

Results for the first nine months of 2003

- **Implementation of the restructuring project progressed as planned and had first positive effects on earnings**
- **Business performance in Germany and Europe stabilized at a low level**
- **Sustained improvement of US business**

Frankfurt, November 6, 2003 – In the third quarter of 2003, itelligence AG generated sales of EUR 35.3 million, which is in line with the company's plans. Sales in the first nine months of 2003 totalled EUR 111.6 million, down about 13 percent (approximately 8.2 percent adjusted for exchange rate effects) on the same period of the previous year (EUR 128.2 million). This development reflects the continued spending restraint in Germany and Europe already seen in the first six months of 2003 as well as a decline of non-SAP sales by some 45 percent (approx. EUR 8.3 million). This primarily affected the consulting business which was down about 17 percent on the previous year (EUR 93.8 million). Licence sales came to EUR 10.7 million (2002: EUR 12.1 million), while the Outsourcing & Services segment developed favourably, reporting a sales increase by about 7 percent to EUR 21.7 million.

In the USA, the positive business trend reported in the first half year continued, with itelligence posting sales of EUR 27.2 million in the first nine months of 2003. The sales increase of approximately 19 percent confirmed the sustained turnaround in the USA. Adjusted for exchange rate effects, sales rose by some 43 percent.

As planned, itelligence largely completed the extensive measures for a structural optimization and improvement of the company's operating cost structures in the first nine months of 2003. The IT service provider continued to align its strategic orientation with customer and market requirements. In a last step, the unprofitable non-SAP activities of itelligence AG will be discontinued by the end of the year. In addition to these operating measures, the Managing Board targets a sustained improvement of the company's equity and liquidity position.

The already completed or initiated measures are expected to take full effect in 2004 with cost savings of approximately EUR 25.1 million. In the third quarter of 2003, itelligence implemented measures which will increase the annual savings expected in the first half of 2003 (EUR 14.8 million) by another EUR 10.3 million. The first positive effects of the implemented measures on earnings before interest, taxes and amortization (EBITA) were felt

in the third quarter. After a loss of EUR 3.7 million in the second quarter of 2003, the Group reported Q3 EBITA of EUR -0.9 million (EBITA adjusted for restructuring expenses: EUR +0.2 million). EBITA in the first nine months of 2003 came to EUR -6.2 million or EUR -2.4 million (2002: EUR 1.2 million) excluding restructuring expenses of EUR 3.8 million.

Q3 2003 amortization of goodwill due to the annual impairment test amounted to EUR 1.5 million. Earnings before interest and taxes (EBIT) and after amortization and restructuring expenses came to EUR -7.7 million (EBIT adjusted for restructuring expenses: EUR -3.9 million). Consequently, earnings to US-GAAP stood at EUR -9.9 million, after EUR -6.6 million in the same period of the previous year. After EUR -2.1 million in the previous year (as of September 30, 2002), itelligence reported an almost balanced cash flow as of September 30, 2003 excluding cash paid for restructuring.

From today's point of view and provided the market trend does not change, the Managing Board continues to expect sales between EUR 140 million and EUR 145 million and an EBITA margin of between -4 percent and -6 percent for the full year 2003.

For further information, please refer to the interim report 3/2003 published on the Internet at www.itelligence.de. The Q3/2003 results will be presented in detail during a telephone conference on November 6, 2003 at 11 a.m. Please contact Katrin Schlegel, itelligence AG, by phone 0521 – 91 44 8106 or e-mail Katrin.Schlegel@itelligence.de. In addition, the Managing Board invites you to a detailed company presentation on the occasion of the Financial Forum investor conference on Tuesday, November 26, 2003, at 11:30 a.m. in the "Kinosaal" screening room of Dresdner Bank AG, 2nd floor, Jürgen-Ponto-Platz 1, Frankfurt.

itelligence AG is a leading international full-service provider for solutions in the SAP environment employing some 1,100 highly qualified employees at 38 branches in 18 countries. As a mySAP.com Channel, Service and Support Alliance as well as Hosting Partner 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 2002, itelligence AG generated total sales of EUR 168,5 million (ISIN DE 000 730 040 2).

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