



THREE YEAR SUMMARY

	2004 TEUR	Δ %	2003 TEUR	2004** TEUR	2003** TEUR	2002** TEUR
Revenues and income						
Revenues	47.075	(13)	53.824	49.688	55.279	56.981
Revenues consulting	37.284	(18)	45.314	39.872	46.756	48.419
Revenues software	9.791	15	8.510	9.816	8.523	8.562
Revenues Germany	21.226	1	21.075	21.226	21.075	24.210
Revenues foreign countries	25.849	(21)	32.749	28.462	34.204	32.771
Earnings before interest, taxes depreciation and amortization (EBITDA)	1.753	(61)	4.483	977	4.293	4.941
Earnings before interest and taxes (EBIT)	(296)	(118)	1.674	(1.116)	1.443	1.853
Earnings before taxes (EBT)	172	(88)	1.491	(691)	1.246	2.215
Net income	(1.760)	440	(326)	(1.760)	(326)	306
Earnings per share (in EUR)	(0,35)	483	(0,06)	(0,35)	(0,06)	0,06
Investments and depreciation						
Investments in intangible assets and prop., plant and equipment	896	(66)	540		610	4.141
Depreciation	2.049	(27)	2.809		2.850	3.088
Assets, stockholders' equity and liabilities						
Assets	55.290	(13)	63.546		63.546	62.725
Current assets	38.867	(15)	45.875		45.742	42.343
Noncurrent assets	16.423	(7)	17.671		17.804	20.382
Net cash and cash equivalents	21.357	7	19.924		19.960	16.607
Shareholders' equity	42.442	(4)	44.024		44.024	44.404
Equity ratio (%)	76,8	11	69,3		69,3	70,8
Current liabilities	12.849	(22)	16.454		16.454	14.486
Noncurrent liabilities	0	(100)	3.068		3.068	3.835
Key figures						
Gross margin (%)	38,3		38,6	36,0	38,1	36,7
EBITDA margin (%)	3,7		8,3	2,0	7,8	8,7
EBIT margin (%)	(0,6)		3,1	(2,3)	2,6	3,3
Cash flow from operating activities	2.995		4.888		4.366	4.303
Cash flow from investing activities	(896)		(540)		(610)	(4.141)
Cash flow from financing activities	(3.585)		(801)		(801)	(780)
Number of employees (end of year)	537	(7)	577	565	595	632

*: incl. REALTECH Australia Pty. Ltd.

Negative figures are shown in parantheses



REALTECH worldwide

USA

	2004	2003	2002
Employees	9	10	10
Revenues	2,2	2,4	2,0
Revenues in million EUR			

Rest of Europe

	2004	2003
Employees	279	313
Revenues	20,7	28,4
Revenues in million EUR		

REALTECH AG:

in each case 100%:

Germany

- REALTECH System Consulting GmbH
- REALTECH Sales GmbH
- DB-Online GmbH
- LMC-LAN Management Consulting GmbH
- GloBE technology GmbH

Rest of Europe

- REALTECH Italia S.p.A., Italy
- REALTECH System Consulting S.L., Spain
- REALTECH Portugal System Consulting Sociedade Unipessoal Lda, Portugal
- REALTECH UK Ltd., England

USA

- REALTECH Inc., USA

Asia Pacific

- REALTECH Ltd, New Zealand
- REALTECH System Consulting Pte. Ltd., Singapore

54,1% (since 1.1.2005):

- REALTECH Japan Co., Ltd.



Germany

2002	2004	2003	2002	
338	Employees	218	226	247
28,2	Revenues	21,2	21,1	24,2
million EUR	Revenues in million EUR			

Asia Pacific

	2004	2003	2002*
Employees	31	28	37
Revenues	3,0	1,9	2,6
Revenues in million EUR			

*incl. REALTECH Australia Pty. Ltd.





CALENDAR OF EVENTS 2004

JANUARY



- REALTECH began the year 2004 successfully, as Münchener Rückversicherungs-Gesellschaft, a reinsurance company, decided to implement both the Transport-Manager and IM/3 products, therefore simplifying the development of its central SAP solution and accelerating data exchange with other company applications.
- Diethelm (Philippines) Inc. has also been using the IM/3 integration tool since January. This subsidiary of the Swiss wholesaler Diethelm & Co. AG is connecting its warehouse control and management system with the SAP solution used throughout the enterprise.

FEBRUARY

- Demonstrating an international presence was an important issue in February. In Italy, REALTECH made the most of the two-day SAP Forum in Milan to present projects that had been implemented successfully. REALTECH consultants also attended the SAP Business Forum in Madrid, where they presented visitors with their successful NetWeaver implementation at a Spanish gas retailer.

Siemens
Financial Services

- In Munich, REALTECH impressed Siemens Financial Services with a sound consulting service. The financial service provider was faced with the challenge of switching over eleven SAP systems to a uniform hardware platform. REALTECH demonstrated how the project could be performed on schedule and within the set budget, while also providing a specific recommendation on the choice of hardware manufacturer.

MARCH

- The beginning of spring marked a new era for REALTECH as Daniele Di Croce, co-founder and CEO, retired as planned after ten years of active management work. The new man at the top of REALTECH AG is Nicola Glowinski (a qualified economist) who, in addition to becoming Chief Executive Officer, has also assumed responsibility for the Sales and Distribution and Marketing departments. The Executive Board also gained another new member, namely physicist Dr. Rudolf Caspary who has assumed the post of CTO (Chief Technology Officer), amongst other things responsible for software development.

APRIL

- In April, REALTECH began implementing the Guard! System Management Suite at MAN. The manufacturer of commercial vehicles will in the future be monitoring the availability and performance of its IT environment, including its SAP solutions, using the software from REALTECH. In the bid invitation, REALTECH successfully asserted itself against US competitors.



- "Art washes the everyday dust from your soul" was the motto of the first preview at REALTECH. Customers, interested parties, and employees met in Walldorf to share experiences in a relaxed atmosphere where the conversations did not revolve entirely around bits and bytes for once.

MAY

- The Annual General Meeting began with the new Executive Board members introducing themselves to stockholders. Together with the Supervisory Board they provided information about the past fiscal year and obtained unanimous majorities for all items on the agenda.




- In May, REALTECH established a technology partnership with computer manufacturer Dell. In the future, the two companies will be offering special consulting services in order to assist their customers in setting up and optimizing SAP installations that are based on hardware from Dell.



- REALTECH also established a partnership with the Swedish database manufacturer MySQL AB. Especially for SAP customers, the partners are offering the option of changing over to the MaxDB database solution, which runs, for instance, under the open-source operating system Linux.



Deutsche Post 

REALTECH receives its first few major orders from Deutsche Post and Robert Bosch GmbH – beginning business relations that have lasted through to today.

1995

1 1995

JUNE

At meetings of experts in several German cities in June, REALTECH provided information about the advantages and new features of the family of theGuard! products. An emphasis was placed on issues relating to the cost-effective, high-performance and failsafe operation of SAP environments.

 Together with Unisys Deutschland GmbH, REALTECH will in the future be providing services to assist customers in optimizing their business processes. The newly established partnership also covers services relating to the SAP NetWeaver integration platform.

JULY

 China Light and Power, one of the largest power suppliers in Hong Kong, also operates the largest SAP installation in the metropolis. Since July, those responsible for the company's IT have been relying on theGuard! ApplicationManager to operate the complex SAP application environment with a view to making it failsafe and maximizing performance. Again, REALTECH has succeeded, with its innovative products, in ousting a prestigious computer center competitor.

 REALTECH strives to be noticed not only China, but also in Japan, with consultants attending the SAP inhouse show SAPPHIRE in Tokyo to explain how companies can migrate their SAP systems to alternative system platforms and therefore achieve a lasting reduction in their operating costs.

AUGUST

REALTECH AG decides to reduce its Supervisory Board from its previous six members to just three members in the future. This proposal will be put to the Annual General Meeting for voting in May 2005. In view of this, Rainer Schmidt and Jürgen B. Harder have resigned their Supervisory Board seats.

MTU Friedrichshafen, a leading global manufacturer of large diesel engines and drive systems, has been monitoring its wide-ranging SAP environment using the theGuard! system management solution since August. Back at the beginning of 2004, MTU had successfully implemented theGuard! Helpdesk in the SAP environment in just three days.

SEPTEMBER

In September, two pleasing reports arrived from the Far East at the same time. Firstly, REALTECH Japan was certified as an SAP Technology Partner, documenting the SAP expertise of the Japanese office. Secondly, together with the customer Carl Zeiss Japan, the company upgraded a central SAP system to a new version in record time. One special aspect of this was that the new procedure was able to reduce the downtime during maintenance work to a minimum.

OCTOBER

In the fall, a new member joined the family of theGuard! products in the form of theGuard! ServiceCenter. This new product is aimed at fairly large medium-sized companies as well as large enterprises wanting to further optimize their workflows with regard to operating IT environments.

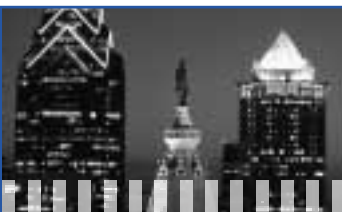
NOVEMBER

For three days in November, Cologne was the meeting point for the information technology and telecommunication sector. This provided a great opportunity for REALTECH to present a specialized audience with the advantages of the theGuard! solution for system and network management in practice.

DECEMBER

A survey conducted by Deloitte & Touche showed that REALTECH was among the 50 most rapidly expanding technology companies in Germany again in 2004. In Europe, REALTECH succeeded in getting on the list of the Top 500.

REALTECH celebrates its tenth birthday.



REALTECH takes steps towards becoming a global player, establishing its first foreign subsidiary, REALTECH Inc., USA, in Philadelphia.