

itelligence energy

Interim Report 2/2007

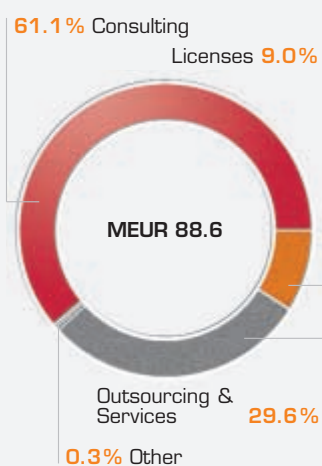
Letter to the Shareholders

Key factors in the first half of 2007 at a glance

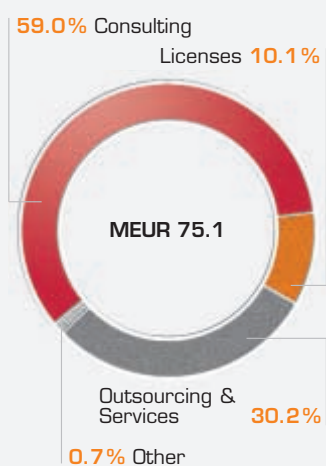
- Revenues increase by 18.0% (after adjustment for currency translation effects: +20.8) to MEUR 88.6 in the first half of the year
- EBIT increases by MEUR +3.0, from MEUR 1.8 to MEUR 4.8 (EBIT margin: +5.4% compared with +2.4% in previous year)
- Year-on-year revenue growth across all segments: Germany/Austria +31.7%, Americas +9.3% (after adjustment for currency translation effects: +18.1%), Western Europe +3.4% (after adjustment for currency translation effects: +5.4%), Eastern Europe +9.9% (after adjustment for currency translation effects: +7.7%), Other +24.0%
- All revenue areas generate growth compared with the previous year: Consulting +22.1%, Outsourcing & Services +15.8%, Licenses +5.2%
- Positive Cash flow of MEUR 4.2 in the second quarter of 2007 (previous year quarter: MEUR 0.6)
- Orders on hand at the end of the quarter total MEUR 123.3 (end of same quarter of previous year: MEUR 108.0)

Share of revenues by area:

First half of 2007



First half of 2006



Ladies and Gentlemen, Dear Shareholders,

In the second quarter of 2007, itelligence continued on the growth path it pursued in the first quarter of the year. In the first six months, revenues increased by +18.0% (after adjustment for currency translation effects: +20.8%) to MEUR 88.6, with revenue growth across all geographical segments and revenue areas compared with the same period of the previous year. Revenues in the first half of the year totaled MEUR 41.9 in Germany/Austria, MEUR 23.4 in the Americas, MEUR 14.5 in Western Europe, MEUR 7.0 in Eastern Europe and MEUR 1.7 in the Other segment. Compared with the same period of the previous year, revenues in the Consulting area increased to MEUR 54.1 in the first six months, while Licenses revenues improved to MEUR 8.0 and revenues from Outsourcing & Services rose to MEUR 26.2.

With EBIT of MEUR 4.8, the earnings contribution in the first half of the year increased by MEUR +3.0 as against the previous year, resulting in an improvement in the EBIT margin from +2.4% to +5.4%.

The EBIT contribution of the Germany/Austria segment increased substantially by MEUR 2.6 in the first half of the year to MEUR 3.6. The Americas recorded growth of MEUR 0.4 in its EBIT contribution to MEUR 1.0, while the EBIT contribution in Western Europe more than doubled year-on-year to MEUR 0.5. Eastern Europe was the only segment not to record an increase in its EBIT contribution; the weak results of the Consulting area in this region meant that its EBIT contribution fell significantly by MEUR -0.5 year-on-year to MEUR -0.3. The strong business development of ITC GmbH helped the Other segment to improve its EBIT contribution by MEUR +0.2 to MEUR 0.1.

Net profit for the first six months of the year amounted to MEUR 2.8, up MEUR +1.8 on the same period of the previous year. As a result, earnings per share (basic) increased from EUR 0.05 to EUR 0.13. Orders on hand increased by 14%, from MEUR 108.0 at the end of the second quarter of 2006 to MEUR 123.3 at the reporting date.

Customer projects, SAP partnership and SAPPHIRE

The SAPPHIRE SAP customer conference in Vienna in May 2007 was a resounding success for itelligence. At SAPPHIRE, SAP AG presented itelligence with the Pinnacle Award in the "Customer Satisfaction" category. itelligence received this award on account of its excellent results in SAP's global customer satisfaction survey and its high level of general customer orientation around the world. Furthermore, itelligence's SAP All-in-One it.trade industry solution was qualified for the Austrian market at the SAPPHIRE conference. The solution developed by itelligence is the first European SAP All-in-One solution to be qualified in accordance with SAP's new international qualification criteria.

As part of the Partner Edge program, itelligence was named by SAP as an official Gold Partner for the United Kingdom in May 2007. The Company has already obtained SAP Gold Partner status in Germany, the USA and Switzerland, and has been granted Silver or Associate status in all of the other countries in its Western and Eastern Europe segments. As a Gold Partner, the main advantages for itelligence are marketing activities sponsored by SAP, targeted further education measures, special support from SAP and, above all, higher discounts in its Licenses business.

itelligence UK has been named SAP SME Channel Partner of the Year on account of the successes it recorded in 2006. itelligence attributes this honor to its year-on-year increase in SAP license sales, the new business generated in the metal and process manufacturing industries, and the high quality standards it applies to its implementation activities.

In the second quarter, itelligence again acquired a large number of new customers – such as AIXTRON AG, Aachen, which has opted to implement itelligence it.manufacturing, an industry-specific solution for plant engineering. AIXTRON was won over by itelligence's established industrial expertise and state-of-the-art SAP technology. Other new customers include: Coko-Werk GmbH & Co. KG, Bad Salzuflen, Duvenbeck Kraftverkehr GmbH & Co. KG, Bocholt, Burkert Contromatic S.A., Sant Joan Despi, Roland Digital Group Iberia S.L.,

Barcelona, BIFROST INVESTMENT GROUP s.r.o., Bratislava (Slovakia), LANEX a.s., Bolatice (Czech Republic), Disztributor.hu Kereskedelmi Zrt., Budapest (Hungary), Ars Una Studio Kft., Budapest (Hungary), Peak Technologies Inc., Columbia (Maryland, USA), Porky Products Inc., Carteret (New Jersey, USA) and Butler Supply Inc., Fenton (Missouri, USA).

The Company also secured a number of follow-up contracts with existing customers in the first quarter of 2007, including CREATON AG, Weringen, CBW Chemie GmbH, Wolfen and Karl Höll GmbH & Co. KG, Langenfeld.

One highlight in the second quarter was YOKOHAMA Europe GmbH, Düsseldorf, successfully going live with its new application. The automotive supplier has migrated its corporate software to itelligence's SAP All-in-One it.automotive supplier industry solution. YOKOHAMA is using itelligence's industry solution and the it.x-change EDI converter to optimize its business processes with regard to the initial supply of auto manufacturers and its tire chain replacement business. In the second quarter, itelligence applications also went live at customers including Rittal Disprel S.A., Sabadell, Roberlo S.A., Riudellots de la Selva, Codorniu S.A., Barcelona, PEKM Kabeltechnik s.r.o., Liberec (Czech Republic), Behr Czech s.r.o., Mnichovo Hradiště (Czech Republic), PressAir Kompressorforgalmazó és Szerviz Kft., Budapest (Hungary), CeweColor Magyarország Kft., Budapest (Hungary), Draka Cableteq USA Inc., North Dighton (Massachusetts, USA), Hampel Oil Distributors, Wichita (Kansas, USA) and The Coleman Company Inc., Wichita (Kansas, USA).

New hosting customers that chose itelligence as their global outsourcing partner in the second quarter included OXXYNOVA GmbH & Co. KG, Marl, and wunderLOOP media services GmbH, Hamburg. OXXYNOVA is a subsidiary of Arques Industries AG, Starnberg. The acquisition of wunderLOOP as a customer means that itelligence is responsible for operating one of the first Blueline projects in Germany. The SAP All-in-One for Component Manufacturers package is being used for SAP rollout.

in MEUR	Jan. 1 to June 30, 2007	Jan. 1 to June 30, 2006	Apr. 1 to June 30, 2007	Apr. 1 to June 30, 2006
Total revenues	88.6	75.1	44.3	37.6
Revenues by area				
Consulting	54.1	44.3	26.4	22.3
Licenses	8.0	7.6	4.7	4.0
Outsourcing & Services	26.2	22.6	13.1	11.2
Other	0.3	0.5	0.1	0.2
Revenues by segment				
Germany/Austria	41.9	31.8	21.6	15.4
Western Europe	14.5	14.1	7.5	7.2
Eastern Europe	7.0	6.3	2.9	3.4
Americas	23.4	21.5	11.5	11.0
Other	1.7	1.4	0.9	0.7
EBIT	4.8	1.8	2.2	1.0
EBIT margin	5.4%	2.4%	4.9%	2.7%
EBITA	4.8	1.8	2.2	1.0
EBITA margin	5.4%	2.4%	4.9%	2.7%
EBITDA	7.2	3.7	3.5	2.0
EBITDA margin	8.1%	5.0%	7.8%	5.0%
Earnings IFRS	2.8	1.0	1.2	0.5
Earnings per share	0.13	0.05		

itelligence at a Glance: January 1 to June 30, 2007 and 2006

Business performance in the second quarter of 2007

itelligence continued along its growth path in the second quarter of the year. Quarterly revenues amounted to MEUR 44.3, up +17.7% on the figure of MEUR 37.6 recorded in the previous year quarter (after adjustment for currency translation effects: +20.5%). Consulting revenues increased by +18.4% year-on-year to MEUR 26.4 in the second quarter (after adjustment for currency translation effects: +20.5%). Revenues in the Licenses area also increased by +18.4% to MEUR 4.7 (after adjustment for currency translation effects: +21.9%), while

revenues from Outsourcing & Services improved by +16.4% to MEUR 13.1 (after adjustment for currency translation effects: +19.0%).

All in all, the Company significantly increased its profitability in the second quarter of the year, recording EBIT of MEUR 2.2 (previous year: MEUR 1.0). The EBIT margin improved by +2.2%-points, from 2.7% in the corresponding period of the previous year to 4.9%. Net profit for the period in accordance with IFRSs increased from MEUR 0.5 in the second quarter of 2006 to MEUR 1.2 in the second quarter of 2007.

The Company's geographical segments recorded different developments. Germany/Austria generated the highest growth in terms of revenues and earnings contributions, with revenues up +40.6% year-on-year to MEUR 21.6. Consulting revenues in this region improved by +42.3% to MEUR 12.1. The encouraging order situation led to a significant increase in own consulting capacities with higher utilization rates; at the same time, however, it also required the greater use of third-party service providers compared with the same period of the previous year. Licenses revenues in the Germany/Austria segment also grew significantly in the second quarter, with revenues of MEUR 2.9 (previous year: MEUR 1.6) representing an increase of +80%. One encouraging factor is that business with new customers, and particularly SMEs (Small and medium-sized enterprises), increased significantly compared with the previous year. This sales success was driven by the benefits of itelligence's internally developed IT industry and integration solutions. Revenues in the Outsourcing & Services area also increased sharply against the previous year, with growth of +26.3% to MEUR 6.6.

The segment's EBIT contribution improved by MEUR +1.7 year-on-year to MEUR 2.1. In addition to the improvement in consulting capacity utilization, accompanied by an increase in daily rates, the strength of the Company's licensing activities led to a significant rise in contributions to earnings. The overall growth in revenue volumes, including in the Outsourcing & Services area, resulted in leverage effects in terms of fixed costs which, together with targeted cost reduction measures in the area of IT communications, made a significant contribution to this positive development.

Revenues in the Americas segment increased by +4.2% (after adjustment for currency translation effects: +12.7%) to MEUR 11.5. Growth slowed slightly in the second quarter of the year due to currency translation effects and the slightly lower level of consulting capacity utilization compared with the first quarter, which was attributable to the completion of existing projects and the start of new projects. The highest growth in the Americas segment was recorded in the area of Outsourcing & Services, where revenues increased by +14.6% to MEUR 4.0. Despite the temporary weakness in the second quarter of fiscal year 2007, Consulting revenues also improved by +9.6% to total MEUR 6.4. At MEUR 1.0, revenues in the Licenses area were down MEUR -0.5 on the same period of

the previous year. Although the product environment for the customer segment with less than US-\$ 100 million sales volume has become considerably more competitive, the pipeline was significantly improved in the second quarter.

The EBIT contribution of the Americas segment remained unchanged on a quarter-on-quarter basis at MEUR 0.5 due to higher contribution margins from the Consulting and Outsourcing & Services areas, which offset the lower margins recorded in the Licenses area.

Quarterly revenues in the Eastern Europe segment were down around MEUR -0.5 on the previous year at MEUR 2.9 (-15.0% / after adjustment for currency translation effects: -16.7%). The decline in Consulting revenues was most pronounced, with this item falling by -39% to MEUR 0.9. In addition to current assessments of project progress in Russia and the Czech Republic, this development was driven by lower revenues from consulting activities in Poland due to the completion of existing projects and the start of new projects. This was only partially offset by the growth in Consulting revenues in Slovenia. Revenues in the Licenses area remained unchanged as against the previous year at MEUR 0.3, while revenues in the Outsourcing & Services area increased slightly from MEUR 1.5 in the previous year to MEUR 1.6. All in all, this meant that the EBIT contribution from the segment deteriorated substantially by MEUR -1.0 to MEUR -0.8; this was primarily attributable to the weakness in the Consulting area.

In the Western Europe segment, revenues were up +3.6% on the previous year (after adjustment for currency translation effects: +5.4%) at MEUR 7.5. Consulting revenues in this region improved by 3.9% to MEUR 6.5, while revenues in the Licenses area fell by around MEUR -0.1 on the same period of the previous year, a total of MEUR 0.3. By contrast, revenues in the Outsourcing & Services area increased by 19.3% to MEUR 0.7. Compared with the same period of the previous year, the EBIT contribution in Western Europe also improved by around MEUR +0.2 to MEUR 0.3. This positive development was primarily driven by significantly higher earnings contributions from Spain, the United Kingdom and Switzerland, whereas earnings contributions from Belgium and the Netherlands were down slightly on the previous year.

The Other segment primarily composes fully-consolidated investments of less than 100% within Germany (ITC GmbH) and all international reporting units in which operations have been discontinued. Revenues in this segment increased by +30.6% to MEUR 0.9. This rise in revenues, as well as the significant improvement in the earnings contribution of MEUR +0.2 to MEUR +0.1, is largely due to the strong business performance of ITC GmbH.

Earnings position in the first half of 2007

With EBIT of MEUR 4.8, itelligence recorded a substantial increase in earnings of MEUR +3.0 compared with the same period of the previous year. This pushed EBIT profitability up by 3%-points, from 2.4% in the first six months of the previous year to 5.4%.

The ratio of staff costs to total revenues within the Group fell by -2.1%-points year-on-year to 51.8%. By contrast, the utilization ratio of third-party service providers rose by +0.4%-points to 11.0%. The shift in the Group's revenue mix meant that the product cost ratio fell by -1.4%-points to 14.7%, while the ratio of travel costs to the itelligence Group's total revenues fell by -0.1%-points to 6.2%. Other operating income increased slightly by +0.4%-points, while other expenses rose by +0.6%-points to account for 13.2% of total revenues.

This means that the various cost types had the following effects on EBIT profitability:

EBIT margin HY/2006	2.4%
Staff costs	+2.1%
Third-party service provider costs	-0.4%
Product costs	+1.4%
Travel costs	+0.1%
Other income	+0.4%
Other expenses	-0.6%
EBIT margin HY/2007	5.4%

The gross margin improved year-on-year from 25.4% to 27.4%. This is primarily due to the revenue mix in the segments and the relative improvement in the staff cost ratio due to the higher level of consultant capacity utilization accompanied by an overall increase in daily rates. The ratio of marketing and selling expenses to total revenues fell by -1.2%-points year-on-year to 8.6%, while the ratio of general and administrative expenses climbed +0.3%-points to 13.8%. In addition to higher staff recruitment expenses, costs in this area increased as a result of provisions for staff retention programs and vacant rented office space. The MEUR +0.2 increase in other operating income recorded by itelligence relates primarily to investment subsidies connected with the expansion of the Company's data center in Bautzen.

At MEUR -0.2, other expenses were down around -40% on the same period of the previous year. This is largely due to the reduction in interest expenses and lower exchange differences from financing activities. The tax rate in the period under review was 37.3%, up from 29.6% in the same period of the previous year. As a result, itelligence recorded a net profit for the period in accordance with IFRSs of MEUR 2.8, up from MEUR 1.0 in the previous year. The profit margin improved from 1.3% in the previous year to 3.2% in the first half of 2007. Earnings per share (basic) increased from EUR 0.05 to EUR 0.13.

Balance sheet figures, investments and liquidity

At June 30, 2007, total assets increased by MEUR +1.1 compared with December 31, 2006 to MEUR 85.4. On the liability side of the balance sheet, current liabilities decreased by MEUR -3.1. This is primarily due to reductions in trade payables, the current portion of interest-bearing borrowings and other liabilities. By contrast, deferred income increased by MEUR +4.0 as a result of the service income deferred on an intraperiod basis. Current financial liabilities and tax provisions increased by MEUR +1.6 versus year end. Other provisions and grants for investment subsidies rose by MEUR +0.2. Non-current liabilities increased by MEUR +1.3; this development is primarily attributable to the long-term financing of investments in the Company's data centers. By contrast, the convertible bond

decreased by MEUR -0.2 on account of the conversion performed during the period. As a result, the ratio of interest-bearing liabilities increased slightly from 13% to 15%. At June 30, 2007, equity rose by MEUR +2.9 to MEUR 34.4, meaning that itelligence reported an equity ratio of 40.3% at the balance sheet date (December 31, 2006: 37.4%).

On the asset side of the balance sheet, non-current assets increased by MEUR +1.1 as a result of higher investments in property, plant and equipment. Current assets remained essentially unchanged as against December 31, 2006. However, trade receivables and other receivables fell by MEUR -1.1 compared with year-end 2006. DSO (days sales outstanding) decreased by 9 days to an average of 71 days. The intraperiod deferral of service expenses meant that the prepaid expenses item increased by MEUR +2.5. Cash and cash equivalents thus fell by MEUR -1.45 versus year end, from MEUR 14.7 to MEUR 13.3.

The reduction in cash and cash equivalents is primarily attributable to the net cash used in investing activities in the amount of MEUR -3.7 (previous year: MEUR -1.9). This was due to the significant increase in investment in the expansion of data center capacity and hardware for customer systems. These cash outflows were offset by an inflow from financing activities in the amount of MEUR +1.8 (previous year: MEUR +0.2). The repayment of non-current financial liabilities and distributions to minority interests resulted in a cash outflow of around MEUR -1.3. This was offset by inflows from the increase in non-current financial liabilities in the amount of MEUR +2.4 and current financial liabilities in the amount of MEUR +0.7. Net cash of MEUR +0.5 was generated from operating activities in the first half of the year (previous year: net cash outflow of MEUR -2.2). The improvement in the cash flow from operating activities was due in particular to Company's positive earnings performance, the reduction in trade receivables and the increase in current liabilities and provisions.

As a result, itelligence generated a positive cash flow of MEUR +4.2 in the second quarter of 2007 (previous year: MEUR +0.6), recording cash and cash equivalents of MEUR 13.3 as of June 30, 2007 (previous year: MEUR 9.1).

Employees

Of the 1,172 people employed as of June 30, 2007, a total of 593 were employed in Germany/Austria (June 30, 2006: 506) and the remaining 579 abroad (June 30, 2006: 522). The number of employees increased by +9.4% compared with the end of the previous year and by +14.0% as against the same period of the previous year.

Activities aimed at recruiting highly qualified employees were further intensified in the second quarter. Despite the heightened competitive situation on the market, itelligence succeeded in increasing its appeal to new employees and acquiring proven IT experts and young talents. In May, itelligence and the SAP University Alliance Program launched a joint initiative aimed at acquiring talented young employees and making an increased contribution towards training new IT talents at higher education institutions by designing innovative educational material. The Company also stepped up its cooperation activities with universities and universities of applied sciences in Germany and abroad in the past quarter. One example of this is its participation in a German-Polish summer school on the topic of business intelligence.

Opportunities and risks

In the 2006 Annual Report (pages 60 to 64), we provided detailed information on the basic opportunities and risks affecting IT system houses and on itelligence's specific opportunities and risks. As in previous fiscal years, the Company will work on continuously improving internal processes and monitoring mechanisms again in 2007, supported by a structured internal Group audit, in order to identify opportunities and risks in good time and initiate suitable measures. The specific opportunities and risks relating to the second half of the year will be discussed in the Outlook.

Investor relations

itelligence AG held its Annual General Meeting for 2006 in the second quarter of the current fiscal year. In front of an audience of around 100 at the Stadthalle in Bielefeld on May 22, the Management Board members Herbert Vogel and Jörg Vandreier presented the key figures for the past fiscal year and the strategy for the Company's further development. This year, the shareholders in attendance again demonstrated their approval through their individual contributions to the event and by voting to adopt all of the agenda items proposed by the Company.

In addition to this major event, the Managing Board presented itelligence AG at roadshows and in one-on-one meetings with high-profile investment fund companies and investors. In particular, joint investor meetings were held with Citigroup in London, while a series of meetings was organized in Frankfurt and Zurich in May in conjunction with the research company equinet.

itelligence's share price amounted to around EUR 4.50 at both the start and the end of the second quarter. In the course of the quarter, however, the Company's shares traded at EUR 4.94, a high for the year to date; this was largely a reaction to the extremely strong figures for the first quarter. Most analysts have announced a share price target of EUR 5.00 for itelligence's shares.

Number of shares:	22,593,568 shares (as of June 30, 2007)
Six-month high:	EUR 4.94 (May 7, 2007)
Six-month low:	EUR 3.32 (January 29, 2007)
Share price as of June 29, 2007:	EUR 4.45
Market capitalization as of June 29, 2007:	MEUR 100,54

Outlook

The Company continued on its growth path and recorded a further increase in profitability in the second quarter of 2007, although the individual segments saw contrasting developments. Strong overall business performance in Germany/Austria was offset by muted Licenses business in the Americas segment with potential for improvement in the second half of the year. The temporary weakness of the Company's Consulting business in the second quarter due to the completion of existing projects and the start of new projects, which was particularly pronounced in the Americas and Eastern Europe segments, is expected to be improved in the second half of the year. The moderate growth recorded in Western Europe, accompanied by a substantial increase in profitability, is expected to continue in the second half of the year on the back of an expansion in licensing activities. In the Outsourcing & Services area, growth rates are expected to continue to increase in the second half of 2007. This outlook is supported by a current assessment of the market environment in the individual segments, the development of the Company's order situation and the sales pipeline. The continued strength of the euro against the US dollar will relativize itelligence's operating growth in the Group currency to a certain extent, as was the case in the first half of the year; however, the regional spread of costs means that this is unlikely to have a significant impact on profitability. The Company's further development in the second half of the year will depend on its ability to retain existing employees and attract new, qualified staff to help it continue on its growth path. For this reason, additional investments in workforce expansion and training and further education are expected. The encouraging order situation means that no reduction in the use of third-party service providers is expected in the second half of the year. Streamlined project management aimed at ensuring that our high standards are maintained will be a key factor in successful project execution.

On the basis of this assessment and in light of the stable macro-economic and global political environment, the Managing Board expects to generate revenues of between MEUR 180 and 190 for fiscal year 2007 as a whole. The planned additional investments in the Company's sustained growth mean that EBIT of between MEUR 10 and 12 is forecast.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.



Herbert Vogel
CEO



Jörg Vandreyer
CFO

Shareholder structure

To the best of the Company's knowledge, itelligence's shareholder structure at the publication date of this Interim Report (August 2, 2007) was as follows:

Credit Suisse	15.1%
Nobel SA	12.7%
Vogel family	10.8%
Ratio Asset Management	5.0%
Allianz Global Investors	
Kapitalanlagegesellschaft mbH	4.0%
Polar Capital Partners	3.1%
Fidelity	3.1%
Free float	46.2%

Fidelity International Limited exceeded the threshold of 3% of itelligence's shares for the first time on May 29, 2007. At June 29, 2007, it held 3.07% of the Company's shares.

The Credit Suisse Group exceeded the threshold of 15% of the voting rights in itelligence for the first time on May 4, 2007. On June 11, 2007, Credit Suisse again exceeded the 15% threshold; its interest on this date amounted to 15.13%.

Karin Vogel, the wife of Herbert Vogel, notified itelligence on June 12, 2007 that she had sold 80,000 shares in the Company (transaction date: June 11, 2007). As a result, the interest held by the Vogel family fell from 11.2% to 10.8%.

Directors' holdings

Members of the Management Board and Supervisory Board held the following numbers of itelligence shares as of June 30, 2007:

	Shares
Management Board	
Herbert Vogel	1,908,286
Supervisory Board	
Johannes Cordes (Deputy Chairman and employee representative)	833

Neither the members of the Management Board nor the members of the Supervisory Board held any convertible bonds of itelligence AG as of June 30, 2007.

Service

All itelligence AG reports in German and English can be downloaded from the Company's website at www.itelligence.de. You can also sign up to the e-mail mailing list for ad hoc disclosures and press releases under Investor Relations/Dialog. You will then receive the latest news by e-mail.

Financial Calendar 2007

October 30, 2007	Publication of Interim Report 3/2007
November 8–9, 2007	Commerzbank Technology Conference in Frankfurt
November 13, 2007	German Equity Forum Fall 2007 in Frankfurt
November 14–16, 2007	Morgan Stanley Tech Conference in Barcelona

Consolidated Balance Sheet
as of June 30, 2007 and 2006 (IFRS)

Assets	June 30, 2007 KEUR	June 30, 2006 KEUR	Dec. 31, 2006 KEUR
Non-current assets			
IT software	1,267	598	1,425
Goodwill	13,443	13,917	13,650
Property, plant and equipment, net	13,856	10,756	12,392
Financial assets	38	26	30
Deferred tax assets	913	507	805
Other receivables and assets	2,177	1,507	2,250
Total non-current assets	31,694	27,311	30,552
Current assets			
Inventories	37	334	1
Trade receivables	34,840	26,618	36,319
Other receivables and assets	1,493	1,147	1,126
Cash and cash equivalents	13,297	9,092	14,747
Prepaid expenses	4,046	4,013	1,569
Total current assets	53,713	41,204	53,762
Total assets	85,407	68,515	84,314

Equity and liabilities	June 30, 2007 KEUR	June 30, 2006 KEUR	Dec. 31, 2006 KEUR
Equity			
Capital subscribed	22,594	22,347	22,467
Capital reserves	24,170	23,829	23,991
Net accumulated loss	-10,184	-17,507	-13,001
Other comprehensive income	-2,421	-2,189	-2,220
Minority interests	273	242	331
Total equity	34,432	26,722	31,568
Non-current liabilities			
Long-term borrowings	5,726	2,605	4,302
Convertible bonds	4,817	5,230	5,036
Deferred tax liabilities	1,296	921	1,223
Pension provisions	171	186	157
Total non-current liabilities	12,010	8,942	10,718
Current liabilities			
Trade payables	8,302	8,903	14,735
Other liabilities	18,928	12,617	21,179
Current financial liabilities	742	1,737	0
Current portion of interest-bearing borrowings	1,397	2,319	1,623
Tax provisions	1,365	438	480
Other provisions	2,126	1,438	2,088
Government grants	1,278	778	1,071
Deferred income	4,827	4,621	852
Total current liabilities	38,965	32,851	42,028
Total equity and liabilities	85,407	68,515	84,314

Consolidated Income Statement for the Period from Jan. 1 to June 30, 2007 and 2006 (IFRS)

(all figures in KEUR except for the number of shares and earnings per share)	Jan. 1, to June 30, 2007 KEUR	Jan. 1, to June 30, 2006 KEUR	Apr. 1 to June 30, 2007 KEUR	Apr. 1 to June 30, 2006 KEUR
Revenues	88,583	75,062	44,290	37,646
Cost of sales	-64,336	-56,028	-32,206	-27,845
Gross profit	24,247	19,034	12,084	9,801
Operating expenses				
Marketing and selling expenses	-7,602	-7,310	-3,772	-3,614
General and administrative expenses	-12,189	-10,128	-6,177	-5,285
Other operating expenses and income, net	358	186	39	128
Total operating expenses	-19,433	-17,252	-9,910	-8,771
Profit from operating activities	4,814	1,782	2,174	1,030
Other income/expenses				
Investment income	8	0	4	0
Exchange rate differences from financing activities	14	-102	36	-80
Profit from the disposal of non-current financial assets	0	26	0	0
Interest income/expenses, net	-260	-314	-167	-165
Other income/expenses	-238	-390	-127	-245
Earnings before taxes	4,576	1,392	2,047	785
Income taxes	-1,707	-412	-872	-269
Net profit/loss for the period	2,869	980	1,175	516
Minority interests in profit/loss	-52	45	-18	33
Parent company's interest in profit/loss	2,817	1,025	1,157	549
Earnings per share in EUR – basic on net profit/loss	0.13	0.05		
Earnings per share in EUR – diluted on net profit/loss for the period after adjustment	0.12	0.04		
Number of shares used in the calculation of earnings per share:				
– basic	22,467,657	22,287,864		
– diluted	24,595,227	24,735,597		

Cash Flow Statement for the Period Jan. 1 to June 30, 2007 and 2006 (IFRS)

	June 30, 2007 KEUR	June 30, 2006 KEUR
Cash flow from operating activities		
EBIT	4,814	1,782
Amortization of Goodwill	0	0
EBITA	4,814	1,782
Depreciation of property, plant and equipment and amortization of IT software	2,368	1,947
EBITDA	7,182	3,729
Interest received	252	164
Interest paid	-248	-173
Income taxes paid	-739	-334
Other non-cash income and expenses	-1,131	-458
Gains/losses from the disposal of non-current assets	31	-32
Changes in assets and liabilities		
Decrease/increase in trade receivables	1,479	92
Decrease/increase in inventories	-2,721	-162
Decrease/increase in other current assets	-36	-1,776
Decrease/increase in trade payables	-6,433	-1,577
Decrease/increase in pension provisions	14	0
Decrease/increase in other current liabilities and provisions	2,854	-1,643
Decrease/increase in deferred taxes	-35	-72
Cash flow from operating activities	469	-2,242
Cash flow from investing activities		
Investments in property, plant and equipment and IT software	-3,729	-2,050
Cash received from the disposal of property, plant and equipment and intangible assets	43	48
Investments in financial assets	0	109
Subsequent purchase price payments for investments made	0	-9
Cash flow from investing activities	-3,686	-1,902
Cash flow from financing activities		
Redemption of convertible and warrant-linked bonds	0	-304
Cash received from long-term term deposits	-110	0
Raising of current liabilities to banks	-50	39
Raising to bank loans	742	1,737
Repayment of bank loans	2,370	316
Repayment of long-term borrowings	-1,172	-1,572
Cash flow from financing activities	1,780	216
Effects from exchange rate differences	-13	-22
Increase/decrease in cash and cash equivalents	-1,450	-3,950
Cash and cash equivalents at the beginning of the period	14,747	13,042
Cash and cash equivalents at the end of the period	13,297	9,092
Composition of cash and cash equivalents at the end of the period		
Bank balances and cash in hand	13,297	8,592
Current financial instruments available for sale	0	500
Liquidity	13,297	9,092

Statement of Changes in Equity
as of June 30, 2007 and 2006 (IFRS)

	Number of shares	Capital subscribed KEUR	Capital reserves KEUR	Net accu- mulated loss KEUR	Other comprehensive income		Minority interests KEUR	Total equity KEUR
					Foreign exchange differences KEUR	Total other income KEUR		
December 31, 2005	22,287,535	22,288	23,750	-18,532	-1,227	-1,227	286	26,565
Net loss for the period				1,025			-45	980
Foreign currency differences					-962	-962		-962
Conversions of convertible bonds	59,230	59	79					138
Change in minority interests							1	1
June 30, 2006	22,346,765	22,347	23,829	-17,507	-2,189	-2,189	242	26,722
December 31, 2006	22,466,954	22,467	23,991	-13,001	-2,220	-2,220	331	31,568
Net loss for the period				2,817			52	2,869
Foreign currency differences					-201	-201		-201
Conversions of convertible bonds	126,614	127	179					306
Change in minority interests							-110	-110
June 30, 2007	22,593,568	22,594	24,170	-10,184	-2,421	-2,421	273	34,432

Notes to the Interim Financial Statements

(1) General information

The consolidated interim financial statements for the period ended June 30, 2007 were prepared in accordance with the International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB).

The consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements as of December 31, 2006 and the notes contained therein. The accounting policies applied in the consolidated interim financial statements correspond to those applied in the consolidated financial statements as of December 31, 2006.

The consolidated interim financial statements were not audited. Various information and notes normally found in consolidated financial statements prepared in accordance with IFRSs were presented in shortened form or omitted.

The consolidated financial statements account for all current transactions and deferrals that management deems necessary to present the interim results accurately. The Company believes that the information and comments presented give a true and fair view of the net assets, financial position, and results of operations of the Company.

(2) New accounting standards

The consolidated interim financial statements were prepared observing the same accounting policies as those underlying the consolidated financial statements as of December 31, 2006 and were explained in detail in the notes contained therein. For further information, please refer to page 71 of the Annual Report 2006.

(3) Combined consolidated balance sheet and consolidated income statement disclosures (unaudited)

Income taxes	Jan. 1 to June 30, 2007 KEUR	Jan. 1 to June 30, 2006 KEUR
Earnings before income taxes	4,576	1,392
Income tax expense	-1,707	-412
Income tax rate	37%	30%

This item includes current tax expenses of KEUR 1,911 (previous year: KEUR 412) and deferred taxes of KEUR -204 (previous year: KEUR 0).

Earnings per share

Basic earnings

	Jan. 1 to June 30, 2007	Jan. 1 to June 30, 2006
Net profit for the period after minority interests	KEUR 2,817	KEUR 1,025
Weighted average number of ordinary shares	22,467,657	22,287,864
Earnings per share, basic	EUR 0.13	EUR 0.05

Diluted earnings

The potential ordinary shares from the issue of convertible bonds and warrant-linked bonds are included in the calculation of diluted earnings per share to the extent that they have a diluting effect within the meaning of IAS 33.

	Jan. 1 to June 30, 2007	Jan. 1 to June 30, 2006
Net profit for the period after minority interests	KEUR 2,817	KEUR 1,025
Adjustments for interest paid on potential ordinary shares – net of tax effects	KEUR 161	KEUR 185
Adjusted net profit for the period	KEUR 2,978	KEUR 1,210
Weighted average number of ordinary shares and potential ordinary shares	24,595,227	24,735,597
Earnings per share, diluted	EUR 0.12	EUR 0.04

Segment reporting

As part of segment reporting, the activities of itelligence are broken down in accordance with the provisions of IAS 14 by geographic region as the primary segment reporting format and by division as the secondary reporting format. Please also refer to the detailed notes on page 76 in the Annual Report 2006 for more information.

The primary segment reporting format is broken down by geographical regions and the internal management structure. In this case, a distinction is made between the Americas, Germany/Austria, Western Europe and Eastern Europe.

The segment information for the period under review is shown below:

	Group					Group
	Americas	Ger- many/ Austria	Western Europe	Eastern Europe	Other	Jan. 1 to June 30, 2007
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Segment revenues	23,459	42,647	15,188	7,700	1,725	90,719
Intersegment trade	-13	-741	-646	-736	0	-2,136
External segment revenues	23,446	41,906	14,542	6,964	1,725	88,583
Segment result	965	3,566	486	-288	85	4,814
Net finance costs						-238
Profit from ordinary operations						4,576
Minority interests						-52
Income taxes						-1,707
Net profit for the year						2,817
	Americas	Ger- many/ Austria	Western Europe	Eastern Europe	Other	Group Jan. 1 to June 30, 2006
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Segment revenues	21,458	32,600	14,385	6,713	1,391	76,547
Intersegment trade	-4	-788	-319	-374	0	-1,485
External segment revenues	21,454	31,812	14,066	6,339	1,391	75,062
Segment result	528	975	215	201	-137	1,782
Net finance costs						-390
Profit from ordinary operations						1,392
Minority interests						45
Income taxes						-412
Net profit for the year						1,025

