

### **Improved profitability and favourable business prospects expected for 2004**

- **Market position expanded after strategic refocusing of operating activities in 2003**
- **Back in profit in 2004, with an EBIT margin of +4 to +7 percent**

Frankfurt, 25 March 2004 – itelligence AG, the company listed in the Prime Standard of the Frankfurt Stock Exchange will today announce the outlook for the current financial year on the occasion of the presentation of its annual results to the press.

Following a weak first half-year, itelligence reported a continued stabilization of its business in the course of 2003. The second-half pick-up in business was additionally supported by the first positive effects of successful restructuring and strategic refocusing of the Group. In 2003 the company clearly improved its cost structures and thereby created the basis for sustained profitability, while at the same time pushing ahead its concentration on the SAP core business. This has further strengthened the company's position as an international full-service provider in the SAP environment. Being one of the most important international SAP partners to small and medium-sized businesses, itelligence is resolved to tap additional market potential in the SME segment in 2004.

All in all, the managing board of itelligence AG assumes that the IT market will pick up slightly during the current financial year. In view of the positive stimulation expected from the market as well as the substantial and structural improvements of the company's own organization, the board expects to post total sales between EUR 125 and 135 million for the current financial year. The board also expects the company's profitability to improve further, anticipating an EBIT margin between +4 and +7 percent.

In the past fiscal year, the Group generated total sales of EUR 145.6 million (EUR 150.8 million\*), exceeding the 2003 sales target of EUR 140 to 145 million. Adjusted for exchange rate effects, sales were down approx. 3.2 percent (5.3 percent\*) on the previous year (2002: EUR 159.5 million; EUR 168.5 million\*).

With foreign sales accounting for roughly 50 percent of itelligence's total sales, the USA remains the company's most important foreign market, reporting a 20 percent increase in sales (48 percent in exchange rate adjusted terms). In Germany, the EUR 13.5 million decline in sales was mainly attributable to the loss-making non-SAP units and non-SAP investments. Sales in the SAP core segment were down only 3.7 percent on the previous year. The Outsourcing & Services unit boosted its sales by 10.2 percent (8.7 percent\*) on a Group-wide scale and by 20.8 percent in Germany.

At -1.5 percent (-3.98 percent\*), the EBITA margin was up slightly on the range expected for 2003 (EBITA margin between -4 and -6 percent), despite restructuring expenses of EUR 5.4 million (EUR 5.6 million\*). Earnings before interest, taxes and amortisation (EBITA) amounted to EUR -2.2 million (EUR -6.0 million\*) in the past fiscal year, compared to EUR -1.0 million (EUR -3.0 million\*) in 2002. Adjusted for the restructuring expenses, EBITA reached EUR +3.2 million (EUR -0.4 million\*). The result to US-GAAP improved from EUR -16.1 million in 2002 to EUR -9.8 million in the past fiscal year. A positive cash flow of EUR 1.5 million means that itelligence AG's cash position has stabilized noticeably (2002: EUR -1.1 million).

For further details please refer to itelligence AG's audited financial statements at [www.itelligence.de](http://www.itelligence.de). Moreover, the managing board will answer any additional questions in the context of a phone conference held today, Thursday, March 25, 2004. For details, contact Katrin Schlegel, itelligence AG, phone: 0521 – 91 44 8106; e-mail: [Katrin.Schlegel@itelligence.de](mailto:Katrin.Schlegel@itelligence.de).

\* Including discontinued operations: In accordance with SFAS 144, the companies sold or held for sale, i.e. itelligence Financial Solutions GmbH, it-WPS Workplace Solutions Gesellschaft für DV-Beratung mbH, Honico Systems GmbH and the Italian companies sold are shown as discontinued operations in the consolidated financial statements.

**itelligence AG is a leading international full-service provider for solutions in the SAP environment employing some 1,000 highly qualified employees in 4 regions (America, Western Europe, Germany/Austria, Eastern Europe). 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 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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