

## **itelligence AG: First-half figures confirm full-year projections for 2004**

Frankfurt, August 5, 2004 – itelligence AG has announced an operating result (EBIT) of EUR 2.9 million (2003: EUR -3.2 million) and an EBIT margin of 4.5 percent (2003: -4.4 percent) for the first half of 2004. The operating result for the second quarter amounted to EUR 1.7 million (2003: EUR -2.6 million), which represents an EBIT margin of 5.3 percent (2003: -7.2 percent). The IT full-service provider thus continued the positive trend of the previous three quarters thanks to an improved structural and operational positioning, optimized capacity utilization and stricter cost management. Group results to US-GAAP increased by EUR 8.3 million from EUR -6.8 million in the first half of 2003 to EUR 1.5 million in the first six months of 2004.

As expected total second-quarter sales, at EUR 31.7 million, were down approx. 13 percent on the previous year's EUR 36.3 million. Total sales for the first six months of 2004 amounted to EUR 64.4 million (2003: EUR 73.2 million). Net of exchange rate differences, revenues were on a par with the first half of 2003, adjusted for discontinued operations and companies/business units that have been closed. At EUR 7.1 million, license sales were up 0.4 percent on the first-half of 2003 in currency-adjusted terms. Sales from consulting activities declined by EUR 4.5 million to EUR 39.4 million, while sales in the Outsourcing & Services division were up EUR 4.2 million.

Sales in Germany, the Company's core market, were up approx. 2 percent on the first half of 2003. By contrast, revenues in the rest of Europe were down 5.6 percent on the comparative prior-year figures (down 3.0 percent net of exchange rate effects) and revenues were down 10.8 percent on the comparative prior-year figures in the Americas (down 1.2 percent net of exchange rate effects).

Benefiting from the improved earnings position and the capital increase, the equity ratio increased to 34 percent (2003: 18 percent) at Group level. The interest bearing debt to total assets ratio is at 19 percent at the end of the second quarter, a significant improvement from the previous year's 30 percent.

Overall, the Managing Board feels that the first-half figures confirm its projections for the full year.

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