

Sales up 25.9% from EUR 102.7 million to EUR 129.3 million Positive cash flow from operating activities in the third quarter

Frankfurt, November 20, 2001. In the first nine months of the current fiscal year, itelligence AG increased its sales by 25.9% from EUR 102.7 million in the same period of the previous year to EUR 129.3 million, meaning that the company's sales revenues developed as planned in spite of the unfavourable general economic climate and the weak IT market. The Consulting division generated sales of EUR 103.3 million, an increase of 32.6%. Sales in the Outsourcing & Services division more than doubled to EUR 15.6 million (previous year: EUR 7.2 million). Licence business remained subdued. At EUR 9.2 million (previous year: EUR 15.6 million), licence sales were, however, in line with the company's conservative expectations in view of the general market development. This was in particular attributable to even weaker IT spending by US companies which had already started to show restraint at the beginning of the year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved from EUR -0.8 million in the first half of the year to EUR -0.7 million, meaning that itelligence posted positive EBITDA of EUR 0.1 million in the third quarter of the year. For the first time in fiscal 2001, the company generated a positive cash flow from operating activities of EUR 0.6 million in the third quarter.

Operating EBIT stood at EUR -6.3 million after the first nine months of the year, compared to EUR 0.1 million in the same period of the previous year. In addition to value adjustments on accounts receivable in the amount of EUR 2.7 million (Q3 2001: EUR 0.5 million), EBIT was also affected by the one-off costs of the 2001 restructuring programme (e.g. redundancy payments). In September 2001, the German SAP division was realigned for a stronger focus on industries and product segments. In addition to increased customer orientation, the division will again cooperate more closely with SAP going forward.

Management expects the restructuring measures to take full effect on the earnings situation in the first half of 2002. Overall, management sticks to its sales forecasts for the full fiscal year 2001 and expects balanced earnings before interest, taxes, depreciation and amortization (EBITDA).

itelligence AG, a leading international IT and SAP full service provider, employs 1,400 highly qualified consultants at 44 branches in 19 countries. The range of services comprises specialized vertical SAP solutions and proprietary individual software technologies complemented by full integration of highly complex IT and e-business systems incl. outsourcing and services.

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