

itelligence AG: Sales and earnings projections for the full year confirmed

- **Nine-month sales at EUR 95.8 million with EBIT of EUR 4.1 million and an EBIT margin of 4.3 percent**
- **Fourth consecutive quarter with positive Group result confirms effectiveness of the restructuring**
- **Positive consolidated cash flow in third quarter**
- **Positive trend expected to continue in 2005**

Frankfurt, November 9, 2004 - itelligence AG, a leading international IT full-service provider in the SAP environment, closed the third quarter of 2004 with a positive operating result (EBIT) of EUR 1.2 million (Q3/2003: negative EUR 1.8 million). This represents a positive EBIT margin of 3.8 percent (Q3/2003: negative 5.2 percent). The operating result for the first nine months rose to EUR 4.1 million, with the EBIT margin reaching 4.3 percent. itelligence thus continued the positive trend of the previous four quarters also in the third quarter of 2004. The third-quarter Group result to US-GAAP stood at positive EUR 0.5 million, up from negative EUR 3.1 million in the previous quarter. Accordingly, the result to US-GAAP for the first nine months of 2004 came to positive EUR 2.0 million (2003: negative EUR 9.9 million). "This represents an EUR 11.9 million increase in earnings in absolute terms, which reflects the improved operational and structural position of the itelligence Group," explained Herbert Vogel, Board Chairman of itelligence AG.

At EUR 31.4 million, third-quarter sales followed the seasonal trend that is typical of the industry. Sales for the first nine months of 2004 came to EUR 95.8 million, down 0.6 percent on the currency-adjusted sales reported in the same period of the previous year (adjusted for discontinued/closed operations in 2003/04).

The Outsourcing & Services Division accounted for 27.5 percent (comparative 9M 2003: 19.7 percent) of total nine-month sales. Sales from licencing and consulting activities represented 10.4 percent (comparative 9M 2003: 9.9 percent) and 61.5 percent (comparative 9M 2003: 68.2 percent), respectively, of total nine-month sales.

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US sales, at EUR 25.5 million, were on a par with the currency-adjusted like-for-like sales of the first nine months of the previous year, while sales in Germany and Europe, at EUR 46.8 million and EUR 23.5 million, respectively, were down approx. 2.1 percent and 1.8 percent, respectively, on the currency-adjusted like-for-like sales of the first nine months of the previous year.

Thanks to the positive business development and the capital increase in the first half of the year, the equity ratio reached 35 percent (2003: 15 percent). The ratio of interest-bearing liabilities to total assets declined from the previous year's approx. 33 percent to roughly 18 percent.

The nine-month figures confirm the company's full-year projections of total sales of EUR 125 million to EUR 135 million and an EBIT margin of between 4 percent and 7 percent. Against the background of an unchanged market situation, the Managing Board is confident that the positive trend will continue in the next fiscal year. "If the present market development continues in 2005, we expect to achieve organic sales growth of 5 percent to 8 percent and to expand our EBIT margin by 1.5 to 2.5 percentage points," said CFO Jörg Vandreier.

Detailed information on the third quarter and the first nine months of 2004 can be found in the interim report 3/2004, which is available at www.itelligence.de. In addition, the Managing Board has scheduled a conference call for today, November 9, 2004, 11 a.m. Contact: Katrin Schlegel, itelligence AG, phone: +49 (0) 521 - 91 44 8106; katrin.schlegel@itelligence.de.

Short profile of itelligence AG:

itelligence AG is a leading international full-service provider for solutions in the SAP environment employing some 950 highly qualified employees in 15 countries in 4 regions (America, Western Europe, Germany/Austria, Eastern Europe). As an SAP Business, Service and Support Alliance as well as Global Partner Hosting and Global Services Partner, itelligence realizes complex projects in the SAP environment for over 1,200 customers worldwide. The company's services range from SAP consulting and licensing to outsourcing and services to proprietary industry-specific SAP solutions. In 2003, itelligence AG generated total sales of EUR 145.6 million (including discontinued operations: EUR 150.8 million) (ISIN DE 000 730 040 2).

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