Quarterly Report
2 | 2013

REALTECH

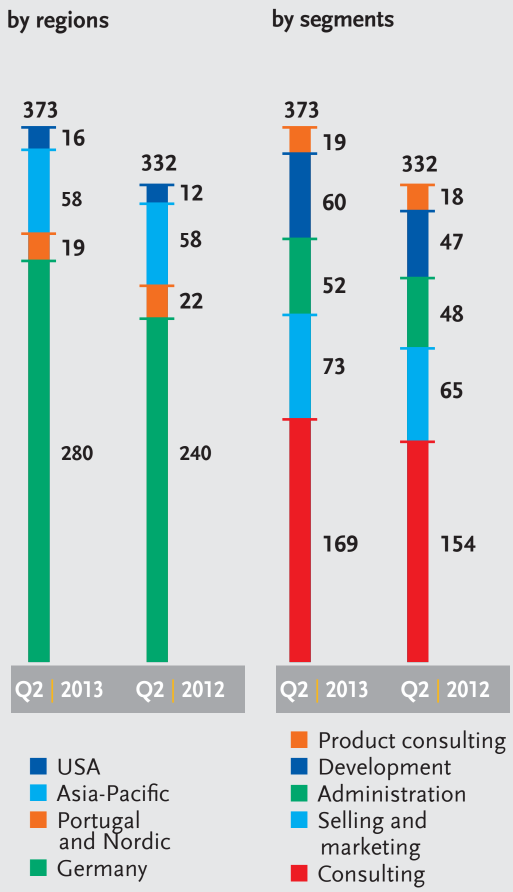
2nd Quarter and 1st Half of 2013 at a Glance

	Q2 | 2013 TEUR	Δ %	Q2 | 2012 TEUR	Q1+Q2 | 2013 TEUR	Δ %	Q1+Q2 | 2012 TEUR
Revenue and income						
Revenue	9.354	(1)	9.425	18.833	0	18.866
Revenue consulting	6.594	3	6.401	13.214	3	12.792
Revenue software	2.760	(9)	3.023	5.619	(7)	6.074
Revenue Germany	6.519	5	6.183	13.008	4	12.527
Revenue foreign countries	2.835	(13)	3.242	5.825	(8)	6.339
Earnings before interest, taxes, depreciation and amortization (EBITDA)	(1.354)	(638)	(184)	(2.023)	(669)	(263)
Earnings before interest and taxes (EBIT)	(1.805)	(288)	(465)	(2.781)	(225)	(855)
Earnings before taxes (EBT)	(1.863)	(248)	(535)	(2.891)	(192)	(991)
Profit for the year (attributable to owners of the company)	(1.933)	(124)	(861)	(3.110)	(103)	(1.535)
Earnings per share (EUR)	(0,36)	(124)	(0,16)	(0,58)	(103)	(0,29)
Investments and depreciation						
Investments in intangible and tangible assets	435	117	201	792	83	432
Depreciation	451	60	281	758	28	592
Key figures						
Gross margin (%)	37,3	(14)	43,7	39,4	(9)	43,5
EBITDA margin (%)	(14,5)	(643)	(1,9)	(10,7)	(670)	(1,4)
EBIT margin (%)	(19,3)	(291)	(4,9)	(14,8)	(226)	(4,5)
Net cash flows from operating activities	(446)	(11)	(403)	(698)	(294)	359
Net cash flows from investing activities	(435)	(274)	(116)	(792)	(128)	(348)
Net cash flows from financing activities	0	100	(1.615)	0	100	(1.721)
Assets, liabilities and equity (end of quarter)						
Cash and cash equivalents	9.510	(18)	11.617			
Total current assets	25.601	(6)	27.353			
Total non-current assets	21.098	4	20.201			
Total assets	46.699	(2)	47.554			
Total current liabilities	19.184	4	18.487			
Total non-current liabilities	6.298	15	5.497			
Equity	21.217	(10)	23.570			
Equity ratio (%)	45,4	(8)	49,6			
Return on equity (%)	(7,9)	(36)	(5,8)			
Employees (end of quarter)	**373**	**12**	**332**			

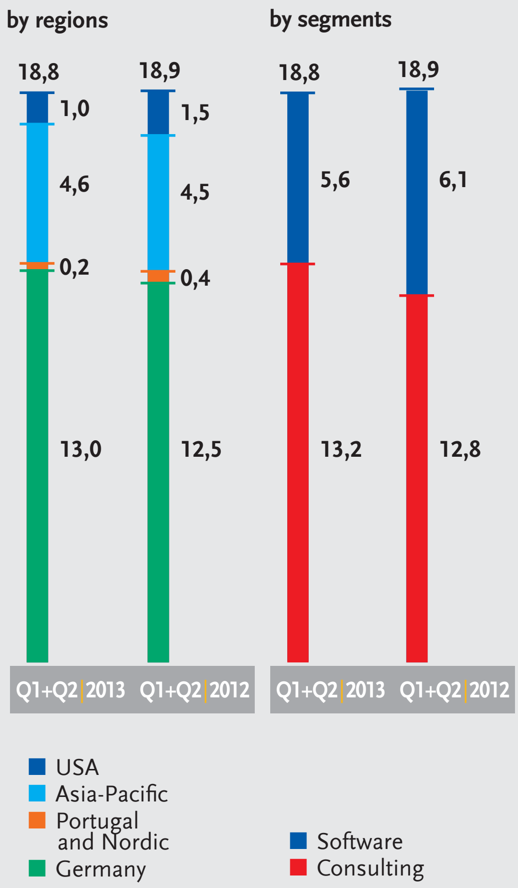
Negative figures are shown in paranthesis.

- Group revenue on a par with the previous year
- Consulting revenues up 3 percent
- Software revenues down by 7 percent
- Operating profit (EBIT) at minus EUR 2.8 million

Employees (end of quarter)



Revenue (millions EUR)



2 To Our Shareholders

Thomas Mayerbacher
(Chief Executive Officer)

DEAR SHAREHOLDERS AND BUSINESS PARTNERS,

The past six months have shown us that the task in front of us is to safeguard the future of the REALTECH Group in the long term. To achieve this, measures are required to improve our access to customers, safeguard the quality of our software and increase the utilization of our consultants' capacity.

These objectives cannot be achieved on an ad-hoc basis and care and planning will be required for implementation. At the same time, we are convinced that we can structure REALTECH's future in a positive way which makes the company fit for the future, based on our customer awareness, our innovative product portfolio and our motivated and superbly trained staff.

Let us look at the figures behind the development to date:

Business development

In the second quarter of 2013, REALTECH recorded **revenue** of EUR 9,354 thousand, which was slightly less than the figure for the same quarter in the previous year (EUR 9,425 thousand). REALTECH achieved almost the same figure for the six months: EUR 18,833 thousand following on from EUR 18,866 thousand in the first six months of 2012. Revenue is divided between the Consulting and Software segments.

As a result of improved capacity utilization, the **Consulting** segment reported revenue of EUR 6,594 thousand in Q2/2013, 3 percent higher than in the previous year (EUR 6,401 thousand). Revenue in the first half of 2013 – at EUR 13,214 thousand – was 3 percent higher than in 2012 (EUR 12,792 thousand). The contribution made by Consulting to total revenue thus increased to 70 percent (previous year: 68 percent).

In the second quarter of 2013, the **Software** segment achieved revenues of EUR 2,760 thousand, 9 percent down on the previous year (EUR 3,023 thousand). Over the first six months, software revenues were 7 percent lower compared with the first half of 2012 at EUR 5,619 thousand (EUR 6,074 thousand). Software revenue as a proportion of total revenue decreased from 32 percent to 30 percent.

In **Germany,** revenue increased by 4 percent from EUR 12,527 thousand to EUR 13,008 thousand over the six month period. The share of Group revenue generated in Germany was 69 percent (previous year: 66 percent). REALTECH revenue generated abroad decreased by 8 percent from EUR 6,339 thousand to EUR 5,825 thousand. This was caused by two opposing movements: revenue in the **Asia-Pacific** region increased by 3 percent from EUR 4,454 thousand to EUR 4,589 thousand, particularly as a result of the continued positive development at REALTECH New Zealand. As in the previous year, this region contributed 24 percent to Group revenue. In contrast, revenue in the **Rest of Europe** region

(Portugal, Nordic) decreased from EUR 354 thousand to EUR 191 thousand. This figure as a share of total revenue thus fell from 2 percent to 1 percent. In the **USA**, revenue fell from EUR 1,532 thousand to EUR 1,045 thousand and the region's share of Group revenue fell accordingly from 8 percent to 6 percent.

Earnings

In view of the 10 percent rise in **cost of sales** compared with the second quarter of the previous year but with sales revenue remaining constant, the **gross profit** over the three-month period fell 15 percent to EUR 3,492 thousand. The gross margin fell from 44 percent to 37 percent. A similar development occurred in the first half of 2013: revenues were constant but cost of sales increased by 7 percent, resulting in a reduction in the gross profit on revenue to EUR 7,420 thousand, down 10 percent. The gross margin fell from 44 percent to 39 percent.

This development can, in particular, be attributed to the decline in gross profit in the Software segment from EUR 5,120 thousand to EUR 4,325 thousand and a gross profit margin, which fell from 84 percent to 77 percent. Gross profit in the Consulting segment rose slightly in absolute terms from EUR 3,090 thousand to EUR 3,095 thousand. In contrast to this, the gross profit margin fell from 24 percent to 23 percent. Consulting therefore contributed 42 percent (previous year: 38 percent) to gross profit, while Software contributed 58 percent (previous year: 62 percent).

Compared to the second quarter of the previous year, **selling and marketing expenses** rose by 41 percent to EUR 2,765 thousand (previous year: EUR 1,960 thousand) and corresponded to 30 percent (previous year: 21 percent) of revenue. As a six-month comparison, an increase of 23 percent to EUR 5,257 thousand (previous year: EUR 4,263 thousand) was reported. Expenses rose from 23 percent to 28 percent of revenues. This rise can primarily be attributed to the expansion of the sales team and marketing activities as well as staff restructuring measures.

In contrast, **administration expenses** fell by 10 percent from EUR 1,406 thousand to EUR 1,263 thousand compared to the same quarter of the previous year. As a percentage, the fall was from 15 percent to 14 percent. Compared to the first six months of the previous year, expenses fell by 6 percent from EUR 2,668 thousand to EUR 2,519 thousand. Based on revenue, the figure fell from 14 percent to 13 percent. The main reasons for this were the reduced investment in personnel recruitment compared to the previous year.

In the quarter under review, REALTECH invested EUR 1,231 thousand (previous year: EUR 1,101 thousand) in **research and development**, equivalent to an increase of 12 percent. As a proportion of revenue, these costs increased from 12 percent to 13 percent. Comparing the two six-month periods, expenses increased by 14 percent from EUR 2,150 thousand to EUR 2,452 thousand, accounting for 13 percent of revenue (previous year: 12 percent). This can be attributed to the Timplify and SAP Infrastructure Management projects.

Other operating expenses fell by 53 percent from EUR 346 thousand to EUR 164 thousand compared to the same quarter in 2012. The reason for this lower figure can primarily be attributed to the fact that the expenses for the previous year included the expenditure for a legal dispute in the USA. Over the six-month period these expenses fell 29 percent from EUR 474 thousand to EUR 337 thousand. Other operating expenses are made up for the most part of expenses from rental, tenancy and operating lease agreements as well as exchange rate losses.

Other operating income essentially comprises rental income from the use of the office building in Walldorf by third parties and currency gains. Based on a comparison of the two quarters, this income decreased by 46 percent from EUR 233 thousand to EUR 125 thousand and by 26 percent from EUR 490 thousand to EUR 364 thousand in the six-month period. This can be attributed, in particular, to the fall in currency gains compared with the previous year.

The result of the effects described was **operating profit (EBIT)** for the second quarter of 2013 of minus EUR 1,805 thousand (previous year: minus EUR 465 thousand). On a half-yearly basis, income from operations decreased from minus EUR 855 thousand in 2012 to minus EUR 2,781 thousand). The main reason for this development was that the investments made did not generate the corresponding revenues.

The **financial result** was minus EUR 110 thousand after six months, having been minus EUR 136 thousand in the previous year. This is made up of interest income and interest expenses. The interest income of EUR 45 thousand (previous year: EUR 38 thousand) was primarily a result of loans and other financial receivables (cash and cash equivalents). The interest expenses primarily comprised financial liabilities relating to finance leasing. Compared to the previous year, they fell from EUR 174 thousand to EUR 155 thousand, which can be attributed to improved conditions in relation to leasing.

The **profit for the year** due to parent company shareholders in the second quarter decreased from minus EUR 861 thousand to minus EUR 1,933 thousand. Based on the average number of 5,385,652 shares, this amounts to **earnings per share** of minus EUR 0.36 (previous year: minus EUR 0.16, also at 5,385,653 shares) for parent company shareholders. The consolidated net income for the first six months decreased to minus EUR 3,110 thousand (previous year: minus EUR 1,535 thousand) and earnings per share fell to minus EUR 0.58 (previous year: minus EUR 0.29).

Financial situation

The **net cash flow from operating activities** for the six-month period reversed from a cash inflow in the previous year of EUR 359 thousand to a cash outflow of EUR 698 thousand. Based on the considerably reduced net income for the year, apart from a series of smaller effects this development primarily resulted in a considerable reduction in trade receivables, on the one hand, and the lower decrease in the figure for deferred income on the other.

Net cash flow from investments in the first half of 2013 produced a cash outflow of EUR 792 thousand. In the previous year there was a cash outflow of EUR 348 thousand. This change was primarily a consequence of increased investment in property, plant and equipment. This particularly involved procuring replacements geared to the future of the company as well as the projects mentioned.

Net cash flow from financing activities was EUR 0 thousand for the first six months of 2013, compared to a cash outflow of EUR 1,615 thousand in the previous year. This figure was greatly influenced by a dividend per share of EUR 0.30 that was distributed in May 2012. The full amount of the retained profit was carried forward to the new account in the year under review.

Assets

Compared with the figure for December 31, 2012, the **total assets** fell by 6 percent on the key date, from EUR 49.676 thousand to EUR 46.699 thousand. The primary reason for this was the reduction in **cash and cash equivalents** (reduction of 16 percent or EUR 1,747 thousand), **trade receivables** (reduction of 7 percent or EUR 846 thousand) and **deferred tax assets** (reduction of 12 percent or EUR 357 thousand). Cash and cash equivalents accounted for 20 percent of assets (December 31, 2012: 23 percent). The reduction caused the deterioration in earnings.

At EUR 21,217 thousand, **equity** was down 14 percent compared to December 31, 2012 (EUR 24,586 thousand). The **equity ratio** on June 30, 2013, at 45.4 percent, was lower than at the end of the previous year (49.5 percent). Equity capitalization continues to form a sound basis for realizing future growth targets.

Employees

At the end of the second quarter of 2013, REALTECH had 373 employees worldwide, 12 percent more than on June 30 of the previous year (332). Of these, 280 and thus 17 percent more than in the previous year were employed in Germany (240). This corresponds to 75 percent of all employees (previous year: 72 percent). On the key date at the end of June, the number of employees working at REALTECH companies in other countries had remained almost constant at 93 (previous year: 92). The number of employees in Portugal fell from 22 to 17, the figure rose from 12 to 16 in the USA and it remained constant at 58 in the Asia-Pacific region.

In the business areas, the following development could be seen on the key date of June 30 compared with the same date in the previous year: in Consulting, the number of consultants rose by ten percent, from 154 to 169. The number of product consultants was 19 (previous year: 18). The Development area saw an increase from 47 to 60 employees or a rise of 28 percent, as a result of projects such as Timplify and SAP Infrastructure Management. The number of employees in Sales rose accordingly by 12 percent from 65 to 73. There was also an increase in Administration from 48 to 52 employees.

Outlook

As we published in the ad hoc disclosure of June 26, 2013, we are presuming that, due to unfilled expectations of sales in the Software business segment, investments in the new Timplify product and the economic situation of individual REALTECH subsidiaries, that it will not be possible to achieve the set income target of income from operations (EBIT) amounting to EUR 2.1 million for the current year. Based on the forecast currently available, we have therefore decided to adjust the revenue and earnings forecast for the 2013 fiscal year: REALTECH expects a negative operating profit for 2013 for a low single-digit million figure.

Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the net assets, financial position and earnings of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining year.

Sincerely,
Thomas Mayerbacher

Note

REALTECH AG has prepared its (non-audited) quarterly 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) applicable as of June 30, 2013 have been taken into account. The figures for the previous year were also determined based on the same standards.

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, 2012. A detailed description of the individual methods is published in the notes of the 2012 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

Shareholder meeting 2013

On May 16, 2013, REALTECH AG held its fourteenth regular General Meeting at the Palatin convention and culture center in Wiesloch. A good 200 shareholders and guests gathered to hear about the future prospects for the company. Daniele Di Croce, Chairman of the Supervisory Board of REALTECH AG, opened the General Meeting and, after reading the usual formalities, handed over to the Chief Executive Officer, Dr. Rudolf Caspary:

With its existing and future products and services, REALTECH is well positioned on the market, but in some areas this is not yet good enough. This is demonstrated by the unsatisfactory business figures in 2012. There continue to be significant challenges that need to be mastered together, and REALTECH is focusing on these. Overall, REALTECH has many opportunities, but also a few risks.

This was followed by a session in which the Executive and Supervisory Boards provided detailed answers to the questions posed by shareholders and their representatives from the German association for the protection of shareholders' rights (Schutzgemeinschaft der Kapitalanleger SdK).

Chairman of the Supervisory Board, Daniel Di Croce, then announced the proportion of shareholders who were represented at the General Meeting – EUR 2,441,055 out of the company's share capital of EUR 5,385,652 were represented, which is equivalent to 45.33 percent (previous year: 55.39 percent).

This was followed by the votes. Individual votes were taken on the use of the net profit from the 2012 fiscal year (Item 2), formal approval of the actions of the Executive Board (Item 3) and Supervisory Board (Item 4) and the appointment of Deloitte & Touche GmbH, Mannheim as auditor and Group auditors for the 2013 fiscal year (Item 5). All the Board's resolutions were passed, with only a few votes against and a small number of abstentions.

FZI

REALTECH and the FZI Research Center for Information Technology at the Karlsruhe Institute of Technology enter research and development partnership

The newly formed collaboration includes research and development concerning the applications of in-memory databases.

REALTECH AG and the FZI Research Center for Information Technology at the Karlsruhe Institute of Technology today announced their research and development collaboration concerning the applications of in-memory databases. The partners will work together to develop practical applications of in-memory databases. In doing so, they will place particular focus on SAP HANA.

Getting the most out of in-memory databases will require a paradigm shift in many areas of IT. New programming languages and design models will become equally important as new approaches and techniques associated with using SAP HANA as the underlying infrastructure for SaaS solutions or carrying out performance analyses for applications that were optimized for in-memory computing.

Prof. Dr. rer. nat. Ralf Reussner, member of the executive board and supervisor in the software engineering research division, will be in charge of the collaboration on the side of the FZI Research Center for Information Technology. He will contribute his many years of experience in researching modern software architectures and in analyzing and predicting the performance of IT applications to move the research project forward.

Prof. Reussner: „REALTECH and the FZI will cooperate closely to deliver innovative software applications on the basis of in-memory technologies. Our research findings will promote the creation of software architectures and data organization models for the efficient use of in-memory calculations. Our focus will be on innovative and high-performing software architectures.“

The collaboration will center on in-memory database design, multi-tenant data models, and the use of in-memory databases for the intelligent analysis of information from multiple data sources to support decision-making processes.

REALTECH has specialized in SAP HANA consulting and training and relies on this technology for its new SaaS application Timplify.

Generali reduces cost of operating SAP

Generali employees are assisted by an extensive SAP infrastructure in the course of their day-to-day work. Workflows in accounting, controlling, asset management, payments and financial accounting are absolutely dependent on efficient and fail-safe SAP applications. Generali is an international group and SAP systems are of high strategic significance for them.

The remit given to REALTECH‘s IT experts was to undertake a feasibility study and a proof-of-concept to evaluate what advantages could be obtained by migrating the SAP systems in Germany and Austria to x86/Linux.

REALTECH‘S IT experts supported GDIS through the entire project – from the feasibility study to migration. This comprised around a hundred servers and databases in the SAP area, 24 system lines for Germany, Austria and twelve Eastern European countries plus one hundred terabytes of data.

“Detailed planning is crucial for such projects. The more complex the project, the greater the care required to prepare the individual work steps,” explained Roland Hanewinkel, SAP Basis Group Leader at GDIS. He continued: “REALTECH provided excellent project management during both the preparation and performance of the work, and we were impressed by their implementation expertise.”

The result is very pleasing: after the successful completion of the project in 2013, the cost of running Generali‘s SAP systems has been reduced by up to 30 percent.

Roland Hanewinkel continued: “REALTECH‘s consultants were extremely flexible when it came to accommodating the special aspects of our organization. Thanks to the quality standards, discipline and excellent technical knowledge of its consultants, we have absolutely no hesitation whatsoever in recommending REALTECH as a project partner.”

About Generali: Accounting for around 17.2 billion euros in premiums and with more than 13.5 million customers in Germany, the Generali Deutschland Group is the second largest primary insurer on the German market. Generali Versicherungen, AachenMünchener, CosmosDirekt, Central Krankenversicherung, Advocard Rechtsschutzversicherung, Deutsche Bausparkasse Badenia, Dialog and the company‘s own service companies are just some of the businesses that belong to the Generali Deutschland Group.

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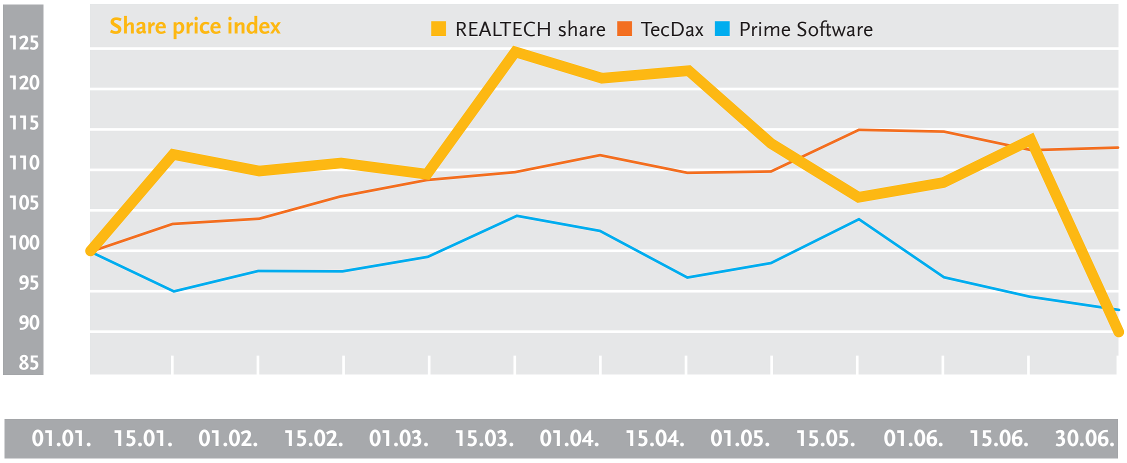
Shares



Share performance and market capitalization

At the beginning of the second quarter of 2013, REALTECH shares were listed at a value of EUR 5.45, increasing to EUR 5.50 the following day, which also represents the highest value for the second quarter. The share value remained at this level until April 23. After the provisional figures for the first quarter of 2013 were published on April 24, the price successively fell, reaching a value of EUR 4.72 on May 23, 2013. This was followed by an upward trend until the share price reached a value of EUR 5.18 on June 12. Following the publication of the profit warning on June 26, 2013, the REALTECH share price fell 25 percent to EUR 3.90, marking the lowest price of the second quarter of 2013. REALTECH shares closed Q2/2013 at a price of EUR 4.04. At the end of the quarter, the company's market capitalization stood at EUR 22 million, corresponding to 103 percent of book equity.

Key figures	Q2 | 2013 EUR	Q2 | 2012 EUR
Earnings per share	(0,36)	(0,16)
Net cash flows per share	(0,08)	0,05
Equity per share	3,94	4,38
Highest share price	5,50	6,42
Lowest share price	3,90	5,05
Share price at year end	4,04	5,20
Market capitalization at end of quarter	22 Mio.	28 Mio.
Number of shares at end of quarter	5.385.982	5.385.982

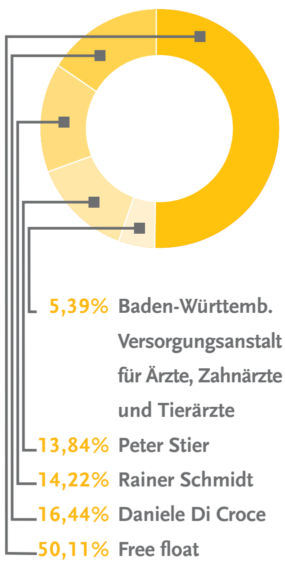
Basics	
Market segment	Prime Standard
Date of issue	26. April 1999
ISIN	700 890
Exchange ID	RTC
Issue price	54,00 EUR

Shares of the issuer and members of executive bodies as of June 30, 2013		
Issuer:	REALTECH AG	- treasury stock
Exacutive Board:	Dr. Rudolf Caspary	43.620 shares
	Thomas Mayerbacher	1.620 shares
Supervisory Board:	Daniele Di Croce	885.500 shares
	Rainer Schmidt	765.500 shares
	Peter Stier	745.500 shares

Shareholder structure and volume of trading in REALTECH shares

The shareholder structure of REALTECH AG remained constant in the second quarter of 2013 compared with the previous quarter. The diversified holding amounted to 50.11 percent.

On average, around 7,798 REALTECH shares were traded every day during the second quarter of 2013 – 51 percent more than during the same quarter in the previous year (5,155). Of the shares, 84 percent were traded in Xetra (previous year: 78 percent), while 16 percent were traded on the other stock exchanges (previous year: 22 percent).



Shareholder Structure
(as of 30.06.2013)

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Consolidated Statement of Comprehensive Income

		Q2 | 2013 EUR	Q2 | 2012 EUR	Q1+Q2 | 2013 EUR	Q1+Q2 | 2012 EUR
Revenue		9.354.085	9.424.654	18.833.083	18.866.352
Cost of sales		(5.861.661)	(5.309.618)	(11.413.395)	(10.657.121)
Gross profit		**3.492.424**	**4.115.036**	**7.419.688**	**8.209.231**
Selling and marketing expenses		(2.764.518)	(1.959.846)	(5.256.532)	(4.262.707)
Administration expenses		(1.262.986)	(1.406.350)	(2.519.163)	(2.668.186)
Research and development expenses		(1.231.419)	(1.100.697)	(2.452.266)	(2.149.833)
Other operating expenses		(163.720)	(345.667)	(336.829)	(473.821)
Other operating income		125.430	232.594	363.875	490.377
Operating profit		**(1.804.789)**	**(464.930)**	**(2.781.228)**	**(854.939)**
Interest income		19.222	16.300	44.853	38.273
Interest expenses		(77.006)	(85.920)	(154.948)	(174.294)
Finance income		**(57.784)**	**(69.620)**	**(110.095)**	**(136.021)**
Profit before tax		**(1.862.573)**	**(534.550)**	**(2.891.323)**	**(990.960)**
Income tax expenses		(62.568)	(286.884)	(219.938)	(483.672)
Profit for the year		**(1.925.141)**	**(821.434)**	**(3.111261)**	**(1.474.632)**
Profit attributable to:	- Owners to the company	(1.933.187)	(861.436)	(3.110.039)	(1.535.263)
	- Non-controlling interests	8.046	40.002	(1.222)	60.631
Other comprehensive income					
Exchange differences on translating foreign operations		(71.111)	180.151	(257.006)	109.696
Total comprehensive income for the year		**(1.996.252)**	**(641.284)**	**(3.368.267)**	**(1.364.936)**
Profit attributable to:	- Owners to the company	(1.939.014)	(762.167)	(3.200.503)	(1.458.910)
	- Non-controlling interests	(57.238)	120.883	(167.764)	93.974
Earnings per share					
From continuing operations					
- Basic		(0,36)	(0,16)	(0,58)	(0,29)
- Diluted		(0,36)	(0,16)	(0,58)	(0,29)
Average number of shares					
- Basic		5.385.652	5.385.652	5.385.652	5.385.652
- Diluted		5.385.652	5.385.652	5.385.652	5.385.652

Consolidated Statement of Cash Flows

	Q1+Q2 | 2013 EUR	Q1+Q2 | 2012 EUR
Profit for the year	**(3.111.261)**	**(1.474.632)**
Depreciation and amortization of non-current assets	758.470	591.775
Income tax expenses	219.938	483.672
Finance income, net	110.096	136.022
Gains/losses on disposals of non-current assets	12.875	45.288
Other adjustments for non-cash items	169.009	(627.356)
Decrease/(increase) in trade receivables	845.982	(370.857)
Decrease/(increase) in other financial assets	401.249	131.659
Decrease/(increase) in other non-financial assets	(521.742)	(452.277)
Increase/(decrease) in trade payables	(693.793)	(50.761)
Increase/(decrease) in financial liabilities	(523.135)	(896.589)
Increase/(decrease) in provisions	(164.589)	35.319
Increase/(decrease) in deferred revenue	2.324.288	3.198.897
Interest paid	(154.948)	(174.294)
Interest received	44.853	38.273
Income taxes paid, net of refunds	(415.103)	(364.787)
Net cash flows from operating activities	**(697.811)**	**249.349**
Purchase of intangible assets and property, plant and equipment	(791.959)	(432.154)
Proceeds on disposal of intangible assets and property, plant and equipment	0	3.842
Net cash inflow from refund of loans by disposed subsidiaries	0	80.812
Net cash flows from investing activities	**(791.959)**	**(347.500)**
Dividends paid to owners of the company	0	(1.614.696)
Net cash flows from financing activities	**0**	**(1.614.696)**
Effects of exchange rate changes on the balance of cash held in foreign currencies	(257.006)	109.695
Net increase/(decrease) in cash and cash equivalents	**(1.746.776)**	**(1.603.152)**
Cash and cash equivalents at the beginning of the year	**11.256.846**	**13.220.235**
Cash and cash equivalents at the end of the year	**9.510.070**	**11.617.083**

5 Consolidated Statement of Financial Position

ASSETS	30.06.2013 EUR	31.12.2012 EUR
Current assets		
Cash and cash equivalents	9.510.070	11.256.846
Other financial assets	384.164	738.317
Trade receivables	10.596.987	11.442.969
Other non-financial assets	972.442	450.701
Tax assets	4.137.507	4.284.312
Total current assets	**25.601.170**	**28.173.145**
Non-current assets		
Goodwill	4.331.514	4.331.514
Other intangible assets	425.080	473.797
Property, plant and equipment	13.339.134	13.291.794
Other financial assets	257.524	304.621
Deferred tax assets	2.744.737	3.101.571
Total non-current assets	**21.097.989**	**21.503.297**
Total assets	**46.699.159**	**49.676.442**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	1.254.445	1.948.238
Financial liabilities	1.660.177	2.047.743
Tax liabilities	6.537.650	6.952.753
Provisions	2.415.845	2.580.435
Deferred revenue	7.315.790	4.991.501
Total current liabilities	**19.183.907**	**18.520.670**
Non-current liabilities		
Financial liabilities	4.556.070	4.691.638
Deferred tax liabilities	1.741.700	1.878.385
Total non-current liabilities	**6.297.770**	**6.570.023**
Total liabilities	**25.481.677**	**25.090.693**
Equity		
Issued capital	5.385.652	5.385.652
Reserves	11.139.952	11.139.952
Retained Earnings	3.312.670	6.600.439
Other components of equity	490.826	586.251
Equity attributable to owners of the company	**20.329.100**	**23.712.294**
Non-controlling interests	888.382	873.455
Total equity	**21.217.482**	**24.585.749**
Total liabilities and equity	**46.699.159**	**49.676.442**

Segment Informations

	Q1+Q2 | 2013 EUR	Q1+Q2 | 2013 EUR
Consulting		
Revenue	13.213.895	12.792.298
Cost of sales	(10.119.340)	(9.702.763)
Gross profit	3.094.555	3.089.535
Software		
Revenue	5.619.188	6.074.054
Cost of sales	(1.294.055)	(954.358)
Gross profit	4.325.133	5.119.696

Consolidated Statement of Changes in Equity

	Q1+Q2 | 2013 EUR	Q1+Q2 | 2012 EUR
Balance at January 1	**24.585.749**	**26.549.155**
Profit for the year	(3.111.261)	(1.474.632)
Exchange rate changes on the balance of cash held in foreign currencies	(257.006)	109.696
Total comprehensive income for the year	**(3.368.267)**	**(1.364.936)**
Payment of dividends	0	(1.614.696)
Balance at June 30	**21.217.482**	**23.569.523**

Financial Calendar

Quarterly Report 3 | 2013	November 07, 2013
Deutsches Eigenkapitalforum, Frankfurt/Main	November 11, 2013
Annual Report 2013	March 27, 2014
Quarterly Report 1 | 2014	May 08, 2014
General Meeting, Palatin, Wiesloch, 10.00 a.m.	May 27, 2014
Quarterly Report 2 | 2014	August 07, 2014
Quarterly Report 3 | 2014	November 06, 2014

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