

First-half figures confirm full-year projections for 2004

- **Steady improvement in operating result to EUR 2.9 million; 4.5 percent EBIT margin in first half of 2004**
- **Equity ratio at 34 percent after capital increase**
- **Outsourcing & Services' contribution to total sales increases to 28 percent in the second quarter**

Frankfurt, August 5, 2004 – itelligence AG has announced an operating result (EBIT) of EUR 2.9 million (2003: EUR -3.2 million) and an EBIT margin of 4.5 percent (2003: -4.4 percent) for the first half of 2004. The operating result for the second quarter amounted to EUR 1.7 million (2003: EUR -2.6 million), which represents an EBIT margin of 5.3 percent (2003: -7.2 percent). The IT full-service provider thus continued the positive trend of the previous three quarters thanks to an improved structural and operational positioning, optimized capacity utilization and stricter cost management. Group results to US-GAAP increased by EUR 8.3 million from EUR -6.8 million in the first half of 2003 to EUR 1.5 million in the first six months of 2004.

As expected total second-quarter sales, at EUR 31.7 million, were down approx. 13 percent on the previous year's EUR 36.3 million. Total sales for the first six months of 2004 amounted to EUR 64.4 million (2003: EUR 73.2 million). Net of exchange rate differences, revenues were on a par with the first half of 2003, adjusted for discontinued operations and companies/business units that have been closed.

At EUR 7.1 million, license sales were up 0.4 percent on the first-half of 2003 in currency-adjusted terms. Sales from consulting activities declined by EUR 4.5 million to EUR 39.4 million, while sales in the Outsourcing & Services division were up EUR 4.2 million in comparison to the first half of 2003.

A regional breakdown shows that sales in Germany, the Company's core market, were up approx. 2 percent on the first half of 2003. By contrast, revenues in the rest of Europe were down 5.6 percent on the comparative prior-year figures (down 3.0 percent net of exchange rate effects) and revenues were down 10.8 percent on the comparative prior-year figures in the Americas (down 1.2 percent net of exchange rate effects).

Benefiting from the improved earnings position and the capital increase, itelligence's equity ratio increased noticeably to 34 percent at Group level (2003: 18 percent). The interest bearing debt to total assets ratio is at 19 percent at the end of the second quarter, a significant improvement from the previous year's 30 percent.

The Managing Board feels that the positive course of business in the second quarter confirms its projections for the full year 2004 as well as its assessment of the market. "Thanks to the injection of fresh capital and the success of our strict consolidation policy, we have clearly improved the competitive situation of itelligence AG," said CFO Jörg Vandreier. "itelligence is financially and structurally on a solid basis and we will continue to expand its position as an important mid-market partner to SAP AG," confirmed Board Chairman Herbert Vogel.

Detailed information on the second quarter and the first six months of 2004 can be found in the interim report 2/2004, which is available at www.itelligence.de. In addition, the Managing Board has scheduled a conference call for August 5, 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 a mySAP.com Business, 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).

Investor Relations:

Katrin Schlegel
Tel: +49 (0) 521-91448 106
Fax: +49 (0) 521-91445 201
katrin.schlegel@itelligence.de

itelligence AG
Königsbreede 1
33605 Bielefeld
<http://www.itelligence.de>