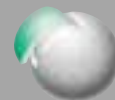




Quarterly Report 3 | 2004



REALTECH








3rd quarter and first nine month of 2004 at a glance

	Q3 2004 TEUR	Δ	Q3 2003 TEUR	Q1-Q3 2004 TEUR	Δ	Q1-Q3 2003 TEUR
Revenues and income						
Revenues	11,869	(12%)	13,456	36,274	(12%)	41,139
Revenues consulting	9,582	(15%)	11,284	29,524	(16%)	34,962
Revenues software	2,287	5%	2,172	6,750	9%	6,177
Revenues Germany	4,862	(8%)	5,306	14,963	(5%)	15,769
Revenues foreign countries	7,007	(14%)	8,150	21,311	(16%)	25,370
Earnings before interest, taxes depreciation and amortization (EBITDA)	151	(86%)	1,043	438	(84%)	2,796
Earnings before interest and taxes (EBIT)	(346)	(210%)	314	(1,199)	(314%)	561
Earnings before taxes (EBT)	(194)	(147%)	410	(946)	(530%)	220
Net income	(442)	(639%)	82	(1,207)	(41%)	(856)
Earnings per share (in EUR)	(0.09)	(550%)	0.02	(0.24)	(41%)	(0.17)
Investments and depreciation						
Investments	1,776	(65%)	5,140	4,385	120%	1,994
Depreciation	497	(32%)	730	1,637	(27%)	2,234
Key figures						
Gross margin (%)	35.3		37.6	35.6		37.3
EBITDA margin (%)	1.3		7.8	1.2		6.8
EBIT margin (%)	(2.9)		2.3	(3.3)		1.4
Cash Flow from operating activities	1,373		1,322	2,525		3,828
Cash Flow from investing activities	(1,776)		(5,140)	(4,385)		(1,994)
Cash Flow from financing activities	(356)		(353)	(471)		(820)
Assets, shareholders' equity and liabilities (end of quarter)						
Assets	58,168	(6%)	61,975			
Current assets	41,580	(5%)	43,547			
Noncurrent assets	16,588	(10%)	18,428			
Net cash and cash equivalents	22,193	15%	19,375			
Shareholders' equity	43,091	(1%)	43,478			
Equity ratio (%)	74.1	6%	70.2			
Current liabilities	12,776	(17%)	15,429			
Noncurrent liabilities	2,301	(25%)	3,068			
Number of employees (end of quarter)	572	(8%)	619			

Negative figures are shown in parantheses



-  **Group revenue EUR 36.6m**
– down 12 per cent
-  **Software revenue up 9 per cent**
-  **16 per cent drop in consulting**
-  **Cash and cash equivalents increased again**
-  **Cash Flow remains positive**



Nicola Glowinski Chief Executive Officer	Dr. Rudolf Caspary Chief Technology Officer	Michael Knopp Chief Financial Officer
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 **Dear shareholders and business partners,**

the situation that prevailed in the first half of 2004 continued in the third quarter. Although the current fiscal year continued to be difficult for REALTECH, things were pretty much as expected, with Group revenue falling by 12 per cent in the nine-month period of 2004 to EUR 36.3m compared to EUR 41.1m over the same period last year. This was essentially due to a 16 per cent decline in consulting revenue – from EUR 35.0m to EUR 29.5m. As in the two previous quarters, this development was closely associated with the departure of a substantial number of consultants from the REALTECH Italia subsidiary during the first few months of the year. In contrast, software solution revenue increased by 9 per cent from EUR 6.2m to EUR 6.8m. Software contributed 19 per cent of Group revenue (previous year: 15 per cent).

After nine months, foreign revenue accounted for 59 per cent of Group revenue (previous year: 62 per cent). The European region excluding Germany – at EUR 15.4m (previous year: EUR 21.2m) or 42 per cent (previous year: 51 per cent) – has again clearly been making up less than half of Group revenue this fiscal year. A decline in revenue was recorded in Germany, where the figure fell 5 per cent from EUR 15.8m to EUR 15.0, while the domestic share in Group revenue

amounted to 41 per cent (previous year: 38 per cent). In the USA, revenue fell from EUR 1.9m to EUR 1.5m and contributed 4 per cent to Group revenue (previous year: 5 per cent). In the Asia-Pacific region where, having recorded revenue of EUR 2.4m in the first nine months of 2003, we were able to increase the figure to EUR 4.4m. This meant that Asia-Pacific contributed 12 per cent (previous year: 6 per cent) to total revenue.

As a result of the falling revenues, gross profit decreased from EUR 15.4m to EUR 12.9m. Based on revenue, this value amounted to nearly 36 per cent, compared to 37 per cent the previous year. The company's consulting business field recorded a gross profit of EUR 7.7m in the first nine months of 2004, compared with EUR 10.8m in 2003. The gross margin fell from 31 per cent to 26 per cent – primarily due to the development in Italy described above. In contrast, the software solutions segment saw gross profit rise from EUR 4.6m to EUR 5.2m and the gross margin improve from 74 per cent to 77 per cent.

REALTECH unfortunately saw income from operations fall in the first nine months of 2004 compared to the previous year, recording an EBITDA of EUR 0.4m (previous year: EUR 2.8m) while EBIT fell from EUR 0.6m to minus EUR 1.2m.

The financial result for the current year amounted to EUR 0.3m. The figure of minus EUR 0.3m the year before was substantially influenced by the EUR 0.7m write-down of the company's interest in Grau Data Storage AG in the second quarter.

Consolidated net income dropped from minus EUR 0.9m to minus EUR 1.2m in 2004 compared to the previous year, while earnings per share are minus EUR 0.24 compared to minus EUR 0.17 in 2003.

The company has achieved a cash flow of EUR 2.5m compared to EUR 3.8m in 2003. On September 30, 2004, net cash and cash equivalents were EUR 22.2m, compared to EUR 20.0m at the end of 2003 and EUR 19.4m at the end of last September.

Yours faithfully,

REALTECH AG
The Executive Board





Highlights



Changes to the Supervisory Board
 In an ad-hoc report on August 10, 2004, REALTECH AG announced that two members of the Supervisory Board – Rainer Schmidt and Jürgen B. Harder – had both resigned their Supervisory Board seats with immediate effect. The Supervisory Board agreed to this. The resignation is connected with the company's plans to reduce the size of its Supervisory Board. At its next General Meeting on May 24, 2005, REALTECH AG will have its stockholders vote on the proposal to reduce the number of Supervisory Board members stipulated in the Articles of Association from six to three. REALTECH AG would like to thank Rainer Schmidt and Jürgen B. Harder for their work.

REALTECH again one of Germany's fastest growing technology companies
 The decision as to which technology companies are expanding most rapidly in Germany – "Technology Fast 50" – has been made. As in the previous year, REALTECH AG has been listed as one of the most successful. Over the past five years (1999 -2003), REALTECH achieved a cumulated revenue growth of 91 per cent.

Guest speaker Hans-Olaf Henkel, President of the Wissenschaftsgemeinschaft Gottfried Wilhelm Leibnitz (a scientific organization), congratulated the winning companies on their outstanding entrepreneurial achievements as businesses with particularly strong growth. The awards ceremony was held in Hamburg. The organizations that participated in the competition were German technology companies that operate in the areas of communications/network operation, the Internet, semiconductors/ systems, computers/peripherals, life sciences, and software. In order to qualify,

companies must have achieved revenues of at least EUR 50,000 in 1998 and at least EUR 1,000,000 in 2003, must have been present on the market for at least five years, and must have their head office in Germany.

The Deutsche Börse Group, DVFA, and the Technology Review magazine provided support throughout the entire competition, based on the initiative of Deloitte & Touche GmbH as partner. CAPITAL, a business magazine, assumed the role of media partner.

Aptargroup has chosen REALTECH for SAP Global Data Center project
 Aptargroup decided to make the Chicago headquarters the centralized hub for software and hardware and the administration center for IT base services for the Group's entire SAP environment. This required the migration of multiple systems from different locations and platforms to a unified environment in the Chicago data center. To maximize success and minimize risk, Aptargroup engaged REALTECH to work with its own skilled IT team.

Project
 To reduce management and maintenance costs and improve the level of services both internally and externally, Aptargroup launched an international project to set up a new centralized, service-oriented organization dedicated to information systems: the SAP Global Data Center (SAP GDC).

REALTECH was responsible for all of the technical aspects of the project. Their activities consisted of developing and executing the project plan, coordinating



The cleanest diesel engine on German rails: The 1.000 kW rail engine 8V 4000

The Mangusta 80 with MTU Series 2000 Common Rail

all of the resources involved, providing technology consulting services, and implementing proprietary software solutions. Consulting services were provided both on-site and remotely. The REALTECH software solutions implemented are: theGuard! ApplicationManager, theGuard! NetworkManager, theGuard! Helpdesk and theGuard! ServiceLevel-Analyzer, which enable AptarGroup to monitor and manage the new organization more efficiently.

Regarding the collaboration with REALTECH, Antonio D'Alessandro, IS Director for AptarGroup, said: "We are an international Group in need of partners who can efficiently operate and support us around the world. For the SAP Global Data Center project, which from a technical and logistical viewpoint was highly complex and of great strategic importance to us, we turned to REALTECH for their invaluable help. REALTECH turned out to be the ideal partner not only because of their wide technical expertise, but also in terms of the project's management and direction. This project sees the start of a profitable partnership which we intend to continue and develop."

Future initiatives

Happy with the work carried out by REALTECH, Antonio D'Alessandro stated: "We are certain that the relationship we have developed with REALTECH will allow us to plan, follow and control the evolution of the architecture of our information systems. Together with REALTECH, we would also like to define procedures that will enable us to conduct quality checks on our architecture precisely so that we can improve it on an ongoing basis. At this time, we would like to look into the

possible uses of SAP Enterprise Portal to improve communications between the SAP Global Data Center and the divisions. For a project of this magnitude, REALTECH's experience and know-how would be invaluable to us. Furthermore, at AptarGroup, we want to keep abreast of the changes and developments of software solutions developed by REALTECH to be able to evaluate possible future uses."

Company Overview

AptarGroup is a world-leader in the dispensing and distribution systems industry and supplies large companies operating in the personal care, fragrance and cosmetics, pharmaceutical, household and food/beverage markets. AptarGroup has over 6,000 employees in 19 countries across the globe and is quoted on the New York Stock Exchange as ATR.



MTU Friedrichshafen moves faster with a system management solution from REALTECH

A new solution for helpdesk and application management boosts the efficiency of IT service processes while reducing downtime.

MTU Friedrichshafen, a leading global manufacturer of large diesel engines and drive systems, monitors its wide-ranging SAP environment using REALTECH's system management solution, theGuard! As a result, MTU has been able to reduce the downtime and increase availability of its critical company SAP systems and connected sub-systems, and cut the response times in the event of errors.

MTU successfully implemented theGuard! Helpdesk in its SAP environment within just three days back at the beginning of 2004.

Today, around 100 support employees access the solution from REALTECH, enabling them to reply to service requests from users quickly and efficiently. Thanks to the high level of integration of theGuard! ApplicationManager into the Helpdesk solution, the support team is able to view any error states directly, both in SAP systems and in other applications. This makes it possible to reduce the time required to process support requests even further.

"The solution provided by REALTECH has greatly impressed us with its high degree of integration," states Dr. Hannes Weigel, CIO of MTU Friedrichshafen.

MTU Friedrichshafen is the leading enterprise within the DaimlerChrysler Off-Highway division and is a leading international supplier of large diesel engines and entire drive systems for off-highway applications – for instance in ships, heavy land vehicles, and rail vehicles as well as for remote power supply. MTU has a strong position on the ship market and, with a market share of more than 50 percent, is the global market leader for fast ferries. The company delivers products to more than 70 naval forces all over the world. www.mtu-online.com.

Share

Price performance and market capitalization

Starting at EUR 5.20 on July 1, REALTECH's share price initially rose slightly at the beginning of the third quarter to EUR 5.40. This price, recorded on July 5 and 12, simultaneously constituted the peak for the third quarter of 2004. Within the following five weeks, the share price gradually decreased to EUR 4.22 on August 16, its lowest value in the third quarter. After this, the share price rose constantly, exceeding the 5-euro mark on September 13, then falling to EUR 4.86 at the end of the quarter. The corresponding value the previous year was EUR 5.55. Throughout the third quarter of 2004, the price of REALTECH shares remained below that of the two comparative indices. On September 30 market capitalization was recorded at EUR 25 million and corresponded to 57 per cent of book equity.

Key figures

	Q3 2004	Q3 2003
	EUR	EUR
Earnings per share	(0,09)	0,02
Cash Flow per share	0,50	0,75
Shareholder's equity per share	8,46	8,54
Highest share price	5,40	6,32
Lowest share price	4,22	4,38
Share price at the end of the quarter	4,86	5,55
Market capitalization at the end of quarter	25 Mio.	28 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, 2004

Issuer

REALTECH AG – shares

Executive Board

Dr. Rudolf Caspary 45.750 stock options
 Nicola Glowinski 40.000 stock options
 Michael Knopp 3.000 shares, 55.750 stock options

Supervisory Board

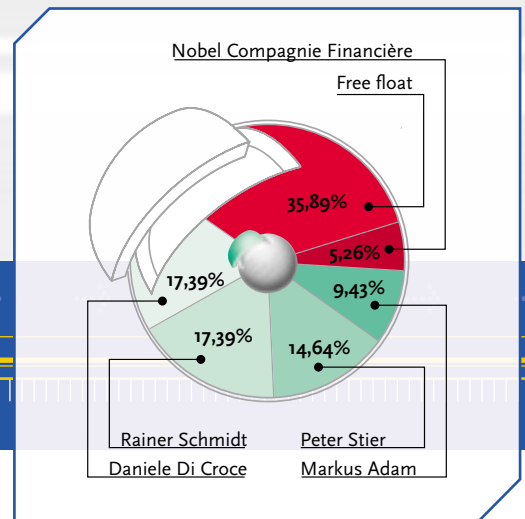
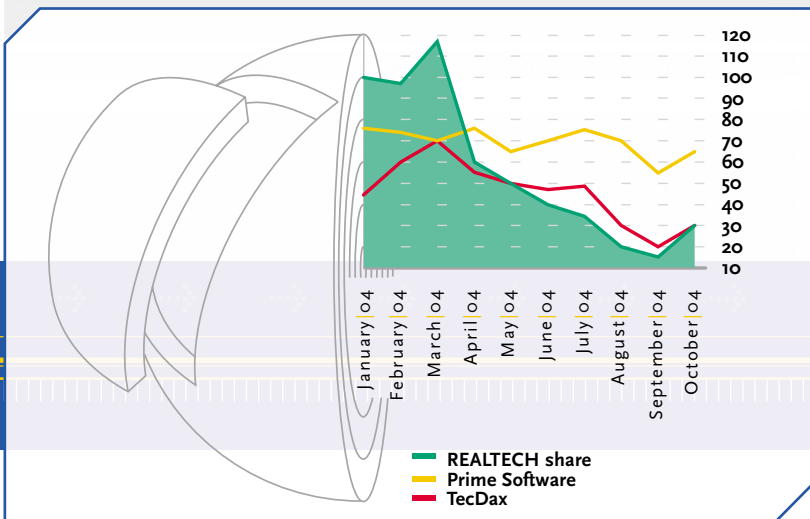
Dieter Matheis – shares
 Richard Roy – shares
 Norbert Schwerber – shares
 Peter Stier 745.500 shares

Shareholder structure and volume of trade with REALTECH shares

The shareholder structure of REALTECH AG did not change from the first to the third quarter of 2004. The founders and main stockholders continued to hold the same number of shares. The free float on September 30, 2004 remained at 35.89 per cent.

On average around 6,662 REALTECH shares were bought and sold every day during the third quarter of 2004 – a great deal less than during the same quarter in

the previous year (11,904). 89 per cent of the shares were traded in Xetra (previous year: 67), while 11 per cent were traded on the other stock exchanges (previous year: 33).



Analysis

Employees

At the end of the third quarter of 2004, the REALTECH Group had a total of 572 employees on its payroll worldwide – 47 employees, or 8 per cent, less than on September 30, 2003. In REALTECH's domestic market, staff numbers were reduced slightly by 3 per cent from 226 to 220 employees, which meant that 38 per cent (previous year: 37 per cent) of all the company's employees were employed in Germany at the end of the quarter. The company's foreign subsidiaries have reduced the size of their workforces over the last 12 months by 10 per cent from 393 to 352. As in the previous quarter, this result is based on two opposite developments. Whereas an 18 per cent drop was seen in the European region excluding Germany – from 340 to 280 employees – the employee figure in the Asia-Pacific region rose from 44 to 62, or by 41 per cent. The figure in the USA region remained fairly constant at 11 employees (compared to 10 the previous year).

Looking at the enterprise areas gives rise to the following picture: As in the first two quarters of this fiscal year, the disposals at the Italian subsidiary have a substantial influence on the consulting business field. The number of employees in this area on September 30, 2004 – 371 for the Group as a whole – was 40 consultants, or 10 per cent, down on the number employed on the same date in the previous year. In

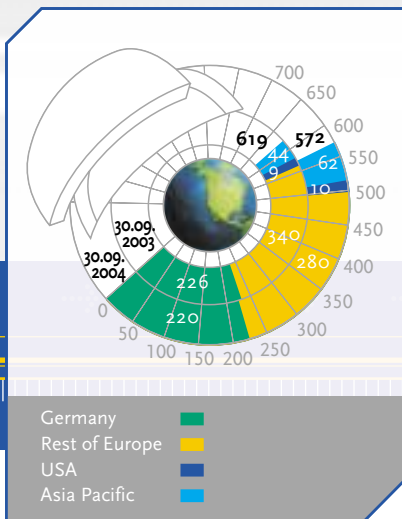
contrast, due to the continued expansion of the company's software business area, the number of sales employees has increased from 58 to 67. The number of development employees remained constant at 60 employees. As for administration, the continued cost cuts led to an 18 per cent decline to 74 employees, compared to 90 on September 30, 2003.

Financial situation

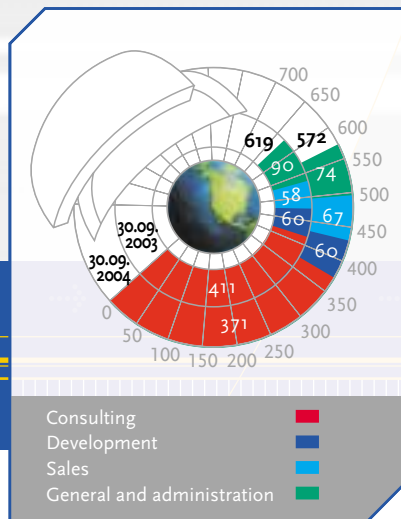
The accounting in REALTECH AG's consolidated financial statements for this quarter has been carried out in accordance with the US Generally Accepted Accounting Principles (US GAAP). The consolidation and valuation methods used to prepare the interim financial statements and establish the comparative figures for the previous year were basically the same as those used in the consolidated financial statements for 2003. A detailed description of the individual methods is published in the notes of our annual report for 2003.

Revenue fell from EUR 13.5m to EUR 11.9m in the third quarter of 2004, or by 12 per cent compared with the same period in the previous year. A 12 per cent decrease was also recorded based on the nine-month period, from EUR 41.1m to EUR 36.3.

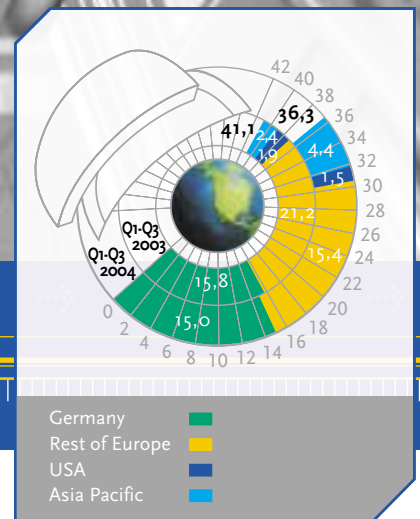
As in the previous two quarters, **revenues** developed differently in the two segments. In the area of software solutions, revenue



Employees by regions



Employees by sectors



Revenues by regions (EUR m)

Analysis

increased slightly by 5 per cent – from EUR 2.2m to EUR 2.3m – in the third quarter compared to the previous year. On a nine-month basis, software revenue rose from EUR 6.2m in the previous year to the current figure of EUR 6.8m, while the share of software in total revenue rose from 15 per cent to 19 per cent.

Revenue in the consulting segment decreased 15 per cent compared to the same quarter the previous year, from EUR 11.3m to EUR 9.6m. Revenue in the first nine months of 2004 – at EUR 29.5m – was down 16 per cent compared to the previous year (EUR 35.0m). As in the two previous quarters, one of the main causes of this was the departure of a substantial number of consultants from our REALTECH Italia subsidiary, which we have been able to halt since April.

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

The third quarter and the first nine months of 2004 each saw a reduction in **costs of revenues** – both in absolute figures and based on revenue – from EUR 8.4m to EUR 7.7m in the third quarter and from EUR 25.8m to EUR 23.4m in the first nine months of the year. Gross profit has developed in the same way regardless of

the period reviewed. If we compare the third quarters in the two years, the value fell from EUR 5.1m to EUR 4.2m, which means that the gross margin decreased from 38 per cent to 35 per cent. For the nine-month period, a fall from EUR 15.4m to EUR 12.9m, or from 37 per cent to 36 per cent, was recorded.

Taking a look at the two segments reveals that this result in the area of software was based on an increase in the **gross profit** margin from 72 per cent to 79 per cent for the third quarter and from 74 per cent to 77 per cent for the nine-month period. As for the area of consulting, the gross profit margin fell from 33 per cent to 25 per cent comparing quarters and from 31 per cent to 26 per cent comparing nine-month periods.

Comparing quarters, we see that **selling and marketing expenses** fell slightly, from EUR 1.5m to EUR 1.4m. Based on revenue, the figure rose to 12 per cent (previous year: 11 per cent). For the nine-month period, a fall from EUR 4.6m to EUR 4.4m was recorded. This is because, despite further expansion of software operations, the corresponding budget was put to an even more targeted use.

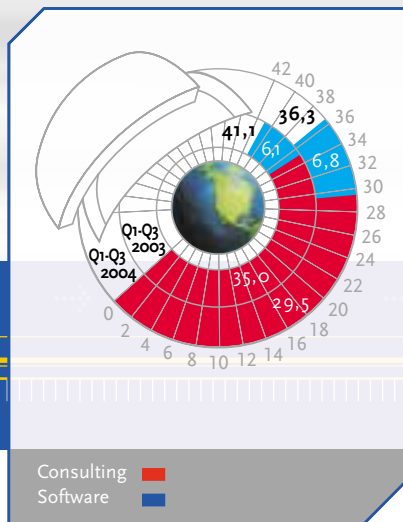
A reduction in costs, as in previous years, was also observed in terms of **general and administrative expenses**, which were down

from EUR 2.3m in the third quarter of last year to EUR 2.0m in the third quarter of this year. As a result of the decline in revenue, the corresponding share remained at 17 per cent. Comparing the respective nine-month periods, a 9 per cent decrease to EUR 6.8m and 19 per cent of revenue was recorded, compared with EUR 7.4m and 18 per cent of revenue in 2003.

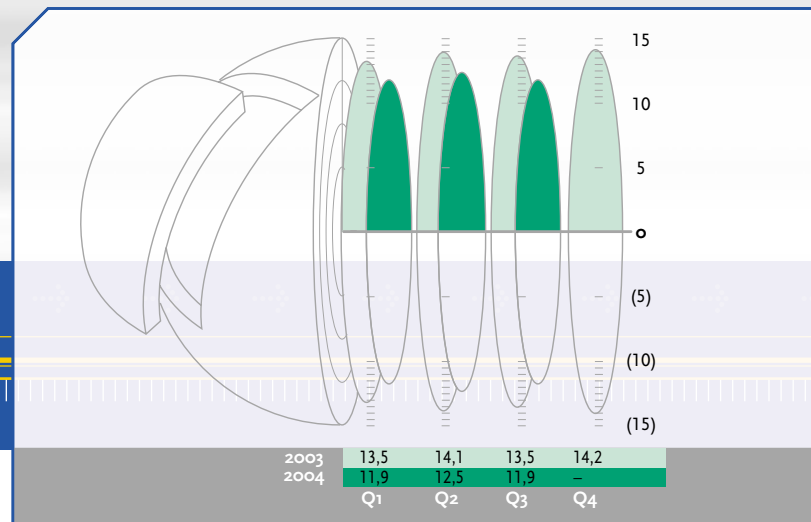
Research and development expenses – at EUR 1.1m in the third quarter – are pretty much the same as last year. On a nine-month basis, the expenditure was EUR 3.4m in each of the two years. As a result of the decline in revenue, the figure for this fiscal year is 10 per cent of revenue, compared to 8 per cent the previous year.

Net interest income over three quarters dropped slightly to EUR 0.3m compared to EUR 0.4m the year before. The main reason for this was the investment strategy, which has changed since last year to focus on funds and the distribution of profits at the end of the year, coupled with a lower interest rate than in 2003.

Income from associated companies – amounting to EUR 64 thousand – came from the positive income generated by REALTECH Japan over the first nine months of this year, which was apportioned to REALTECH AG in



Revenues by segments (EUR m)



Revenues (EUR m)

accordance with the amount of the company's holding. The figure the year before was a loss of EUR 15 thousand. In addition, REALTECH AG has increased its holding in REALTECH Japan Co., Ltd, Tokyo, to 50 per cent minus one share. In September, REALTECH Japan obtained the status of local SAP Technology Partner.

Income from financial assets and securities – amounting to minus EUR 0.1m – were particularly affected by the EUR 0.1m write-down in the net book value of the company's interest in Grau Data Storage AG, which was sold by contract on April 15, 2004. The previous year's figure of EUR 0.7m resulted from the write-off of this interest, which had become necessary due to the company's business development.

Consolidated net **income and earnings per share** in the third quarter were minus EUR 0.4m (previous year: minus EUR 0.1m) and minus EUR 0.09m (previous year: minus EUR 0.02m) respectively. Based on the first nine months, consolidated earnings and earnings per share decreased to minus EUR 1.2m and minus EUR 0.24 respectively (minus EUR 0.9m and minus EUR 0.17).

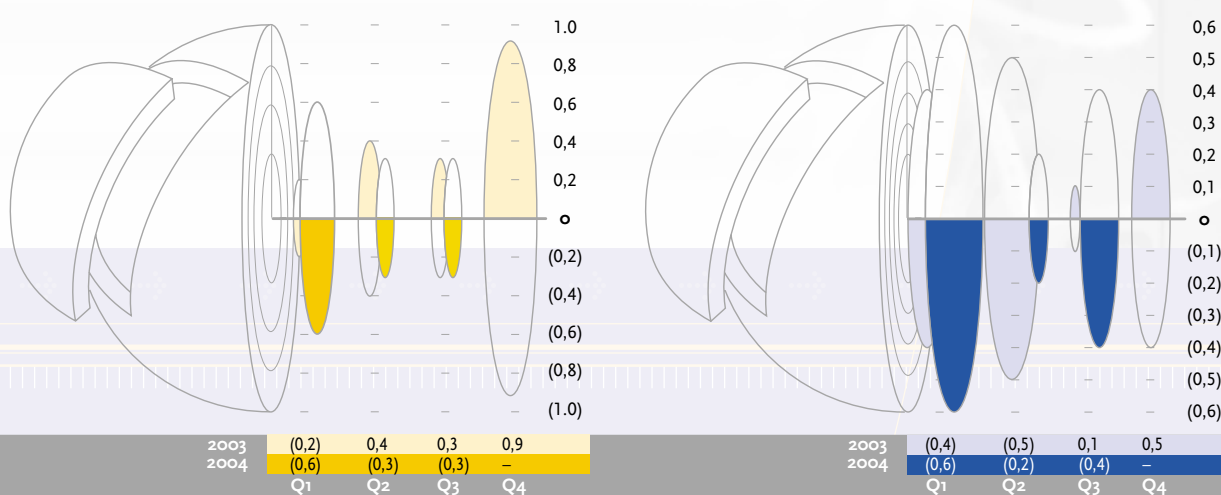
Cash flow from operating activities for the first nine months of this fiscal year amounted to EUR 2.5m (previous year: EUR 3.8m). This was essentially due to

two contradictory effects – the utilization of accruals formed at the end of 2003 and the repayment of other current liabilities on the one hand and the reduction in trade receivables on the other hand.

Cash flow from investing activities reached a value of minus EUR 4.4m in the first nine months of 2004 (previous year: minus EUR 2.0m). This was essentially the result of the company increasing its number of current-asset securities by EUR 3.8m (having increased the number by EUR 1.4m in the previous year). In addition, investments in intangible assets and property, plant, and equipment amounted to EUR 0.6m (previous year: EUR 0.6m). This predominantly involved procuring replacements.

On September 30, 2004, the REALTECH Group had net **cash and cash equivalents** of EUR 22.2m, compared to EUR 20.0m on December 31, 2003 and EUR 19.4m on September 30, 2003. The reasons for this rise included especially a reduction in receivables.

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



EBIT (EUR m)

Net income (EUR m)



Analysis



Outlook

Following a phase of falling revenues at SAP consultancies, increasing consolidation can now be observed – although there is still a substantial pressure on prices for the time being. Leading market research institutes anticipate that IT budgets in the SAP market, and therefore revenues, will pick up again in the coming year. This assumption is based on the amounts budgeted in industry for IT-supported process optimization having priority over other expenditure in the short to medium term. It is considered that there is a growing demand here in medium-sized companies. It is not quite clear, however, whether the market recovery that is appearing is merely a temporary high because users are returning to plans they postponed in the past. A continuing reluctance to invest can be seen in the area of system management software.

We are continuing to focus on the goals we set ourselves for fiscal year 2004. This particularly involves specializing in and concentrating on specific subject areas within our consulting and software business fields, controlling costs, and expanding indirect sales and distribution based on partnerships. We have already achieved one important goal in stabilizing the situation at our REALTECH Italia subsidiary.

We restructured our theGuard! product family at the beginning of the fourth quarter. It now consists of the two familiar products – theGuard! NetworkManager and theGuard! ApplicationManager – as well as the newly developed theGuard! ServiceCenter, with which IT organizations operate, analyze, optimize, and document their existing service, support, and monitoring processes. A series of products which were previously available as separate solutions have been incorporated into theGuard! ServiceCenter. These include theGuard! Helpdesk, theGuard! SystemManagementPortal, theGuard! ServiceLevelAnalyzer, and theGuard! InventoryManager. We have revised them and added numerous new functions.

The Executive Board of REALTECH AG still believes that the company will achieve its most recent forecast with regard to sales and income from operations in fiscal year 2004. In other words, the company continues to anticipate a 10 to 15 per cent reduction in revenues compared to the previous year as well as to expect earnings before interest and tax (EBIT) of minus EUR 2.5 million this year. The main reasons for this include the decline in revenue and income at REALTECH Italia resulting from the departure of employees at the beginning of this year, the still unsatisfactory earnings situation at our REALTECH Australia subsidiary, and the subdued revenue expectations for several software products.

Consolidated Statements of Income

	Q3 2004 EUR	Q3 2003 EUR	Q1 - Q3 2004 EUR	Q1 - Q3 2003 EUR
Revenues	11,868,508	13,456,273	36,273,552	41,139,164
Costs of revenues	7,684,434	8,400,055	23,366,992	25,777,091
Gross profit	4,184,074	5,056,218	12,906,560	15,362,073
Selling and marketing expenses	1,429,598	1,524,093	4,397,853	4,631,597
General and administrative expenses	2,031,566	2,341,668	6,754,644	7,392,427
Research and development expenses	1,124,833	1,110,645	3,435,763	3,430,331
Other operating expenses	284,009	201,435	853,085	592,772
Other operating income	(339,980)	(435,964)	(1,336,196)	(1,246,511)
Amortization (and impairment) of goodwill	0	0	0	0
Depreciation and amortization	0	0	0	0
Operating income	(345,952)	314,341	(1,198,589)	561,457
Interest income / expenses	109,232	120,504	291,714	430,527
Income from investments and participations	0	0	0	0
Income / expenses from associated companies	28,860	(10,437)	63,490	(15,060)
Income / expenses from financial assets and securities	10,682	2,782	(92,151)	(724,474)
Foreign currency exchange gains / losses	3,075	(17,610)	(10,514)	(32,626)
Other income / expenses	0	0	0	0
Income before taxes (and minority interest)	(194,103)	409,579	(946,050)	219,824
Income taxes	(247,350)	(327,880)	(260,647)	(1,076,283)
Other income / expenses	0	0	0	0
Income before minority interest	(441,453)	81,699	(1,206,697)	(856,459)
Minority interest	0	0	0	0
Net income	(441,453)	81,699	(1,206,697)	(856,459)
Net income per share (basic)	(0.09)	0.02	(0.24)	(0.17)
Net income per share (diluted)	(0.09)	0.02	(0.24)	(0.17)
Weighted average shares (basic)	5,092,452	5,076,166	5,092,452	5,076,166
Weighted average shares (diluted)	5,093,798	5,083,914	5,097,792	5,078,749

Segment Reporting

	Q1 - Q3 2004 EUR	Q1 - Q3 2003 EUR
Consulting		
Revenues *	29,523,854	34,961,844
Costs of revenues	21,784,573	24,179,826
Gross profit	7,739,281	10,782,017
Software		
Revenues	6,749,698	6,177,321
Costs of revenues	1,582,419	1,597,264
Gross profit	5,167,279	4,580,056
* including revenues VAR Asia-Pacific	146,927	0

Consolidated Statements of Cash Flows

	Q1 - Q3 2004 EUR	Q1 - Q3 2003 EUR
Net income	(1,206,697)	(856,459)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation of noncurrent assets	1,636,486	2,234,258
Change in minority shares	o	o
Income from associates	(63,490)	15,060
Net write-up and depreciation on financial assets	92,151	724,474
<i>Change in assets and liabilities:</i>		
Change in accrued expenses	(2,385,939)	501,409
Change in deferred taxes	(153,339)	(136,593)
Change in other assets	5,786,081	796,689
Change in other liabilities	(1,180,097)	548,991
Cash flow from operating activities	2,525,156	3,827,829
Investment in noncurrent assets	(620,078)	(591,154)
Asset disposals	10,947	33,994
Purchase of financial assets	(3,775,897)	(1,437,153)
Cash flow from investing activities	(4,385,028)	(1,994,313)
Change in long term borrowing	(766,938)	(766,938)
Increase in additional paid-in capital	o	o
Purchase of treasury stock	129,474	(1,815)
Accumulated other comprehensive income	166,178	(51,007)
Cash flow from financing activities	(471,286)	(819,760)
Change in cash and cash equivalents	(2,331,158)	1,013,756
Currency translation	(21,673)	(16,625)
Cash and cash equivalents at beginning of the period	5,073,560	4,422,319
Cash and cash equivalents at end of the period	2,720,729	5,419,450

Consolidated Statements of Changes in Shareholders' Equity

	Q1 - Q3 2004 EUR	Q1 - Q3 2003 EUR
Shareholders' equity as of January 1	44,023,994	44,404,028
Net income	(1,206,697)	(856,459)
Additional paid-in capital	108,656	o
Treasury stock	20,817	(1,815)
Unrealized income / losses on security transactions	166,178	(51,007)
Translation adjustments	(21,673)	(16,626)
Shareholders' equity as of June 30	43,091,276	43,478,122

Consolidated Balance Sheets

Assets	30.09.04 EUR	31.12.03 EUR
Current assets		
Cash and cash equivalents	2,720,729	5,073,560
Securities	22,539,849	18,721,357
Trade accounts receivable	14,981,707	19,512,714
Accounts receivable due from related parties	o	o
Inventories	o	o
Deferred taxes	158,372	o
Prepaid expenses and other current assets	1,179,596	2,434,670
Total current assets	41,580,253	45,742,301
Noncurrent assets		
Tangible assets	10,743,031	11,210,703
Property, plant and equipment	8,473,696	8,641,810
Technical equipment and machines	40,288	21,659
Other equipment and office equipment	2,229,047	2,547,234
Payments on account and assets under construction	o	o
Intangible assets	598,570	1,158,252
Concessions, industrial rights and similar rights and assets and licenses in such rights and assets	411,382	615,174
Software manufactured in-house	185,937	540,012
Payments on account	1,251	3,066
Financial assets	630,560	704,234
Interests in associates	618,656	550,758
Loans to associates	o	o
Securities	11,904	153,476
Other loans	43,083	40,666
Goodwill	4,118,691	4,118,691
Deferred taxes	453,868	571,031
Other assets	o	o
Total noncurrent assets	16,587,803	17,803,577
Total assets	58,168,056	63,545,878
Liabilities and shareholders' equity		
Current liabilities		
Current portion of capital lease obligations	o	o
Short term debt and current portion of long term debt	766,938	766,938
Trade accounts payable	1,592,459	2,248,009
Accounts payable to related parties	o	o
Advance payments received	o	o
Accrued expenses	6,511,026	7,729,634
Deferred revenues	1,207,471	633,028
Income tax payable	369,439	1,536,769
Deferred taxes	o	112,129
Other current liabilities	2,328,634	3,427,626
Total current liabilities	12,775,967	16,454,133
Noncurrent liabilities		
Long term debt	2,300,813	3,067,751
Capital lease obligations	o	o
Deferred revenues	o	o
Deferred taxes	o	o
Other liabilities	o	o
Pension accrual	o	o
Total noncurrent liabilities	2,300,813	3,067,751
Total liabilities	15,076,780	19,521,884
Minority interest	o	o
Shareholders' equity		
Subscribed capital	6,467,414	6,467,414
Additional paid-in capital	36,907,075	36,798,418
Treasury stock	o	(20,817)
Retained earnings	(291,944)	914,753
Accumulated other comprehensive income	8,731	(135,774)
Total shareholders' equity	43,091,276	44,023,994
Total liabilities and shareholders' equity	58,168,056	63,545,878



Financial Calendar 2005

March 23, 2005

Publication of
Annual Report 2004

May 04, 2005

Publication of
Quarterly Report 1 | 2005

May 24, 2005

Annual General Meeting

August 04, 2005

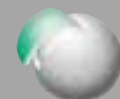
Publication of
Quarterly Report 2 | 2005

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Publication of
Quarterly Report 3 | 2005

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