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**Quarterly Statement as at March 31, 2005**

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## To the shareholders, employees, and friends of the company

### Dear Sir or Madam,

Overall, we are satisfied with the start to the current fiscal year. The Nemetschek Group's outlook for 2005 is healthy: The company has a clear structure, employees and management are motivated, and we have a good national and international position with innovative products for the design, construction, and management of buildings and real estate.

2005 got off to a good start with the international BAU trade fair, which took place in Munich at the end of January. At this important industry event, Nemetschek presented new solutions for the construction industry, which is experiencing various changes. The main focus was on those products and services that help the building industry to manage their building projects more cost-effectively and efficiently in economically difficult times. Domestic and international customers and visitors were impressed by our product presentation and demonstrations of new ideas and technologies. We embarked on this new year riding this wave. Invoiced sales – comparable to order receipts – are around 2.5 percent higher than last year. While domestic business in the first quarter saw a fall compared

to last year as a result of the still difficult economic situation, international business enjoyed considerable growth. In the first quarter, the Nemetschek Group reported sales revenues of 22.2 million euros (previous year 23.0). We were able to improve the operating result considerably: The EBITA is 2.0 million euros (previous year 1.8); the net income is 1.5 million euros.

The company thus reinforced the trend of recent quarters with continued improvement in profits, and solid financial development is expected for the long term. This is confirmed by the positive development of the share price over many months and the positive response in the media and from analysts.

Because of the good business situation and the high liquid assets in the Group the managing board and supervisory board will recommend the payout of a basic dividend of 0.50 euros and a bonus dividend of 1.50 euros at the general meeting on May 20, 2005.

We expect the positive development to continue throughout 2005 for both sales and earnings. The response at BAU 2005, the



positive feedback from our many sales activities at home and abroad, and the wide acceptance of new products and services give us every cause for optimism.

Best regards,

Gerhard Weiß  
Chairman of the managing board

### Nemetschek Group at a glance

	in millions of €	March 31, 2005	March 31, 2004	Change
Sales revenue		22.2	23.0	- 3.5 %
Operating income		22.4	23.5	- 4.7 %
Gross profit		20.7	21.3	- 2.5 %
as % of sales revenue		93.4 %	92.4 %	
EBITA		2.0	1.8	8.5 %
as % of sales revenue		8.9 %	7.9 %	
EBIT		2.0	1.0	92.5 %
as % of sales revenue		8.9 %	4.5 %	
Net income (Group shares)		1.5	0.5	202.9 %
per share in €		0.15	0.05	
Net income before goodwill amortization		1.5	1.3	15.0 %
per share in €		0.15	0.13	
Cash flow for the period		2.9	2.6	10.8 %
Cash and cash equivalents		43.6	39.0	11.6 %
Equity		61.8	59.9	3.2 %

## Good isn't good enough for us

Nemetschek has big plans for 2005, namely the regeneration of growth. Our focus on our customers, our market alignment, our technology leadership, and our exceptional services will all play a key role in achieving this aim. In the area of customer services, in particular, Nemetschek is taking a leading role. We realized at an early stage that in addition to providing modern IT tools offering high quality service would be another decisive factor in our favor: Our customers should always receive the best with regard to the latest technology, accompanied by the best possible support through a modern and capable hotline service.

Our activities in the area of service have paid off, and customer loyalty programs have enabled us to build up long-term relationships that are also an important element for the future. While our competitors have repeatedly tried to copy our services, we are always one step ahead in developing ourselves. Today we offer unrivaled customer benefits, ranging from an Internet portal that provides our customers with practical tips and expert support around the clock right through to up-to-date purchasing associations that help to save costs. We even provide support for order acquisitions and have set up an Internet search engine for planners, which our service customers can use to present potential building clients. This can thus generate initial orders and this is a feature we are proud of as we want to provide our customers with more than just software maintenance. True to our motto: Good isn't good enough for us.

Another example of how focused Nemetschek is on the requirements of its customers and how we react directly to the latest market developments is revealed in the Europe-wide architect survey that we commissioned. A total of 750 architecture and engineering firms and structural design offices in Germany, Austria, Switzerland, Italy, France, Spain, and the Czech Republic were polled in this survey. The study revealed which solution models

architects and engineers can use to successfully meet the challenges of the future. It showed that architects and engineers are changing their approach and are increasingly becoming involved in new fields of activity and market segments, such as wider consulting services, project control, general planning, or facility management.

Our study also showed that within Europe the subject of cost planning and the process of calling for tenders, awarding contracts, and accounting are becoming particularly important, all of which reinforce our position as these are all areas in which we have a leading role. Another notable point is that planners particularly want to invest in software for their future security and rate this very highly. We will extensively incorporate the wishes expressed by the survey participants in our software development, because as a technology leader practical relevance is of central importance to us. The strengths of our software solutions are demonstrated by the national theatre in Darmstadt that is currently under construction, the Europapark Rust project, or the renovation of the Philharmonic Hall in Essen – at these and many other building projects Nemetschek software is used.

Another example highlights the Nemetschek Group's focus on practice. At the request of SAH Stahlwerk Annahütte, one of the leading providers of reinforcement technology in Germany, GLASER ISB CAD Programm-systeme GmbH developed a program enhancement that shortens processing times and avoids sources of error. The new software solution enables reinforced

concrete constructions to be planned and built more effectively and thus makes a very valuable contribution to process optimization.

Nemetschek Bausoftware GmbH has also taken on board suggestions resulting from close communication with customers and prospects, and organized a large customer event in the first quarter. The number of visitors exceeded our expectations and led to many new inquiries from prospects. The central focus was the BAU financials industry solution, which has been continuously developed since its launch in 1997 and adapted to the latest trends and developments in current practice. In many areas, it is one step ahead of the ERP market segment.

The visualization solutions from MAXON Computer GmbH are also far ahead of the competition, as new reports in the 01/2005 edition of the Computer Arts magazine reveal. Moreover, we were able to win an important new customer in the shape of Framestore CFC, Europe's largest visual effects and computer animation company.

Abroad, our activities are increasingly bearing fruits. Based on the good economic situation in Spain, we have extended our branch there and were able to achieve strong sales growth there. We have similarly increased sales in general in international partner business by strengthening our partner programs. We will continue with this strategy for the whole business year and together with partners we will invest to expand local sales networks in the UK, Poland, and Turkey, for example.



The general planning firm CHP used Allplan to design an Italian town in the Europapark Rust.



## Nemetschek earnings improve again in the first quarter

Business development in the first quarter of 2005 was positive overall. With an operating result of around 2 million euros, Nemetschek has been able to continue the positive development of earnings and improve the company's financial resources.

The Design, Build, Manage, and New Business Opportunities (NBO) business units and the regional markets made different contributions to this development. International activities saw positive growth, while domestic sales remained under the previous year's level.

### Considerable increase in software service sales

As a result of higher sales from software service contracts and order receipts, the invoiced sales increased by 2.5% compared with the same period of the previous year. Contrary to this development, required deferrals saw a slight fall in sales on the basis of sales revenue of 3.5%. Sales revenues were 22.2 million euros compared to 23.0 million euros in the previous year. Deferred sales will lead to sales revenues in the coming months.

### Successful development of international business

In the first quarter, the proportion of foreign sales rose to 11.6 million euros, corresponding to 52 percent of total sales compared to 45 percent in the previous year. Domestic sales were 10.6 million euros compared to 12.7 million euros in the previous year.

Sales for the Design and NBO business units remained at the previous year's level. The Build business unit saw a fall of 0.3 million euros because of a large order won in the same period of the previous year. The sales revenues in the Manage business unit were below the previous year's level.

### Operating result (EBITA)

#### 8.5% higher than previous year

The fall in sales of 0.8 million euros was accompanied by a lower cost of sales of 0.7 million euros because of the reduction in sales of third-party products. Other operating expenses and depreciation also fell by 0.5 million euros. The EBITA (earnings before interest, taxes and amortization) was 2 million euros compared to 1.8 million euros in the previous year.

### Consolidated Income Statement for the period from January 1 to March 31, 2005 and 2004

in thousands of €	1 <sup>st</sup> quarter 2005	1 <sup>st</sup> quarter 2004
Sales	22,208	23,022
Other operating income	205	430
<b>Operating income</b>	<b>22,413</b>	<b>23,452</b>
Cost of materials/cost of purchased services	- 1,666	- 2,425
Personnel expenses	- 10,785	- 10,739
Depreciation of property, plant and equipment	- 853	- 979
Goodwill amortization	0	- 797
Other operating expenses	- 7,126	- 7,482
<b>Operating expenses</b>	<b>- 20,430</b>	<b>- 22,422</b>
<b>Operating result</b>	<b>1,983</b>	<b>1,030</b>
Interest income	146	86
Interest expenses	- 18	- 12
Income from associated enterprises	35	0
<b>Earnings before taxes and minority interests</b>	<b>2,146</b>	<b>1,104</b>
Income taxes	- 581	- 364
<b>Net income before minority interests</b>	<b>1,565</b>	<b>740</b>
Minority interests in net income	- 87	- 252
<b>Consolidated net income</b>	<b>1,478</b>	<b>488</b>
Earnings per share in € (basic)	0.15	0.05
Earnings per share in € (diluted)	0.15	0.05
Earnings per share in € (before goodwill amortization)	0.15	0.13
Average number of shares outstanding (basic)	9,625,000	9,625,000
Average number of shares outstanding (diluted)	9,625,000	9,625,000

### Operating result increased significantly as a result of removal of goodwill amortization

The removal of goodwill amortization in accordance with the new IFRS 3 means that for the first time goodwill is no longer amortized as planned, which led to a removal of goodwill amortization of 0.8 million euros. Overall, the operating result improved from 1.0 million euros in the previous year to 2.0 million euros. The financial result also improved by around 0.1 million euros.

### Net income much higher than in the previous year

In the first three months of 2005, the Nemetschek Group reported a consolidated net income of 1.5 million euros (previous year 0.5 million euros; previous year before goodwill amortization 1.3 million euros). The take-up of the option of the remaining 25 % share in ING. AUER – Die Bausoftware GmbH led to a much lower proportion of minority interests in the net income.

### Cash flow for the period increased by 10%

In the first quarter, the cash flow for the period increased from 2.6 million euros to 2.9 million euros. The cash flow from ordinary business activities was 4.6 million euros compared to 6.3 million euros in the previous year. The take-up of the option for the remaining 25 % of ING. AUER – Die Bausoftware GmbH led to capital expenditure of 5.1 million euros (previous year 0.4 million euros) and a change in the liabilities from acquisitions of around 4.8 million euros.

The Group was able to increase liquid assets by 4.4 million euros to 43.6 million euros during the first three months of the 2005 business year. On December 31, 2004 liquid assets were 39.0 million euros.

### Consolidated balance sheet as of March 31, 2005 and December 31, 2004

Assets	in thousands of €	March 31, 2005	Dec 31, 2004
<b>Current assets</b>			
Cash and cash equivalents		43,570	39,033
Trade receivables, net		14,518	13,406
Receivables from associated enterprises		157	133
Inventories		659	587
Tax refund claims for income taxes		829	316
Prepaid expenses and other current assets		2,625	2,359
<b>Current assets, total</b>		<b>62,358</b>	<b>55,834</b>
<b>Fixed assets</b>			
Property, plant and equipment		3,465	3,589
Intangible assets		2,381	2,742
Goodwill		28,005	23,273
Shares in associated enterprises		444	409
Deferred taxes		1,153	1,153
Other fixed assets		495	495
<b>Fixed assets, total</b>		<b>35,943</b>	<b>31,661</b>
<b>Assets, total</b>		<b>98,301</b>	<b>87,495</b>

Equity and liabilities	in thousands of €	March 31, 2005	Dec 31, 2004
<b>Current liabilities</b>			
Short-term loans and current portion of long-term loans		1,403	1,403
Trade payables		2,432	4,288
Payments received on account of orders		49	48
Provisions and accrued liabilities		8,160	9,026
Deferred income		15,049	6,840
Income taxes		784	669
Other current liabilities		7,264	3,933
<b>Current liabilities, total</b>		<b>35,141</b>	<b>26,207</b>
<b>Long-term liabilities</b>			
Deferred taxes		898	948
Pension provisions		421	413
<b>Long-term liabilities, total</b>		<b>1,319</b>	<b>1,361</b>
<b>Equity</b>			
Subscribed capital		9,625	9,625
Capital reserve		46,353	46,345
Currency translation		-2,852	-3,037
Accumulated profit		7,857	6,154
Minority interests		858	840
<b>Equity, total</b>		<b>61,841</b>	<b>59,927</b>
<b>Equity and liabilities, total</b>		<b>98,301</b>	<b>87,495</b>

### Consolidated cash flow statement for the period from January 1 to March 31, 2005 and 2004

in thousands of €	1 <sup>st</sup> quarter 2005	1 <sup>st</sup> quarter 2004
Net result (before tax)	2,059	852
Change in pension provisions	9	8
Amortization and depreciation of fixed assets	853	1,776
<b>Cash flow for the period</b>	<b>2,921</b>	<b>2,636</b>
Interest income	- 146	- 86
Interest expenses	18	12
Change in provisions and accrued liabilities	- 866	- 409
Change in inventories, trade receivables, other assets	- 1,982	- 1,657
Change in trade payables, other liabilities	4,973	6,265
Income taxes received	146	86
Income taxes paid	- 517	- 539
<b>Cash flow from operating business activities</b>	<b>4,547</b>	<b>6,308</b>
Capital expenditure	- 5,075	- 407
Change in liabilities from acquisitions	4,800	- 230
<b>Cash flow from investing activities</b>	<b>- 275</b>	<b>- 637</b>
Interest paid	- 18	- 12
Revenue from the sale of company shares	173	0
<b>Cash flow from financing activities</b>	<b>155</b>	<b>- 12</b>
<b>Changes in cash and cash equivalents</b>	<b>4,427</b>	<b>5,659</b>
Effect of exchange rate differences on cash and cash equivalents	110	125
<b>Cash and cash equivalents at the beginning of the period</b>	<b>39,033</b>	<b>29,834</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>43,570</b>	<b>35,618</b>

### Solid balance sheet structure

The balance sheet total rose to 98.3 million euros compared to 87.5 million euros on December 31, 2004. This rise was caused by an increase in the liquid assets and the first-time inclusion of the remaining 25% shares of ING. AUER – Die Bausoftware GmbH goodwill in the consolidated statement. Current liabilities rose by 8.9 million euros, which was due on the one hand to the increased deferred income and on the other hand to the acquisition of ING. AUER – Die Bausoftware GmbH. In accordance with the contract, the purchase price for ING. AUER will be paid in 2006.

The equity capital is 61.8 million euros, which corresponds to an equity ratio of over 60%.

### 2 euros dividend to shareholders

The managing board and supervisory board will recommend a dividend of 2.00 euros per share at the general meeting on May 20, 2005. The dividend consists of a basic dividend of 0.50 euros and a bonus dividend of 1.50 euros.

### Outlook

For 2005 as a whole, the managing board expects continued sales growth in international business. The main growth markets are North America and Western Europe. The development in Germany will probably stabilize and remain at the previous year's level. On the basis of the expected positive business development and the low variable costs usual in the software industry, the company expects the operating result to increase again in 2005.

### Group segment information for the period from January 1, to March 31, 2005 und 2004

in millions of €	2005 Sales revenue	Amortization and depreciation	EBIT	2004 Sales revenue	Amortization and depreciation	EBIT
Design	16.6	0.7	1.2	16.8	1.1	0.9
Build	2.9	0.0	0.8	3.2	0.4	0.7
Manage	1.2	0.0	-0.4	1.5	0.1	-0.6
<b>Key business units</b>	<b>20.7</b>	<b>0.7</b>	<b>1.6</b>	<b>21.5</b>	<b>1.6</b>	<b>1.0</b>
NBO	1.5	0.1	0.4	1.5	0.2	0.0
<b>Total</b>	<b>22.2</b>	<b>0.8</b>	<b>2.0</b>	<b>23.0</b>	<b>1.8</b>	<b>1.0</b>

### Statement of changes in Group equity for the period from January 1, 2004 to March 31, 2005

in thousands of €	Capital stock	Capital reserve	Revenue reserves	Currency translation	Accumulated profit	Group shares	Minority interests	Group total
As of January 1, 2004	9,625	47,110	3,579	-2,410	-3,628	54,276	620	54,896
Reorganization of reserves		-765	-3,579		4,344	0		0
Changes, minority interests						0	220	220
Difference from currency translation				-627		-627		-627
Net income					5,438	5,438		5,438
As of December 31, 2004	9,625	46,345	0	-3,037	6,154	59,087	840	59,927
Sale of company shares		8			225	233		233
Changes, minority interests						0	18	18
Changes, currency translation				185		185	0	185
Net result					1,478	1,478	0	1,478
As of March 31, 2005	9,625	46,353	0	-2,852	7,857	60,983	858	61,841

### Number of shares held by directors as of March 31, 2005

	Number of shares	Subscription rights
<b>Managing board</b>		
Gerhard Weiß	26,092	0
Dr. Peter Mossack	1,000	0
Michael Westfahl	0	0
<b>Supervisory board</b>		
Kurt Dobitsch	0	0
Prof. Georg Nemetschek	3,646,657	0
Rüdiger Herzog	0	0
Company shares owned by Nemetschek AG	0	0

## Quarterly statement according to IAS

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

December 31, 2004. For the first time, the planned goodwill amortization was removed for the period and the new IFRS 3 ("impairment-only approach") was applied. In addition to Nemetschek AG, the group of companies includes the following direct and indirect interests:

### Indirect Interests

Nemetschek Deutschland GmbH, Munich  
Nemetschek Technology GmbH, Munich  
NEMETSCHKEK NORTH AMERICA Inc., Columbia, USA  
NEMETSCHKEK FRANCE SARL; Asnières, France  
NEMETSCHKEK Fides & Partner AG, Wallisellen, Switzerland  
NEMETSCHKEK ITALIA SRL, Trento, Italy  
NEMETSCHKEK Ges.m.b.H., Salzburg, Austria  
NEMETSCHKEK ESPANA S.A., Madrid, Spain  
NEMETSCHKEK (UK) Ltd., Bedford, Great Britain  
NEMETSCHKEK Slovensko s.r.o., Bratislava, Slovak Republic  
NEMETSCHKEK s.r.o., Prague, Czech Republic  
NEMETSCHKEK kft., Budapest, Hungary  
NEMETSCHKEK OOO, Moscow, Russia  
acadgraph CAD STUDIO GmbH, Munich  
Friedrich + Lochner GmbH, Stuttgart  
Glaser ISB CAD Programmsysteme GmbH, Wennigsen  
Nemetschek Bausoftware GmbH, Achim  
ING. AUER – Die Bausoftware GmbH, Mondsee, Austria  
Nemetschek CREM Solutions GmbH & Co. KG, Ratingen Velbert  
Nemetschek CREM Verwaltungs GmbH, Munich  
Nemetschek Engineering GmbH, Salzburg, Austria  
MAXON Computer GmbH, Friedrichsdorf  
DocuWare AG, Germering  
Sidoun GmbH, Freiburg  
NEMETSCHKEK EOOD, Sofia, Bulgaria  
TraiCen IT Training & Consulting GmbH, Munich  
Nemetschek Verwaltungs GmbH, Munich

### Direct Interests

MAXON COMPUTER Inc., Thousand Oaks, California, USA  
MAXON Computer Ltd., Bedford, Great Britain

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Nemetschek AG  
Konrad-Zuse-Platz 1  
81829 Munich  
Germany  
Tel.: +49 (0) 89-9 27 93-1219  
Fax: +49 (0) 89-9 27 93-5404  
email: [investorrelations@nemetschek.de](mailto:investorrelations@nemetschek.de)  
[www.nemetschek.de](http://www.nemetschek.de)