

Quarterly Report |



Q3 | 2007



3rd Quarter and First Nine Months of 2007 at a Glance

	Q3 2007 TEUR	Δ %	Q3 2006 TEUR	Q1-Q3 2007 TEUR	Δ %	Q1-Q3 2006 TEUR
Revenues and income						
Revenues	16.011	26	12.686	45.671	18	38.681
Revenues consulting	12.452	21	10.281	36.227	17	31.014
Revenues software	3.559	48	2.404	9.444	23	7.666
Revenues Germany	6.813	25	5.430	19.114	19	16.091
Revenues foreign countries	9.198	27	7.255	26.557	18	22.589
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1.652	29	1.282	4.320	46	2.960
Earnings before interest and taxes (EBIT)	1.363	45	941	3.652	78	2.057
Earnings before taxes (EBT)	1.509	51	1.002	4.055	73	2.340
Net income	856	117	394	2.104	116	976
Earnings per share (in EUR)	0,16	100	0,08	0,40	111	0,19
Investments and depreciation						
Investments in intangible and tangible assets	345	165	130	773	63	473
Depreciation	289	(15)	341	668	(26)	903
Key figures						
Gross margin (%)	38,5	(8)	42,0	38,5	0	38,5
EBITDA margin (%)	10,3	2	10,1	9,5	23	7,7
EBIT margin (%)	8,5	15	7,4	8,0	51	5,3
Cash flow from operating activities	404	(65)	1.147	2.116	(4)	2.193
Cash flow from investing activities	3.615	997	(403)	(1.496)	(258)	946
Cash flow from financing activities	126	(26)	171	(2.080)	(2.008)	109
Employees (end of quarter)	604	10	547			

	30.09.07 TEUR	Δ %	31.12.06 TEUR
Assets, shareholders' equity and liabilities (end of quarter)			
Total assets	63.720	5	60.937
Fixed assets	14.242	1	14.141
Current assets	49.343	7	46.279
Net cash and cash equivalents	27.265	(3)	27.997
Shareholders' equity	45.921	0	45.896
Equity ratio (%)	72,1	(4)	75,3
Noncurrent liabilities	0	-	0
Current liabilities	17.455	23	14.224

- Group revenue up 18 percent
- 23 percent increase in software revenues
- Consulting business expanded by 17 percent
- Income from operations and net income again substantially improved

Dear shareholders and business partners,

REALTECH has recorded a very pleasing organic growth rate over the nine-month period. Following on from an 8 percent increase in the first quarter and a growth rate of 14 percent in the first half year, we have succeeded in continuing the positive trend in the third quarter too. In a similar way to the increase in revenues, the Group's earnings have also been successively improved over the course of 2007. The details are as follows:

Revenues in the software segment increased by the same extent as in 2006. In the third quarter, they even increased by 48 percent from EUR 2,404 thousand to EUR 3,559 thousand. Revenue for the first nine months of 2007, at EUR 9,444 thousand, was 23 percent higher than in the previous year (EUR 7,666 thousand).

In Germany, revenues in the first nine months of this year increased by 19 percent from EUR 16,091 thousand to EUR 19,114 thousand. The domestic contribution to Group revenue remained on a par with the figure for the previous year (42 percent).

Nicola Glowinski
Chief Executive Officer



Dr. Rudolf Caspary
Chief Technology Officer



Business development

In the third quarter of 2007, **revenue** was up 26 percent on the same period last year from EUR 12,686 thousand to EUR 16,011 thousand. If we look at the first nine months of the year, an 18 percent increase from EUR 38,681 thousand to EUR 45,671 thousand can be established.

Accordingly, revenue in other countries, at 58 percent of Group revenue, was on the same level on a nine-month basis as in 2006. The European region excluding Germany continued to make the biggest contribution, with revenue increasing from EUR 15,814 thousand to EUR 19,012 thousand. At the same time, the figure as a share of total revenue rose slightly from 41 percent to 42 percent.

Q1-Q3 | 2007



45,7

Both segments contributed towards this revenue increase, with revenue in the consulting division for example increasing by 21 percent in Q3 from EUR 10,281 thousand to EUR 12,452 thousand. Consulting revenues rose by 17 percent on a nine-month basis, from EUR 31,014 thousand to EUR 36,227 thousand, while the share of consulting in Group revenue remained to 79 percent.

Q1-Q3 | 2006



38,7

However, a decline in earnings was recorded in the US region, where the figure decreased by 10 percent from EUR 2,524 thousand to EUR 2,285 thousand, while at the same time the figure as a share of Group revenue fell from 7 percent to 5 percent. Development remained very pleasing in the Asia-Pacific region, where revenues were up

Revenues
by sectors
(EUR m)
■ Consulting
■ Software

24 percent from EUR 4,251 thousand to EUR 5,260 thousand. Asia-Pacific therefore contributed 12 percent (previous year: 11 percent) to Group revenue.

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

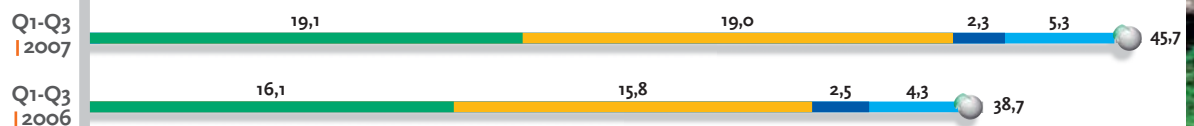
Earnings

The third quarter and the first nine months of 2007 each saw a slight increase in **costs of revenues** in absolute figures from EUR 7,358 thousand to EUR 9,855 thousand in the third quarter, and from

third quarter of last year to the current figure of EUR 1,958 thousand. The figure as a percentage of revenue fell slightly from 13 percent to 12 percent. On a nine-month basis, a growth rate of 15 percent from EUR 5,005 thousand to EUR 5,742 thousand was recorded, corresponding to 13 percent of revenues.

General and administrative expenses remained almost constant compared to the same quarter last year, amounting to EUR 1,780 thousand compared to EUR 1,750 thousand in the third quarter of 2006. Relative to revenue, these expenses fell from 14 percent to 11 percent. Looking at the first

Revenues by regions (EUR m)



Germany Rest of Europe USA Asia Pacific

EUR 23,786 thousand to EUR 28,094 thousand in the first nine months of the year. The same can be said of the quarterly comparison based on sales, with this figure increasing from 58 percent to 62 percent. As for the first nine months of the year, the percentage amounted to 62 in both cases.

This development had a corresponding effect on **gross profit**. Comparing quarters, the figure rose from EUR 5,328 thousand to EUR 6,157 thousand, simultaneously leading to a decrease in the gross margin from 42 percent to 39 percent. For the nine-month period, at a constant gross margin of 39 percent, an 18 percent increase from EUR 14,895 thousand to EUR 17,577 thousand was recorded.

Looking back at the gross margin in the two segments on a nine-month basis, we can see that the figure decreased in the area of software as a result of investments in new products from 85 percent to 82 percent, while remaining constant at 27 percent in the area of consulting.

Continued measures taken to boost revenue gave rise to an increase in **selling and marketing expenses**, which rose from EUR 1,687 thousand in the

nine months of 2007, we can establish an increase from EUR 4,953 thousand to EUR 5,368. Administrative costs thus constituted 12 percent of revenue (previous year: 13 percent).

As a result of new product developments, **research and development expenses** increased compared to last year on a quarterly basis from EUR 1,059 thousand to EUR 1,137 thousand, but decreased from 8 percent to 7 percent based on revenue. Comparing the two nine-month periods, expenditure decreased slightly from EUR 3,358 thousand to EUR 3,301 thousand, therefore accounting for 7 percent of revenue (previous year: 9 percent).

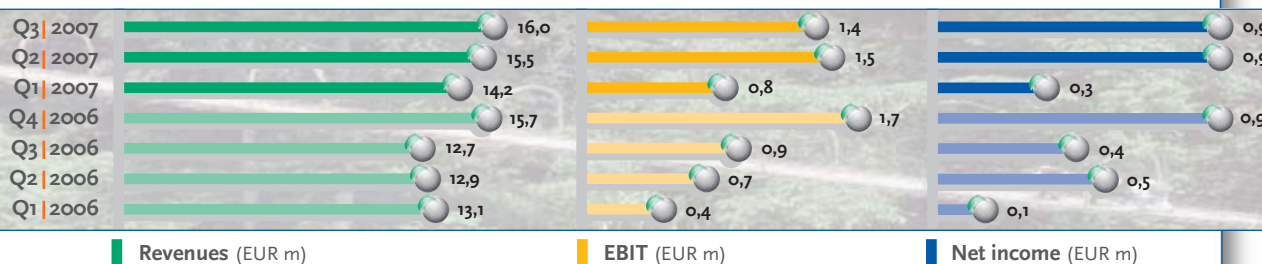
The developments described led to a substantial improvement of **operating income** on both a quarterly basis and a nine-month basis. Comparing the third quarters of the fiscal year, the company recorded an increase of 29 percent to EUR 1,652 thousand for EBITDA (previous year: EUR 1,282 thousand) and an increase of 44 percent to EUR 1,363 thousand for EBIT (previous year: EUR 941 thousand). For the first nine months of 2007, a

46 percent increase to EUR 4,320 thousand was recorded for EBITDA (previous year: EUR 2,960 thousand), while EBIT increased by 78 percent to EUR 3,652 thousand (previous year: EUR 2,057 thousand).

An increase in interest rates led to an improvement in **net interest** from EUR 209 thousand in the first nine months of last year to EUR 376 thousand in the first nine months of this year. However, **income from financial assets and securities**, at EUR 51 thousand, were only half the figure for 2006 (EUR 103 thousand). These earnings included in particular income from selling securities.

property, plant and equipment were higher than in the previous year. This essentially involved the procurement of replacements.

The **cash flow from financing activities** in the period under review gave rise to a cash outflow of EUR 2,080 thousand. Above all, this was the result of the dividend of EUR 0.50 per share that was distributed in May 2007 for fiscal year 2006, with a counteractive effect on share capital and additional paid-in capital following the increase in the number of shares that came about through the redemption of convertible bonds.



Net income and **earnings per share** both increased substantially in the third quarter of this year, to EUR 856 thousand (previous year: EUR 395 thousand) and EUR 0.16 (previous year: EUR 0.08) respectively. Based on the first nine months, net income and earnings per share increased to EUR 2,104 thousand (previous year: EUR 976 thousand) and EUR 0.40 (previous year: EUR 0.19) respectively.

Financial situation

Cash flow from operating activities decreased slightly compared to the same period in the previous year from EUR 2,194 thousand to EUR 2,116 thousand. The fact that only a relatively small change was recorded in this figure despite a huge improvement in net income is primarily due to the increase in trade receivables.

Cash flow from investing activities reached a value of minus EUR 1,496 thousand in the first nine months of this year (previous year: EUR 946 thousand). This cash outflow was essentially the result of the increase in the number of securities. In contrast, investments in intangible assets and

Assets

Compared to December 31, 2006, **total assets** increased by 5 percent or EUR 2,783 thousand to reach a value of EUR 63,720 thousand on September 30, 2007.

Trade receivables on the reporting date amounted to EUR 20,921 thousand, compared to EUR 17,331 thousand on December 31, 2006, and thus represented 33 percent of total assets. This increase of 21 percent can particularly be attributed to the Group's increased revenue.

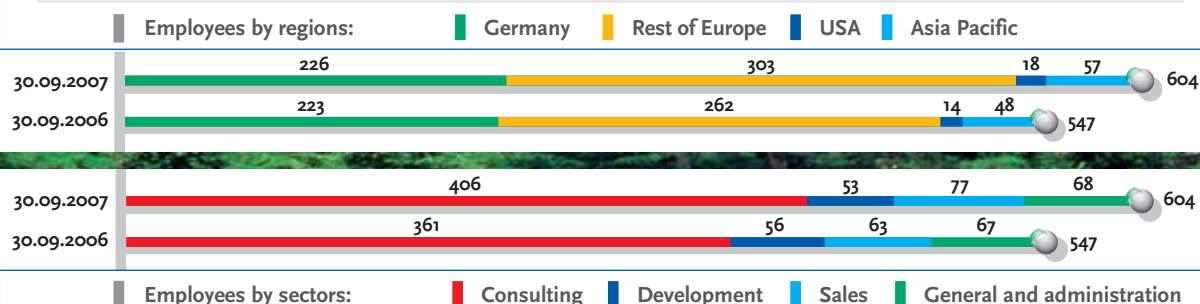
On September 30, 2007, the REALTECH Group had **net cash and cash equivalents** of EUR 27,265 thousand, compared to EUR 27,997 thousand on December 31, 2006 and EUR 27,745 thousand on September 30, 2006. The fact that this figure fell compared to the end of the previous year, despite the positive nine-month results, was due to the dividend of EUR 0.50 per share that was distributed in May 2007. Net cash and cash equivalents represented 43 percent of assets.

Provisions increased in comparison to December 31, 2006 from EUR 8,266 thousand to EUR 8,474 thousand, primarily due to setting up bonus provisions, as well as provisions for outstanding incoming invoices.

Shareholders' equity, which stood at EUR 45,921 thousand on September 30, 2007, was on a par with the figure on December 31, 2006 (EUR 45,896 thousand). The positive net income and the increase in both share capital and additional paid-in capital as a result of the exercising of convertible bonds were counteracted by the distribution of a dividend for fiscal year 2006.

excluding Germany, while employee figures increased from 14 to 18 in the US and from 48 to 57, or by 19 percent, in the Asia-Pacific region.

As a result of pursuing company goals, the following developments can be seen when comparing the key dates of September 30: In consulting, the number of consultants increased by 12 percent from 361 to 406. The area of sales and distribution was also expanded, with a 22 percent increase in employees from 63 to 77. A slight reduction from 56 to 53 employees was recorded in development, while the number of administrative employees remained fairly constant at 68 (previous year: 67).



The company's **equity ratio** amounted to 72.1 percent on September 30, 2007 and 75.3 percent on December 31, 2006. This reduction was essentially due to the increase in net assets in conjunction with an even greater increase in current liabilities from EUR 14,224 thousand to EUR 17,455 thousand.

Employees

On the key date of September 30, 2007, the REALTECH Group employed 604 people, which is 10 percent more than at the end of the third quarter of 2006 (547). In Germany, the workforce increased slightly from 223 to 226 employees. As a result, the percentage of REALTECH employees working in Germany fell from 41 percent to 37 percent.

The number of employees working at REALTECH companies in other countries has risen by 17 percent over the past 12 months from 324 to 378. All regions contributed towards this development, with an increase of 16 percent from 262 to 303 employees being recorded for the European region

Outlook

The mood in the IT industry in Germany is better than it has been for many years. This has been established by a survey that BITKOM (the German Federal Association for Information, Telecommunications and New Media) carries out in the IT and telecommunications (ITC) sector on a quarterly basis. According to the survey, a great majority of companies in this sector expect revenues to increase in 2007. Suppliers of software, IT services and digital entertainment electronics are particularly driving the ITC market. Thanks to the good economic situation, considerable investments are being made in modern information and communications technology. Experts anticipate that the ITC market in Germany will grow by 2 percent this year.

Service-oriented architectures (SOAs) are set to be the main innovation to establish itself in the IT systems of numerous companies over the years to come. SOA revenues in Germany are expected to increase from EUR 250 million in 2006 to nearly EUR 2 billion by 2010, with global revenue increasing in the same period from EUR 9 billion to EUR 38 billion. Here, around 30 percent of

revenues will be attributable to software and around 70 percent to IT services for software implementation and maintenance. These results were established by a survey carried out on behalf of BITKOM.

Studies and forecasts of this type confirm that we remain on the right track. They indicate that we are concentrating on the right topic areas, i.e. those that are set to be important in the future. This is also underlined by our earnings both last year and in particular this year. Based on the company's business development, the Executive Board of REALTECH AG confirms the forecast made in July 2007 for revenue and EBIT (increased

Note

REALTECH AG has prepared its (non-audited) quarterly and half-yearly financial statements in accordance with the accounting standards of the International Accounting Standards Board (IASB), i.e. the International Financial Reporting Standards (IFRS) as applicable in the EU. The IAS, IFRS, and corresponding interpretations of the International Financial Reporting Interpretations Committee (IFRIC – formerly SIC) applicable as of September 30, 2007 have been taken into account. The figures for the previous year were also determined based on the same standards.



compared to the forecast made at the beginning of the year), which predicted a percentage increase in sales for 2007 as a whole at a similar level as in the first six months. As for EBIT, we anticipate a percentage growth rate for 2007 in the high double-digit range.

Affirmation of the legal representatives

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year, in accordance with German proper accounting principles of interim consolidated reporting.

Yours faithfully,

REALTECH AG
Your Executive Board

The consolidation and valuation methods used to prepare the quarterly financial statements and establish the comparative figures for the previous year were basically the same as those used in the consolidated financial statement as of December 31, 2006. A detailed description of the individual methods is published in the notes of the 2006 annual report.

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



Highlights

SAP has confirmed REALTECH's expertise for SAP NetWeaver Portal and SAP Process Integration and has awarded the company the title of Special Expertise Partner (SEP) for SAP NetWeaver Portal and SAP Process Integration for the third time

SAP has once again acknowledged REALTECH's specialist SAP NetWeaver Portal (EP) and SAP Process Integration (PI) expertise. REALTECH's status as a Special Expertise Partner (SEP) reflects not only its successful cooperation with SAP but also the company's extensive experience with SAP NetWeaver Portal and SAP Process Integration. The title is synonymous with a supplier recommendation from SAP for both customers and prospec-

combine strengths and to expand upon the companies' shared competence.

Sparkasse Singen-Radolfzell: REALTECH – When IT service management is on the line...

The IT systems operated by the Sparkasse Singen-Radolfzell have become even more effective and faster thanks to the use of theGuard! The Sparkasse Singen-Radolfzell has been a satisfied theGuard! NetworkManager customer for many years which is why it made perfect sense for the bank's IT management to opt for the REALTECH service management solution as well. The solution is not only optimally integrated in theGuard! Network-



Sparkasse Singen-Radolfzell

tive customers, and backs up the company's expertise. SAP only awards this title to a few carefully chosen companies.

SAP's selection procedure places tough demands on the partners involved. Companies are only named Special Expertise Partners if they are able to demonstrate a higher than average level of expertise, many years of project experience in the SAP environment, excellent customer contacts and access to decision-makers. A number of key metrics are analyzed every year to review companies' status as Special Expertise Partners. Certification is only renewed if evidence is produced which demonstrates that projects have been successfully completed in the SAP environment and that consultants have worked on continuing to develop their own professional expertise.

REALTECH fulfils these criteria thanks to its many years of project experience in the SAP consulting market. The two companies have been collaborating closely for many years, both on customer projects and in the development labs of the Wall-dorf-based software company. The goal of this partnership is to win new customers together, to

Manager, it also meets all the Sparkasse Singen-Radolfzell's other requirements.

The bank is the largest financial service provider in the Hegau region. With around 500 employees working at 24 different locations the Sparkasse Singen-Radolfzell reported total assets at the end of fiscal 2006 of 2.3 billion euros. The bank's particular strengths include its lending operations for medium-sized enterprises.

Central management of the IT environment and fast implementation

During the migration the Sparkasse Singen-Radolfzell was confronted by the choice of either handing over its IT infrastructure lock, stock and barrel to the national Sparkasse computer center (Sparkassen-Informatik) or of continuing to maintain its own infrastructure. For a number of reasons the bank decided to keep its own infrastructure.

A shortage of manpower meant that the Sparkasse Singen-Radolfzell's project plan provided only a very small time frame for switching over the IT systems. Implementation absorbed 20 person days and took just three months. New processes

were planned, configured and implemented jointly by employees at the Sparkasse Singen-Radolfzell and REALTECH in workshops.

Customer benefits

The IT service processes operated by the Sparkasse Singen-Radolfzell are now transparent and uniformly based on the ITIL standard. The outcome and status of a fault report can be reconstructed at any time. Fast response and processing times are permanent features. Both aspects lead to enhanced customer satisfaction. The central overview of the Sparkasse Singen-Radolfzell's entire IT configuration and its integration in the network management save valuable planning and

system management software is no longer enough. Purposeful troubleshooting to remedy problems is only effective if it is preceded by a swift and detailed root cause analysis.

Extensive analysis functions and user-friendly presentation methods based on modern UI technologies (user interface) are means of substantially accelerating the search for root causes of problems in complex system environments.

The new REALTECH solution

REALTECH quickly recognized this new trend and has responded by developing an entirely new software product for today's IT management require-



configuration time and also noticeably reduce the pressures on the IT department.

According to Jean Pierre Müller, head of Sparkasse Singen-Radolfzell's IT Infrastructure: "the professional consultancy of REALTECH, pragmatic solution ideas and rapid implementation with theGuard! ServiceManagementCenter now put us in a position in which we are able to tackle ITIL inquiries much more quickly. Levels of satisfaction among our users are noticeably higher as a result."

The next application analysis generation: theGuard! ApplicationDashboard

The new REALTECH product makes it easier to recognize performance problems in complex IT environments and helps administrators to analyze root causes.

New IT management challenges

Service-oriented architectures, increasingly complex IT environments and pressure on costs all constitute new and daunting challenges for today's IT managers. Monitoring IT environments with

ments. The solution is theGuard! Application-Dashboard. Based on .net technology this solution provides users with a modern platform for online performance and event analysis of all values collated and events created by theGuard!

Unbeatable flexibility

Any number of charts can be collated in a trice in any arrangement required and put together as an individual dashboard. This allows almost all the requirements of today's management views and reports to be implemented.

Fast display speed

Even large data volumes can be displayed in a few seconds in theGuard!. Highlighting, zooming and drill down functions enable fast online analyses and make it easier to analyze the root causes of performance problems and reduce downtimes to a minimum.

The availability of theGuard! ApplicationDashboard will coincide with the appearance of the new release 4.0 of theGuard! ApplicationManager in December 2007.

Shares

Share price index

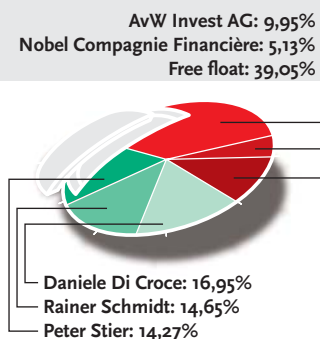
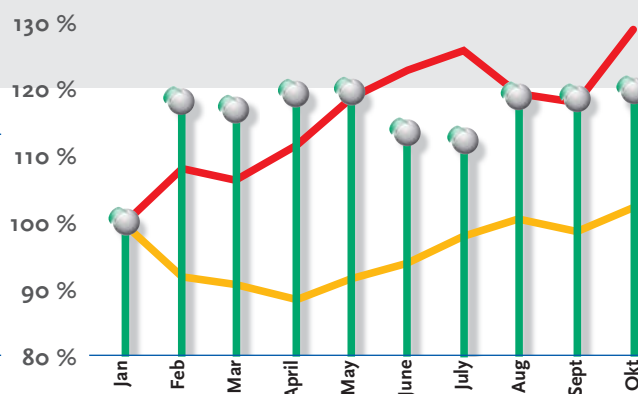
REALTECH share
Prime Software
TecDax

Key figures

	Q3 2007	Q3 2006
	EUR	EUR
Earnings per share	0,16	0,08
Cash flow per share	0,08	0,43
Shareholders' equity per share	8,79	8,77
Highest share price	11,30	7,61
Lowest share price	10,00	7,13
Shareprice at the end of quarter	10,99	7,59
Market capitalization at the end of the quarter	57 Mio.	39 Mio.
Number of shares at the end of the quarter	5.224.452	5.109.452

Share performance and market capitalization

REALTECH shares were trading at EUR 10.12 at the beginning of the third quarter. Within this three-month period the share value fluctuated within a maximum corridor of EUR 1.30. The lowest price for REALTECH shares during the quarter of EUR 10.00 was listed on July 11 after which the share price rose steadily to reach its highest point for the quarter on August 9 of EUR 11.30. The second half of the quarter was characterized by relatively small price changes and the company's



Shareholder structure as of 30.09.2007

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 share options held by the issuer and the company's executive bodies as of September 30, 2007

Issuer

REALTECH AG	- treasury stock
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Executive Board

Dr. Rudolf Caspary	18.000 shares, 58.000 stock options
Nicola Glowinski	22.000 shares, 103.000 stock options

Supervisory Board

Daniele Di Croce	885.500 shares
Rainer Schmidt	765.500 shares
Peter Stier	745.500 shares

shares closed the third quarter at a price of EUR 10.99 – 45 percent higher than at the end of the same quarter in the previous year (EUR 7.59). On September 30, 2007, the company's market capitalization stood at EUR 57 million, corresponding to 125 percent of shareholders' equity.

Shareholder structure and volume of trade in REALTECH shares

The shareholder structure of REALTECH AG has not changed in the last three months. On September 30, 2007, the main shareholders held the same number of shares and the free float remained unchanged at 39.05 percent.

On average, around 6,621 REALTECH shares were traded every day during Q3/2007 – 91 percent more than during the same quarter in the previous year (3,466). 81 percent of the shares were traded in Xetra (previous year: 70 percent), while 19 percent were traded on the other stock exchanges (previous year: 30 percent).

Consolidated Statements of Income

	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006
	EUR	EUR	EUR	EUR
Revenues	16.011.158	12.686.039	45.670.957	38.680.558
Costs of revenues	9.854.662	7.358.029	28.094.360	23.785.531
Gross profit	6.156.496	5.328.010	17.576.597	14.895.027
Selling and marketing expenses	1.958.257	1.687.142	5.742.271	5.005.045
General and administrative expenses	1.779.811	1.749.688	5.367.447	4.953.378
Research and development expenses	1.137.051	1.058.522	3.301.029	3.358.145
Other operating expenses	375.383	364.371	910.276	1.020.633
Other operating income	456.774	472.707	1.396.400	1.498.921
Operating income	1.362.769	940.993	3.651.972	2.056.747
Net interest	188.234	87.828	376.364	208.809
Income from financial assets and securities	(27.080)	0	51.225	102.573
Foreign currency exchange gains / losses	(14.573)	(26.679)	(24.555)	(27.745)
Income before taxes (and minority interests)	1.509.350	1.002.141	4.055.006	2.340.384
Income taxes	599.702	574.116	1.860.389	1.227.289
Income before minority interests	909.647	428.025	2.194.617	1.113.095
Minority interests	(53.381)	(33.379)	(90.487)	(136.697)
Net income	856.266	394.646	2.104.130	976.398
Accumulated profit carried forward			5.336.833	3.943.669
Dividend payment			(2.612.226)	(401.795)
Retained earnings			4.828.737	4.518.272
Earnings per share – basic	0,16	0,08	0,40	0,19
Earnings per share – diluted	0,15	0,07	0,37	0,18
Average number of shares outstanding – basic	5.224.452	5.109.452	5.224.452	5.109.452
Average number of shares outstanding – diluted	5.632.452	5.312.452	5.632.452	5.312.452

Segment Reporting

	Q1-Q3 2007	Q1-Q3 2006
	EUR	EUR
Consulting		
Revenues	36.227.089	31.014.380
Costs of revenues	26.428.305	22.651.451
Gross profit	9.798.783	8.362.930
Software		
Revenues	9.443.868	7.666.177
Costs of revenues	1.666.055	1.134.080
Gross profit	7.777.813	6.532.097

Consolidated Statements of Cash Flows

	Q1-Q3 2007	Q1-Q3 2006
	EUR	EUR
Net income	2.104.130	976.398
Depreciation of fixed assets	667.513	902.745
Change in income tax payable	389.754	(46.086)
Change in provisions	207.940	263.229
Change in trade receivables	(3.589.933)	(1.659.526)
Change in other assets	176.080	688.214
Change in trade accounts payable and in other current liabilities	2.160.624	1.067.824
Cash flow from operating activities	2.116.109	2.192.798
Asset disposals	(223)	10.131
Purchase of intangible assets	(179.904)	(71.370)
Purchase of tangible assets	(593.238)	(401.377)
Investment in financial assets	4.376	(41.579)
Change in current securities	(726.519)	1.450.416
Cash flow from investing activities	(1.495.508)	946.221
Other change in shareholders' equity and in minority interests	(2.079.457)	108.496
Cash flow from financing activities	(2.079.457)	108.496
Change in cash and cash equivalents	(1.458.857)	3.247.515
Cash and cash equivalents at the beginning of the period	12.972.973	9.476.187
Cash and cash equivalents at the end of the period	11.514.116	12.723.701

Consolidated Statements of Changes in Shareholders' Equity

	Q1-Q3 2007	Q1-Q3 2006
	EUR	EUR
Shareholders' equity as of January 1	45.895.870	43.723.964
Change in subscribed capital	64.770	21.590
Net income	2.104.130	976.398
Unrealized profit / loss from securities translations incl. effects from its realization	138.071	174.388
Translation adjustments	13.251	132.820
Dividend payment	(2.612.226)	(401.795)
Execution of stock options and convertible bonds	237.460	65.450
Minority interests	79.217	116.042
Shareholders' equity as of September 30	45.920.542	44.808.857

Consolidated Balance Sheets

	30.09.2007	31.12.2006
	EUR	EUR
ASSETS		
Fixed assets		
Intangible assets		
Concessions, industrial rights and similar rights and assets	266.567	162.340
Goodwill	4.337.547	4.335.679
	4.604.114	4.498.019
Tangible assets		
Property, plant and equipment	7.830.404	8.002.845
Technical equipment and machines	54.102	60.341
Other equipment and office equipment	1.667.694	1.491.969
	9.552.200	9.555.156
Financial assets		
Securities	33.600	34.631
Other loans	52.199	52.830
	85.799	87.461
Current assets		
Receivables and other assets		
Trade receivables	20.920.581	17.330.648
Tax assets	76.257	205.680
Other assets	1.080.754	745.039
	22.077.592	18.281.366
Securities	15.750.913	15.024.394
Cash and cash equivalents	11.514.116	12.972.973
Deferred tax assets	134.945	517.319
Total assets	63.719.679	60.936.688
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	6.635.054	6.570.284
Additional paid-in capital	33.987.047	33.749.587
Revaluation surplus	164.040	25.969
Cumulative translation differences	(144.049)	(157.299)
Retained earnings	4.828.737	5.336.833
Minority interests	449.713	370.496
	45.920.542	45.895.870
Current liabilities		
Trade accounts payable	2.475.800	1.768.110
Income tax payable	1.309.154	919.400
Provisions	8.474.059	8.266.118
Other liabilities	2.105.760	2.145.214
Deferred income	3.090.018	1.124.803
	17.454.791	14.223.645
Deferred tax liabilities	344.346	817.173
Total shareholders' equity and liabilities	63.719.679	60.936.688

Financial Calendar 2008

March 27, 2008	Annual Report 2007
May 07, 2008	Quarterly Report 1 2008
May 29, 2008	Annual General Meeting, Palatin Kongress- und Kulturhaus, Wiesloch, 10.00 a.m.
August 07, 2008	Quarterly Report 2 2008
November 06, 2008	Quarterly Report 3 2008

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