

2001/2002

Annual Report



Fit for
the future...

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All amounts in CHF	April–June 2002	April–June 2001	July–June 2001/2002	July–June 2000/2001
Revenue	4,901,289.18	6,533,988.59	20,635,263.48	27,325,477.57
% increase	-25.0		-24.5	
Operating earnings before interest, taxes, depreciation and amortization (EBITDA)	238,158.14	224,841.86	2,575,918.10	2,730,832.64
in % of revenue	4.9	3.4	12.5	10.0
Operating profit (EBIT)	-345,119.17	-295,576.70	380,282.51	992,584.98
in % of revenue	-7.0	-4.5	1.8	3.6
Net profit	-97,529.72	306,204.69	1,070,855.40	1,614,518.31
in % of revenue	-2.0	4.7	5.2	5.9
in % of shareholders' equity	-0.2	0.5	1.9	4.9
Net cash flow from operating activities	-245,148	3,468,580	2,046,655	5,406,864
in % of revenue	-5.0	53.1	9.9	19.8
Capital expenditures	-3,629,829	79,101	2,436,502	3,026,252
Depreciation	583,277.31	520,418.56	2,195,635.58	1,738,247.66
Capacity of persons employed	110.5	140.6	114.5	138.0
Capacity of freelancers	1.7	3.0	1.7	9.5
Capacity, incl. freelancers	112.2	143.6	116.2	147.5
Revenue per person (capacity, incl. freelancers)	43,683.50	45,501.31	177,584.02	185,257.48
Personnel expenses per person	30,295.23	35,127.19	117,580.50	128,883.01
Headcount per 30 June			114	141
Share prices				
High	41.00	73.50	64.35	287.50
Low	30.00	40.00	24.00	40.00
Market capitalization (in m)				
High	43.9	78.6	68.9	307.6
Low	32.1	42.8	25.7	42.8
Market capitalization per 30 June (in m)			36.5	68.5
in % of revenue			176.9	250.7
in % of shareholders' equity			63.4	120.7
Earnings per share – basic	1.01	0.40	1.01	1.72
Price-earnings ratio (P/E)	8.4	40.0	33.8	37.2
Shareholders' equity per share			53.8	53.0
Price-book value			0.6	1.3

All amounts in CHF	30 June 2002	30 June 2001
Total assets	62,149,135.27	61,763,755.36
Total current assets	57,342,819.18	57,070,511.33
cash and cash equivalent of above	51,017,837.61	51,404,375.34
Total current and non-current liabilities	4,629,917.83	5,031,189.89
Shareholders' equity	57,519,217.44	56,732,565.47
Equity ratio (in %)	92.6	91.9

Part of the electronic value added network

Since it was founded in 1996, Crealogix has considerably changed and expanded its field of activities. Initially, the company focused on thinking up, programming and designing web appearances and first interactive applications. However, within a short time Crealogix had grown into an e-business company that provided support for its customers to enable them to use their existing IT solutions and services to exploit the business opportunities of the Internet and intranet. At the same time, the realization grew that the potential of the electronic value added chain would only be optimally exploited when all business processes were integrated into it.

Greater process orientation

With this goal, Crealogix grew into one of the leading Swiss IT service companies in the e-business sector, covering, in conjunction with its partners, the entire IT process chain from pure frontend (user interface) to the backend system (computer centre with servers and mainframe computers). Thanks to its years of experience and technological know-how, Crealogix offers its customers process-oriented, well thought-out, convincingly user-friendly web-based IT solutions.

Building on a three-core-competence strategy

The performance of the CREALOGIX Group is based on three core competencies: consulting (consultancy and project management of entire IT projects), technology (conception and development of software for the required IT solutions), multimedia/design (consultancy, design and realization of the necessary user-oriented and ergonomic application interfaces for modern Internet and intranet solutions).

Building on this know-how, Crealogix developed and integrated innovative IT solutions focused on integrating all business processes into the electronic value-enhancing process and making them available to users via web-based applications.

Cross-sector know-how

Thanks to its years of broad experience in the fields of e-finance and e-learning, the CREALOGIX Group is equipped with specific know-how about the conception and implementation of business-critical applications with high security standards and a focus on sales-supporting user-friendliness. Crealogix applies this knowledge on a cross-sector basis.

Focus on sustainability

The CREALOGIX Group concentrates on IT projects that cover the entire process, from the user interface to backend system integration (computer centre). With its comprehensive services, which it also provides as a general contractor, the CREALOGIX Group creates long-term customer relationships, provides customers with a high level of investment protection and achieves sustainable profits.

Acquisition-driven growth

In the coming years, the CREALOGIX Group wants to focus more strongly on acquisition-driven growth. It will target IT and e-business companies whose services or technologies complement those of the CREALOGIX Group anywhere along the IT process chain (preferably in the middleware and backend segments). Potential candidates must fulfil the following

criteria: profitability, competitiveness and high value-enhancing potential. The geographic focus is on companies in Switzerland and Germany.

Using partnerships

Collaboration with leading partners in the fields of technology and applications gives Crealogix proven and flexible standard solutions which it can expand through intelligent interface and application software that it has itself developed to satisfy customer-specific requirements. Depending on market requirements, these expanded solutions can be developed into standardized application modules and offered under licence by Crealogix or selected sales partners.

Short profile

Crealogix is one of the leading IT and service companies in Switzerland's e-business sector. It helps large enterprises to make profitable use of the Internet and intranet. Its core competencies are consulting, technology, multimedia/design and e-learning. Crealogix designs and implements integrated Internet and intranet applications. In doing so, it focuses on maximum customer benefit.

The interface approach – from frontend to backend system

Crealogix core competencies: consulting, technology, multimedia/design		
Process Interface (process flows) <ul style="list-style-type: none"> – Workflow expertise (assessment of the processes) – Application know-how – Use cases/storybooks (application examples, scripts) – Sector/specialized knowledge 	Application Interface (technologies, applications) <ul style="list-style-type: none"> – Technology focus: EAI (consolidation of data, processes and applications from various heterogeneous systems) – Leading integration products – XML, web services competencies 	User Interface (user interface, navigation) <ul style="list-style-type: none"> – User experience (user behaviour) – Usability (user-friendliness) – Ergonomics – Interactive design – Sales/customer orientation

With its know-how, Crealogix covers the entire IT process chain. Through its core competencies of consulting, technology and multimedia/design, Crealogix has acquired the years of experience needed to develop and implement user-friendly, process-oriented solutions that meet the most demanding technological standards.



Bruno Richle

CEO & Chairman of the
Board of Directors

Dear Shareholders

Dear Colleagues

Dear Business Partners

The 2001/2002 financial year saw the CREALOGIX Group perform well in a difficult economic environment. For the reporting period just ended, we posted an EBIT of CHF 0.4 million and net profit of CHF 1.1 million on consolidated sales of CHF 20.6 million. In doing so, we achieved our objective of closing the financial year in the black. There were many contributing factors: strict cost controls, a successful corporate acquisition, innovative services and, above all, the satisfaction of our customers, who demonstrated their confidence by awarding us gratifying follow-up orders despite their own budget cutbacks.

Sales and earnings

Although at CHF 20.6 million (2000/2001: CHF 27.3 m) the CREALOGIX Group's consolidated sales were lower than original forecasts owing to severe deterioration in the market environment, we achieved our goal of remaining profitable, closing the financial year with a positive EBIT of CHF 0.4 million and a consolidated net profit of CHF 1.1 million.

Corporate governance

We aim to present our business operations as transparently as possible in order to secure the long-term confidence of our investors, the media and business analysts. At Crealogix, in addition to an open information policy and transparent accounting practices, this means publishing our corporate governance framework. It is set out in detail on pages 12 to 18 of this Annual Report. With the framework in place, the

CREALOGIX Group already fulfils the corporate governance information obligations that are demanded by SWX and will be mandatory for all listed companies from next year.

Personnel and operating costs

Our personnel policy is determined by the market and the profitability of our company. The subdued sales trend prompted us to reduce staff numbers slightly during the year under review. Strict cost-trimming programs had a positive year-on-year impact on our profit and loss account, as personnel costs were cut by 24% and other operating expenses by 25%. The flexibility of our personnel structure, which had a headcount of 114 as at the balance sheet date, should enable us to achieve our sales and earnings targets for the new financial year.

Market growth and positioning

The persistently weak economy has meant great challenges for the CREALOGIX Group. Low order volumes have brought about an even more pronounced consolidation in the market for e-business services and the past 12 months have seen countless competitors forced to redimension their operations or close completely. However, this harsh climate also represents an opportunity that we have tried to grasp by redoubling our marketing and sales efforts and developing innovative solutions.

During the 2001/2002 financial year, we pursued an intensive acquisition program and also gained some major new clients. These include the Feldschlösschen beer brand, Cantrade Privatbank AG, the Handelszeitung business newspaper, the University of Basel

and Winterthur Insurance, for whom we designed and implemented intranet and Internet projects. We are also pleased to report that many of our existing clients expressed their confidence in us in the form of follow-up projects.

The acquisition of the e-learning company Acadia Communications & Training AG in December 2001 positioned us in an attractive growth market, where we expanded in April of this year with a distribution partnership with "Click2learn". The interplay between the e-learning segment and our existing core competencies has created services which perfectly meet the needs of large companies and organizations for web-based training modules. Over the past financial year, our e-learning clients have included the Swiss Bankers Association, Swiss Re, the Federation of Migros Cooperatives and V-Zug, to name just a few. The multimedia teaching tool "Banking Today" has proven particularly successful. It is used by Swiss banks for basic banking training and is presented in greater detail on page 9 of this Annual Report.

In recent months we have been working hard, both independently and with our technology partners, to develop new services to extend our offering. The standardized application modules that this work has generated have already been launched successfully on the market. Examples of these innovative solutions can be found on page 8 of this Annual Report.

Acknowledgements

Once again, our staff worked loyally and with great motivation for our company during the financial year just ended. On behalf of the Board of Directors and Group management I would like to thank you all for your enormous effort.

I would like to express my gratitude to our clients for displaying the cooperation and confidence that forms the basis of successful projects. Our thanks also goes to our partners for their skilled support with our challenging tasks. Last but not least, a large vote of thanks goes to our shareholders for their faith and financial commitment despite the uncertainties of the market.

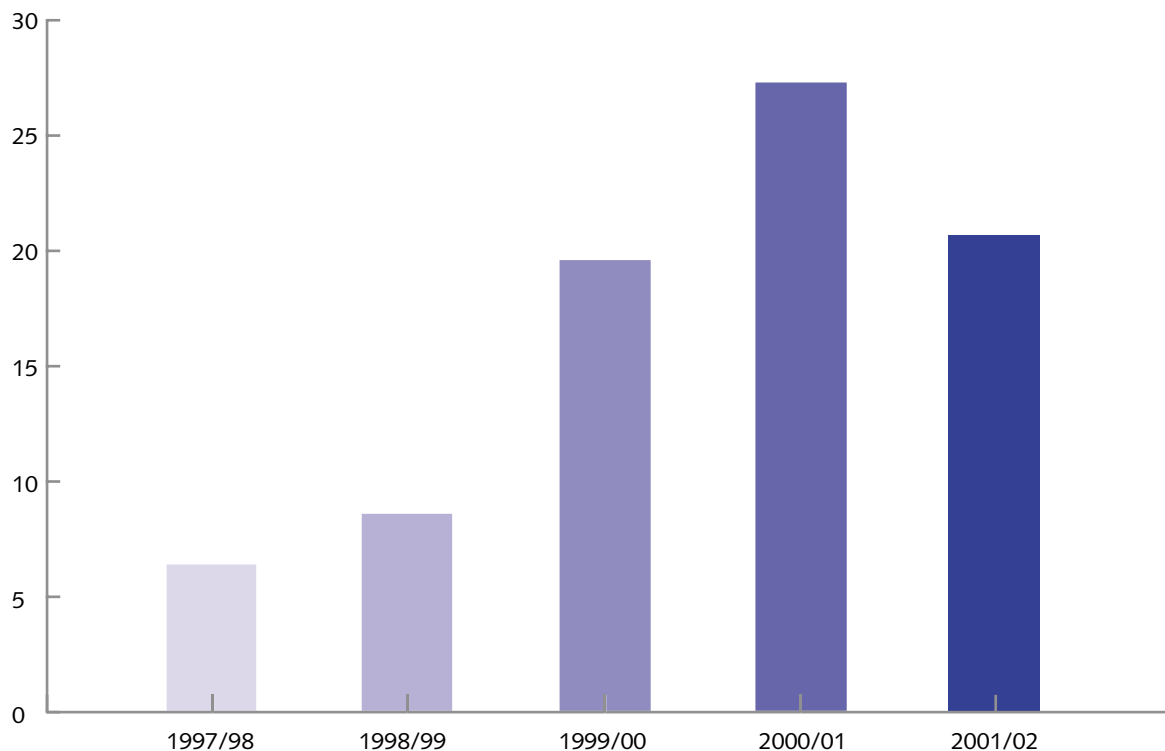
Outlook

Crealogix is now a modern IT service provider with a focus on e-business. Yet perceptions of e-business should not blinker us into seeing only Internet-related

applications. The real business is in enabling conventional IT applications, internal company networks and the Internet to mesh as seamlessly as possible. After all, the universality of processes – and their efficient electronic support – are becoming increasingly critical to the success of individual companies. That is why our future activities will increasingly be geared towards linking our clients' existing IT solutions in an intelligent way so that they can be made available to business partners and suppliers using modern interfaces. By working in technology partnerships, we can cover the entire IT process chain from the frontend right through to the backend.

Revenue

in CHF million



Furthermore, we will be expanding intelligent learning applications, as this is a very promising segment for our company. Our objective is to lead the market for e-learning in Switzerland.

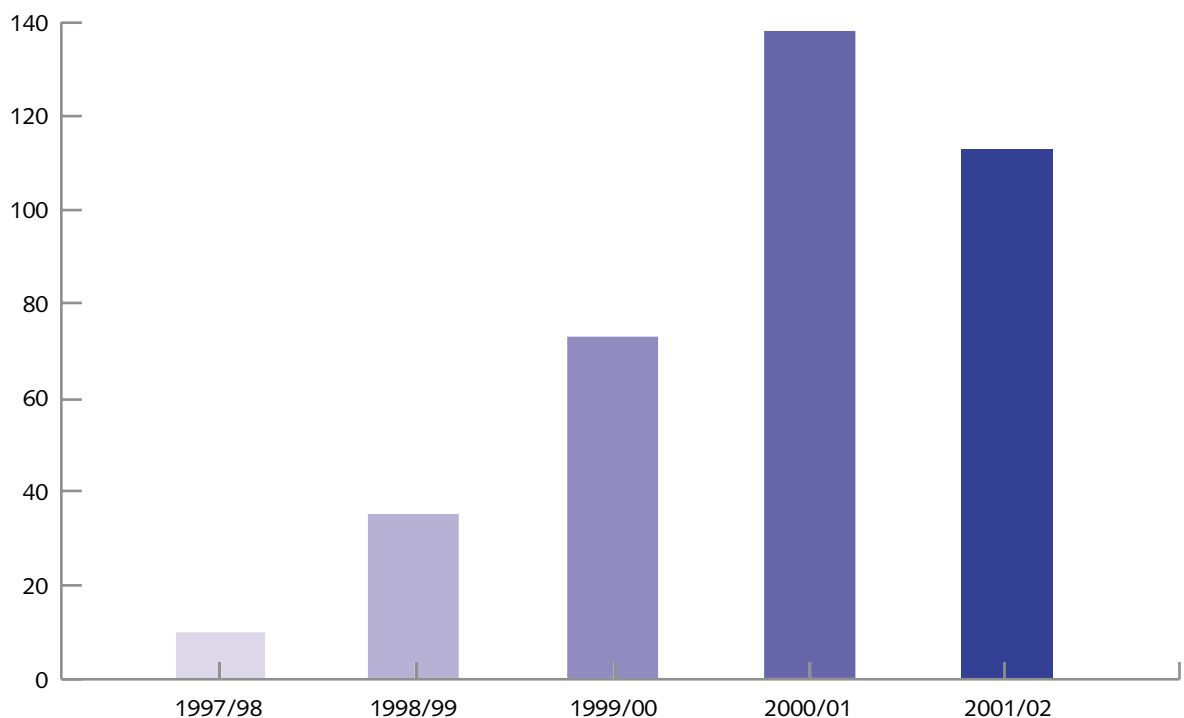
Our strategy for the next few years foresees growth primarily through the acquisition of complementary companies with which we can make inroads into our target markets and position ourselves there by joining forces on marketing and sales.

The shakeout is still in full swing in the IT industry. However, strict cost management and our available

liquidity mean that we will be able to emerge from this process in a stronger position. Unless the market climate improves significantly, organic growth will be virtually impossible. For the current financial year, excluding acquisitions, we thus anticipate steady sales and slightly improved EBIT margin of 5 percent.

Bruno Richle
Chairman of the Board of Directors and CEO

Headcount



Crealogix –

Clever solutions for complex tasks

Crealogix is a leading Swiss IT company, offering services that cover the entire IT process chain from the frontend right through to the backend system. Our business is founded on our ability to analyse business processes, propose solutions based on our findings, locate the best technologies and ultimately turn the idea into reality in a user-friendly way.

The services we offer take us into a virtual world of technical jargon that is often difficult for outsiders to understand. We would like to use the following examples to introduce you to this world and show you how we apply our core competencies of consulting, technology and multimedia/design to developing and realizing clever solutions for complex tasks.

We have chosen to focus on areas in which the CREALOGIX Group has particular expertise – e-finance and e-learning – as well as on the requirements that are crucial to the success of IT projects:

- Integration → Innovative IT solutions must be geared towards integrating all business processes into the electronic value chain and making them available to users in a straightforward way.
- Usability → Users will only use applications and technical tools if they are directed at their needs and create added value for them. Consequently, there must be an intuitive interface (screen presentation, navigation), logical processes, and a genuine time saving.
- Multichannel publishing → Previously published content must be resorted or reworked according to its intended use, and made available for inclusion in other media or applications.
- Wireless → The mobility of our company has created the need to be able to access any data at any time and from any location.

e-finance → the “eClient Risk Reporter” example

Online portfolio analyses

The eClient Risk Reporter from Crealogix provides banks with a tool that they can use to establish the risk profile of a portfolio and present it transparently to their clients.

The facilities offered by the online tool range from straightforward analyses of global risk mass to intuitive scenario analyses and detailed risk reports for the professional user. The eClient Risk Reporter enables banks to offer their clients an additional, confidence-building tool: Scenario analyses make the client's risk bias easier to appraise; complex investment strategies and instruments are presented to the client in an easy-to-understand form; the risk perspective adds an additional dimension to performance assessments and – on the basis of the current risk-exposure profile – the client can be shown optimisation proposals and alternative courses of action.

The eClient Risk Reporter is a combination of two principal elements: the Risk Engine (MARCO integrated from AlmafinaJaeger) and the Risk Reporter from Crealogix. The Risk Engine calculates risk coefficients, simulates scenarios and saves the results



in a database. Portfolio and master data are fed in directly from external bank host servers. Market data comes through an interface to the most important information providers, such as Reuters, Bloomberg and Datastream/Thomson Financial.

From the database, the results are processed into lists by the Risk Reporter. These can be called up directly over the Internet, prepared as printable PDF files or forwarded for export into MS-Excel.

e-learning → the “BankingToday.ch” example

Multimedia teaching tool for professional foundation courses in banking

In BankingToday.ch Crealogix created a multimedia teaching tool for the Swiss Bankers Association that is based on the latest findings about learning patterns and also the most up-to-date teaching methods.

The combination of conventional (book-based) and electronic (CD-ROM, Internet) media allows course participants to work through the syllabus independently in the best way for them. Theoretical principles are taught mainly through the text books. The 17 lessons are structured according to the latest teaching theory and broken down clearly into learning targets, a factual basis, repetition questions and suggested answers. The CD-ROM contains teaching and information modules on a variety of topics, as well as exercises which students can use to test their knowledge. In addition, the website offers simulations, case studies and tests on all these topics and provides regular updates of the content of the text books. Users will also find links to take them straight to information from the economic and financial worlds. The teaching tool offers optimum support for both trainers and students, with an interactive discussion

forum on specialist banking issues and a collection of presentation slides for course leaders.

BankingToday.ch was designed in German, French and Italian and is perfect for integration into your intranet.



“BankingToday.ch represents an ideal combination of conventional learning and modern e-learning.”

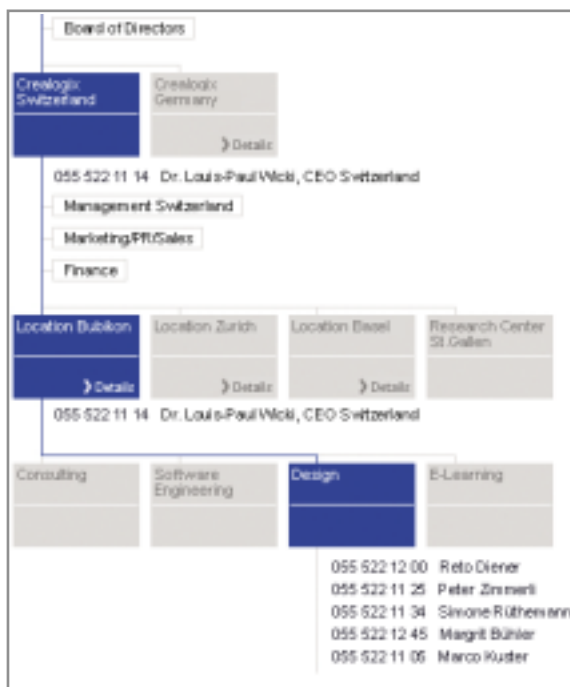
Marie-Theres Lorenzon,
Swiss Bankers Association

Integration → the “Org Chart Viewer” example

With the Org Chart Viewer from Crealogix, organization charts on the Internet and intranet always reflect the most up-to-date corporate structure.

When preparing its charts, the Org Chart Viewer can use any available data source, such as human resources data from ERP systems such as SAP or PeopleSoft. Information is presented rapidly, simply and in line with the company's CI/CD guidelines.

The Org Chart Viewer has an interface for transferring diagrams to MS Office applications. It is also possible to export extracts of individual charts in MS Office-compatible graphic or list formats. What's more, “predictive caching” generates considerable additional time savings for users. The system anticipates what data is likely to be called up next, prepares it independently and can show it on screen very quickly when asked to do so.



Usability → the “ClearView für BMC” example

User-friendly system monitoring

ClearView from Crealogix relieves the User Helpdesk and creates transparency about system availability.

Service	Actual	Agreed	History	S.L.A.	Help Desk Information
Other services	****	□	■	□	System OK
F-Mail services	■	□	■	□	Max. Hardware Size (128)
Booking Data	■	□	■	□	Usage of Networks, 100%
Event	■	□	■	□	System Shutdown
Networks HCS	■	□	■	□	Power Failure at 10:00am
EMC Power System	■	□	■	□	System Shutdown
San Storage	****	□	■	□	Service OK
SAP ABAP	■	□	■	□	No information available
Accounting System	****	□	■	□	Service OK
IBM Lotus	■	□	■	□	Slow Performance during all day

ClearView Web GUI combined with the BMC Patrol Enterprise Manager gives a company's staff fast, easy access to key information about systems relevant to them. This increases transparency about system availability and lightens the workload at the User Helpdesk. The user-friendly, web-based solution offers users straightforward monitoring of the systems and services they use or look after, and allows them to call up special services fast. ClearView can cover as many services as required, either individually or as a logical network, from technical system components through to high-level business processes.

“Thanks to the Crealogix Org Chart Viewer staff can call up current organizational structures whenever they need to.”

Urs Viktor Buob, Credit Suisse Financial Services

Multichannel publishing → the “XML” example

Universal interface for data exchange and presentation

XML from Crealogix offers companies a universal interface which they can use to make their centrally managed data available to any number of further applications.

XML (Extensible Markup Language) is a universal text format used to model and manage structured data and exchange it with other systems. It is platform-independent, extensible, easy to understand and supports the local use of data which is stored centrally. This outstanding level of flexibility makes the Crealogix XML solution the perfect tool for multichannel publishing, as it enables existing data to be used for the widest possible range of applications. For example, data presented via a web browser can be used for producing print media; data that is managed centrally (such as standard PowerPoint presentations) can be edited for specific departments or users; web presentations can be transformed easily into PDFs; data can be linked to an SMS gateway and system installation and maintenance can be simplified.

Wireless → the “KPIs” example

Access to key information via PDA phone

Wireless KPIs from Crealogix allows users to access key company information at any time and from any location.

Wireless KPIs is based on an enterprise portal solution from Cleverpath Portal. The portal for internal corporate data is both highly dynamic and customizable. This means that the large number of available key performance indicators (KPIs) can be defined and expanded for specific companies or users. Data access is wireless, via a PDA phone (Personal Digital Assistant

mobile phone), and is therefore fast, easy and cost-effective. Even if you choose a permanent online link, you will be charged only for actual data transmission costs. The connection itself is free. In addition to information transfer, the system can be used to monitor devices, data and processes and, if necessary, trigger warnings or a workflow for the necessary action.



Wireless KPIs originated from a combination of the latest hardware, software and network technologies. It was created in close collaboration between Computer Associates, Swisscom Mobile, Miracom and Crealogix and developed for GPRS-enabled terminals such as the Sagem WA 3050, which incorporates both PDA functions and telephony perfectly into a single device.

Group structure

CREALOGIX Holding AG Zurich		
Switzerland CREALOGIX AG Bubikon Zurich Basel	Germany CREALOGIX AG Frankfurt	Canada CREALOGIX Corp. Toronto

Detailed information about CREALOGIX Holding AG's interest in its individual subsidiaries can be found on p. 45 (for companies included in the scope of consolidation as of 30 June 2002).

Significant shareholders

As of 30 June 2002, the following shareholders each held more than 5% of the votes:

Shareholder	Share of votes	No. of shares
– Bruno Richle	22.32%	238,850
– Dr. Richard Dratva	22.30%	238,567
– Daniel Hildebrand	15.55%	166,346
– Peter Süsstrunk	7.36%	78,760

The shareholders listed above have concluded a pooling agreement which covers issues such as the exercise of voting rights at the annual general meeting.

Capital structure

As of 30 June 2002, the equity capital of CREALOGIX Holding AG was as follows:

Ordinary capital	CHF 10,700,000 divided into 1,070,000 registered shares with a nominal value of CHF 10 each
Approved capital	CHF 1,500,000 divided into 150,000 registered shares with a nominal value of CHF 10 each Issue approved up to 5 September 2002
Contingent capital	CHF 2,500,000 (for employee stock option plans*) divided into 250,000 registered shares with a nominal value of CHF 10 each

* Detailed information about the employee stock option plans can be found on p. 36.

Capital changes

The capital changes of the past three years are listed on p. 23.

Equity capital

As of 30 June 2002, CREALOGIX Holding AG had issued 1,070,000 fully paid-up registered shares with a nominal value of CHF 10 each.

As of 30 June 2002, CREALOGIX Holding AG held 14,595 shares, or 1.4%, as treasury stock.

Transferability and entries in the name of nominees

There is no restriction on the transfer of the registered shares of CREALOGIX Holding AG. There are no conditions attached to the entry of purchasers in the share register of CREALOGIX Holding AG. Shares may also be entered on behalf of third parties.

Stock options

The CREALOGIX Group has two stock option plans for the employees and the directors of the CREALOGIX Group, details of which can be found on p. 33.

Board of Directors

	Member since	Remaining term in office
<p>Bruno Richle, Chairman (1957), dipl. El. Ing. HTL, Swiss citizen Chief Executive Officer of CREALOGIX Holding AG 1985–1989 head of the department of Electronic Engineering at Oerlikon Aerospace in Montreal, Canada. 1990–1996 member of the Executive Board and Technical Director at Teleinform AG. 1996 co-founder of CREALOGIX AG.</p>	1996	1 year
<p>Richard Dratva, Vice Chairman (1964), Dr. oec. HSG, Swiss citizen Chief Strategy Officer of CREALOGIX Holding AG Several positions at UBS, consultant for a telematics firm; 1996 co-founder of CREALOGIX AG. Other directorships: X8X Process Solutions AG, Zurich.</p>	1996	1 year
<p>Beat Schmid, member (1943), Prof. Dr., Swiss citizen Since 1987 Beat Schmid has been Professor of Information Management at the University of St. Gallen. He was Director of the Institute of Information Management between 1989 and 1997, and has been Managing Director of the Institute for Media and Communications Management since its foundation in 1998. He is also the publisher of two international scientific journals, and he sits on the editorial boards of other, similar publications. His other directorships are: Informationobjects AG as Chairman of the Board of Directors, Abraxas Informatik AG, St.Gallen, Zurich, and Business Communications Consulting AG as a Director, and Centric, Zug, as a member of the Advisory Board.</p>	2001	2 years
<p>Christoph Schmid, member (1954), Dr. iur., lawyer, Swiss citizen Previous activities: court appointments, legal department of a media company, firm of lawyers in the USA. Other directorships: Robert Bosch Internationale Beteiligungen AG, KWC AG, Kessler & Co AG and EBS Service Company Ltd., among others.</p>	2000	1 year



Dr. Christoph Schmid



Prof. Dr. Beat Schmid

Election and composition

The members of the Board of Directors are elected by the Annual General Meeting for a term in office of three financial years. The Board of Directors constitutes itself and elects the Chairman and Vice Chairman from among its members. At present, the Board of Directors consists of two executive members (who are simultaneously the Chairman and CEO and the Vice Chairman and Chief Strategy Officer [CSO]) and two non-executive members.

Executive members

For a company of the size of the CREALOGIX Group it is normal for one person to fulfil the functions of Chairman and CEO. Similarly, it is an advantage for the company to have the CSO as Vice Chairman of the Board of Directors. This gives the Board of Directors unlimited access to the technical and market knowledge of the Chairman/CEO and the Vice Chairman/CSO. In addition, it ensures efficient preparation of laborious documentation for decision-making and facilitates flexibility and speed in the most important decision-making processes.

Non-executive members

Neither of the non-executive directors have ever held an executive function within, or had a material business relationship with, the CREALOGIX Group.

Duties and responsibilities

The Board of Directors meets as often as business requires, but at least four times a year. In the 2001/02 financial year the Board met four times. It constitutes a quorum when a majority of its members are present. The Board takes decisions by a majority of the votes cast. In the event of an equal division of votes, the Chairman has a casting vote.

The Board of Directors is responsible for defining corporate strategy, for the overall supervision of the company, and for determining the organizational structure, for appointing and dismissing members of Group Management and for structuring the company's accounting, financial planning and financial control. It takes decisions about acquisitions and determines the Group's annual targets, overall budget and investment budget.

Committees

The Compensation Committee is responsible for establishing the compensation of the members of the Board of Directors and Management and for the allotment of stock options under the employee stock option plan. Its members are as follows:

- Bruno Richle
- Dr. Christoph Schmid
- Dr. Richard Dratva
- Dr. Louis-Paul Wicki

Management

Management discharges the operational responsibilities and acts on behalf of the CREALOGIX Group in its external dealings.

Bruno Richle (1957), dipl. El. Ing. HTL, Swiss citizen
Chief Executive Officer of the CREALOGIX Group

Definition of responsibilities and vehicles of information

The Board of Directors is responsible for defining strategy and Management for implementing it. The division of responsibilities between the Board of Directors and Management is laid down in the organizational regulations of the company.

Management reports to the Board of Directors every month on the current business situation on the basis of the monthly accounts.

Richard Dratva (1964), Dr. oec. HSG, Swiss citizen
Chief Strategy Officer of the CREALOGIX Group

Jürg Neck (1953), Dr. oec. publ Swiss citizen
Chief Financial Officer of the CREALOGIX Group

He has many years of experience in the financial sector (Citibank, Credit Suisse) and subsequently worked as a corporate consultant specializing in strategy and BPR projects. As partner in a trust company, he was responsible for strategic accountancy and audit mandates. He is member of the Board of Directors of CTC Codex Treuhand und Consulting AG, Zurich, and Chairman of the Board of the Association of AFS Intercultural Programs in Switzerland, Zurich.

Louis-Paul Wicki (1963), Dr. oec. HSG, Swiss citizen
Chief Executive Officer of CREALOGIX (Switzerland) AG

He has many years of IT experience and was previously associate partner and member of the Executive Board of the St. Gallen Consulting Group.

For further information on the members of Management, please visit www.crealogix.com



Dr. Richard Dratva



Dr. Jürg Neck



Dr. Louis-Paul Wicki

Compensation, shareholdings and loans to members of the Board of Directors and Management

The Board of Directors decides on compensation, shareholdings and loans to members of the Board of Directors and Management. Decisions are taken on the basis of applications submitted by Management to the Compensation Committee and the Committee's proposals to the Board of Directors.

Compensation paid to members of the company's governing bodies

Details of compensation paid to the executive members of the Board of Directors and members of Management can be found on p. 38. The non-executive members of the Board of Directors received compensation totalling CHF 80,000.

Allotment of shares in the year under review

In the 2001/02 financial year neither the members of the Board of Directors nor the members of Management were allotted any shares.

Share ownership

As of 30 June 2002, the executive members of the Board of Directors and the members of Management together held a total of 477,417 shares in CREALOGIX Holding AG.

The non-executive members of the Board of Directors together held a total of 1,000 shares in the company.

Stock options

As of 30 June 2002, the executive members of the Board of Directors and the members of Management together held a total of 7,188 stock options.

The non-executive members of the Board of Directors together held a total of 160 stock options

	Date	Stock option plan	No.	Exercise price CHF
Executive members BoD	2.7.2001	1	2,440	64.00
Management	7.9.2000	2	2,600	240.00
Management	2.7.2001	2	2,148	76.80
Total			7,188	
Non-executive members BoD	7.9.2000	2	160	240.00

Other fees and remuneration

In the 2001/02 financial year, the fees paid for legal advice from Wenger Vieli Belser (Board member Dr. Ch. Schmid) amounted to CHF 68,900.

Loans to members of the company's governing bodies

No loans were granted.

Shareholders' participation rights

Agenda

The convening notice must mention the items of business and the motions of the Board of Directors and of the shareholders who requested a General Meeting. Furthermore, items of business and motions that shareholders representing shares with a nominal value of at least one million Swiss francs submitted to the Board of Directors in writing before the General Meeting was convened must also be placed on the agenda.

Entries in the share register

The share register will be closed ten days before the date of the General Meeting.

Shareholders' participation and protective rights

Shareholders' rights to consultation and protection are governed by the provisions of the Swiss companies act.

Change of control and defensive measures

The provisions of the Swiss Stock Exchange and Share Trading Act (SESTA) apply to changes in control over the company, as well as to defensive action.

Auditors

Since 1996, PricewaterhouseCoopers AG, Zurich, has acted as Group auditors and as statutory auditors of CREALOGIX Holding AG. Since the 2000/01 financial year, Mr. Robert Willborn has been in charge of the audit. The Annual General Meeting elects the auditors for a period of one year. They perform their

duties in line with the legal requirements and the standards promulgated by the profession. The auditors regularly inform Group Management and the Board of Directors about their findings and about their proposals for improvement.

In the 2001/02 financial year PricewaterhouseCoopers received fees of CHF 66,365 for auditing and CHF 38,350 for consultancy services.

Investor relations

CREALOGIX Holding AG provides its shareholders and the capital markets with open, up-to-date information that is as transparent as possible. The most important vehicles of information are the annual and quarterly reports, the web site (www.crealogix.com), media releases, the conference calls to present the results to media and analysts, and the General Meeting. As a listed company, CREALOGIX Holding AG is obliged to publish information relevant to its share price (ad hoc publicity, Art. 72 of the Listing Rules). The Listing Rules of SWX Swiss Exchange can be found at www.swx.com. If you have any questions about Crealogix, please contact the officers responsible for investor relations:

– Bruno Richle
Chairman of the Board of Directors and CEO
Tel. +41 1 302 19 25
Fax +41 1 302 19 26
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– Dr. Jürg Neck
CFO
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Fax +41 1 302 19 26
juerg.neck@crealogix.com

Dates for your diary

3 October 2002

Annual General Meeting at the Lake Side Casino Zürichhorn, Zurich

19 November 2002

Interim report, Q1 2002/2003

18 February 2003

Interim report, Q2 2002/2003

20 May 2003

Interim report, Q3 2002/2003

Key figures – shares

Share capital	10,070,000
Total number of shares in circulation	1,070,000
of which publicly held	347,477
in %	32.50
Net assets per share in CHF	53.75
Earnings per share in CHF – undiluted	1.01
Share price in CHF	
30.6.2002	34.10
High (3.7.2001)	64.35
Low (21.9.2001)	24.00
Issue price (7.9.2000)	200.00
Market capitalization in CHF m	
30.6.2002	36.50
High (3.7.2001)	68.80
Low (21.9.2001)	25.70
Issue price (7.9.2000)	214.00
Market capitalization (30.6.2001)	
in % of revenue	177.00
in % of shareholders' equity	63.00
Price/Earnings ratio (P/E)	8.40
Trading volume in CHF m	
1 July 2001 to 30 June 2002	9.50

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:

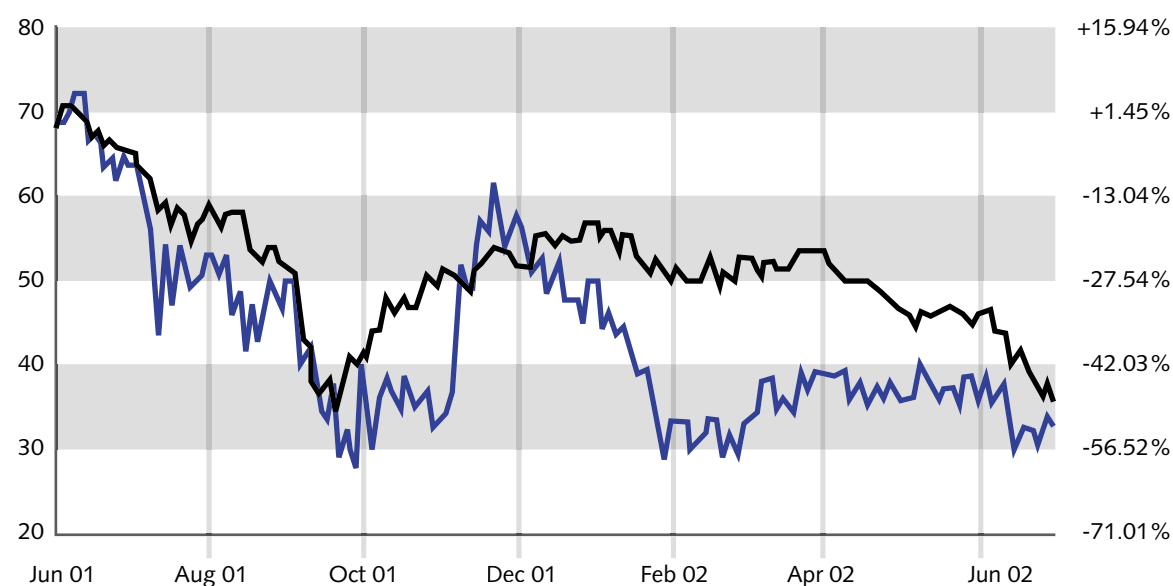
Telekurs	CLXN
Reuters	CLXZn. S
Bloomberg	CLXN SW

Dividend policy

The Board of Directors will propose to the Annual General Meeting that no dividends be paid for the annual year 2001/2002. The general strategy is for profits to be reinvested in the company's expansion plans.

Price movements, 1 June 2001 to 1 July 2002

All amounts in CHF



Symbol	Period High	Period Low	Period Change (%)
CREALOGIX N	73.50	24.00	-36.20 (-52.46%)
SNMI	802.47	381.51	-372.27 (-47.86%)

Financial section

CREALOGIX Group

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Notes to the Consolidated Financial Statements

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Report of the Group Auditors

A **strong**
performance.

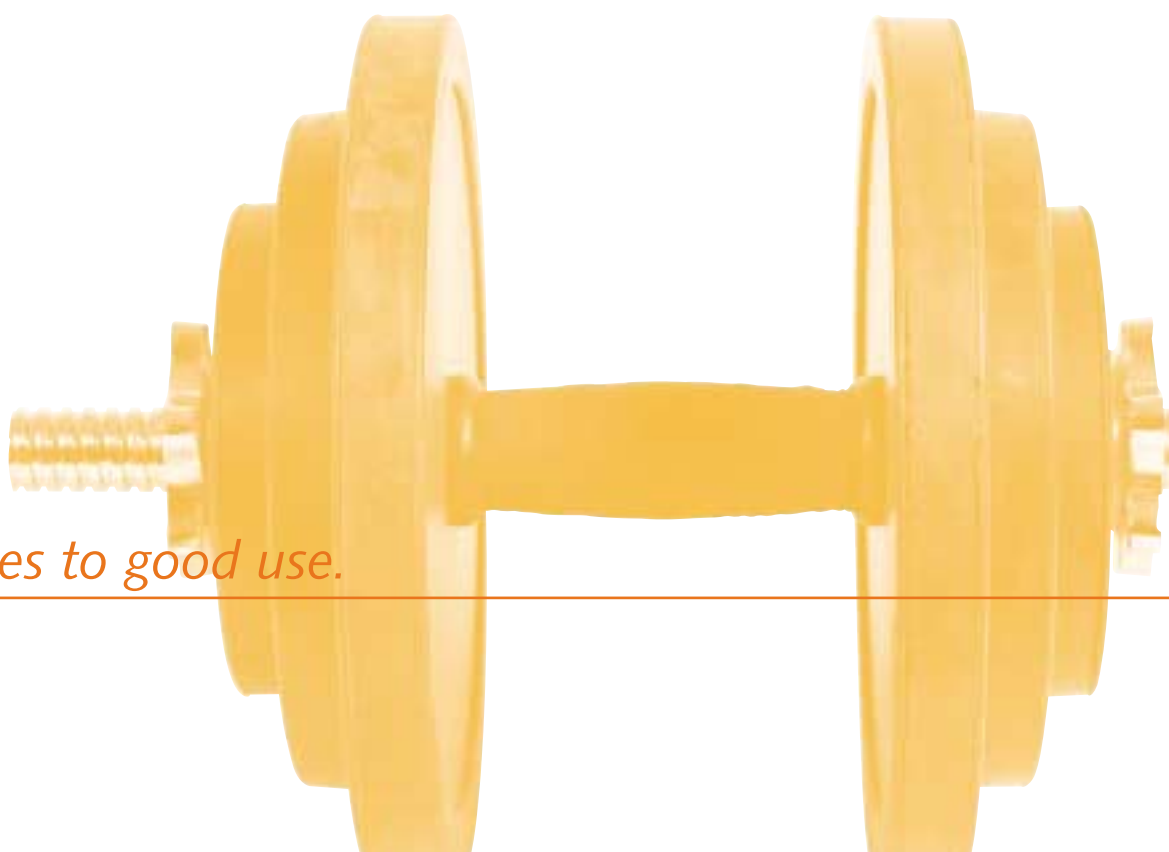
Consolidated Income Statement

CREALOGIX Group

All amounts in CHF		July–June 2001/2002	July–June 2000/2001
	Notes*		
Revenue	3*	20,635,263.48	27,325,477.57
Goods and services purchased	4*	-1,073,268.11	-2,132,965.36
Personnel expenses	5*	-13,462,967.54	-17,785,855.82
Depreciation and amortization expense	10/11*	-2,195,635.58	-1,738,247.66
Other operating expenses	6*	-3,523,109.74	-4,675,823.75
Total operating expenses		-20,254,980.97	-26,332,892.59
Operating profit (EBIT)		380,282.51	992,584.98
Financial income	7*	1,448,526.72	1,418,265.86
Financial expense	7*	-673,953.83	-457,549.93
Profit before tax		1,154,855.40	1,953,300.91
Income tax expense	13*	-84,000.00	-338,782.60
Net profit		1,070,855.40	1,614,518.31
Earnings per share – basic	15*	1.01	1.72
Earnings per share – diluted	15*	1.01	1.72

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

Putting resources to good use.



All amounts in CHF		30 June		30 June	
	Notes*	2002	in %	2001	in %
ASSETS					
Current assets					
Cash and cash equivalents		49,037,758.61		49,667,909.34	
Marketable securities		1,980,079.00		1,736,466.00	
Trade accounts receivable		4,262,056.62		4,348,669.58	
Other current receivables	8*	1,055,451.95		1,086,175.50	
Work in progress/inventories	9*	1,007,473.00		231,290.91	
Total current assets		57,342,819.18	92.3	57,070,511.33	92.4
Non-current assets					
Property and equipment	10*	2,096,003.42		3,446,436.76	
Intangible assets	11*	1,935,312.67		546,807.27	
Financial assets		200,000.00		0.00	
Prepaid pension assets	16*	575,000.00		700,000.00	
Total non-current assets		4,806,316.09	7.7	4,693,244.03	7.6
Total ASSETS		62,149,135.27	100.0	61,763,755.36	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		869,648.96		925,409.56	
Current tax liabilities		224,750.95		24,551.60	
Other current liabilities and accruals	12*	2,915,517.92		3,206,228.73	
Total current liabilities		4,009,917.83	6.5	4,156,189.89	6.7
Non-current liabilities					
Deferred tax liabilities	13*	620,000.00		875,000.00	
Total non-current liabilities		620,000.00	1.0	875,000.00	1.4
Shareholders' equity					
Share capital	14*	10,700,000.00		10,700,000.00	
Share premium		39,692,924.68		39,692,924.68	
Treasury shares		-1,109,487.35		-870,672.65	
Translation differences		-116,392.49		-14,005.64	
Retained earnings		8,352,172.60		7,224,319.08	
Total shareholders' equity		57,519,217.44	92.5	56,732,565.47	91.9
Total LIABILITIES AND SHAREHOLDERS' EQUITY		62,149,135.27	100.0	61,763,755.36	100.0

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

Consolidated Statement 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 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
5 September 2000, pre-IPO							
Issue of ordinary share capital	440,000	4,400,000.00					4,400,000.00
7 September 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	1,070,000	10,700,000.00	39,692,924.68	-870,672.65	-14,005.64	7,224,319.08	56,732,565.47
Translation differences					-102,386.85	56,998.12	-45,388.73
Net profit						1,070,855.40	1,070,855.40
Purchase/sale-net	(-7,335)			-238,814.70			-238,814.70
Balance at 30 June 2002	1,070,000	10,700,000.00	39,692,924.68	-1,109,487.35	-116,392.49	8,352,172.60	57,519,217.44

All amounts in CHF		July–June 2001/2002	July–June 2000/2001
	Notes*		
Operating activities			
Cash generated from operations	17*	1,366,898	4,550,081
Interest received		1,135,612	1,110,642
Interest paid		-24,741	-5,344
Tax received		642,830	0
Tax paid		-1,073,944	-248,515
Net cash flow from operating activities		2,046,655	5,406,864
Investing activities			
Purchase of property and equipment	10*	-500,373	-2,771,271
Purchase of intangible assets	11*	-1,751,675	-379,077
Purchase of financial assets		-200,000	0
Disposals of property and equipment	10*	15,546	108,096
Disposals of intangible assets	11*	0	16,000
Acquisition of subsidiary		0	-154,000
Net cash used in investing activities		-2,436,502	-3,180,252
Financing activities			
Issue of ordinary shares		0	46,392,925
Purchase of treasury shares		-238,815	-870,673
Financing of subsidiary acquisition		0	154,000
Net cash used in financing activities		-238,815	45,676,252
Net decrease/increase in cash and cash equivalents		-628,662	47,902,864
Cash and cash equivalents at beginning of period		49,667,909	1,741,650
Decrease/increase in cash and cash equivalents		-628,662	47,902,864
Effects of exchange rate changes		-1,488	23,395
Cash and cash equivalents at end of period		49,037,759	49,667,909

* 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 the leading IT and service companies in Switzerland's e-business sector. It helps large enterprises to make profitable use of the Internet and Intranet. Its core competencies are consulting, technology, multimedia/design and e-learning. Crealogix offers e-strategy consulting, and designs and implements integrated Internet and Intranet applications. In doing so, it focuses on maximum customer benefit.

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

The following wholly owned, fully consolidated 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

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

Crealogix employs 114 persons as at 30 June 2002 and 141 persons as at 30 June 2001.

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 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 Group 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, financial assets, 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 dis-

closed 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 (24.4%).

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 2001/2002	July–June 2000/2001
Net sales services	19,679,049.88	27,234,462.37
Other revenue	956,213.60	91,015.20
Total net revenues	20,635,263.48	27,325,477.57

23% (prev. year: 100%) of other revenue came from licence fees and 77% (prev. year: 0%) from training revenues earned in the e-learning sector.

4. Goods and services purchased

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
Goods purchased	-362,156.61	-10,678.70
Services purchased	-711,111.50	-2,122,286.66
Total goods and services purchased	-1,073,268.11	-2,132,965.36

Goods purchased include costs for training materials needed to generate training revenues. A reduction in the number of freelancers engaged translated into a decrease in services purchased.

5. Personnel expenses

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
Salaries and wages	-11,040,967.67	-13,945,851.62
Social security costs	-1,050,294.35	-1,469,159.63
Pension costs	-239,000.00	-234,000.00
Other personnel expenses	-1,132,705.52	-2,136,844.57
Total personnel expenses	-13,462,967.54	-17,785,855.82

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

6. Other operating expenses

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
Marketing and advertising	-922,048.82	-1,430,216.18
Rent and maintenance	-1,252,258.46	-1,093,341.53
General and administration expenses	-1,348,802.46	-2,152,266.04
Total other operating expenses	-3,523,109.74	-4,675,823.75

7. Financial income/expense

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
Interest income others	1,089,684.71	1,110,641.73
Income on marketable securities	45,927.06	223.56
Realised gains on foreign exchange and marketable securities	137,502.66	154,421.07
Unrealised gains on foreign exchange and marketable securities	175,412.29	152,979.50
Total financial income	1,448,526.72	1,418,265.86
Interest expenses	-25,340.88	-2,816.40
Other financial expense	-600.01	-17,839.65
Realised losses on foreign exchange and marketable securities	-187,310.94	-6,498.58
Unrealised losses on foreign exchange and marketable securities	-460,702.00	-430,395.30
Total financial expense	-673,953.83	-457,549.93

8. Other receivables

All amounts in CHF	30 June 2002	30 June 2001
Other short-term receivables third parties	1,029,607.59	969,685.68
Accruals	25,844.36	116,489.82
Total other receivables	1,055,451.95	1,086,175.50

9. Work in progress/inventories

All amounts in CHF	30 June 2002	30 June 2001
Work in progress (projects)	471,413.00	231,290.91
Inventory (training materials)	536,060.00	0.00
Total work in progress/inventories	1,007,473.00	231,290.91

Work in progress (projects) is valued according to one of the valuation methods described in note 2.6. inventories (training materials) are valued at cost.

10. Property and equipment

All amounts in CHF

July–June 2001/2002	Furniture	Fixtures	Equipment	Motor vehicles	Total
Opening net book amount	1,165,341	436,559	1,664,033	180,504	3,446,437
Exchange differences	-	-	-1,308	-833	-2,141
Additions	15,704	-	199,698	284,971	500,373
Disposals	-	-	-2,546	-13,000	-15,546
Depreciation charge	-132,315	-48,329	-1,566,441	-86,035	-1,833,120
Closing net book amount	1,048,730	388,230	293,436	365,607	2,096,003
At 30 June 2002					
Cost	1,309,316	483,294	3,640,493	479,982	5,913,085
Accumulated depreciation	-260,586	-95,064	-3,347,057	-114,375	-3,817,082
Net book amount	1,048,730	388,230	293,436	365,607	2,096,003
Fire insurance value of fixed assets:					
At 30 June 2002	4,800,000	(prev. year: 4,800,000)			

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

11. Intangible assets

All amounts in CHF

July–June 2001/2002	Goodwill	Software acquired	Total
Opening net book amount	-	546,807	546,807
Translation differences	-	-653	-653
Additions	1,431,765	319,910	1,751,675
Disposals	-	-	-
Amortization charge	-144,000	-218,516	-362,516
Closing net book amount	1,287,765	647,548	1,935,313
At 30 June 2002			
Cost	1,431,756	1,022,054	2,453,819
Accumulated amortization	-144,000	-374,506	-518,506
Net book amount	1,287,765	647,548	1,935,313

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

12. Other current liabilities and accruals

All amounts in CHF

	30 June 2002	30 June 2001
Other current liabilities due to third parties	133,226.94	209,900.50
Customer advances	52,645.60	477,441.60
Accrued liabilities	2,729,645.38	2,518,886.63
Total other current liabilities and accruals	2,915,517.92	3,206,228.73

13. Income taxes

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
Current tax	-339,000.00	-193,933.60
Deferred tax	255,000.00	-144,849.00
Total tax charge	-84,000.00	-338,782.60

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	July–June 2001/2002	July–June 2000/2001
Profit before tax	1,154,855.40	1,953,300.91
Tax expense	-205,564.26	-359,145.40
Adjustments from previous years	121,564.26	0.00
Effect of changes in tax rate	0.00	20,362.80
Tax charge	-84,000.00	-338,782.60

Further reconciliation items:

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 24.4% (prev. year: 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	July–June 2001/2002	July–June 2000/2001
At beginning of year	875,000.00	730,151.00
Income statement credit/charge	-255,000.00	144,849.00
At end of year	620,000.00	875,000.00

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	30 June 2002	30 June 2001
Deferred tax assets	0.00	0.00
Deferred tax liabilities	620,000.00	875,000.00

Deferred tax assets are recognised for tax loss carry-forwards only to the extent that realization of the related tax benefit is probable. Crealogix has tax losses of CHF 787,813 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 2001	Charged/(credited) to income statement	30 June 2002
Deferred tax liabilities			
Cash and cash equivalents	0	0	0
Receivables	107,476	-7,102	100,374
Work in progress / Inventories	0	+43,655	43,655
Financial assets	170,800	-30,500	140,300
Tangible fixed assets	414,403	-213,024	201,379
Intangible assets	107,321	+26,971	134,292
Non-current liabilities	75,000	-75,000	0
Set-off of assets and liabilities	0	0	0
Net deferred tax liabilities	875,000	-255,000	620,000

14. Share capital

Since 7 September 2000 there have been 1,070,000 outstanding registered shares in the company. Each of them has a par value of CHF 10 and is fully paid up.

Authorized capital of CHF 1.5 million has been in place since 5 September 2000, as has conditional capital of CHF 2.5 million related to the staff share option scheme.

Ordinary shares

Twelve months ended 30 June 2002	Number of shares	Ordinary shares	Treasury shares	Total
Opening balance	1,070,000	10,700,000.00	-870,672.65	9,829,327.35
Purchase of treasury shares	(-12,814)	0.00	-515,000.85	-515,000.85
Sales of treasury shares	(5,479)	0.00	276,186.15	276,186.15
Treasury shares used for share option plans	0	0.00	0.00	0.00
Closing balance	1,070,000	10,700,000.00	-1,109,487.35	9,590,512.65

The Crealogix Employee Share Option Plan I and II

Share options are granted to employees and to members of the Board of Directors usually once a year. Granting dates for the options are on the first trading day of the calendar quarter. One option entitles to the right to purchase one share of CREALOGIX Holding AG at the fixed exercise price.

The exercise price for options under option plan I corresponds to the closing price of a registered share traded on SWX New Market on the day of issue. 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.

Employee share options

Granted per	Option plan I			Option plan II		
	Expiring per	Outstanding	Exercise price in CHF	Expiring per	Outstanding	Exercise price in CHF
07.09.00	07.09.05	1,652	200.00	07.03.11	20,460	240.00
03.01.01	03.01.06	324	86.00	04.07.11	1,556	103.00
02.04.01	03.04.06	-	62.50	03.10.11	2,056	75.00
02.07.01	03.07.06	3,072	64.00	03.01.12	33,912	76.80
01.10.01	02.10.06	-	40.00	02.04.12	808	48.00
02.01.02	02.01.07	84	47.00	02.07.12	2,000	56.40
Total		5,132	-		60,792	-

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

15. 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 2002	30 June 2001
Net profit attributable to shareholders	1,070,855.40	1,614,518.31
Weighted average number of ordinary shares outstanding	1,057,454	936,793
Basic earnings per share	1.01	1.72

The company has no dilutive potential ordinary shares.

16. Retirement benefit plans

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

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
Service cost	537,000	518,000
Interest cost	84,000	62,000
Expected return on plan assets	-142,000	-113,000
Net periodic pension cost	479,000	467,000
Employees' contributions	-240,000	-234,000
Net pension expenses for defined benefit plans (note 5)	239,000	234,000

The amounts recognised in the balance sheet are as follows:

All amounts in CHF	30 June 2002	30 June 2001
Defined benefit obligation	-6,671,000	-2,114,000
Fair value of plan assets	5,939,000	2,834,000
Funded status	-732,000	720,000
Unrecognised asset due to recoverability limit	0	-20,000
Unrecognised actuarial gains/losses	1,307,000	0
Potential for future reductions of contributions and other measures (IAS 19)	575,000	700,000

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

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
At beginning of year	700,000	700,000
Net pension expenses	-240,000	-234,000
Employer's contributions	115,000	234,000
At end of year	575,000	700,000

The actuarial assumptions used were as follows:

In percent	July–June 2001/2002	July–June 2000/2001
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

17. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

All amounts in CHF	30 June 2002	30 June 2001
Profit before tax	1,154,855.40	1,953,300.91
Adjustments for:		
– Depreciation (note 10)	1,833,119.21	1,597,018.52
– Amortization (note 11)	362,516.37	141,229.14
– Financial results (note 7)	-1,273,114.43	-1,265,286.36
– Interest expense (note 7)	213,251.83	27,154.63
– Pensions and other retirement benefits	125,000.00	0.00
Changes in net working capital:		
– Trade account and other receivables	-902,458.58	566,961.36
– Short-term liabilities	-146,272.06	1,527,861.79
Others	0.00	1,841.01
Cash generated from operations	1,366,897.74	4,550,081.00

18. Related party transactions

Crealogix is controlled by Bruno Richle, Richard Dratva, Daniel Hildebrand and Peter Süsstrunk. 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)
Dr. Richard Dratva	Dr. Richard Dratva
Prof. Dr. Beat Schmid	Dr. Jürg Neck
Dr. Christoph Schmid	Dr. Louis-Paul Wicki

The following transactions were carried out with related parties:

All amounts in CHF	July–June 2001/2002	July–June 2000/2001
a) Personnel expenses:		
Salaries and wages Management Board (4 persons)	-967,015.00	-2,403,842.00
(Highest remuneration)	(-318,144.00)	(-290,000.00)
b) Goods and services purchased:		
Services purchased from		
X8X Process Solutions AG, Zurich	0.00	-109,264.00
c) Other operating expenses:		
IT conception consulting by		
X8X Process Solutions AG, Zurich	0.00	-196,885.00
d) Revenue:		
Net sales services		
X8X Process Solutions AG, Zurich	0.00	19,916.00

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.

19. Acquisition of subsidiaries

On 31 December 2001 CREALOGIX Holding AG acquired 100% of the share capital of Acadia Communications & Training AG, Stäfa and merged the company at the same date with CREALOGIX AG, Bubikon. Acadia Communications & Training AG developed and sold advanced e-learning solutions. The consideration has been divided into several parts over the next two years. The first amount of CHF 2,645,028 was settled on 20 December 2001 in cash. The present value of the total amount of the consideration at the date of the exchange transaction is CHF 3,915,957. The remaining liability from the purchase price of CHF 694,390.30 as per 30 June 2002 is recognized under other current liabilities. The fair value of the net identifiable assets of the company at the date of acquisition was CHF 2,484,192. The resulting goodwill of CHF 1,431,765 will be amortised on a straight-line basis over 5 years.

The assets and liabilities arising from the acquisition are as follows (in 1,000 CHF):

Cash and marketable securities	2,558
Other assets	426
Liabilities	-500
Fair value of net assets	2,484
Goodwill	1,432
Total present value of purchase consideration	3,916

20. Financial instruments

Crealogix has 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.

21. Lease commitments

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

All amounts in CHF	30 June 2002	30 June 2001
Not later than 1 year	1,019,798	1,173,590
Later than 1 year and not later than 5 years	1,819,055	3,027,951
Total lease commitments	2,838,853	4,201,541

22. Segment information

Primary reporting format – business segment

Secondary reporting format – geographical segments

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

Since the beginning of activities abroad (Toronto February 2000, Frankfurt January 2001), no other material transactions have taken place which would require any disclosures.

Report of the Group Auditors to the General Meeting of CREALOGIX Holding AG, Zurich

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, presented on pages 21 to 40 of the annual report, for the business year ended 30 June 2002.

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, 23 August 2002

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CREALOGIX Holding AG

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Report of the Statutory Auditors



Ambitious
goals.

	July-June 2001/2002		July-June 2000/2001	
	CHF	%	CHF	%
Other revenue Group	46,464.80	100.0	10,464.40	100.0
TOTAL REVENUE	46,464.80	100.0	10,464.40	100.0
Total goods and services purchased	0.00	0.0	0.00	0.0
CONTRIBUTION MARGIN 1	46,464.80	100.0	10,464.40	100.0
Personnel expenses	-89,197.70	-192.0	-91,061.20	-870.2
CONTRIBUTION MARGIN 2	-42,732.90	-92.0	-80,596.80	-770.2
Marketing and advertising	-13,424.52	-28.9	-464,654.75	-4,440.3
Insurance and fees	0.00	0.0	-220.00	-2.1
Consulting expenses	-104,147.33	-224.1	-2,855,979.60	-27,292.3
Other operating expenses third	-37,000.00	-79.6	-37,000.00	-353.6
Other operating expenses Group	0.00	0.0	-521,749.69	-4,985.9
Other operating expenses	-154,571.85	-332.6	-3,879,604.04	-37,074.3
EBIT	-197,304.75	-424.6	-3,960,200.84	-37,844.5
Financial income	1,597,793.97	3,438.7	1,444,618.75	13,805.1
Financial expense	-854,289.27	-1,838.6	-1,466,495.60	-14,014.1
Financial result	743,504.70	1,600.1	-21,876.85	-209.1
Extraordinary income/expense	0.00	0.0	0.00	0.0
EARNINGS/LOSS BEFORE TAXES	546,199.95	1,175.5	-3,982,077.69	-38,053.6
Income tax expense	0.00	0.0	0.00	0.0
NET PROFIT/LOSS for the year	546,199.95	1,175.5	-3,982,077.69	-38,053.6

We'll stay on the ball.



ASSETS	30 June 2002		30 June 2001	
	CHF	%	CHF	%
Cash and marketable securities	47,166,908.26	89.7	44,463,829.23	87.1
Other receivables	63,782.65	0.1	934,917.76	1.8
Accounts receivables CREALOGIX AG	372,082.57	0.7	4,176,637.30	8.2
Accounts receivables CREALOGIX Corp., CA	1.00	0.0	1.00	0.0
Accounts receivables CREALOGIX AG, D	550,190.32	1.0	925,410.88	1.8
Treasury shares	497,689.50	0.9	464,640.00	0.9
Total current assets	48,650,654.30	92.4	50,965,436.17	99.8
Investments	4,015,956.80	7.6	100,000.00	0.2
Total non-current assets	4,015,956.80	7.6	100,000.00	0.2
Total ASSETS	52,666,611.10	100.0	51,065,436.17	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Trade accounts payable	314,159.20	0.6	0.00	0.0
Other current liabilities and accruals	836,116.98	1.6	95,301.20	0.2
Total current liabilities	1,150,276.18	2.2	95,301.20	0.2
Share capital	10,700,000.00	20.3	10,700,000.00	21.0
Share premium	42,590,512.65	80.9	43,235,360.00	84.7
Legal reserves	75,000.00	0.1	75,000.00	0.1
Reserve for treasury shares	1,109,487.35	2.1	464,640.00	0.9
Accumulated deficit/retained earnings	-2,958,665.08	-5.6	-3,504,865.03	-6.9
Shareholders' equity	51,516,334.92	97.8	50,970,134.97	99.8
Total LIABILITIES AND SHAREHOLDERS' EQUITY	52,666,611.10	100.0	51,065,436.17	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 2001	7,260	64.00	464,640.00
Purchases 2001/2002	12,814	40.19	515,000.85
Sales 2001/2002	-5,479	50.41	-276,186.15
Unrealised loss			-205,765.20
As at 30 June 2002	14,595	34.10	497,689.50

As at 30 June 2002 the reserve for treasury shares was CHF 1,109,487.35 and is recorded at cost.

Share capital

Since 7 September 2000 there have been 1,070,000 outstanding registered shares in the company. Each of these has a par value of CHF 10 and is fully paid up.

Authorized capital of CHF 1.5 million has been in place since 5 September 2000, as has conditional capital of CHF 2.5 million related to the staff share option scheme.

Significant shareholders

As at 30 June 2002 the following shareholders had proportions of ownership interests over 5 percent:

Shareholders	Proportion of ownership interest	Number of shares
Bruno Riche	22.32%	238,850
Dr. Richard Dratva	22.30%	238,567
Daniel Hildebrand	15.55%	166,346
Peter Süssstrunk	7.36%	78,760

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

	July–June	July–June
	2001/2002	2000/2001
	CHF	CHF
Accumulated retained earnings at the beginning of the financial year	-3,504,865.03	477,212.66
Net profit/loss for the year	546,199.95	-3,982,077.69
Total accumulated deficit/retained earnings	-2,958,665.08	-3,504,865.03
Transfer to legal reserves	0.00	0.00
Accumulated deficit/retained earnings at the end of the financial year	-2,958,665.08	-3,504,865.03

Report of the Statutory Auditors
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, presented on pages 43 to 46 of the annual report, for the business year ended 30 June 2002.

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, 23 August 2002



Technology,
timing, talent.

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We're heading the right way.

A large, stylized illustration of a golf club head and a golf ball. The club head is a light orange color and is positioned in the lower right quadrant of the page. The golf ball is white with a dimpled texture and is positioned in the lower right quadrant, overlapping the club head. The background is white.

