

EMPRISE Management Consulting AG

Humboldt-Campus
Humboldtstraße 62
22083 Hamburg
Germany

t_ +49 (0) 40 - 270 72 - 0
f_ +49 (0) 40 - 270 72 - 139

e_ info@emprise.de
www.emprise.de

QUARTERLY REPORT I/2005

>> EMPRISE in figures

in TEUR	Q1 / 2005	Q1 / 2004
Turnover	5,567	5,762
Operating Result (EBIT)	1	-49
Result after tax and minority interest	-72	-172
Group Profits	-142	-255
Result after DVFA/SG	-142	-255
Result after DVFA/SG*	-142	-196
Balance**	13,418	14,579
Staff at the end of the year	174	160

* excluding goodwill arising from consolidation and capitalized differences

** balance per March 31, 2005 and December 31, 2004

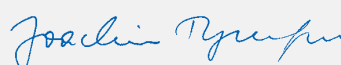
Dear shareholders, business partners, employees and friends of the EMPRISE Group,

Building on the first positive net income we recorded last year since our IPO, we have a lot planned for this year. The positive trend in the solutions business continued in the first quarter of 2005. The solutions we presented at CEBIT met with an excellent response, and we were delighted that "Q.Process[®]", the solution developed by our Munich-based subsidiary ECM, received a special prize in the process management category at the 2005 Innovation Awards presented by the "Initiative Mittelstand".

In March, we entered into a strategic partnership with GSOAG Systemhaus GmbH, with an option to acquire a majority interest. This SAP systems integrator specializes in software solutions for non-profit organizations. "MFplus" is used to manage around 16 million addresses and EUR 400 million a year of membership fees and donations. In line with our solutions strategy, we have therefore succeeded in entering a lucrative sector. Together, we intend to develop additional IT solutions based on existing software, and to position them on the market.

EMPRISE is on the right track. We look forward to receiving your continued support and would like to thank you for the trust you have placed in us.

The Managing Board



Joachim Regenbogen



Peter Röder

>> Overall economy and our business sector

After the fall in gross domestic product in Q4/2004 (-0.2%; source: Statistisches Bundesamt – German Federal Statistical Office), the German economy recovered in the first quarter of 2005. However, its growth prospects remain gloomy. In their spring reports, the six leading economic research institutes forecast growth of only 0.7% for this year, having predicted 1.5% in their fall reports for 2004.

Nevertheless, the market for information technology and telecommunications (ITC) remains favorable. The German ITC industry group BITKOM* is predicting overall growth of 3.4% for 2005, and 3.1% for 2006. The IT services segment is even forecast to grow by 4.4% (2006: 4.8%). The reduction in the investment backlog from recent years is expected to provide the key stimulus for this.

* Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V. (German Association for Information Technology, Telecommunications and New Media)

>> EMPRISE's market environment

The first quarter was again dominated by the marketing of EMPRISE's solutions.

In developing its solutions, EMPRISE focused from the outset on strong partnerships with market leaders, with the aim of achieving good access to the market and broad acceptance from users.

We believe that our current sales figures vindicate this approach. In the first three months of this year, we appeared at three events together with our partners – and met with an excellent response.

EMPRISE presented its own enterprise content management solutions as a partner on Hummingbird's stand at CeBIT 2005. At the same time, our CRM solutions were featured on Microsoft Business Solutions' partner stand. Visitors showed a keen interest in both solutions.

In March 2005, we teamed up with IBM to organize our own event on Lotus Notes. IBM's representatives were very impressed with the response in Hamburg and are already planning another event with EMPRISE for May.

Microsoft Business Solutions was also extremely satisfied with a joint workshop for small and medium-sized companies on CRM in March. Under the motto 'Creating value – adding value', Microsoft and EMPRISE gave small and medium-sized companies advice on developing a structured customer relationship management system.

Since the beginning of the year, EMPRISE has profited from a major advertising campaign, in which Microsoft presents itself as an industry expert for small and medium-sized companies. The advertisements covering the whole of Germany feature our CRM pilot customer, robbe Modellsport, and refer to EMPRISE. As a result, several companies have already registered their interest with us since the campaign began.

EMPRISE acquired 30 new customers in the past quarter. We believe that this vindicates our strategy, and we will further strengthen our marketing and sales activities in the next quarter.

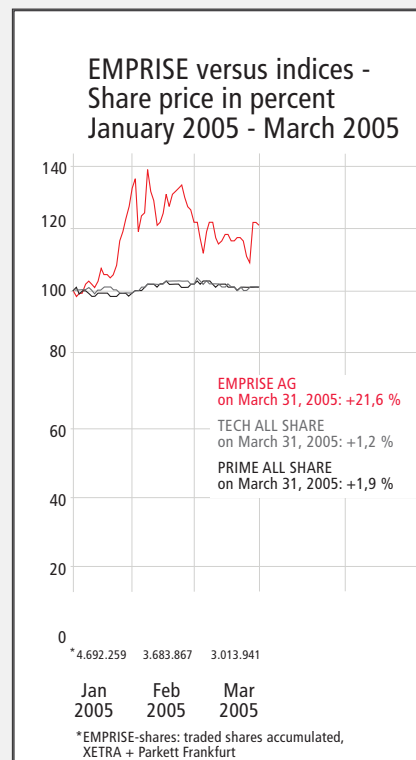
>> Investor relations

EMPRISE's preliminary figures published in mid-February showed that it has become profitable for the first time since its IPO. The Company's results exceeded the market's expectations. Our shares were covered in detail in several publications, and buy recommendations were repeatedly issued. Our group of potential investors also substantially increased as a result of EMPRISE's improved financial situation. In February, the Company made contacts with new investors at a roadshow in Frankfurt.

EMPRISE received positive responses to the strategic partnership it entered into with GSOAG Systemhaus GmbH, Limburg, in March. This systems integrator was spun off from its insolvent parent, GSOAG Consulting AG, and set up to operate independently. Its specialist expertise and industry access make GSOAG Systemhaus GmbH a compelling partner. EMPRISE has an option to acquire a majority interest in it. The parent company GSOAG Consulting AG remains unaffected by this.

EMPRISE shares increased by 21.6% in the first quarter, closing at EUR 2.08 on March 31. They therefore clearly outperformed their benchmark Prime All Share (+ 1.9%) and Tech All Share (+ 1.2%) Indices. Our shares' liquidity also rose significantly year-on-year, with a turnover of 11.4 million shares (previous year: 6.8 million shares). This also reflects the greater number of shares.

In the second conversion period in February, a total of 871,670 bonds were converted into EMPRISE shares. Until the General Meeting, they will be traded on the stock exchange under a different securities code number, AOD66B. A total of 185,372 shares are now outstanding from the 2004/2006 convertible bond.



>> Sales and earnings

We continued to profit from the healthy demand for our solutions in the first quarter. Sales fell subject to seasonal influences slightly to EUR 5.6 million (previous year: EUR 5.8 million). This is due to both the continued perception that companies are reluctant to invest, and the particular situation regarding public holidays. In addition to carnival, the late Christmas holidays and the unusually early Easter holidays, which fell entirely in Q1, considerably reduced the number of billable days.

Earnings before interest, taxes, depreciation and goodwill amortization (EBITDA) fell to EUR 53 thousand (previous year: EUR 95 thousand). In contrast to Q1/2004, this figure reflects work performed by the Company and capitalized amounting to EUR 151 thousand, which we used to continue driving forward the development of solutions. The changes in the cost of materials and staff costs approximately offset each other. Lower costs for freelancers were offset by higher costs for new in-house staff. Other operating expenses rose slightly, in particular due to increased marketing expenditure for positioning solutions, and greater travel costs incurred by stronger partner management activities.

At EUR 1 thousand, the operating result (EBIT) improved significantly year-on-year (Q1/2004: EUR-49 thousand). This mainly reflects the substantial year-on-year decrease in goodwill amortization of around EUR 59 thousand (consolidated financial statements). In accordance with the impairment only approach, no impairment was identified and therefore none was recognized.

Earnings before taxes and minority interest (EBT) improved considerably to EUR 3 thousand (previous year: loss of EUR 116 thousand). A key factor behind this was the significantly improved financial result, which reached EUR 2 thousand (previous year: EUR-68 thousand), due to the massive debt reduction in the previous year.

The net loss for the period fell to EUR 142 thousand (previous year: EUR 255 thousand).

>> Net assets and financial position

EMPRISE continued to reduce its current liabilities and provisions in the first quarter.

There are now no current bank loans.

Trade payables were reduced to EUR 1.4 million (year-end 2004: EUR 1.9 million) and other current liabilities, in particular value added tax, to EUR 2.8 million (year-end 2004: EUR 3.2 million). Provisions fell to EUR 1.8 million (year-end 2004: EUR 2.0 million).

In line with this, current assets decreased to EUR 6.1 million (year-end 2004: EUR 7.4 million). This relates in particular to cash and cash equivalents; however, at EUR 1.7 million (year-end 2004: EUR 3.3 million), this item remains significantly up on Q1/2004 (EUR 0.2 million).

Following the reduction in the volume of assets and liabilities, total assets fell to EUR 13.4 million (year-end 2004: EUR 14.6 million).

>> Employees

As of March 31, 2005, the EMPRISE Group employed a total of 174 people. The number of employees thus increased by 14 year-on-year (March 31, 2004: 160), and by 2 compared with the end of 2004 (December 31, 2004: 172).

>> Significant events after the end of Q1

During the third conversion period in April 2005, 5,380 bonds were converted into shares. 179,992 shares are now outstanding from the 2004/2006 convertible bond.

>> Outlook

The EMPRISE Group aims to become the leading consulting company in the lucrative IT niche market in Germany.

We remain committed to our solutions strategy. Understanding and modeling specific processes requires comprehensive expertise in our target sectors. EMPRISE develops solutions on the basis of this, focusing on partnerships with market leaders (Microsoft, IBM and Hummingbird, among others).

In future, our priority will be to intensify our sales and marketing activities.

At the same time, we will continue to examine opportunities for external growth. We will concentrate on small companies with a clear content and customer focus. These companies can act flexibly on the market and optimally serve the needs of their sector.

We are forecasting sales of more than EUR 30 million for 2005, and are expecting EBIT of at least EUR 2.4 million and net income for the year of EUR 1.5 million.

The positive prospects for the ITC sector vindicate our outlook. However, it remains to be seen how the German economy as a whole will perform this year. The recent reductions in economic forecasts could affect the ITC sector and therefore our own predictions.

Consolidated income statement according to IFRS

In TEUR

	QI/2005		QI/2004		1-3.2005		1-3.2004	
Sales	5,567	100.00%	5,762	100.00%	5,567	100.00%	5,762	100.00%
+ Changes in inventories of finished goods and work in progress	243		239		243		239	
+ Company-produced additions to plant and equipment	151		0		151		0	
+ Other operating income	97		67		97		67	
- Cost of materials	-1,786	-32.1%	-2,079	-36.1%	-1,786	-32.1%	-2,079	-36.1%
a) Cost of purchased goods	-50		-124		-50		-124	
b) Cost of purchased services	-1,736		-1,955		-1,736		-1,955	
- Staff costs	-3,154	-56.7%	-2,919	-50.7%	-3,154	-56.7%	-2,919	-50.7%
a) Wages and salaries	-2,708		-2,498		-2,708		-2,498	
b) Social security costs	-446		-421		-446		-421	
- Other operating expenses	-1,065	-19.1%	-975	-16.9%	-1,065	-19.1%	-975	-16.9%
= EBITDA	53	1.0%	95	1.6%	53	1.0%	95	1.6%
- Depreciation and amortization	-52	-0.9%	-143	-2.5%	-52	-0.9%	-143	-2.5%
a) On goodwill	-1		-59		-1		-59	
- from individual financial statement	-1		-1		-1		-1	
- from consolidated financial statement	0		-59		0		-59	
b) Other	-51		-84		-51		-84	
= Operating result	1	0.0%	-49	-0.9%	1	0.0%	-49	-0.9%
Financial result	2	0.0%	-68	-1.2%	2	0.0%	-68	-1.2%
+/- Interest income and expenses	4		-64		4		-64	
+/- Currency gains / losses	0		0		0		0	
+/- Other income / expense	-2		-4		-2		-4	
a) Profit attributable to silent partners	-2		-4		-2		-4	
b) Income from the sale of investments	0		0		0		0	
c) Amortization of investments	0		0		0		0	
= Earnings before taxes (and minority interest)	3	0.1%	-116	-2.0%	3	0.1%	-116	-2.0%
+/- Income tax	-71		-53		-71		-53	
+/- Other taxes	-4		-3		-4		-3	
+/- Extraordinary costs and income	0		0		0		0	
= Earnings before minority interest	-72	-1.3%	-172	-3.0%	-72	-1.3%	-172	-3.0%
- Minority interest	-70		-83		-70		-83	
a) Minority interest in profit / loss	0		0		0		0	
b) Expense for transfer of profits to minority shareholders	-70		-83		-70		-83	
= Net income / loss for the period	-142		-255		-142		-255	
Earnings per share (basic)	-0.01		-0.03		-0.01		-0.03	
Earnings per share (diluted)	-0.01		-0.03		-0.01		-0.03	
Earnings per share before goodwill depreciation (basic)	-0.01		-0.02		-0.01		-0.02	
Earnings per share before goodwill depreciation (diluted)	-0.01		-0.02		-0.01		-0.02	
Weighted average shares outstanding (basic)	11,877,593		9,140,173		11,877,593		9,140,173	
Weighted average shares outstanding (diluted)	12,187,148		9,140,173		12,187,148		9,140,173	

Reconciliation to the balance sheet

Net loss for the period	-142	-255
- Accumulated losses brought forward	-7,191	-7,809
= Accumulated losses	-7,333	-8,063

Consolidated balance sheet according to IFRS

In TEUR

ASSETS	31.03.2005	31.12.2004
Current assets	6,078	7,365
I. Cash and cash equivalents	1,678	3,276
II. Trade accounts receivable	2,900	3,141
II. Inventories	546	287
IV. Prepaid expenses and other current assets	954	661
Non-current assets	7,341	7,214
I. Property, plant and equipment	341	359
II. Intangible assets	1,047	906
III. Goodwill	1,738	1,738
IV. Deferred taxes	4,215	4,211
TOTAL ASSETS	13,419	14,579

In TEUR

EQUITY AND LIABILITIES	31.03.2005	31.12.2004
Current liabilities	6,383	7,427
I. Short-term liabilities to banks	0	1
II. Trade payables	1,444	1,877
III. Tax provisions	359	359
IV. Other provisions	1,782	1,959
V. Deferred revenues	28	3
VI. Other current liabilities	2,770	3,228
Non-current liabilities	959	933
I. Long-term debt	324	364
II. Deferred tax liabilities	420	369
III. Pension provisions	215	200
Minority interest	100	100
Shareholders' equity	5,977	6,119
I. Capital stock	12,003	11,131
II. Capital reserve	1,309	2,180
III. Treasury stock	-1	-1
IV. Accumulated profits / losses	-7,333	-7,191
TOTAL EQUITY AND LIABILITIES	13,419	14,579

Consolidated cash flow statement according to IFRS

<i>In TEUR</i>	<i>1-3.2005</i>	<i>1-3.2004</i>
Operating result	1	-49
+ Depreciation and amortization	52	143
+/- Increase in long-term provisions	15	5
+/- Gains / loss from disposal of noncurrent assets	-1	4
+/- Interest paid / received	4	-65
- Profit attributable to silent partners silent partners	-2	-3
+ Other non - cash income	46	0
= Cash flow before taxes	115	35
+/- Income tax paid / income tax received	-74	-34
= Cash flow after taxes	41	1
+ Change in trade receivables	241	803
+ Change in trade payables	-433	-28
+/- Change in other provisions	-177	110
- Change in other working capital	-928	-764
= Net cash used in / from operating activities	-1,256	122
- Investments in property, plant and equipment	-21	-34
- Investments in intangible assets	-155	-6
- Aquisitions of subsidiaries	0	0
+ Proceeds from the disposal of noncurrent-assets	2	1
+ Purchase cost reductions	0	0
= Net cash used in investing activities	-174	-39
+ Proceeds from issuance of share capital	0	0
- Transfer of profits to minority shareholder	-128	-101
+/- Changes to long-term debt	-41	85
= Net cash from/used in financing activities	-169	-16
<i>Reconciliation to the balance sheet</i>		
Cash and cash equivalents at beginning of period	3,277	107
+/- Change in cash and cash equivalents	-1,599	67
Net cash from/used in operating activities	-1,256	122
Net cash from/used in investing activities	-174	-39
Net cash from/used in financing activities	-169	-16
= Cash and cash equivalents on balance sheet date	1,678	174

Statement of changes in shareholders' equity

<i>In TEUR</i>	<i>1-3.2005</i>	<i>1-3.2003</i>
Shareholders' equity as at 01.01.	6,119	2,070
Capital stock		
As at 01.01.	11,131	9,141
Regrouping after conversion convertible bond	871	0
As at 31.03.	12,002	9,141
Capital reserve		
As at 01.01.	2,181	739
Regrouping after conversion convertible bond	-872	0
As at 31.03.	1,309	739
Treasury stock		
As at 01.01.	-1	-1
Changes	0	0
As at 31.03.	-1	-1
Accumulated profits/losses		
As at 01.01.	-7,191	-7,809
Net loss for the period	-142	-255
As at 31.03.	-7,333	-8,063
Shareholders' equity as at 31.03.	5,977	1,815

>> Supplemental disclosures in accordance with section 63 paragraph 3, no. 5 and paragraph 4 Börsenordnung FWB (BörsO – Stock Exchange Rules and Regulations) / IAS 34

1. The accounting policies applied in the consolidated financial statements as of December 31, 2004 were applied unchanged as of March 31, 2005. A detailed description of these policies can be found in the notes to the consolidated financial statements as of December 31, 2004.

2. As of the reporting date, EMPRISE Management Consulting AG continued to hold 750 treasury shares with a fair value of EUR 1,290.00. This amount has been deducted from equity in accordance with SIC 16.

3. In the past quarter, EMPRISE capitalized research and development costs amounting to EUR 150,000 as work performed by the Company.

4. The EMPRISE Group is active only in the IT integration sector. There are no other reportable segments.

5. The interim report of the EMPRISE Group complies with International Accounting Standards (IAS 34).

>> Managing and Supervisory Boards

Managing Board
Joachim Regenbogen (Chairman)
Peter Röder

Supervisory Board
Dr. Jens Poll (Chairman)
Prof. Nicole Graf
Hans-Dieter Honselmann

>> Shareholdings

Managing Board shareholdings

As of March 31, 2005, Mr. Regenbogen held 1,172,244 shares (9,8 %) of EMPRISE Management Consulting AG.

Supervisory Board shareholdings

As of March 31, 2005, Mr. Honselmann held 10.000 shares of EMPRISE Management Consulting AG.

>> Financial calendar

Annual General Meeting 2005: June 21, 2005

Half-yearly report 2005: August 11, 2005

Quarterly report III/2005: November 10, 2005

Analyst conference: November 23, 2005

End of the fiscal year: December 31, 2005