

itelligence AG - a merge of SVC and APCON - presents its new business model

- **global e-business solutions**
- **integration of back-office and front-office**
- **significant increase in earnings per share**

Bielefeld, 19th May 2000 – E-business is revolutionising the world of IT. What are needed are holistic solutions which optimally combine web-based applications (front-office) with business processes (back-office). And this is precisely the area on which itelligence AG is focussing in its role as global e-business enabler. The company was formed on 17th May as a result of the merger between SVC AG which is quoted on the Neuer Markt and APCON AG, which cancelled its Neuer Markt flotation in favour of the itelligence merger.

It is not sufficient just to design colourful e-commerce screens - what determines the success of an e-business solution is the integration of front- and back-office functions, explained Herbert Vogel, management board spokesman of itelligence AG, at today's press conference in Düsseldorf. This is where the new company possesses an immense advantage in terms of know-how, thanks to the years of experience amassed by its staff in the consultancy field. Only those companies which can offer their customers stringent total IT solutions extending from business consulting and Web strategies through ERP integration to Web design are in a position to appreciate the client's individual e-business opportunities, develop these to the full and implement the solution jointly with the client.

APCON's particular strength in the field of e-business and related technology decisively complements the core skills which SVC has made its own. itelligence AG is now superbly equipped to conceive new, web-based business models. In addition to its fundamental knowledge base as a total IT integrator, the new company already boasts e-business skills honed in 76 projects for a total of 55 clients including both SME's and major companies such as Ericsson, Lufthansa and TUI. In addition, itelligence AG is currently developing innovative marketplaces for selected sectors including wholesaling, services and the metals industry. Another important element in the company's focus on global e-business solutions is Internet-based supply-chain integration.

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The company's new business model is rounded off by modern ASP and outsourcing services which are likewise made possible by the complementary skills contributed by the two merged organisations. itelligence's present business model covers all segments of e-business, says Herbert Vogel. And this on a global scale: itelligence is represented in 18 countries worldwide and at the end of the year employed over 1,500 staff.

In the first stage of the merger, the major shareholders in SVC AG and the shareholders of APCON AG are pooling their holdings to form the new itelligence AG on the basis of non-capital contributions. The independent shareholders in SVC AG will be kept fully informed about the merger via the annual meeting of shareholders to be held on 29th June 2000. Thereafter they will receive an offer to swap their SVC shares for shares in itelligence AG – at the same ratio as for the majority shareholders. The exchange ratio will be 1:1, in other words for each SVC share the shareholders will receive one itelligence share. Assuming that all shareholders participate in the share swap, 61 % of the value of the new company will be accounted for by SVC AG and 39 % by APCON AG. Upon expiry of the time limit for the swap, it is intended to trade the new itelligence AG shares on the Neuer Markt in Frankfurt.

The financial prospects are also bright for SVC shareholders. The return on sales at APCON AG is significantly higher than at SVC. In the last financial year the APCON Group reported a return of 19 percent compared with 6 percent at SVC. Leaving aside the integration costs resulting from the merger, earnings per share (i.e. per SVC, alternatively itelligence share) will be 20 percent higher this year compared with SVC's previous budget figures.