesellschaft or the tax rate applying to the respective subsidiary.

The tax rate for the fiscal year 2012 applied by Nemetschek Aktiengesellschaft is 32.6 % (fiscal year 2011: 32.6 %).

Deferred tax assets and deferred tax liabilities are offset for each tax-paying entity, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the income tax of the same taxable entity and the same taxation authority.

Deferred taxes at the balance sheet date are as follows:

DEFERRED TAXES

Thousands of €	Consolidated balance sheet 2012	Consolidated balance sheet 2011	Consolidated income statement 2012	Consolidated income statement 2011
DEFERRED TAX ASSETS				
Unused tax losses	3,540	2,691	849	– 1,286
Measurement differences, goodwill	57	77	– 20	– 21
Elimination of intercompany profits spin-off	0	86	– 86	– 86
Software development costs	0	373	– 373	– 62
Measurement of receivables	83	91	– 8	76
Deferred revenue	15	73	– 58	– 29
Vacation provision	151	151	0	23
IFRS pensions	170	112	58	31
Elimination of intercompany profits on non-current assets	102	116	– 14	11
Prepaid rent	27	30	– 3	1
Measurement of liabilities	137	149	– 12	– 68
Provision for archiving costs	16	16	0	0
Compensations	0	17	– 17	17
Other	0	0	0	– 9
Offsetting	– 3,671	– 2,768	– 903	1,379
Total deferred tax assets	**627**	**1,214**		
DEFERRED TAX LIABILITIES				
Measurement difference from purchase price allocation				
– Non-current assets of Graphisoft	2,182	2,860	678	3,866
– Non-current assets of SCIA	367	456	89	89
Measurement differences, goodwill	599	599	0	0
Warranty provision	81	81	0	– 1
Measurement of liabilities	787	297	– 490	281
Non-current assets	277	276	– 1	– 50
Recognition of internally developed software	1,020	571	– 449	– 282
Measurement of receivables	45	87	42	– 30
Other	– 2	0	– 25	54
Offsetting	– 3,671	– 2,768	903	– 1,379
Total deferred tax liabilities	**1,685**	**2,459**		
Deferred tax income			**160**	**2,525**

A reconciliation between the reported income tax expense and the expected income tax expense (measured using the tax rate for 2012) for the fiscal years ending 31 December 2012 and 2011, is as follows:

INCOME TAX RECONCILIATION

Thousands of €	2012	2011
Earnings before taxes	**28,547**	**28,056**
Theoretical tax rate 32.6 %	9,315	9,155
Differences to German and foreign tax rates	– 1,027	– 937
Tax effects on:		
At equity consolidation of associates	178	– 8
Use of unrecognized deferred taxes on unused losses carried forward	– 577	– 1,094
Change of deferred taxes on losses carried forward	– 77	327
Not recognized deferred tax assets	– 440	– 75
Effect of taxes, previous years	263	– 50
Non-deductible expenses	771	749
Tax-free income	– 386	– 1,269
Tax rate changes and adaptation	– 9	– 1,208
Other	54	19
Effective tax expense	**8,065**	**5,609**
Effective tax rate	**28.3 %**	**20.0 %**

The deferred tax assets on unused tax losses are determined as follows:

DEFERRED TAX ON TAX LOSSES

Thousands of €	2012	2011
Losses according to entities	62,794	55,966
Deferred tax assets, gross	10,687	10,410
Allowances on tax losses carried forward	– 7,147	– 7,719
Deferred tax assets on unused tax losses, net	**3,540**	**2,691**

The items contain deferred taxes on unused tax losses which are likely to be realized in future. The deferred tax assets on unused tax losses were recognized on the basis of the income and expense budgeting of the Nemetschek Aktiengesellschaft (parent company) and its subsidiaries for the fiscal year 2013. The companies` detailed budgeting relates to a one-year period. Management has stated that the recognition of deferred tax assets on unused tax losses for a longer period cannot generally be substantiated. In the Graphisoft sub-group, additional deferred tax assets could have been set up amounting to EUR 862 k (previous year: EUR 1,320 k) after the Hungarian tax authorities confirmed the loss carryforwards as part of a tax audit. The deferred tax assets are now equivalent to, in terms of their amounts, the deferred tax liabilities recognized in connection with the purchase price allocation as at December 31, 2012.

A decision was made not to recognize deferred tax liabilities of EUR 280 k (previous year: EUR 302 k) on profits carried forward that amounted to EUR 34,172 k of a subsidiary that would only be subject to taxation of 5 % if the profits were distributed and which can be offset against tax loss carryforwards.

On the non-tax deductible loss pending from the valuation of an interest hedge, no deferred tax asset has been accounted for on 32.6 % of the market value, since an estimation of the future market price development is not realistically possible due to its high uncertainty. The deferred tax assets not accounted for on the market valuation as of the balance sheet date amount to EUR 872 k (previous year: EUR 1,100 k) and these are disclosed as follows:

INTEREST HEDGE

Thousands of €	**2012 Measurement**	**2012 Deferred taxes**	2011 Measurement	2011 Deferred taxes
Interest hedge	2,672	872	3,372	1,100

There were no income tax consequences attached to the payment of dividends by Nemetschek Aktiengesellschaft to its shareholders in 2012.

EARNINGS PER SHARE

[11]
Earnings per share

Basic undiluted earnings per share do not take into account any options, and are calculated by dividing the net income for the period attributable to shares by the average number of shares during the period.

At the balance sheet date, as in the previous year, there were no events which would have led to a dilution of the earnings per share result.

EARNINGS PER SHARE

	2012	2011
Net income attributable to the parent (in thousands of EUR)	18,872	20,805
Weighted average number of ordinary shares outstanding as of December 31	9,625,000	9,625,000
Weighted average number of ordinary shares to be included in the calculation of diluted earnings per share as of December 31	9,625,000	9,625,000
Earnings per share in EUR, undiluted	**1.96**	**2.16**
Earnings per share in EUR, diluted	**1.96**	**2.16**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Confluence Museum, Lyon, France
Engineering office: Tractebel Engineering, realized with Scia Engineer

Notes to the Consolidated Statement of Financial Position

[12]
Fixed assets

A statement of fixed assets is presented on the last page of these notes to the consolidated financial statements. Amortization and depreciation include EUR 1,173 k of impairment losses against fixed assets. The carrying values of internally generated software amount to EUR 4,232 k (previous year: EUR 2,421 k). Subsidies specifically for internally generated intangible assets amount to EUR 188 k in the fiscal year and are recorded as a reduction against historic costs.

Pursuant to IAS 38, development costs must be capitalized unless they are incurred for basic research or are not related to projects, provided that the prerequisites of IAS 38.57 are fulfilled (see also accounting policies). The group was involved in non-project related product development in the fiscal year 2012. These included direct personnel costs plus directly allocable overheads. The development costs of projects that have not satisfied the criteria of IAS 38.57 are recorded as an expense amounting to EUR 43,198 k (previous year: EUR 40,124 k).

The development in the fair value of intangible assets, due to the purchase price allocation of the Scia Group, can be summarized as follows:

INTANGIBLE ASSETS DUE TO PPA SCIA GROUP

Thousands of €	Fair value at time of acquisition Feb. 28, 2006	Useful life in years	Annual amortization	**Net book value as of Dec. 31, 2012**	Net book value as of Dec. 31, 2011
Software	1,000	3	0	0	0
Customer relationships	2,700	10	270	855	1,125
Intangible assets	**3,700**		**270**	**855**	**1,125**

The development in the fair value of intangible assets, due to the purchase price allocation of the Graphisoft Group, can be summarized as follows:

INTANGIBLE ASSETS DUE TO PPA GRAPHISOFT GROUP

Thousands of €	Fair value at time of acquisition Dec. 31, 2006	Useful life in years	Annual amortization	**Net book value as of Dec. 31, 2011**	Net book value as of Dec. 31, 2010
Brand name	5,300	15	353	3,182	3,535
Trademarks	2,800	10	280	1,120	1,400
Software	27,100	7	3,871	3,874	7,745
Customer relationships	27,300	12	2,275	13,650	15,925
Intangible assets	**62,500**		**6,779**	**21,826**	**28,605**

[13]
Trade receivables

TRADE RECEIVABLES

Thousands of €	**2012**	2011
Trade receivables (before bad debt allowances)	24,727	26,752
Specific bad debt allowance	– 3,339	– 3,072
Trade receivables	**21,388**	**23,680**

Provision was made for the bad debt risk by setting up appropriate specific bad debt allowances. Trade receivables are non-interest bearing and are generally due within 30 to 90 day terms customary for the industry. Pursuant to the group guidelines, receivables that are > 360 days are 100 % specifically provided for. The carrying amount of trade receivables corresponds to their fair values.

Bad debt allowances developed as follows:

DEVELOPMENT OF BAD DEBT ALLOWANCES

Thousands of €	January 1	Utilization	Release	Charges	December 31
Bad debt allowances 2012	– 3,072	560	121	– 948	– 3,339
Bad debt allowances 2011	– 3,248	727	165	– 716	– 3,072

The ageing structure of trade accounts receivable is as follows:

AGEING STRUCTURE OF TRADE RECEIVABLES

Thousands of €	Not past due	past due (by <30 days)	past due (by 30–60 days)	past due (by 60–90 days)	past due (by 90–180 days)	past due (by 180–360 days)	past due (by >360 days)	December 31
Trade receivables 2012	12,371	5,820	1,322	549	643	683	0	21,388
Trade receivables 2011	13,484	6,099	1,095	753	1,436	813	0	23,680

[14] Inventories/ Tax refunded claims/ Other assets/ Financial assets

ASSETS

Thousands of €	2012	2011
Inventories	**738**	**667**
Tax refunded claims	**1,994**	**1,363**
Current financial assets	**48**	**96**
Other current assets	**5,919**	**6,410**
Non-current financial assets	**86**	**78**
Other non-current assets	**792**	**784**
	9,577	**9,398**

Inventories consist mainly of hardware with a value of EUR 691 k (previous year: EUR 603 k), finished goods and work in progress with a value of EUR 47 k (previous year: EUR 45 k). As in the prior year no allowances were recorded as an expense.

Tax refund claims for income taxes will lead to cash inflows in the next six months.

Other current financial assets consist mainly of prepaid expenses of EUR 4,508 k (previous year: EUR 4,992 k), which will be reclassified to expenses in the next twelve months.

Other non-current assets mainly include rental security deposits.

[15] Equity

The development of subscribed capital, the capital reserve, the revenue reserve, foreign currency translation reserve and the retained earnings/accumulated losses of the group, and minority interests are presented in the statement of changes in group equity.

[16] Subscribed capital

Nemetschek Aktiengesellschaft`s share capital as of the balance sheet date amounts to EUR 9,625,000.00 (unchanged compared to the previous year) and is divided into 9,625,000 bearer shares. Each share is attributed with EUR 1.00 of share capital. The capital is fully paid up.

[17]

Capital reserve / Revenue reserve / Foreign currency translation / Dividend

The **capital reserve** mainly comprises the share premium from the IPO.

The **revenue reserve** relates to the sale of treasury shares in 2005.

The equity capital item, **foreign currency translation** reserve, records exchange differences arising from the translation of the financial statements of foreign subsidiaries.

DIVIDENDS

In the fiscal year 2012, a dividend of EUR 11,068,750.00 was paid out to the shareholders. This represents EUR 1.15 per share. The management board proposes to the supervisory board that a dividend be paid in the fiscal year 2013 amounting to EUR 11,068,750.00. This represents EUR 1.15 per share.

[18]

Provisions, Accrued liabilities, Pensions and related obligations

As a company with international operations working in various business fields, the group is exposed to a whole range of legal risks. This is especially true of risks for warranties, tax law and other legal disputes. The outcome of currently pending, or rather of future, litigation cannot be predicted with certainty and thus expenses may be incurred from decisions that are not fully covered by insurance and that may have significant effects on the business and its results. Management is of the opinion that litigation currently pending is not likely to result in decisions that will significantly and negatively influence the financial position and performance of the group.

PROVISIONS AND ACCRUED LIABILITIES

Provisions and accrued liabilities contain the following items and are mainly due within one year:

PROVISIONS AND ACCRUED LIABILITIES

Thousands of €	2012	2011
Compensation / Commission / bonuses for employees	7,538	7,829
Outstanding invoices	2,822	2,918
Vacation accrued by employees	2,005	1,997
Legal and consulting fees / cost preparing the financial statements	416	412
Guarantees and liability risks	168	136
Other accrued liabilities	1,102	865
	14,051	**14,157**

Provisions for employee remuneration / commissions / employee bonuses included special effects in the previous year (EUR 680 k) which no longer applied in the current fiscal year. Adjusted provisions were slightly above those of the previous year. Outstanding invoices mainly relate to subsequent commission calculations due to achievement of targets. The warranty and liability provisions were set up based on an individual assessment per company. In the fiscal year 2012, EUR 25 k (previous year: EUR 22 k) was utilized for these, EUR 111 k (previous year: EUR 319 k) released and EUR 168 k (previous year: EUR 136 k) added. Other provisions and accrued liabilities contain other individual items of under EUR 100 k.

OTHER OBLIGATIONS IN ACCORDANCE WITH IAS 19

In the fiscal year 2010, the group implemented, for the first time, a long-term-incentive program. This program comprises long-term (until 2013), profit-related components based on corporate objectives. Payment is made at the end of the term. During the year, the portions earned are recorded in personnel expenses charged to profit or loss. Furthermore, this item includes an item of early part-time retirement.

PROVISIONS FOR PENSIONS

The obligation resulting from pension plans to a subsidiary`s general managers is determined using the projected unit credit method. Actuarial gains and losses are recognized immediately in profit or loss. In the year ending December 31, 2012, there were no curtailments to the plan. The plans were continued beyond this period. The pension plans provide a benefit after reaching the age of 65 amounting to 60 % of the last net salary, up to a maximum amount of EUR 3,834.69 (DEM 7,500.00) per month. All claims are vested.

The tables below show the development of the pension obligations and of plan assets. Plan assets include any reinsurance plans entered into which are assigned to the pension beneficiary entitled to these.

The table below shows the development of the pension obligations:

PENSION PROVISIONS

Thousands of €	January 1	Changes	**December 31**
Defined Benefit Obligation 2012	875	268	1,143
Plan asset 2012	387	28	415
Status of coverage (= Pension provisions) 2012	**488**	**240**	**728**
Defined Benefit Obligation 2011	793	82	875
Plan asset 2011	361	26	387
Status of coverage (= Pension provisions) 2011	**432**	**56**	**488**

PRESENT VALUE

Thousands of €	**2012**	2011
Present value of the obligation	1,143	875

The pension expenses and income, as well as changes in pension obligations, are attributable to:

BENEFIT EXPENSES

Thousands of €	**2012**	2011
Current service cost	36	34
Interest cost	39	36
Plus actuarial losses	193	12
Expenses for employee benefits	**268**	**82**

The expenses and income, as well as changes in plan assets, are attributable to:

PLAN ASSETS

Thousands of €	**2012**	2011
Company contribution	25	25
Expected interest plan assets	16	16
Less actuarial losses	– 13	– 15
Income plan assets	**28**	**26**

The net benefit expense resulting from current service cost, interest and actuarial losses amounts to EUR 268 k (previous year: EUR 82 k). The change is mainly due to the declining discount rate. Plan assets income from employer contributions, the expected income from plan assets and the actuarial losses recorded amount to EUR 28 k (previous year: EUR 26 k). These are included respectively in personal expenses.

The "mortality tables 2005 G" from Dr. Klaus Heubeck were applied, as they were in the previous year. The principal actuarial assumptions used to determine pension obligations were as follows as of December 31:

ASSUMPTIONS

in %	2012	2011
Discount rate	3.60	4.45
Future pension increases	1.00	1.00
Expected interest plan assets	4.00	4.00

The amounts for the current and previous four reporting periods are as follows:

DEVELOPMENT

Thousands of €	2012	2011	2010	2009	2008
Defined benefit obligation	1,143	875	793	533	513
Experience adjustments of defined benefit obligation – = loss/+ = gain	11	10	8	8	8
Value of plan asset	415	387	361	333	307
Experience adjustments of plan asset – = loss/+ = gain	– 13	– 15	– 13	– 12	– 12

The group expects pension expenses for the fiscal year 2013 of EUR 86 k as well as capital income of EUR 17 k, the contributions to plan assets amount to EUR 25 k.

[19] Liabilities

The **liabilities** categorized by due date comprise the following:

LIABILITIES

2012 Thousands of €	Total amount	Less than 1 year	1 to 5 years	More than 5 years
Loans	0	0	0	0
Trade payables	4,931	4,931	0	0
Tax liabilities	1,156	1,156	0	0
Other liabilities	5,992	5,151	841	0
thereof taxes	2,908	2,908	0	0
thereof relating to social security	789	789	0	0
December 31, 2012	**12,079**	**11,238**	**841**	**0**

2011 Thousands of €	Total amount	Less than 1 year	1 to 5 years	More than 5 years
Loans	4,700	4,700	0	0
Trade payables	5,672	5,672	0	0
Tax liabilities	2,477	2,477	0	0
Other liabilities	5,840	4,953	887	0
thereof taxes	3,066	3,066	0	0
thereof relating to social security	733	733	0	0
December 31, 2011	**18,689**	**17,802**	**887**	**0**

LOANS TO FINANCE THE GRAPHISOFT ACQUISITION

Bank loans disclosed in the previous year related to the syndicated credit facility arranged by WestLB AG, Düsseldorf, which served to finance the 100 % shares in Graphisoft SE, Budapest. The financing of the Graphisoft acquisition was as follows:

FINANCING GRAPHISOFT ACQUISITION

Source of funds	Year 2007 Mio. EUR	Term	Repayment	Interest rate	Repayments as of Dec. 31, 2011, million EUR	Repayments in Fiscal Year 2012, million EUR	**Net book value as of Dec. 31, 2012, million EUR**	thereof current, due within 1 year million EUR	thereof non-current, over 1 year million EUR
TRANCHE 1 "Bridge Loan"	20.0	Sept. 30, 2007	At the end of the term and max. EUR 5 million per interest period prematurely	3-M-EURIBOR plus 1.0 %	20.0	0	0	0	0
TRANCHE 2 "Term Loan"	35.0	Dec. 31, 2011	Half yearly installments of EUR 3.5 million and min. EUR 5 million per interest period prematurely	3-M-EURIBOR plus 1.5 %	35.0	0	0	0	0
TRANCHE 3 "Revolving Credit Facility"	45.0	Jun. 30, 2012	Per withdrawal at the end of the respective interest period, no later than at the end of the term	3-M-EURIBOR plus 1.5 %	40.3	4.7	0	0	0
Total	100.0				95.3	4.7	**0**	0	0

In the fiscal year 2012 the loan was repaid in full. Borrowers are Nemetschek Aktiengesellschaft, Munich, and Nemetschek Allplan Systems GmbH, Munich.

Collateral was provided in the form of the shares purchased by Nemetschek Aktiengesellschaft in Graphisoft SE European Company Limited by Shares, Budapest, Hungary, which are held in a deposit account and pledged at WestLB AG, Düsseldorf. In connection with the agreed syndicated loan for the third tranche, Nemetschek Aktiengesellschaft has undertaken to repay an amount of 50 % of the group excess cash flows of the fiscal year by June 30 of the following year. Excess cash flows are calculated based on the cash budgeting and are defined as follows: group net income for the year, plus amortization and depreciation, less obligatory repayment for the second tranche, less planned capital expenditures. Carrying amounts correspond to fair value.

Trade payables are subject to the customary retention of title relating to the supply of movable fixed assets and inventories. Liabilities from trade payables are non-interest bearing and are normally settled on 60-day terms. Carrying amounts correspond to fair value.

Other liabilities primarily comprise liabilities to the tax authorities on account of obligations to pay wage tax and VAT as well as to pay social security contributions to the social security authorities. Other liabilities are non-interest bearing and have an average term of 60 days. Carrying amounts correspond to fair value.

[20] Deferred Revenue

DEFERRED REVENUE

Deferred revenue amounts to EUR 21,617 k (previous year: EUR 19,220 k). The total amount will lead to revenue in the first half of 2013.

[21] Non-Current Financial Obligations

NON-CURRENT FINANCIAL OBLIGATIONS

Within the contractually agreed syndicated credit facility with WestLB AG, Düsseldorf, as part of the Graphisoft acquisition, Nemetschek Aktiengesellschaft has entered into an interest hedge which is measured at fair value, impacting profit and loss. The fair value of the interest derivative is calculated using recognized financial mathematical models based on market data available at the date of valuation. The gains and losses of fair-value measurement are recognized in net interest in profit or loss. The negative market value of this interest hedge is shown as of December 31, 2012, at EUR 2,672 k (previous year: EUR 3,372 k) under non-current financial liabilities. In total, income of EUR 700 k was recorded in the fiscal year 2012 (previous year: EUR 352 k). The following table shows the conditions agreed and the current carrying value, which is equal to fair value:

SWAP-CONDITIONS

Thousands of €	Reference amount	Date of agreement	Date of closing	Base interest rate/factor	Interest limit (for differences)	Interest cap/floor	**As of Dec. 31, 2012**
Participation interest rate swap	30,000	January 25, 2007	July 15, 2014	3-Months-EURIBOR /0.95	5.25 %	5.53 % / 3.17 %	**2,672**

The conditions of the interest hedge are described in the agreement with WestLB AG, Düsseldorf as follows: Nemetschek Aktiengesellschaft receives a variable amount equivalent to the base rate for each calculation period (January 15, April 15, July 15, and October 15 of each fiscal year) from WestLB AG. Should the interest cap be reached in a calculation period, Nemetschek Aktiengesellschaft has undertaken to pay interest at the threshold interest rate to WestLB AG. Should neither the interest cap nor the interest floor be reached in a calculation period, Nemetschek Aktiengesellschaft has undertaken to pay interest at the participation rate (= factor x base interest rate) to WestLB AG. Should the interest floor be reached in a calculation period, Nemetschek Aktiengesellschaft has undertaken to pay interest at the threshold interest rate to WestLB AG.

[22] Financial commitments/Contingent liabilities

FINANCIAL COMMITMENTS

Thousands of €	**Total**	Less than 1 year	1 to 5 years	More than 5 years
Rental agreements	16,418	5,780	10,297	341
Leases	2,889	1,275	1,560	54
Total financial commitments as of December 31, 2012	**19,307**	**7,055**	**11,857**	**395**
Rental agreements	18,926	5,092	13,235	599
Leases	2,761	1,181	1,570	10
Total financial commitments as of December 31, 2011	**21,687**	**6,273**	**14,805**	**609**

The rent agreements consist almost exclusively of rent agreements for office space with limited terms. The leases are subject to the customary escalation clauses and renewal options.

The lease obligations mainly consist of leases for vehicles, office and telecommunications equipment.

CONTINGENT LIABILITIES

At the balance sheet date there are no contingent liabilities.

[23] Notes to the cash flow statement

The **cash flow statement** is split into cash flows from operating, investing and financing activities. Whereas the cash flow from operating activities is derived using the indirect method, the cash flows from investing and financing activities are based on direct cash inflows and outflows.

Cash flow from **operating activities** amounts to EUR 36,476 k (previous year: EUR 37,096 k). Other non-cash transactions mainly include the effects from the revaluation of interest hedges.

The cash flow from **investing activities** amounts to EUR – 6,690 k (previous year: EUR – 5,566 k). In the current fiscal year, payments relate primarily to the replacement of fixed asset acquisitions as well as to payments for product development in the Build business segment.

The cash flow from **financing activities** of EUR – 19,162 k (previous year: EUR – 27,962 k) is dominated by the repayment of bank loans of EUR – 4,700 k (previous year: EUR – 14,800 k). Further cash outflows were recorded from interest on bank loans amounting to EUR –1,504 k (previous year: EUR – 1,797 k) and the payment of profit shares to minority interests of EUR – 1,889 k (previous year: EUR – 1,667 k). The **group`s cash and cash equivalents comprise cash** and short-term deposits and break down as follows:

CASH AND CASH EQUIVALENTS

Thousands of €	2012	2011
Bank balances	41,524	31,615
Fixed term deposits (contract period up to 3 months)	2,759	1,886
Cash and cash equivalents	**44,283**	**33,501**

Bank balances earn interest at the floating rates for on-call deposits. Fixed-term deposits are made for terms of between one day and three months, depending on the immediate cash requirements of the group. These could be subject to slight fluctuations in value. Fixed term deposits bear interest at the respective rates applicable to the term. Carrying amounts generally correspond to fair value.

[24]
Financial instruments/ Financial risk management objectives and policies

FINANCIAL INSTRUMENTS

The financial assets and liabilities are presented in the following table according to their measurement categories and classes:

FINANCIAL INSTRUMENTS

2012 Thousands of €	Carrying value per balance sheet 31/12/2012	Measurement in accordance with IAS 39: Amortized cost	Fair value impacting profit/loss	Fair value not impacting profit/loss	Fair value 31/12/2012
Trade receivables (excluding finance leases)	21,388	21,388			21,388
Loans and receivables		21,388			21,388
Other financial assets	134	134			134
Loans and receivables		134			134
Cash and cash equivalents	44,283	44,283			44,283
Total financial assets	**65,805**				
thereof in accordance with measurement categories of IAS 39:					
Loans and receivables		65,805			
Financial liabilities (excluding finance leases)					
Financial liabilities measured at amortized cost					
Trade payables	4,931	4,931			4,931
Other financial liabilities	3,568		2,672	896	3,568
Financial liabilities measured at amortized cost					
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)	3,568		2,672	896	3,568
Total financial liabilities	**8,499**				
thereof in accordance with valuation categories of IAS 39:					
Financial liabilities measured at amortized cost	4,931	4,931			4,931
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)	3,568		2,672	896	3,568

2011 Thousands of €	Carrying value per balance sheet 31/12/2011	Measurement in accordance with IAS 39			Fair value 31/12/2011
		Amortized cost	Fair value impacting profit/loss	Fair value not impacting profit/loss	
Trade receivables (excluding finance leases)	23,680	23,680			23,680
Loans and receivables		23,680			23,680
Other financial assets	174	174			174
Loans and receivables		174			174
Cash and cash equivalents	33,501	33,501			33,501
Total financial assets	**57,355**				
thereof in accordance with measurement categories of IAS 39:					
Loans and receivables	57,355	57,355			57,355
Financial liabilities (excluding finance leases)	4,700	4,700			4,700
Financial liabilities measured at amortized cost		4,700			4,700
Trade payables	5,672	5,672			5,672
Other financial liabilities	4,268		3,372	896	4,268
Financial liabilities measured at amortized cost					
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)	4,268		3,372	896	4,268
Total financial liabilities	**14,640**				
thereof in accordance with valuation categories of IAS 39:					
Financial liabilities measured at amortized cost	10,372	10,372			10,372
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)	4,268		3,372	896	4,268

For the trade receivables, other non-current receivables, as well as cash and cash equivalents, carrying values are equal to fair values.

For trade payables, the carrying value is equal to fair value. The fair value of the interest swap is calculated using recognized financial mathematical models based on market data available at the date of valuation.

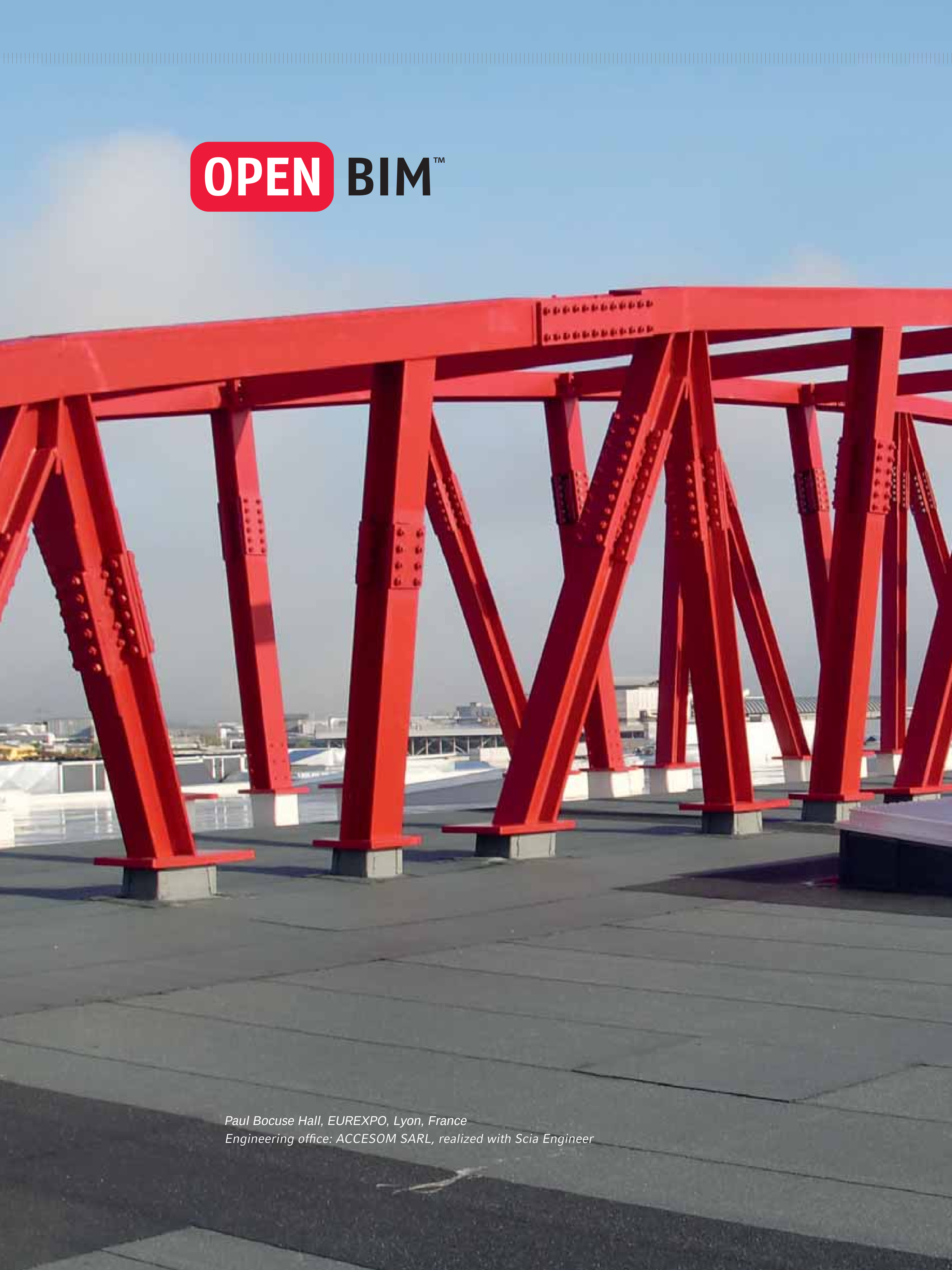
Financial liabilities (there are no financial assets) measured at fair value can be classified in the following three-tier measurement hierarchy:

THREE-TIER MEASUREMENT HIERARCHY

2012 Thousands of €	Year-end 31.12.2012	Level 1	Level 2	Level 3
Financial liabilities at fair value				
Fair value impacting profit/loss				
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)	2,672		2,672	
Derivatives with balance sheet hedging relationship (hedge accounting)	0			
Fair value not impacting profit/loss	896			896
Derivatives with balance sheet hedging relationship (hedge accounting)				
Total	**3,568**	**0**	**2,672**	**896**

2011 Thousands of €	Year-end 31.12.2012	Level 1	Level 2	Level 3
Financial liabilities at fair value				
Fair value impacting profit/loss				
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)	3,372		3,372	
Derivatives with balance sheet hedging relationship (hedge accounting)	0			
Fair value not impacting profit/loss	896			896
Derivatives with balance sheet hedging relationship (hedge accounting)				
Total	**4,268**	**0**	**3,372**	**896**

The measurement hierarchy reflects the significance of the factors included in the determination of fair values. At Level 1, financial instruments are recorded, the fair value of which are calculated based on quoted market prices on active markets. Fair values at Level 2 are determined based on observable market data. At Level 3, financial instruments are recorded, the fair value of which is calculated using non-observable market data.



Paul Bocuse Hall, EUREXPO, Lyon, France
Engineering office: ACCESOM SARL, realized with Scia Engineer

OPEN BIM AS THE GUARANTOR FOR DATA SOVEREIGNTY

Open BIM ensures data sovereignty for customers or project owners and thus facilitates the use of the same data with different software products or competing service providers. Since information and data are more easily accessible, novel applications come into being that make it possible, at an early stage, to avoid or rectify technical project collisions or planning errors, along with commercially relevant weaknesses.

DERIVATIVE FINANCIAL INSTRUMENTS

Depending on their maturity, the derivatives used as hedging instruments with positive (or negative) fair values are either classified as other current assets (or provisions) or as other non-current assets (or provisions). Derivative financial instruments not used as hedging instruments are classified as financial assets held for trading and measured at fair value; changes in fair value are included in the result for the period.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm`s length transaction, other than in a forced sale or liquidation. Fair values are obtained from quoted market prices, discounted cash flow analyses or option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no significant differences in the group between the fair value and the carrying amount of financial instruments. The carrying amount of cash and cash equivalents, other financial assets and financial liabilities approximates fair value due to the relatively short-term maturity of these financial instruments.

Where no quoted market prices are available, the fair value of publicly traded financial instruments is estimated based on market prices for the same or similar investments. For all other instruments for which there are no market prices, a reasonable estimate of fair value has been calculated based on the expected cash flow or the underlying net asset base for each investment. All carrying amounts approximate the fair value of the corresponding items.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the group with regard to financial risk management is to mitigate the risks presented below by the methods described. The group generally pursues a conservative, risk-averse strategy.

The main financial liabilities used by the group – except for derivative financial instruments – include bank loans and overdraft facilities, trade payables and other liabilities. The main purpose of these financial liabilities is to raise finance for the group`s operations. The group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its business activities.

CREDIT RISK RELATED TO FINANCIAL INSTRUMENTS AND CASH DEPOSITS AT BANKS

The credit risk from balances with banks and financial institutions of group companies is managed in accordance with the group`s policy and in agreement with group headquarters. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential default of a business partner. The group`s maximum exposure to credit risk for the components of the balance sheet as of December 31, 2012 and 2011, are the carrying amounts as illustrated in note 23, except for derivative financial instruments.

The group also has derivative financial instruments. These include risk-averse interest swaps and forward exchange contracts where appropriate. The purpose of these derivative financial instruments is to manage the interest rate and currency risks arising from the group`s operations and its sources of finance.

It is, and has been throughout the fiscal years 2012 and 2011, the group`s policy that no trading in derivatives shall be undertaken.

The main risks arising from the group`s financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The company`s management reviews and agrees policies for managing each of these risks, which are summarized below. The group generally pursues a conservative, risk-averse strategy.

FOREIGN EXCHANGE RISK AND RISK MANAGEMENT

In the course of ordinary operations, the Nemetschek Group is exposed to exchange rate fluctuations in particular. The group`s policy is to eliminate or contain these risks by entering into hedging transactions. The currency risks of the group occur due to the fact that the group operates and has production sites and sales establishments in different countries worldwide. All hedging measures are centrally agreed and coordinated with Group Treasury.

Due to its international business operations, the Nemetschek Group is exposed to exchange rate fluctuations on the international money and capital markets. Group-wide foreign currency policy is governed by instructions which are guided by the minimum requirements for bank trading issued by the German Federal Financial Supervisory Agency (BaFin). Only first-class national banks whose credit rating is checked regularly by rating agencies may act as partners for hedging transactions.

As required, the group companies enter into various types of foreign exchange contracts to manage its foreign exchange risk resulting from cash flows from (anticipated) business activities and financing arrangements denominated in foreign currencies.

The exchange rate fluctuation only has a limited effect at top group level because the operating subsidiaries outside the Euro area record revenue as well as cost of materials, personnel expenses and other expenses in their local currency.

SENSITIVITY ANALYSIS OF SELECTED FOREIGN CURRENCIES

The table below shows the sensitivity of group revenue and group EBIT to a reasonably possible fluctuation in the US Dollar and the Hungarian Forint exchange rates. All other variables remain constant.

SENSITIVITY OF USD / EUR

Thousands of €	Change of exchange rate USD	Sensitivity effect on Revenues	Sensitivity effect on EBIT
Fiscal year 2012			
(average USD / EUR exchange rate = 1.28)	+ 5 %	– 1,629	– 581
	– 5 %	1,801	643
Fiscal year 2011			
(average USD / EUR exchange rate = 1.39)	+ 5 %	– 1,314	– 541
	– 5 %	1,452	598

SENSITIVITY OF HUF / EUR

Thousands of €	Change of exchange rate HUF	Sensitivity effect on Revenues	Sensitivity effect on EBIT
Fiscal year 2012			
(average HUF / EUR exchange rate = 289.25)	+ 5 %	– 814	– 7
	– 5 %	899	8
Fiscal year 2011			
(average HUF / EUR exchange rate = 279.37)	+ 5 %	– 803	– 130
	– 5 %	888	144

LIQUIDITY RISKS AND MANAGEMENT

The group needs sufficient liquidity to meet its financial obligations. Liquidity risks arise from the possibility that customers may not be able to settle their obligations to the Nemetschek Group under normal trading conditions. The credit rating of the group allows sufficient cash to be procured. At the closing date of December 31, 2012, the group holds liquid funds amounting to EUR 44,283 k (previous year: EUR 33,501 k). In addition, the group had unused credit lines totaling EUR 1,500 k as of December 31, 2012.

To manage this risk, the company periodically assesses the credit rating of its customers. Liquidity risks can also arise from the possibility that a market for derivatives may not exist in some circumstances.

The group monitors its risk of a shortage of funds using monthly liquidity planning.

This considers the maturity of both its financial assets (accounts receivable, fixed-term deposits etc.) and projected cash flows from operating activities. The group`s objective is to maintain a balance between providing continuity of funding and ensuring flexibility.

DEFAULT RISK AND RISK MANAGEMENT

Default risks, i.e. the risk of contractual parties not meeting their payment obligations, are managed by means of credit approvals, the setting of upper limits and monitoring procedures. Where appropriate, the company obtains additional collateral in the form of rights to securities or arranges global netting agreements.

The company does not expect that any of its business partners deemed highly creditworthy will fail to meet their obligations. The Nemetschek Group has no significant concentration of credit risks with any single customer or specific customer group. The maximum credit risk can be calculated from the amounts shown in the balance sheet. The terms of payment fall within the customary 30 to 90 days for the industry.

CAPITAL MANAGEMENT

The primary objective of the group`s capital management is to ensure that it maintains a strong credit rating and healthy equity ratios in order to support its business operations and maximize shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders or return capital payments to shareholders. No changes were made in the objectives, policies or processes as of December 31, 2012, and as of December 31, 2011. The group meets externally imposed minimum capital requirements.

The group monitors its capital based on the gearing and equity ratios.

Debt/equity ratio

The gearing ratio is defined as net debt divided by EBITDA. Net debt is essentially defined as current and non-current loans less any cash and cash equivalents. The group`s gearing ratio ranges between 0 and 3.5, thus meeting external and internal key indicators. In the group there is no net debt at the balance sheet date.

Shareholders` equity ratio

The equity ratio is the ratio of equity to total equity and liabilities. The Nemetschek Group`s equity ratio amounts to 67.9 % (previous year: 63.9 %). Thus external and internal key indicators have been met.

CREDIT RISK AND RISK MANAGEMENT

The group trades only with recognized, creditworthy third parties. It is the group`s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group`s exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the group does not offer credit terms without the approval of the head of credit control. There is no significant concentration of risk of default within the group.

With respect to the other financial assets of the group, which comprise cash and cash equivalents, the group`s maximum exposure to credit risk arising from default of the counter-party is equal to the carrying amount of these instruments.

INTEREST RISK AND RISK MANAGEMENT

The group`s exposure to the risk of changes in market interest rates relates primarily to the group`s long-term debt obligations with floating interest rates.

On the one hand, the group manages the interest rate risk using the interest coverage ratio. The interest coverage ratio is the relationship of EBITDA to net interest expense.

On the other hand, the group`s interest expenses are managed by interest rate hedges for securing interest expenses on debt capital. Similar to last year, as of December 31, 2012, 100 % of the interest expenses on borrowed capital were hedged using interest swaps. The group follows a risk-averse interest hedging strategy.

SUMMARY OF INTEREST RATE RISKS

The following table shows the sensitivity of consolidated net income to a reasonably possible change in the interest rates (due to the effect on the floating interest loans and fixed term deposits). All other variables remain constant.

INTEREST RATE RISKS

2012 Thousands of €	Base interest rate (average)	Change in base/base interest rate after changes	Reference amount	Sensitivity effect on Net income
Sensitivity interest income	1-month EURIBOR (0.33 %)	+ 0.10 % / 0.43 %	917	281
		− 0.10 % / 0.23 %		− 281
Sensitivity interest expenses	3-month EURIBOR (0.57 %)	+ 0,10 % / 0.67 %	1,589	− 277
		− 0.10 % / 0.47 %		277

2011 Thousands of €	Base interest rate (average)	Change in base/base interest rate after changes	Reference amount	Sensitivity effect on Net income
Sensitivity interest income	1-month EURIBOR (1.18 %)	+ 0.10 % / 1.28 %	617	52
		− 0.10 % / 1.08 %		− 52
Sensitivity interest expenses	3-month EURIBOR (1.39+1.5 %* = 2.89 %)	+ 0,10 % / 2,99 %	1,808	− 62
		− 0.10 % / 2.79 %		62

*) According to the terms and conditions of the syndicated loan facility arranged by WestLB AG, Düsseldorf

[25] Segment reporting

The company divides its activities into the segments Design, Build, Manage and Multimedia. The Design segment contains the architecture and engineering division and is mainly characterized by the development and marketing of CAD, static engineering and tender software. The Build segment involves the creation and marketing of commercial software for construction companies. The Manage segment covers facility management, which involves extensive administration and management of property development projects. Furthermore, the group`s Multimedia business segment is involved in the field of multimedia software, visualization and animation.

The following tables present segment revenue and results and certain assets and liability information according to the group`s business segments.

Statement of Comprehensive Income Disclosures

SEGMENT REPORTING

2012 Thousands of €	Total	Elimination	Design	Build	Manage	Multimedia
Revenue, external	175,089	0	141,761	14,346	4,198	14,784
Intersegment revenue	0	– 707	6	26	7	668
Total revenue	**175,089**	**–707**	**141,767**	**14,372**	**4,205**	**15,452**
EBITDA	**40,746**		**28,837**	**5,258**	**521**	**6,130**
Depreciation/Amortization	– 11,629		– 10,932	– 305	– 53	– 339
Segment Operating result (EBIT)	**29,117**		**17,905**	**4,953**	**468**	**5,791**
Interest income	917					
Interest expenses	– 1,589					
Income from associates	102					
Income tax	– 8,065					
Net income for the year	**20,482**					

2011 Thousands of €	Total	Elimination	Design	Build	Manage	Multimedia
Revenue, external	164,011	0	132,617	13,767	3,710	13,917
Intersegment revenue	0	– 625	4	26	16	579
Total revenue	**164,011**	**–625**	**132,621**	**13,793**	**3,726**	**14,496**
EBITDA	**39,271**		**28,069**	**4,756**	**262**	**6,184**
Depreciation/Amortization	– 10,203		– 9,779	– 160	– 40	– 224
Segment Operating result (EBIT)	**29,068**		**18,290**	**4,596**	**222**	**5,960**
Interest income	617					
Interest expenses	– 1,808					
Income from associates	179					
Income tax	– 5,609					
Net income for the year	**22,447**					

Depreciation/amortization of the Design segment includes amortization of the purchase price allocation amounting to EUR 7,050 k (previous year: EUR 7,050 k).

The secondary segment reporting format for financial reporting relating to the balance sheet that is used for the group`s internal organizational and management purposes does not show a geographical breakdown between Germany and abroad. It is therefore not presented in greater detail.

Transfer prices between business segments are set on an arm`s length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and the segment result include transfers between business segments. These transfers are eliminated in consolidation.

Balance sheet disclosures

SEGMENT REPORTING

2012 Thousands of €	Total	Design	Build	Manage	Multimedia
Trade receivables	21,388	18,241	1,676	630	841
Inventories	738	614	10		114
Other assets	5,434	5,162	154	9	109
Fixed assets	89,052	67,385	16,037	2,096	3,534
thereof additions to fixed assets	6,170	4,110	1,716	29	315
Segment assets	**116,612**	**91,402**	**17,877**	**2,735**	**4,598**
Cash and cash equivalents	44,283				
Financial assets, associates	76				
Non-allocated assets *)	4,032				
Total assets	**165,003**				
Liabilities	13,595	11,969	632	244	750
Provisions and accrued liabilities	14,051	12,122	870	399	660
Pensions and related obligations	901	173	0	0	728
Deferred revenue	21,617	19,493	213	48	1,863
Segment liabilities	**50,164**	**43,757**	**1,715**	**691**	**4,001**
Non-allocated liabilities **)	2,841				
Total liabilities	**53,005**				

*) Non-allocated: Income tax assets (EUR 1,994 k), Other assets (EUR 1,411 k) and Deferred tax assets (EUR 627 k)

**) Non-allocated: Deferred tax liabilities (EUR 1,685 k) and Other liabilities (EUR 1,156 k)

2011 Thousands of €	Total	Design	Build	Manage	Multimedia
Trade receivables	23,680	21,094	1,336	426	824
Inventories	667	537	8	0	122
Other assets	5,951	5,608	158	12	173
Fixed assets	93,495	73,369	14,585	2,105	3,436
thereof additions to fixed assets	5,057	3,396	1,386	30	245
Segment assets	**123,793**	**100,608**	**16,087**	**2,543**	**4,555**
Cash and cash equivalents	33,501				
Financial assets, associates	1,136				
Non-allocated assets *)	3,994				
Total assets	**162,424**				
Liabilities	14,869	13,469	619	158	623
Provisions and accrued liabilities	14,157	12,058	707	480	912
Pensions and related obligations	814	326	0	0	488
Deferred revenue	19,220	17,773	147	42	1,258
Segment liabilities	**49,060**	**43,626**	**1,473**	**680**	**3,281**
Non-allocated liabilities **)	9,651				
Total liabilities	**58,711**				

*) Non-allocated: Other assets (EUR 1,417 k), Income tax assets (EUR 1,363 k) and Deferred tax assets (EUR 1,214 k)

**) Non-allocated: Loans (EUR 4,700 k), Deferred tax liabilities (EUR 2,459 k) and Other liabilities (EUR 2,492 k)

Segment reporting by geographical region is as follows:

SEGMENT REPORTING – GEOGRAPHICAL REGION

Thousands of €	Revenues 2012	Fixed assets 2012	Additions to fixed assets 2012	Revenues 2011	Fixed assets 2011	Additions to fixed assets 2011
Germany	70,299	16,844	1,696	67,666	18,312	2,418
Abroad	104,790	72,284	5,007	96,345	76,319	3,153
Total	**175,089**	**89,128**	**6,703**	**164,011**	**94,631**	**5,571**

The group`s geographical secondary segment assets are based on the location of the group`s assets. Correspondingly, total assets of EUR 52,755 k (previous year: EUR 45,858 k) can be allocated to the German segment and total assets of EUR 112,248 k (previous year: EUR 116,566 k) to the segment Abroad.

Sales to external customers disclosed in the geographical segments are allocated to the various territories on the basis of the customer`s location.

[26] Subsequent events

There were no significant events subsequent to the balance sheet date.

[27] Related party disclosures

The group enters into transactions with its associates and related parties. These transactions are part of ordinary activities and are treated at arm`s length. Related parties are defined as parties who can at least be significantly influenced by the company or over whom the company can at least exercise significant influence. In addition to the management and supervisory boards, these also include family members and partners of the relevant people.

The following are among the most significant transactions of group companies:

(1) Rental of space as well as repairs from Concentra GmbH & Co. KG, Munich, amounting to a total of EUR 1,533 k (previous year: EUR 1,573 k).

(2) Use of services from Singhammer IT Consulting GmbH & Co. KG, Munich, amounting to a total of EUR 178 k (previous year: EUR 270 k).

The balance sheet does not contain any material open items relating to significant transactions with associates and related parties.

DISCLOSURES ON TRANSACTIONS PURSUANT TO § 15A WPHG (WERTPAPIERHANDELSGESETZ: GERMAN SECURITIES TRADING ACT)

Mr. Tim Alexander Lüdke, Spokesman management board (until October 19, 2012) of Nemetschek AG, and Mrs. Renate Lüdke, Konrad-Zuse-Platz 1, 81829 Munich, purchased 650 shares in Nemetschek AG on May 7, 2012. No further purchases or sales of shares in the company by the managing board or supervisory board pursuant to § 15a WpHG, so-called directors` dealings, were reported by themselves or by related parties in the fiscal year 2012. The directors` dealings that have to be disclosed can be seen on the website of Nemetschek Aktiengesellschaft.

DISCLOSURE REQUIREMENTS UNDER § 21 (1) WPHG

The direct and indirect voting rights of the following persons/institutions in Nemetschek Aktiengesellschaft as of December 31, 2012, were as follows:

Professor Georg Nemetschek, Munich: 25.11 % (previous year: 25.11 %)
Alexander Nemetschek, Munich: 28.46 % (previous year: 11.51 %)
Dr. Ralf Nemetschek, Munich: 28.46 % (previous year: 11.51 %)
Alexander Nemetschek, Munich: 28.46 % (previous year: 5.44 %)
Nemetschek Stiftung, Munich: 10.39 % (previous year: 10.39 %)
Axxion S.A., Luxembourg-Munsbach, Luxembourg: 3.05 % (previous year: 3.05 %)
Universal-Investment-Gesellschaft mbH, Frankfurt am Main: 3.00 %

The disclosures are based on the information reported to Nemetschek Aktiengesellschaft under §§ 21 ff. WpHG. The actual number of shareholder voting rights can deviate from the number disclosed due to interim, non-reportable or unreported trading.

SUPERVISORY BOARD

The members of the supervisory board of Nemetschek Aktiengesellschaft receive annual remuneration which contains both fixed and variable components. Remuneration of the supervisory board breaks down as follows:

REMUNERATION OF THE SUPERVISORY BOARD

2012 Thousands of €	Fixed components	Variable components	2012
Kurt Dobitsch	30.0	53.0	83.0
Prof. Georg Nemetschek	22.5	53.0	75.5
Rüdiger Herzog	15.0	53.0	68.0
Total	**67.5**	**159.0**	**226.5**

2011 Thousands of €	Fixed components	Variable components	2011
Kurt Dobitsch	30.0	63.0	93.0
Prof. Georg Nemetschek	22.5	63.0	85.5
Rüdiger Herzog	15.0	63.0	78.0
Total	**67.5**	**189.0**	**256.5**

MANAGING BOARD

Remuneration of the managing board breaks down as follows:

REMUNERATION OF THE MANAGING BOARD

2012 Thousands of €	Fixed components	Variable components (short-term)	Variable components (long-term)	Compensation	2012
Tanja Tamara Dreilich	146	133	0	0	279
Tim Alexander Lüdke	283	137	0	250	670
Total	**429**	**270**	**0**	**250**	**949**

2011 Thousands of €	Fixed components	Variable components (short-term)	Variable components (long-term)	2011
Tim Alexander Lüdke	64	45	0	109
Ernst Homolka	264	213	0	477
Total	**328**	**258**	**0**	**586**

Members of the managing board of Nemetschek Aktiengesellschaft were granted remuneration for the fiscal year 2012 of EUR 949 k (previous year: EUR 586 k) with a fixed component of EUR 429 k (previous year: EUR 328 k) and a short-term variable component amounting to EUR 270 k (previous year: EUR 258 k). The management board remuneration of Mr. Lüdke additionally includes a one-off compensation payment of EUR 250 k. This payment is not in connection with the resignation of Mr. Lüdke as managing board member but had already been agreed in terms of its basis in 2011 and was paid out in the first half of 2012. The detailed summary of and explanations to managing board remuneration can be seen in the management report of the company.

[28] Auditors' fees

The following fees for the auditors of the consolidated financial statements were recorded as expenses in the fiscal year:

AUDITORS' FEES

Thousands of €	2012	2011
Financial statements audit services	190	175
Other assurance services	0	6
Other services	72	27
Total	**262**	**208**

[29] Date of approval

The managing board approved the financial statements on March 8, 2013, to be passed on to the supervisory board.

Supervisory Board

[30]
Disclosures of the members of the Supervisory board and the Managing board of the company

Mr. Kurt Dobitsch (independent businessman)
Chairman

Member of the following supervisory boards:

- United Internet AG (Chairman)
- Bechtle AG
- DocuWare GmbH
- 1 & 1 Internet AG
- Graphisoft SE
- Singhammer IT Consulting AG

Prof. Georg Nemetschek (engineering degree, independent businessman)
Deputy Chairman

Mr. Rüdiger Herzog (lawyer)

Member of the following supervisory boards:

- Deutsche Finance AG (Chairman)
- Kaufhaus Ahrens AG (Chairman)

Managing board

Mrs. Tanja Tamara Dreilich
(Business degree)
CFO (from May 1, 2012)
Executive Board (from Oct. 30, 2012)

Member of the following supervisory boards:

- SCIA International NV (from Nov. 7, 2012)
- Graphisoft SE (from July 25, 2012)

Mr. Tim Alexander Lüdke
(Business degree)
Spokesman of the board / CEO
(until Oct. 19, 2012)

Member of the following supervisory boards:

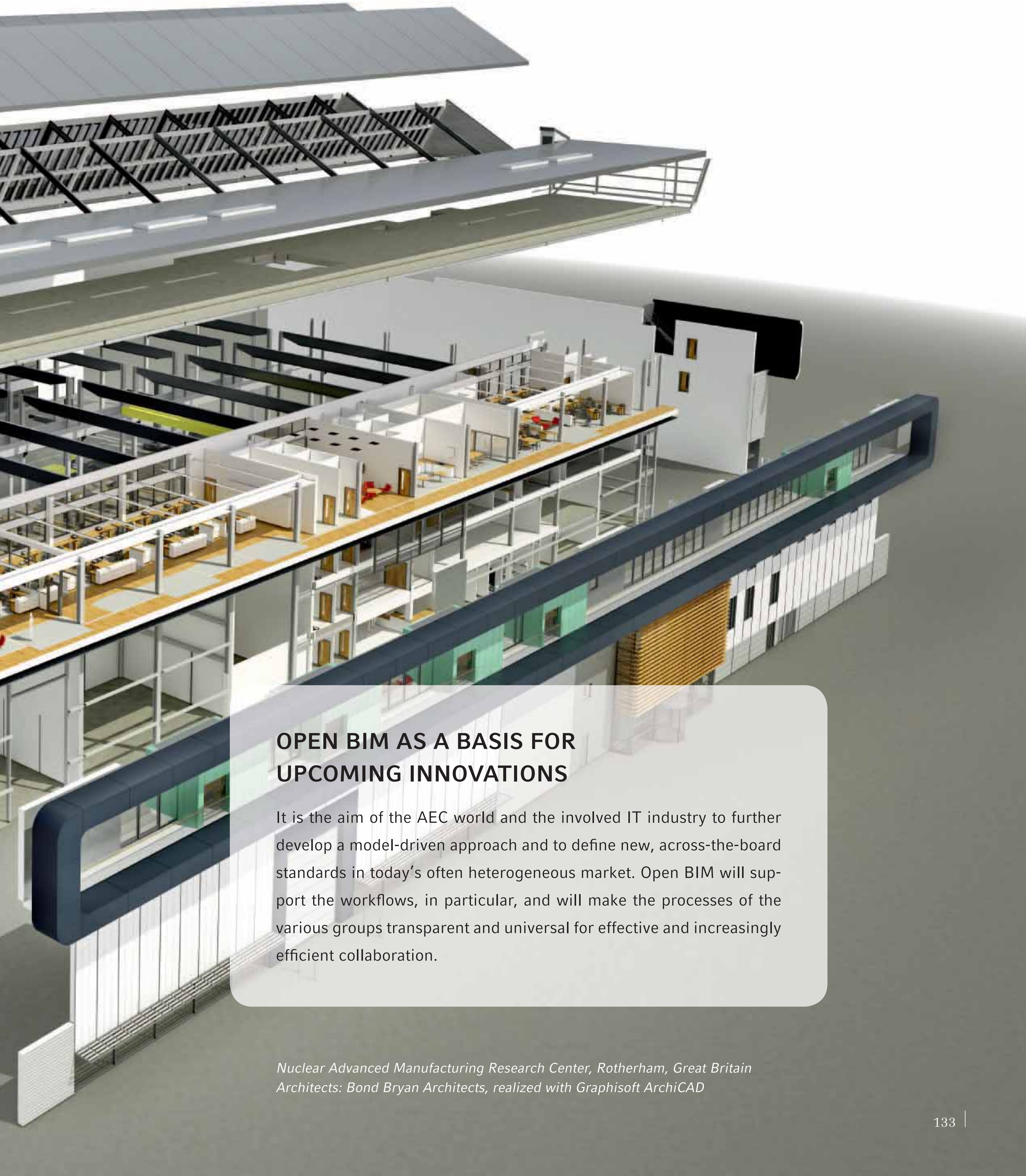
- SCIA International NV (until Oct. 19, 2012)
- Graphisoft SE (until Oct. 19, 2012)
- NEMETSCHEK Vectorworks Inc. (until Oct. 19, 2012)

Munich, March 8, 2013

Nemetschek Aktiengesellschaft

Tanja Tamara Dreilich

OPEN BIM™



OPEN BIM AS A BASIS FOR UPCOMING INNOVATIONS

It is the aim of the AEC world and the involved IT industry to further develop a model-driven approach and to define new, across-the-board standards in today's often heterogeneous market. Open BIM will support the workflows, in particular, and will make the processes of the various groups transparent and universal for effective and increasingly efficient collaboration.

Nuclear Advanced Manufacturing Research Center, Rotherham, Great Britain
Architects: Bond Bryan Architects, realized with Graphisoft ArchiCAD

Statements of Fixed Assets of the Group

as of December 31, 2012, and as of December 31, 2011

FIXED ASSETS OF THE GROUP

2012 Thousands of €	As of Jan. 1, 2012	Translation differences	Additions	Disposal	As of Dec. 31, 2012
	Development of historic costs				
I. Intangible assets					
Software, industrial and similar rights	77,535	132	1,819	103	79,383
Internally generated software	2,895		2,027		4,922
Goodwill	52,728	– 86			52,642
	133,158	**46**	**3,846**	**103**	**136,947**
II. Property, plant and equipment					
Other equipment, furniture and fixtures	14,995	267	2,324	922	16,664
	14,995	**267**	**2,324**	**922**	**16,664**
III. Associates/Investments					
Associates/Investments	10,815	0	533	0	11,348
	10,815	**0**	**533**	**0**	**11,348**
Total fixed assets of the group	**158,968**	**313**	**6,703**	**1,025**	**164,959**

2011 Thousands of €	As of Jan. 1, 2011	Translation differences	Additions	Disposal	As of Dec. 31, 2011
	Development of historic costs				
I. Intangible assets					
Software, Industrial and similar rights	76,911	– 278	1,324	422	77,535
Internally generated software	1,837	0	1,058	0	2,895
Goodwill	52,271	141	316	0	52,728
	131,019	**–137**	**2,698**	**422**	**133,158**
II. Property, plant and equipment					
Other equipment, furniture and fixtures	13,657	– 514	2,359	507	14,995
	13,657	**–514**	**2,359**	**507**	**14,995**
III. Associates/Investments					
Associates/Investments	10,301	0	514	0	10,815
	10,301	**0**	**514**	**0**	**10,815**
Total fixed assets of the group	**154,977**	**–651**	**5,571**	**929**	**158,968**

Development of accumulated depreciation/amortization						Carrying amount	
As of Jan. 1, 2012	Translation differences	Additions	Equity method	Disposal	**As of Dec. 31, 2012**	**As of Dec. 31, 2012**	As of Dec. 31, 2011
43,730	85	8,506	0	102	52,219	27,164	33,805
474	0	216	0	0	690	4,232	2,421
0	0	0	0	0	0	52,642	52,728
44,204	**85**	**8,722**	**0**	**102**	**52,909**	**84,038**	**88,954**
10,454	232	1,860	0	896	11,650	5,014	4,541
10,454	**232**	**1,860**	**0**	**896**	**11,650**	**5,014**	**4,541**
9,679	0	1,047	– 546	0	11,272	76	1,136
9,679	**0**	**1,047**	**–546**	**0**	**11,272**	**76**	**1,136**
64,337	**317**	**11,629**	**–546**	**998**	**75,831**	**89,128**	**94,631**

Development of accumulated depreciation/amortization						Carrying amount	
As of Jan. 1, 2011	Translation differences	Additions	Equity method	Disposal	**As of Dec. 31, 2011**	**As of Dec. 31, 2011**	As of Dec. 31, 2010
35,708	– 154	8,371	0	195	43,730	33,805	41,203
353	0	121	0	0	474	2,421	1,484
0	0	0	0	0	0	52,728	52,271
36,061	**–154**	**8,492**	**0**	**195**	**44,204**	**88,954**	**94,958**
9,466	– 430	1,711	0	293	10,454	4,541	4,191
9,466	**–430**	**1,711**	**0**	**293**	**10,454**	**4,541**	**4,191**
9,702	0	0	23	0	9,679	1,136	599
9,702	**0**	**0**	**23**	**0**	**9,679**	**1,136**	**599**
55,229	**–584**	**10,203**	**23**	**488**	**64,337**	**94,631**	**99,748**

Declaration of the legal representatives

“I hereby confirm that, to the best of my knowledge, in accordance with the applicable financial reporting framework, the consolidated financial statements give a true and fair view of the net assets, financial position and results of the group, and the group management report gives a true and fair view of business performance including the results of operations and the situation of the group, and describes the main opportunities and risks of the anticipated development of the group.“

Munich, March 8, 2013

T. Dreilich

Tanja Tamara Dreilich
Executive Board

Auditor`s report

We have issued the following unqualified auditor's report:

"We have audited the consolidated financial statements of Nemetschek Aktiengesellschaft, Munich, comprising the balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, together with the group management report, for the business year January 1 to December 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB ("Handelsgesetzbuch":German Commercial Code) are the responsibility of the company's managing board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch; "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the managing board, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a par. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development."

Munich, March 8, 2013

KPMG AG

Wirtschaftsprüfungsgesellschaft

Rupprecht	Querfurth
Wirtschaftsprüfer	Wirtschaftsprüfer

Fraunhofer Institute, Saarbrücken, Germany
Architects: woernerundpartner Planungsges. mbH, realized with Allplan

FINANCIAL STATEMENTS OF NEMETSCHEK AG (HGB)

Balance Sheet of Nemetschek Aktiengesellschaft

as of December 31, 2012, and as of December 31, 2011 (Statutory Accounts – German GAAP)

ASSETS in €	Dec. 31, 2012	Dec. 31, 2011
A. FIXED ASSETS		
I. Intangible Assets		
Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets	**349,118.37**	**226,167.40**
II. Property, plant and equipment		
1. Leasehold improvements	16,412.50	0.00
2. Fixtures, fittings and equipment	92,400.32	119,346.76
	108,812.82	**119,346.76**
III. Financial assets		
1. Shares in affiliated companies	132,887,264.16	132,887,264.16
2. Loans due from affiliated companies	0.00	102,500.00
3. Other loans	0.00	514,071.75
4. Investments	2,025,303.93	2,025,303.93
	134,912,568.09	**135,529,139.84**
TOTAL FIXED ASSETS	**135,370,499.28**	**135,874,654.00**
B. CURRENT ASSETS		
I. Accounts receivable and other assets		
1. Accounts receivable from trading	1,013.19	0.00
2. Accounts due from affiliated companies	3,036,092.86	3,683,187.01
3. Other assets	1,986,331.28	1,491,683.11
	5,023,437.33	**5,174,870.12**
II. Cash and cash equivalents	**17,769,226.42**	**7,558,634.39**
TOTAL CURRENT ASSETS	**22,792,663.75**	**12,733,504.51**
C. DEFERRED AND PREPAID EXPENSES	**51,290.80**	**216,093.56**
	158,214,453.83	**148,824,252.07**

EQUITY & LIABILITIES in €	Dec. 31, 2012	Dec. 31, 2011
A. EQUITY		
I. Subscribed capital	**9,625,000.00**	**9,625,000.00**
II. Capital reserve	**49,404,856.90**	**49,404,856.90**
III. Revenue reserve	**28,585,721.39**	**28,585,721.39**
IV. Retained earnings	**46,854,159.70**	**32,430,968.66**
TOTAL EQUITY	**134,469,737.99**	**120,046,546.95**
B. PROVISIONS AND ACCRUED LIABILITIES		
1. Accrued tax liabilities	0.00	20,337.11
2. Other provisions and accrued liabilities	4,489,183.27	5,706,532.76
TOTAL PROVISIONS AND ACCRUED LIABILITIES	**4,489,183.27**	**5,726,869.87**
C. LIABILITIES		
1. Bank liabilities	0.00	4,700,000.00
2. Trade accounts payable	205,515.80	144,664.52
3. Accounts due to affiliated companies	17,860,100.49	16,990,850.63
4. Other liabilities – thereof taxes: EUR 867,917.23 (prior year: EUR 976,186.06)	1,189,916.28	1,215,320.10
TOTAL LIABILITIES	**19,255,532.57**	**23,050,835.25**
	158,214,453.83	**148,824,252.07**

Profit and Loss Account of Nemetschek Aktiengesellschaft

for the period from January 1 to December 31, 2012 and 2011 (Statutory Accounts – German GAAP)

in €	Jan. 1 – Dec. 31, 2012	Jan. 1 – Dec. 31, 2011
1. Revenues	2,004,070.66	1,918,944.42
2. Other operating income	1,610,619.05	1,070,221.48
Operating income	**3,614,689.71**	**2,989,165.90**
3. Personnel expenses		
a) Wages and salaries	– 2,766,405.27	– 3,088,796.24
b) Social security, pension and other benefit costs – thereof for pension: EUR 6,473.20 (prior year: EUR 9,520.16)	– 261,837.14	– 302,291.35
4. Depreciation and amortization of intangible assets, property, plants and equipment	– 240,963.23	– 194,876.32
5. Other operating expenses	– 4,576,850.19	– 5,722,620.56
Operating expenses	**–7,846,055.83**	**–9,308,584.47**
Operating results	**–4,231,366.12**	**–6,319,418.57**
6. Income from investments – thereof from affiliated companies: EUR 25,264,272.17 (prior year: EUR 21,002,783.67)	25,264,272.17	21,002,783.67
7. Income from profit and loss transfer agreements	7,072,699.10	10,234,591.83
8. Income from marketable securities and loans – thereof from affiliated companies: EUR 0.00 (prior year: EUR 37,174.51)	33,212.78	51,246.26
9. Other interest and similar expenses	742,955.29	481,030.64
10. Interest and similar expenses – thereof from affiliated companies: EUR 78,619.47 (prior year: EUR 299,121.38)	– 1,614,522.72	– 2,057,960.68
11. Depreciation on financial assets	– 1,047,284.53	0.00
12. Profit from ordinary operations	**26,219,965.97**	**23,392,273.15**
13. Taxes on income	– 728,024.93	– 519,877.07
14. Net income	**25,491,941.04**	**22,872,396.08**
15. Profit carried forward from previous year	21,362,218.66	9,558,572.58
16. Allocation to other Revenue Reserves according to Section § 58 (IIa) AktG	0.00	0.00
17. Retained earnings	**46,854,159.70**	**32,430,968.66**

Financial Calendar 2013

March 28, 2013	April 30, 2013	May 16, 2013
Publication Annual Report 2012	Publication Quarterly Statement 1/2013	Annual General Meeting
March	April	May

PICTURES

cover outside:	Museum Centre Pompidou, Metz Structural engineer: CHP GmbH
cover inside:	© Nemetschek AG
page 3 and page 104–105:	Museum Confluence, Lyon Engineering office: Tractebel Engineering
page 4:	Bridge De Oversteek, Nijmegen Architects: Ney & Partner © Design: Ney-Poulissen Architects & Engineers / Image bmd
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page 44–45:	Museum of Modern Art, Odessa Architect: Dmitriy Sivak
page 56–57:	Arboleda Building, Santo Domingo Architects: Modo Forma, Illustration: Luis Ruiz
page 64–65:	Syndicate Prologue Illustration: Design Agency Vincent
page 78–79:	Headquarters HUGO BOSS Industries, Coldrerio Architects: Matteo Thun
page 118–119:	Paul Bocuse Hall, EUREXPO, Lyon Engineering office: ACCESOM SARL
page 132–133:	Nuclear Advanced Manufacturing Research Center, Rotherham Architects: Bond Bryan Architects
page 138–139:	Fraunhofer Institute, Saarbrücken Architects: woernerundpartner Planungsges.mbH
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July 31, 2013
Publication
First-Half Report 2013

October 31, 2013
Publication
Quarterly Statement 3/2013

November 11 – 13, 2013
German Equity Forum
Frankfurt/Main

July

October

November

PUBLICATION DETAILS

Copyright 2013
Nemetschek AG, Munich

Concept and Editorial Office
Nemetschek AG (Investor Relations)

Design and Realization
double com GmbH, Unternehmensberatung für Marketing & Kommunikation, Munich

Producer
Eberl Print, Immenstadt

Certification

carbon neutral
natureOffice.com | DE-141-065552
print production

PEFC
PEFC/04-31-0805

Cover picture: Museum Centre Pompidou, Metz
Structural engineer: CHP GmbH

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