



Intershop generates another positive quarterly result

- **2007 annual revenues up 55% year-on-year**
- **Unrestricted cash up 64% year-on-year**
- **Second half of 2007 in profit zone as announced**
- **Further strong revenue growth in 2008 expected**

Jena, Germany, February 14, 2008 – Intershop Communications AG (Prime Standard: ISH2) today announced its results for the fourth quarter of 2007 ended December 31, 2007, as well as for fiscal year 2007.

Intershop again generated positive earnings after tax of EUR 0.5 million in the fourth quarter of 2007. Profit from operating activities before EUR 0.3 million in other operating expenses that the Company incurred by writing off a receivable from a former executive body member is EUR 0.8 million.

The Company achieved its forecasted profit of more than EUR 1 million for the second half of 2007.

The net loss for fiscal year 2007 was therefore EUR 2.0 million. This includes restructuring costs of EUR 2.0 million incurred in the second quarter and over EUR 0.3 million in other operating expenses from the fourth quarter.

Intershop has therefore recorded a positive cash flow and profit from operating activities before restructuring and other one-time operating expenses for the past three quarters. In fiscal year 2007 the Company has generated positive earnings of EUR 0.2 before restructuring and other operating expenses.

Intershop expects its positive trend to continue in fiscal year 2008 at a level significantly above the industry average. In addition to the Company's positive revenue development, improvements in structural efficiency, and healthy cost base, this forecast is based on the fact that Intershop has no bank liabilities.

Revenues

In the fourth quarter of 2007, Intershop's total revenues rose by 48% year-on-year from EUR 5.5 million to EUR 8.2 million. Total revenues for fiscal year 2007 increased by 55% year-on-year from EUR 19.8 million to EUR 30.7 million.

License revenues included in total revenues rose by 66%, from just under EUR 1.0 million in the fourth quarter of 2006 to over EUR 1.6 million in the fourth quarter of 2007. Full-year license revenues increased by 29% year-on-year from EUR 4.5 million to EUR 5.7 million.

Service revenues increased by 44% from EUR 4.5 million in the fourth quarter of 2006 to EUR 6.5 million in the fourth quarter of 2007. The Company generated EUR 24.9 million in service revenues in 2007 as a whole, compared with EUR 15.3 million in the prior-year period. This represents an increase of 63%.

Intershop has only generated online marketing revenues since the third quarter of 2006. They amounted to EUR 1.7 million in 2006, compared with EUR 6.0 million in 2007. Accordingly, service revenues excluding online marketing increased by 39% from EUR 13.6 million in 2006 to EUR 18.9 million in 2007.

Earnings

The result from operating activities (EBIT) was EUR 0.5 million in the fourth quarter of 2007, after EUR -2.0 million in the prior-year period. The EBIT margin increased from -36% to +6%. Earnings after tax amounted to EUR 0.5 million at the end of the last quarter, improving on the loss after tax of EUR -2.0 million in the fourth quarter of 2006. Earnings per share were EUR 0.02, compared with a loss of EUR 0.08 per share in the prior-year period.

EBIT for the year improved from EUR -5.9 million in fiscal year 2006 to EUR -1.9 million in fiscal year 2007.

In fiscal year 2007, Intershop's net loss was EUR 2.0 million, or EUR 0.09 per share, compared with a net loss of EUR 6.4 million, or EUR 0.28 per share, in 2006.

As expected, the positive result of the second half of 2007 was thus unable to completely offset the losses from the first half of 2007.

Balance sheet and cash flow

Equity rose by 77% in the last twelve months to EUR 12.2 million as of December 31, 2007. The equity ratio was 52% for the same period, as compared with 30% as of December 31, 2006.

Cash flow in the fourth quarter of 2007 was again positive. Unrestricted cash increased from EUR 3.6 million as of December 31, 2006, to EUR 5.2 million as of September 30, 2007, and then to EUR 5.9 million as of December 31, 2007. Total liquidity (cash and restricted cash) amounted to EUR 9.9 million as of December 31, 2007, in comparison to EUR 9.3 million as of September 30, 2007, and EUR 11.2 million on December 31, 2006.

Operating activities in the fourth quarter of 2007

Intershop's success in the fourth quarter 2007 is primarily attributable to the important new customers it has acquired as well as the to the continuation and completion of several large projects.

In Germany, major clients in the automotive and chemical industries launched their e-commerce platforms on Enfinity Suite 6 and are currently expanding the applications for global online trading.

The leading U.S. wholesaler of promotional merchandise, Four Seasons General Merchandise, began operating its redesigned e-commerce website on the Enfinity Suite 6 platform in the reporting period. It is planning a large-scale expansion of the system for 2008.

A number of existing customers, including the well-known television shopping channel HSE24 and the international Kölner Music Store, chose to migrate to the latest version of Intershop's standard software, Enfinity Suite 6.2, in the past quarter.

Several current major projects, such as with SUN Microsystems in the U.S. and with a telecommunications company from the Asia-Pacific region, among others, contributed to Intershop's high service revenues.

Intershop ensured the realization of numerous high-revenue project orders by increasing the involvement of its implementation and offshore partners, among other things, who include companies in China, Eastern Europe, and elsewhere. The Company also doubled its available project capacity in the fourth quarter of 2007 as compared with the prior-year period after training and integrating additional human resources.

After launching an initiative in September 2007 to strengthen cooperation with sales, solutions, and technology partners all over Europe, Intershop registered a number of new customers for its Enfinity Suite 6 software, especially in Western and Northern Europe. One of these companies is Dutch communications company KPN.

Intershop's Online Marketing business area supported such prominent customers as Playboy Online Shop, Discount24, and Hawesko in the fourth quarter of 2007. Intershop has been offering online marketing services in Italy since the summer of last year, gaining ten new customers in six months on this market, among them Nokiashop and Maserati.

Revenue increases in the online marketing segment are also due to the introduction of technologies and services specially tailored for users of Intershop's Enfinity Suite 6. For example, the Intershop Feedengine can automatically transfer data from Enfinity systems to over 30 price comparison portals.

Since October 2007, Intershop has also been one of the few globally certified partners of Yahoo!'s Search Marketing Paid Inclusion Program.

Intershop's third full-service customer has been live since November 2007. In addition to Woford's online boutiques and Birdie Lounge's Internet shop, the Company is also handling all online sales for the ROADSIGN AUSTRALIA brand, which has successfully established itself in Europe.

Fourth quarter revenues of Intershop's full-service e-commerce business segment were the highest quarter revenues.

In late October 2007, Intershop presented at the Deutscher Versandhandelskongress (German Mail-Order Conference) and Mail Order World in Wiesbaden as one of the leading providers of e-commerce standard software and solutions.

As of December 31, 2007, Intershop employed 233 full-time equivalents worldwide, as against 247 full-time equivalents as of December 31, 2006.

Outlook

Intershop will continue its positive growth trend in 2008. The restructuring measures have been completed. They already significantly increased revenues in the second quarter of 2007, leading to gains in both of the last two quarters.

Intershop again expects a significantly positive full-year result for fiscal year 2008. According to Andreas Riedel, Chairman of Intershop Communications AG's Management Board,

"We are expecting further strong revenue growth in 2008. German and European customers will of course be the main driving factors in this. However, we will also be actively expanding our customer base on the U.S. market with our new management team there. We are experiencing strong demand for Intershop solutions in other regions as well, for example Australia.

First quarter 2008 started off very well. Our order situation is prosperous and we are in very promising negotiations with large potential Full-Service E-Commerce customers.

Nonetheless, we will continue our extremely cost-conscious approach in 2008 and concentrate new hirings or investments in areas that are relevant to revenues. The course has thus been set for significant profits in fiscal year 2008."

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

About Intershop

Intershop Communications AG (Prime Standard: ISH2) is a leading provider of comprehensive state-of-the-art e-commerce solutions. Intershop's standard software Enfinity Suite 6 is a high-performance software for internet sales, complemented by all necessary services as well as comprehensive online marketing consulting. Intershop also acts as a business process outsourcing provider, covering all aspects of online retailing, including fulfillment. Around the

globe more than 300 enterprise customers, including HP, BMW, and Deutsche Telekom run Intershop solutions. Intershop is headquartered in Jena, Germany, and has offices in the United States and Europe. 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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