

Quarterly report
First quarter, 2007



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HIGHLIGHTS**Earnings statement according to HGB [German Commercial Code]**

Preliminary results

1st Quarter 2007

_ Turnover	EUR 4,022 thousand
Increase compared to previous year by	+45 percent
_ EBITDA	EUR 553 thousand
Increase compared to previous year by	+62 percent
_ EBT	EUR 378 thousand
Increase compared to previous year by	+32 percent
_ Operative cash flow	+ EUR 2.376 thousand

RTT Share

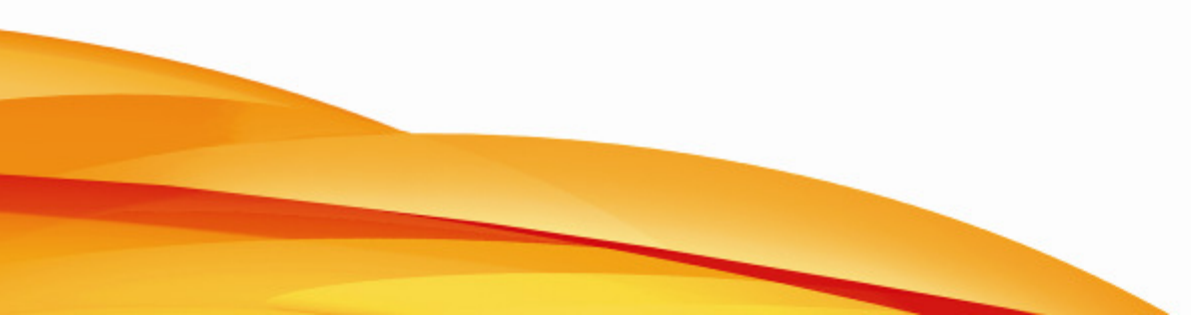
_ Signed capital	€3,116,000
_ Share price over 12 months (peak/trough/current)	11.60 / 7.60 / 11.15 EUR per share
_ Market capitalisation (current)	EUR 34,743,000
_ ISIN/WKN	DE0007012205 / 701220
_ Exchanges traded on	Open Market Frankfurt / Xetra

Munich, May 2007

Dear Shareholder!

We have experienced an upbeat start to the year with a number of positive events. Preparations for the 8th RTT conference took up much of the first three months; the conference was finally held in Berlin in the middle of May, its venue a listed industrial railway station near Potsdamer Platz. "The Station" – formerly the Dresdner Bahnhof railway station – is a popular venue for Berlin's design community, and provided the participants at the RTT conference with an international forum for professional 3D visualisation. More than 350 designers, virtual-reality specialists and marketing experts were there to follow a number of presentations held by high-profile speakers from companies such as Audi, Porsche, Toyota and Volkswagen on the effective deployment of 3D visualisation in a plethora of corporate activities. Two highly regarded universities, Berlin's University of the Arts and the Art Center College of Design based in Pasadena, California, also added to the successful presentation repertoire.

The conference was rounded off with expert talks on Virtual Prototyping and Virtual Showroom topics. The exhibition running alongside the conference was the largest ever on high-end, high-resolution hardware to take place at the conference, taking up more than a thousand square metres of floorspace. A spectacular evening show at Berlin's Wintergarten Varieté brought the first day to a perfect end.





8th RTT Conference: Main stage with industry impression

As we have already mentioned in the last quarterly report, our internationalisation programme in the USA and Asia is marching ahead at full strength. After the official opening of the RTT USA Inc. office in Pasadena, California, the Michigan office also moved into new premises to create more room for expansion. The US-American subsidiary, now the largest office second to the Munich headquarters, continued to expand in the first quarter, and now counts over thirty employees.



RTT USA INC.: New offices for the US-American subsidiary in Michigan

We published a share prospectus at the beginning of January for floatation on the open market at the Frankfurt Stock Exchange. This prospectus offers investors an additional opportunity of experiencing and assessing the developments, prognoses and risks Realtime Technology AG faces, allowing the company a more up-front IR communications approach in the future. It is available for download on our website, www.rtt.ag, under *Investor Relations*. We will be giving the IR pages on our website a complete overhaul in the next few weeks.

Individual Business Areas

Virtual Prototyping

The 8th RTT Conference mainly focussed on presenting improvements to our real-time 3D visualisation software package, RTT DeltaGen 7.0, which will be launched onto the market in July.

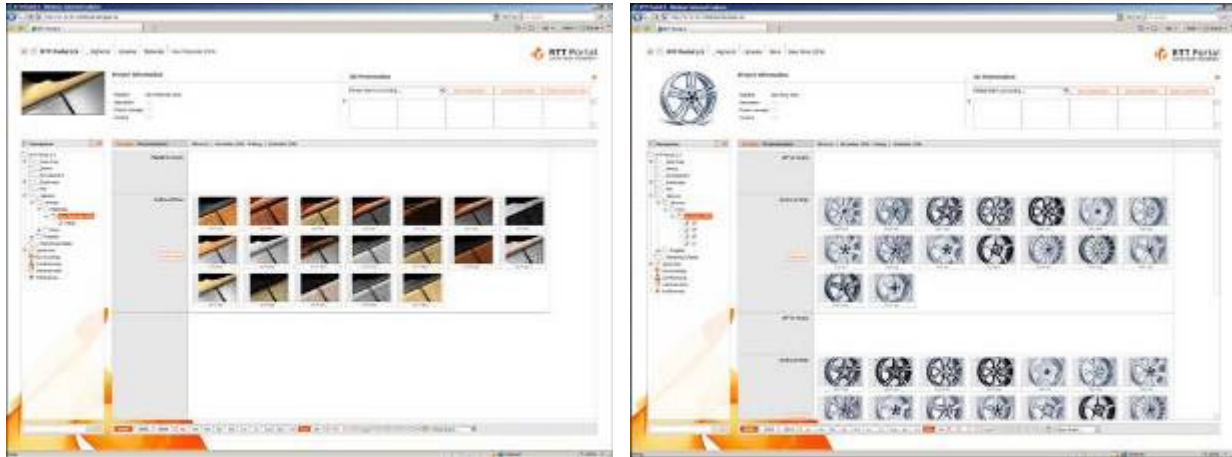
In its latest version, RTT DeltaGen 7.0 comes with significantly extended and improved features for even more realistic visualisation of real-time models as well as a host of new options for speeding up the process. Apart from that, we presented a number of new functions improving usability and flexibility in the software.





Presentation of new functions in RTT DeltaGen 7.0

The new version of RTT Portal was also presented at the conference. Already successfully deployed by a large number of customers, the digital asset management tool's new functionality provided by a closer connection between RTT DeltaGen and RTT Portal has been a welcome improvement; it is now possible to access object and material libraries (such as the rims database) from RTT DeltaGen in RTT Portal 3.0 to load a variety of materials and objects into the current scene. Managing the endless numbers of virtual objects and materials available in one company and its various departments has been simplified to a great extent.



Material and object library in RTT Portal 3.0

Digital Marketing

The first three months have seen a number of impressive projects successfully implemented at the Geneva Motor Show using Digital Marketing, formerly Virtual Showroom. As an example, Maserati presented its new model, the GranTurismo. At the same time as the world launch, a full-CG video produced by RTT was presented, a film showing the new sports car speeding through atmospheric backdrops.

A thorough automobile configurator was produced for Ferrari to be presented at the Geneva Motor Show for the first time. The Configurator provides 4,5¹⁸ various combinations for the Ferrari 599 alone to create a dream machine. The Ferrari Car Configurator has set new standards in functionality, and is still being extended.

Audi presented its new A5 model. The presentation in Geneva was supported by the Audi A5 Viewer produced by RTT. This showroom application offers the customer a wide-ranging variety of configurations to view the new coupé interactively and visualize it in 3D

in a host of variations. A fascinating web special, a full-CG film also produced by RTT, was shown alongside the presentation.

We are pulling out all the stops on a wide range of projects for the Frankfurt IAA International Motor Show in September.



Geneva Motor Show: Audi A5 presentation including the Audi A5 Viewer

RTT has attracted new customers and new departments from existing customers for CGI (computer-generated imaging); for example, Toyota Germany's largest presentation to date for the new Auris model received substantial support from RTT in the production of computer-generated image material. Apart from a large number of posters of the interior to be admired in eighty-eight German cities, the new Auris was perfectly rendered in an impressive online game. The principle of integrated product communication, while creating a huge variety of innovative representation possibilities and communications materials from one CAD data record, was clearly implemented and, in every sense of the word, visualised in this project.



Toyota Auris: CGI production

FINANCIALS FOR THE FIRST QUARTER OF 2007

Preliminary note:

During the 2006 annual report's finalisation and audit, the figures for the financial year have been adapted to their final form in consultation with the auditors. There were no major changes affecting turnover or earnings. The auditor issued a non-restrictive audit statement.


We have included the final figures for 2006 in this report for the purposes of comparison and clarification.

The first quarter of the 2007 financial year saw an increase of 45 percent in total turnover at EUR 4,022 thousand compared to the previous year's figure of EUR 2,765 thousand. The

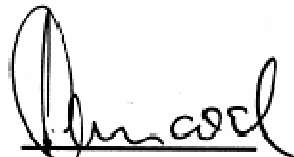
EBITDA figure increased by 62 percent to EUR 553 thousand, while EBT increased by 32 percent to EUR 378 thousand. Operative cash flow reached an unprecedented level of EUR 2,376 thousand in the first quarter of 2007.

Munich, May 2007

RTT directors



Ludwig Fuchs



Christoph Karrasch

Annex

FINANCIAL STATEMENTS Q1 2007

- _ Earning Statement according to HGB [German Commercial Code]
- _ Balance Sheet as of March 2007
- _ Cash Flow according to HGB [German Commercial Code]

FINANCIAL STATEMENTS TOTAL YEAR 2006

- _ Earnings Statement according to HGB [German Commercial Code]
- _ Balance Sheet as of December 2006
- _ Cash Flow according to HGB [German Commercial Code]



_ Earning Statement Q1 2007, according to HGB [German Commercial Code]

	Q1 2006 EUR	Q1 2007 EUR
Turnover	2,764,893.37	4,021,597.13
Misc. operating revenues	38,785.28	129,871.23
Material expenses; expenses for services received	79,336.85	231,349.85
Staffing expenses	1,653,691.92	2,581,202.30
Misc. operating expenses	728,046.80	785,496.09
EBITDA	342,603.08	553,420.12
Write-downs on tangible assets as well as intangible assets	112,125.92	211,112.76
EBIT	230,477.16	342,307.36
Interest revenues and payments	56,583.81	35,689.10
EBT	287,060.97	377,996.46
Income tax	142,860.06	102,692.45
Misc. taxes	841.44	1,048.51
Preliminary net earnings according to HGB [German Commercial Code]	143,359.47	274,255.50
Preliminary earnings per share (3,116,000 shares)	0.05	0.09

_ Balance Sheet as of March 31, 2007

	2006	2007
	EUR	EUR
Assets		
Liquid funds	515,451.55	1,729,979.05
Short-term securities	4,536,093.96	3,396,296.97
Accounts receivable	1,835,737.91	3,222,146.82
Inventory	140,000.00	384,794.35
Prepayments and misc. assets	289,008.26	231,320.19
Total current assets	7,316,291.68	8,964,537.38
Tangible assets	1,183,521.47	1,535,889.83
Intangible assets	79,624.12	729,465.60
Financial assets		
Total fixed assets	1,263,145.59	2,265,355.43
Total assets	8,579,437.27	11,229,892.81
Liabilities		
Accounts payable	248,189.53	368,525.22
Reserves and contingencies	1,383,143.71	1,782,179.35
Accruals and misc. liabilities	1,206,515.02	2,170,213.79
Total current liabilities	2,837,848.26	4,320,918.36
Pension reserves	90,481.00	105,417.00
Total long-term liabilities	90,481.00	105,417.00
Signed equity	1,558,000.00	3,116,000.00
Capital reserve	2,731,046.00	1,173,046.00
Reserve for own shares	13,241.10	13,241.10
Profit reserve	551,019.71	2,227,696.60
Accumulated profit	797,801.20	274,255.50
Currency conversion adjustment		-681.75
Total liabilities	8,579,437.27	11,229,892.81

_ Cash Flow, Q1 2007, according to HGB [German Commercial Code]

	Q1 2006	Q1 2007
	€ thousand	€ thousand
Cash flow from operations		
Annual surplus/deficit	143	274
Write-downs	112	211
Increase/decrease in long-term reserves		
Increase/decrease in WIP	45	90
Increase/decrease in misc. inventory		
Increase/decrease in accounts receivable	65	773
Increase/decrease in receivables from affiliated companies		
Increase/decrease in receivables from misc. assets	-64	-25
Increase/decrease in reserves	39	-150
Increase/decrease in accounts payable	-193	-298
Increase/decrease in prepayments	-35	-32
Increase/decrease in accruals	732	1,533
Total	844	2,376
Cash flow from investment activity		
Disposals/investments in intangible assets		
Disposals/investments in tangible assets	-302	-400
Disposals/investments in financial assets		
Total	-302	-400
Cash flow from financing activity		
Change in capital		
Misc. operating revenues		
Increase/decrease in bank loans/overdrafts		
Increase/decrease in misc. liabilities	-115	-134
Total	-115	-134
Cash at beginning of period	4,625	3,284
Increase/decrease	427	1,842
Cash at end of period	5,052	5,126

_ Earning Statement 2006, according to HGB [German Commercial Code]

	2005 EUR	2006 EUR
Turnover	9,671,089.20	14,320,217.00
Misc. operating revenues	89,314.49	325,350.45
Material expenses; expenses for services received	837,431.16	699,441.11
Staffing expenses	5,474,170.66	8,170,902.44
Misc. operating expenses	2,074,985.08	3,623,249.24
EBITDA	1,373,816.79	2,151,974.66
Write-downs on tangible assets as well as intangible assets	342,697.70	550,906.56
EBIT	1,031,119.09	1,601,068.10
Interest revenues and payments	91,332.49	182,865.44
EBT	1,122,451.58	1,783,933.54
Income tax	466,760.79	757,852.62
Misc. taxes	1,133.92	4,078.31
Annual surplus	654,556.87	1,022,002.61
Annual surplus per share (3,116,000 shares)	0.21	0.33

_ Balance Sheet as of December 31, 2006, final

	2005	2006
	EUR	EUR
Assets		
Liquid funds	1,942,896.46	941,855.81
Short-term securities	2,695,490.36	2,341,976.97
Accounts receivable	1,900,957.23	3,995,608.15
Inventory	185,000.00	474,794.35
Prepayments and misc. assets	188,620.79	174,333.00
Total current assets	6,912,964.84	7,928,568.28
Tangible assets	992,587.13	1,353,307.02
Intangible assets	77,983.79	723,181.04
Financial assets		
Total fixed assets	1,070,570.92	2,076,488.06
Total assets	7,983,535.76	10,005,056.34
Liabilities		
Accounts payable	440,993.76	666,289.31
Reserves and contingencies	1,344,243.08	1,932,485.56
Accruals and misc. liabilities	599,954.24	771,433.39
Total current liabilities	2,385,191.08	3,370,208.26
Pension reserves	90,481.00	105,417.00
Total long-term liabilities	90,481.00	105,417.00
Signed equity	1,558,000.00	3,116,000.00
Capital reserve	2,731,046.00	1,173,046.00
Reserve for own shares	13,241.10	13,241.10
Profit reserve	551,019.71	1,205,141.37
Accumulated profit	654,556.87	1,022,002.61
Total liabilities	7,983,535.76	10,005,056.34

_ Cash Flow 2006, final, according to HGB [German Commercial Code]

	2005	2006
	€ thousand	€ thousand
Cash flow from operations		
Annual surplus/deficit	655	1,022
Write-downs	343	551
Increase/decrease in long-term reserves	14	15
Increase/decrease in WIP	-90	-290
Increase/decrease in misc. inventory		-2
Increase/decrease in accounts receivable	-730	-2,095
Increase/decrease in receivables from affiliated companies		
Increase/decrease in receivables from misc. assets	-29	-56
Increase/decrease in reserves	734	588
Increase/decrease in accounts payable	-100	225
Increase/decrease in prepayments	-63	61
Increase/decrease in accruals	-59	23
Total	675	42
Cash flow from investment activity		
Disposals/investments in intangible assets		
Disposals/investments in tangible assets	-839	-1,555
Disposals/investments in financial assets		
Total	-839	-1,555
Cash flow from financing activity		
Change in capital	1,679	
Misc. operating revenues		
Increase/decrease in bank loans/overdrafts		
Increase/decrease in misc. liabilities	148	158
Total	1,827	158
Cash at beginning of period	2,975	4,638
Increase/decrease	1,663	-1,354
Cash at end of period	4,638	3,284