

Net income of KEUR 2,071
(EUR -474,000 in comparable period of 2002)

EUR 0.17 earnings per share (EPS)
(EUR -0.04 in comparable period of 2002)

Liquid funds increased by
EUR 3.1 million to EUR 61.4 million
(equal to EUR 5.12 per share)

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**«To create value for Europe's leading organisations by connecting their people,
customers and systems in smarter ways using internet-related technologies.»**

Mission.

syzygy AG.

Assets in KEUR	3rd Quarter		Δ Prev. Yr.	January–Sept.		Δ Prev. Yr.
	2003	2002		2003	2002	
Sales	3,769	3,680	2.4 %	11,357	10,199	11.4 %
EBITDA	358	308	16.2 %	1,070	-887	n. m.
EBIT	227	129	75.9 %	609	-1,220	n. m.
Net income for the period	739	268	175.9 %	2,071	-474	n. m.
EBITDA-Margin	9.5 %	8.4 %	1.1 pp	9.4 %	-8.7 %	18.1 pp
EBIT-Margin	6.0 %	3.5 %	2.5 pp	5.4 %	-12.0 %	17.4 pp
Earnings per share (in EUR)	0.06	0.02	0.04	0.17	-0.04	0.21
Number of employees (end of Sept.)	124	119	4.2 %	124	119	4.2 %
Revenue per employee (annual average)	122	124	-1.6 %	122	124	-1.6 %
Liquid funds and securities	61,403	54,684	12.3 %	61,403	54,684	12.3 %
Cash Flow from operating activities	1,325	-775	n. m.	2,836	-1,283	n. m.

EBIT and Sales development (2001–2003) on a quarterly basis



● Revenue on a quarterly basis; current consolidation
● EBIT development in %

Sales.

The Company succeeded in upping its sales by 11.4 % compared with the same 9-month period of the previous year, and was thus able to continue the sales increase begun in the first two quarters of 2003.

However, sales were dragged down by exchange-rate fluctuations. The Pound Sterling depreciated by 8.8 % against the Euro during this period, compared with the previous year's average rate, resulting in a drop in sales of some EUR 575,000 averaged over 9 months compared to the same period of the previous year. If exchange rates had remained stable, this would have generated EUR 11,932,000 in revenues, which would have been equivalent to a 17.0 % growth.

The ten largest customers accounted for 91 % of total sales of the syzygy Group. Besides implementing projects with a number of new customers, the Group succeeded in expanding business with its existing customers. All in all, it was this development that ensured that sales targets were met for the first 9 months of 2003.

As of September 30, 2003, sales per employee on an annual basis amounted to some EUR 122,000, representing a slight drop of 1.6 % compared to the same period of the previous year (EUR 124,000).

As both sales and production costs were accounted for in Pounds Sterling, an exchange hedging was and is not practical.

Segment Reporting

The German division accounted for 49 % of total sales (48 % in the first 9 months of 2002), meaning that about 51 % can be ascribed to the UK division, 52 % in the comparable period in 2002.

syzygy Germany GmbH

It was possible to continue the positive sales trend of the first two quarters of 2003. Sales rose by 10.4 % to EUR 5,522,000 in the first 9 months, compared to the previous year's sales for this period of EUR 5,001,000. The cumulative operating result (EBIT) as of September 30, 2003 equals EUR 788,000, compared to EUR 54,000 for the previous year.

Sales.

The resulting EBIT return for this reporting period stands at 14.3%, compared to 1.1% for the same period during the previous year.

syzygy UK Ltd.

The UK subsidiary reported having met its targets in full in the third quarter and thus also during the 9-month period under review in 2003. Sales increased by 9.9% compared to the same period in the previous year to reach EUR 5,835,000. The operating result (EBIT) for the first 9 months equals EUR 738,000 (EUR 413,000 in the same period of the previous year), the resulting EBIT margin stands at 12.4% (7.6% during the previous year's period).

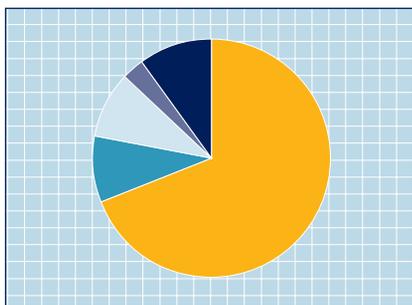
syzygy Holding companies

syzygy AG and mediopoly Ltd. succeeded in reducing costs in both the current quarter and on a 9-month basis. In addition to cost savings on external service providers, it was also possible to continue lowering HR and material costs during the period under review.

syzygy AG acts as a service company for the subsidiaries in the fields of business strategy, controlling, accounting, IR&PR and HR. mediopoly Ltd. is a sub-holding company that has held shares in syzygy UK Ltd. since 1996. More information on mediopoly can be found in the annual report 2002 starting on page 32.

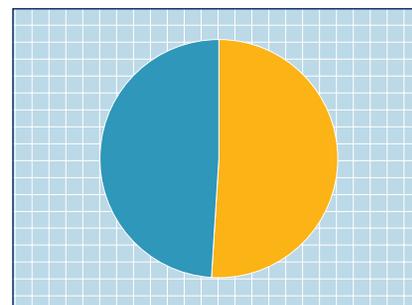
in KEUR	09/30/2003	09/30/2002
Sales		
United Kingdom	5,835	5,198
Germany	5,522	5,001
Holding Companies	0	0
Total Sales	11,357	10,199
EBIT		
United Kingdom	705	413
Germany	788	54
Holding Companies	-884	-1,687
Total EBIT	609	-1,220

Sales allocation by vertical market (9 Month 2003)



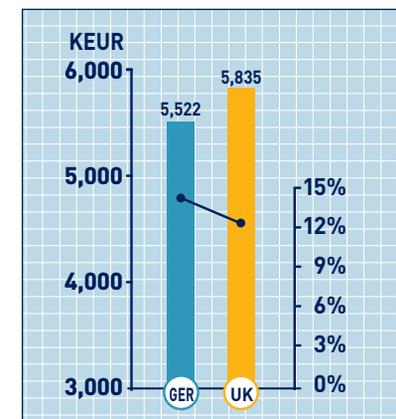
Automobile	69%
Financial services	9%
Telecommunications	9%
Retail	3%
Others	10%

Sales allocation by country (9 Month 2003)



United Kingdom	51%
Germany	49%

Sales and EBIT margin by region (9 Month 2003)



consolidated sales in KEUR	
EBIT development in %	

Profit.

syzygy Group

The operating result (EBIT) for the first 9 months of 2003 stands at EUR 609,000 and is therefore well above the results for the same period of the previous year (EUR -1,220,000).

We are pleased to report that despite the continuing price pressure we have been able to maintain the gross margin. The main reasons for this are even more efficient project handling and improved resource planning.

Our determined approach to cost management has cut 25% off our administrative costs compared to the prior-year period. It is principally this and the positive sales trend that account for the significant improvement in the operating result (EBIT).

Depreciations on fixed assets were EUR 461,000 in the first 9 months of 2003, putting them at roughly the same level as the comparable period last year (EUR 433,000).

Financial earnings increased year-on-year by EUR 708,000, reaching EUR 2,554,000. This puts the periodic net income after taxes at EUR 2,071,000.

Cash Flow.

Cash flow from operating activities stood at EUR 2,836,000 as of the end of the period under review. Especially the profit for the period of EUR 2,071,000, the depreciations amounting to EUR 461,000, the reduction of outstanding debtors by EUR 355,000 and recording of tax reserves (EUR 279,000) had a positive effect on cash flow.

Part of the liquid funds have been swallowed up by prepaid capital gains taxes amounting to EUR 445,000 and by the payment of accounts payable and accrued liabilities amounting to EUR 148,000.

Liquid Assets.

In the first 9 months of 2003, liquidity reserves were upped by more than EUR 3.1 million to reach EUR 61.4 million at the end of September. This corresponds to a current cash per share figure of EUR 5.12.

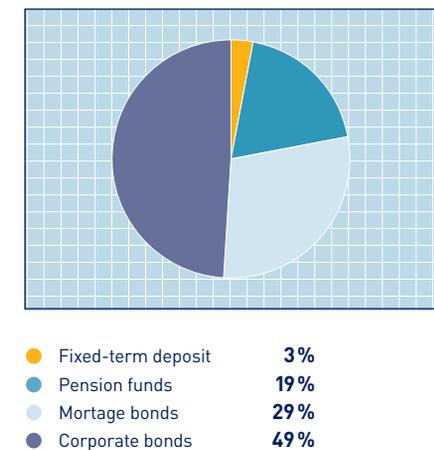
Portfolio Strategy

During the period under review a yield of 5.5% was achieved. Adhering to the principle of risk diversification, the liquid assets are currently being invested as follows: 3% in fixed-term deposits, 19% in pension funds, 29% in mortgage bonds and 49% in corporate bonds. The corporate bonds and mortgage bonds have an average time to final maturity of 6 years.

Development of operating cash flows on a quarterly basis 2001–2003



Portfolio structure of cash and marketable securities



Investments. Employees.

For the reporting period, investments totalled EUR 271,000 and were thus EUR 31,000 above those for the same period in the previous year.

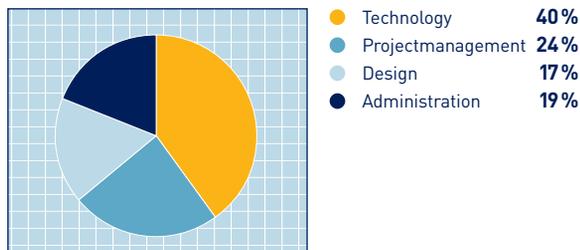
syzygy had no expenses for research and development in the period under review.

Employees

At the end of September, syzygy had 124 employees, 5 more than on September 30, 2002. Peak periods of activity were compensated with up to 20 freelancers in both national subsidiaries in order to optimize staff utilization.

Currently 21 employees work in the creation and information architecture division. 50 employees work in the software development and systems integration divisions and 30 are responsible for project management and strategy consulting. An additional 23 employees work in administration and management.

Employees by function (per 09/30/2003)



Special Dividend.

Special dividend of EUR 1.50 expected to be paid on April 13, 2004

At the annual general meeting of syzygy AG held in Frankfurt on June 4, 2003, a special dividend of EUR 1.50 per share was submitted to the shareholders for approval. The special dividend was unanimously approved without any abstentions.

The resolutions passed by the annual general meeting have since been presented by a public notary to the local court in Bad Homburg and were entered on August 13, 2003. This was made public in the regional Taunus newspaper on September 18, 2003 and in the "Bundesanzeiger" on October 9, 2003. This date of publication shall form the basis for the ongoing procedure. According to Section 225 Par. 2 of the German Companies Act, a 6-month waiting period is required prior to the payment of this dividend in order to protect the interests of creditors, putting the date of payment of the special dividend after Easter, expected on April 13, 2004.

As the special dividend will be taken from the capital stock account, the dividend will be paid without the deduction of capital gains taxes or the solidarity surcharge allocated to it. Therefore, the dividend will be tax-free for domestic private investors whose past share in common stock was less than 1% (120,000 shares).

All shareholders holding syzygy shares on deposit and recorded by Clearstream on the last trading day prior to the dividend payment (expected to be April 8, 2004) shall be entitled to receive a dividend payment.

June 4, 2003	Resolution of AGM to make special dividend of EUR 1.50 per share
August 13, 2003	Entry into commercial register
October 9, 2003	Announcement of entries in "Bundesanzeiger"
October 10, 2003	Statutory period starts
April 8, 2004 (after market close)	Expected recording date (after market close)
April 9, 2004	Expiration of statutory period
April 13, 2004	Expected date of payment

Treasury Stocks. Options.

Outlook.

Directors' Holdings

The directors' holdings refer to the stocks and options held by members of the Management and Supervisory Boards.

During the period under review, one member of the board purchased and sold shares. The current share holdings as of September 30, 2003 are presented in the table below.

Company share holdings.

As at the reporting date, syzygy AG does not hold any shares of its own. Because no retained earnings are available, no share repurchase is possible.

Number of options	09/30/2003	12/31/2002
Management board:		
Marco Seiler (CEO)	768,745	797,445
Frank Wolfram (CTO)	-	-
Supervisory board:		
Michael Mädler (Chairman)	-	-
John Hunt	-	-
Adriaan Rietveld	-	-

In the first 9 months of 2003, 147,500 new stock purchase rights were granted. The table below lists all subscription rights granted by the cut-off date of September 30, 2003.

Number of options	09/30/2003	12/31/2002
Management board:		
Marco Seiler (CEO)	35,000	35,000
Frank Wolfram (CTO)	128,000	106,000
Supervisory board:		
Michael Mädler (Chairman)	-	-
John Hunt	-	-
Adriaan Rietveld	-	-
Number of Options	09/30/2003	12/31/2002
Employees syzygy Concern	414,571	326,321

The German and UK market environments continue to discourage corporate investments. The banking sector in particular has for several quarters been extremely restrictive with regard to investments in internet solutions. syzygy believes that investments in internet solutions will increase. Experts see a trend toward a pick-up in 2004; however, in our opinion no precise prediction of this is possible at the moment.

Our outstanding financial stability and the quality of our solutions are leading to increased interest in our services. Particularly in Germany, the number of discussions with prospective customers has increased. Only time will tell how many of these will yield further customer accounts for syzygy.

The Company's order backlog is satisfactory. The German division anticipates an encouraging trend for the fourth quarter as well. The order backlog of the UK division for the fourth quarter is, as of the date of publication of the interim report, somewhat below previous quarters. Should the exchange rate of the Pound Sterling continue to drop against the Euro, this could have a negative effect on the sales of the UK division.

Nevertheless, the Company is optimistic that it will exceed its profit target for the current year.

Accounting Rules. Consolidated Income Statements.

1. Reporting standards

The consolidated financial statements of syzygy AG have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP").

2. Consolidated entities

The consolidated financial statements of syzygy include all subsidiaries in which the parent company holds a direct or indirect majority of voting rights. No changes had been made to the consolidated entities as of September 30, 2003 or December 31, 2002.

3. Significant accounting policies

Significant accounting policies are presented in the 2002 annual report and are unchanged in their application. We therefore refer to the pages 34 to 39 of our annual report 2002.

in KEUR	3rd Quarter		Δ Prev. Yr.	January – Sept.		Δ Prev. Yr.
	2003	2002		2003	2002	
Sales	3,769	3,680	2.4 %	11,357	10,199	11.4 %
Cost of consultancy sold	-2,553	-2,254	13.2 %	-7,506	-6,427	16.8 %
Sales & Marketing	-293	-325	-9.6 %	-911	-947	-3.8 %
General and administrative expenses	-760	-1,016	-25.2 %	-2,678	-3,665	-26.9 %
Other operating income/expenses, net	64	44	46.7 %	347	-380	-191.3 %
Operating income	227	129	75.9 %	609	-1,220	n. m.
Financial income	904	614	47.3 %	2,554	1,846	38.4 %
Income before taxes	1,131	743	52.3 %	3,163	626	405.3 %
Income taxes	-392	-189	107.4 %	-1,092	-74	n. m.
Income from continuing operations	739	554	33.4 %	2,071	552	275.6 %
Loss on discontinued operations	0	-286	n. m.	0	-1,026	n. m.
Net income	739	268	175.9 %	2,071	-474	n. m.
Earnings per share from continuing operations (basic in EUR)	0.06	0.05	20.0 %	0.17	0.05	240 %
Earnings per share from total operations (basic in EUR)	0.06	0.04	50.0 %	0.16	0.04	300 %
Earnings per share from continuing operations (diluted in EUR)*	0.06	0.02	200 %	0.17	-0.04	n. m.
Earnings per share from total operations (diluted in EUR)*	0.06	0.02	200 %	0.16	-0.04	n. m.

* Diluted earnings per share refers to a share number of 12,577,571 and implies that all granted options are exercised.

Consolidated Balance Sheets.

Assets in KEUR	September 30,		December 31,	Liabilities in KEUR	September 30,		December 31,
	2003	2002	2002		2003	2002	2002
Current assets				Current liabilities			
Cash and cash equivalents	2,081	949	1,237	Accounts payable	450	449	379
Marketable securities	59,322	53,735	57,060	Accrued expenses	1,664	1,888	1,445
Accounts receivable, net	2,945	4,642	3,300	Customer advances	175	49	46
Prepaid expenses and other current assets	3,583	4,091	3,138	Tax accruals and liabilities	1,088	569	1,875
Total current assets	67,931	63,417	64,735	Other liabilities	603	289	324
Non-current assets				Total current liabilities	3,761	3,244	4,288
Fixed assets, net	1,114	1,419	1,303	Shareholders' equity			
Other non-current assets	176	155	176	Common stock*	12,000	12,000	12,000
Total non-current assets	1,290	1,574	1,479	Additional paid-in capital	54,860	54,639	53,939
Total assets	69,221	64,991	66,214	Accumulated other comprehensive income	1,806	1,267	1,265
				Retained earnings	-3,206	-6,159	-5,277
				Total shareholders' equity	65,460	61,747	61,927
				Total liabilities and shareholders' equity	69,221	64,991	66,214

* Contingent Capital KEUR 1,200 (prior year: KEUR 1,200)

Consolidated Statements of Cash Flows.

in KEUR	September 30,		
	2003	2002	12/31/02
Income from continuing operations	2,071	-474	1,312
Non-cash stock compensation expenses	15	96	-146
Depreciation and amortization	461	333	675
Changes in assets and liabilities:			
– Accounts receivable	355	-168	-326
– Prepaid expenses and other current assets	-445	-587	145
– Customer advances	129	-27	-20
– Accounts payable and accrued expenses	-148	625	864
– Tax accruals and payables	119	-220	863
– Other current liabilities	279	-861	-49
Cash flows from operating activities	2,836	-1,283	3,318
Investments in fixed assets	-271	-240	-258
Changes in other non-current assets	0	599	-6
Purchases of marketable securities	-7,742	-4,501	-14,087
Proceeds from sale of marketable securities	5,837	4,828	10,744
Cash flows used in investing activities	-2,176	686	-3,607
Direct costs of IPO	0	0	-129
Cash flows from financing activities	0	0	-129
Exchange rate differences	184	-133	-195
Cash flows from discontinued operations	0	0	171
Total	844	-730	-442
Cash and cash equivalents at the beginning of the year	1,237	1,679	1,679
Cash and cash equivalents at the end of the period	2,081	949	1,237

Statements of Changes in Shareholders' Equity.

in KEUR	No. of shares issued and outstanding	Common stock	Additional paid-in capital	Comprehensive income	Accum. other comprehensive income	Retained earnings	Total equity
January 01, 2002	12,000	12,000	54,468		633	-5,684	61,417
Net income				-474		-474	-474
Exchange rate differences				-133			
Sale of marketable securities							
Unrealized gains on marketable securities				767			
Other comprehensive income				634	634		634
Comprehensive income				160			
Compensation expenses for the period			96				96
Deferred taxes			74				74
Reversal of direct costs of IPO			0				0
September 30, 2002	12,000	12,000	54,639		1,267	-6,159	61,747
January 01, 2003	12,000	12,000	53,939		1,265	-5,277	61,927
Net income				2,071		2,071	2,071
Exchange rate differences				184			
Sale of marketable securities				237			
Unrealized gains on marketable securities				120			
Other comprehensive income				541	541		541
Comprehensive income				2,613			
Compensation expenses for the period			15				15
Deferred taxes			906				906
Direct costs of IPO			0				0
September 30, 2003	12,000	12,000	54,860		1,806	-3,206	65,460

syzygy AG

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Upcoming Dates 2004:

Financial Results/Annual Report 2003

March 30, 2004

Press- and Analyst Conference

Expected March 30, 2004

Analyst Conference

April 2004

First Quarter 2004 Earnings Release/3-Month

April 30, 2004

**Annual General Meeting of Shareholders,
Frankfurt/Germany**

June 03, 2004

Second Quarter 2004 Earnings Release/6-Month

July 30, 2004

Third Quarter 2004 Earnings Release/9-Month

October 29, 2004

more

Q3

Interim Report per 09/30/2003

**Business trend according to plan
in the first 9 months of 2003:**

EUR 11.4 million in sales

(+11.4% higher growth than in the comparable period of 2002)

EBIT of EUR 609,000

(EUR -1,220,000 in comparable period of 2002)