

Intershop Communications Reports Second Quarter 2004 Financial Results

Intershop improves results

Jena, Germany – July 30, 2004 - Intershop Communications AG today announced financial results for the second quarter of 2004, ended June 30, 2004.

Second quarter 2004 revenue rose 12% as against the previous quarter to Euro 4.9 million. The license revenue included in this amount totaled Euro 1.1 million and doubled quarter-on-quarter.

Total operating costs (cost of revenue plus operating expenses) fell by 18% to Euro 5.7 million.

As a result of increased sales, further reduced total operating costs, and other extraordinary income related to the spin-off of operations in Asia, Intershop reduced its net loss by Euro 2.4 million quarter-on-quarter in the second quarter of 2004, from Euro 2.5 million or Euro 0.11 per share in the first quarter of 2004 to Euro 0.1 million or Euro 0.00 per share in the second quarter of 2004.

Total cash, including cash and cash equivalents, marketable securities, and restricted cash fell from Euro 10.9 million as of March 31, 2004 to Euro 8.4 million as of June 30, 2004. This amount includes unrestricted cash of Euro 2.3 million.

Intershop continues to expect to break even on a net income basis in 2004; in light of the reduced unrestricted cash, achieving this goal in the short term is vital for the continuation of the Company as a going concern.

The full press release relating to this adhoc disclosure is available at www.intershop.com.

About Intershop

Intershop Communications AG (Prime Standard: ISH1) is a leading provider of software solutions that help organizations evolve their trading relationships with consumers and business partners online. Founded in 1992, Intershop has a long tradition of driving innovation in e-commerce by automating and simplifying sales and buying processes. Intershop solutions enable organizations to consolidate and manage unlimited online commerce channels on a single platform. As a result, Intershop customers benefit from reduced operating expenses and competitive advantages in their online sales activities. More than 300 enterprise customers worldwide, including HP and BMW, run Intershop Solutions. Four of the five largest e-commerce sites in Germany rely on Intershop Solutions: Otto, Tchibo, Deutsche Telekom, and Quelle. Intershop is headquartered in Jena, Germany, and has branch offices in the United States, Europe and Asia. More information about Intershop can be found on the Web at <http://www.intershop.com>.

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This news release contains forward-looking statements regarding future events or the future financial and operational performance of Intershop. Actual events or performance may differ materially from those contained or implied in such forward-looking statements. Risks and uncertainties that could lead to such difference could include, among other things: Intershop's limited operating history, the unpredictability of future revenues and expenses and potential fluctuations in revenues and operating results, significant dependence on large single customer deals, consumer trends, the level of competition, seasonality, risks related to electronic security, possible governmental regulation, and general economic conditions. Additional information regarding factors that potentially could affect Intershop's business, financial condition and operating results is included in Intershop's filings with the Securities and Exchange Commission, including the Company's Form 20-F dated June 6, 2003.