



2000/2001

Annual Report



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All amounts in CHF	July–June 2000/2001	July–June 1999/2000	April–June 2001	April–June 2000
Revenue	27,325,477.57	19,637,036.36	6,533,988.59	5,660,628.38
% increase	+39.15		+15.43	
Operating profit (excl. IPO-related expenses)	1,482,797.26	5,975,709.51	-295,576.70	1,392,757.26
in % of revenue	5.4	30.4	-4.5	24.6
Operating profit (incl. IPO-related expenses)	992,584.98	5,975,709.51	-295,576.70	1,392,757.26
Net profit (excl. IPO-related expenses)	1,982,728.88	4,527,215.43	306,204.69	989,980.31
in % of revenue	7.3	23.1	4.7	17.5
in % of shareholders' equity	3.3	47.1	1.9	10.3
Net profit (incl. IPO-related expenses)	1,614,518.31	4,527,215.43	306,204.69	989,980.31
Net cash flow from operating activities	5,406,864.00	3,312,591.00	3,468,580.00	178,000.00
in % of revenue	19.8	16.9	53.1	3.1
Capital expenditures	3,026,252.00	2,608,085.00	79,101.00	1,366,518.00
Depreciation	1,738,247.66	736,589.13	520,418.56	185,071.33
Capacity of persons employed (equivalent to full-time positions)	138.0	73.3	140.6	93.4
Capacity of freelancers	9.5	7.1	3.0	5.4
Capacity, incl. freelancers	147.5	80.4	143.6	98.8
Revenue per person (capacity, incl. freelancers)	185,257.48	244,241.75	45,501.31	57,293.81
Personnel expenses per person	128,883.01	133,691.21	35,127.19	32,143.32
Headcount per June 30			141	127
Earnings per share – basic	1.72	13.31	0.40	24.75
Shareholders' equity per share	53.38	28.26	–	–
Share prices				
High	287.50	–	73.50	–
Low	40.00	–	40.00	–
Issue price	200.00	–	200.00	–
Market capitalization (in CHF m)				
High	307.6	–	78.6	–
Low	42.8	–	42.8	–
As at issue date	214.0	–	214.0	–

All amounts in CHF	30 June 2001	30 June 2000
Total assets (in CHF)	61,763,755.36	13,117,637.30
Shareholders' equity	56,732,565.47	9,614,309.50
Equity ratio (in %)	91.85	73.30

Profile

Crealogix is one of the leading e-business services companies in Switzerland and also supports the profitable Internet applications of larger firms in Europe. Our core competencies include consulting, technology and multimedia/design.

Crealogix offers e-strategy consulting, and designs and implements business-critical Internet applications. The focus is always on customer needs and the quickest possible market launch.

Dates for your diary

- 4 October 2001
Annual General Meeting at the Lake Side Casino Zurichhorn, Zurich
- 27 November 2001
Interim report, Q1 2001/2002
- 26 February 2002
Interim report, Q2 2001/2002
- 28 May 2002
Interim report, Q3 2001/2002

Investor Relations Officers

Bruno Richle, CEO
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Dr. Jürg Neck, CFO
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www.crealogix.com

Dividend policy

The Board of Directors will propose to the Annual General Meeting that no dividends be paid for the annual year 2000/2001. The general strategy is for profits to be reinvested in the company's expansion plans.

Major shareholders/lock-up agreements

The following shareholders held a voting share of more than 5 percent as of 30 June 2001:

Shareholder	Voting share	Number of shares	Of which blocked until	
			7.9.2001	7.9.2002
– Bruno Richle	22.30%	238,567	238,567	119,284
– Dr. Richard Dratva	22.30%	238,567	238,567	119,284
– Daniel Hildebrand	15.55%	166,346	166,346	83,173
– Peter Süsstrunk	7.34%	79,520	79,520	39,760

Key figures – shares

Total number of shares in circulation	1,070,000
of which publicly held	347,000
in %	32.43
Net assets per share in CHF	53.38
Earnings per share in CHF – undiluted	1.72
Share price in CHF	
30.6.2001	64.00
High (8.9.2000)	287.50
Low (4.4.2001)	40.00
Issue price (7.9.2000)	200.00
Market capitalization in CHF m	
30.6.2001	68.48
High (8.9.2000)	307.60
Low (4.4.2001)	42.80
Issue price (7.9.2000)	214.00

Trading platform and ticker symbols

Since 7 September 2000, registered shares (par value CHF 10.–) in CREALOGIX Holding AG have been listed on the SWX New Market under security ID number 1111570.

Ticker symbols:

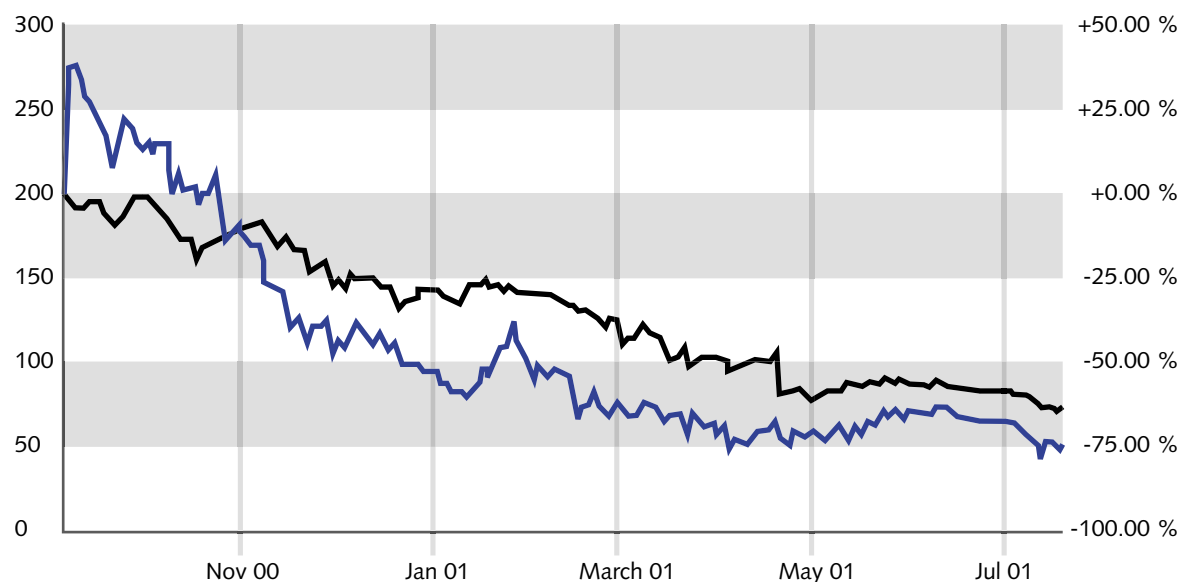
Telekurs	CLXN
Reuters	CLXZn. S
Bloomberg	CLXN SW

Trading volumes

Between the start of trading and 30 June 2001, a total of 688,712 Crealogix shares, worth CHF 133 million, had been traded. The average daily volume was 3,393 shares, worth CHF 655,089.

Price movements, 7 September 2000 to 30 June 2001

all amounts in CHF



Symbols	Period High	Period Low	Period Change (%)
CREALOGIX N	287.50	40.00	-150.00 (-75.00%)
SNMI	1843.66	632.76	-1164.86 (-64.20%)



Dr. Richard Dratva

CSO, Vice Chairman of the Board of Directors and member of the Executive Board



Dr. Louis-Paul Wicki

CEO Switzerland and member of the Executive Board



Dr. Jürg Neck

CFO and member of the Executive Board



Ditmar Kerkhoff

CEO Germany



Dr. Christoph Schmid

Member of the Board of Directors



Prof. Dr. Conrad Meyer

Member of the Board of Directors

Bruno Richle

CEO & Chairman of the
Board of Directors



Dear Shareholders

Dear Colleagues

Dear Friends

In our first annual report as a listed company, it gives us great pleasure to tell you about a generally upbeat financial year 2000/2001. All of our key operating figures are positive and Crealogix remains financially robust.

Thanks to the rapid action we took in February of this year to align our cost structures with our sales trend, the Crealogix Group succeeded in ending fiscal 2000/2001 in the black. Sales for the reporting period of CHF 27.3 million and EBIT (earnings before interest and taxes) of CHF 1.0 million were as forecast in February 2001. Although lower than at the time of the company's IPO, these figures show that the Crealogix Group has successfully withstood difficult market conditions – indeed, it is one of the very few in its sector to have done so.

Sales and earnings:

The 2000/2001 financial year saw the Crealogix Group raise its sales by 39 percent year-on-year to CHF 27.3 million. At CHF 1.0 million, or 3.6 percent of sales, EBIT was 83 percent lower than the previous

year. Adjusted for IPO-related expenditure, EBIT was CHF 1.5 million or 5.4 percent of sales. The Crealogix Group posted a net profit of CHF 1.6 million for the year under review – the IPO-adjusted figure was CHF 2.0 million (previous year: CHF 4.5 million).

Headcount and operating costs:

In the third quarter, staff numbers were adjusted in line with slower market growth. With a headcount of 141 as at the end of the financial year, we are now within the band anticipated in our staffing and earnings targets. Indeed, the current number and structure of our personnel will allow us to respond flexibly to the needs of the market.

The cost streamlining programme that began in February of this year will have a positive impact on earnings at the Crealogix Group. "Other operating expenses", which amounted to 17 percent of sales in the 2000/2001 financial year, will be reduced to 15 percent for the coming year. By maintaining strict cost management, we can also help to keep future operating costs at a level appropriate to market growth.

Market growth and positioning:

In contrast to the major analysts' forecasts issued as late as spring 2000, growth in the market for e-business projects slowed down sharply in the 2000/2001 financial year. These developments forced the Crealogix Group to revise its expectations in line with the generally downward trend. However, we redoubled our sales and marketing efforts and succeeded in winning major contracts, despite the challenging economic climate. e-business projects for Ascom, Bank Cial, the Bon appétit Group, Swiss Post, Hilti, Holcim (formerly Holderbank) and Peugeot, as well as attractive contracts for existing customers such as Credit Suisse and Julius Baer IFS (JBIFS), all helped to consolidate our position as Switzerland's most successful listed e-business service provider. Furthermore, with the opening of our branch office in Frankfurt, we laid the foundation for cautious expansion into other German-speaking countries in Europe.

Crealogix branch offices:

In November 2000 we opened our new branch office in Basel, followed by our Frankfurt office in January 2001. Both offices are on target in terms of both staff and market acceptance, with major regional orders

won after only a short time in operation. The Frankfurt office, for example, was able to carry out its first major project for a German direct bank just two months after opening.

The unsatisfactory development of the market for Internet services in North America in recent months has caused us to withdraw from this market for the time being. The Group's further, prudent expansion will focus on central Europe, where earnings prospects and market conditions are more favourable.

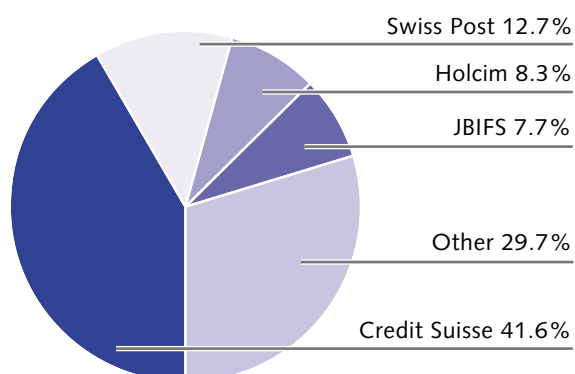
Share price:

Registered shares in CREALOGIX Holding AG were first traded on SWX Swiss Exchange on 7 September 2000 at an issue price of CHF 200.–. The high for last financial year – CHF 287.50 – was reached on 8 September 2000. Sharp corrections on the international technology markets, and in the New Market segment in particular, subsequently took hold. As at 30 June 2001, the Crealogix share price stood at CHF 64.–.

A vote of thanks:

Over the past financial year, our staff have shown active and loyal support amid great market volatility. The Board of Directors and Group management would like to thank them for their commitment, which has made a significant contribution to the satisfaction of our customers and therefore also to the success of the company. Thanks also go to our customers for once more setting us the challenge of their projects, and to our partners, who have helped us to meet these challenges. Finally, we would like to thank our shareholders, whose financial faith has supported us since our IPO. A personal vote of thanks goes to

Sales by Customer:



the members of the Board of Directors, for their confidence and constructive input. I would particularly like to mention Dr. Conrad Meyer, who steps down at the end of the 2000/2001 financial year to become Chairman of the Board of the Neue Zürcher Zeitung. His experience, commitment and expertise have been of enormous benefit to Crealogix in its first year as a listed company. He takes much of the credit for our principle of maximum transparency in our reporting as well as in all other areas.

Outlook:

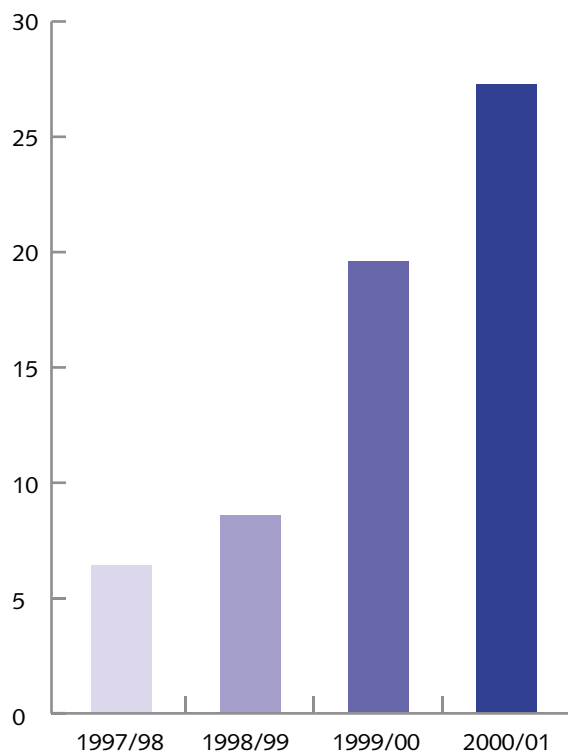
The Crealogix Group has started the new financial year with confidence. We firmly believe that, with good products, top-class strategic alliances and the skills and commitment of our staff, we will be able to strengthen our position further in the market for e-business services. Without acquisitions, we anticipate that sales volumes can, at the very least, be maintained at least, and that EBIT for the coming year will be around 15 percent

Bruno Richle

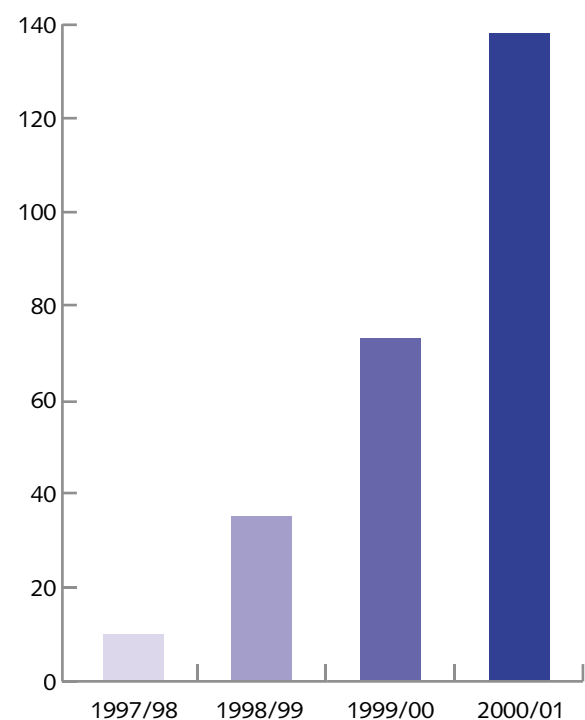
CEO & Chairman of the Board of Directors

Revenue

in CHF million



Headcount



Despite a difficult market, the Crealogix Group posted robust figures for the financial year just ended and further consolidated its position in the Swiss market. What influences and developments will shape the immediate future of e-business services? Bruno Richle, Chairman of the Board of Directors and Chief Executive Officer, Richard Dratva, Vice-Chairman of the Board of Directors and Chief Strategy Officer, and Jürg Neck, Chief Financial Officer, discuss objectives, strategy and market prospects.



strategic expansion of training modules also means that we can expect strong demand for E-learning from large companies.

The rapid development and strategic marketing of low-cost specialist solutions, such as our online printing on demand facility (clean printouts from dynamically collated Internet content) is another popular area. These are all specialist e-business services in which we have access to considerable expertise as well as the necessary standard products. We can adapt these to our customers' specific needs to generate genuine competitive advantages for them.



Which areas hold the greatest market or development potential for Crealogix?

Bruno Richle: Any sector in which up-to-the-minute, round-the-clock information and expert knowledge can be made available cost-effectively by electronic means. Demand for e-busi-

ness services in the financial sector – such as Internet banking and online financial planning (investments and pensions) – continues to rise unchecked. The amalgamation of knowledge management with the

“Crealogix aims to grow and has the market potential to do so. Sales and earnings growth must be sustainable.”

Bruno Richle

What general market trends should Internet service providers expect over the next two years?

Richard Dratva: The consolidation process is far from over. We anticipate that the lack of demand in the market will continue to force companies to join forces or cease operation. However, the companies which remain to take up the resulting slack will, increasingly, be specializing in specific areas or, in some cases, be pursuing a strategy of vertical integration.

How do you rate Crealogix's chances in this new market climate?

Bruno Richle: There will continue to be demand for the cornerstones of our strategy – advice, technology and multimedia/design. Our position in the market is already well rooted by our degree of specialization, consistent focus on return on investment (ROI) for our customers, as well as our products and services. What's more, with our technology and distribution partners we have the flexibility to respond to new requirements quickly at any time.

Richard Dratva: Crealogix is one of the top three in the Swiss market. In profitability terms, we're definitely number one. We are therefore in a fantastic position – but rather than just maintain it, we want to strengthen it even further. The design and implementation of e-business services, as offered by Crealogix, demands extensive expertise – which means high barriers to entry for new providers.

How will Crealogix respond if the market does not develop as anticipated? What can you do to adapt cost structures to the market situation early on?

Jürg Neck: We have a fast and reliable monthly re-



“Crealogix aims to help its customers achieve the highest possible return on investment from their projects.”

Richard Dratva

porting system for snapshot analysis. However, it is often difficult to judge whether a trend is simply a short-term blip or whether it is here to stay. As staff costs are our largest expenditure item, it is inevitable that these costs would have to be cut to adjust to a declining market. We have a flexible salary system which keeps our fixed staff costs as low as possible and we have also introduced a supplementary, earnings (EBIT)-dependent bonus scheme. The thinking behind it is simple: when the company is doing well the staff, in particular, should benefit.

How do order books for the coming financial year look?

Richard Dratva: As we start the new financial year, we have already secured around half of our target annual sales in the form of orders for ongoing or definite new projects.

Our most important customers include Credit Suisse Group, Swiss Post, Julius Baer IFS, Hilti, Holcim (formerly Holderbank), Peugeot, the Bon appétit Group and the Rüstung Group.

Crealogix is a leading provider of Internet services for financial institutions. Will this sector remain one of the company's chief income streams?

Richard Dratva: Yes, of course. We not only have a great deal of experience in this sector – it is also one which, financially, is very attractive for us. What's more, our customer base here is broad and offers us a source of follow-up projects.

Bruno Richle: We are interested in projects in which e-business takes on a strategic dimension for the customer and in which we can see potential for the future. The appeal of a project does not necessarily depend on the size of a company or the sector in which it operates. For example, we are working more and

more in industry, with logistics companies, service providers such as Swiss Post and also, increasingly, with Switzerland's armed forces.

Last financial year, Crealogix opened two new offices and closed its Canadian subsidiary. What plans are there for the future?

Bruno Richle: At the moment we are focusing on Europe – more specifically German-speaking Europe. That is where there are the best prospects for our services and for achieving growth at a quantifiable level of risk without having to overextend ourselves. Our branch offices are performing well so far and we want to expand them.

Crealogix aims to strengthen its position further. This also means gaining market share. What marketing and sales measures will be used to achieve this?

Richard Dratva: You can grow by attracting new business – but also by winning follow-up contracts from existing customers. We'll be promoting both. Where new business is concerned, our excellent network of technology and sales partners will play an increasing role. Finally, using special products and services to lock into new markets or sectors will also help us to grow our market share.

Is geographical expansion through acquisition a possibility?

Bruno Richle: Yes, that is definitely something to consider, preferably in neighbouring countries and close by, such as southern Germany. But location or region isn't the main factor in an acquisition. It is much more important to us that a company is sound and that it complements us in terms of expertise and market share – projects and customers.



What is Crealogix's strategy with regard to technology and distribution alliances? Do collaboration agreements exist?

Richard Dratva: We are keeping a very close eye on the market and concentrating on potential partners who complement us and could also benefit from us. Our network should be the best, not the biggest.

The IPO generated around CHF 45 million for Crealogix. How will this be used?

Bruno Richle: Crealogix wants to grow. It can and it must. To do this we need the right investment resources. In the light of latest valuation corrections we believe we have a good chance of making a suitable acquisition at a sensible price.

As the market has slowed down, the situation on the labour market has also changed. How has this affected Crealogix as an employer?

Bruno Richle: Developments have, of course, made our staff feel more insecure. Nonetheless, we are lucky that we can count on the loyalty and commitment of our staff. In general, it's true to say that we have noticed that recruiting well-qualified employees has become easier once again.

Will staff numbers tend to rise or fall over this financial year?

Jürg Neck: After the correction in our headcount in the second half of the last financial year, we have now reached our target for staff numbers. Over the coming year we expect numbers in Switzerland to remain more or less unchanged at around 130 for the time being. A moderate increase is planned in Germany.



“Crealogix aims to create confidence on the capital markets with reliable forecasting and good results.”

Jürg Neck

Where will Crealogix's investment be focused?

Jürg Neck: This year we will continue to invest in staff training – as well as in the IT infrastructure, for which we have budgeted write-downs of around 8% of sales.

What will Crealogix be doing to make its shares more attractive?

Jürg Neck: Companies are built on confidence – which also means lender and investor confidence. Operational progress, accurate forecasts and transparent reporting are the best ways to achieve an appropriate market valuation.

What are Crealogix's targets for sales, EBIT or EBIT margin for the 2001/2002 financial year?

We will be aiming for an EBIT margin of around 15% on the same sales volume

The first lock-up periods expire a year after the IPO.

Will the main shareholders continue to support the company?

Bruno Richle: Yes, of course. After all, the principal shareholders continue to play an active part within the company. They therefore have a vested interest in the sustained growth and success of the Crealogix Group, as well as in the positive development of the Crealogix share price.



www.postfinance.ch



Rolf Giger, Member of the Management of Postfinance and Head of the financial portal project.

“Right from the start the financial portal project had a very ambitious – we always used to call it athletic – schedule. But it wasn’t just the schedule that was fast-paced – we also decided to use new technologies and thereby create the best possible base on which to develop the Postfinance Internet applications of the future. The project development stage involved defining and aligning a large number of new processes. We could only complete the project thanks to the effective partnership between all the companies which took part and the outstanding commitment of all the individuals involved. We firmly believe that, together, we have built a sound foundation for the next stages of expansion. I’d like to say a big thank you to all the staff who have been involved so far for all their hard work. Naturally, we are looking forward to continuing our fruitful alliance with CREALOGIX AG.”

From information platform to interactive finance platform

In the autumn of 2000, Crealogix was given the task of turning Postfinance’s existing information-only website into an interactive financial services platform. Crealogix’s responsibility in the project was to develop the multimedia design in line with Postfinance’s corporate identity/corporate design guidelines, produce previews of the individual functions and to incorporate all the various target technologies into site development. In the first and second quarters of 2001, the Crealogix remit was extended to include static content, images, and further use cases. It was also possible to integrate a content management system for the site, based on the SilverStream ePortal.

Further expansion to follow

The foundations of the Postfinance virtual finance centre have been laid. At www.postfinance.ch, Postfinance customers will find all the financial, economic and business data they need to make informed securities trading decisions. At present, the site is rounded out with interesting hints and information on the products offered by Postfinance. There are plans to extend the financial services platform continuously, however, by integrating existing services such as Yellownet and Yellowtrade, or adding features such as interactive games, comics, user news and views, WAP compatibility and comprehensive alarm and watchlist functions. The system and its content will also be updated on an ongoing basis to keep pace with latest developments and new technologies.



“With a complex project such as the Postfinance financial portal, the real challenge is the flexibility demanded of all the parties involved. Circumstances change, and the reorientation that this causes demands daily liaison with a large number of people in different locations. You can never lose sight of the overriding goal.”

Patrick Schneider, Project Manager, Crealogix.

A screenshot of the Postfinance website. The header features the Postfinance logo and 'DIE POST' with a red cross. Navigation links include 'English', 'Français', 'Italiano', 'Ausbilden', 'Reisen', 'Familie', and 'Wohnen'. A yellow banner with the word 'abheben' is prominent. The main content area is titled 'Banking. Trading. Infos. News.' and 'www.postfinance.ch'. Below this is a row of five images showing penguins. A large headline reads 'Wirklich einfach: unser neues Finanzportal.' followed by a paragraph describing the new portal's features. On the right, there are three sidebar sections: 'News' with a list of financial news items, 'Mitteilungen' (Messages) with a list of announcements, and 'Hotspots' with a list of featured services. At the bottom, there is a small disclaimer and copyright notice for 2001.

www.holcim.com



André Haller, Project Manager, Holcim.

“The success of any project still depends on direct, personal collaboration between everyone involved. Thanks to open contact with the people at Crealogix, both sides were talking in the same terms, which cut response times considerably. The fact that Holcim and Crealogix are close geographically also played an important part.”

Global brand as key competitive advantage

On 18 May 2001, the AGM of “Holderbank” Financière Glaris Ltd (“Holderbank”) approved the change of name to Holcim Ltd. By introducing a common group-wide branding concept, Holcim aims to position itself visibly in more than 70 countries on all continents in its competitive and increasingly global market. The creation of the new visual identity was preceded by a corporate identity process that aligned the Group’s vision and mission statement –

its core values – with the needs of the future.

As part of this rebranding programme, Crealogix drew up the concept for a global Holcim Internet presence that reflects the new corporate design guidelines. The Group’s principal corporate site (www.holcim.com) and the website for the company’s Swiss arm Holcim (Switzerland) Ltd (www.holcim.ch) were the pilot projects on which the subsequent global rollout was based. In the space of around five months, two websites were created that meet both global structural requirements (look and feel) and local content needs.

Design reflects communication style

The new corporate design guidelines allowed considerable room for creative manoeuvre in the website design. Visually, the focus is on people – the users – reflecting Holcim’s communication style and capabilities. Text is underscored by images, and vice-versa, while straightforward navigation encourages classic information drill-down and establishes a cross-navigational structure that leads the user on to deeper or broader, related issues.



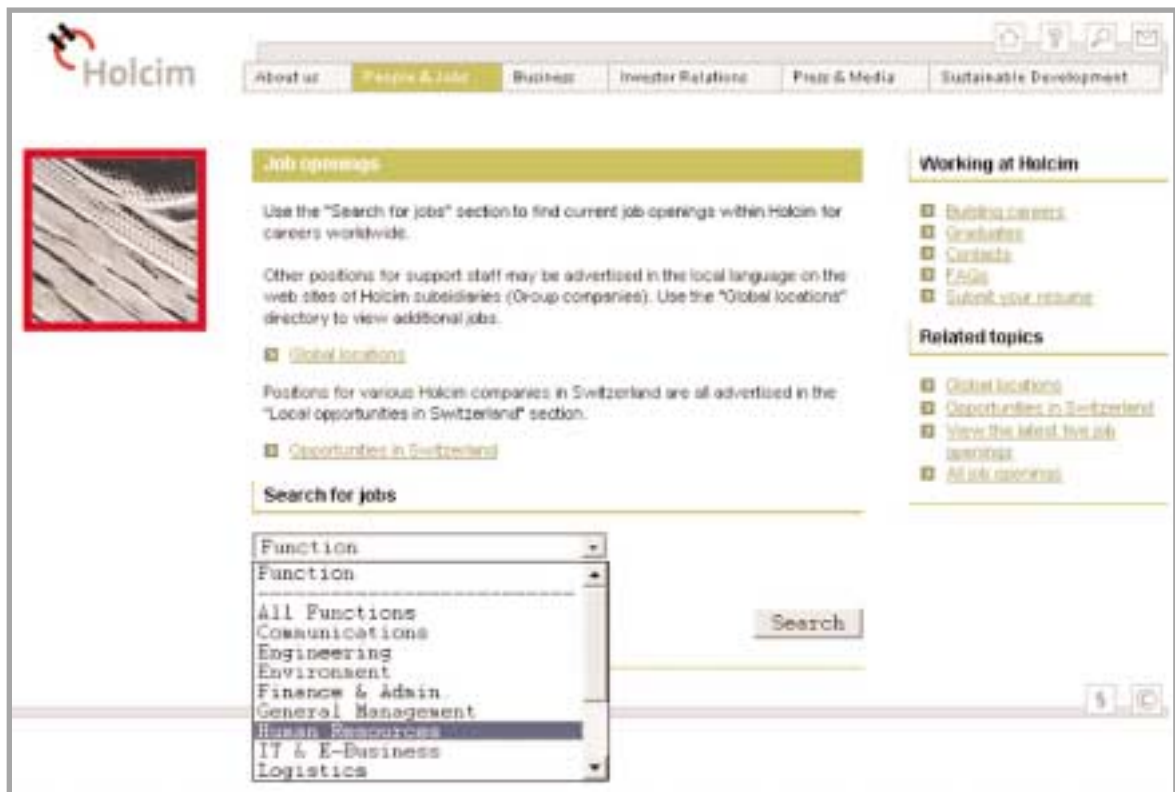
Peter Raab, Project Manager, Crealogix.

“The challenges facing our project team were great, but they inspired us to work flat-out for months to achieve our common goal. The satisfaction and pride that we felt when we celebrated the site launch, right on schedule on 21 May 2001, were just as great.”

Contemporary recruitment tool

A screenshot of the Holcim website homepage. The navigation menu at the top includes 'About us', 'People & Jobs', 'Business', 'Investor Relations', 'Press & Media', and 'Sustainable Development'. The 'People & Jobs' menu is open, showing options like 'Job Openings', 'Building Careers', 'Graduates', 'Contact', 'FAQs', and 'Submit Your Resume'. A red box highlights the 'Job Openings' option. Below the navigation, there is a banner with the text 'Strengthened Performance. Passion.' and a photo of two men in hard hats. The 'Highlights' section on the right mentions 'Holcim's commitment to sustainable development'. The footer shows the date '20/8/2001 3:47 pm' and the stock price 'CHF 341.50'.

Job and career are prominent as soon as you log on to the site's homepage. Potential recruits have an instant overview of the opportunities on offer at Holcim.



An interdisciplinary team was set up to find ways of presenting Holcim as an attractive employer. With the solution that has been chosen, potential applicants are offered detailed information on specific job opportunities within the Group.

Financial section CREALOGIX Group

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CONSOLIDATED INCOME STATEMENTS

CREALOGIX GROUP

All amounts in CHF		July–June 2000/2001	July–June 1999/2000
	Notes*		
Revenue	3*	27,325,477.57	19,637,036.36
Goods and services purchased	4*	-2,132,965.36	-1,443,386.60
Personnel expenses	5*	-17,785,855.82	-9,799,567.30
Depreciation and amortisation expense	9/10*	-1,738,247.66	-736,589.13
Other operating expenses	6*	-4,675,823.75	-1,681,783.82
Total operating expenses		-26,332,892.59	-13,661,326.85
Operating profit		992,584.98	5,975,709.51
Financial income	7*	1,418,265.86	90,804.20
Financial expense	7*	-457,549.93	-22,631.18
Profit before tax		1,953,300.91	6,043,882.53
Income tax expense	12*	-338,782.60	-1,516,667.10
Net profit		1,614,518.31	4,527,215.43
Earnings per share - basic	14*	1.72	13.31
Earnings per share - diluted	14*	1.72	13.31

* The accompanying notes form an integral part of these consolidated financial statements.

All amounts in CHF		30 June		30 June	
	Notes*	2001	in %	2000	in %
A S S E T S					
Current assets					
Cash and cash equivalents		49,667,909.34		1,741,650.66	
Marketable securities		1,736,466.00		2,388,687.00	
Trade accounts receivable		4,348,669.58		5,153,804.05	
Other receivables	8*	1,086,175.50		427,072.30	
Work in progress		231,290.91		0.00	
Total current assets		57,070,511.33	92.4	9,711,214.01	74.0
Non-current assets					
Property and equipment	9*	3,446,436.76		2,381,152.35	
Intangible assets	10*	546,807.27		325,271.24	
Prepaid pension assets	15*	700,000.00		700,000.00	
Total non-current assets		4,693,244.03	7.6	3,406,423.59	26.0
Total A S S E T S		61,763,755.36	100.0	13,117,637.60	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		925,409.56		878,469.58	
Current tax liabilities		24,551.60		230,839.00	
Other current liabilities and accruals	11*	3,206,228.73		1,663,868.52	
Total current liabilities		4,156,189.89	6.7	2,773,177.10	21.1
Non-current liabilities					
Deferred tax liabilities	12*	875,000.00		730,151.00	
Total non-current liabilities		875,000.00	1.4	730,151.00	5.6
Shareholders' equity					
Share capital	13*	10,700,000.00		4,000,000.00	
Share premium		39,692,924.68		0.00	
Treasury shares		-870,672.65		0.00	
Translation differences		-14,005.64		874.98	
Retained earnings		7,224,319.08		5,613,434.52	
Total shareholders' equity		56,732,565.47	91.9	9,614,309.50	73.3
Total LIABILITIES AND SHAREHOLDERS' EQUITY		61,763,755.36	100.0	13,117,637.60	100.0

* The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

CREALOGIX GROUP

All amounts in CHF except number of shares	Number of shares	Share capital	Share premium	Treasury shares	Translation differences	Retained earnings	Total
Balance at 1 July 1999	100	100,000.00				4,376,219.09	4,476,219.09
Translation differences					874.98		874.98
Share splitting	9,900						0.00
Issue of ordinary share capital	61,000	610,000.00					610,000.00
Issue of ordinary share capital	329,000	3,290,000.00				-3,290,000.00	0.00
Net profit						4,527,215.43	4,527,215.43
The number of shares was restated retrospectively							
Balance at 30 June 2000	400,000	4,000,000.00			874.98	5,613,434.52	9,614,309.50
Translation differences					-14,880.62	-3,633.75	-18,514.37
September 5, 2000, pre-IPO							
Issue of ordinary share capital	440,000	4,400,000.00					4,400,000.00
September 7, 2000, IPO							
Issue of ordinary share capital	230,000	2,300,000.00	43,700,000.00				46,000,000.00
Capital increase costs			-4,007,075.32				-4,007,075.32
Net profit						1,614,518.31	1,614,518.31
Purchase/sale-net	-7,260			-870,672.65			-870,672.65
Balance at 30 June 2001	1,062,740	10,700,000.00	39,692,924.68	-870,672.65	-14,005.64	7,224,319.08	56,732,565.47

The accompanying notes form an integral part of these consolidated financial statements.

All amounts in CHF	Notes*	July–June 2000/2001	July–June 1999/2000
Operating activities			
Cash generated from operations	16*	4,550,081	4,430,834
Interest received		1,110,642	10,590
Interest paid		-5,344	-54
Tax paid		-248,515	-1,128,779
Net cash flow from operating activities		5,406,864	3,312,591
Investing activities			
Purchase of property and equipment	9*	-2,771,271	-2,294,360
Purchase of intangible assets	10*	-379,077	-310,367
Purchase of current investments		0	-11,300
Disposals of property and equipment	9*	108,096	7,942
Disposals of intangible assets	10*	16,000	0
Acquisition of subsidiary		-154,000	0
Net cash used in investing activities		-3,180,252	-2,608,085
Financing activities			
Issue of ordinary shares		46,392,925	610,000
Purchase of treasury shares		-870,673	0
Financing of subsidiary acquisition		154,000	0
Net cash used in financing activities		45,676,252	610,000
Net increase in cash and cash equivalents		47,902,864	1,314,506
Cash and cash equivalents at beginning of period		1,741,650	421,783
Increase in cash and cash equivalents		47,902,864	1,314,506
Effects of exchange rate changes		23,395	5,361
Cash and cash equivalents at end of period		49,667,909	1,741,650

* The accompanying notes form an integral part of these consolidated financial statements.

1. General information

CREALOGIX Holding AG, Zurich and its subsidiaries (Crealogix) is one of Switzerland's leading e-business service companies. It helps large enterprises in Europe to make profitable use of the Internet. Its core competencies are consulting, technology and multimedia/design. Crealogix offers e-strategy consulting, and designs and implements business-critical Internet applications. In doing so, it focuses on meeting customer requirements and minimizing time to market. Crealogix performs large projects for blue chip companies, particularly from the finance sector.

The project teams consist of various specialists such as software engineers, designers and consultants to ensure the most efficient use of sophisticated technology.

Crealogix has its operations in Switzerland, Toronto and Frankfurt and employs 127 people as at June 2001 and 127 people as at 30 June 2000.

In July 2000, CREALOGIX Holding AG, Zurich had a share capital of CHF 4,000,000. Before its IPO, the share capital was increased by CHF 4,400,000 as at 5 September 2000, and by CHF 2,300,000 as at 7 September 2000.

The following wholly owned subsidiaries were founded or acquired respectively:

- In December 1998:
CREALOGIX AG, Bubikon with a share capital of CHF 100,000
- In February 2000:
CREALOGIX Corp., Toronto with a share capital of CAD 100,000
- In January 2001:
CREALOGIX AG, Frankfurt with a share capital of EUR 100,000.

2. Summary of significant accounting policies

2.1 Basis of presentation

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IAS), using the historical cost concept except for marketable securities for which the fair value is applicable.

The following IAS standard which is only applicable from 1 July 2001, has already been applied as at 1 July 1998:

- IAS 39 Financial instruments: recognition and measurement

The preparation of financial statements in accordance with the IAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions Crealogix may undertake in the future, the actual results may ultimately differ from those estimates.

2.2 Principles and scope of consolidation

The consolidated financial statements of Crealogix include CREALOGIX Holding AG and all its subsidiaries. A subsidiary is a company in which CREALOGIX Holding AG, Zurich, directly or indirectly has more than 50% of the votes, or for other reasons exercises control.

Subsidiaries acquired or founded during the year are included in the consolidated financial statements from the date of acquisition or date of founding.

2.3 Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities are converted at exchange rates as at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Income statements of foreign entities are translated into Crealogix's reporting currency at average exchange rates for the year and the balance sheets are translated at year-end exchange rates as at 30 June. Translation differences arising from the retranslation of the net investment in foreign subsidiaries and of borrowings which hedge such investments are taken to "Translation differences" in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on sale.

2.4 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, marketable securities, investments, receivables, trade payables, leases and borrowings. The methods adopted to measure and account for such assets are disclosed in the individual policy statements associated with each item.

2.5 Impairment of assets

The recoverable amount of an asset is estimated whenever there is an indication that the asset may be impaired.

A value impairment is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of the net selling price and value in use, determined by discounting the future expected cash flows generated by the related asset.

2.6 Revenue recognition

Service revenue consists of revenue generated from the conception and production of sophisticated Internet, Intranet, and e-commerce applications. These services are rounded out with multimedia presentations on CD-ROM, intelligent user interfaces etc.

Every single project is accounted for by its own. Crealogix differentiates between two types of contracts:

- a) fixed revenue contracts
- b) contracts on a fixed hourly rate

a) *Revenue recognition for fixed revenue contracts*

When the outcome of a contract can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction as at the balance sheet date. The stage of completion is measured by reference labour

hours incurred to date as a proportion of the estimated total labour hours for each contract. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the enterprise
- 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 complete the transaction can be measured reliably.

When the outcome of a contract cannot be estimated reliably:

- revenue is recognised only to the extent of contract costs incurred and if it is probable that such will be recoverable and
- contract costs are recognised as an expense in the period in which they are incurred.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings as at year-end. Where the sum of the costs incurred and recognised profit or loss exceeds the progress billings, the balance is disclosed under "other short-term receivables" as due from customers on contracts.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised as an expense.

b) Revenue recognition for contracts on a fixed hourly rate

For this kind of contract, Crealogix is reimbursed a fixed fee per hour which covers its full costs.

Revenue associated with such transactions is recognised by reference to hours incurred at the balance sheet date. The total of incurred hours is invoiced on a monthly basis.

2.7 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash in hand, deposits held at call with banks and investments in money market instruments with an original maturity of 3 months or less, net of bank overdrafts.

2.8 Marketable securities

Marketable securities classified as current assets are carried at market value. The market value is calculated with reference to Stock Exchange quoted selling prices at the close of business as at the balance sheet date. Increases/decreases in the carrying amount of marketable securities classified as current assets are credited/charged to the income statement.

2.9 Trade accounts receivable

Trade receivables are carried at face value less a specific provision for doubtful accounts. The provision is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

2.10 Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any accumulated value impairment. Property and equipment are depreciated over their expected useful lives on a straight-line basis, as follows:

	Years
Furniture	10
Fixtures	10
Office equipment	2
Computer equipment	2
Communication equipment	2
Other office equipment	5
Motor vehicles	5

An item of property and equipment is eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected if it is sold.

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement.

Property and equipment which are retired from active use and held for disposal are stated at their carrying amount as at the date when the asset is retired from active use.

2.11 Intangible assets

Expenditure on acquired software licences is capitalised and amortised using the straight-line method over 4 years. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

2.12 Accounting for leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where Crealogix substantially assumes all the benefits and risks of ownership are classified as finance leases.

2.13 Provision

A provision is recognised when Crealogix has a present obligation as a result of a past event and 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.

2.14 Employee benefit plans

Crealogix operates a number of defined benefit plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking account of the recommendations of independent qualified actuaries.

The costs of providing retirement benefits under defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service periods of employees based on an actuarial valuation of the plans performed by qualified actuaries. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates applicable to corporate bonds which have terms to maturity approximating the terms of the related liability.

A portion of the actuarial gains and losses is recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded the greater of:

- a) 10% of the present value of the defined benefit obligation at that date (before deducting plan assets); and
- b) 10% of the fair value of any plan assets at that date.

These limits are calculated and applied separately for each defined benefit plan. The portion of actuarial gains and losses to be recognised for each defined benefit plan is the excess determined as above, divided by the expected average remaining working lives of the employees participating in that plan.

2.15 Deferred income taxes

Deferred income tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The currently valid tax rates are used to determine deferred income tax.

Provisions for deferred income taxes are also made in the case of an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Provision for taxes, mainly withholding taxes arising from the remittance of retained earnings by subsidiaries, is only made if there is a current intention to remit such earnings.

The principal temporary differences arise from depreciation on property, plant and equipment, allowances for bad debts, provisions for pensions and other post retirement benefits. Deferred tax assets relating to unused tax loss carry-forwards are recognised only to the extent that it is probable that future taxable profit will be available to utilise tax loss carry-forwards prior to their expiry.

2.16 Capital increase cost

Costs in connection with capital increases are charged to shareholders' equity.

3. Revenue

All amounts in CHF	July–June 2000/2001	July–June 1999/2000
Net sales services	27,234,462.37	19,632,214.17
Other revenue	91,015.20	4,822.19
Total net revenues	27,325,477.57	19,637,036.36

4. Goods and services purchased

All amounts in CHF	July–June 2000/2001	July–June 1999/2000
Goods purchased	-10,678.70	-6,499.43
Services purchased	-2,122,286.66	-1,436,887.17
Total goods and services purchased	-2,132,965.36	-1,443,386.60

5. Personnel expenses

All amounts in CHF	July–June 2000/2001	July–June 1999/2000
Salaries and wages	-13,945,851.62	-7,878,256.35
Social security costs	-1,469,159.63	-732,653.00
Pension costs	-233,678.07	-314,003.10
Other personnel expenses	-2,137,166.50	-874,654.85
Total personnel expenses	-17,785,855.82	-9,799,567.30
Number of persons employed by Crealogix		
- Headcount	141	127
- Capacity	127	100

Other personnel expenses mainly include human resource recruiting costs, expenses for meals and other social events.

6. Other operating expenses

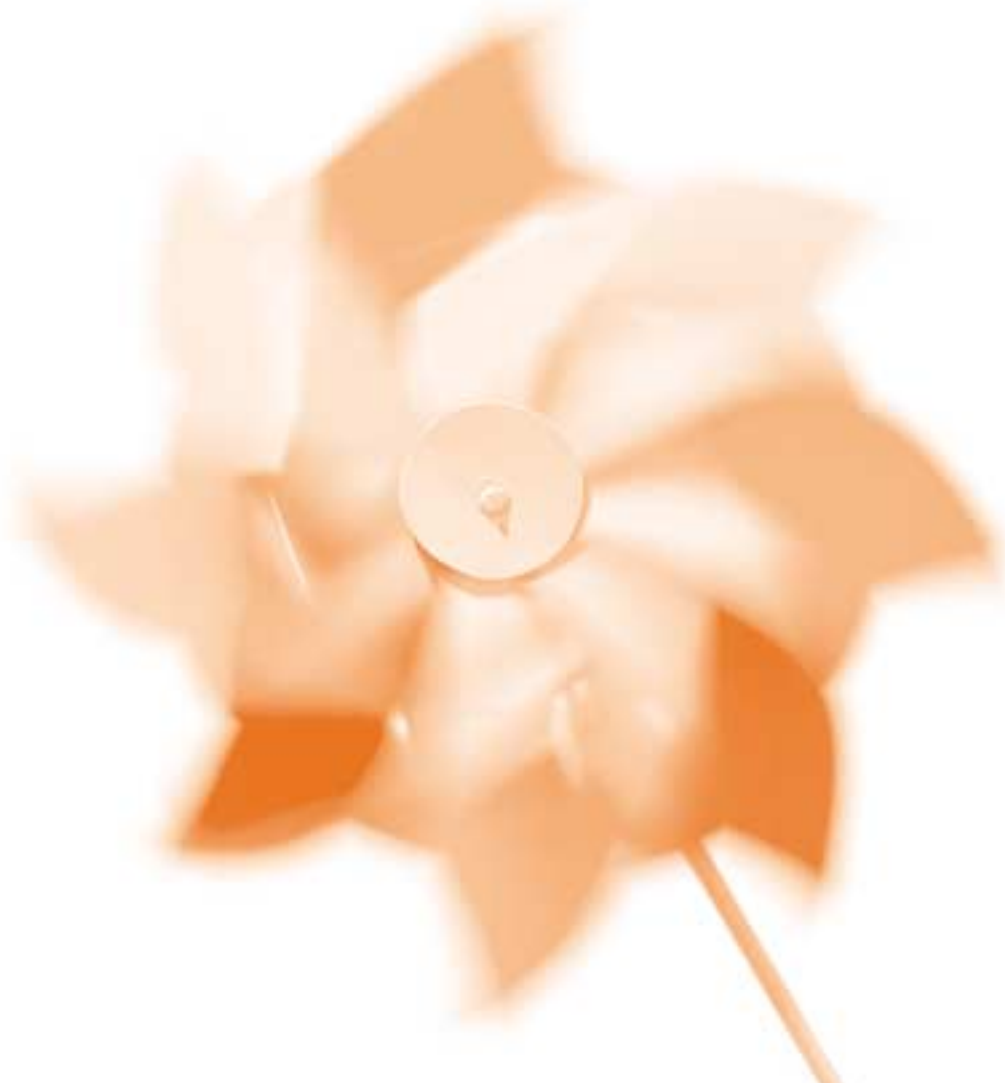
All amounts in CHF	July–June 2000/2001	July–June 1999/2000
Marketing and advertising	-1,430,216.18	-260,411.92
Rent and maintenance	-1,093,341.53	-346,567.34
General and administration expenses	-2,152,266.04	-1,074,804.56
Total other operating expenses	-4,675,823.75	-1,681,783.82

7. Financial income/(expense)

All amounts in CHF	July–June 2000/2001	July–June 1999/2000
Interest income others	1,110,641.73	10,590.20
Income on marketable securities	223.56	14,256.00
Realised gains on foreign exchange and marketable securities	154,421.07	0.00
Unrealised gains on foreign exchange and marketable securities	152,979.50	65,958.00
Total financial income	1,418,265.86	90,804.20
Interest expenses	-2,816.40	-54.00
Other financial expense	-17,839.65	- 6,062.53
Realised losses on foreign exchange and marketable securities	-6,498.58	0.00
Unrealised losses on foreign exchange and marketable securities	-430,395.30	-16,514.65
Total financial expense	-457,549.93	-22,631.18

8. Other receivables

All amounts in CHF	30 June 2001	30 June 2000
Other short-term receivables third parties	969,685.68	401,876.31
Accruals	116,489.82	25,195.99
Total other receivables	1,086,175.50	427,072.30



9. Property and equipment

All amounts in CHF

July–June 2000/2001	Furniture	Fixtures	Equipment	Motor vehicles	Total
Opening net book amount	652,441	388,826	1,227,655	112,231	2,381,153
Exchange differences			-872		-872
Additions	662,776	91,201	1,901,292	116,002	2,771,271
Disposals	-38,513		-69,583		-108,096
Depreciation charge	-111,363	-43,468	-1,394,459	-47,729	-1,597,019
Closing net book amount	1,165,341	436,559	1,664,033	180,504	3,446,437
At 30 June 2001					
Cost	1,295,344	483,294	3,470,283	248,052	5,496,973
Accumulated depreciation	-130,003	-46,735	-1,806,250	-67,548	-2,050,536
Net book amount	1,165,341	436,559	1,664,033	180,504	3,446,437
Fire insurance value of fixed assets:					
At 30 June 2001	4,800,000	(prev. year: 3,900,000)			

July–June 1999/2000	Furniture	Fixtures	Equipment	Motor vehicles	Total
Opening net book amount	174,144	0	464,257	155,173	793,574
Exchange differences	-882	0	-1,312	0	-2,194
Additions	513,442	392,094	1,386,175	2,649	2,294,360
Disposals	0	0	0	-7,942	-7,942
Depreciation charge	-34,263	-3,268	-621,464	-37,650	-696,645
Closing net book amount	652,441	388,826	1,227,656	112,230	2,381,153
At 30 June 2000					
Cost	707,143	392,094	2,264,938	190,015	3,554,190
Accumulated depreciation	-54,702	-3,268	-1,037,283	-77,784	-1,173,037
Net book amount	652,441	388,826	1,227,655	112,231	2,381,153

10. Intangible assets

All amounts in CHF

July–June 2000/2001	
Opening net book amount	325,271
Translation differences	-312
Additions	379,077
Disposals	-16,000
Amortisation charge	141,229
Closing net book amount	546,807
At 30 June 2001	
Cost	703,278
Accumulated amortisation	156,471
Net book amount	546,807

All amounts in CHF

July–June 1999/2000	
Opening net book amount	55,584
Translation differences	-737
Additions	310,367
Amortisation charge	-39,943
Closing net book amount	325,271
At 30 June 2000	
Cost	384,980
Accumulated amortisation	-59,709
Net book amount	325,271

11. Other current liabilities and accruals

All amounts in CHF	30 June 2001	30 June 2000
Other current liabilities due to third parties	209,900.50	746,259.58
Customer advances	477,441.60	0.00
Accrued liabilities	2,518,886.63	917,608.94
Total other current liabilities and accruals	3,206,228.73	1,663,868.52

12. Income taxes

All amounts in CHF	30 June 2001	30 June 2000
Current tax	-193,933.60	-1,067,007.10
Deferred tax	-144,849.00	-449,660.00
Total tax charge	-338,782.60	-1,516,667.10

The income tax on Crealogix's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

All amounts in CHF	30 June 2001	30 June 2000
Profit before tax	1,953,300.91	6,043,882.53
Tax calculated at a tax rate of 24.4% (prev. year: 25.1%)	359,145.40	1,515,202.10
Effect of changes in tax rate	-20,362.80	1,465.00
Tax charge	338,782.60	1,516,667.10

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 24.4%. The maximum tax rate for cantonal and communal taxes as well as direct federal taxes is 25.1% in the Canton of Zurich.

The movements on the deferred tax account are as follows:

All amounts in CHF	2000/2001	1999/2000
At beginning of year	730,151.00	280,491.00
Income statement (credit)/charge	144,849.00	449,660.00
At end of year	875,000.00	730,151.00

Deferred tax assets and liabilities are offset when the income taxes relate to the same fiscal authority. The following amounts are shown in the consolidated balance sheet:

All amounts in CHF	2000/2001	1999/2000
Deferred tax assets	0.00	0.00
Deferred tax liabilities	875,000.00	730,151.00

Deferred tax assets are recognised for tax loss carry-forwards only to the extent that realisation of the related tax benefit is probable. Crealogix has tax losses of CHF 14,665 to carry-forward against future taxable income, which have not been recognised in these financial statements due to uncertainty of their recoverability.

Deferred tax assets and liabilities, deferred tax charge/(credit) in the income statement are attributable to the following items:

All amounts in CHF	30 June 2000	Charged/(credited) to income statement	30 June 2001
Deferred tax liabilities			
Cash and cash equivalents	48,205	-48,205	0
Receivables	128,234	-20,758	107,476
Financial assets	175,490	-4,690	170,800
Tangible fixed assets	295,805	+118,598	414,403
Intangible assets	60,406	+46,915	107,321
Non-current liabilities	0	+75,000	75,000
Set-off of assets and liabilities	22,011	-22,011	0
	730,151	+144,849	875,000
Deferred tax assets			
Other short-term liabilities & current tax liabilities	22,011	0	0
Set-off of assets and liabilities	-22,011	0	0
	0	0	0
Net deferred tax liabilities	730,151	+144,849	875,000

13. Share capital

As at 30 June 2000, 400,000 fully paid-in registered shares of CHF 10.– each were outstanding. On 5 September 2000, before the IPO, 440,000 registered shares of CHF 10.– each were issued and on 7 September 2000, at the IPO, another 230,000 registered shares of CHF 10.– each were issued. Thus, the share capital was altogether increased from CHF 4,000,000 to CHF 10,700,000.

On 5 September 2000, the General Meeting approved to create an authorized share capital in the amount of CHF 1.5 million and, with regard to an employee share option plan, an authorized but unissued share capital in the amount of CHF 2.5 million.

Ordinary shares

Twelve months ended 30 June 2001	Number of shares	Ordinary shares	Treasury shares	Total
Opening balance	400,000	4,000,000.00	0.00	4,000,000.00
Issue of ordinary share capital	670,000	6,700,000.00	0.00	6,700,000.00
Purchase of treasury shares	-9,491	0.00	-1,140,813.90	-1,140,813.90
Sales of treasury shares	2,231	0.00	270,141.25	270,141.25
Treasury shares used for share option plans	-	-	-	-
Closing balance	1,062,740	10,700,000.00	-870,672.65	9,829,327.35

The Crealogix Employee Share Option Plan I and II

Share options are granted to employees and to members of the Board of Directors.

Granting dates for the options are on the first trading day of every calendar quarter.

The exercise price for options under option plan I is equal to the closing price of one registered share on the "Neue Markt" of the Swiss Stock Exchange SWX as at the granting date. For options under option plan II the exercise price is increased by 20% from the exercise price for options under option plan I.

Options under option plan I expire 5 years after the granting date. Options under option plan II expire 10 years and 6 months after the granting date.

There is a lock-up period of one year for all options granted, during which options cannot be exercised.

Options under option plan I are taxable upon granting. Options under option plan II are taxable upon exercise.

Movements in the number of share options outstanding are as follows:

Employee share options	Option plan I		Option plan II	
	Number	Exercise price in CHF	Number	Exercise price in CHF
1.7.1999	balance	-	-	-
1999/2000	granted	-	-	-
30.6.2000	balance	-	-	-
7.9.2000	granted	-	23,876	240.00
3.1.2001	granted	424	2,108	103.00
1.4.2001	granted	800	2,848	75.00
2000/2001	exercised	-	-	-
30.6.2001	balance	1,224	28,832	-

There were no accruals and deferrals in the income statement in connection with the employee share option plans.

14. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

All amounts in CHF	30 June 2001	30 June 2000
Net profit attributable to shareholders	1,614,518.31	4,527,215.43
Weighted average number of ordinary shares outstanding	936,793	340,186
Basic earnings per share	1.72	13.31

The company has no dilutive potential ordinary shares.

15. Retirement benefit plans

The amounts recognised in the statement of income are as follows:

All amounts in CHF	30 June 2001	30 June 2000
Current service cost	517,968.00	678,621.00
Interest cost	62,068.00	62,068.00
Expected return on plan assets	-112,681.00	-112,681.00
	467,355.00	628,008.00
Employees contributions	-233,678.00	-314,004.00
Cost for defined benefit plans (note 5)	233,678.00	314,004.00

The amounts recognised in the balance sheet are as follows:

All amounts in CHF	30 June 2001	30 June 2000
Present value of funded obligations	-2,113,973.00	-1,629,292.00
Fair value of plan assets	2,833,657.00	2,253,621.00
	719,684.00	624,329.00
Unrecognised actuarial gains/losses	-19,684.00	75,671.00
Potential for future reductions of contributions and other measures (IAS 19)	700,000.00	700,000.00

The movement in the pension asset recognised in the balance sheet is as follows:

All amounts in CHF	30 June 2001	30 June 2000
At beginning of year	700,000.00	300,000.00
Company contributions	233,678.00	714,004.00
Total expense as above	-233,678.00	-314,004.00
At end of year	700,000.00	700,000.00

The actuarial assumptions used were as follows:

In percent	July–June 2000/2001	July–June 1999/2000
Discount rate	4%	4%
Expected net return on plan assets	5%	5%
Average future salary increases	2.5%	2.5%
Future pension increases	1%	1%
Future inflation rate	1.5 % - 2 %	1.5 % - 2 %
Average retirement age	62	62

16. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

All amounts in CHF	30 June 2001	30 June 2000
Profit before tax	1,953,300.91	6,043,882.53
Adjustments for:		
- Depreciation (note 9)	1,597,018.52	696,644.68
- Amortisation (note 10)	141,229.14	39,944.45
- Financial results (note 7)	-1,265,286.36	-76,548.00
- Interest expense (note 7)	27,154.63	54.00
Changes in net working capital:		
- Trade account and other receivables	566,961.36	-2,249,700.00
- Short-term liabilities	1,527,861.79	376,558.00
- Pensions and other retirement benefits	0.00	-400,000.00
Others	1,841.01	0.00
Cash generated from operations	4,550,081.00	4,430,834.00

17. Related party transactions

Crealogix is controlled by Bruno Richle, Richard Dratva, Daniel Hildebrand and Peter Süssstrunk. The following paragraph shows the members of the Board of Directors and the Management Board.

Board of Directors	Management Board	
Bruno Richle	Bruno Richle (CEO)	Marc Meyer
Dr. Richard Dratva	Dr. Richard Dratva	Dr. Jürg Neck
Prof. Dr. Conrad Meyer	Daniel Hildebrand	Peter Süssstrunk
Dr. Christoph Schmid	Dr. Christoph Kuhn	Dr. Louis-Paul Wicki
	Reto Girsberger	

The following transactions were carried out with related parties:

All amounts in CHF	30 June 2001	30 June 2000
a) Personnel expenses:		
Salaries and wages		
Remuneration Management Board	-2,403,842.00	-1,887,759.00
b) Goods and services purchased:		
Services purchased from		
X8X Process Solutions AG, Zurich	-109,264.00	-125,314.00
c) Other operating expenses:		
IT conception consulting by		
X8X Process Solutions AG, Zurich	-196,885.00	-119,714.00
d) Revenue:		
Net sales services		
X8X Process Solutions AG, Zurich	19,916.00	253,331.00

X8X Process Solutions AG, Zurich:

Some members of the Board of Directors and the Management Board own a substantial interest in this company.

All transactions with related parties were carried out on the basis of standard market terms and conditions.

18. Acquisition of subsidiaries

In January 2001, an inactive company was acquired at a price of CHF 154,000. The company was renamed CREALOGIX AG and its head office moved to Frankfurt.

19. Financial instruments

The Company and Crealogix have no significant concentrations of credit risk. Cash is placed with financial institutions of good standing.

The carrying amounts of the following financial assets and financial liabilities approximate to their fair value: cash and cash equivalents, marketable securities, trade receivables and payables and other receivables and payables.

20. Lease commitments

Future minimum lease payments under non-cancellable operating leases are as follows:

All amounts in CHF	30 June 2001	30 June 2000
Not later than 1 year	1,173,590.00	565,908.00
Later than 1 year and not later than 5 years	3,027,951.00	2,253,222.00
Later than 5 years	0.00	0.00
Total lease commitments	4,201,541.00	2,819,130.00

21. Segment information

Primary reporting format – business segment

Secondary reporting format – geographical segments

Crealogix develops, markets and supports fully integrated large-scale Internet applications in a single business segment. Therefore, the results disclosed in this report correspond to the primary reporting format.

In February 2000, a new subsidiary was founded in Toronto and in January 2001, CREALOGIX AG in Frankfurt was acquired. Since then, no material transactions have taken place which would require any disclosures.

22. Significant subsidiaries and affiliated companies

Company name	Location, country	Interest	Consolidation method
CREALOGIX AG	Bubikon, Switzerland	100%	Full
CREALOGIX Corp.	Toronto, Canada	100%	Full
CREALOGIX AG	Frankfurt, Germany	100%	Full

CREALOGIX Corp., Toronto discontinued its activities as at 30 June 2001. The company will be reactivated as soon as conditions are more favourable.

As auditors of the group, we have audited the consolidated financial statements (consolidated income statement, consolidated balance sheet, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and notes to the consolidated financial statements) of CREALOGIX Holding AG for the year ended 30 June 2001.


These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements, based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession and with the International Standards on Auditing issued by the International Federation of Accountants (IFAC), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Accounting Standards (IAS), and comply with the Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



R. Willborn



E. Eichenberger

Zurich, 17 August 2001



Financial section – CREALOGIX Holding AG

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INCOME STATEMENT

CREALOGIX HOLDING AG

	30 June 2001		30 June 2000	
	CHF	%	CHF	%
Other revenue Group	10,464.40	100.0	8,263.00	100.0
TOTAL REVENUE	10,464.40	100.0	8,263.00	100.0
Services purchased	0.00	0.0	-11,948.00	-144.6
Goods purchased	0.00	0.0	-3,034.60	-36.7
Total goods and services purchased	0.00	0.0	-14,982.60	-181.3
CONTRIBUTION MARGIN 1	10,464.40	100.0	-6,719.60	-81.3
Personnel expenses	-91,061.20	-870.2	-1,867,209.18	-22,597.2
CONTRIBUTION MARGIN 2	-80,596.80	-770.2	-1,873,928.78	-22,678.6
Marketing and advertising	-464,654.75	-4,440.3	-47,230.43	-571.6
Rent and maintenance	0.00	0.0	-50,190.00	-607.4
Motor vehicles and transport expenses	0.00	0.0	-37,911.17	-458.8
Insurance and fees	-220.00	-2.1	-2,481.52	-30.0
Energy and disposal management expenses	0.00	0.0	-581.00	-7.0
Administration expenses	0.00	0.0	-41,107.20	-497.5
Consulting expenses	-2,855,979.60	-27,292.3	-12,518.14	-151.5
IT expenses	0.00	0.0	-29,006.59	-351.0
Royalties and licences	0.00	0.0	-6,233.95	-75.4
Bad debts	0.00	0.0	5,000.00	60.5
Other operating expenses third	-37,000.00	-353.6	-23,183.00	-280.6
Other operating expenses Group	-521,749.69	-4,985.9	-1.00	0.0
Other operating expenses	-3,879,604.04	-37,074.30	-245,444.00	-2,970.4
Depreciation fixed assets	0.00	0.0	-143,899.30	-1741.5
Amortisation intangible assets	0.00	0.0	-14,804.00	-179.2
Depreciation and amortisation	0.00	0.0	-158,703.30	-1,920.6
Rechargeable to CREALOGIX AG	0.00	0.0	2,808,000.00	33,982.8
E B I T	-3,960,200.84	-37,844.5	529,923.92	6,413.2
Financial income	1,444,618.75	13,805.1	87,593.20	1,060.1
Financial expense	-1,466,495.60	-14,014.1	-4,152.85	-50.3
Financial result	-21,876.85	-209.1	83,440.35	1,009.8
Extraordinary income/expense	0.00	0.0	258.30	3.1
Loss/earnings before taxes	-3,982,077.69		613,622.57	
Income tax expense	0.00	0.0	-113,513.40	-1,373.8
NET LOSS / PROFIT for the year	-3,982,077.69	-38,053.60	500,109.17	6,052.4

A S S E T S	30 June 2001		30 June 2000	
	CHF	%	CHF	%
Cash and marketable securities	44,463,829.23	87.5	666,521.75	14.6
Other receivables	934,917.76	1.8	584,530.36	12.8
Accounts receivables CREALOGIX AG	4,176,637.30	8.1	2,840,047.76	62.3
Accounts receivables CREALOGIX Corp., CA	1.00	0.0	260,894.79	5.7
Accounts receivables CREALOGIX AG, D	925,410.88	1.8	0.00	0.0
Treasury shares	464,640.00	0.9	0.00	0.0
Total current assets	50,965,436.17	99.8	4,351,994.66	95.4
Investments	100,000.00	0.2	210,000.00	4.6
Total non-current assets	100,000.00	0.2	210,000.00	4.6
Total A S S E T S	51,065,436.17	100.0	4,561,994.66	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Trade accounts payable	0.00	0.0	3,782.00	0.1
Other current liabilities and accruals	95,301.20	0.2	6,000.00	0.1
Total current liabilities	95,301.20	0.2	9,782.00	0.2
Share capital	10,700,000.00	20.8	4,000,000.00	87.7
Share premium	43,235,360.00	85.1	0.00	0.0
Legal reserves	75,000.00	0.1	50,000.00	1.1
Reserve for treasury shares	464,640.00	0.9	0.00	0.0
Accumulated deficit/retained earnings	-3,504,865.03	-6.3	502,212.66	11.0
Shareholders' equity	50,970,134.97	99.8	4,552,212.66	99.8
Total LIABILITIES AND SHAREHOLDERS' EQUITY	51,065,436.17	100.0	4,561,994.66	100.0

Investments

Company	Activity	Capital	Interest held
CREALOGIX AG Bubikon, Switzerland	Development, marketing and support of fully integrated large-scale Internet applications	CHF 100,000	100%
CREALOGIX Corp. Toronto, Canada	Development, marketing and support of fully integrated large-scale Internet applications	CAD 100,000	100%
CREALOGIX AG Frankfurt, Germany	Development, marketing and support of fully integrated large-scale Internet applications	EUR 100,000	100%

Treasury shares	Number of shares	Average price	Value
		CHF	CHF
As at 1 July 2000	0		0.00
Purchases 2000/2001	9,491	120.20	1,140,813.90
Sales 2000/2001	-2,231	121.09	-270,141.25
Unrealised loss			-406,032.65
As at 30 June 2001	7,260	64.00	464,640.00

Share capital

As at 30 June 2000, 400,000 fully paid-in registered shares of CHF 10.– each were outstanding. On 5 September 2000, before the IPO, 440,000 registered shares of CHF 10.– each were issued and on 7 September 2000, at the IPO, another 230,000 registered shares of CHF 10.– each were issued. The issue price at the IPO was CHF 200.– per share. The difference was credited to the share premium. Thus, the share capital was altogether increased from CHF 4,000,000 to CHF 10,700,000. On 5 September 2000, the General Meeting approved to create an authorized share capital in the amount of CHF 1.5 million and, with regard to an employee share option plan, an authorized but unissued share capital in the amount of CHF 2.5 million.

Change in purpose

As at 1 July 2000, the purpose of CREALOGIX Holding AG was changed and therefore the items of the financial statements 1999/2000 cannot be compared to those of the year under review.

Significant shareholders

As at 30 June 2001 the following shareholders had proportions of ownership interests over 5 percent:

Shareholders	Proportion of ownership interest	Number of shares
Bruno Richle	22.30%	238,567
Dr. Richard Dratva	22.30%	238,567
Daniel Hildebrand	15.55%	166,346
Peter Süssstrunk	7.34%	79,520

Proposal of the Board of Directors for appropriation of the accumulated deficit/retained earnings

	2000/2001	1999/2000
	CHF	CHF
Accumulated retained earnings at the beginning of the financial year	477,212.66	2,103.49
Net loss/profit for the year	-3,982,077.69	500,109.17
Total accumulated deficit/retained earnings	-3,504,865.03	502,212.66
Transfer to legal reserves	0.00	25,000.00
Accumulated deficit/retained earnings at the end of the financial year	-3,504,865.03	477,212.66



STATUTORY AUDITORS' REPORT
TO THE GENERAL MEETING OF CREALOGIX HOLDING AG, ZURICH

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of CREALOGIX Holding AG for the year ended 30 June 2001.

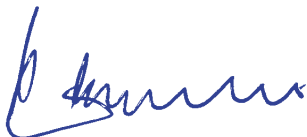
These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements comply with the Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



R. Willborn



E. Eichenberger

Zurich, 17 August 2001



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