

Half-year report
HY1 2008



www.rtt.ag



HIGHLIGHTS**Earnings statement**

(preliminary figures)

1st half of 2008

_ Turnover	€12.784 million
Increase compared to the 1st half of 2007 by	+39 percent
_ EBITDA	€1.204 million
Increase compared to the 1st half of 2007 by	+22 percent
_ EBT	€767 thousand
Increase compared to the 1st half of 2007 by	+18 percent

RTT Share

_ Subscribed capital	€3,921,750
_ 12-month price (high/low/current)	€13.27/9.50 /11.00EUR per share
_ Market capitalisation (current)	€43.139 million
_ ISIN / WKN	DE0007012205 / 701220
_ Exchanges traded on	Open Market Frankfurt / Xetra

Munich, August 2008

Dear shareholders,

We are pleased to present you with the half-year report for the period ending June 30, 2008. The following pages contain information about significant activities and financial results for the first six months of the 2008 calendar year. After a strong finish to the 2007 financial year, RTT AG has been able to successfully maintain its impressive rate of growth.

Business development

2008 began with a change on the RTT AG board: Dr Helmut Weinzierl resigned his position on the board of directors at the end of 2007. Tim Bunting, a partner at Balderton Capital, London, was appointed as a new member of the RTT AG board in February 2008. After completing his studies at Cambridge University, Tim Bunting worked for Goldman Sachs for 18 years. Among other positions he held there, he served as a "Global Head of Equity Capital Markets" and "Vice-Chairman of Goldman Sachs International". Since 2005, Tim Bunting has worked for Balderton Capital. In addition to Mr Bunting, the RTT AG board of directors comprises Professor Dr Uli Göhner, Chairman of the Board, and Mr Roberto Schettler.

One particular highlight of the first half of the year was the 9th RTT Conference in the Austrian capital Vienna, where we were pleased to see a record attendance. More than 350 international guests from renowned companies in a range of industry sectors converged on Vienna's impressive Hofburg venue to discuss current trends, developments and practical examples in professional high-end visualisation.

The two-day programme boasted presentations by top speakers and a series of discussion sessions and workshops. For example, Shigeyuki Kazama and Michel Sabouné, joint heads of the "Creative Design Center" at Sony Ericsson, spoke about the challenges presented by global design processes. Shinichi Mukai, President and CEO of the Japanese furniture

manufacturer UCHIDA YOKO, offered a fascinating glimpse into the booming Asian design scene and the use of visualisation technologies for integrated office design. In addition to such contributions from industry representatives, presentations were also held by speakers from financial and academic institutions.

The varied event programme was rounded out by an exclusive high-tech exhibition showcasing presentations of technological innovations made by, among others, Microsoft and NVIDIA. Visitors were also able to view the results of RTT's own research competition "RTT Emerging Technology Contest 2008". We were particularly delighted to see the increasing internationalism of RTT clearly reflected in the international mixture of visitors to the 9th RTT Conference



The 9th RTT Conference at Vienna's historic Hofburg venue

We have already mentioned the growing internationalisation of RTT in previous reports, and in the first half of 2008 this has continued with, for example, the opening of new offices in the Asian-Pacific region. In recent months our subsidiary RTT Asia-Pacific Inc., which is based in Seoul (Republic of Korea), has established branches in Melbourne and Singapore. This is a continuation of our strategy to solidify RTT's market position in Asia-Pacific by expanding our presence regionally.



RTT AG: global locations

In addition, outstanding project developments in the US mean that RTT USA Inc. has rapidly grown to almost 70 employees. Overall RTT has now passed the mark of 300 employees and employs a staff of around 340 around the world.

The launch of the communication forum RTTOpen (www.rttopen.com) was another highlight in first six months of 2008. RTTOpen went live in June. RTT is using this platform to make its award-winning visualisation software RTT DeltaGen accessible to a wider public. In a playful way, programmers and software developers are able to discover more about working with the standard tool of the visualisation world. They can also pursue their creative ideas by developing and testing their own extensions to the software's functionality. Users also have the opportunity to engage in lively discussions about their ideas, questions and coding experiments with other forum members.

The individual business areas

Virtual Prototyping

Over the past six months, the business area "Virtual Prototyping" has been busy preparing and developing the new software versions RTT DeltaGen 8.0 and RTT PictureBook 4.0 (previously known as RTT Portal). With their new innovative features, these applications pave the way for a new kind of design process:

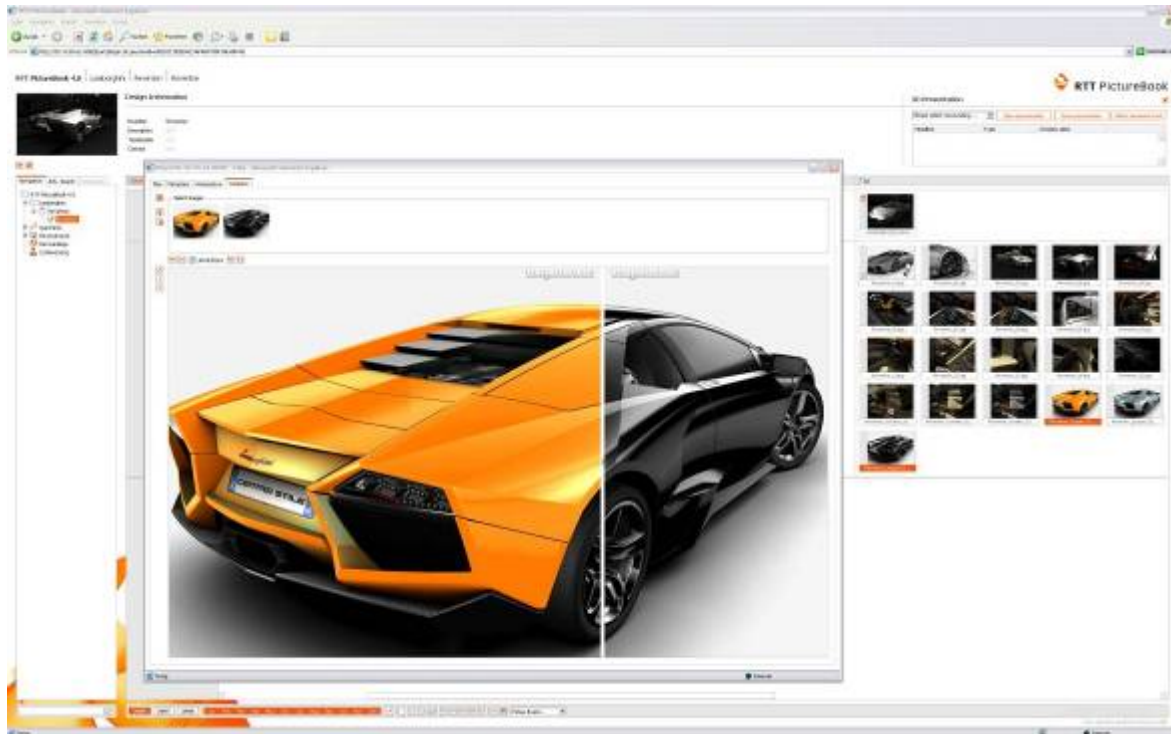
RTT DeltaGen 8.0 now boasts a completely revised look concept. This makes it even more enjoyable and convenient for designers to work on virtual models. Of particular note is the new CFD (computational fluid dynamics) module RTT RealFluid. This module enables the visualisation of flow simulation information in real time in order to depict physical processes, such as aerodynamic currents, in a realistic fashion. RTT RealFluid has actually managed to build a visual bridge between engineering and design.



RTT RealFluid: physically accurate airflows are displayed on a model in real time.

For the first time, RTT DeltaGen 8.0 also integrates state-of-the-art RTT DGScale technology. This allows visual effects to be displayed even faster in real time within the RTT RealTrace module. Such rapid rendering is achieved via multi-GPU support, which ensures optimal distribution of processing across the graphics cards available to RTT RealTrace.

RTT PictureBook 4.0 makes the workflow management of visualisation projects extremely efficient. The management of materials is tightly integrated with RTT DeltaGen and the material workflow is centralised. Parallel workflows provide designers with the advantage of being able to work on the creation of materials while at the same time deploying them for use. RTT PictureBook also makes it significantly easier to work with team members across the globe.



RTT PictureBook: an integrated, individual solution for the management of visual data that provides a clear overview and links teams.

The household appliances manufacturer Miele and Eurocopter Deutschland GmbH are the latest internationally renowned companies to implement RTT visualisation technologies. Eurocopter, the leading global brand for civil helicopters is now using RTT DeltaGen at its Donauwörth plant in Germany to achieve realistic visualisations of its latest helicopter models in real time. And to enable it to work more quickly, more cost-efficiently and more accurately during development phases, Miele now relies on a virtual-reality centre featuring RTT DeltaGen to aid the design process for washing machines. The next steps of this partnership will see the technology deployed across the entire process chain – from development to marketing, sales and service.

Virtual Marketing

The importance of cross-media uses of high-end visualisation continues to grow. Over the last six months, we have received numerous requests to provide support for virtual marketing projects. These ranged from the creation of TV commercials for BMW Australia to a realtime light configurator for Axelveiselicht, a well-known manufacturer of high-end design lighting solutions.

We are delighted to have acquired another renowned international customer: BMW Australia. RTT produced three TV spots for BMW Australia (Think 50:50 balance | Think rear wheel drive | Million of Choices?), and these have been broadcast on Australian television since March. Under the slogan "Think 3 – The Ultimate Driving Machine", the advertisements introduce and explain the features of the new BMW 3 Series to viewers by breathtaking animations and camera settings. For example, one of the commercials features a playful depiction of the advantages of BMW rear wheel drive. Further computer-generated images were also used for various print media such as billboards.







“Think 3 - The Ultimate Driving Machine”: computer-generated TV commercials for BMW Australia

The Occhio 3D realtime light configurator is an online shop that has been developed for Axelmeiselicht’s dealers. It allows them to configure lighting fittings, accessories and lamp shades for wall, ceiling, floor and table lights, and also to make selections and place orders. This solves one of the key problems that the Occhio product line was confronted with: as a multifunctional and modular lighting system with countless product variations, printed catalogues were no longer able to deliver a sufficient presentation of the products. Axelmeiselicht’s dealers can now use the configuration system to quickly and effortlessly learn more about different Occhio lights and then select products that suit their own personal product categories.

axelmeiseleight

Occhio

STEP 1	STEP 2	STEP 3	STEP 4	Zurücksetzen		0 / 0 Artikel	🛒
PRODUKTLINE Occhio Puro Occhio Santa	LEUCHTENKORPER Stehleuchten Leseleuchten Tischleuchten	ZUBEHÖR	LEUCHTENKOPF				
OCCHIO MOBIL	LETTURA		LENTE D				
	125 cm	matt chrom					
	matt chrom	drehbar					
		Sensordimmer ()					
Occhio Puro	Lettura, 125 cm, matt chrom	Fuss matt chrom, drehbar, Sensordimmer inkl. LM 730W	Lente D Linse / Glas extrahiert				
Artikel-Nr.		8L5700MMT	8K0044M				
Preis in € inkl. MwSt.		356,24 / 472,00	163,03 / 194,08	Summe	526,67 / 666,08	↳ Lichtwirkung	↳ Strahlm

Logout

3D realtime light configurator for Occhio

Another highlight in recent months has been the extension of the Rolls Royce Phantom Coupé configurator. The user can now select between countless design variations: 9 finish colours, 5 types of rim, 20 leather colours and 11 types of wood. Of particular note is the ability to view the configured vehicle in a short, 2-minute film. After an exhilarating camera flyby around the vehicle, through the interior, and close-ups across the dashboard, users are able to evaluate and, if necessary, modify the features. The configurator is used by Rolls Royce dealers on site in their showrooms and on the laptops of the external sales force.

In the future, Nissan North America will use RTT's "Virtual Garage" to develop and manage 3D models. This involves the conversion of CAD files for the Nissan models sold in the US, including all variations and configurations. Such files are then available for optimal use in non-engineering – primarily marketing and sales – contexts.

Financials, Months 1 - 6 2008

Global turnover for RTT AG (consolidated, based on preliminary results) rose from €9.182 million in the first half of 2007 to €12.784 million in the same period this year. This increase was achieved through the expansion of international business, growth within the existing customer base, and winning new customers. EBITDA rose by 22% to €1.204 million. Overheads for staff salaries rose by 40%.

In cash flow from operations, the item "Increase/decrease in receivables from misc. assets", valued at €9.249 million, reflects balance sheet deferrals (reduction of receivable arrears) associated with the raising of capital completed at the end of the previous year. Cash flow from investment activities has decreased again to -€1.039 million. This tendency is expected to continue for the whole year.

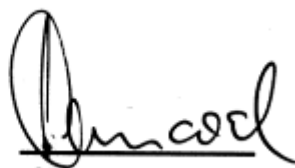
In the first half of 2008, the company bought back 35,000 of its own shares for an average price of €11.06. The company now owns a total of 40,500 of its own shares with an average value of €9.89.

Munich, August 2008

RTT Board of Directors



Ludwig Fuchs



Christoph Karrasch

Annexes

- Earnings statement 1st half year 2008 pursuant to HGB [German Commercial Code]
- Balance sheet as of June 30, 2008
- Cash flow 1st half year 2008

_ Earnings statement 1st half year (HY) 2008 pursuant to HGB [German Commercial Code]

	1st HY 2007 EUR	1 HY 2008 EUR
Turnover	9,182,241.30	12,783,577.57
Misc. operating revenues	179,333.60	56,088.35
Material expenses; expenses for services received	1,062,239.09	1,238,102.88
Staffing expenses	5,276,662.21	7,363,988.99
Misc. operating expenses	2,034,344.96	3,034,041.07
EBITDA	988,328.64	1,203,532.98
Write-downs on tangible and intangible assets	431,667.69	625,129.94
EBIT	556,660.95	578,403.04
Interest revenues and payments	93,067.34	188,360.25
EBT	649,728.29	766,763.29
Income tax	166,615.73	305,599.99
Misc. taxes	2,019.64	3,073.89
Preliminary net earnings	481,092.92	458,089.41
Preliminary earnings per share (3,921,750 shares)	0.12	0.12

_ Balance sheet, June 2008

	2007 EUR	2008 EUR
Assets		
Liquid funds	985,303.57	4,922,040.68
Short-term securities	3,548,078.20	8,121,512.76
Accounts receivable	3,811,447.25	6,192,604.26
Inventory	424,081.40	315,108.89
Prepayments and misc. assets	219,585.80	435,025.95
Total current assets	8,988,496.22	19,986,292.54
Tangible assets	1,662,433.33	2,384,291.30
Intangible assets	783,245.79	946,475.37
Total fixed assets	2,445,679.12	3,330,766.67
Total assets	11,434,175.34	23,317,059.21
Liabilities		
Accounts payable	730,673.25	797,775.73
Reserves and contingencies	1,695,913.00	1,023,424.08
Accruals and misc. liabilities	1,894,124.16	3,688,167.17
Total current liabilities	4,320,710.41	5,509,366.98
Pension reserves	105,417.00	122,635.00
Total long-term reserves	105,417.00	122,635.00
Subscribed capital	3,116,000.00	3,921,750.00
Capital reserve	1,173,046.00	9,890,606.00
Reserve for own shares	13,241.10	400,390.10
Profit reserve	2,227,014.85	3,061,828.24
Accumulated profit	481,092.92	458,089.41
Currency conversion adjustment	-2,346.94	-47,606.52
Total liabilities	11,436,522.28	23,317,059.21

_ Cash flow 1st half year (HY) 2008

	1st HY 2007 '000 EUR	1st HY 2008 '000 EUR
Cash flow from operations		
Surplus/Deficit	481	458
Write-downs	432	625
Increase/decrease in long-term reserves		
Increase/decrease in WIP	51	208
Increase/decrease in misc. inventory		
Increase/decrease in accounts receivable	184	-458
Increase/decrease in receivables from affiliated companies		
Increase/decrease in receivables from misc. assets	14	9.249
Increase/decrease in reserves	-237	-1.268
Increase/decrease in accounts payable	64	-523
Increase/decrease in prepayments	-59	-95
Increase/decrease in accruals	1.479	943
Total	2.409	9.139
Cash flow from investment activity		
Disposals/investments in intangible assets		
Disposals/investments in tangible assets	-801	-1.039
Disposals/investments in financial assets		
Total	-801	-1.039
Cash flow from financing activity		
Change in capital	-2	-23
Misc. operating revenues		
Increase/decrease in bank loans/overdrafts		
Increase/decrease in misc. liabilities	-356	285
Total	-358	262
Cash at beginning of period	3.284	4.682
Increase/decrease	1.250	8.362
	4.534	13.044