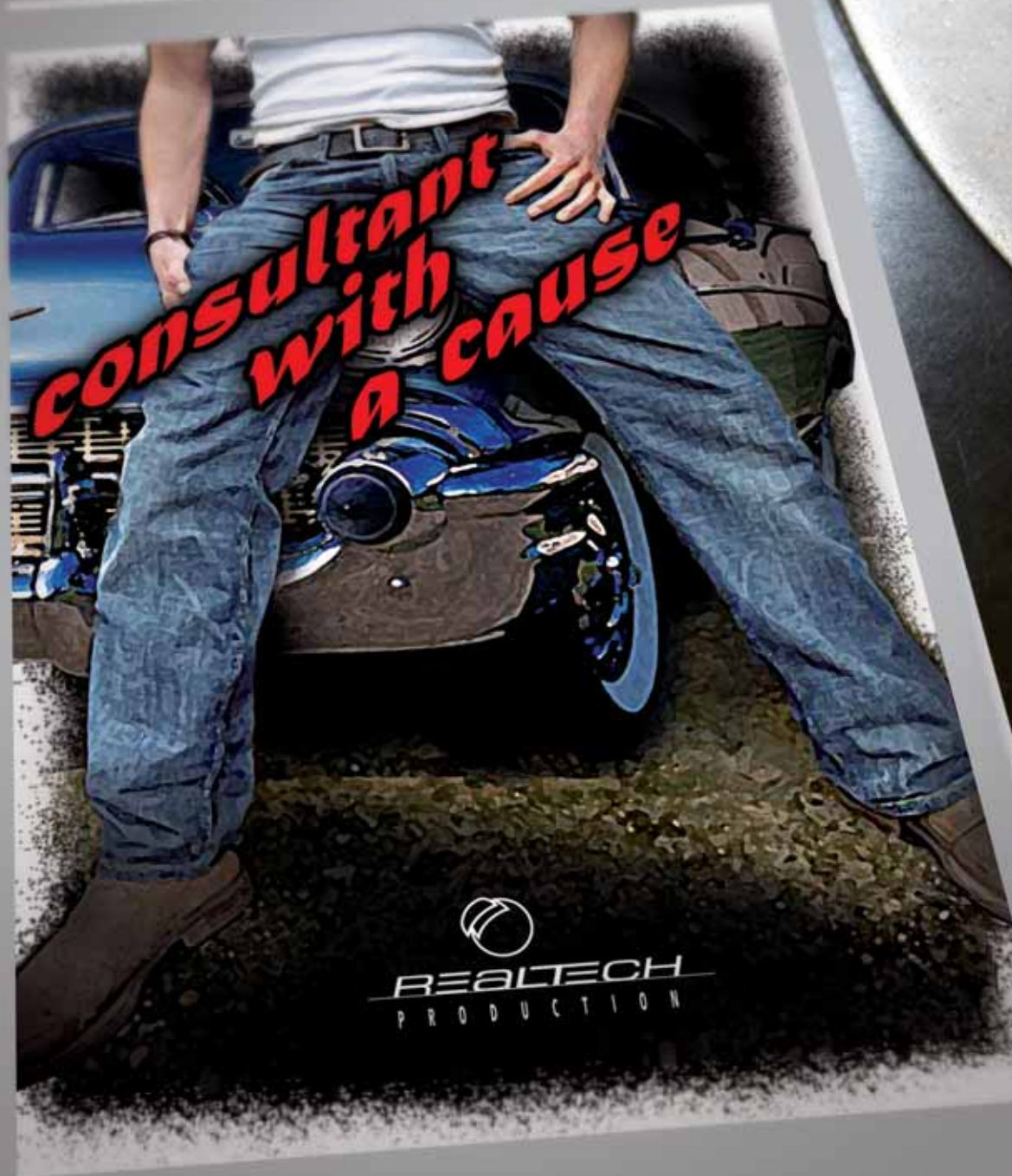


REALTECH - Cinemas

Program 2008





RTC : 11.05.07

● The Making Of



A few years ago, SAP began revising its solution range. The focus of new applications is on a service-oriented architecture and the SAP NetWeaver technology platform. To begin with, only very few partner companies were fully aware of the new requirements placed on consultants due to this strategy change.



● The Making Of

THE MARKET

As a company with international operations, REALTECH AG is represented by company branches on several continents. In order for our business to be a success, we are reliant not only on precise knowledge of our target markets, but also on ongoing observation of regional economic development.

● Financial crisis slows economic growth

The US real estate market crisis that began in 2007 and the subsequent turbulence on financial markets have had a significant impact on global economic trends. In view of the resulting uncertainties, it is highly likely that worldwide economic growth will slow down in 2008. One of the key questions is whether strong growth in emerging nations such as India and China can compensate for the negative consequences of a possible recession in the US. At the beginning of 2008, the US Federal Reserve attempted to boost the US economy by significantly reducing base interest rates. Analysts anticipate that the economic situation will recover to a certain extent from mid-2008 onwards as, once the financial market crisis has been overcome, consumption should pick up again.



RTC : 18.05.07



In view of the financial crisis, economists at the International Monetary Fund (IMF) have reduced their forecast for worldwide economic growth in 2008 to 4.1 percent, having previously predicted 4.4 percent. For the year 2007, experts have quoted a growth rate of 4.9 percent. The US economy is expected to grow by 1.5 percent of gross domestic product in 2008, as is the Japanese economy. In contrast, emerging nations such as India and China are continuing to expand rapidly. For China, for example, the IMF states an estimated growth rate of 10 percent for 2008 – only slightly below the 11.4 percent growth rate recorded in 2007.

For the euro region, IMF experts predict a growth rate of 1.6 percent in 2008. This is slightly below the sturdy 1.7 percent that the German federal government forecast for Germany upon presenting its annual economic report. Although experts at the German Federal Ministry of Economics and Technology anticipate that the weakness of the US economy will also leave its mark in Germany, they are nevertheless optimistic. After all, company order books are well filled, and the German economy is more stable overall than it was a just few years ago.

THE IT INDUSTRY

Information technology is set to continue expanding in 2008, though not quite as fast as in 2007. According to the prominent market research and consulting company Gartner, worldwide IT expenditure rose above the 3-trillion US dollar mark for the first time in 2007, and is set to increase by a further 5.5 percent in 2008 to reach 3.3-trillion US dollars. IT expenditure is particularly increasing in emerging nations, with companies, organizations and private consumers now investing a third of these funds outside of North America, Western Europe and Japan. Information technology suppliers are increasingly turning their attention towards Asia and South America. Moreover, the fact that many executives are now coming to realize what potential information technology offers to support a company's commercial and strategic goals is also having a positive impact.

In the US, despite the threat of recession, analysts still expect IT budgets in 2008 to increase by between 3 and 4 percent. According to a Gartner survey, companies that expect their IT to lead to measurable business success will even increase their IT expenditure by 4.9 percent. Compared to the previous year, the main focus of IT investments has shifted somewhat: market researchers have discovered that one of the main IT goals is now to improve business processes. Cutting costs no longer has top priority among IT managers, and now ranks behind winning and retaining customers, and developing new products and services.

The situation looks better on the European IT market, which accounts for around 34 percent of worldwide IT expenditure. In Europe, market research company IDC expects demand for information technology to rise by 6.8 percent. One important factor here is the sustained dynamic growth in Eastern European countries. For Germany, BITKOM (the federal association for the industry) predicts that the IT market will expand by 3.5 percent in 2008 to around EUR 75 billion, while IDC is even talking of 4 percent. This means that the German market for information technology is maintaining its growth rate.

Continued dynamic growth in ERP software

The enterprise software segment is expected by Gartner analysts to expand by 5.9 percent. German businesses are expected to spend around EUR 2.2 billion on business applications in the areas of ERP (Enterprise Resource Planning), CRM (Customer Relationship Management) and SCM (Supply Chain Management). This comprises both licenses and system maintenance.

The continued, largely positive overall economic development is also driving growth. One major growth driver is the international alignment of medium-sized companies, whose increasing requirements with regard to processes and regulations are reflected in increased demand for platforms that can be used around the globe. What's more, harmonization and consolidation of ERP systems remain an important issue for major corporations that already operate on an international scale.

SOA brings increased flexibility

Information technology and business processes in companies are becoming more convergent. Over the last few years, globalization, increasing competition and technical progress have greatly increased the pressure on companies to regularly analyze their daily business processes, quickly adapt them to increasingly rapidly changing conditions and constantly look for new potential. More and more companies are therefore implementing business process management solutions to plan, monitor, control and optimize their processes.

The ideal foundations for such systems are laid by service-oriented architectures (SOAs), which are doing away with the rigid, data-focused systems of the past. Using these architectures, companies can adapt existing applications to suit their specific business processes. According to IDC, the

main activities of many users in Western Europe will in 2008 again revolve around implementing a service-oriented architecture. Banks, telecommunications suppliers and public authorities in particular will, according to the market researchers, be increasingly opting for this concept. Organizations hope to thereby benefit from increased flexibility, an improvement in the quality of their IT systems and a reduction in operating costs.

Strong growth in service and consulting

Lastly, technological goals in companies have increasingly given way to business goals. IT nowadays no longer simply provides the infrastructure for business processes, but actually plays a role in shaping these processes. Rather than being pure engineers, more and more IT managers are becoming business process architects and orchestrators. As a result of this trend, internal IT departments in companies are repeatedly faced with new challenges, which prove difficult to deal with without external service and consulting partners. Bearing all this in mind, experts at Lünendonk, an analysis company specializing in IT, predict stable growth in IT consulting and system integration. Additional growth impetus in these two segments is provided by the substantial rise in the number of business takeovers and mergers, as well as the establishment of new international sites and subsidiaries.

THE EMPLOYEES

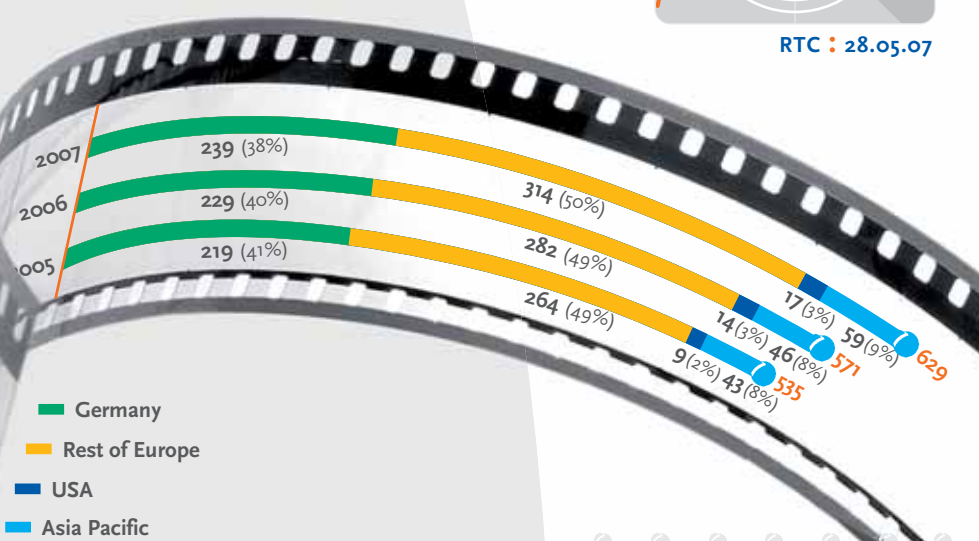
There continues to be a great need in the IT industry for well trained and specialized experts. At the end of 2007, the federal association for the industry, BITKOM, calculated the number of job vacancies for IT experts to be 43,000. Around 60 percent of IT companies are looking for additional employees – in particular highly qualified software developers and IT managers. REALTECH is well prepared to deal with the current situation on the job market, and benefits from having consistently and regularly invested in good time in education and further training for its employees.

On December 31, 2007, REALTECH had 629 employees, which is 58 more than a year before and which meant an increase of 10 percent. Out of these employees, 239 worked in Germany, compared to 229 employees on December 31, 2006. This means that around 62 percent of the company's employees work at the Group's international sites.



RTC : 28.05.07

● Employees by regions (end of year)



● Focus on people

At REALTECH, employees are far from being simple extras. 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.

● SAP consultants of the future

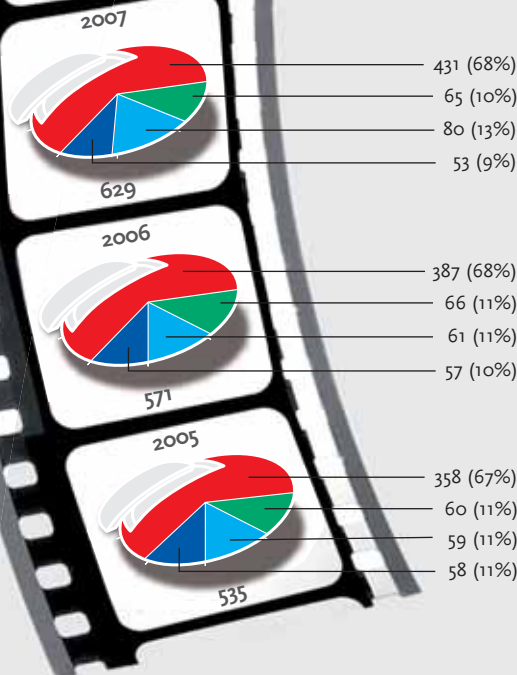
A few years ago, SAP began revising its solution range. The focus of new applications is on a service-oriented architecture and the SAP NetWeaver technology platform. To begin with, only very few partner companies were fully aware of the new requirements placed on consultants due to this strategy change. By now, projects that concentrate on SAP NetWeaver have come to shape everyday business, and analysts anticipate that they will also continue to dominate the SAP consulting market in the future. REALTECH adapted its internal training early on to the new development at SAP and these new focuses, and invested in the SAP consultants of the future. As a result, nearly three quarters of our consultants are now certified for SAP NetWeaver. The Walldorf-based software corporation rewarded REALTECH for this commitment by declaring the company a Special Expertise Partner for SAP NetWeaver, a seal of approval for SAP consultancy companies.

REALTECH further increased its appeal as an attractive employer in 2007, as a new job advertisement campaign, increased HR marketing activities and appearances at university trade fairs gave rise to more than 1,000 applications. Altogether, REALTECH hired 61 new employees, 46 of them in the consulting business area.

Another focus of activities was further training programs. A total of 31 employees worked their way through the seven-week STEP-IN qualification program, which gets consultants in shape for future SAP consulting projects. For the first time, this internal education and further training program addressed not only consultants with SAP career experience, but also those new to SAP consulting. These specialized courses are backed up by training seminars that increase employees' method expertise and social skills. This training

Employees by sectors
(end of year)

- Consulting ■
- General and administration ■
- Sales ■
- Development ■



approach enables the company to specifically encourage teamwork, as this factor will also become increasingly important in future SAP projects. In addition, employee qualification programs ensure that employees keep building on the knowledge they have gained. REALTECH plans to continue its internal further training in 2008.

A high level of commitment to training is a firm part of REALTECH's corporate strategy. The new technologies developed by SAP are giving rise to IT projects that require SAP consultants to work across different areas. Today's customers expect our SAP specialists to have much broader skills than before, and it is becoming increasingly important for them to look beyond their own specific fields. Bearing this in mind, REALTECH pays just as much attention in its internal training measures to social skills as it does to specialist expertise, and also ensures that as much practical experience as possible is incorporated into training seminars.

Clear career models

It can be assumed that the need for SAP consultants will increase greatly over the next few years. REALTECH therefore strives to provide attractive career and qualification offers that will enable the company to retain its well trained employees in the long term. In addition to the qualification program, consultants benefit from a clear career model, which is defined with fixed training paths. The three pillars of competence – specialist knowledge, methodology and personality – consistently provide employees with individual support along the road to becoming specialist consultants, project managers, team leaders or managers.

For talented employees who display particular commitment, REALTECH takes special measures to promote their development – including for instance management discussion sessions at which up-and-coming professionals can exchange ideas with company executives. In this way, the company simultaneously ensures that employees at all consulting levels have a common understanding of strategy and goals. REALTECH provides a program to promote those with leadership potential, and specifically prepare them for their future work as team leaders or managers. Moreover, existing managers also regularly attend courses and training seminars to further improve their skills. After all, the highly dynamic nature of the consulting market and the company's steady growth repeatedly lead to new challenges even among top management. REALTECH sets great store by ensuring that all managers constantly work to improve their employee leadership capability.

To strengthen ties between employees, REALTECH organizes various events such as a summer festival in which both employees and their families take part. Special conferences for consultants help them to expand their personal network within the company, as fast and competent intercommunication beyond team and project boundaries is often crucial for project success. During everyday work, regular team meetings ensure cohesion within individual groups, while employees familiarize themselves with new topics in the context of internal specialist groups.



RTC : 04.06.07



The working environment at REALTECH is characterized by friendly and helpful colleagues, combined with short processing and decision-making paths. New colleagues are able to find their feet in their new jobs within a remarkably short space of time, and therefore rapidly contribute to the company's success. In 2007, the successful measures of our HR department, which has the goal of keeping qualified employees in the company in the long term, once again revolved around employees feeling at home, being important and progressing. After all, it is only in this way that our company can gain further market shares and grow faster than the market average despite the tough competition on the IT consulting market.

with customers and suppliers alike – and the larger the number of companies networked in a close partnership, the faster those taking part can respond to changed conditions. These trends are also being driven by the Internet and Web 2.0 technologies.

● Success despite tough competition

When it comes to making a company adaptable, information technology is the key factor that decides between success and failure, as it enables companies to collaborate quickly in a virtual world spanning numerous locations. IT has thus long since been transformed from the driving force behind cost efficiency into a strategic competitive tool, and is considered to be the engine that drives change in companies.

In order to assert themselves in an international environment and set themselves apart from the competition, organizations must be able to adapt their own services quickly and flexibly to current customer requirements – individually and at competitive prices. This strategy presents a challenge to all areas of a company, from administration through to development and production, right through to marketing and sales. Only those who base their corporate culture on flexibility, openness, collaboration and speed will be successful on the market in the long term.

THE SITUATION

The Internet, new information technologies and market globalization have changed the economy at the beginning of the 21st century. This change has been accompanied by intensified international competition, as powerful players including states such as Brazil, Russia, India and China are penetrating the global market, and are set to be followed by further emerging nations. At the same time, conditions are changing a lot faster than only a few years ago, with the corporate landscape being shaped by alliances, mergers and increasing numbers of acquisitions. The job market is characterized by increasing production in low-wage countries and a lack of skilled workers. The Basel II equity guidelines combined with ever-tougher environmental regulations are increasing business risks. However, these negative factors are offset by new opportunities that are arising through technologies such as RFID (radio frequency identification) and nanotechnology. At the same time, consumers have become more demanding and are scrutinizing new developments such as gene technology extremely critically. And, last but not least, new concepts such as Web 2.0 – technologies that encourage interactive, group-specific Internet use and speed up communication around the globe – are establishing themselves in the business world.

New ways of gaining a competitive edge are offered by the transformation of existing business relationships. Companies are making use of their partner networks to strengthen their ties



Key success factors for constant growth and increased competitiveness include intelligent, clearly defined processes and fast decision-making. In this way, recent challenges such as ever-shorter product cycles and increasingly tough quality guidelines can be mastered. When it comes to IT implementation, it is advisable to follow two strategies, which go hand in hand. The first strategy involves making the IT infrastructure flexible so that companies can quickly combine existing technical processes to form customer-friendly services, and the second is active process management to enable internal processes to be adapted to market requirements and statutory regulations without having to overcome technical hurdles.

● SOA – the ideal basis for IT environments

The IT landscape in many companies has progressively expanded over time. Practically everything – from terminal-based mainframe computer applications and standard software such as SAP through to portable Java applications – can be found in computer centers. Step by step, large enterprises, medium-sized companies and public authorities have added additional software applications to their IT infrastructure. However, isolated proprietary solutions can slow down working processes as, in the worst case scenario, the software doesn't even allow people to work without media discontinuity. At the same time, this type of bloated and rigid IT system means an extremely high development and maintenance outlay for IT departments.

Often, the only way to cope with this complexity is to implement a new approach, namely to modernize the application environment based on a service-oriented architecture (SOA). This new system architecture marks the end of rigid, data-centered models and is considered by experts to be a significant milestone in the history of IT. Service-oriented architectures are bringing new IT environment qualities into the spotlight. With their help, companies can merge all existing and new software applications to form a single, harmonized system and constantly enhance this system. In the future, it will no longer be the application that dictates the limits of business processes. On the contrary, applications will support companies in adapting their processes to current business circumstances in the best possible way.

Put in simpler terms, a service-oriented architecture constitutes a broad framework in which independent, loosely connected software services can be created,



RTC : 12.06.07



managed and combined. Each of these services is available on its own, can be used again, and can be accessed via a standardized interface. IT developers can combine individual services by mouse-click as they choose, and make these services available to users in the various departments of a company in line with requirements. This gives companies the opportunity to smoothly link their existing applications to new applications. The resulting software environments are completely flexible, and can be adapted to suit any possible change in no time at all.

Increased flexibility with SAP NetWeaver

SAP AG has developed its own solution for a flexible application architecture. This software module, Enterprise SOA (ESOA), paves the way for SAP users to set up a service-oriented IT environment. ESOA adds business elements to supplement the model of independent Web services. This has the advantage that companies can control the entire innovation and standardization cycle for business applications within a homogenous environment.

The core product in the ESOA strategy is the SAP NetWeaver integration platform. This platform lays the technological foundations, for instance, for opening up existing application systems and making individual program functions available as reusable services. On top of this, the platform connects processes and IT systems across company boundaries, thus making it possible for organizations to combine existing program functions to accommodate new technical processes. As a result, companies are in a position to respond flexibly to new market requirements.

Enterprise SOA and the extensive possibilities offered by SAP NetWeaver are leading to a fundamental change in the development of business processes. In the future, organizations will be able to model business processes and combine them in practically any way they choose, meaning that new processes can be set up quickly and easily. This will lead to decisive advantages in particular for companies with international operations, as processes can be used in all organizations and countries via the Internet.



At REALTECH, the focus is on the goals and interests of customers. Since being founded in 1994, the company has in this way succeeded on the highly competitive IT consulting market in establishing itself as a competent partner for the optimization of business processes – for

international companies of all sizes and in all industries. SAP AG, the largest manufacturer of enterprise software worldwide, has been an important cooperation partner for REALTECH for many years. This close collaboration with SAP and the geographical proximity of the two Walldorf-based companies give REALTECH a valuable competitive edge in numerous IT projects in terms of expertise.

REALTECH offers an end-to-end range of services in the area of SAP, and builds a bridge between technology and business processes. With this combination of specialist SAP technology knowledge and expertise in the process consulting business, REALTECH sets itself apart from the competition. The company's aim is to offer consulting services, strategies, solutions and products that provide customers with the best possible support in mapping their business processes with IT. This is made possible by the particular expertise of the company's employees.

Around the globe, more than 2,000 businesses and organizations have already put their trust in REALTECH's expertise and solutions. The range of services offered also covers areas above and beyond SAP applications that are set to shape the information technology market in years to come. This is particularly true of the high-margin segment of strategic business process consulting, an area in which REALTECH has over the past few years increasingly invested in developing.



Solutions for business processes

Strategic IT consulting provides customers with an end-to-end approach that lays all the necessary foundations for operating an SAP NetWeaver or Enterprise SOA infrastructure. REALTECH has taken up this issue at an early stage, aiming to ensure long-term success both for itself and for its customers. When implementing SAP projects, companies will in the future place an emphasis on a holistic view of business processes and the technologies used. REALTECH consultants analyze business processes, paying attention to the entire IT environment, and pinpoint ways in which companies can optimize these processes. This results in clear statements regarding the productivity, return on investment and total costs of an IT project within a defined period of time.

Preparation for SAP NetWeaver

Ever since SAP AG presented its new SAP NetWeaver integration platform, REALTECH has been paying great attention to this technology. The company is able to support customers with a wide range of consulting services relating to all aspects of SAP NetWeaver, ranging from strategic planning and benefit-oriented implementation through to reliable operation. Efficient integration of users and systems into processes puts customers in a position to tap the entire potential offered by SAP

NetWeaver technology. Thanks to the close collaboration between the two Walldorf-based companies, REALTECH is able to gather practical experience of implementing new SAP NetWeaver components at a very early stage. For customers, this means that REALTECH processes new projects quickly, efficiently and reliably.

SAP strategy consulting

In the area of SAP technology and strategy consulting, REALTECH is a reliable partner for its customers in IT optimization, consolidation and operation. Well-trained specialists support customers in rationalizing their IT processes and structures in order to achieve tangible, permanent savings in computer center operation. In terms of consolidation consulting, REALTECH ensures reliable and cost-effective operation of both new and existing IT infrastructure, and thus helps companies to set up simple, homogeneous system environments with consistent business processes.

Powerful software solutions

Alongside the consulting segment, REALTECH also has a second core area: developing software. The Walldorf-based company has made the most of the customer proximity of its consulting specialists to continually expand this business field. The consultants are familiar with the market, technology, infrastructure and typical customer problems, thanks to their day-to-day work. This experience is then input into software development, with the result that the products are closely aligned with the challenges customers face.

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. Customers consider the theGuard! product range to be one of the most powerful system management solutions worldwide, as has been confirmed by IT analysts such as the Giga Information Group.

A further focus of REALTECH's product range entails software tools developed especially for SAP systems. To name a few examples, these applications create powerful automated interfaces to other systems while also increasing efficiency, quality and security for program



RTC : 19.06.07



and data modifications in SAP systems. This is also confirmed by SAP, which has for instance awarded REALTECH's TransportManager solution the title "Certified for SAP NetWeaver".

Sturdy foundation for business success

REALTECH AG has long since transformed itself from a specialist for SAP technologies into a strategic consulting partner for business-critical IT projects. The company's range of services is closely aligned with the requirements of customers. Its two business fields, IT consulting and software solutions, ideally complement one another and provide a sturdy foundation for continuing to successfully implement the company's business strategy, namely to assist organizations around the globe in optimizing their business processes along the entire value chain.

All this goes to show that REALTECH is in an excellent position to provide customers with highly competent support along the road to the new era in information technology, and to further expand its own strong position on the IT consulting market – to the benefit of the company, employees, customers and shareholders.

