

QUARTERLY REPORT
3 | 2005





3RD QUARTER AND FIRST NINE MONTHS OF 2005 AT A GLANCE

	Q3 2005 TEUR	Δ %	Q3 2004 TEUR	Q1-Q3 2005 TEUR	Δ %	Q1-Q3 2004 TEUR
Revenues and income						
Revenues	11.963	7	11.154	36.106	6	34.029
Revenues consulting	9.628	9	8.869	28.891	6	27.302
Revenues software	2.335	2	2.285	7.215	7	6.727
Revenues Germany	5.221	7	4.862	15.622	4	14.962
Revenues foreign countries	6.742	7	6.292	20.484	7	19.067
Earnings before interest, taxes depreciation and amortization (EBITDA)	885	139	371	1.467	116	679
Earnings before interest and taxes (EBIT)	564	653	(102)	366	140	(921)
Earnings before taxes (EBT)	770	900	77	817	227	(641)
Net income	574	230	(442)	528	144	(1.207)
Earnings per share (in EUR)	0,11	222	(0,09)	0,10	142	(0,24)
Investments and depreciation						
Investments in intangible assets and prop., plant and equipment	169	(28)	235	657	13	584
Depreciation	321	(32)	473	1.101	(31)	1.600
Key figures						
Gross margin (%)	38,5		38,2	35,7		37,6
EBITDA margin (%)	7,4		3,3	4,1		2,0
EBIT margin (%)	4,7		(0,9)	1,0		(2,7)
Cash flow from operating activities	1.973		1.242	3.703		2.862
Cash flow from investing activities	109		(1.873)	444		(5.023)
Cash flow from financing activities	(95)		(356)	(16)		(471)
Assets, shareholders' equity and liabilities (end of quarter)						
Assets	56.395	(3)	58.168			
Current assets	40.884	(2)	41.580			
Noncurrent assets	15.511	(6)	16.588			
Net cash and cash equivalents	25.367	14	22.193			
Shareholders' equity	43.054	(0)	43.091			
Equity ratio (%)	76,3	3	74,1			
Current liabilities	13.116	3	12.776			
Noncurrent liabilities	1	(100)	2.301			
Number of employees (end of quarter)	542	0	540			

Negative figures are shown in parantheses

- ▣ Group revenue EUR 36.1 million – up 6 per cent
- ▣ Software grows 7 per cent
- ▣ Consulting expanded by 6 per cent
- ▣ Operating income improved
- ▣ Boost in net cash and cash equivalents and cash flow



▣ Dear shareholders and business partners,

The situation that prevailed in the first half of 2005 continued in the third quarter. As a result, it can clearly be said that the first nine months of this fiscal year have been very pleasing for REALTECH.

Specifically, this means that Group revenue has increased by 6 per cent to EUR 36.1 million compared to EUR 34.0 million in the same period of the previous year. This development is based on increases in both segments. Software revenue saw an increase of 7 per cent from EUR 6.7 million to EUR 7.2 million, meaning that software contributed 20 per cent to total turnover as in the previous year. In the consulting segment, revenue amounted to EUR 28.9 million compared to EUR 27.3 million over the same period for the previous year, representing an increase of 6 per cent. This increase was partly due to the fact that the fully consolidated REALTECH Japan Co., Ltd. subsidiary was included for the first time. This was necessary because REALTECH AG has had a majority holding in the Japanese company since January 1, 2005.

After nine months, foreign revenue accounted for 57 per cent of Group revenue (previous year: 56 per cent). The revenue recorded by the European region excluding Germany – at EUR 15.4 million – was the same as in the previous year and corresponded to 43 per cent of Group revenue (previous year: 45 per cent). A slight increase in revenue – from EUR 15.0 million to EUR 15.6 million – was recorded in Germany, while the domestic share in Group revenue amounted to 43 per cent (previous year: 44 per cent). Further ground was also gained with regard to revenues in the USA. Having amounted to EUR 1.5 million in the previous year, revenues were EUR 1.8 million over the first nine months of this year, corresponding to a 5 per cent share (previous year: 5 per cent) of Group revenues. The Asia-Pacific region increased its revenue to EUR 3.3 million – up from EUR 2.2 million in the first nine months of 2004. This therefore made up 9 per cent (previous year: 6 per cent) of total revenue.

The gross profit on revenue rose slightly from EUR 12.8 million to EUR 12.9 million. Based on revenue, the figure fell from 38 per cent to 36 per cent. The reason for this is that the described growth in revenue of 6 per cent was

more than cancelled out by a 9 per cent growth in production costs. If we look at the consulting segment on its own, a gross profit of EUR 7.0 million was recorded over the first nine months of 2005, following on from EUR 7.6 million in the same period in 2004. The gross margin therefore fell from 28 per cent to 24 per cent. In contrast, the software business field saw gross profit rise from EUR 5.2 million to EUR 5.9 million and the gross margin improved from 77 per cent to 81 per cent.

The development of operating income was very pleasing. EBITDA (earnings before interest, taxes, depreciation and amortization) increased to EUR 1.5 million (previous year: EUR 0.7 million) while EBIT (earnings before interest and taxes) increased to EUR 0.4 million (previous year: minus EUR 0.9 million). The main reason for this is that the cost-cutting measures taken over the past few months are now beginning to take effect.

Net income improved from minus EUR 1.2 million last year to EUR 0.5 million and the earnings per share increased from minus EUR 0.24 to EUR 0.10.

Over the nine-month period, a cash flow of EUR 3.7 million was recorded, following on from EUR 2.9 million in the same period of 2004. On September 30, 2005, net cash and cash equivalents were EUR 25.4 million, compared to EUR 21.4 million at the end of 2004 and EUR 22.2 million at the end of last September.

Yours faithfully,
REALTECH AG
Your Executive Board





HIGHLIGHTS



Award proves competence and experience – REALTECH distinguished by SAP three times
Special Expertise Partner for
 ▶ SAP NetWeaver
 ▶ SAP Exchange Infrastructure (XI)
 ▶ SAP Enterprise Portal (EP)

SAP has declared REALTECH to be a Special Expertise Partner (SEP) a total of three times: for SAP Exchange Infrastructure (XI), for SAP Enterprise Portal (EP), and for SAP NetWeaver. This title is only awarded to a few, select partners with particular competence and experience in the SAP environment. The status of Special Expertise Partner for the areas of SAP XI and SAP EP reflects not only the successful cooperation between SAP and REALTECH but also the broad experience REALTECH has gained working on customer projects in a wide variety of industries. The titles constitute a supplier recommendation from SAP for existing and potential customers, demonstrating the partner's expertise with regard to particular SAP solutions.



The status of Special Expertise Partner for SAP NetWeaver is only given to partners who have been awarded at least two other SEP titles. These certifications are distinctions which are only received by very few partners of SAP.

REALTECH has gained the title as a result of targeted employee qualification and projects that have been completed successfully. SAP's selection procedure places tough demands on the partners involved. In order to be nominated as a Special Expertise Partner, a company must have a minimum number of certified consultants and must already have Service Partner status. SAP also attaches great importance to a high degree of customer satisfaction, better-than-average expertise, and many years of project experience. Other requirements for the certification include excellent contacts and access to their decision-makers. Based on its many years of experience on the SAP consulting market, combined with its closeness to the Walldorf software enterprise in terms of both business profile and geographical location, REALTECH meets these criteria. The two companies have been collaborating closely for many years – both on customer projects and in the SAP development labs – and this collaboration will be expanded even further in the future.



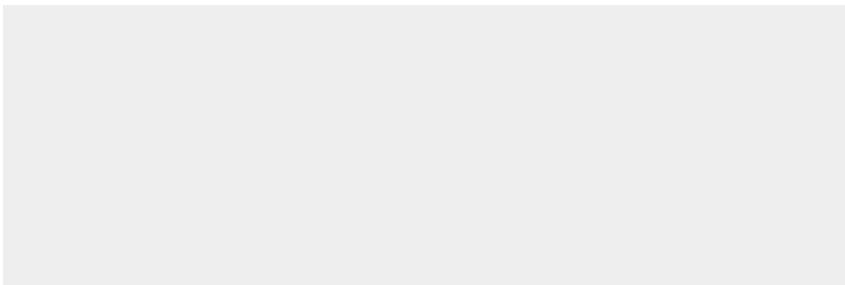
Kennametal – synonymous with innovation, stamina, and an open ear to customer needs

Innovation, stamina, and an open ear to customer needs have been characteristic of Kennametal Inc. ever since the company was established in 1938. Today, Kennametal has become a vertically integrated global manufacturer and supplier of a wide range of consumer tools, consumables, products, and services for the metal-working, mining, and road construction industries as well as various related markets. Kennametal has 14,000 employees worldwide and records annual revenue of 2 billion US dollars, almost half of which comes from outside the USA.

▶ **Aim: smooth production process and maximum availability of resources**

Part of Kennametal's recipe for success is to respond quickly and purposefully to customer needs. Wanting to guarantee comprehensive support, the company added not only additional services relating to tool management but also a fully electronic tool dispensing machine to its range of products. This machine, a component of the "Kennametal Complete" service package, allows tools that are needed during the production process to be issued and returned fully automatically round the clock.

In manufacturing companies, the time-based, quantity-based, and also location-based planning and control of all material movements is extremely important in order to optimize the use of resources while at the same time minimizing costs. However, communication between the various IT systems in order to exchange master and transaction data turned out to be more difficult than expected. Following several time-consuming and costly attempted projects, Kennametal contacted REALTECH and commissioned the SAP specialist to develop its SAP connection. The aim of this project was clearly defined, namely to set up a secure data connection between Kennametal's product and the various SAP configurations at the end customer. REALTECH assumed responsibility for all the tasks involved – including developing, implementing, and maintaining the interface solution and providing support.



► **Ready-to-use solution within a few days**

Using its IM/3 interface management tool, REALTECH took just a few days to develop a ready-to-use solution which can be implemented easily and which reliably operates the processes involved in synchronizing data sets and tracking data movements. Kennametal now has a standard interface package between its tool dispensing system (CaPaX) and the SAP system. The data in the CaPaX software and the associated SAP systems is synchronized automatically in that the REALTECH Interface Manager prepares the data needed in each case and carries out the transactions needed to process this data.

According to Volker Fritsche, Head of Technical Service at Kennametal Deutschland GmbH, "We had set ourselves the goal of achieving a reliable data connection between our product and a wide variety of SAP configurations – an extremely complex task! As a result of the cooperation with REALTECH, our customers can benefit from a stable connection to their SAP system. What's more, Kennametal has gained an excellent position on the fiercely competitive metal-working market. The fact that the project was completed quickly and smoothly just goes to show that IM/3 from REALTECH was the right choice."

◻ **META Group "SAP NetWeaver" survey confirms that REALTECH is on the right track with its SAP service portfolio**



REALTECH's consulting and service offerings relating to SAP NetWeaver meet the require-

ments of the industry. This is affirmed by the results of a recent survey, "SAP NetWeaver: Strategische Herausforderungen für die serviceorientierte Softwarearchitektur (SOA)" (SAP NetWeaver: Strategic challenges for the service-oriented software architecture (SOA)), conducted by META Group Germany.

Based on SAP NetWeaver projects that have already been implemented, the analysts derive recommendations intended to make it easier to get started with the new technology. The most important aspects are ensuring that the know-how in your own company is as extensive as possible and drawing on the services of a professional service provider. One other piece of advice from the user

viewpoint is "think big – start small". Moreover, companies should carefully scrutinize their hardware to establish whether it is suitably powerful.

► **Tendency in many companies to wait and see**

The results of the investigation confirm REALTECH's experience of working on projects as an SAP NetWeaver technology consultant. For example, numerous SAP users remain hesitant when it comes to initiating SAP NetWeaver projects. The main reason named is that the solution is still not mature enough. Although users welcome the open nature of the solution, they still tend to be critical of its dependence on SAP. According to the survey, 60 per cent of SAP users questioned have not yet put much thought to SAP NetWeaver. Reasons for this include a great sensitivity among companies with regard to SAP's release policy and the possible dependence on SAP. The fact that the associated license and service costs are difficult to establish beforehand is also viewed critically by companies.

► **SAP NetWeaver readiness check**

In the form of its consulting and services relating to SAP NetWeaver, REALTECH offers specific preparation for future challenges in the field of SAP. The focus here is on practical services that are comprehensible for customers. Using REALTECH's SAP NetWeaver Readiness Check, clients can enjoy a reliable entry into the world of SAP NetWeaver. The service package provides information about the potential for optimization and consolidation in an IT infrastructure and can be used as a basis for a roadmap for implementing SAP NetWeaver.

Based on experience gained from numerous customer projects, REALTECH has developed a 4-phase model for SAP NetWeaver implementations. This is made up of a consolidation phase, an experimental phase, a pilot phase, and a project phase. The aim of the 4-phase model is to help customers implement SAP NetWeaver in a systematic and reliable way. In addition, REALTECH offers exclusive training programs for SAP NetWeaver – with training ranging from beginner courses to certification courses. The teaching content can be adjusted flexibly to meet customer needs and the knowledge involved remains in the company.



SHARES

Price performance and market capitalization

REALTECH share began the third quarter at a value of EUR 5.70, which turned out to be the lowest price in the entire quarter. The month of July was characterized by a constant upward trend, with the price reaching its peak for Q3/2005 – EUR 6.86 – on August 3. This meant that REALTECH's share price rose by more than 20 per cent in July 2005. The rest of the quarter saw a slight but continuous downwards trend, with the company's share ending the three-month period at a price of EUR 6.30. This meant that the share was quoted 30 per cent higher than at the end of the same quarter last year (EUR 4.86). On September 30, 2005 market capitalization stood at EUR 32 million, corresponding to 75 per cent of book equity.

Shareholder structure and volume of trade in REALTECH shares

The shareholder structure of REALTECH AG did not change in the third quarter of 2005 compared to the previous quarter. The founders and main shareholders continued to hold the same number of shares. The free float on September 30, 2005 remained at 36.38 per cent.

On average, around 9,029 REALTECH shares were traded every day during Q3/2005 – a good 35 per cent more than during the same quarter in the previous year (6,662). 67 per cent of the shares were traded in Xetra (previous year: 89 per cent), while 33 per cent were traded on the other stock exchanges (previous year: 11 per cent).

Key figures

	Q3 2005 EUR	Q3 2004 EUR
Earnings per share	0,11	(0,09)
Cash flow per share	0,39	0,24
Shareholders equity per share	8,45	8,46
Highest share price	6,86	5,40
Lowest share price	5,70	4,22
Share price at the end of the quarter	6,30	4,86
Market capitalization at the end of quarter	32 Mio.	25 Mio.
Number of shares at the end of quarter	5,092.452	5,092.452

Basics

Market segment	Prime Standard
Date of issue	26. April 1999
Security identification no.	700 890
Exchange ID	RTC
Issue price	54,00 EUR

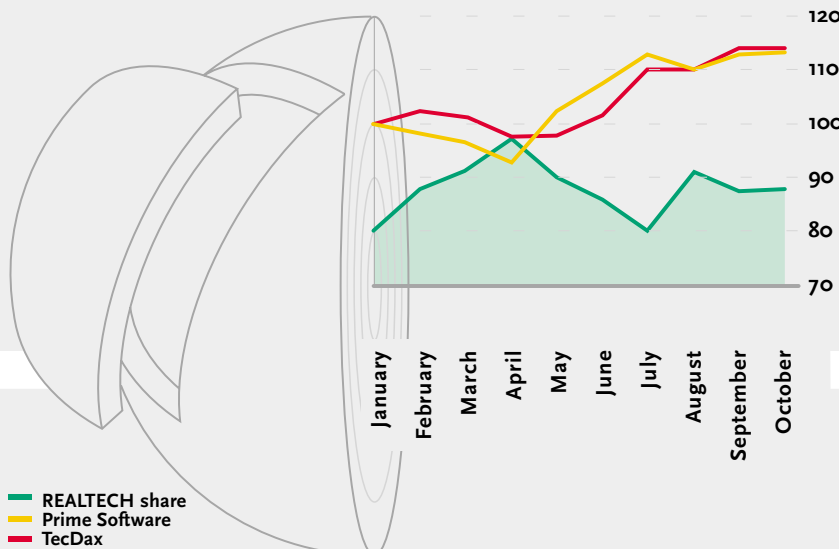
Shares and stock options held by the issuer and the company's executive bodies as of September 30, 2005

Issuer
REALTECH AG – shares

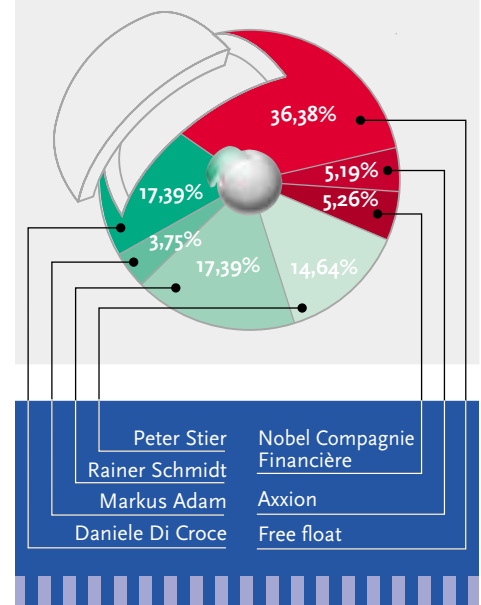
Executive Board
Dr. Rudolf Caspary 45.750 stock options
Nicola Glowinski 40.000 stock options
Jürgen Zahn – stock options

Supervisory Board
Dieter Matheis – shares
Richard Roy – shares
Norbert Schwerber – shares

Share price index



Shareholder structure



ANALYSIS



Employees

The REALTECH Group had 542 employees on the key date of September 30, 2005 – nearly as many as at the end of the third quarter of the previous year (540). The number of employees in Germany has fallen slightly from 220 to 218, meaning that 40 per cent of all REALTECH employees were working in the company's home country at the end of quarter 3/2005 (previous year: 41 per cent). The company's foreign subsidiaries have increased the size of their workforces slightly over the last 12 months from 320 to 324. This included a 4 per cent decline in the European region excluding Germany, where employee numbers fell from 280 to 268. The figure in the USA region remained fairly constant at 9 employees (compared to 10 the previous year). The rise in the number of employees in the Asia-Pacific region – an increase from 30 to 47 or 57 per cent – was particularly due to the initial consolidation of the Japanese subsidiary in 2005.

A glance at the business divisions shows the following picture: the number of employees in the consulting segment increased by 4 per cent from 346 to 361 consultants. Again, the main reason for this was that the Japanese consultants were included for the first time. Comparing the figures with those from a year ago, the development segment saw employee numbers fall slightly from 60 to 58. In addition, a slight reduction was also seen in sales and distribution, which had 61 employees on September 30 of this year, compared to 64 on the same date last year. As for the area of administration, ongoing cost savings led to a 11 per cent reduction in employees, from 70 to 62 at the end of the third quarter of 2005.

Financial situation

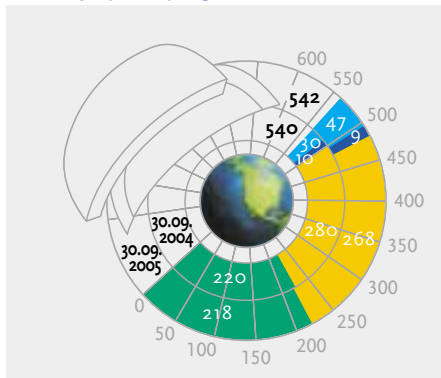
The accounting in REALTECH AG's consolidated financial statements for this quarter has been carried out in accordance with the US Generally Accepted Accounting Principles (US GAAP). The consolidation and valuation methods used to prepare the interim financial statements and establish the comparative figures for the previous year were basically the same as those used in the consolidated financial statements for 2004. A detailed description of the individual methods is published in the notes of our annual report for 2004.

Revenues rose from EUR 11.2 million to EUR 12.0 million in the third quarter of the current fiscal year, or by 7 per cent, compared with the same period in the previous year. Based on the nine-month period, a 6 per cent increase from EUR 34.0 million to EUR 36.1 million was recorded.

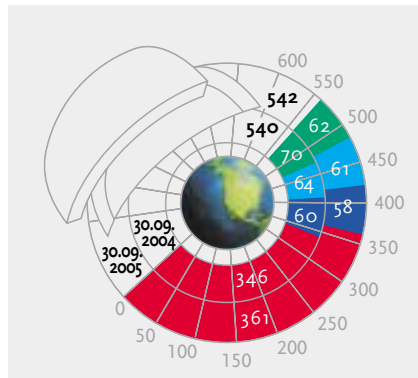
This involved revenues in the two segments developing as follows: In the area of software solutions, revenues in Q3 – at EUR 2.3 million – were on a par with the previous year. On a nine-month basis, software revenue rose by 7 per cent from EUR 6.7 million to the current figure of EUR 7.2 million, while the share of software in total revenue remained unchanged at 20 per cent.

Revenue in the consulting segment increased from EUR 8.9 million to EUR 9.6 million, representing a 9 per cent increase over the same quarter the previous year. Revenue in the first nine months of 2005 – at EUR 28.9 million – was up 6 per cent compared to the previous year (EUR 27.3 million).

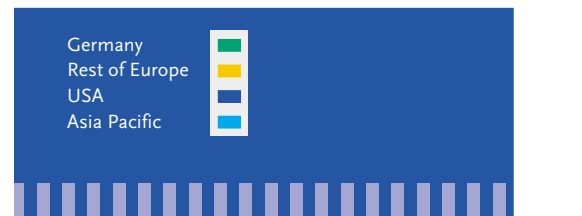
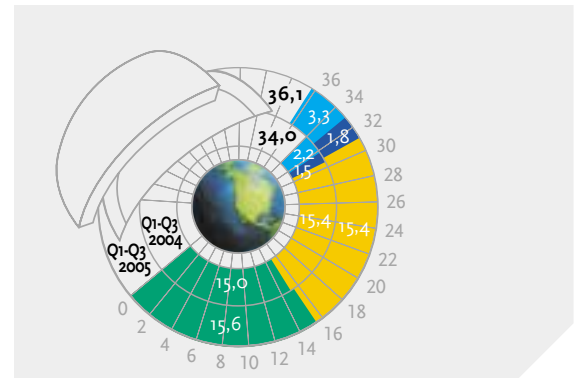
Employees by regions



Employees by sectors



Revenues by regions (EUR m)





ANALYSIS

The current order book should enable the company to achieve its planned figures.

The third quarter saw an increase in **costs of revenues** from EUR 6.9 million to EUR 7.4 million. In terms of revenue, a slight decrease was recorded due to the extraordinary revenue increase. Based on the nine-month period of 2005, production costs were up on the figures for 2004 both in absolute figures and in relation to revenues – from EUR 21.2 million to EUR 23.2 million and from 62 per cent to 64 per cent respectively.


As for the **gross profit**, this meant an increase from EUR 4.2 million to EUR 4.6 million, or from 38 per cent to 39 per cent, compared to the same quarter last year. In the nine-month period there was a slight increase from EUR 12.8 million to EUR 12.9 million. In contrast to this, due to the disproportionate increase in production costs, a decrease from 38 per cent to 36 per cent was recorded based on revenue.

Breaking down the figures for the two segments reveals that this income in the area of software was based on an increase in the gross profit margin from 79 per cent to 81 per cent for the third quarter and from 77 per cent to 81 per cent for the nine-month period. In the Consulting business field, the gross profit margin increased from 27 per cent to 28 per cent on a quarterly basis but fell from 28 per cent to 24 per cent based on the first nine months of the year.

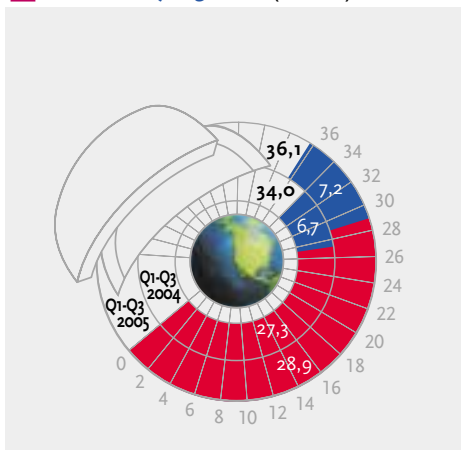
Comparing quarters, **selling and marketing expenses** increased from EUR 1.4 million to EUR 1.5 million, or from 12 per cent to 13 per cent based on revenue. As for the nine-month comparison, an increase from EUR 4.2 million to EUR 4.5 million was recorded. This increase is mainly the result of activities relating to the issue of SAP NetWeaver. The proportion of revenue continued to amount to 12 per cent.

A substantial reduction in costs could be observed in terms of **general and administrative expenses**, which fell 25 per cent from EUR 1.9 million to EUR 1.5 million compared to the same quarter last year. Likewise, the figure based on revenue fell from 17 per cent to 12 per cent. In terms of the nine-month comparison, administrative costs also decreased 25 per cent from EUR 6.4 million to EUR 4.8 million, or from 20 per cent to 13 per cent based on revenue. This reduction was primarily the result of the adjusted cost structure at the REALTECH Italia subsidiary.

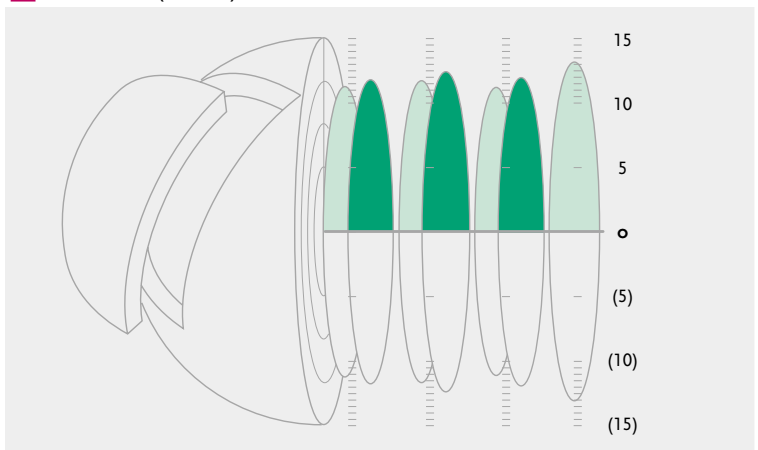
Research and development expenses – at EUR 1.2 million in the third quarter of the current fiscal year compared to EUR 1.1 million in 2004 – have only slightly changed since last year. Comparing the two nine-month periods, this expenditure rose from EUR 3.4 million to EUR 3.7 million, accounting for 10 per cent of revenue in both of the periods considered.

Net interest income decreased in the nine-month comparison from EUR 316 thousand to EUR 209 thousand. This was essentially due to lower interest rates compared 

 Revenues by segments (EUR m)



 Revenues (EUR m)



Consulting 
Software 

2004	11,2	11,7	11,2	13,0
2005	11,7	12,5	12,0	-
	Q1	Q2	Q3	Q4



to 2004 and the fact that the company's investment strategy has changed since last year to focus on funds and the distribution of profits at the end of the year.

Income from associated companies increased from EUR 64 thousand to EUR 122 thousand. This involved income from selling the company's interest in E-City S.r.l., Milan, which was held through REALTECH Italia. The figure for the previous year involved the income recorded by REALTECH Japan over the first nine months of 2004, which was apportioned to REALTECH AG in accordance with the amount of the company's holding ("at equity").

Earnings from financial assets and securities – amounting to EUR 105 thousand – specifically contains income from the sale of securities. The previous year's figure of minus EUR 103 thousand was crucially affected by the EUR 116 thousand write-down in the net book value of the company's holding in Grau Data Storage AG. This holding was sold by contract dated April 15, 2004.

Net income in the third quarter amounted to EUR 0.6 million (up from minus EUR 0.4 million the previous year), while **earnings per share** were EUR 0.11 million (previous year: minus EUR 0.09 million). Based on the first nine months, net income improved to EUR 0.5 million (following on from minus EUR 1.2 million the previous year), while earnings per share increased to EUR 0.10 (previous year: minus EUR 0.24).

Cash flow from operating activities for the first nine months of this fiscal year amounted to EUR 3.7 million, following on from EUR 2.9 million in the same period the previous year. This increase can essentially be attributed to the improved consolidated earnings, the full consolidation of the REALTECH Japan subsidiary for the first time in 2005, and the fact that receivables were reduced to a substantial extent in the previous year.

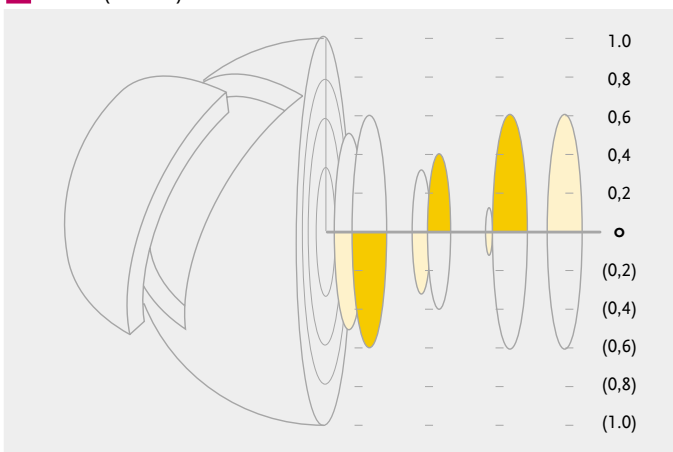
Cash flow from investing activities reached a value of EUR 0.4 million in the first nine months of 2005 (previous year: minus EUR 5.0 million). This is the result of both the full consolidation of the REALTECH Japan subsidiary for the first time in 2005, as mentioned above, and the sale of the REALTECH Australia subsidiary as part of a management buy-out, which took effect at the end of 2004. Investments in intangible assets and property, plant and equipment rose slightly compared with the previous year, from EUR 0.6 million to EUR 0.7 million. This essentially involved procuring replacements.

On September 30, 2005, the REALTECH Group had **net cash and cash equivalents** of EUR 25.4 million, compared to EUR 21.4 million on December 31, 2004 and EUR 19.4 million on the September 30, 2004. The main reason for this increase can be found in the adjustment of the cost structure and the resulting improvement in earnings overall.

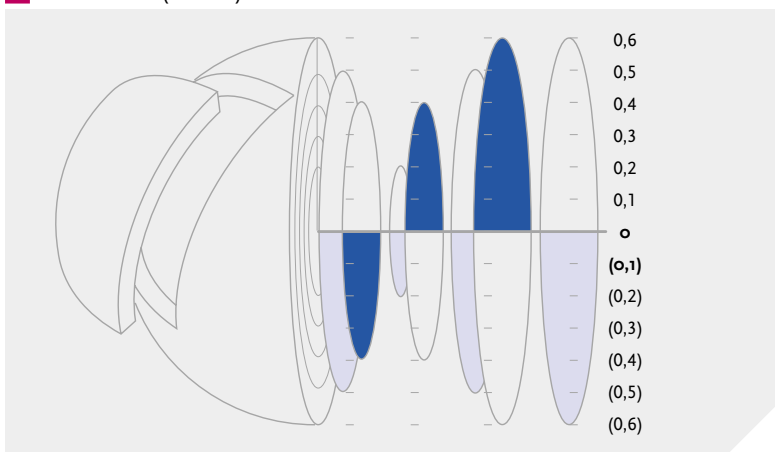
No matters of particular significance that may affect the company's income or circumstances that have affected business development are known other than those listed here.



EBIT (EUR m)



Net income (EUR m)



2004	(0,5)	(0,3)	(0,1)	0,6
2005	(0,6)	0,4	0,6	-
	Q1	Q2	Q3	Q4

2004	(0,5)	(0,2)	(0,5)	(0,6)
2005	(0,4)	0,4	0,6	-
	Q1	Q2	Q3	Q4



ANALYSIS

□ Outlook

The positive trend that REALTECH enjoyed during the first half of this fiscal year also continued in the third quarter. The Executive Board of REALTECH AG regards the pleasing results, as well as other factors, as confirmation that its determined pursuit of the company's change process is the right way forward. Top priority continues to be given to boosting profitability. We are focusing on the most profitable areas of the Group, constantly and specifically adapting our range of services to meet changing market demand. Moreover, the turnaround at the REALTECH Italia subsidiary has not quite been completed yet.

In the Outlook section of the last quarterly report we mentioned that REALTECH already had a considerable advantage when it comes to implementing the new SAP NetWeaver technology. We are clearly on the right track, as is particularly demonstrated by the three certifications

which we have received from SAP for our services in the role of Special Expertise Partner. These certifications are distinctions which are only received by very few partners of SAP. On top of this, a recent survey by the META Group Germany confirms that REALTECH's consulting and service offerings relating to SAP NetWeaver precisely meet the requirements of the industry. However, it should be taken into account that numerous users seem to prefer to wait and see how things progress before actually initiating any SAP NetWeaver projects. For its part, REALTECH has demonstrably done the necessary groundwork and made the relevant investments for the future.

To sum up both the internal and external initiatives taken by REALTECH, we firmly believe that we have made great progress along the road of modernization in fiscal year 2005, therefore positioning REALTECH as a profitable, modern, and future-oriented high-tech enterprise. □

CONSOLIDATED STATEMENTS OF INCOME

	Q3 2005 EUR	Q3 2004 EUR	Q1-Q3 2005 EUR	Q1-Q3 2004 EUR
Revenues	11.963.321	11.153.679	36.106.457	34.029.978
Costs of revenues	7.354.451	6.918.571	23.226.982	21.239.948
Gross profit	4.608.870	4.235.108	12.879.475	12.790.030
Selling and marketing expenses	1.520.331	1.347.039	4.498.753	4.216.790
General and administrative expenses	1.450.151	1.923.212	4.791.549	6.409.711
Research and development expenses	1.175.387	1.124.833	3.656.988	3.435.763
Other operating expenses	363.262	284.009	1.135.557	853.085
Other operating income	464.063	341.368	1.568.825	1.204.292
Amortization (and impairment) of goodwill	0	0	0	0
Depreciation and amortization	0	0	0	0
Operating income	563.803	(102.616)	365.453	(921.027)
Interest income / expenses	72.873	117.267	208.495	315.892
Income from investments and participations	0	0	0	0
Income / expenses from associated companies	121.739	28.860	121.739	63.490
Income / expenses from financial assets and securities	0	10.682	104.812	(92.151)
Foreign currency exchange gains / losses	11.621	3.231	16.424	(7.386)
Other income / expenses	0	0	0	0
Income before taxes (and minority interest)	770.035	57.425	816.923	(641.182)
Income taxes	188.541	247.350	291.979	260.647
Other income / expenses	0	0	0	0
Income before minority interest	581.494	(189.926)	524.944	(901.829)
Minority interest	(7.299)	0	3.324	0
Net income before discontinued operations	574.195	(189.926)	528.268	(901.829)
Income from discontinued operations	0	(251.528)	0	(304.868)
Net income	574.195	(441.454)	528.268	(1.206.697)
Net income per share (basic)	0,11	(0,09)	0,10	(0,24)
Net income per share (diluted)	0,11	(0,09)	0,10	(0,24)
Weighted average shares (basic)	5.092.452	5.092.452	5.092.452	5.092.452
Weighted average shares (diluted)	5.092.452	5.093.798	5.098.551	5.097.792

SEGMENT REPORTING

	Q1-Q3 2005 EUR	Q1-Q3 2004 EUR
Consulting		
Revenues	28.891.582	27.303.001
Costs of revenues	21.861.954	19.669.841
Gross profit	7.029.628	7.633.160
Software		
Revenues	7.214.875	6.726.977
Costs of revenues	1.365.028	1.570.107
Gross profit	5.849.847	5.156.870

CONSOLIDATED STATEMENTS OF CASH FLOWS



	Q1-Q3 2005 EUR	Q1-Q3 2004 EUR
Net income	528.268	(1.206.697)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Net loss from discontinued operations	0	304.868
Depreciation of noncurrent assets	1.100.545	1.600.271
Change in minority shares	1.085	0
Income from associates	(121.739)	(63.490)
Net write-up and depreciation on financial assets	(104.812)	92.151
<i>Change in assets and liabilities:</i>		
Change in accrued expenses	83.653	(2.506.995)
Change in deferred taxes	(68.114)	(153.339)
Change in other assets	2.266.447	6.273.885
Change in other liabilities	17.408	(1.478.245)
Cash flow from operating activities	3.702.741	2.862.409
Payment for discontinued operations	0	(673.774)
Investment in noncurrent assets	(656.722)	(583.724)
Purchase of associated companies less means of payment taken over	407.935	0
Asset disposals	2.844	10.947
Purchase of financial assets	689.678	(3.775.897)
Cash flow from investing activities	443.735	(5.022.448)
Change in long term borrowing	0	(766.938)
Increase in additional paid-in capital	0	0
Purchase of treasury stock	0	129.474
Accumulated other comprehensive income	(15.610)	166.178
Cash flow from financing activities	(15.610)	(471.286)
Change in cash and cash equivalents	4.130.866	(2.631.325)
Currency translation	99.336	(21.673)
Cash and cash equivalents at beginning of the period	2.545.326	5.036.985
Cash and cash equivalents at end of the period	6.775.528	2.383.987

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	2005 EUR	2004 EUR
Shareholders' equity as of 01.01.	42.441.677	44.023.994
Net income	528.268	(1.206.697)
Changes in additional paid-in capital	0	108.656
Treasury stock	0	20.817
Unrealized income / losses on security transactions	(15.610)	166.178
Translation adjustments	99.336	(21.672)
Shareholders' equity as of 30.09.	43.053.671	43.091.276

CONSOLIDATED BALANCE SHEETS

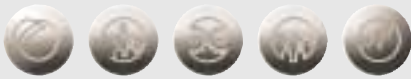


Assets

	30.09.05 EUR	31.12.04 EUR
Current assets		
Cash and cash equivalents	6.775.528	2.545.326
Securities	18.590.974	18.811.913
Trade accounts receivable	14.066.660	15.715.947
Accounts receivable due from related parties	0	0
Inventories	0	0
Deferred taxes	509.780	398.830
Prepaid expenses and other current assets	941.407	1.395.015
Total current assets	40.884.349	38.867.031
Noncurrent assets		
Tangible assets	10.350.644	10.511.870
Property, plant and equipment	8.265.878	8.417.140
Technical equipment and machines	73.579	39.901
Other equipment and office equipment	2.011.187	2.054.829
Payments on account and assets under construction	0	0
Intangible assets	268.050	512.305
Concessions, industrial rights and similar rights and assets and licenses in such rights and assets	267.206	396.758
Software manufactured in-house	0	114.576
Payments on account	844	971
Financial assets	22.599	723.454
Interests in associates	0	717.551
Loans to associates	0	0
Securities	22.599	5.903
Other loans	33.849	37.788
Goodwill	4.358.918	4.118.691
Deferred taxes	476.729	519.102
Other assets	0	0
Total noncurrent assets	15.510.789	16.423.210
Total assets	56.395.138	55.290.241

Liabilities and shareholders' equity

Current liabilities		
Current portion of capital lease obligations	0	0
Short term debt and current portion of long term debt	0	0
Trade accounts payable	1.458.519	1.507.642
Accounts payable to related parties	0	0
Advance payments received	0	0
Accrued expenses	6.747.618	6.507.387
Deferred revenues	1.748.974	880.741
Income tax payable	942.295	1.095.832
Deferred taxes	0	0
Other current liabilities	2.218.810	2.856.962
Total current liabilities	13.116.216	12.848.564
Noncurrent liabilities		
Long term debt	0	0
Capital lease obligations	0	0
Deferred revenues	0	0
Deferred taxes	464	0
Other liabilities	0	0
Pension accrual	0	0
Total noncurrent liabilities	464	0
Total liabilities	13.116.680	12.848.564
Minority interest	224.787	0
Shareholders' equity		
Subscribed capital	6.467.414	6.467.414
Additional paid-in capital	33.228.257	33.228.257
Treasury stock	0	0
Retained earnings	3.361.538	2.833.270
Accumulated other comprehensive income	(3.538)	(87.264)
Total shareholders' equity	43.053.671	42.441.677
Total liabilities and shareholders' equity	56.395.138	55.290.241



Financial Calendar | 2006

March 23, 2006	Publication of Annual Report 2005
May 04, 2006	Publication of Quarterly Report 1 2006
May 16, 2006	Annual general meeting
August 03, 2006	Publication of Quarterly Report 2 2006
November 02, 2006	Publication of Quarterly Report 3 2006

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