

itelligence AG

- **Muted start to fiscal year 2005**
- **Orders on hand rise to MEUR 87**
- **Revenues and earnings forecasts for full year confirmed**

Bielefeld, May 3, 2005 - itelligence AG, a leading international full-service IT provider for solutions in the SAP environment, generated revenues of MEUR 30.3 in the first quarter of fiscal year 2005, down from MEUR 32.8 year-on-year. This reduction is primarily due to weak consulting business activities in Germany and project delays in the USA as well as to volatility in the Licenses business in the USA and the rest of Europe. As expected, revenues developed positively in the Outsourcing & Services segment, increasing by 8.5 percent as against the prior-year quarter.

In view of the high overall orders on hand of MEUR 87 (previous year: MEUR 85), itelligence expects revenues to improve substantially during the rest of the fiscal year in all segments. This mainly applies to the Consulting segment, where orders on hand rose by 24 percent during the first quarter.

According to CEO Herbert Vogel, "the first quarter shows a muted start to the fiscal year. However, we expect the entire market for IT investments to pick up noticeably over the next few months. A look at our order situation in all segments also confirms this."

In terms of earnings, itelligence generated EBIT of minus MEUR 0.5, down on the previous year's level of MEUR 1.2. The EBIT margin decreased accordingly to minus 1.8 percent as against 3.7 percent in the first quarter of 2004. Earnings in accordance with IFRS amount to minus MEUR 0.5 compared with MEUR 0.2 in the prior-year quarter.

Within the individual segments, Outsourcing & Services increased its share of total revenues to 30.8 percent (prior-year quarter: 26.3 percent). The Consulting segment contributed 59.9 percent (prior-year quarter: 62.4 percent) and the Licenses segment 9.0 percent (prior-year quarter: 10.9 percent).

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In terms of regional distribution, revenues in Germany dropped by minus MEUR 2.3. The high Licenses revenues of the fourth quarter in 2004 led to a delayed, pick up in revenues at the end of the first quarter in the Consulting segment. In the USA, revenues declined by MEUR 0.3 year-on-year due to project delays or project postponements. Net of exchange rate differences, revenues in the USA remained stable at the previous year's level. Germany accounted for approximately 48.5 percent (prior-year quarter: 51.8 percent) of total revenues, the USA for around 23.1 percent (prior-year quarter: 22.4 percent) and the rest of Europe for about 28.4 percent (prior-year quarter: 25.8 percent).

In light of the good order situation, itelligence confirms the ranges in its revenues and earnings forecasts for 2005 and, in so doing, expects a noticeable revival of investments in the IT services market from the second quarter.

Interim Report 1/2005 presents a detailed account of the first quarter of 2005 and can be found on the Company's homepage at www.itelligence.de. In addition, the Management Board invites you to a telephone conference on May 4, 2005 at 11 a.m. Contact Katrin Schlegel, itelligence AG, Tel.: +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 an SAP Business, Service and Support Alliance as well as Global Partner Hosting 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 & services to proprietary industry-specific SAP solutions. In 2004, itelligence AG generated total sales of EUR 131.0 million (ISIN DE 000 730 040 2).

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