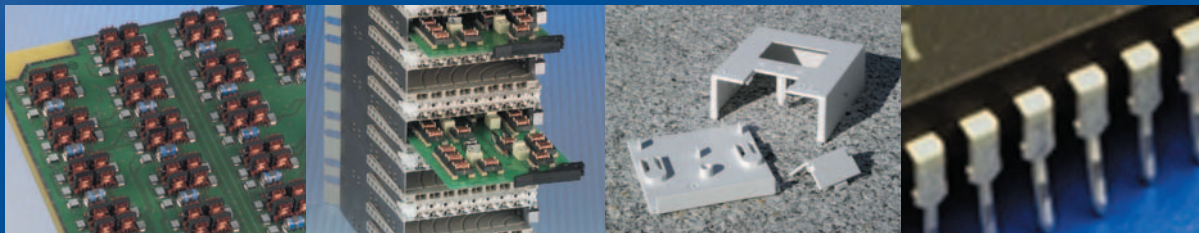


Growth impulse in the first quarter results in higher 2005 forecast

Quarterly report of InTiCom Systems AG 1 | 2005

unaudited according to IFRS

1. January 2005 – 31. March 2005



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The Board of Management: Maria Grohs, Dr. Paul Grohs, Otto Mayerhofer, Dieter Schopf

Dear shareholders, customers and business partners!

In the spring of 2005, the German economy finds itself in a weak state. One reason for this is the slow expansion of the global economy, another is the appreciation of the Euro that hindered growth.

Nevertheless, the DSL business continued on its very positive path within the telecommunication sector. Experts expect an additional 2.4 million DSL connections in Germany (source: Bitkom, April 2005) in the current business year. Fortunately, the market tended to grow faster than forecast, as consumers recognised and accepted the benefits of high-speed Internet access. Favourable DSL rates as well as complete telephone and Internet packages lay the foundation for this development.

In the first quarter of the current business year, InTiCom Systems participated to a significant degree in the strong growth rates in the DSL business.

The increasing demand for more comfort and safety-related vehicle equipment has been a value driver of the automotive market. According to a study by B&D Forecast GmbH, Institute for Automotive Forecasts from November 2003, this trend will continue. Potential InTiCom Systems customers, for example, are planning on the so-called remote keyless entry system among others to also become standard equipment in the small car sector in the future.

At the beginning of April, the US National Highway Traffic Safety Administration (NHTSA) passed the mandatory requirement for all newly registered vehicles in the US to be equipped with a tyre pressure control system starting with the model year 2006. The regulation earmarks the application of systems which warn the driver of a maximum 25 per cent loss in tyre pressure in one tyre. It must be able to monitor all four tyres simultaneously and independently. With this, the NHTSA calls

for the application of direct measuring dynamic systems which use aeri-als developed by InTiCom Systems. The direct measuring dynamic systems usually consist of

4 transmitters, 4 receivers and evaluation electronics.

Passau, May 2005

Maria Grohs
Board of Management

Dr. Paul Grohs
Board of Management

Otto Mayerhofer
Board of Management

Dieter Schopf
Board of Management

InTiCom Systems at a glance

The Group	31.03.2005	31.03.2004	Changes
	EUR 000's	EUR 000's	
Sales	9,152	3,166	189%
Gross profit	1,839	596	209%
EBITDA	881	214	310%
Operating results EBIT	747	144	415%
EBIT margin (in %)	8.1	4.4	n.a.
Earnings before tax (EBT)	776	141	446%
Net income of the quarter	505	96	426%
Earnings per share (in EUR)*	0.39	0.07	457%
Number of employees	241	121	99%

* Earnings per share refer to the number of outstanding shares as of 31 March 2005 (1,300,000 shares)

Sales growth

In the first quarter of the 2005 business year, InTiCom Systems generated sales of TEUR 9,152 (previous year TEUR 3,166). Compared to the fourth quarter of the previous year, this represented another sales increase of around 50% in one quarter. DSL splitters for subscribers and national telecommunication companies are the main sales contributors. The lion's share of growth was generated outside of Germany.

Earnings growth

The results from normal business activities in the first quarter 2005 of TEUR 775 (previous year TEUR 142) have more than quintupled compared to the same quarter of the previous year. This is equal to a gross return on sales of 8.5 % (previous year 4.5 %). At a tax rate of roughly 38%, net income of TEUR 505 in the quarter (previous year TEUR 96) likewise quintupled.

| Changes in the workforce |

	31. Mar 05	31. Dec 04	31. Mar 04
Group*	241	219	121
thereof in Germany	23	19	16
thereof abroad	218	200	105

* The workforce of the joint venture company ITS Components d.o.o. Croatia, which is consolidated at equity, is included in the number of employees.

Research and development

Development costs in the first three months of the 2005 business year amounted to TEUR 218 (pre-

vious year TEUR 120). This increase results from a higher number of development employees and the related establishment of the respective laboratory positions.

In the first quarter, primarily size and height-optimised DSL components were developed in order to increase the packing density. In the field of RFID products, further customer-specific developments have been initiated.

Interim report according to IFRS

The interim report from 31 March 2005 was prepared according to the International Financial Reporting Standards (IFRS). For the sake of better comparability, the previous year's figures have been adjusted accordingly.

The Group's interim report includes all necessary accruals, and draws a picture of the actual asset, financial and earnings situation according to the Management Board.

Under-proportionate cost increase

The increase in material expenses compared to the previous year is a result of the expanded business volume. In contrast, the share of material expenses was reduced from 81.9% to 80.1%.

Personnel expenses in the first quarter increased by TEUR 426 to nearly TEUR 604 compared to the previous year. It should be considered that production was primarily carried out by temporary workers through April 2004. The corresponding costs were included in other operating expenses. Since that time, the temporary staff

has been taken on as permanent employees at the newly founded InTiCom Components GmbH.

Capital expenditures

In the first 3 months of 2005, capital expenditures amounted to TEUR 878 and were used exclusively for the expansion of production through the installation of two additional fully-automated production lines in Greece.

Liquid funds

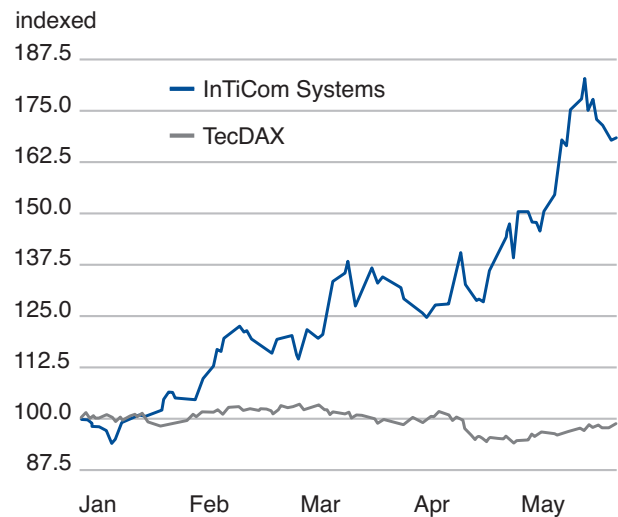
Liquid funds as of 31 March 2005 amounted to TEUR 10,531 (previous year TEUR 99) compared to TEUR 10,335 as of the balance sheet date 2004. The constant level of cash and cash equivalents is the result of a strict working capital management and an under-proportionate cost increase, despite the strong rise in sales and related expansion of production.

Orders

As of 31 March 2005, the order volume of InTiCom Systems amounted to TEUR 9,420 (previous year TEUR 3,072) and therefore remained at the level of the 2004 balance sheet date. In light of the strongly increased 2005 sales level, this covers a period of ca. 3 months.

InTiCom Systems share

| Price trends InTiCom Systems against TecDAX |



Source: IS. Teledata AG, 2005

The real and continuous growth of the company is also reflected in the share price development of the first five months of 2005. Compared to the year-end 2004 share price of EUR 19.90, the share price has soared by 28 % to EUR 25.50 (as of 31 March 2005). As of 27 May 2005, the share is trading above EUR 34.00. With this, the share clearly outperformed the benchmark TecDAX and DAX indices. The year-to-date performance as of the end of May 2005 totals 70 %.

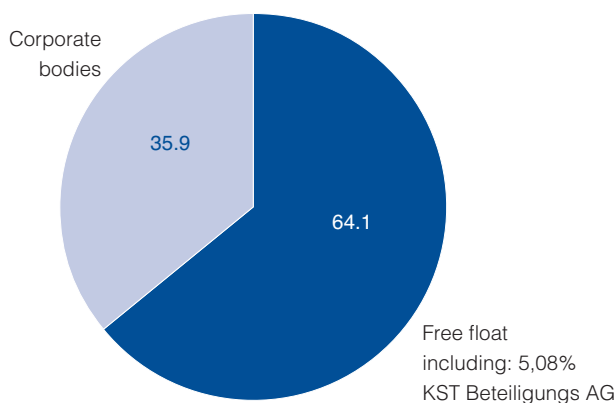
| Key figures of the InTiCom Systems-share |

(in EUR)	2004	2005 (up to 31. March)
Year end (XETRA 30.12./31.03)	19.90	25.50
Year high	21.15	27.53
Year low	18.08	18.70
Market capitalisation in million EUR (XETRA 30.12./31.03)	25.9	33.2
Average daily turnover (XETRA + floor in items)	20,062	11,629
Price-earnings ratio (P/E ratio) (XETRA 30.12.)	25.5	n.a.
Earnings per share (EPS)	0.78	0.39
Cash flow per share (CFPS)	1.64	0.83

| Reportable holding of securities |

Share in capital stock on 31. März, 2005	Number	in %
Board of management (incl 1st. degree relatives)		
Maria Grohs and Dr. Paul Grohs together	109,200	8.4
Otto Mayerhofer	124,117	9.5
Dieter Schopf	98,600	7.6
Supervisory Board (incl 1st. degree relatives)		
Karl Kindl	120,588	9.3
Dr. Wulf-Dieter Braun	4,005	0.3
Harald Nöth	10,162	1.4

The Management Board and Supervisory Board remain in unchanged form and possess no stock option rights according to Sect. 160 (1) No.2 and 5 Stock Corporation Act (AktG).

| InTiCom Systems AG shareholder structure |**Outlook**

In light of the growth impulse in the first quarter of 2005 and the current order backlog, we expect sales of ca. TEUR 35,000 for the current business year. This forecast was again increased by around TEUR 5,000 compared to the previous guidance upon the release of 2004 annual accounts at the beginning of April 2005.

The expansion of business, among others in the RFID technology with a focus on automotive electronics, continues to make progress. The first series order of a system manufacturer was confirmed in the first quarter of 2005 and came from a major German automotive manufacturer. The first deliveries will be carried out in 2006.

Consolidated balance sheet of InTiCom Systems according to IFRS – assets

	31. Mar 2005 EUR 000's	31. Dec 2004 EUR 000's
A. Fixed assets		
I. Property, plants, equipment		
1. Technical plants and machinery	1,359	1,379
2. Other plants, fixtures and fittings	177	138
3. Paid down-payments and plants under construction	1,067	422
II. Intangible assets	352	272
III. Financial assets/participations	33	33
Total long-term assets	2,988	2,244
B. Current assets		
I. Liquid funds	10,531	10,335
II. Trade receivables	3,622	2,048
III. Receivables and other assets	211	161
IV. Inventory	365	1,337
V. Deferred taxes	292	292
Total current assets	15,021	14,173
Total assets	18,009	16,417

Consolidated balance sheet of InTiCom Systems according to IFRS – liabilities

	31. Mar 2005 EUR 000's	31. Dec. 2004 EUR 000's
A. Long-term liabilities		
Total long-term liabilities	0	0
B. Short-term liabilities		
I. Short-term liabilities to financial institutions and short-term part of long-term loans	0	10
II. Liabilities for goods and services delivered	4,893	4,062
III. Provisions	832	582
IV. Other liabilities	640	624
Total short-term liabilities	6,365	5,278
C. Equity		
I. Subscribed capital	1,300	1,300
II. Capital provisions	8,640	8,640
III. Revenue reserves	51	51
IV. Net earnings	1,653	1,148
Total equity	11,644	11,139
Total liabilities	18,009	16,417

Developments in Group equity of InTiCom Systems according to IFRS

	Subscribed capital	Outstanding contributions	Capital reserves	Revenue reserves	Net loss/net profit for year	Total equity capital
(EUR 000's)						
Situation 01.01.2004	510	-10	0	306	138	944
Paid in contributions		10				10
Capital increase from company funds	255			-255		0
Increase cash capital	535		8,640			9,175
Net income 2004					1,010	1,010
Situation 31.12.2004	1,300	0	8,640	51	1,148	11,139
Transfer to revenue reserves						0
Capital increase from company funds						0
Net income of the quarter 01.01. – 31.03.2005					505	505
Reserve for currency fluctuations						0
Situation 31.03.2005	1,300	0	8,640	51	1,653	11,644

Consolidated cash flow statement of InTiCom Systems

	01.01 – 31.03.2005 EUR 000's	01.01 – 31.03.2004 EUR 000's
Net income	505	96
+ Depreciations	134	70
Operative cash flow	639	166
- Increases/decreases in current assets and others assets		
Inventory	972	-130
Trade receivables	-1,574	-628
Receivables and other assets	-50	-38
+ Increases/decreases in liabilities and other liabilities		
Short-term provisions	250	52
Trade liabilities	831	178
Other liabilities	16	-132
Cash flow from operating activities	1,084	-532
- Payments for investments in fixed assets	-878	-91
Cash flow from investing activities	-878	-91
- Payments for amortisation of liabilities	-10	256
Cash flow from financing activities	-10	256
Changes in cash and cash equivalents	196	-367
Cash and cash equivalents beginning of period	10,335	466
Cash and cash equivalents at end of period	10,531	99

Consolidated statement of income of InTiCom Systems according to IFRS

	01.01.2005 to 31.03.2005 EUR 000's	01.01.2004 to 31.03.2004 EUR 000's	Changes*) 2005 to 2004
1. Sales	9.152	3.166	189%
2. Reduction/increases in inventory of finished/unfinished goods	0	130	
3. Activated own capital contributed	85	0	
Total performance	9.237	3.296	180%
4. Other operating income	20	21	-5%
5. Material expenses	7.398	2.700	174%
Gross profit	1.859	617	201%
6. Personnel expenses	604	178	240%
7. Depreciations	134	70	92%
8. Other operating expenditure	374	225	66%
9. Other interests and similar income	32	0	
10. Interest and similar expenditure	3	3	-1%
Earnings before taxes (EBT)	776	141	447%
11. Taxes 38%	271	45	493%
Net income of the quarter	505	96	424%

*) The changes in percentage are based on exact figures.

Passau, May 2005

InTiCom Systems AG
Board of Management

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