

Q1 2004: Sales and earnings according to plan for 2004

- **SAP license sales up 10 percent**
- **Sales in Outsourcing & Services segment up 25 percent**
- **EBIT increased to EUR 1.2 million / EBIT margin up to 3.7 percent**
- **Successful placement of capital issue strengthens equity base**

Frankfurt, May 11, 2004 – The positive trend that became apparent in the last quarter of 2003 continued in Q1 2004, with itelligence AG reporting a positive earnings performance. In the first three months of the year, the SAP full-service provider generated total sales of EUR 32.8 million. Adjusted for discontinued and closed operations, the company's sales were on a par with the previous year (EUR 33.0 million)*. itelligence's operating result improved significantly. Earnings before interest and taxes (EBIT) climbed from the previous year's negative EUR 0.5 million to a positive EUR 1.2 million, which represents a positive EBIT margin of 3.7 percent (2003: -1.4 percent). Group results to US-GAAP rose from a negative EUR 2.3 million to a positive EUR 0.2 million.

With investments in the IT sector picking up moderately since the beginning of 2004, the company reported an improved order situation (+13 percent) in terms of both order numbers and volumes. This development confirms the success of the company's reorganisation and strategic refocusing implemented in 2003. Today, itelligence AG is one of SAP AG's leading partners for the traditional and upper midmarket.

Sales in the fast-growing Outsourcing & Services segment increased by 25 percent (approx. 30 percent in exchange rate-adjusted terms). The licensing business also developed positively, with SAP licenses - the key activity - growing by 10 percent in nominal terms (20 percent in exchange rate-adjusted terms). Adjusted for currency effects and the discontinued/closed operations, sales in the Consulting segment declined by approx. 5 percent.* Capacity utilisation in this segment was improved significantly, though.

At EUR 17 million, sales in Germany, the key market, were on a par with the previous year (in terms of the adjusted sales of the previous quarter*). Coming in at EUR 8.5 million, European sales were down approx. 2.2 percent on the respective period of the previous year.* US activities developed very favourably, with sales rising by 3.5 percent in exchange rate-adjusted terms.

Based on the clearly improved cost structures, additional cost savings were achieved in sales and marketing, R&D and general administration in Q1 2004.

To bolster the company's equity and liquidity situation, management implemented a second capital issue in March 2004. The successful issue generated gross proceeds of approx. EUR 6.9 million and has clearly strengthened the company's capital structure.

The Managing Board is convinced that the company is excellently positioned for fiscal 2004 and the latest market trends. "itelligence's growth in 2004 will primarily be driven by the midmarket and the Outsourcing & Services segment," said Board Chairman Herbert Vogel. In view of the good order situation in the first few months of 2004, management is confident that the full-year projections will be reached if the market develops constantly.

Detailed information is provided in the interim report for the first quarter of 1/2004, which is available at www.itelligence.de. Additionally, the Managing Board has scheduled a conference call for May 11, 2003, 11 a.m. Contact: Katrin Schlegel, itelligence AG, Phone: +49-521-91448 106; katrin.schlegel@itelligence.de.

*For the sake of comparison, the previous year's sales have been adjusted for discontinued operations (companies sold) and companies/operations that have been shut down.

itelligence AG is a leading international full-service provider for solutions in the SAP environment employing some 1,000 highly qualified employees in 4 regions (America, Western Europe, Germany/Austria, Western Europe). As a mySAP.com Channel, Service and Support Alliance as well as Hosting Partner and Global Services Partner, itelligence realizes complex projects in the SAP environment for over 1,200 customers worldwide. The company's services range from SAP consulting and licensing to outsourcing and services to proprietary industry-specific SAP solutions. In 2003, itelligence AG generated total sales of EUR 145.6 million (including discontinued operations: EUR 150.8 million) (ISIN DE 000 730 040 2).

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