

- **itelligence AG reports clearly improved operating result and good order situation: EBITDA of EUR 4.4 million**
- **Full-year forecasts for 2002 confirmed**

Frankfurt, November 20, 2002 - itelligence AG, a leading international full-service provider for SAP, reports in its 9-month statement that the positive business performance delivered in the first half of 2002 continued also through the third quarter of the year.

Thanks to a further improvement of its cost structures and profitability, itelligence clearly increased its operating result to September 30, 2002 compared to the same period of the previous year: After a negative EUR 0.7 million in the first nine months of 2001, the company reported Group earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 4.4 million for the same period of 2002. The operating profit (EBIT) improved to EUR 1.2 million in the first nine months of 2002, compared to a negative EUR 6.3 million in 2001.

The impairment test carried out for the first time in the third quarter of 2002 resulted in a goodwill amortization of EUR 0.9 million. This one-off goodwill amortization ("effect of the change in accounting principles") is not included in the operating result (EBIT) for the period under review (goodwill amortization in 2001: EUR 2.3 million), but charged against the net profit. The continued weakness of the economy and the stock markets necessitated a EUR 3.8 million charge against the book value of the Heiler shares bought in 2000. Taking this depreciation on financial assets into account, the company reported a net loss (US-GAAP) of EUR 6.6 million in the period under review (2001: EUR -4.8 million).

Cash flow from operating activities surged from a negative EUR 7.7 million in the first nine months of 2001 to a positive EUR 2.8 million in the same period of 2002, with itelligence generating a total cash flow of EUR 0.1 million to September 30, 2002 (2001: EUR -13.4 million).

At EUR 128.2 million, Group sales were down one percent on the same period of the previous year (2001: EUR 129.3 million). As in the first half of 2002, this development was attributable to lower sales in the Individual IT Consulting unit, the continued weak economic development in Europe and the USA as well as high exchange rate effects. US sales accounted for 17 percent of total sales and increasingly stabilized in the period under review. Given that the extensive restructuring and cost-cutting measures taken by the American Group companies have started to show effect and in view of the good order situation, the Managing Board of itelligence AG expects the US business to consolidate.

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SAP business in Germany and Switzerland as well as the Eastern European Group companies in Poland and Hungary continued to develop favourably. All in all, foreign sales accounted for 46 percent of total sales (2001: 48 percent).

The Outsourcing & Services unit posted another sales increase compared to the previous year with sales up 30 percent to EUR 20.3 million. Licence business, which had increased by a promising 17 percent in the second quarter of 2002 year-on-year, stabilized further. Especially in Germany and the USA, the company won numerous new licence contracts. For the first nine months of 2002, this unit reported sales of EUR 12.1 million, which exceeded the previous year's level (2001: EUR 9.2 million). The Consulting unit contributed 73 percent to the total sales of itelligence AG (2001: 80 percent). The decline in sales was largely attributable to a considerable reduction of the headcount in the Individual IT Consulting unit as well as to lower US sales at the beginning of the year.

Overall, itelligence AG consolidated its strong position as a leading international full-service provider for SAP in the first nine months of 2002. Thanks to numerous new long-term contracts and follow-up orders, itelligence reported a good order situation in fiscal 2002 and into the new year. SME and key account business benefited from the close worldwide cooperation with SAP AG. itelligence is one of the partners selected by SAP which implement SAP Business One, SAP's new solution for small and mid-sized enterprises, in the pilot phase of the company's SME initiative.

itelligence AG's sales and earnings development in the first nine months of the fiscal year was in line with the company's expectations. Herbert Vogel, Board Chairman of itelligence AG, said: "We are confident that the expected order situation will allow us to achieve our targets for the full fiscal year, namely an EBITDA margin of about 5 percent, a positive operating result (EBIT) as well as sales at the previous year's level."

On Tuesday, November 26, 2002, at 2.45 p.m., the Managing Board of itelligence AG will give a comprehensive company presentation in the "Kinosaal" screening room of Dresdner Bank AG, 2nd floor, Jürgen-Ponto-Platz 1, Frankfurt. The presentation will provide an insight into the current situation of the company and its strategic orientation.

itelligence AG is a leading international full-service provider for SAP employing some 1,450 highly qualified employees at 44 branches in 19 countries. As a mySAP.com Channel, Alliance and Hosting Partner, itelligence implements 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 and individual software technologies. In 2001, itelligence AG generated total sales of EUR 182.9 million (ISIN DE 000 730 040 2).

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