

PRESS RELEASE

Norddeutsche Affinerie and itelligence develop electronic marketplace for Europe's copper industry

Frankfurt, October 4, 2000. Norddeutsche Affinerie Group (NA), a DM 3 bn company employing some 2,850 people and Europe's largest copper producer is about to launch its electronic marketplace for the copper industry ("copper-online.com") after several months of development and trial operation. Developed by NA in cooperation with itelligence, this Internet solution is a combined industry portal, marketplace and trading platform.

An annual copper consumption of 4.2 million tons makes Europe the largest copper market in the world. Germany alone uses 1.1 million tons of copper per year, including a growing quantity of high-purity copper material for high-tech products such as chips, printed circuits and mobile phones.

Experts expect marketplace integration to result in high productivity gains. The market is highly fragmented by a large number of different producers, processors, dealers, brokers and secondary mills; in addition, there are international ore suppliers, logistics and transport companies as well as industrial end users in a wide variety of different sectors. Werner Marnette, Board Chairman of Norddeutsche Affinerie: "It is our objective to map the business processes of the European copper industry and to integrate and optimize its information and processing chains via the Internet." The development of value added services such as insurance, credit checks and hedging is already under way.

The electronic marketplace will be operated by the largest players in the industry: Norddeutsche Affinerie is the largest copper producer in Europe and has an annual copper concentrate processing capacity of 1 million tons. The company has an all-European market share of 34%, a major part of which is accounted for by so-called "copper formats" (mostly special grades for high-tech applications). Given that copper can be recycled without a loss of quality and scrap metal processing therefore plays an important role, the world's largest copper recycling company (260,000 tons handled per year), Hüttenwerke Kayser (a member of the NA Group since December 1999) has also been fully integrated into the marketplace. The integration of other major players is planned. The operator concept ensures neutrality and data security at the same time. The objective is to vertically integrate the 500+ largest companies in the industry on the Internet.

The project has allowed itelligence AG, which has emerged from the recent merger of SVC AG and APCON AG, to realize the first know-how synergies. Says NA Board Chairman Marnette: "We have chosen itelligence AG as they were the only ones that have the complete e-business expertise required for our project." This expertise is a combination of business process competence and technological know-how, both in the SAP (MySAP) and the non-SAP environment as well as in individual software programming. itelligence provided an all-in solution from web strategy consulting to IT development and web design. Special software helps the copper companies achieve a direct connection and full integration of their ERP/back-end and booking systems. Marnette: "This degree of vertical integration makes us an international leader." Says itelligence Board Spokesman Herbert Vogel: "There is a strong incentive for our customers to order the software solution as an upgrade to their ERP systems as it allows them to cooperate optimally." The project is based on the "High Commerce" software platform of itelligence partner Heiler AG. All marketplace processes will be outsourced to the itelligence computer centre near Dresden. itelligence will also support the operation of the marketplace.

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