

PRESS INFORMATION

First-half figures

- **First-half sales grew by 36% to EUR 87.4 million**
- **Margin and cost development put a damper on earnings**
- **Restructuring measures to be continued**
- **Cost and earnings situation expected to improve in the second half of the year**

Frankfurt, August 21, 2001 – In the first half of fiscal 2001, itelligence AG increased its sales by 36% from EUR 64.3 million in the same period of the previous year to EUR 87.4 million, meaning that sales in the first six months of the year developed above plan.

As a result, earnings before interest, tax, depreciation and amortization (EBITDA) declined from EUR 0.8 million in the same period of last year to EUR -0.8 million in the first six months of 2001. Earnings before interest and tax (EBIT) amounted to EUR -4.6 million in the first half of fiscal 2001, compared to EUR -1.2 million the year before. After EBIT of EUR -1.9 million in the first quarter of fiscal 2001, operating EBIT after one-off value adjustments on accounts receivable of EUR 2.2 million came to EUR -0.5 million in the second quarter of the year. Earnings per share stood at EUR -0.19 after the first six months of 2001, compared to EUR -0.03 in the same period of last year.

In view of the earnings situation, the Managing Board of itelligence AG started to implement cost-efficient administration, research & development and sales structures in May 2001. All business segments were realigned for a stronger focus on operating business and capacities were used accordingly. These cost-cutting measures will be continued and further intensified in the second half of the year.

In addition to the measures taken since May, cost savings of up to EUR 0.5 million per month will be implemented. All locations will be analyzed on an ongoing basis with a view to their profitability and the effectiveness of the measures taken. Management expects the above measures to take full effect on the sales and earnings situation as early as by the turn of the year 2001/2002.

Overall, itelligence reported an improvement on the first quarter in its classical business segments: The SAP and individual IT consulting segment developed favourably. Sales in this segment increased to EUR 70.6 million in the first half of the year. Sales in the still young outsourcing and services segment rose to EUR 9.5 million. Due to restrained IT spending by companies, the licence segment continued to develop weakly, however with a clear improvement of the pipeline towards the end of the first half of the year. As a result of increased price pressure, margins remained low in all segments. All in all, itelligence expects many projects to have a positive effect on the sales and earnings situation in the second half of the year.

In view of a projected improvement in profitability as well as a projected further increase in sales, especially as a result of the newly launched licence business, the Board expects the earnings situation to improve considerably in the second half of fiscal 2001. For the full fiscal year, management forecasts an increase in total sales of 25% to 30% and balanced earnings before interest, tax, depreciation and amortization (EBITDA).

itelligence AG is a leading international supplier of end-to-end IT and SAP solutions employing 1,500 highly qualified SAP and IT experts at 44 branches in 19 countries. The company's services range from industry-specific SAP solutions to proprietary individual software technologies to the complete integration of highly complex IT and e-business systems including outsourcing.

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