

Three Year Summary

	2007		2006		2005
	TEUR	Δ %	TEUR	Δ %	TEUR
Revenues and income					
Revenues	63.752	17	54.380	9	50.047
Revenues consulting	49.801	16	42.948	8	39.773
Revenues software	13.951	22	11.432	11	10.274
Revenues Germany	27.038	17	23.079	7	21.653
Revenues foreign countries	36.714	17	31.301	10	28.394
Earnings before interest, taxes, depreciation and amortization (EBITDA)	7.600	49	5.094	63	3.120
Earnings before interest and taxes (EBIT)	6.610	77	3.731	121	1.688
Earnings before taxes (EBT)	7.213	72	4.199	75	2.398
Net income	4.552	139	1.902	71	1.110
Earnings per share (in EUR)	0,87	135	0,37	68	0,22
Investments and depreciation					
Investments in intangible and tangible assets	1.104	74	635	(44)	1.137
Depreciation	990	(27)	1.363	(5)	1.432
Assets, shareholders' equity and liabilities (end of year)					
Total assets	64.936	7	60.937	6	57.310
Non-current-assets	14.549	(1)	14.658	(7)	15.750
Current assets	50.387	9	46.279	11	41.560
Net cash and cash equivalents	28.066	0	27.997	8	25.948
Shareholders' equity	47.203	3	45.896	5	43.724
Equity ratio (in %)	72,7	(3)	75,3	(1)	76,3
Non-current liabilities	0	0	0	0	0
Current liabilities	17.216	21	14.224	10	12.950
Key figures					
Gross margin (in %)	39,4		40,5		38,1
EBITDA margin (in %)	11,9		9,4		6,2
EBIT margin (in %)	10,4		6,9		3,4
Cash flow from operating activities	4.409		2.413		4.818
Cash flow from investing activities	(4.251)		814		1.941
Cash flow from financing activities	(3.246)		270		172
Employees (end of year)	629	10	571	7	535

REALTECH AG

Germany

- REALTECH System Consulting GmbH
- REALTECH Sales GmbH
- DB-Online GmbH
- LMC-LAN Management Consulting GmbH
- GloBE Technology GmbH

	2007	2006	2005
Employees	239	229	219
Revenues	27,0	23,1	21,7

Rest of Europe

- REALTECH Italia S.p.A., Italy
- REALTECH System Consulting S.L., Spain
- REALTECH Portugal System Consulting Sociedade Unipessoal Lda, Portugal

	2007	2006	2005
Employees	314	282	264
Revenues	25,9	22,3	21,0

Philadelphia

M
Lisbor

USA

- REALTECH Inc., USA

	2007	2006	2005
Employees	17	14	9
Revenues	3,3	3,4	2,5

Asia Pacific

- REALTECH Ltd., New Zealand
- REALTECH System Consulting Pte. Ltd., Singapore
- REALTECH Japan Co., Ltd., Japan (54,1%)

Buenos Aires

REALTECH AG
in each case 100%
(except where noted).

Employees at end of year.

Revenues in million EUR.

REALTECH worldwide

Waldorf

Milan

Madrid

Tokyo

Singapore

Auckland

	2007	2006	2005
Employees	59	46	43
Revenues	7,6	5,6	4,9





• The story

With competent IT consulting and innovative software solutions, REALTECH aids international customers in the optimization of business processes along the entire value chain.

Experienced consultants support companies from all industries in an extremely wide range of demanding IT projects. The aim of our customers is to operate business-critical IT environments both reliably and efficiently. After all, today's IT systems play a key role in ensuring that a company remains competitive in the long term.

REALTECH consultants are particularly knowledgeable with regard to the business applications and technologies developed by SAP AG. In this area, customers benefit from the long-term, in-depth specialist knowledge of well-trained IT experts, as REALTECH supports companies with an end-to-end consulting approach spanning everything from SAP technologies to strategic process consulting.



RTC : 09.01.07

Stars of the show

REALTECH's theGuard! software family enables organizations to automate their IT services. These products control the pulse of the entire IT environment – from the network through to databases, right through to applications. The various theGuard! products monitor IT systems largely automatically, identify possible sources of error early on, and provide IT managers with suggestions as to how weak spots can be remedied quickly and efficiently. As a result, organizations can benefit from reliable IT systems with minimum downtime.

Around the globe, more than 2,000 businesses and organizations have already put their trust in REALTECH's expertise and solutions.

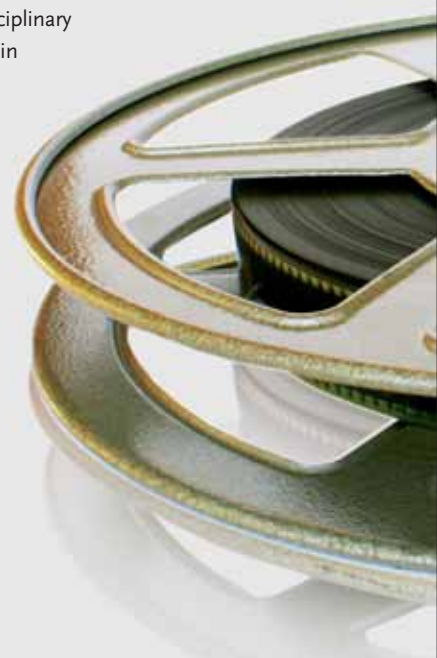


At REALTECH, the employees are the stars of the show,

as the company's focus is on people and their development. With their commitment and qualifications, our employees ensure day in, day out that our main performance features include competence, quality and customer satisfaction.

Not only in our core business field of consulting, but also in software development, well-trained specialists are the key to successful IT and consulting projects. Thanks to their knowledge and skills, our experts are able to secure REALTECH's position as a consulting specialist for SAP system environments, therefore providing the company with a decisive competitive edge.

REALTECH attaches great importance to sound training, as customers very quickly notice if consultants are simply faking expertise. For this reason, REALTECH uses targeted education and further training programs to ensure that employees retain their superior knowledge. Equal attention is paid here to both specialist expertise and social skills, as this training approach specifically encourages people to work in interdisciplinary teams – a factor that is becoming increasingly important in complex SAP projects. As a result, a high level of commitment to training has long since become a firm part of REALTECH's corporate strategy.





⋮ The storyline

The storyline clearly revolves around success:

REALTECH displayed an excellent performance in fiscal year 2007. Customers continue to have great faith in our consulting services and software solutions. The experience of REALTECH consultants in the area of SAP systems has prevented IT becoming a drama at customer companies. We successfully avoided any tricky situations that could have interrupted the core business of our customers, thanks to theGuard! software reliably monitoring critical IT applications at all times to detect any possible losses in performance.

Fiscal year 2007 was highly successful right from the start. In the first quarter of the year, revenue was up 8 percent while EBIT (earnings before interest and tax) increased to EUR 0.8 million. At the General Meeting in May, we demonstrated to shareholders just how worthwhile it can be to invest in REALTECH, as part of the company's capital is to flow back to shareholders through a reduction in share capital, and the decision was reached to pay out a dividend of EUR 0.50. In addition, the REALTECH share price increased by 34 percent over the course of 2007 – a growth rate that was substantially higher than those of all relevant indices.

Just as in a professional film production, suspense was built up further and further over the course of fiscal year 2007. Feelings of excitement were also evoked in participants on the financial market, who watched agog as the company's share price constantly rose, reaching the 2007 annual high of EUR 12.87 in November. What's more, business developments also seemed to come from a Hollywood script, as the positive revenue growth over the year ultimately had the result that the last three months of 2007 became the quarter with the highest revenue level in the company's history.

Critics and analysts agree that the year 2008 will most certainly be more than just the sequel to a classic film. The script for successful business development has been written, and the main actors know their roles. Light, camera.... action!



RTC : 16.01.07

● Awards

● Special Expertise Partnership

SAP AG has now awarded REALTECH the Special Expertise Partnership (SEP) seal of approval for the SAP NetWeaver portal and SAP Process Integration three times running. In awarding this SEP title, SAP confirms the specialist knowledge of REALTECH consultants with regard to these new SAP technologies.

● TransportManager software solution certified by SAP

SAP has extensively tested the REALTECH TransportManager and awarded it the title “Certified for SAP NetWeaver”. This software solution developed by REALTECH transfers new software components and other data within an SAP application environment quickly, securely and reliably.

● Run SAP implementation partner

SAP has defined a series of rules for implementing its software solutions, with the aim of ensuring smooth and efficient operation at customer companies. In 2007, REALTECH was awarded the status of “Run SAP” partner, which indicates to customers that REALTECH meets the requirements of SAP.

● Outstanding employees

The stars behind the scenes at REALTECH are our employees, who don't need any autograph sessions or public appearances in order to make a good impression on our customers. The great expertise of our consultants becomes particularly clear if you consider the numerous distinctions and certifications received. In 2007, more than 20 employees received external distinctions in Germany. Examples here include the “Certified Technical Consultant” certificate for SAP-related technology issues and the “Certified Solution Consultant” certificate for specific applications such as Business Intelligence and Knowledge Management. Consultants in Italy received around 40 new certifications, amongst other things in areas such as SAP NetWeaver and IBM SOA technologies. In Spain, around 20 consultants received certifications, including certificates awarded by SAP for SAP NetWeaver topics.



Calendar of Events 2007



JANUARY

Financial service providers rely on REALTECH

The Sparkasse bank in Singen-Radolfzell successfully implements REALTECH's theGuard! software. Using this solution, the bank is able to efficiently monitor its network infrastructure and can thus keep track of all network components at all times. Thanks to the fact that the system reports any faults to IT employees in real time, downtime is reduced.

REALTECH Italia wins migration project

Tosinvest, an Italian operator of 32 rehabilitation clinics, assigns REALTECH Italia the task of migrating its SAP infrastructure to UNIX and upgrading to SAP ECC 6.0. The Tosinvest Group benefits from the upgrade and migration in many ways, including not only increased system performance, but also a reduction in maintenance costs by around 22 percent.

FEBRUARY

Johanniter Ambulance safeguards application operation with REALTECH

SCK GmbH, the central IT service provider for the Johanniter Ambulance, uses REALTECH's theGuard!

ApplicationManager to monitor the organization's complex IT application environment. As the system now constantly records the utilization and availability of central IT resources, high-availability operation of key applications is assured.

MARCH

REAL:tech Symposium 2007

"Denken braucht Raum" (Thought needs space) was the motto at the REAL:tech Symposium 2007, held at the Print Media Academy in Heidelberg and attended by numerous existing and potential customers. With presentations on REALTECH products and user reports from prestigious reference customers, visitors were able to enjoy an interesting and useful day.

APRIL

New: theGuard! Service Management Center

environment needs powerful monitoring and administration tools. REALTECH's newly designed theGuard! Service Management Center sets customers off to a great start in the efficient management of heterogeneous IT infrastructures. The key to success here is a high degree of automation of service activities for all aspects of corporate IT.



RTC : 15.02.07

M A Y

Investing in REALTECH pays off

At the Annual General Meeting in 2007, shareholders agreed to reduce the company's share capital, therefore returning part of the capital to shareholders. Further good news is that REALTECH pays out a dividend of 0.50 euros per share.

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J U N E

WestLotto bets on Linux

In switching to the Linux operating system, the Westdeutsche Lotterie lottery company leaves nothing to chance and puts its trust in the long-term experience of REALTECH consultants. The SAP specialist assumed responsibility for the entire migration to a new Linux platform. This changeover reduces WestLotto's expenditure on IT systems.

J U L Y

REALTECH promotes innovation in the Rhine-Neckar region

REALTECH participates in the Heidelberg Innovation Forum and the doIT Software Award presented by MFG Medien- und Filmgesellschaft Baden-Württemberg. Both events have the goal of promoting the Rhine-Neckar region as a high-tech location. Thanks to targeted technology transfer, new ideas from research have a shorter time to market.

A U G U S T

Management Cockpit

In order to effectively steer their companies, managers need reliable information. REALTECH's new Software Management Cockpit provides important key figures from current business processes. The clear and concise presentation of these values lays the foundations for reaching business-critical and strategic decisions.

S E P T E M B E R

REALTECH invests in employees

Aiming to continue providing customers with high-quality consulting in the future, REALTECH launches special qualification programs. One such program, STEP-IN, involves intensive training over several weeks that enables the company's own employees to improve not only their specialist knowledge, but also method expertise and social skills.

O C T O B E R

Specialist knowledge of REALTECH consultants confirmed by SAP

SAP confirmed REALTECH's expertise with regard to the SAP NetWeaver Portal, SAP Process Integration and Duet products yet again in 2007. This seal of approval is equivalent to an SAP supplier recommendation, and is only awarded to a few selected companies.

N O V E M B E R

Secure operation of business-critical applications

The new theGuard! ApplicationDashboard product developed by REALTECH analyzes the availability of complex application environments such as SAP applications. This provides companies with a valuable tool that enables them to deal with performance bottlenecks early on and counteract possible failures in central applications.

D E C E M B E R

Largest software order in company history

EADS Defence & Security awards REALTECH a major order, worth millions, for the provision of network and service management for the German Federal Armed Forces. In the future, the Federal Armed Forces will be fitting both their central Network Operating Center and their mobile units with the core components of the-Guard! Service Management Center. Wide area networks will be monitored using theGuard! NetworkManager, while the Business Process Management and Provisioning modules ensure deployment management and planning.