



Annual Report



REALTECH



Three Year Summary

	2003 TEUR	Δ %	2002 TEUR	Δ %	2001 TEUR
Revenues and Income					
Revenues	55.279	(3)	56.981	1	56.456
Revenues consulting	46.756	(3)	48.419	(4)	50.558
Revenues software	8.523	(0)	8.562	45	5.898
Revenues Germany	21.075	(13)	24.210	(8)	26.235
Revenues foreign countries	34.204	4	32.771	8	30.221
Earnings before interest, taxes, depreciation and amortization (EBITDA)	4.293	(13)	4.941	(9)	5.418
Earnings before interest and taxes (EBIT)	1.443	(22)	1.853	2	1.811
Earnings before taxes (EBT)	1.246	(44)	2.215	1.150	(211)
Net income	(326)	(207)	306	114	(2.140)
Earnings per share (in EUR)	(0,06)	(200)	0,06	114	(0,42)
Investments and depreciation					
Investments	2.893	(53)	6.123	295	(3.143)
Depreciation	2.850	(8)	3.088	(51)	6.318
Assets, stockholders' equity and liabilities					
Assets	63.546	1	62.725	(2)	63.910
Current assets	45.742	8	42.343	(3)	43.743
Noncurrent assets	17.804	(13)	20.382	1	20.167
Net cash and cash equivalents	19.960	20	16.607	6	15.699
Shareholders' equity	44.024	(1)	44.404	1	44.036
Equity ratio (in %)	69,3	(2)	70,8	3	68,9
Current liabilities	16.454	14	14.486	(5)	15.272
Noncurrent liabilities	3.068	(20)	3.835	(17)	4.602
Key figures					
Gross margin (in %)	38,1		36,7		33,8
EBITDA margin (in %)	7,8		8,7		9,6
EBIT margin (in %)	2,6		3,3		3,2
Cash flow from operating activities	4.366		4.303		781
Cash flow from investing activities	(2.893)		(6.123)		3.143
Cash flow from financing activities	(801)		(780)		(775)
Number of employees at year-end	595	(6)	632	(1)	640

Negative figures are shown in parantheses



*The right solution at the right time
– fast, extensive, and user-friendly –
probably best describe the
future of information processing ...*

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*... in line with these demands, REALTECH's
innovative solutions guarantee the secure
and efficient operation of IT infrastructures
and data centers, coupled with a high
degree of availability.*





REALTECH worldwide

REALTECH AG 100%

Germany

- REALTECH system consulting GmbH
- REALTECH sales GmbH
- DB-Online GmbH
- LMC-LAN Management Consulting GmbH
- GloBE technology GmbH

USA

	2003	2002	2001
Employees	10	10	12
Revenues	2,4	2,0	2,6
Revenues in million EUR			



Asia-Pacific

	2003	2002	2001
Employees	46	37	35
Revenues	3,4	2,6	2,4
Revenues in million EUR			

Rest of Europe

- REALTECH Italia S.p.A., Italy
- REALTECH system consulting S.L., Spanien
- REALTECH Portugal system consulting Sociedade Unipessoal Lda, Portugal
- REALTECH UK Ltd., England

USA

- REALTECH Inc., USA

Asia-Pacific

- REALTECH Australia Pty. Ltd., Australia
- REALTECH Ltd, Neuseeland
- REALTECH system consulting Pte. Ltd., Singapore



Germany

	2003	2002	2001
Employees	226	247	268
Revenues	21,1	24,2	26,2

Revenues in million EUR

Rest of Europe

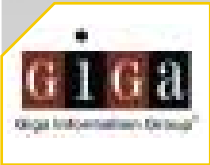
	2003	2002	2001
Employees	313	338	325
Revenues	28,4	28,2	25,3

Revenues in million EUR



Calendar of Events 2003

January



The new year begins with good news for REALTECH. Comparing the main solutions for system manage-

ment, market researchers from the Giga Information Group reach the pleasing conclusion that, when compared directly, REALTECH's theGuard! software is among the three most powerful solutions – even up against prestigious competitors such as BMC, IBM, HP, Microsoft, and Computer Associates.

February

REALTECH's subsidiary in Spain signs a cooperation agreement with Microsoft and Hewlett-Packard with the result that the three partners will bundle their products and services relating to SAP Solution Manager. Countless customers advocate this concept, which will make it much easier to implement and operate the solution.

March

On the occasion of the balance sheet press conference in Frankfurt, the Executive Board answers questions from business press representatives and explains to financial analysts the corporate strategy for 2003.



Hanover as a supplier of end-to-end IT optimization solutions. At the stand, reference customers demonstrate how solutions from the REALTECH range are used in practice.

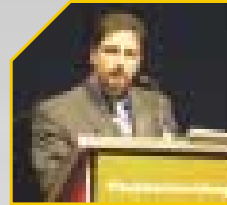
April



Market analysts from the Gartner Group proclaim REALTECH as number two in the market for SAP performance management. As part of a survey, the analysis company has scrutinized all leading solutions in this segment and has been especially impressed by the technology involved in REALTECH's product range. In addition to the low system load, for instance, Gartner also has great praise for the presentation of automatically generated reports on Service Level Agreements (SLAs), which enable IT service providers to supply customers with proof of services rendered.

REALTECH has an overall positive experience at the CeBIT 2003, successfully positioning itself in

May



Boards review the past fiscal year and provide answers to investors' questions on a personal basis. All items on the agenda – including giving discharge to the Executive and Supervisory Boards and electing an auditor – meet with unanimous majorities.

On the occasion of the REALTECH AG's stockholders meeting on May 15, the Executive and Supervisory

June



presence of the SAP Users Group Arabia (SUGAr). Prestigious companies from the Arabic region come to this forum to share experiences they have had in using and operating their SAP systems.

In Dubai, REALTECH presents its solutions for optimizing computer centers at the annual confer-

July

REALTECH makes the most of the SAPPHERE in Tokyo to present its range of solutions at one of the largest SAP AG user conferences worldwide. REALTECH's appearance revolves around its expertise with regard to migrating SAP systems.



REALTECH AG	
Price	3.70
Date	02-01-03
SID	700 890

August



The annual "Top 100" survey under the patronage of Lothar Späth (a former premier of Baden-Württemberg) reaches the conclusion that REALTECH is among the hundred most innovative medium-sized companies in Germany in

2003. The list includes not only the assessment of new products and services but also an analysis of each company's innovation strategy and culture.

include faster working processes, highly available and reliable SAP applications despite a large memory requirement, as well as an excellent price-performance ratio.

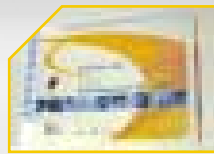
September



REALTECH organizes its first user conference, at which IT managers and other IT representatives from

existing and potential customers come to the Walldorf head office to obtain a first-hand insight into the company's product strategy not to mention valuable solution ideas for optimizing IT environments.

November



REALTECH is found to be among the 50 most rapidly expanding technology com-

panies in Germany. The "Technology Fast 50" list drawn up by Deloitte & Touche is based on revenue growth over the past five fiscal years.



REALTECH takes place 32 in the overall assessment and is also among the winners at European level,

having succeeded in getting its name on the European Technology Fast 500 list comprising 500 fast-growing companies.

October



Together with Microsoft, Unisys, and Intel, REALTECH launches a "64-Bit Initiative", aiming to enable customers to upgrade from a 32-bit platform to a 64-bit one quickly, efficiently, and cost-effectively. The advantages of such a system changeover

December

Having already been supporting the St. Anna Stift children's hospital in Ludwigs-hafen for three years, REALTECH refrains from sending out Christmas presents to customers and partners and instead makes a donation to the children's cancer ward.