

Quarterly report
First Quarter, 2006



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HIGHLIGHTS

Earnings statement according to US GAAP

Preliminary results

1st Quarter, 2006

_ Turnover	2.765 thousand
Increase compared to previous year by	+62 percent
_ EBITDA	343 thousand
Increase compared to previous year by	+19 percent
_ EBT	287 thousand
Increase compared to previous year by	+23 percent
_ Operative cash flow	844 thousand
Increase compared to previous year by	+84 percent

Dear Shareholder,

We had a successful start to the year, and are pleased to inform you about it. The first quarter in 2006 was dominated by the preparations for the 7th RTT Conference that took place in the Salzburg Residence in early May. Over three hundred experts from thirty countries were there to find out about the latest developments in professional visualisation, exchange ideas and make new contacts at the most successful RTT Conference to date. We succeeded in attracting speakers from famous names in the automotive and consumer-goods industries as well as outstanding research institutions again this year. Presentations with an emphasis on marketing and sales – and therefore, the Virtual Showroom – attracted a remarkable level of interest.



Salzburg Residenz

Business areas

VIRTUAL PROTOTYPING

One main focus of the 7th RTT Conference was naturally placed on our developments in the software area to be launched on the market in June.

RTT DeltaGen 6.0

The new RTT DeltaGen Version 6.0 has undergone significant improvement in realistic visualisation, ease of use and process acceleration, and comes with a series of new functions.

We would like to emphasise the following innovations:

RTT RealTrace is the first real-time ray-tracing solution that can seamlessly connect the existing real-time image generation mode (OpenGL rendering) and ray tracing. This is the first solution to be able to display the characteristics of materials such as glass and chrome (reflection, refraction and absorption) correctly in real time and present an extremely realistic general visualisation of a future product in connection with other materials developed in the past such as leather, carbon and so on.

Apart from that, RTT RealTrace enables visualisation of effects such as a dashboard reflected in the windscreen.

There can be no realistic impression without light and shadow. **RTT RealLight** makes it possible. You can park a virtual vehicle in the Nevada desert and watch it as the sun rises and sets; the same car under the midnight sun in the far north of Norway is just a mouse click away. RTT RealLight provides a global illumination solution that enables interactive assessment of effects such as shadows, reflected light and colour bleeding. You can set the lighting situation to be represented as you require. You can delete, add and alter the light sources and their parameters without recalculating the situation.

_RTT Portal – Version 2

We have been working full steam on the second version of the RTT Portal Asset Management Tool after the positive feedback from the first version. RTT Portal enables digital prototypes to be stored in structured form, linked with comments and development steps to be documented for later reference, thus significantly simplifying the design management process.

New features in RTT Portal Version 2 are:

- _ Location-independent projects
- _ Integrated conferencing
- _ Improved rights concept
- _ Powerwall support



VIRTUAL SHOWROOM

Audi

The Audi Q7 Viewer has developed very positively. The interactive 3D representation of the new Audi Q7 has been successfully used at trade fairs, dealer conferences and promotion events.



Audi Q7 Viewer

DNP

A strategic alliance with Dai Nippon Printing Co. Ltd (DNP), a major Japanese printing company, has given us a range of opportunities on the Asian communications market. A web special including various 3D VR turns, camera trajectories and high-resolution images has already been prepared as a pilot project.

General Motors Europe

Visitors at the General Motors booth at the Geneva Automobilsalon car show were given the opportunity of seeing automobile designers at GM at work. Actual designer desks were set up, and visitors could see for themselves the potential benefit of 3D technology in design using the new Opel GT as an example.

Opel

This quarter was highly successful regarding our working relationship with Opel. The Opel Car Creator has been extended further, and new models have been added to the system. The Opel Astra TwinTop launch was especially well supported. The roof animation is particularly worth mentioning, as it was a physically accurate representation of the actual car. Other vehicles are to be entered into the OCC system by the middle of the year.

High-quality images have been created for external advertising, and segments have been used for a TV advertisement in a pan-European communications campaign.

Porsche

The visual and technical attractions of the new 911 Turbo and 911 GT3 models have been implemented in the web for the launch of the two new Porsche models.

Toyota , Lexus

New and successful web specials have been created for the Japanese car manufacturer on the US market this quarter. The web specials have shown a high degree of effectiveness and appeal. This quarter saw the focus set on the new RAV4 launch, which was successfully visualised in projects including a trade-fair film for the Geneva Automobilsalon car show.



Toyota RAV4

FINANCIAL REVIEW, FIRST QUARTER, 2006

Preliminary comments:


While finalising and auditing the annual reports for 2005, liabilities contained in the balance sheet, but not the earnings statement valued at €800 thousand were liquidated but not booked until January 1, 2006, as they refer to deliveries to be made in 2006.

For the purposes of clarity, the annex contains the final and audited figures for the year 2005 in addition to the preliminary results for the first quarter of 2006.

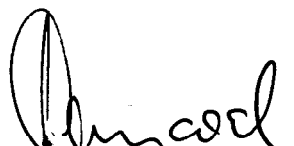
Total turnover for the first quarter of 2006 exceeded the level of the previous year at €2,765 thousand compared to €1,705 thousand, an increase of 62%. EBITDA increased by 19% to €343 thousand, while EBT rose by 23% to €287 thousand. At €844 thousand, cash flow from operations for the first quarter of 2006 increased by 84% over the previous year's figure.

Munich, May 2006

RTT directors



Ludwig Fuchs



Christoph Karrasch

Annex

Q1 2006 FIGURES

- _ Earnings Statement according to US GAAP
- _ Earnings Statement according to HGB [German Commercial Code]
- _ March 2006 Balance Sheet
- _ Cash Flow (HGB)

FINAL ANNUAL FIGURES FOR THE YEAR 2005

- _ Earnings Statement according to US GAAP
- _ Earnings Statement according to HGB [German Commercial Code]
- _ December 2005 Balance Sheet
- _ Cash Flow (HGB)



_ Q1 2006 Earnings Statement

US-GAAP

	Q1, 2005 EUR	Q1, 2006 EUR
Turnover	1,705,218.08	2,764,893.37
Misc. operating revenues	18,510.65	38,785.28
Material expenses; expenses for services received	145,829.65	79,336.85
Staffing expenses	985,314.01	1,653,691.92
Misc. operating expenses	305,677.84	728,046.80
EBITDA	286,907.23	342,603.08
Write-downs on tangible assets as well as intangible assets	82,255.35	112,125.92
EBIT	204,651.88	230,477.16
Interest revenues and payments	28,534.16	56,583.81
EBT	233,186.04	287,060.97
Income tax	96,822.99	142,860.06
Misc. taxes	294.51	841.44
Preliminary net earnings according to US GAAP	136,068.54	143,359.47
Preliminary earnings per share	0.47	0.09

_ Q1 2006 Earnings Statement
HGB [German Commercial Code]

	Q1, 2005 EUR	Q1, 2006 EUR
Turnover	1,705,218.08	2,764,893.37
Misc. operating revenues	18,510.65	38,785.28
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Misc. taxes	294.51	841.44
Annual surplus	136,068.54	143,359.47

_ Balance Sheet as of March 31, 2006

	2005 EUR	2006 EUR
Assets		
Liquid funds	627,592.70	515,451.55
Short-term securities	2,592,649.63	4,536,093.96
Accounts receivable	1,031,036.29	1,835,737.91
Inventory	95,000.00	140,000.00
Prepayments and misc. assets	212,726.65	289,008.26
Total current assets	4,559,005.27	7,316,291.68
Tangible assets	561,914.76	1,183,521.47
Intangible assets	68,358.32	79,624.12
Total fixed assets	630,273.08	1,263,145.59
Total assets	5,189,278.35	8,579,437.27
Liabilities		
Accounts payable	209,721.18	248,189.53
Reserves and contingencies	405,413.80	1,383,143.71
Accruals and misc. liabilities	1,187,757.02	1,206,515.02
Total current liabilities	1,802,892.00	2,837,848.26
Pension reserves	76,171.00	90,481.00
Total long-term liabilities	76,171.00	90,481.00
Signed equity	287,612.00	1,558,000.00
Capital reserve	2,322,274.00	2,731,046.00
Reserve for own shares	13,241.10	13,241.10
Profit reserve	551,019.71	551,019.71
Accumulated profit	136,068.54	797,801.20
Total liabilities	5,189,278.35	8,579,437.27

_ Cash Flow

HGB

	Q1, 2005	Q1, 2006
	€ thousand	€ thousand
Cash flow from operations		
Annual surplus/deficit	136	143
Write-downs	82	112
Increase/decrease in long-term reserves		
Increase/decrease in WIP		45
Increase/decrease in misc. inventory		
Increase/decrease in accounts receivable	141	65
Increase/decrease in receivables from affiliated companies		
Increase/decrease in receivables; misc. assets	-20	-64
Increase/decrease in reserves	-205	39
Increase/decrease in accounts payable	-331	-193
Increase/decrease in prepayments	-93	-35
Increase/decrease in accruals	748	732
Total	458	844
Cash flow from investment activity		
Disposals/investments in intangible assets		
Disposals/investments in tangible assets	-138	-302
Disposals/investments in financial assets		
Total	-138	-302
Cash flow from financing activity		
Change in capital		
Misc. operating revenues		
Increase/decrease in bank loans/overdrafts		
Increase/decrease in misc. liabilities	-62	-115
Total	-62	-115
Cash at beginning of period	2,962	4,625
Increase/decrease	258	427
Cash at end of period	3,220	5,052

_ Earnings Statement, 2005

US GAAP

	2004 EUR	2005 EUR
Turnover	6,485,404.60	9,671,089.2
Misc. operating revenues	60,655.99	89,314.49
Material expenses; expenses for services received	693,482.43	837,431.16
Staffing expenses	3,630,386.53	5,474,170.66
Misc. operating expenses	1,456,288.97	2,074,985.08
EBITDA	765,902.66	1,373,816.79
Write-downs on tangible assets as well as intangible assets	283,228.57	342,697.70
EBIT	482,674.09	1,031,119.09
Interest revenues and payments	56,117.17	91,332.49
EBT	538,791.26	1,122,451.58
Income tax	226,686.91	466,760.79
Misc. taxes	1,334.83	1,133.92
Preliminary net earnings according to US GAAP	310,769.52	654,556.87
Preliminary earnings per share	1.08	0.42

_ Earnings Statement, 2005

HBG

	2004 EUR	2005 EUR
Turnover	6,485,404.60	9,671,089.20
Misc. operating revenues	60,655.99	89,314.49
Material expenses; expenses for services received	693,482.43	837,431.16
Staffing expenses	3,630,386.53	5,474,170.66
Misc. operating expenses	1,456,288.97	2,074,985.08
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EBT	538,791.26	1,122,451.58
Income tax	226,686.91	466,760.79
Misc. taxes	1,334.83	1,133.92
Annual surplus	310,769.52	654,556.87

_ Balance Sheet as of December 31, 2005

HBG

	2004 EUR	2005 EUR
Assets		
Liquid funds	407,476.10	1,929,655.35
Short-term securities	2,554,146.92	2,695,490.36
Accounts receivable	1,171,604.29	1,900,957.23
Inventory	95,000.00	185,000.00
Prepayments and misc. assets	102,008.05	201,861.89
Total current assets	4,330,235.36	6,912,964.83
Tangible assets	498,025.55	992,587.14
Intangible assets	76,344.93	77,983.79
Total fixed assets	574,370.48	1,070,570.93
Total assets	4,904,605.84	7,983,535.76
Liabilities		
Accounts payable	540,722.31	440,993.76
Reserves	610,081.22	1,344,243.08
Accruals and misc. liabilities	503,484.50	599,954.24
Total current liabilities	1,654,288.03	2,385,191.08
Pension reserves	76,171.00	90,481.00
Total long-term liabilities	76,171.00	90,481.00
Signed equity	287,612.00	1,558,000.00
Capital reserve	2,322,274.00	2,731,046.00
Reserve for own shares	13,241.10	13,241.10
Profit reserve	240,250.19	551,019.71
Accumulated profit	310,769.52	654,556.87
Total liabilities	4,904,605.84	7,983,535.76

_ Cash Flow, 2005

HGB

	Q4, 2004 € thousand	Q4, 2005 € thousand	2004 € thousand	2005 € thousand
Cash flow from operations				
Annual surplus/deficit	12	211	311	655
Write-downs	101	101	283	343
Increase/decrease in long-term reserves	76	4	76	14
Increase/decrease in WIP	-40		1	-90
Increase/decrease in misc. inventory		25		
Increase/decrease in accounts receivable	207	-195	-532	-730
Increase/decrease in receivables from affiliated companies				
Increase/decrease in receivables; misc. assets	11	-20	10	-29
Increase/decrease in reserves	-81	298	189	734
Increase/decrease in accounts payable	322	107	397	-100
Increase/decrease in prepayments	-7	-24		-63
Increase/decrease in accruals	14	-203	135	-59
Total	615	304	870	675
Cash flow from investment activity				
Disposals/investments in intangible assets				
Disposals/investments in tangible assets	-94	-345	-379	-839
Disposals/investments in financial assets				
Total	-94	-345	-379	-839
Cash flow from financing activity				
Change in capital		1,679		1,679
Misc. operating revenues				
Increase/decrease in bank loans/overdrafts				
Increase/decrease in misc. liabilities	-43	126	64	148
Total	-44	1,805	64	1,827
Cash at beginning of period	2,484	2,861	2,407	2,962
Increase/decrease	478	1,764	555	1,663
Cash at end of period	2,962	4,625	2,962	4,625