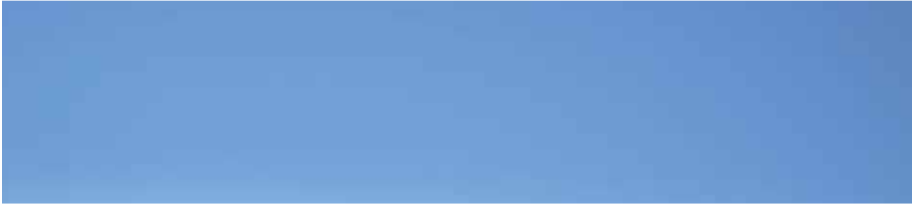


Annual Report 2008





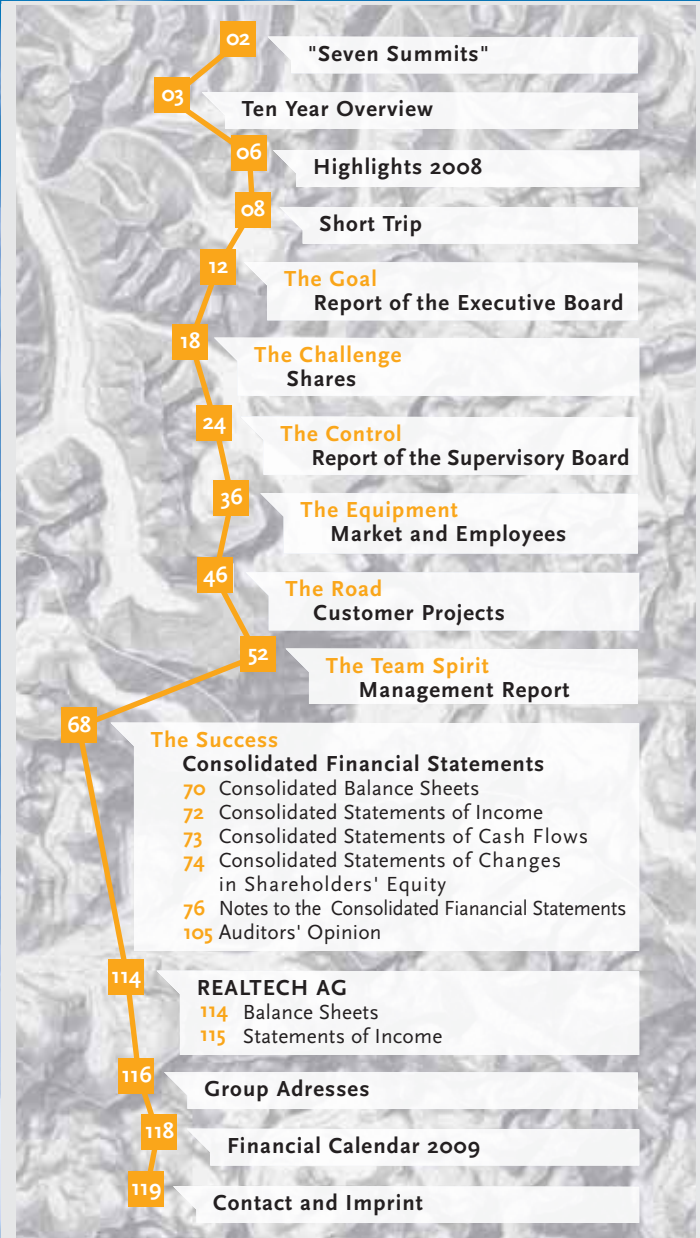
SEVEN SUMMITS.

Climbing the Seven Summits – by which we mean the highest mountain on each continent – poses a real challenge for every mountaineer. Team spirit, experience and readiness for action are key factors that decide whether or not each expedition is successful.

None of these mountains are alike in terms of their requirements. For example, all that is required to climb Mount Kilimanjaro in Tanzania is a good stamina. Mount Vinson in the Antarctic is comparatively easy to climb, but places tough demands on the condition, knowledge and motivation of participants, as they have to carry or pull along all their gear themselves at temperatures of minus 40 degrees. Climbing the Puncak Jaya in Indonesia is a challenge in logistical terms alone, as state permits can become invalid in a matter of days, mining companies and separatists are not exactly pleased to see foreign visitors in their territory and this mountain is much more challenging from a climbing viewpoint than Mount Everest.

A similar variety of requirements can be seen in the projects and tasks that our customers set for our employees. However, if everyone works in close cooperation, keeping their sights set on the common goal, even extraordinary projects can be implemented successfully. The parallels between mountaineering and our business are therefore quite clear. REALTECH too profits from its employees' collaboration and willingness to work hard. We demonstrate day in, day out that we are able to respond flexibly to the specific needs of our customers and thus work together to make their "expeditions" a success.





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Three Year Overview...

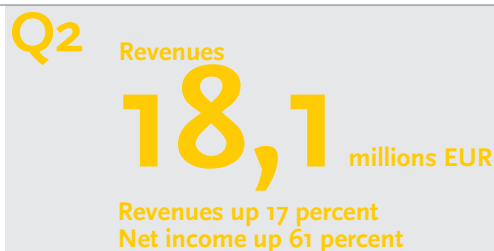
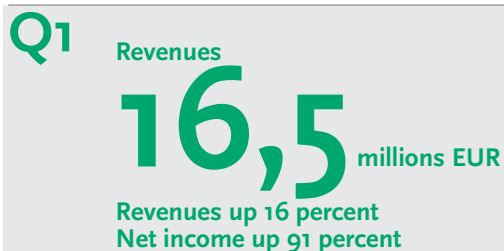
	2008		2007		2006
	TEUR	Δ %	TEUR	Δ %	TEUR
Revenues and income					
Revenues	70.823	11	63.752	17	54.380
Revenues consulting	54.050	9	49.801	16	42.948
Revenues software	16.773	20	13.951	22	11.432
Revenues Germany	30.413	12	27.038	17	23.079
Revenues foreign countries	40.410	10	36.714	17	31.301
Earnings before interest, taxes, depreciation and amortization (EBITDA)	8.039	6	7.600	49	5.094
Earnings before interest and taxes (EBIT)	7.026	6	6.610	77	3.731
Earnings before taxes (EBT)	8.497	18	7.213	72	4.199
Net income	5.703	25	4.552	139	1.902
Earnings per share (in EUR)	1,08	24	0,87	135	0,37
Investments and depreciation					
Investments in intangible and tangible assets	811	(27)	1.105	74	635
Depreciation	1.013	2	990	(27)	1.363
Assets, shareholders' equity and liabilities (end of year)					
Total assets	46.477	(28)	64.936	7	60.937
Non-current assets	14.229	(2)	14.549	(1)	14.658
Current assets	32.248	(36)	50.387	9	46.279
Net cash and cash equivalents	6.436	(77)	28.066	0	27.997
Shareholders' equity	29.226	(38)	47.203	3	45.896
Equity ratio (in %)	62,9	(13)	72,7	(3)	75,3
Non-current liabilities	0	0	0	0	0
Current liabilities	16.771	(3)	17.216	21	14.224
Key figures					
Gross margin (in %)	38,0		39,4		40,5
EBITDA margin (in %)	11,4		11,9		9,4
EBIT margin (in %)	9,9		10,4		6,9
Cash flow from operating activities	3.314		4.047		2.413
Cash flow from investing activities	15.668		(4.903)		814
Cash flow from financing activities	(23.551)		(2.231)		270
Employees (end of year)	721	15	629	10	571



...and since being public

	2005	2004	2003	2002	2001	2000	1999
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
	50.047	49.688	55.279	56.981	56.456	45.153	28.907
	39.773	39.872	46.756	48.419	50.558	39.500	27.076
	10.274	9.816	8.523	8.562	5.898	5.653	1.831
	21.653	21.226	21.075	24.210	26.235	22.389	13.642
	28.394	28.462	34.204	32.771	30.221	22.764	15.265
	3.120	977	4.293	4.941	5.418	4.986	5.119
	1.688	(1.116)	1.443	1.853	1.811	2.000	3.969
	2.398	(691)	1.246	2.215	(211)	289	4.074
	1.110	(1.760)	(326)	306	(2.140)	(913)	2.150
	0,22	(0,35)	(0,06)	0,06	(0,42)	(0,18)	0,46
	1.137	896	610	4.141	3.143	8.051	29.623
	1.432	2.049	2.850	3.088	6.318	2.986	1.150
	57.310	55.290	63.546	62.725	63.910	64.752	66.339
	15.750	16.423	45.742	42.343	43.743	41.348	16.066
	41.560	38.867	17.804	20.382	20.167	23.404	50.272
	25.948	21.357	19.960	16.607	15.699	17.725	40.359
	43.724	42.442	44.024	44.404	44.036	46.144	40.194
	76,3	76,8	69,3	70,8	68,9	71,3	60,6
	0	0	16.454	14.486	4.602	6.136	6.536
	12.950	12.849	3.068	3.835	15.272	12.472	18.448
	38,1	36,0	38,1	36,7	33,8	39,8	42,9
	6,2	2,0	7,8	8,7	9,6	11,0	17,7
	3,4	(2,3)	2,6	3,3	3,2	4,4	13,7
	4.818	2.995	4.366	4.303	781	(2.360)	2.341
	1.941	(896)	(610)	(6.123)	3.143	(8.051)	(29.623)
	172	(3.585)	(801)	(780)	(775)	(9.991)	(50.378)
	535	565	595	632	640	514	369

Highlights 2008



CAPITAL REPAYMENT TO SHAREHOLDERS

On February 14, 2008 the shareholders received a capital repayment of 0.27 euros a share. Prior to this, the Annual General Meeting on May 22, 2007 passed a resolution to reduce the share capital of the company in accordance with the regulations concerning ordinary capital reduction for the purpose of paying it back to the shareholders. As a result, the proportionate amount of share capital for each individual share fell from 1.27 to 1.00 euro.

SMOOTH SAP OPERATION



With the new version of its proven monitoring solution for SAP applications REALTECH has launched a product which offers improvements in many areas. SAP administrators are able to provide powerful monitoring functions centrally with theGuard! ApplicationManager 4.0.

REALTECH also guarantees your customers that the implementation period will be a maximum of five days.

REALTECH HAS A SUCCESSFUL CeBIT



At the CeBIT in Hanover, the world's biggest trade show for IT, REALTECH teamed up with its partners and was represented on three stands. Visitors, the sales department and media representatives definitely drew a positive conclusion.

The high level of interest demonstrated that the solutions and products offered by the Walldorf-based IT service providers are addressing the problems currently experienced by IT and corporate managers.

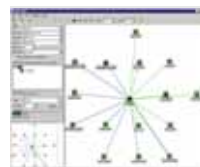
PASTAS GALLOS CHOOSES REALTECH



When it comes to pasta, the company Pastas Gallo is well established on the Spanish market and, with its many sites, it is one of the major operators in the Spanish food industry. The company chose REALTECH's theGuard! NetworkManager and theGuard! Helpdesk – and achieved a noticeable improvement in all critical IT areas just a few weeks after implementation.

Pastas Gallo now has a stable and transparent IT environment, which has become considerably easier to manage.

NEW TheGuard! SERVICE MANAGEMENT CENTER



REALTECH has developed a new procedure to visualize critical business processes and implemented this in the new version of theGuard! Service Management Center. So-called VAA (Visual Assisted Analysis) technology constitutes an entirely new means of analyzing IT infrastructures and

business processes. The advantage of this is that companies can analyze IT-supported business processes even more effectively and respond more quickly in the event of an error.

ANNUAL GENERAL MEETING ATTENDED BY 200 SHAREHOLDERS AND GUESTS



REALTECH AG's ninth Annual General Meeting was held in Wiesloch on 29 May and it was the first time Daniele Di Croce, Chairman of the Supervisory Board, was in charge. The event passed off successfully in a harmonious atmosphere: shareholders passed all motions by a large majority.

SHUTTLE SERVICE TO SAP'S SAPHIRE TRADE SHOW



REALTECH had its own stand at SAPHIRE in Berlin – the most important trade show in Europe for SAP customers and partners. At this event REALTECH managed to make numerous valuable contacts in the SAP customer segment and to raise awareness of REALTECH's own brand in an SAP

environment. The free shuttle service from the airport to the exhibition center, organized by REALTECH in co-operation with the BMW dealership in Berlin, was very well received.

NOVELL AND REALTECH SUPPORT OPEN SOURCE PLATFORM



In future, REALTECH will work closely with Novell in Switzerland. Apart from strategic SAP consulting, the partnership also covers

the implementation of Linux-based SAP solutions. This is of particular benefit to those companies which use SAP with the SUSE Linux Enterprise open source operating system. This co-operation will ensure that customers in Switzerland will also receive expert advice on all issues relating to SAP systems.

EVERYTHING REVOLVES AROUND CUSTOMERS



Numerous SAP customers and other interested parties visited REALTECH's head office in Walldorf to find out about current trends and further developments relating to SAP NetWeaver Business Intelligence. A special information day organized by REALTECH showed potential customers

how companies can use SAP to analyze business processes and set up information systems.

Q3 Revenues
16,7 millions EUR
 Revenues up 5 percent
 Net income up 54 percent

Q4 Revenues
19,5 millions EUR
 Revenues up 8 percent
 Net income down 7 percent

INNOVATIVE TECHNOLOGIES IN A ROMANTIC CASTLE



Meggenhorn castle near Lucerne was the venue for the summer meeting of IT managers who wanted to find out more about new solutions offered by REALTECH. Information was also available on how organizations can optimize important business processes using SAP solutions.

Those present found the contrast between discussing innovative technologies and sustainable IT strategies in a romantic castle very exhilarating.

RESEARCH IN JAPAN

REALTECH is, together with prestigious companies such as IBM, Intel and Microsoft, one of the founder members of the Co-Innovation Lab in Tokyo, which was opened by SAP in July 2008. Among other things, the development center focuses on solutions for business applications based on a service-oriented architecture and environmentally friendly IT solutions (Green IT).

EASIER INTRODUCTION FOR MEDIUM-SIZED COMPANIES



Thanks to three new software packages from REALTECH medium-sized companies can also monitor their IT systems efficiently and cost-effectively. These are based on automated monitoring of SAP applications under different operating systems using special theGuard! solutions.

REALTECH AT THE ANNUAL DSAG CONGRESS IN 2008

The annual congress of the German-speaking SAP user group (DSAG) is a "must" for companies that use SAP systems.



REALTECH was represented with a stand here and was able to present its SAP expertise, again making many new and important contacts as well as renewing existing relationships. The positive feedback from user companies and customers has again confirmed the appeal

of the strategies offered by REALTECH.

HEADCOUNT UP 18 PERCENT

REALTECH is still growing. On the key date of September 30, 2008 the company employed 714 employees – up 18 percent compared to the end of the third quarter of the previous year (604). In Germany, the workforce increased by 15 percent to 260 employees. This means that 36 of all employees are based in Germany.

SAP DEVELOPERS ARE GIVEN VALUABLE ASSISTANCE



REALTECH has developed a special solution for SAP application environments, which make the work of software developers easier. SyncAssist accelerates change and development processes in SAP environments. Until now, there was no software on the

market to solve this challenge in an elegant and user-friendly way.

AWARD FOR A HIGH LEVEL OF EXPERTISE



SAP has recognized the expertise of REALTECH consultants by awarding the company Special Expertise Partnership status for SAP ERP upgrades. SEP status is a quality designation clear to those outside the company and it stands for high-quality consultancy work. The title

is also equivalent to a recommendation of the company offering services.

RISK MANAGEMENT IN AN SAP ENVIRONMENT



REALTECH consultants gave presentations at many congresses in 2008, attracting many potential customers. For example, a specialist event in Dusseldorf focused on risk management in relation to SAP solutions.

CAPITAL REPAYMENT OF 3.99 EUROS

The capital repayment of 3.99 euros, passed at the Annual General Meeting, was paid on December 8. As a result of this, 20,989,203.48 euros were paid out to REALTECH shareholders. The next day the shares were traded on the Frankfurt stock exchange "ex capital repayment", which means that the price was marked down to allow for the repayment.

Short Trip



1. THE GOAL – Report of the Executive Board

In spite of all the uncertainty, we are confident about the future. We are convinced that REALTECH operates on a solid basis that will ensure that the company can continue to be successful in the market in future. We have delivered sufficient proof of this in 2008. Our company has a clear strategy, a tried and tested portfolio of services, a good customer-centric focus and very well trained employees. These are the best possible requisites to allow the company to come out of the general economic crisis in a stronger position.

REALTECH's primary aim for 2009 is to retain the jobs that currently exist in the company. This is because a consulting company's most important investment is its employees, even in a time of economic uncertainty.



1 Mount Everest
Asia, 8.848 m

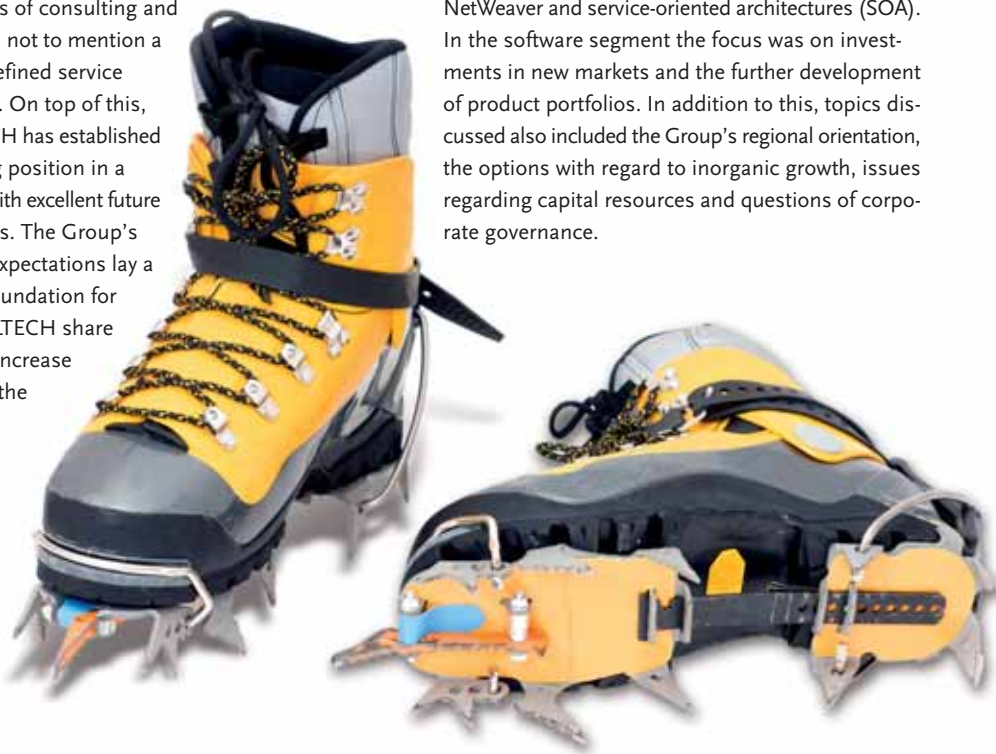




Every new task requires a different approach and special preparation.

2. THE CHALLENGE – Shares

Despite the developments on international stock markets since the fall of 2008, the Executive and Supervisory Boards continue to consider REALTECH shares to be an attractive investment for both private and institutional investors. This opinion is supported by the company's performance, as REALTECH has a successful business model with the profitable segments of consulting and software, not to mention a clearly defined service portfolio. On top of this, REALTECH has established a leading position in a market with excellent future prospects. The Group's growth expectations lay a sound foundation for the REALTECH share price to increase again in the future.



3. THE CONTROL – Report of the Supervisory Board

The Supervisory Board meetings held in fiscal year 2008 concentrated in particular on the successful continuation of corporate strategy in the company's two business fields of consulting and software. In terms of consulting, REALTECH continued to focus on clearly defined areas of technology consulting, as well as on technology-driven tasks relating to SAP NetWeaver and service-oriented architectures (SOA). In the software segment the focus was on investments in new markets and the further development of product portfolios. In addition to this, topics discussed also included the Group's regional orientation, the options with regard to inorganic growth, issues regarding capital resources and questions of corporate governance.

2 Carstensz Pyramid
Australia/Oceania, 4.884 m



3 Mount McKinley
North America, 6.195 m





■ 4. THE EQUIPMENT – Market and Employees

REALTECH has the experience and knowledge to deal with the current demands of the market. Highly specialized consultants and developers know what is required in the company and computer centers and always design solutions tailored to meet the individual needs of customers.

Customers and partners appreciate the high level of qualification of REALTECH’s employees, their dedicated approach to their work and the reliability of the information they provide. This has the result that customer satisfaction is one of the most important aspects of our service and thus gives us a key competitive edge. Both in our core consulting business and in software development, the customer orientation and service focus of our experts lay the foundations for REALTECH’s successful business activities.



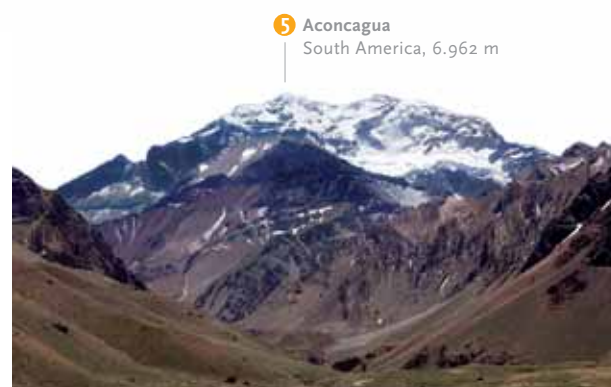
4 Mount Vinson
Antarctica, 4.892 m

■ 5. THE ROAD – Customer Projects

“Thanks to the new solution under the Linux operating system, combined with the consulting services provided by REALTECH, we were able to cut our IT costs while at the same time gaining a stable and optimized SAP system,” is how head of the system administration team at ENSO, summarizes the advantages.

“In view of REALTECH’s technical expertise regarding SAP NetWeaver and the SAP Enterprise Portal, not to mention many years of positive experience of collaboration with the company, it was clear that REALTECH is the right partner for us,” states Head of Product Development and Financial Management Consulting at the Baden-Württemberg Data Center.

“The trust we placed in REALTECH has really paid off for us. The consulting company provided expert advice combined with flexible project implementation services throughout the entire project duration,” describes Head of Controlling at Atlas the co-operation with REALTECH.



5 Aconcagua
South America, 6.962 m

Reaching the destination in the end despite setbacks such as a sudden change in the weather or drop in temperature.

6. THE TEAM SPIRIT – Management Report

Fiscal year 2008 was a successful, but also difficult year for REALTECH. On the one hand, the Group succeeded in increasing revenue by 11 percent and EBIT by 6 percent. On the other hand, it was very noticeable from the fall of 2008 onwards that the mood in the economy is becoming increasingly gloomy as a result of the global financial crisis. REALTECH customers have also been affected by this slowdown, with the result that individual IT projects have already been approached with increased restraint. Faced with such an overall economic environment, REALTECH cannot help but be affected by the development as well – even though the prospects for the IT sector remain comparatively robust.

In any case, although fiscal year 2009 poses a great challenge, REALTECH is well equipped for the future. After all, a smoothly running IT infrastructure is nowadays absolutely essential for the success of our customers.

7. THE SUCCESS – Consolidated Financial Statements

According to IAS 33, earnings per share are determined from the consolidated earnings after tax and the average number of outstanding shares during the year.

	2008	2007
Income before minority interests	EUR 5.809.524	EUR 4.646.749
Minority interests	EUR 106.362	EUR 94.509
Net income	EUR 5.703.161	EUR 4.552.240
Number of shares outstanding – basic	5.255.952	5.248.452
Number of shares outstanding – diluted	5.535.552	5.549.452
Earnings per share – basic	EUR 1,08	EUR 0,87
Earnings per share – diluted	EUR 1,03	EUR 0,82



6 Kibo
Africa, 5.895 m



7 Elbrus
Europe, 5.642 m

