



530,5 + 24,5



**Quarterly Statement
as of September 30, 2005**



To shareholders, employees, and friends of the company

Ladies and gentlemen,

We are pleased to announce a successful third quarter:

The Nemetschek Group closed the first nine months of 2005 with a significant growth in earnings of 25% and also improved sales, with the Design and New Business Opportunities business units showing above-average development.

More good news for our shareholders: The increase in the company's free float from 30.9% to 47.5% will improve the share's marketability over the long term. In mid September, the Nemetschek family responded to the capital market's long-standing calls for an increase of free float and transferred shares to institutional investors. Even after the sale, the Nemetschek family remains the sole main shareholder of Nemetschek AG with 52.5%.

We welcome the much-improved free float, because investor interest in our company is

high. Naturally, the increase in marketable shares also represents a challenge: We need to increase our efforts to convince both private and institutional investors of the value of the company and attractiveness of the shares.

We are making good progress here too. In the reporting period, we held numerous meetings with investors, analysts, and the press – and the response was extremely positive. In addition to HypoVereinsbank, both Berenberg Bank and Sal. Oppenheim initiated coverage of Nemetschek stock. All analysts recommend purchase of the Nemetschek share and put the fair value of the share at between 17.50 and 20.50 euros.

We are convinced that these activities will further increase the attractiveness of the Nemetschek shares. Traditionally, we also expect a strong 4th quarter of 2005. We want to close 2005 on target with two-digit growth for the operating profit and a slight increase in sales.



Best regards,

Gerhard Weiss
Chairman of the Managing Board

Nemetschek Group at a glance

	€ million	Sept. 30, 2005	Sept. 30, 2004	Change
Sales		69.5	68.4	1.6 %
Operating income		70.7	69.8	1.4 %
Gross profit		63.4	61.8	2.7 %
as % of sales		91.3	90.3 %	
EBITA		7.0	5.6	25.1 %
as % of sales		10.0 %	8.1 %	
EBIT		7.0	3.1	122.3 %
as % of sales		10.0 %	4.6 %	
Net income		5.4	1.9	184.9 %
per share in €		0.56	0.20	
Net income before goodwill amortization		5.4	4.3	24.9 %
per share in €		0.56	0.45	
Cash flow for the period		9.9	8.3	19.0 %
Cash and cash equivalents		26.5	36.6	– 27.7 %
Equity		45.9	56.4	– 18.6 %

Nemetschek revolutionizes building design

For most people, houses primarily mean rooms, floors, and a roof over their head. For specialists, however, buildings consist of room heights, wall properties, door openings, floor slabs, ceiling elements, roof designs, floor heights, and much more. Today, all these individual elements of a building are designed and calculated on the computer – Nemetschek IT solutions can be used to process all data in full, from architectonic design right through to accurate costing.

The intelligent Building Information Model (BIM) makes this possible. Nemetschek AG has taken a pioneering role in promoting it. With BIM technology, a room drawn on a computer does not just consist of four lines. Intelligent software solutions enable numerous pieces of information to be stored simultaneously in a 3D view, for example the size and material of walls and ceilings. As a result, the costs of a building can be determined relatively accurately even in the planning stage. The changes to the planning and construction process that are often made also involve less risk. Nemetschek solutions are so intelligent that visualizations and animations for building clients can be produced more efficiently using BIM technology.

BIM creates the basis for the provision of relevant information to all those participating in building design, construction and management, ensuring that the data is distributed correctly – without loss of data, transfer errors or interface problems. The integrated and coordinated solutions from Nemetschek offer added effectiveness, a reduction in risk, and an increase in quality.

We demonstrated the user advantages of the latest end-to-end IT solutions at the Germany-wide Nemetschek Trade Show, which had a large number of visitors and opened up a lot of new contacts. As all areas of the group were represented, all customer groups – architects, engineers, building contractors, and facility and real

estate managers – were able to gain an insight into the use and benefits of the latest information technology.

End-to-end planning process as well as building cost security are also becoming increasingly important in the growing international sphere. To determine building costs even more accurately, the Mirax group, with headquarters in Russia, will be using integrated Nemetschek software solutions in the future. Among other things, this new customer is currently building the highest building in Europe, located in Moscow. In addition to France and Italy, Nemetschek Spain also saw an increase in sales in the past nine months. One new customer gained in the third quarter was the Spanish city of Salamanca, which will be planning its historical refurbishment of old buildings and its social housing complexes with Nemetschek's Allplan solution in the future.

Nemetschek North America is enjoying continued success and in the third quarter completed the new Version 12 of VectorWorks, which will be shipped in the coming weeks. VectorWorks user 5+1 Architetti Associati from Genoa won at this year's Venice Biennale; a fact that shows the success of the planning solution.

Friedrich + Lochner GmbH has been very successful as well, and was able to win 450 new customers in the first nine months. Unlike products from other providers, the FRILO programs are always up to date in terms of the standards that are so important in the area of structural analysis. Improvements were also made in the area of service contracts.

Maxon Computer GmbH shows what modern technology has to offer for visualization and animation. The quality of the CINEMA and BodyPaint products means they are in high demand. Customers have also enjoyed success with the Maxon software: Springer & Jacoby

won the Golden Lion in Cannes with the "Sound of the Summer" advert produced by the company Sehnsucht using CINEMA 4D.

The Bauwens group from Cologne, which Nemetschek Bausoftware was able to win as a customer, is one example of how end-to-end data flow is a winning argument for renowned customers. The company had been using Nemetschek's Allplan planning software for many years, and has now decided to implement the commercial package of the BAU financials industry solution as well. Another new customer is Berliner Ausbau GmbH. For more than five years, the staff at Berliner Ausbau GmbH have enjoyed success as experts for building expansion on the construction market. Two companies in the craft-oriented group opted in favor of the 'Bau für Windows' industry package from Nemetschek Bausoftware.



The new office buildings built by our customer Bauwens in the KPM 'Quartier am Salzufer' in Berlin.

Positive trend of results continues in the third quarter

In the third quarter, Nemetschek carried forward the successful developments of the first half of the year. The operating profit was much higher than that of the previous year and showed an increase in sales and earnings comparable to that of the previous quarters of 2005.

In the first nine months the company achieved a 25% increase in the operating result as well as in the net income compared to the previous year, even after the adjustment of goodwill amortization from 2004. The cash flow for the period rose from 8.3 million euros to 9.9 million euros thanks to the improved operating result.

Foreign markets growing strongly

As in the first half of 2005, sales revenues increased further by 1.6%. This can be attributed to the very positive international development of the business.

The foreign sales of the Nemetschek group rose from 33.5 million euros to 37.2 million euros in the first nine months. The proportion of international sales is now 53%, compared to 49% in the previous year. The increase in foreign sales comes mainly from Western European subsidiaries and the sales successes of Nemetschek North America. Overall, with an increase of 11%, foreign business remained a driver of growth.

Core Design business unit makes significant contribution to sales and earnings

The Design core business unit developed well, particularly as a result of the increased sales of the Nemetschek North America subsidiary, German Friedrich + Lochner GmbH, and the Western European subsidiaries. Overall, the positive trend in foreign business continued here.

Nemetschek is well represented on a national and international level, with 14 subsidiaries and sales partners in 142 countries. After adjustment for goodwill amortization, the Design business unit saw an increase in the operating result from 3.2 million euros to 4.8 million euros in the first nine months. This corresponds to a percentage increase of around 50%.

Consolidated Income Statement for the period from January 1 to September 30, 2005 and 2004

Thousands of €	3rd quarter 2005 July 1 – Sept. 30	3rd quarter 2004 July 1 – Sept. 30	9 months 2005 January 1 – Sept. 30	9 months 2004 January 1 – Sept. 30
Sales	22,356	21,969	69,464	68,397
Other operating income	645	403	1,280	1,369
Operating income	23,001	22,372	70,744	69,766
Cost of materials/cost of purchased services	-1,988	-1,915	-6,055	-6,629
Personnel expenses	-10,724	-10,552	-32,545	-32,139
Depreciation of property, plant and equipment and intangible assets	-816	-995	-2,637	-2,993
Goodwill amortization	0	-811	0	-2,431
Other operating expenses	-7,676	-7,426	-22,555	-22,447
Operating expenses	-21,204	-21,699	-63,792	-66,639
Operating result	1,797	673	6,952	3,127
Interest income	106	160	467	407
Interest expenses	-17	-27	-52	-82
Income from associated enterprises	17	15	55	100
Earnings before taxes and minority interests	1,903	821	7,422	3,552
Taxes on income	-549	-288	-1,915	-1,096
Net income before minority interests	1,354	533	5,507	2,456
Minority interests in net income	-33	-189	-100	-558
Consolidated net income	1,321	344	5,407	1,898
Earnings per share (basic) in €	0.14	0.04	0.56	0.20
Earnings per share (diluted) in €	0.14	0.04	0.56	0.20
Earnings per share (before goodwill amortization) in €	0.14	0.12	0.56	0.45
Average number of shares outstanding (basic)	9,625,000	9,625,000	9,625,000	9,625,000
Average number of shares outstanding (diluted)	9,625,000	9,625,000	9,625,000	9,625,000

Build business unit strengthens regional expansion

The Build business unit performed not entirely as expected. While the poor economic situation in the German construction industry saw a slight fall in sales compared to the previous year, the earnings of the Build business unit continue to be very satisfactory, with an EBIT margin of around 30%. The foundations have already been laid for regional expansion into Austria and Switzerland for business software solutions, in order to capture growth potential in those areas. We also want to expand in Germany with the technical cost accounting program from ING. AUER.

In the Manage business unit, we were able to achieve significant cost savings compared to the previous year, which has already led to a slight improvement in earnings. However, the development of sales and earnings remained below expectations. The restructuring measures have not yet taken effect as quickly as hoped. The aim is to establish the company more effectively as a solution provider for corporate real estate and facility management, and to consistently exploit the opportunities for growth offered in these areas.

NBO continues to develop positively

The New Business Opportunities business unit enjoyed an increase in sales compared to the previous year. In the third quarter, Maxon also launched upgrades of CINEMA 4D and BodyPaint 3D products, which contributed to the strong year-end business, as in the previous year. Sales revenue for the first nine months was 4.5 million euros, compared to 4.2 million euros in the previous year. The EBIT rose to 0.6 million euros, corresponding to an increase of 70% or 0.2 million euros compared to the previous year after adjustment of goodwill amortization.

Consolidated Balance Sheet as of September 30, 2005 and as of December 31, 2004

Assets	Thousands of €	Sept. 30, 2005	Dec. 31, 2004
Current assets			
Cash and cash equivalents		26,467	39,033
Trade receivables, net		13,650	13,406
Receivables from associated enterprises		166	133
Inventories		507	587
Tax refund claims for taxes on income		1,478	316
Prepaid expenses and other current assets		3,340	2,359
Current assets, total		45,608	55,834
Fixed assets			
Property, plant and equipment		3,329	3,589
Intangible assets		3,893	2,742
Goodwill		25,750	23,273
Shares in associated enterprises		214	409
Deferred taxes		1,153	1,153
Other fixed assets		495	495
Fixed assets, total		34,834	31,661
Assets, total		80,442	87,495

Equity and liabilities	Thousands of €	Sept. 30, 2005	Dec. 31, 2004
Current liabilities			
Short-term loans and current portion of long-term loans		1,403	1,403
Trade payables		2,716	4,288
Payments received on account of orders		32	48
Provisions and accrued liabilities		9,243	9,026
Deferred income		11,374	6,840
Income taxes		723	669
Other current liabilities		7,690	3,933
Current liabilities, total		33,181	26,207
Long-term liabilities			
Deferred taxes		897	948
Pension provisions		439	413
Long-term liabilities, total		1,336	1,361
Equity			
Subscribed capital		9,625	9,625
Capital reserve		46,353	46,345
Currency translation		-2,588	-3,037
Accumulated profit		-7,464	6,154
Minority interests		-1	840
Equity, total		45,925	59,927
Equity and liabilities, total		80,442	87,495

to 4.2 million euros in the previous year. The EBIT rose to 0.6 million euros, corresponding to an increase of 70% or 0.2 million euros compared to the previous year after adjustment of goodwill amortization.

Operating profit up by 25 % to 7,0 million euros

The rise in the operating profit in the first nine months to 7,0 million euros compared with 3.1 million euros in the previous year (previous year before goodwill amortization 5.6 million euros) is also reflected in the net

income, which at 5.4 million euros was an improvement of 1.1 million euros compared to the previous year after adjustment for goodwill amortization. The earnings per share were 0.56 euros and the third quarter contributed 0.14 euros per share to the result.

Consolidated Cash Flow Statement for the period from January 1 to September 30, 2005 and 2004

Thousands of €	2005	2004
Net result (before tax)	7,322	2,994
Change in pension provisions	26	25
Amortization and depreciation of fixed assets	2,637	5,423
Income from associated enterprises	- 55	- 100
Cash flow for the period	9,930	8,342
Interest income	- 466	- 408
Interest expenses	52	82
Change in other provisions and accrued liabilities	217	235
Change in inventories, net trade receivables, other assets	- 2,341	1,313
Change in trade payables, other equity and liabilities	1,838	1,557
Interest received	466	408
Cash received from distributions of associated companies	251	184
Income taxes paid	- 2,014	- 1,664
Cash flow from operating activities	7,933	10,049
Capital expenditures	- 5,681	- 1,426
Change in liabilities from acquisitions	4,800	- 533
Cash flow from investing activities	- 881	- 1,959
Repayment liabilities to banks	0	- 561
Interest paid	- 52	- 82
Income from the sale of shares	173	0
Dividend payment	- 19,250	0
Minority interests paid	- 873	- 735
Cash flow from financing activities	- 20,002	- 1,378
Changes in cash and cash equivalents	- 12,950	6,712
Effect of exchange rate differences on cash and cash equivalents	384	83
Cash and cash equivalents at the start of the period	39,033	29,834
Cash and cash equivalents at the end of the period	26,467	36,629

Well-equipped with liquid assets and equity capital

The good financial situation enables Nemetschek to actively pursue its development strategy for the group. The focus here is on capturing new foreign markets and improving the solution offering. The cash flow from ordinary operations minus investments was 7.1 million euros in the reporting period, compared to 8.1 million euros for the previous year. The liquid assets were 26.5 million euros (previous year before dividend payment: 36.5 million euros). On September 30, 2005 the balance sheet total was 80.4 million euros, compared to 87.5 million euros in the previous year. Even after the changes caused by the dividend payment and the acquisition of the 25% share in ING.AUER, the balance sheet structure is very solid. On September 30, 2005, equity capital stood at 45.9 million euros, which corresponds to an equity ratio of 57.1%.

Outlook

Traditionally, we expect a strong 4th quarter in 2005. For 2005 as a whole, we want to close on target and expect a two-digit increase in the operating result and a slight growth in sales.

Group segment information for the period from January 1 to September 30, 2005 and 2004

Thousands of €	2005			2004		
	Sales revenue	Amortization and depreciation	EBIT	Sales revenue	Amortization and depreciation	EBIT
Design	51,948	1,967	4,774	50,001	3,399	2,366
Build	9,056	368	2,685	9,623	1,092	2,237
Manage	3,988	80	- 1,085	4,571	262	- 1,354
Core business units	64,992	2,415	6,374	64,195	4,753	3,249
NBO	4,472	222	578	4,202	671	- 122
Total	69,464	2,637	6,952	68,397	5,424	3,127

Statement of Changes in Group Equity for the period from January 1, 2004 to September 30, 2005

Thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Currency translation	Accumulated profit	Group shares	Minority interests	Group total
As of January 1, 2004	9,625	47,110	3,579	- 2,410	- 3,628	54,276	620	54,896
Reorganization of reserves		- 765	- 3,579		4,344	0		0
Changes in minority interests						0	220	220
Difference from currency translation				- 627		- 627		- 627
Net income					5,438	5,438		5,438
As of December 31, 2004	9,625	46,345	0	- 3,037	6,154	59,087	840	59,927
Sale of own shares		8			225	233		233
Changes in minority interests						0	- 841	- 841
Changes in currency translation				449		449		449
Dividend payment					- 19,250	- 19,250		- 19,250
Net result					5,407	5,407		5,407
As of September 30, 2005	9,625	46,353	0	- 2,588	- 7,464	45,926	- 1	45,925

Number of shares held by directors as of September 30, 2005

	Number of Shares	Subscription rights
Managing board		
Gerhard Weiß	26,092	0
Dr. Peter Mossack	1,000	0
Michael Westfahl	0	0
Supervisory board		
Kurt Dobitsch	0	0
Prof. Georg Nemetschek	2,314,497	0
Rüdiger Herzog	0	0

Quarterly Statement according to IAS

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

statement dated December 31, 2004 with the exception of the newly applied IFRS 3. As of 2005, the planned goodwill amortization is omitted for the first time, and the new IFRS 3 ("Impairment-only Approach") is applied. According to IFRS 3 combined with IAS 38, the acquisition costs ("Purchase Price

Allocation") of the 25% share in ING. AUER – Die Bausoftware GmbH are allocated to software and goodwill. In addition to Nemetschek AG, the group of companies includes the following direct and indirect interests:

Direct Participations

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

Indirect Participations

MAXON COMPUTER Inc., Thousand Oaks, California, USA
MAXON Computer Ltd., Bedford, United Kingdom

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