



Intershop continues on positive growth path with renewed profit

- Net profit for the fourth consecutive quarter
- Revenue growth of 9% in the first six months of 2008
- Unrestricted cash and cash equivalents now risen to EUR 7.4 million

Jena, Germany, August 7, 2008 – Intershop Communications AG (Prime Standard: ISH2) today announced its results for the second quarter and the first half of 2008.

Intershop ended the past three months in profit for the fourth consecutive time. Earnings before tax for the first half of 2008 amounted to EUR 0.8 million. Half of this figure was generated in Q2, despite a one-time charge of EUR 0.25 million in this quarter. This means the Company has recorded positive net earnings from operating activities (before restructuring expenses in 2007) for the fifth consecutive quarter, and positive net earnings overall for the fourth consecutive quarter.

"We are now turning a profit on a regular basis and will close fiscal year 2008 well in the black. Our results for the first half of the year are a first contribution to this. Support for this forecast comes from our strong order situation and encouraging talks with both potential customers and promising business partners. We expect revenues to continue rising in the second half of 2008", said Intershop's CEO Henry Göttler.

Revenues

Intershop's gross revenues rose by 11% to EUR 16.1 million in the first six months of fiscal year 2008, up from EUR 14.6 million in the prior-year period; total net revenues were up 9% year-on-year, from EUR 12.7 million to EUR 13.8 million. Net revenues from services, maintenance, and other included in this figure rose by 21%, from EUR 9.8 million to EUR 11.9 million. In the second quarter of 2008, this item increased by 10% compared with the prior-year period, from EUR 5.5 million to EUR 6.0 million. Total net revenues for the quarter amounted to EUR 6.9 million, compared with EUR 7.5 million in the prior-year quarter (however, it should be noted that the figure for the corresponding prior-year quarter includes license revenues of EUR 1.4 million from a major order).

Earnings

Intershop was able to sustain its positive earnings trend thanks to its results for the second quarter: the result from operating activities (EBIT) amounted to EUR 0.4 million in the second quarter of 2008. Overall, EBIT of EUR 0.8 million was generated in the first half of 2008. EBIT in both the comparable prior-year quarter and the first six months of 2007 was clearly negative, at EUR -1.6 million and EUR -3.0 million respectively. The EBIT margin improved as against the first half of 2007 from -24% to +6%.

Earnings after tax totaled EUR 0.3 million in Q2 2008, while Intershop's earnings per share were EUR 0.01. Overall, earnings after tax for the first six months amounted to EUR 0.6 million and earnings per share were EUR 0.02. In the prior-year quarter and the first half of 2007, losses after tax of EUR 1.7 million and EUR 3.1 million respectively were recorded, resulting in losses per share of EUR 0.07 and EUR 0.12.

Balance sheet and cash flow

Intershop's equity increased from EUR 12.4 million as of December 31, 2007 to EUR 13.3 million as of June 30, 2008. The equity ratio was unchanged at 53%.

Unrestricted cash increased from EUR 5.9 million as of December 31, 2007 and EUR 2.7 million as of June 30, 2007 to EUR 7.4 million as of June 30, 2008. Total liquidity (cash and restricted cash) amounted to EUR 9.0 million as of June 30, 2008.

Operating activities

In the first six months of this year, the Company's consulting activities, which generate the highest revenues, focused on projects for major customers on several continents. As a result, consulting revenues increased by a total of 30% in 2008 compared with the first half of 2007, to EUR 7.0 million. A number of long-term service contracts should also ensure stable growth in business activities in the future.

In May, Trading Post, a subsidiary of the leading Australian communications company Telstra, launched the continent's largest advertising and auction portal using Intershop's Enfinity Suite 6 software.

Intershop's longstanding customer Linde has also opted to use Intershop's technology for its North American activities; its Material Handling North America business went live at lindelink.com.

Over the course of the second quarter, Intershop received a number of new license orders, including from the Australian company Sensis.

In recent months, Intershop and its regional partners presented their joint product portfolio comprising e-commerce standard software and expert regional consulting and support at Internet World in London and at the Italian forum netcomm, among other events. In the USA, the Company was represented at the first Internet Retailer Show, and it was also involved in several online-marketing events in Germany.

Following the departure of previous CEO Andreas Riedel, Henry Göttler was appointed to the Management Board at the end of June. In his previous role as Vice President, he was responsible for Software Development, Full-Service E-Commerce, and Customer Support.

As of June 30, 2008, Intershop had 247 full-time employees worldwide compared with 229 at the same reporting date in 2007. This increase is due to the planned expansion of the Company's technical areas.

Outlook

The results for the first six months of 2008 confirm the forecast that Intershop will generate a significant profit for 2008 as a whole.

"We have created the financial preconditions that will allow us to focus all our energies on implementing long-term strategic tasks and further increasing Intershop's profitability. We are currently finalizing the planning for this, which covers Intershop's next generation of software and the continued development of regional markets and sector solutions, as well as entry onto, and the expansion of, new strategic business areas. Internet revenues are increasing in all sectors and regions. With our experience, our proven Enfinity technology, and our employees' expertise and commitment, we will continue to make a sustained contribution to our customers' e-commerce success and share in it ourselves", is how CEO Henry Göttler explained the direction the Company's future development will take.

The full financial statements (balance sheet, income statement, statement of cash flows, and statement of changes in equity) are available at www.intershop.de/news.

About Intershop

Intershop Communications (Prime Standard: ISH2) is a leading provider of comprehensive global e-commerce and online marketing solutions. Founded in 1992, Intershop has a long tradition of driving innovation in e-commerce by automating and simplifying business processes for mid to large-sized organizations. Intershop's Enfinity software suite offers a highly scalable and robust solutions for conducting online business, complemented by all necessary technical and business consulting services. Intershop also acts as a business process outsourcing (BPO) provider, managing all aspects of online retailing, including fulfillment, online marketing and hosting. Around the globe more than 320 enterprise customers, including HP, Sun Microsystems, BMW, and Deutsche Telekom run Intershop solutions. Intershop has offices in the United States, Europe, and Asia. More information about Intershop can be found on the Web at www.intershop.com.

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.

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