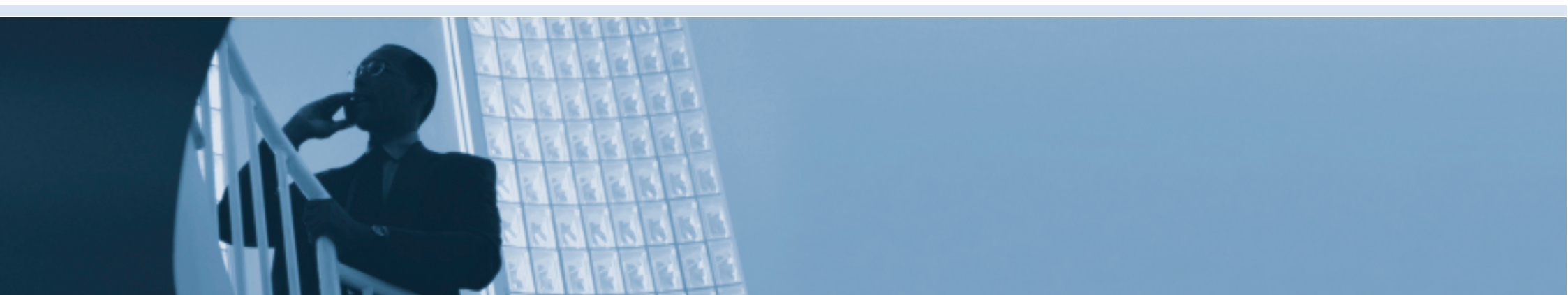


Interim Report 2/2004

(US-GAAP) as of June 30, 2004



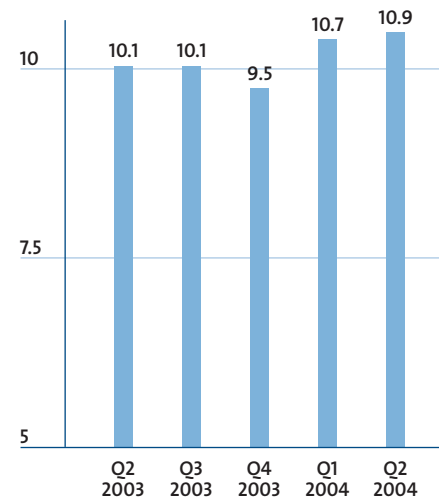
Overview

plenum Group – key figures (US-GAAP) in € thousands

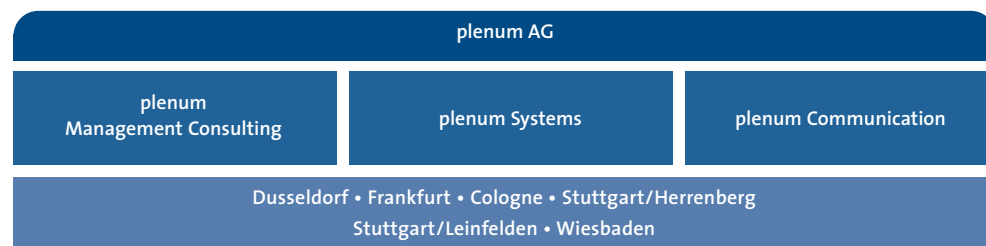
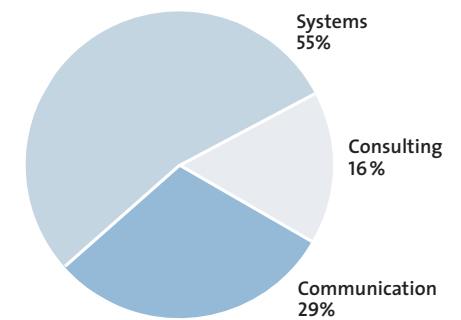
	Jan. 1 – June 30, 2004	Jan. 1 – June 30, 2003
Sales	21,659	20,701
Gross profit	3,277	3,777
EBITDA	102	654
EBIT	–336	81
Group net income/loss	–211	137
Earnings per share (in €; undiluted/diluted)	–0.02	0.01
Shares outstanding (basic; undiluted/diluted in thousands)	9,577	9,577
Equity ratio as at June 30, 2004 / Dec. 31, 2003	47%	50%
Net liquidity ¹ as at June 30, 2004 / Dec. 31, 2003 (in € thousands)	8,145	7,351
Employees as at June 30, 2004 / Dec. 31, 2003	266	269

¹ Liquid funds less short term bank liabilities and advance payments received

Revenue development (in € million)



Revenues structure in H1



Letter to Shareholders

Dear shareholders and business partners,

Although investment in IT and communication solutions remained relatively calm in the first three months of the year, our positive forecast for business development was confirmed in the second quarter. At EUR 10.9 million, we generated an increase in revenues of around 8% year-on-year (Q1 2003: EUR 10.1 million). At EUR 0.1 million net income increased in comparison to the previous year. Compared with Q1 2004, revenues (Q1: EUR 10.7 million) and earnings (Q1: EUR –0.3 million) rose. All segments made a positive contribution to earnings in Q2.

Overall, the cash flow from operating activities was positive after six months at around EUR 0.5 million, although net cash outflows amounted to EUR 0.9 million in the first quarter. This development is primarily due to the reduction in receivables of around EUR 1.6 million during the second quarter. Cash holdings therefore improved to EUR 8.4 million at the end of H1 and were up substantially on the figure at the end of the previous quarter (EUR 7.2 million), as well as up on the value at the end of fiscal year 2003 (EUR 8.1 million).

Our strategic partnership with the Indian software company Polaris is already proving to be successful after only a few months. The introduction of a banking system for our first joint customer, Deutsche Leasing, began as planned. The successful implementation of our integrated software development process in accordance with international standards (CMM5i) is well accepted by our customer, with potential additional contracts already emerging.

In Q2 plenum Management Consulting registered a revival in demand and orders received. The intensive expertise marketing in the form of workshops, expert forums and management briefings led to a noticeable increase in particular in demand for consulting services from insurance companies.

The positive development in H1 2004, and above all the current market recovery, allow an optimistic forecast for the year as a whole. In H2, we are therefore also expecting a noticeable improvement in revenues and an increase in profitability year-on-year.

Wiesbaden, August 2004



Hartmut Skubch
Chairman of the Managing Board

Interim Management Report

Economic environment

Since the overall economy is still seeing recovery at the end of H1, many economic experts believe that Germany is at the beginning of a phase of economic upturn and are therefore forecasting growth of 1.8 % for 2004, and of more than 2 % for 2005. However, the growth continues to be driven primarily by exports. Consumer spending remains at a low level; this factor is continuing to slow growth and is hardly expected to provide stimulus for economic development in 2004.

The industry association BITKOM's forecast for the second half of the year is optimistic. The improvement in incoming orders and demand leads the experts to hope for growth of around 2.5 % in the industry. Current industry estimates for the subsequent years show that the information technology and telecommunications industry is set to grow twice as fast as the economy as a whole. The *Bundesverband Deutscher Unternehmensberater, BDU e.V.* (German Association of Management Consultants) also forecasts limited growth in the low single-digit range. After numerous project postponements in the previous year, it believes that there are now signs of a trend toward higher investment in 2004.

ZAW, the umbrella organization for 43 associations of advertisers, media and agencies, also sees a steady but only mid-term recovery. As a result of a 2 % increase compared to 2003, there is a perceptible upturn in advertising spending, although the advertising market will still need years to reach the level of amounts spent for advertising in 2000.

Business developments and earnings situation

After revenues in Q1 had already increased compared to the previous year and the previous quarter, revenues improved again in Q2. At EUR 10.9 million, revenues were up quarter-on-quarter (Q1: EUR 10.7 million) and also substantially up (8 %) on the previous year (EUR 10.1 million). At EUR 21.7 million, plenum AG generated an increase in revenues of around 5 % in the first half of fiscal year 2004 compared to prior year.

Net revenue development was stable in all three segments in the second quarter. plenum Management Consulting and plenum Communication maintained stable quarter-on-quarter revenues, while plenum Systems recorded a slight rise in this period.

In Q2, the company generated earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 0.2 million (previous year: EUR 0.3 million). As EBITDA in Q1 (EUR –0.1 million) was impacted by increased risk provisions for Specified Services Contracts (Werkverträge), EBITDA totaled EUR 0.1 million after six months.

This resulted in net income for Q2 of around EUR 0.1 million. Overall, plenum's net loss for H1 is around EUR –0.2 million (previous year: net income of EUR 0.1 million). Earnings per share amounted to EUR –0.02 as of the end of H1 (previous year: EUR 0.01) for an average of 9,577,068 outstanding shares in each case.

Cost development

At around 18 %, the company's gross profit was up substantially on the previous quarter (12 %), after the first quarter result was impacted primarily by risk provisions. plenum generated slightly positive operating income (EBIT) of EUR 35 thousand in Q2 against a background of stable cost ratios. The increase in administrative expenses is due to expected seasonal fluctuations. H1 EBIT therefore totaled EUR –0.3 million (previous year: EUR 0.1 million).

Net assets and financial position

Cash and cash equivalents increased to EUR 8.4 million at the end of H1 by around 17 % compared to March 31, 2004. This is a substantial increase over both the figure at the end of the previous quarter (EUR 7.2 million) and at the end of fiscal year 2003 (EUR 8.1 million). This development is primarily due to the reduction in receivables by around 16 % to approximately EUR 8.6 million in the second quarter.

At EUR 8.1 million, net liquidity increased by 33 %, reflecting the sharp reduction in advance payments in comparison with the end of the previous quarter (EUR 6.1 million). Overall, cash flow from operating activities was also positive after six months at around EUR 0.5 million, although plenum recorded cash outflows of EUR 0.9 million in the first quarter.

The EUR 0.4 million decline in current accrued expenses in comparison with the previous quarter is mainly due to the scheduled utilization of accruals for personnel obligations.

Outlook

The positive development in H1 2004, and above all the market recovery, confirm the forecast for the year as a whole. Since revenue growth of 5 % has already been generated in H1, this should be at least realistic for 2004 as a whole. At the same time, increasing profitability remains a key goal; for the year as a whole we are expecting a higher net income than in 2003.



Segment information in € million (Jan. 1 – June 30, 2004)		Consulting	Systems	Communi- cation	Total
Net sales	CY	2.8	12.3	6.6	21.7
	PY	3.1	11.7	5.9	20.7
Intercompany	CY	0.8	0.2	0.1	1.1
	PY	1.0	0.3	0.1	1.4
Gross sales	CY	3.6	12.5	6.7	22.8
	PY	4.1	12.0	6.0	22.1
Segment costs	CY	–3.5	–12.6	–6.5	–22.6
	PY	–3.6	–11.3	–5.6	–20.5
Internal Operating Profit (IOP) Margin	CY	0.1	–0.1	0.2	0.2
	PY	3%	–1%	3%	1%
		0.5	0.7	0.4	1.6
		12%	6%	7%	7%

CY = Current year, PY = Prior year

Reconciliation of operating segment results in € million		Jan. 1 – June 30, 2004	Jan. 1 – June 30, 2003
IOP		0.24	1.59
Group wide costs and consolidation effects		–0.14	–0.94
EBITDA		0.10	0.65
Depreciation		–0.44	–0.57
Financial results and income tax		0.12	0.06
Group net income		–0.22	0.14

Segments

plenum Management Consulting

At EUR 3.6 million, gross sales of plenum Management Consulting in H1 are down on the previous year (EUR 4.1 million); however, revenue development was maintained at a stable level in the second quarter in comparison with the previous quarter (EUR 1.8 million). The Management Consulting business unit contributed around 16 % of total gross sales, compared with roughly 19 % in the previous year. Following a break-even segment result in the two preceding quarters, plenum Management Consulting generated an internal operating profit (IOP) of EUR 0.1 million in Q2.

There was already an increase in investment activity in the first quarter. Topics such as “IT-Business Realignment” – the orientation of IT strategy and organization on business requirements – were at the fore. In this context, the Management Consulting business unit’s consultants assisted numerous prominent insurance companies and banks in the development and implementation of their IT strategies in the second quarter.

Investment volumes are also picking up in customer communication and customer relationship management. plenum Management Consulting is currently supporting a large German bank in the selection and implementation of an e-mail response management system. Thanks to the higher efficiency and processing transparency generated by the system, customer satisfaction increases along with the bank’s sales potential. In addition, the resulting savings enable the bank to amortize the cost of introducing of the system after only 15 months.

plenum Systems

At EUR 6.3 million, plenum Systems again increased its gross sales slightly in the second quarter (Q1: EUR 6.2 million). With EUR 12.5 million, gross sales in H1 were up on the already very good level of the previous year (EUR 12.0 million). plenum Systems is the Group’s largest revenue driver with a 55 % share of sales.

In Q2, plenum Systems generated an internal operating profit (IOP) of EUR 0.1 million. Due to the increased risk provisions in Q1, internal operating profit (IOP) remained negative at the end of the first half-year at EUR –0.1 million.

In Q2, plenum Systems successfully completed the implementation of one of the largest service and asset center systems in Europe for the IT services provider of a major airline. The system, realized in collaboration with our software partner Peregrine, increases the quality of the IT services provider’s offering for the group’s global IT infrastructure management. Based on the successful collaboration in this project, additional work for plenum Systems is currently shaping up.

While conceptional work dominated during the first months of the year, demand for implementation projects recovered further in Q2. In preparation for a large project to completely redevelop the IT environment of a financial services provider, plenum Systems was engaged to train and coach around 500 employees.



plenum Communication

With gross revenues again at EUR 3.4 million in Q2, plenum Communication maintained its sales on a quarterly basis and exceeded at EUR 6.7 million the previous year's figure by around 12 % (previous year: EUR 6.0 million). plenum Communication's share of gross sales therefore increased to 29 %. As in the previous quarter, the internal operating profit (IOP) remained at EUR 0.1 million.

In addition to important new customers and an increase in media business, plenum Communication particularly extended its collaboration with existing key accounts in the second quarter. T-Mobile also continues to use the agency's expertise for its online services. T-Mobile is bundling and simplifying various mobile access technologies for its customers in its new TM3 multimedia offering. The market launch of the new TM3 offering is being prepared using a marketing portal developed by plenum.

plenum is also helping its longstanding customer Novar, which has developed into the market leader in security technology on the European market, to refocus its marketing strategy toward global markets. This also includes supporting and recruiting the next generation of key staff.

The introduction of an innovation prize for building security and comfort was also supported by plenum Communication through the development of an Internet presence, adverts in the leading daily newspapers and extensive PR activities. A key new customer is the French cheese exporter Lactalis, well-known for its Président and Roquefort Société brands. plenum was contracted to produce integrated communication measures to promote the extension of its activities on the German market.

Reconciliation to Group net income

Group costs increased compared to the first quarter due to seasonal factors. Due to cost savings and the change in cost allocations at the beginning of the year, costs are down substantially on the previous year's level.

Other disclosures

Order backlog

At EUR 15.1 million, order backlog as of June 30, 2004 declined compared to the end of Q1 (EUR 20.3 million) but is substantially above the level as of the end of 2003 (EUR 10.6 million). Since the extension of the Phoenix project led to a substantial increase in the order backlog at the beginning of the year, the scheduled progress of this project is now reflected in the drop in the order backlog.

Employees

Compared with the end of Q1 2004, the number of employees increased slightly from 259 to 266 as of June 30, 2004. The average number of employees for the first six months of the fiscal year was 262, as against 309 in the previous year.

Research and development

At EUR 222 thousands, expenses for research and development already reached the full-year level of 2003 in H1. These expenses are mainly attributable to the further development of the existing service portfolio. The activities in this area were thus further extended in the course of the current fiscal year.

Investments

The company made no significant investments in the first six months of 2004.

Other operating income and expenses

Other operating income and expenses are broken down as follows

	Jan 01 – June 30, 2004	Jan 01 – June 30, 2003
€ thousands		
Other operating income	446	1,278
Other operating expenses	–106	–174
	340	1,104

Financial results

The financial result is composed of the following positions

	Jan 01 – June 30, 2004	Jan 01 – June 30, 2003
€ thousands		
Income from other securities and loans	25	25
Other interest and similar income	69	116
Interest and similar expenses	–24	–29
Financial result	70	112

Risk development

There have been no material changes in the risk situation of plenum AG and its affiliates compared to the detailed description presented in the Annual Report 2003.

Subsequent events

There were no significant events requiring disclosure after the close of the reporting period.

Interim dividend

plenum AG did not pay and does not propose to pay any interim dividend or make any other distributions for the period under review, January 1 to June 30, 2004.

plenum's Shares

Share price performance was very positive until the end of May, but this level could not be maintained given the overall weaker demand on the capital markets. The reluctance to invest among institutional investors in particular – due above all to contradictory economic forecasts – primarily affected technology shares in the period up to mid-August.

To strengthen the liquidity of our shares and therefore reduce cap volatility, we have engaged an additional designated sponsor since the end of June who will also assist us in approaching new investors.

General Meeting

The sixth Ordinary General Meeting of plenum AG was held on June 17, 2004 at the Casino-Gesellschaft, Wiesbaden. Around 40 % of the capital stock was represented (previous year: 50 %).

The activities of the Managing Board and the Supervisory Board were approved, and the resolutions on all other items on the agenda subject to a vote were approved

with a substantial majority in line with the recommendations made by the Company's management.

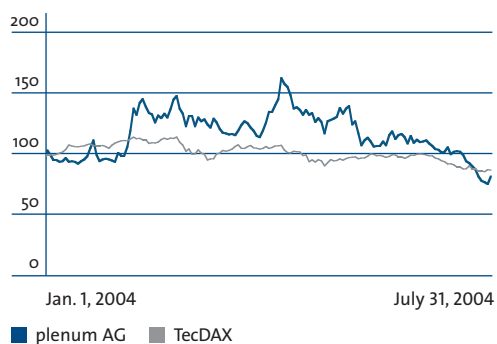
Treasury shares and subscription rights

As of June 30, 2004 plenum AG or other companies as defined by section 160 (1) clause 2 of the Aktiengesetz (AktG – German Public Companies Act) continued to hold 16,790 treasury shares of plenum AG.

No convertible bonds or similar securities as defined by section 160 (1) clause 5 of the AktG had been issued as of June 30, 2004.

As of June 30, 2004, 363,800 stock options had been issued in accordance with section 192 (2) clause 3 of the AktG. 81,700 of these related to the executive bodies of plenum AG. No subscription rights were granted in the current fiscal year.

Share price performance vs. TecDAX (indexed)



Shareholder structure (directors' holdings)

plenum AG's share capital was unchanged at 9,577,068 no-par value shares as of June 30, 2004.

Shares, Managing Board members	Hartmut Skubch	Klaus Gröne	Heinz Stoll	Total
	Number of shares	Number of shares	Number of shares	Number of shares
Dec. 31, 2003	1,991,253	20,453	531,500*	2,543,206
June 30, 2004	1,991,253	20,453	431,500*	2,443,206

* Indirect shareholding

Subscription rights, Managing Board members	Hartmut Skubch	Klaus Gröne	Heinz Stoll	Total
	Number of shares	Number of shares	Number of shares	Number of shares
Dec. 31, 2003	56,500	25,200	0	81,700
June 30, 2004	56,500	25,200	0	81,700

Shares, Supervisory Board members	Michael Bauer	Dr. Wolfgang Händel	Norbert Rohrig	Total
	Number of shares	Number of shares	Number of shares	Number of shares
Dec. 31, 2003	370,360*	3,500	700	374,560
June 30, 2004	370,360*	3,500	700	374,560

* Indirect shareholding

The Supervisory Board members of plenum AG do not hold any subscription rights for shares of plenum AG.

Income Statement

€ thousands	Q2-2004	Q2-2003	Jan. 1– June 30, 2004	Jan. 1– June 30, 2003
Revenues	10,918	10,065	21,659	20,701
Cost of revenues	– 8,971	– 8,401	– 18,382	– 16,924
Gross profit	1,947	1,664	3,277	3,777
Selling and marketing expenses	– 1,224	– 1,425	– 2,487	– 2,808
General and administrative expenses	– 820	– 1,168	– 1,244	– 1,974
Research and development expenses	– 113	– 10	– 222	– 18
Other operating income and expenses	245	960	340	1,104
Operating income	35	21	– 336	81
Financial result	26	81	70	112
Result before income taxes	61	102	– 266	193
Income taxes	56	– 75	55	– 56
Net income / loss	117	27	– 211	137
Earnings per share (in €; diluted/undiluted)	0.01	0.00	– 0.02	0.01
Weighted average shares outstanding (in thousands, diluted/undiluted)	9,577	9,577	9,577	9,577

Consolidated Balance Sheet



Assets € thousands	June 30, 2004	Dec. 31, 2003
Cash and Cash Equivalents	8,379	8,103
Trade accounts receivable	8,571	6,954
Inventories	384	285
Prepaid expenses and other current assets	453	1,218
Total current assets	17,787	16,560
Property, plant and equipment	1,357	1,565
Intangible assets	548	619
Investments	112	112
Loans	1,082	1,057
Deferred taxes	12	7
Total non current assets	3,111	3,360
Total Assets	20,898	19,920

Liabilities and shareholders' equity € thousands	June 30, 2004	Dec. 31, 2003
Short term debt and current portion of long-term debt	64	110
Trade accounts payable	2,475	1,666
Advance payments received	170	642
Accrued expenses	5,734	5,315
Deferred taxes	71	102
Other current liabilities	1,107	599
Total current liabilities	9,621	8,434
Long-term debt, less current portion	78	78
Deferred taxes	765	765
Pension accruals	671	669
Total non current liabilities	1,514	1,512
Share Capital	9,577	9,577
Additional paid-in capital	14,151	14,151
Treasury Stock	-83	-83
Accumulated deficit	-13,882	-13,671
Total Shareholders' equity	9,763	9,974
Total Liabilities and Shareholders' equity	20,898	19,920

Cash Flow Statement

€ thousands	Jan. 1 – June 30, 2004	Jan. 1 – June 30, 2003
Net income / loss	– 211	137
Adjustments:		
Depreciation and Amortization	438	537
Net results from disposal of intangible assets and property, plant and equipment	– 8	60
Other non-cash expenditure and income	– 25	– 25
Changes in assets & liabilities:		
Changes in inventories	– 99	– 214
Changes in receivables	– 1,617	240
Changes in prepaid expenses and other current assets	765	– 877
Changes in trade accounts payable	809	135
Changes in other liabilities	36	– 2,332
Changes in accrued expenses	421	– 1,529
Changes in other assets and liabilities	– 36	46
Net cash from operating activities	473	– 3,786
Proceeds from the disposal of intangible assets, property, plant and equipment	8	9
Payments for purchase of intangible assets, property, plant and equipment	– 159	– 123
Net cash from investing activities	– 151	– 114
Changes in debt	– 46	– 50
Net cash from financing activities	– 46	– 50
Decrease in cash & cash equivalents	276	– 3,950
Cash & cash equivalents at beginning of period	8,103	13,305
Cash & cash equivalents at end of period	8,379	9,355
Net inflows from interest: TEUR 45 (Jan.1-June 30, 2003: TEUR 87)		
Net inflows from income tax TEUR 20 (Jan.1-June 30, 2003: TEUR 6)		

Statement of Changes in Shareholders' Equity

€ thousands	Number of shares in thous.	Net Income/ Net loss	Share capital	Additional paid-in capital	Treasury stock	Other Comprehen- sive Income	Accumu- lated deficit	Total Share- holders' equity
Jan. 1, 2003	9,577		9,577	14,151	– 83	0	– 13,880	9,765
Net income		137					137	137
June 30, 2003	9,577		9,577	14,151	– 83	0	– 13,743	9,902
Jan. 1, 2004	9,577		9,577	14,151	– 83	0	– 13,671	9,974
Net loss		– 211					– 211	– 211
June 30, 2004	9,577		9,577	14,151	– 83	0	– 13,882	9,763

General information

This consolidated interim report of plenum AG was prepared in accordance with the United States Generally Accepted Accounting Principles (US-GAAP) for interim reporting and has not been audited. Certain detailed information and disclosures in the notes, included in the US-GAAP consolidated financial statements, have been summarized or omitted here.

This consolidated interim report should be read in conjunction with the audited consolidated financial statements of plenum AG as of December 31, 2003 and the disclosures in the notes contained therein. The notes contained therein also apply to this interim report and are only cited where there are explicit changes.

It is the opinion of the management board of plenum AG that this consolidated interim report takes into account all the current transactions and deferrals necessary to guarantee a true and fair view of the interim results.



plenum AG

Investor Relations
Hagenauer Straße 53
D-65203 Wiesbaden
Phone +49. (0)611. 9882-0
Fax +49. (0)611. 9882-150
aktie@plenum.de
www.plenum.de

Annual-Reports-Service
Phone +49. (0)800. 1814140
Fax +49. (0)800. 8195570
www.handelsblatt.com/gberichte

German securities Code-No. (WKN)
690 100/ISIN DE000690100
Tickersymbol: PLEG.F, PLE GR