

REALTECH share



Downwards trend on the stock markets

2001 was a turbulent year on the stock market with the peak of bad news on September 11th. Whereas all segments reported large price swings in both directions in the year 2000, the predominant trend was downwards in the course of 2001. Following the trough reported by practically all important share indexes on September 21st, 2001, the subsequent recovery phase was not enough to reverse the general negative trend for the year as a whole.

In 2001, the German share index (DAX) recorded a loss of 19.8 per cent, the largest loss it has seen since 1990. At the end of the year, the central index had sunk to the level it had reached for the first time in March 1998. The Nemax All Share Performance Index, which reached its peak of 2,906 points on January 24th, 2001 and its low of 724 points on September 21st, closed on December 31st at 1,096 points – 60 per cent below its value at the beginning of the year. Compared on these key dates, the Nemax IT Services Index fell by 48 per cent. And even the huge reductions in the key interest rates in the USA only managed to improve prices temporarily as Nasdaq, the American technology stock exchange, lost around 30 per cent over the course of the year.

As for the coming year, analysts are cautiously optimistic and believe that the various indexes may see price increases of more than 40 per cent. The worst predicted case, should the US economy not recover as expected, is for markets to continue trading water.

Development of REALTECH shares: price stability in spite of a weak market environment

losses of 44 per cent, REALTECH shares performed considerably better in 2001 than comparative indexes such as Nemax All Share, Nemax IT Services, or CDAX Software Index. Starting from €10.80 at the beginning of the year, the price peaked as early as January 25th. However, the further development of the REALTECH share price mirrored the general downward movement on German and international stock markets to bottom out at a record low of €3.20 on September 21st.

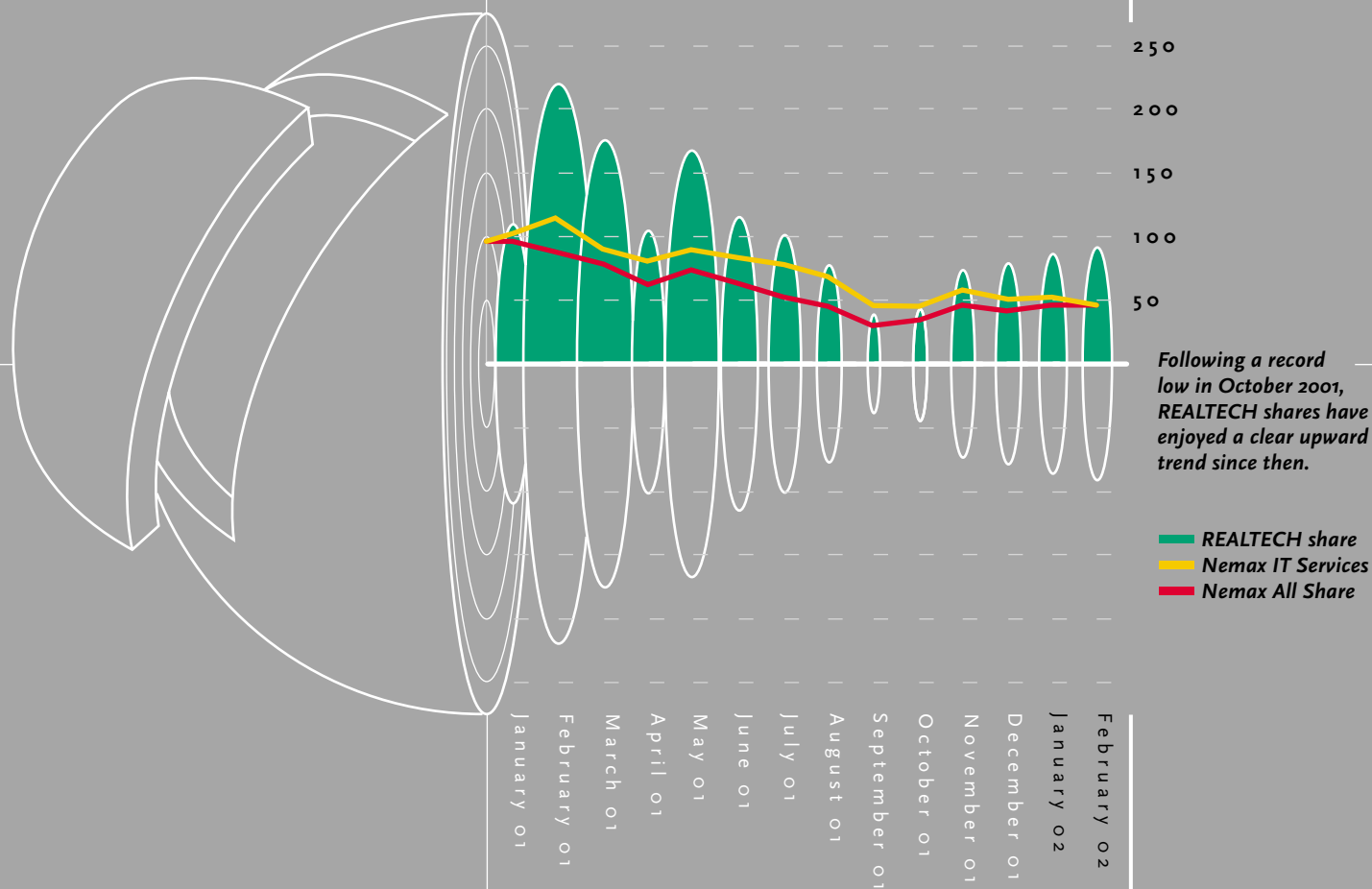
Once the company had announced its provisional figures for the third quarter of 2001, the company's share price recovered by the end of October more than tripling its all-time low value. It then proceeded to stabilize at a level between €6.00 and €8.00 and ended the year at a value of €5.81, which signifies a market capitalization of 30 million euros.

An upward trend set in at the beginning of 2002. Enjoying a price increase of more than 35 per cent in January, REALTECH shares consistently outpaced the Nemax All Share.

On the occasion of the publication of the preliminary annual figures for 2000 in February 2001 numerous investors, analysts, the financial press, and interested private investors were able to ask the Managing Board any questions they had directly over the phone.



Share Price Index



Shares and Stock options of the issuer and members of executive bodies as of Dec 31, 2001:

Issuer

REALTECH AG 14,108 Treasury stock

Executive Board

Daniele Di Croce 885,500 shares
 Rainer Schmidt 885,500 shares
 Peter Stier 745,500 shares
 Michael Knopp 3,000 shares,
 5,750 stock options

Supervisory Board

Markus Adam 835,500 shares
 Dieter Matheis -
 Norbert Schwerber -

Market segment:	Neuer Markt
Date of issue:	26. April 1999
Security identification number:	700 890
Exchange ID:	RTC
Issue price :	54.00 EUR

Key Figures

	2001 EUR	2000 EUR
Earnings per share:	(0.42)	(0.18)
Cash flow per share:	0.15	(0.47)
Shareholders' equity per share:	8.67	9.13
Highest stock price:	25.10	130.00
Lowest stock price:	3.20	9.00
Share price at year end:	5.81	10.40
Market capitalisation at year end:	30 Mio.	52 Mio.
Number of shares at year end:	5,092,452	5,092,452

REALTECH share



Share with substance and potential

Despite the positive result in comparison with the industry as a whole, REALTECH shares did not develop satisfactorily. After all, the group met or improved on expectations in all quarters of 2001 and exceeded the forecast income from operations in the fiscal year 2001 by 13 per cent.

Looking at the market capitalization, net-cash position, and book equity, it is clear that REALTECH shares display a considerable price potential – in particular in view of the development work carried out over the past two years. The group's range of products and services make it excellently equipped for the future, as the issues that it deals with are in demand even in times of weak economies and limited budgets. Analysts share this opinion, classifying REALTECH as "Buy", "Accumulate", and "Neutral" in 2001 – a considerable improvement on the year before.

Annual general meeting 2001

At its annual general meeting on June 7th, 2001, REALTECH welcomed around 300 participants representing 69 per cent of the company's shares. All items on the agenda were decided on with a large majority. These included not only giving discharge to the Supervisory Board and Managing Board and appointing the auditor but also the procurement of treasury stock, authorization to issue convertible or option bonds, a control and profit/loss transfer agreement with LAN Management Consulting GmbH, and a change to the Articles of Association concerning remuneration of the Supervisory Board.

Furthermore, two members of the Supervisory Board, Bernd Blümmel and Robert Kempf, resigned their seat as of the end of the general meeting, to be succeeded by the stockholders' choice of Dieter Matheis as Chairman and Markus Adam as Deputy Chairman.

Stockholder structure and volume of trade with REALTECH shares

The stockholder structure of REALTECH AG hardly changed in the course of 2001 as the founders and main stockholders continued to hold pretty much the same amount of shares. The diversified holding increased slightly and amounted to around 34 per cent on December 31st, 2001.

The volume of trade with REALTECH shares in the year 2001 totaled an average of 15,190 shares per day, whereby 64 per cent of the shares were traded on Xetra and 29 per cent on the Frankfurt stock exchange. In the fiscal year 2000, the German stock exchanges had traded an average daily volume of 10,149 REALTECH shares.

Investor relations as TOP issue: transparency, openness, visibility

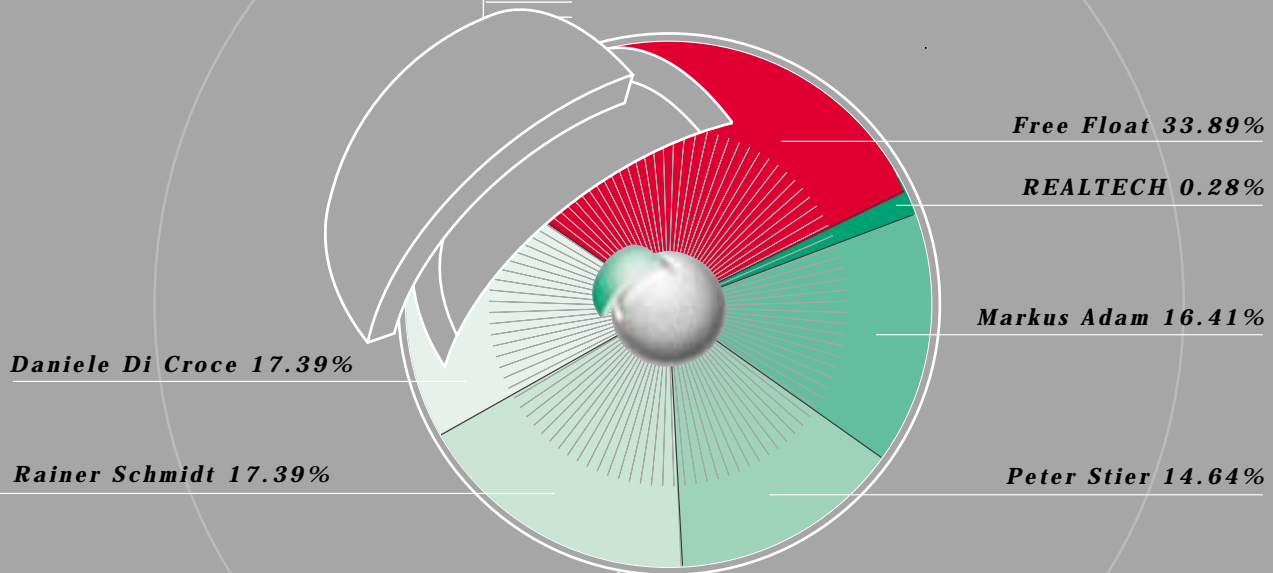
Whenever REALTECH communicates with investors, analysts and the financial press, the company always focus on transparency, openness, and visibility. In the year 2001, too, the group described its business development, strategy, and potential in numerous individual interviews, at roadshows, as well as in the context of analyst and balance sheet press conferences, and intensified its personal contact



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Shareholder Structure of REALTECH AG



with fund managers and financial analysts. The company has answered any questions from private investors quickly and efficiently through its investor hotline and by e-mail. Feedback from the financial community confirms that REALTECH AG is headed in the right direction in interpreting investor relations in this way.

The REALTECH Executive Board not only reports on the company development at the annual general meeting and in its annual report but also in telephone conferences and quarterly reports. On the occasion of the publication of the preliminary annual figures for 2000 in February 2001, for example, numerous investors, analysts, the financial press, and interested private investors were able to ask the Managing Board any questions they had directly over the phone.

On top of this, REALTECH uses the Internet, in the form of its Investor Relations Web site (www.realtech.de/investors), as a central means of providing up-to-the-minute

information and allowing intensive communication. In order to provide as many interested parties and investors as possible with up-to-date and relevant information, the company posts company messages, a large quantity of data on the REALTECH shares, a financial calendar, and key performance indicators on the Internet. Important talks and presentations, as well as annual and quarterly reports, are available for downloading.

Furthermore, the Web site (www.realtech.de/investors) allows users to put their names on a list for "REALity – REALnews for investors", an investor newsletter distributed regularly by e-mail. In this way, private investors, too, have access to first-hand information. And interested parties can put their specific questions to the Investor Relations department directly – either over the phone (+49 6227 837-500) or by e-mail (investors@realtech.de).

