



Connecting business to the future

PRESS RELEASE

SVC Schmidt Vogel Consulting and APCON AG set to merge to form itelligence AG

Earnings per share up more than 20% for SVC shareholders

Bielefeld, 17th May 2000 - The majority shareholders in SVC AG Schmidt Vogel Consulting and the shareholders in the unquoted company APCON AG reached an agreement on 16th May 2000 to merge the two companies. They intend to pool their holdings in SVC AG and APCON AG to form a new holding company which will be called itelligence AG, with its head office in Frankfurt. Initially, however, SVC AG and APCON AG will continue as operating entities in their present legal form.

Under the agreement reached, in the first stage of the merger process the major shareholders in SVC AG and the shareholders in APCON AG will establish a new company on the basis of non-capital contributions, by pooling their holdings in itelligence AG. The rate of exchange is based on 61% of the company's valuation being accounted for by SVC AG and 39% by APCON AG (being their proportionate interests in itelligence AG, assuming that all shareholders convert their holdings into itelligence shares). This valuation has been agreed on by the shareholders concerned on the basis of expert reports. In the second stage of the merger, itelligence AG will submit an offer to the independent shareholders in SVC AG, allowing them to exchange their SVC shares for itelligence shares. It is expected that the swap offer will be made public in July 2000. The exchange ratio will correspond to that at which the major SVC shareholders swapped their SVC shares, i.e. an SVC share with a nominal computed value of EUR 1.00 can be exchanged for a share in itelligence AG worth EUR 1.00 of the company's nominal capital.

After the expiry of the time limit for exchange, the new shares in itelligence AG are to be admitted to the Geregelter Markt and accepted for trading on the Neuer Markt at the Frankfurt Stock Exchange.

SVC AG and APCON AG complement one another ideally both in their regional breakdown and in their core competences and client structures. Together, the two companies maintain a presence in 19 countries and boast a client base of over 700 large and medium-sized businesses, along with the comprehensive skills required to implement and integrate complex total IT solution packages. itelligence AG will thus be superbly equipped to support clients by integrating the entire range of new, Web-based business models into a stringent total IT system. From business consultancy and Web strategies via IT and ERP development through to Web design, in future itelligence AG will be able to offer complete, consistent solutions.

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As at 31.12.1999, itelligence AG would have had sales revenues amounting to Euro 112.5 million, an EBIT of Euro 10.9 million and after-tax profits as per US GAAP of Euro 4.8 million. In the first quarter of the current 2000 financial year, 'deemed' sales at itelligence AG are running at Euro 31.7 million (with SVC on its own achieving Euro 20.7 million); EBIT is Euro 2.2 million (with Euro 1.0 million accounted for by SVC AG), and after-tax profits as per US GAAP are Euro 1.0 million (with Euro 0.4 million coming from SVC AG).

As a result of the comparatively higher return on sales achieved by APCON AG, earning per share for the year 2000 will increase by more than 20% for those SVC shareholders who elect to swap their shares.

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