INTERSHOP™

Group Management Report
For The Nine Months Ended
September 30, 2007

Group Management Report

Overall Economy and Industry

According to the latest estimates by leading German economic research institutes, the German economy is set to grow by 2.6 %. The European Union is forecasting growth of 2.8 % for the countries of the EU.The German Association for Information Technology, Telecommunications, and New Media (BITKOM) rates overall sentiment in the ITC sector as very positive. According to BITKOM's survey, 78 % percent of ITC companies expect to see revenues grow in the current fiscal year. The market for online marketing, in which Intershop has been a player since acquiring online marketing service provider SoQuero in July 2006, is also growing. The Online Vermarkterkreis (OVK – Online Marketing Group) of the Bundesverband Digitale Wirtschaft (BVDW – German Digital Industry Association) predicts that sales in traditional online advertising will amount to EUR 1.3 billion in 2007. Intershop's revenues increased sharply and were fully in line with expectations.

Revenue Development

In the first nine months of 2007, Intershop's total revenues increased by 58 % year-on-year from EUR 14.3 million to EUR 22.5 million. Total revenues rose by 34 % excluding online marketing revenues, which were not included in the first half of 2006.

License revenues increased by 18 % from EUR 3.5 million to EUR 4.1 million. In the first nine months of 2007, license revenues included EUR 1.4 million from a major order from an overseas telecommunications group; in the comparable prior-year period, they included revenues of EUR 1.4 million from a major order from US technology company SUN Microsystems. The share of total revenues attributable to license revenues declined from 24 % to 18 %.

Service, maintenance, and other revenues increased by 70 % from EUR 10.8 million to EUR 18.4 million. Excluding online marketing revenues, service revenues increase by 39 % from EUR 10,1 million to EUR 14,1 millions. This increase is due mainly to the 78 % rise in consulting and training revenues.

The following table shows revenue development by area (in EUR thousand):

Nine months ended September 30,	**2007**	**2006**
Licenses	**4,099**	**3,475**
Maintenance	4,857	5,025
Consulting / Training	9,047	5,071
Online Marketing	4,305	670
Other revenues	169	18
Services, maintenance and other	**18,378**	**10,784**
Total revenue	**22,477**	**14,259**

In March 2007, Intershop received a major service and maintenance order for the next three years from QUELLE's IT service provider ITELLIUM Systems & Service GmbH, Nuremberg, for the entire QUELLE Group. The order will generate total service and maintenance revenues of EUR 4.8 million. The revenues will be recognized in equal quarterly amounts in fiscal years 2007 through 2009.

Europe and North America remained Intershop's key revenue regions in the first nine months of 2007. Europe was the Company's primary market with a 73 % share of total revenues or EUR 16.4 million (previous year: 74 %). Intershop generated revenues of EUR 6.1 million in North America in the first nine months of 2007, or 27 % of the global total. In the first nine months of 2006, this region recorded revenues of EUR 3.6 million, or 26 % of the global total.

Earnings Development

The cost of revenues in the first nine months of the 2007 fiscal year was EUR 13.6 million, compared with EUR 7.9 million in the prior-year period. The cost of revenues in the first six months of 2006 did not include costs for the new online marketing business area, which amounted to EUR 2.8 million in the first half of 2007.

The gross profit margin on license revenues was 97 % compared with 98 % in the prior-year period. The gross profit margin on service revenues fell slightly from 28 % to 27 %.

Operating expenses increased from EUR 10.3 million to EUR 11.3 million. This increase is due to restructuring costs, which rose from EUR 0.4 million to EUR 2.0 million. For details of the restructuring costs, please see the section entitled "Restructuring costs" in the notes to the consolidated financial statements. Research and development, sales and marketing, and general and administrative expenses fell from EUR 11.3 million to EUR 9.8 million. This can be attributed above all to the cost reductions of 27 % in sales and marketing.

Other operating income declined from EUR 1.4 million to EUR 0.6 million. In the first nine months of fiscal year 2007 this item included government grants of EUR 0.4 million. In the first nine months of 2006, it included payments of EUR 929 thousand plus interest relating to the Company's legal dispute with the landlord for payment of a contractual penalty and government grants of EUR 0.3 million.

The cost of revenues and operating expenses include expenses from the employee stock option plans amounting to EUR 0.6 million in first nine months of 2007 and EUR 1.1 million in the first nine months of 2006.

The depreciation and amortization expense was EUR 0.7 million in the first nine months of 2007, compared with EUR 0.4 million in the first nine months of 2006. Depreciation and amortization in the first nine months of 2007 included amortization of EUR 0.5 million relating to intangible assets identified and measured on the acquisition of SoQuero GmbH at the end of June 2006. In the first nine months of 2006, this amounted to EUR 0.2 million.

Although negative, the result from operating activities (EBIT) improved from EUR –3.9 million to EUR –2.4 million; in the third quarter of 2007, it was positive at EUR 0.6 million. However, the positive EBIT in the third quarter of 2007 could not offset the losses from the first half of 2007. The EBIT margin was –11 % (previous year: –28 %). Before restructuring costs, EBIT was EUR –0.6 million, compared with EUR –3.5 million in the prior-year period.

The negative financial result narrowed from EUR 0.5 million to EUR 0.2 million, mostly due to the reduction in the interest expense on the convertible bond.

Earnings after tax were EUR –2.5 million in the first nine months of 2007 and EUR –4.4 million in the first nine months of 2006, an improvement of 44 %. The loss per share was EUR 0.11 and EUR 0.20 respectively.

Research and Development

Research and development expenses remained constant at EUR 2.3 million in the first nine months of both 2007 and 2006. One of the Company's main priorities is the continued development of its standard software.

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Organization

In the first nine months of 2007, new appointments were made to the Management and Supervisory Boards.

On March 9, 2007, Intershop announced that CEO Dr. Jürgen Schöttler had agreed with the Supervisory Board to leave the Company with the expiration of his management contract on March 31, 2007. On April 2, 2007, Mr. Friedhelm Bischofs was appointed as the new CEO. On May 8, 2007, Mr. Ralf Männlein, Management Board member responsible for Sales and Marketing, resigned his position in agreement with the Supervisory Board.

On February 28, 2007, Intershop announced that the Chairman of the Supervisory Board, Mr. Hans W. Gutsch, and Supervisory Board member Mr. Wolfgang Meyer resigned their positions effective March 31, 2007. On March 2, 2007, the Management Board of the Company applied to the Jena Local Court for Mr. Sven Heyrowsky and Mr. Peter Paul Krug to be appointed members of the Company's Supervisory Board effective April 1, 2007 until the conclusion of the next Annual Stockholders' Meeting. With its ruling on March 26, 2007, the Local Court approved the Management Board's application.

The Annual Stockholders' Meeting on May 9, 2007 elected Mr. Michael Sauer, Mr. Sven Heyrowsky, and Mr. Joachim Sperbel as members of the Supervisory Board.

Employees

Intershop employed 225 full-time equivalents as of September 30, 2007, compared with 247 as of December 31, 2006 and 244 as of September 30, 2006.

The following overview shows the breakdown of employees by department:

Employees by department (full-time equivalents)	September 30, 2007	September 30, 2006	December 31, 2006
Technical Departments (research and development and service functions)	172	166	166
Sales and Marketing departments	23	47	50
General and administrative departments	30	31	31
Total	**225**	**244**	**247**

91 % of Intershop's global workforce was employed in Germany as of September 30, 2007 (204 full-time equivalents; September 30, 2006: 229 full-time equivalents). The remaining 9 % belong to the U.S. branch (21 full-time equivalents; September 30, 2006: 15). As of December 31, 2006, 225 full-time equivalents were employed in Germany and 22 in the United States.

Presentation of Net Assets and Financial Position

Total assets increased from EUR 23.2 million as of December 31, 2006 to EUR 24.1 million as of September 30, 2007.

Current assets increased, from EUR 13.3 million as of December 31, 2006 to EUR 15.5 million as of September 30, 2007. Trade receivables increased from EUR 3.1 million to EUR 5.7 million.

Cash and cash equivalents included in noncurrent and current assets fell from EUR 11.2 million to EUR 9.3 million. The amount of unrestricted cash included in cash and cash equivalents increased from EUR 3.6 million to EUR 5.2 million. Restricted cash fell from EUR 7.5 million to EUR 4.1 million. This reduction was due to the settlement of the rent dispute with

the landlord of the Company headquarters in Jena and, in this connection, the reversal of the former rent security deposit and the payment of a new, smaller deposit.

Equity increased from EUR 6.9 million as of December 31, 2006, to EUR 11.3 million as of September 30, 2007, which is largely due to the rise in subscribed capital and capital reserve. As of the reporting date, the equity ratio amounts to 47 %, as compared to 30 % as of December 31, 2006.

Noncurrent liabilities fell from EUR 4.2 million to EUR 2.2 million. The liabilities in respect of the convertible bond contained in this item declined from EUR 2.7 million to EUR 1.9 million as a result of the conversion of bonds into shares of the Company. Around 1.0 million convertible bonds were converted.

Current liabilities fell from EUR 12.1 million to EUR 10.5 million. Provisions for restructuring fell from EUR 1.1 million to EUR 0.1 million. Trade accounts payable were down from EUR 6.2 million to EUR 4.4 million.

Net cash used in operating activities amounted to EUR 6.7 million in the first nine months of 2007, compared with EUR 0.1 million net cash provided in the first nine months of 2006.

Cash flows from operating activities in 2007 contain two payments to the landlord of the Company headquarters in Jena: firstly the repayment of the contractual penalty to the landlord in the amount of EUR 1.1 million; and secondly the payment of a partial amount of EUR 4.0 million on the agreed total settlement of EUR 5.5 million.

Net cash provided by investing activities amounted to EUR 3.3 million, resulting from the reclassification of restricted cash to unrestricted cash. Net cash provided by financing activities amounted to EUR 5.1 million. Cash flows from financing activities included cash proceeds from the issue of ordinary shares of EUR 5.2 million and cash paid for the costs of issuance of ordinary shares of EUR 0.1 million.

In total, cash and cash equivalents increased from EUR 3.6 million as of December 31, 2006, to EUR 5.2 million as of September 30, 2007.

Compared with June 30, 2007, cash and cash equivalents increased from EUR 2.7 million to EUR 5.2 million.

Group Risks

In the first nine months of 2007, there were no significant changes to the risks described in detail on pages 14 to 16 of the 2006 Annual Report.

Events subsequent to the balance sheet date

On October 8, 2007, Intershop announced that Andreas Riedel would be the new Chairman of the Management Board, effective October 10, 2007. Friedhelm Bischofs will leave the Company when his appointment expires on October 10, 2007 by mutual agreement with the Supervisory Board.

On October 29, 2007 Intershop announced that Mr. Sven Heyrowsky has resigned his office as a member of its Supervisory Board effective November 30, 2007. Sven Heyrowsky, founder and former Managing Partner of e-commerce service provider Heycom, joined Intershop's Supervisory Board as a significant individual shareholder in March 2007. Effective July 1, 2007, Mr. Heyrowsky sold Heycom to D+S europe AG and joined the Executive Board of D+S europe AG. In the course of this transaction, Heycom also transferred its share package to D+S europe AG.

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Outlook

At the end of April 2007, Intershop announced the implementation of a comprehensive restructuring program. The restructuring measures concerned sales and marketing in particular. The number of sales territories have been reduced from six to three, with the aim of making sales more efficient by facilitating faster decision-making processes and improving the transparency of staff deployment, as well as of reducing management staff costs. The "Key Accounts" sales area was retained and the key account managers assigned to the clients there. The sales locations in France, Italy and Austria were closed. With the exception of Germany, all European sales activities will be managed from the successful sales office in Belgium. In future, the sales and consulting functions of the U.S. subsidiary will be managed from Germany. This centralized approach will increase efficiency and allow the Company to attend to the needs of customers – particularly large customers – more effectively.

Marketing was optimized, i.e., the Company is concentrating on absolutely necessary marketing activities relating to online marketing. Roadshows will be organized and hosted in-house. These measures will cut both program costs and agency costs. There will still be a research and development department that will ensure the future development of Intershop's successful Enfinity product. The effects of the restructuring measures on costs were visible as early as in the third quarter of 2007.

Intershop's future approach is based on the following main points:

1. The Company's core business, i.e. the sale of e-commerce standard software, will be expanded. The aim is to generate at least two new major orders every year.
2. For middle-market companies, a "middle-market solution" will be standardized in 2008 so that this particular target group can be served efficiently and flexibly.
3. The new full-service e-commerce business area will be expanded and launched in the fourth quarter of 2007. The aim is to secure three to five new customers per year.

In light of the positive growth in the third quarter of 2007 on the back of significant cost reductions and increased revenues in its service functions, Intershop is expecting a positive after-tax earnings and a positive cash flow for the second half of 2007.

All in all, Intershop's outlook for fiscal year 2008 is positive. All over the world, economic and macroeconomic conditions – particularly in the e-commerce business – are positive and offer good growth potential.

Consolidated Balance Sheet

in EUR thousand	September 30, 2007	December 31, 2006
ASSETS		
Noncurrent assets		
Intangible assets	5,672	6,175
Property, plant and equipment	476	531
Other noncurrent assets	48	97
Restricted cash	2,396	3,090
	8,592	**9,893**
Current assets		
Trade receivables	5,666	3,118
Other receivables and other assets	2,905	2,074
Restricted cash	1,683	4,439
Cash and cash equivalents	5,249	3,629
	15,503	**13,260**
TOTAL ASSETS	**24,095**	**23,153**
SHAREHOLDERS´ EQUITY AND LIABILITIES		
Shareholders´ equity		
Subscribed capital	24,628	21,504
Capital reserve	5,592	1,531
Other reserves	(18,878)	(16,129)
	11,342	**6,906**
Noncurrent liabilities		
Other noncurrent provisions	55	0
Convertible bonds	1,917	2,716
Other noncurrent liabilities	0	719
Deferred tax liabilities	198	382
Deferred revenue	50	344
	2,220	**4,161**
Current liabilities		
Provisions for restructuring	108	1,055
Other current provisions	771	1,005
Trade accounts payable	4,395	6,205
Income tax liabilities	40	2
Other current liabilities	2,599	1,566
Deferred revenue	2,620	2,253
	10,533	**12,086**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	**24,095**	**23,153**

Consolidated Income Statement

in EUR thousand	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Revenues				
Licenses	1,209	612	4,099	3,475
Services, maintenance and other	6,685	4,302	13,378	10,784
	7,894	**4,914**	**22,477**	**14,259**
Cost of revenues				
Licenses	(64)	(4)	(126)	(66)
Services, maintenance and other	(4,833)	(3,185)	(13,506)	(7,791)
	(4,897)	**(3,189)**	**(13,632)**	**(7,857)**
Gross profit	**2,997**	**1,725**	**8,845**	**6,402**
Operating expenses, operating income				
Research and development	(639)	(811)	(2,288)	(2,310)
Sales and marketing	(1,022)	(1,803)	(4,291)	(5,847)
General and administrative	(939)	(894)	(3,203)	(3,093)
Restructuring cost	132	0	(1,953)	(434)
Other operating income	151	335	592	1,410
Other operating expenses	(96)	(51)	(118)	(63)
	(2,413)	**(3,224)**	**(11,261)**	**(10,337)**
Result from operating activities	**584**	**(1,499)**	**(2,416)**	**(3,935)**
Interest income	62	81	181	259
Interest expense	(92)	(285)	(382)	(805)
Financial result	**(30)**	**(204)**	**(201)**	**(546)**
Earnings before tax	**554**	**(1,703)**	**(2,617)**	**(4,481)**
Income taxes	**35**	**71**	**130**	**69**
Earnings after tax	**589**	**(1,632)**	**(2,487)**	**(4,412)**
Earnings per share (EUR, basic)	0.03	(0.07)	(0.11)	(0.20)
Earnings per share (EUR, diluted)*	0.03	(0.07)	(0.11)	(0.20)
Weighted average shares outstanding (basic)	23,530	23,710	22,063	22,115
Weighted average shares outstanding (diluted)	25,160	25,340	24,420	24,472

** The diluted earnings per share were reduced to the lower undiluted earnings per share.*

Consolidated Statement of Cash Flows

in EUR thousand	Nine months ended September 30, 2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	(2,617)	(4,481)
Adjustments to reconcile net loss to cash used in operating activities		
Financial result	201	546
Depreciation and amortization	718	370
Other noncash expenses and income	999	1,111
Allowances for doubtful accounts	199	22
(Gain) Loss on disposal of property and equipment	(12)	(91)
Changes in operating assets and liabilities		
Accounts receivable	(2,818)	1,191
Other assets	(815)	(622)
Liabilities and provisions	(2,857)	1,055
Deferred revenue	123	795
Net cash used in operating activities before income tax and interest	**(6,879)**	**104**
Interest received	200	234
Interest paid	(34)	(19)
Income taxes paid	(6)	(1)
Net cash used in operating activities	**(6,719)**	**110**
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	1,340	(1,319)
Payments for investments in intangible assets	(6)	(101)
Proceeds on disposal of equipment	13	93
Purchases of property and equipment, net of capital leases	(160)	(180)
Acquisition of consolidated companies (less funds acquired amounting)	0	599
Net cash (used in) provided by investing activities	**3,297**	**(2,106)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received for unregistered stock	5,186	20
Expenses of cash received for unregistered stock	(72)	(24)
Net cash provided by financing activities	**5,114**	**(4)**
Effect of change in exchange rates on cash	(72)	(53)
Net change in cash and cash equivalents	**1,620**	**(2,053)**
Cash and cash equivalents, beginning of period	3,629	7,279
Cash and cash equivalents, end of period	**5,249**	**5,226**

Consolidated Statement of Shareholders´ Equity

(in EUR thousand)	Common shares	Subscribed capital	Capital reserve	Other reserves: IFRS conversion reserve	Other reserves: Cumulative profit / loss	Other reserves: Cumulative currency differences	Treasury stock	Total share-holders´ equity
Balance, January 1, 2007	**21,503,851**	**21,504**	**1,531**	**(93)**	**(18,027)**	**1,991**	**0**	**6,906**
Net loss					(2,487)			(2,487)
Foreign currency trans-lation adjustments						(8)		(8)
Stock option expense			645					645
Convertible bond	999,413	999	126					1,125
Issue of new shares	2,125,008	2,125	3,290					5,415
Purchase of common stock							(1,022)	(1,022)
Re-issuance of treasury stock					(254)		1,022	768
Balance, September 30, 2007	**24,628,272**	**24,628**	**5,592**	**(93)**	**(20,768)**	**1,983**	**0**	**11,342**
Balance, January 1, 2006	**17,662,052**	**17,662**	**54**	**(93)**	**(11,607)**	**2,256**	**0**	**8,272**
Net loss					(4,412)			(4,412)
Foreign currency trans-lation adjustments						(73)		(73)
Stock option expense			1,140					1,140
Convertible bond	3,815,559	3,816	(40)					3,776
Issue of new shares	23,260	23	(24)					(1)
Purchase of common stock							(44)	(44)
Re-issuance of treasury stock					(29)		29	0
Balance, September 30, 2006	**21,500,871**	**21,501**	**1,130**	**(93)**	**(16,048)**	**2,183**	**(15)**	**8,658**

Notes to the Consolidated Financial Statements as of September 30, 2007

General disclosures

The consolidated financial statements of Intershop Communications AG as of December 31, 2006 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as well as the provisions required to be applied under section 315a(1) of the Handelsgesetzbuch (HGB – German Commercial Code). Accordingly, the Group's interim report as of September 30, 2007 was prepared in accordance with IAS 34, Interim Financial Reporting.

This interim report as of September 30, 2007 is unaudited and must be read in conjunction with the consolidated financial statements and the associated notes to the consolidated financial statements for fiscal year 2006. The consolidated financial statements and the notes to the consolidated financial statements are contained in the Company's Annual Report for the fiscal year ended December 31, 2006. The 2006 Annual Report is available on the Company's website at http://www.intershop.com/intershop/investors/financials/

Accounting principles (compliance statement)

The consolidated financial statements of Intershop Communications AG for 2005 were prepared in accordance with the International Financial Reporting Standards (IFRSs) valid at the balance sheet date and with the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

Financial reporting has been prepared in accordance with the Standards and Interpretations required to be applied and gives a true and fair view of the net assets, financial position, and results of operations of the Intershop Group.

Assets and liabilities are generally measured at historical cost. The stock option plans are measured at fair value. Convertible bonds are treated as compound financial instruments, consisting of a debt and an equity component. The debt component is carried at amortized cost using the effective interest rate method.

The consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are given as thousands of euros (EUR thousand). Figures are rounded to the nearest thousand and totals may not sum due to rounding.

Estimates and assumptions

Preparation of the consolidatedl financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Estimates are based on past experience and other knowledge of transactions to be accounted for. Actual results may differ from these estimates. As a result, estimates and the assumptions on which they are based are regularly reviewed and assessed for their potential effects on the Company's financial reporting.

In particular, estimates are required to recognize and measure provisions for restructuring, legal costs and litigation risks, and guarantee provisions, as well as to assess the need for and measurement of impairment losses and valuation allowances.

Provisions for restructuring are recognized and measured on the basis of financial estimates and data available at the balance sheet date. Other provisions are recognized and measured on the basis of an estimate of the probability of a future outflow of economic benefits, as well as on the basis of historical data and the circumstances known at the balance sheet date. The actual obligation may differ from the amounts of the provisions.

Basis of consolidation

There were no changes to Intershop Communications AG's basis of consolidation in the first nine months of 2007 as against December 31, 2006. In addition to the parent company, the basis of consolidation therefore comprised the following companies as of September 30, 2007:

- Intershop Communications, Inc., San Francisco, U.S.A.
- Intershop Communications Ventures GmbH, Jena, Germany
- Intershop Communications s.r.o., Prague, Czech Republic
- IS Nordic AB, Stockholm, Sweden
- Intershop Communications Online Marketing GmbH, Frankfurt, Germany

The interest in the Intershop Communications Singapore Pte. Limited subsidiary was removed from was removed from the consolidated financial statements of Internshop Communications AG as of June 30, 2007 because Intershop Communications Singapore Pte. Limited was deleted from the register of companies there in April 2007.

The consolidated financial statements of Intershop Communications AG include the consolidated results of the Company and all its German and foreign subsidiaries over whose financial and operating policies Intershop Communications AG exercises direct or indirect control.

Accounting policies

The same accounting policies were used to prepare this interim report as for the consolidated financial statements for fiscal year 2006. The policies used are described in detail on pages 41 to 48 of the 2006 Annual Report.

Equity

The development of Intershop Communications AG's equity is shown in the statement of equity.

The subscribed capital increased by EUR 3,124,421 as of September 30, 2007 to EUR 24,628,272 and is divided into 24,628,272 no-par value bearer shares. The change in subscribed capital amounting to EUR 3,124,421 reflects the capital increases from Authorized Capital I and II and the issue of new shares from the capital increase from conditional capital following the exercise of conversion rights.

At the Stockholders' Meeting on May 9, 2007, Authorized Capital I and II were created by resolutions amending the Articles of Association. This cancelled the existing authorizations, which were resolved by the Stockholders' Meeting on June 6, 2002 and which were due to expire on December 11, 2007 (Authorized Capital 2002). Furthermore, Conditional Capital IV was reduced and renamed Conditional Capital III. This was entered into the commercial register effective July 5, 2007.

The new Authorized Capital resolved by the Stockholders' Meeting on May 9, 2007, amounted to EUR 8,919,549 on September 30, 2007 (Authorized Capital 2007), while the cancelled Authorized Capital 2002 amounted to EUR 40,461,597 on December 31, 2006. The reduction of the available Authorized Capital came about because the Authorized Capital 2007 was half the share capital at the time of the resolution – and therefore EUR 29,417,040 less than the previously existing Authorized Capital 2002 – and was subsequently used several times. In total, there were capital increases of EUR 155,000 from Authorized Capital I 2002 and of EUR 1,600,000 from Authorized Capital I 2007; in addition, there were capital increases of EUR 92,557 from Authorized Capital II 2002 and of EUR 277,451 from Authorized Capital II 2007.

Under the current Articles of Association of Intershop Communications AG, the Management Board is entitled, with the approval of the Supervisory Board, to increase the Company's share capital by issuing new ordinary shares as follows:

- By up to a total of EUR 7,038,000 against cash or noncash contributions up to July 4, 2012 (Authorized Capital I). When increasing the share capital, the Management Board is authorized to disapply the stockholders' subscription rights under certain conditions with the approval of the Supervisory Board. In the first nine months of fiscal year 2007, there was a non-cash capital increase from the since cancelled Authorized Capital I 2002 against contribution of claims for settlement payment by Mr. Ralf Männlein in the amount of EUR 155,000, which became legally effective on June 6, 2007. In addition, a cash capital increase was implemented while disapplying stockholders' pre-emptive rights by issuing 1,600,000 new no-par value bearer shares from Authorized Capital I 2007. This took effect on August 14, 2007, upon entry in the commercial register. Owing to its revision and utilization, Authorized Capital I was reduced from EUR 30,835,337 as of December 31, 2006, to EUR 7,038,000 as of September 30, 2007.
- By up to a total of EUR 1,881,549 against cash contributions while disapplying the stockholders' subscription rights on the basis of the resolution adopted by the Annual Stockholders' Meeting on May 9, 2007 (Authorized Capital II). The authorization of the Management Board applies until July 4, 2012.
  Due to the exercise of employee stock options, there were capital increases of EUR 370,008 in the first nine months of 2007, of which EUR 92,557 were still from Authorized Capital II 2002. Due to its revision and extended authorization by the Stockholders' Meeting on May 9, 2007, Authorized Capital II was reduced by EUR 7,374,703. Due to its revision and utilization, Authorized Capital II was reduced from EUR 9,626,260 as of December 31, 2006, to EUR 1,881,549 as of September 30, 2007.

Conditional capital fell from EUR 21,602,758 as of December 31, 2006 to EUR 10,555,603 as of September 30, 2007. As of September 30, 2007, the Company's share capital has therefore been increased conditionally by up to EUR 10,555,603 in order to issue 10,555,603 shares. However, due to adjustments following capital reductions and options that have expired or were not issued, a maximum of 2,219,960 shares may be issued in future from the conditional capital. The reduction of conditional capital resulted firstly from the exercise of conversion rights from the zero-coupon convertible bond 2004/2008 in the exercise period following the Stockholders' Meeting 2007 (Conditional Capital IV). 999,413 bonds with a value of EUR 999,413 were converted into 999,413 shares of the Company. Secondly, the Stockholders' Meeting on May 9, 2007, resolved to reduce Conditional Capital IV by EUR 10,047,742 and to rename it Conditional Capital III.

Treasury Stock

The Company borrowed 52,600 Intershop ordinary bearer shares on June 29, 2007, and 277,400 Intershop ordinary bearer shares on July 2, 2007, free of charge from Chairman of the Supervisory Board, Michael Sauer, in order to cover requirements under the employee stock option plan. As of June 30, 2007, Intershop held 52,600 treasury shares with a total value of EUR 163 thousand. The borrowed shares were used to service stock options. In August 2007, there was a capital increase from Authorized Capital II in the amount of EUR 277 thousand. At the end of August 2007, the shares were admitted to trading and thus returned to the Company. A total of 62,630 options were exercised in the September exercise period; the corresponding number of borrowed shares was made available to employees. The

Company returned the remaining 267,370 borrowed shares to Mr. Sauer at the end of September. As a result, the Company did not hold any treasury shares as of September 30, 2007.

Stock option plans

Option activity under the plans was as follows (in thousands of Euro, except per-share data).

Nine months ended September 30,	**2007** Number of shares outstanding	**2007** Weighted average exercise price (Euro)	**2006** Number of shares outstanding	**2006** Weighted average exercise price (EUR)
Outstanding at beginning of period	5,302	1.43	453	18.38
Granted	309	2.14	5,266	1.19
Exercised	(433)	1.03	(20)	1.00
Forfeited	(778)	1.16	(196)	16,59
Outstanding at end of period	**4,400**	**1.47**	**5,503**	**2.05**
Exercisable options at end of period	1,636	1.61	908	5.95
Weighted average fair market value of options granted during the year	309	1.14	5,266	0.71

The following table summarizes information with respect to the stock options outstanding on September 30, 2007:

Range of exercise price	Number of options outstanding (EUR thousand)	Weighted average remaining contractual life (in years)	Weighted average exercise price (EUR)	Number exercisable on September 30, 2007 (EUR thousand)	Weighted average exercise price (EUR)
0.01 – 1.50	2,662	3.3	1.02	1,081	1.03
1.51 – 2.50	1,470	3.8	1.76	385	1.74
2.51 – 3.50	94	4.6	2.86	7	3.00
3.51 – 4.50	1	2.2	3.80	1	3.82
4.51 – 23.70	173	1.0	5.23	163	5.14
	4,400	**3.4**	**1.47**	**1,636**	**1.61**

The values of the options were calculated at the grant date using the Black-Scholes option pricing model on the basis of the following assumptions:

		Bandwidth from	– to
Expected term	in years	1.00	5.00
Risk-free interest rate	in %	2.71	3.88
Volatility	in %	79.00	109.78
Dividend yield	in %	0.00	0.00
Exercise price	in euros	1.00	7.65
Market price	in euros	1.00	7.65
Option value	in euros	0.56	4.62

The volatility of Intershop shares fluctuated between around 70 % and around 190 % over the past five years, although a trend towards lower volatility can be identified. For options granted before January 1, 2006, the expected volatility was determined by calculating the average historical volatilities of the Company's stock price for the last three years. For options granted from January 1, 2006 onwards, an expected volatility of 80 % was assumed, as the historical daily volatility in 2005 fluctuated in a corridor between around 80 % and around 100 %. Intershop considers an expected volatility of 80% for the next few years to be appropriate.

In accordance with IFRS 2.53, only options that were granted after November 7, 2002 and were not exercisable before January 1, 2005, as well as all options granted in 2004, 2005, 2006 and 2007, were taken into account in the calculation of the expense incurred from option plans.

In first nine months of 2007, the Company recognized expenses of EUR 645 thousand relating to the stock option plans. These expenses amounted to EUR 1,140 thousand in the first nine months of 2006.

Convertible bond liabilities

Convertible bonds are regarded as composite financial instruments, consisting of a debt and an equity component. In subsequent periods, the debt component is measured at amortized cost using the effective interest method. The effective interest rate is 18.026 % per year.

In the third conversion window (exercise period following the 2007 Annual Shareholders' Meeting – May 14 to June 20, 2007), 999,413 convertible bonds were converted into 999,413 shares of the Company.

The liabilities from the convertible bond amounted to EUR 1,917 thousand as of September 30, 2007.

The change as against December 31, 2006 was as follows (in EUR thousand):

Convertible bonds outstanding before third conversion	2,629
Bonds converted during the third conversion window	999
This corresponds to a proportion of	**38.00 %**

Amortized cost as of December 31, 2006	2,716
Interest accrued on the convertible bond up to the third conversion window	245
Amortized cost before conversion	2,961
Converted portion relating to amortized cost (38.00 %)	(1,125)
Debt component after conversion as of September 30, 2007	**1,836**
Accrued interest accrued from the third conversion window until September 30, 2007	81
Debt component as of September 30, 2007	**1,917**

Converted bonds	999
Converted portion relating to amortized cost (38.00 %)	(1,125)
Change in equity component after conversion	**126**

1,629,626 bonds arising from the convertible bond were outstanding as of September 30, 2007. This amount is composed of the following:

Subscribed bonds	11,331,000
Bonds converted during the first conversion window (November 2005)	4,886,402
Bonds converted during the second conversion window (Aug. / Sept.2006)	3,815,559
Bonds converted during the third conversion window (May / June 2007)	999,413
Convertible bonds outstanding as of September 30, 2007	**1,629,626**

Other financial liabilities

The Company has financial liabilities towards employees amounting to EUR 208 thousand from bonus payments dependent on them reaching set corporate targets. No corresponding provision needed to be recognized due to consolidated profit for the first nine months of 2007. The liabilities towards employees come into effect if the corresponding targets are obtained during the course of the current fiscal year.

Restructuring costs

The following tables give an overview of the restructuring charges and the changes in provisions for restructuring measures for the quarters ended September 30, 2007 and September 30, 2006, respectively:

	Three months ended		Nine months ended	
in Euro thousand	**September 30, 2007**	**September 30, 2006**	**September 30, 2007**	**September 30, 2006**
Employee Related Charges	107	0	818	0
Facility Related Charges	(239)	434	1,135	434
Total restructuring charges	**(132)**	**434**	**1,953**	**434**

in Euro thousand	Employee related charges	Facility related charges	Total
Accrued restructuring costs at December 31, 2006	**0**	**1,055**	**1,055**
Restructuring charges from January 1, 2007 through September 30, 2007	818	1,135	1,953
Cash Payments	(708)	(2,190)	(2,898)
Currency Adjustments	(2)	0	(2)
Accrued restructuring costs at September 30, 2007	**108**	**0**	**108**

On April 27, 2007, Intershop announced the implementation of a comprehensive restructuring program. As part of this program, employee-related and facility-related measures were carried out, which will lead to cost savings in the coming periods.

The provisions for employee-related charges primarily consist of expected future payments relating to the termination of employment contracts, including severance payments, social security contributions, and legal costs, and to distributor contracts.

The Intershop Group recognized a provision for facility-related charges amounting to EUR 1,055 thousand as of December 31, 2006. The provision relates to costs connected with the legal dispute with the landlord in connection with office space at the Company's headquarters in Jena. The Company repaid EUR 1,055 thousand to the landlord in February 2007 as a result of the judgment pronounced by the Jena Higher Regional Court. In the second quarter of 2007, provisions were increased by EUR 1,374 thousand in the light of litigation risks relating to the legal dispute with the landlord, while a final settlement was being sought in the short term. The legal dispute was settled amicably in August 2007. The provisions recognized were used in the amount of EUR 1,135 thousand, while the remaining amount of EUR 239 thousand was reversed.

Restructuring provisions are calculated on the basis of financial estimates and data available as of September 30, 2007. Adjustments to the restructuring charges will be made in future periods, if necessary, based upon actual events and available information at that moment in time.

Other operating income

Other operating income includes government grants amounting to EUR 408 thousand. EUR 392 thousand of this amount was received from Thüringer Aufbaubank and EUR 16 thousand from the Federal Ministry of Education and Research.

Earnings per share

The calculation of basic and diluted earnings per share is based on the following data (in EUR thousand):

	Three months ended		Nine months ended	
(in TEUR)	**Sept. 30, 2007**	**Sept. 30, 2006**	**Sept. 30, 2007**	**Sept. 30, 2006**
Basis for calculating basic earnings per share (consolidated net loss for the year)	**589**	**(1,632)**	**(2,487)**	**(4,412)**
Dilutive effect of potential ordinary shares: interest on the convertible bond	81	270	326	776
Basis for calculating diluted earnings per share	**670**	**(1,362)**	**(2,161)**	**(3,636)**

The number of shares is calculated as follows:

	Three months ended		Nine months ended	
	Sept. 30, 2007	**Sept. 30, 2006**	**Sept. 30, 2007**	**Sept. 30, 2006**
Weighted average number of ordinary shares used to calculate basic earnings per share	**23,530**	**23,710**	**22,063**	**22,115**
Dilutive effect of potential ordinary shares: convertible bond	1,630	1,630	2,357	2,357
Weighted average number of ordinary shares used to calculate diluted earnings per share	**25,160**	**25,340**	**24,420**	**24,472**

The earnings per share is calculated as follows:

	Three months ended		Nine months ended	
	Sept. 30, 2007	**Sept. 30, 2006**	**Sept. 30, 2007**	**Sept. 30, 2006**
Calculation of earnings per share (basic)				
Consolidated net loss for the year (in EUR thousand)	589	(1,632)	(2,487)	(4,412)
Weighted average number of shares (basic)	23,530	23,710	22,063	22,115
Earnings per share (basic) (in EUR)	**0.03**	**(0.07)**	**(0.11)**	**(0.20)**
Calculation of earnings per share (diluted)				
Basis for calculating diluted earnings per share	670	(1,362)	(2,161)	(3,636)
Weighted average number of shares (diluted)	25,160	25,340	24,420	24,472
Earnings per share (diluted) (in EUR)	0.03	(0.05)	(0.09)	(0.15)
Adjustment of earnings per share (diluted) (in EUR)	**0.03**	**(0.07)**	**(0.11)**	**(0.20)**

As the diluted earnings reduce the loss per share, an adjustment is made to the amount of basic earnings per share (antidilutive effect) in accordance with IAS 33 paragraph 43. In accordance with IAS 33.64 the calculation of the number of shares was adjusted retrospectively for the prior year.

Segment Reporting

Three months ended September 30, 2007 in EUR thousand	Germany	U.S.A.	Rest of the world	Consolidation	Group
Revenues from external customers					
Licenses	1,162	47	0	0	1,209
Consulting and training	1,927	1,717	0	0	3,644
Maintenance	1,335	255	0	0	1,610
Online Marketing	1,354	0	0	0	1,354
Other	51	26	0	0	77
Total revenues from external customers	**5,849**	**2,045**	**0**	**0**	**7,894**
Intersegment revenues	777	0	0	(777)	0
Total revenues	**6,626**	**2,045**	**0**	**(777)**	**7,894**
Net profit / loss for the period	2,057	(1,323)	(4)	(141)	589
Net profit / loss for the period (adjusted)	547	221	(4)	(175)	589
Noncash income	239	0	0	0	239
Noncash expenses	258	77	0	0	335

Three months ended September 30, 2006 in EUR thousand	Germany	U.S.A.	Rest of the world	Consolidation	Group
Revenues from external customers					
Licenses	455	157	0	0	612
Consulting and training	1,487	474	0	0	1,961
Maintenance	1,304	367	0	0	1,671
Online Marketing	670	0	0		670
Other	0	0	0	0	0
Total revenues from external customers	**3,916**	**998**	**0**	**0**	**4,914**
Intersegment revenues	432	0	0	(432)	0
Total revenues	**4,348**	**998**	**0**	**(432)**	**4,914**
Net profit / loss for the period	(1,840)	(1,430)	1,741	(103)	(1,632)
Net profit / loss for the period (adjusted)	(1,513)	3	(26)	(96)	(1,632)
Noncash income	0	0	0	0	0
Noncash expenses	686	0	0	686	1,372

Nine months ended September 30, 2007 in EUR thousand	Germany	U.S.A	Rest of the world	Consolidation	Group
Revenues from external customers					
Licenses	2,579	1,520	0	0	4,099
Consulting and training	5,315	3,732	0	0	9,047
Maintenance	4,055	802	0	0	4,857
Online Marketing	4,305	0	0	0	4,305
Other	143	26	0	0	169
Total revenues from external customers	**16,397**	**6,080**	**0**	**0**	**22,477**
Intersegment revenues	1,605	0	0	(1,605)	0
Total revenues	**18,002**	**6,080**	**0**	**(1,605)**	**22,477**
Net profit / loss for the period	999	(3,133)	58	(411)	(2,487)
Net profit / loss for the period (adjusted)	(3,502)	1,410	58	(454)	(2,487)
Noncash income	239	0	0	0	239
Noncash expenses	2,520	77	0	0	2,597

Nine months ended September 30, 2006 in EUR thousand	Germany	U.S.A	Rest of the world	Consolidation	Group
Revenues from external customers					
Licenses	1,655	1,820	0	0	3,475
Consulting and training	4,235	836	0	0	5,071
Maintenance	4,041	984	0	0	5,025
Online Marketing	670	0	0	0	670
Other	18	0	0	0	18
Total revenues from external customers	**10,619**	**3,640**	**0**	**0**	**14,259**
Intersegment revenues	755	0	0	(755)	0
Total revenues	**11,374**	**3,640**	**0**	**(755)**	**14,259**
Net profit / loss for the period	(2,654)	(3,318)	1,666	(106)	(4,412)
Net profit / loss for the period (adjusted)	(5,234)	976	(58)	(96)	(4,412)
Noncash income	0	83	0	0	83
Noncash expenses	2,349	0	0	0	2,349

The segment reporting is prepared in accordance with IAS 14 (Segment Reporting). Segmentation reflects the Intershop Group's internal management and reporting. The Company has two direct sales units: Germany and the United States.

The regions are broken down as follows:

Regions in first nine months of 2007:
The „Germany“ segment comprises the Germany sales unit together with direct sales for Central Europe (Germany, Austria, Switzerland) and for northern Europe, the Benelux countries, France, the United Kingdom, and Italy. Direct sales in northern Europe, the Benelux countries, France, the United Kingdom, and Italy are generated via distributors. The „Rest of the world“ segment includes the subsidiaries in Prague (Czech Republic) and Sweden (all two companies had no operating activities) and reflects the derecognition of the interest in Intershop Communications Singapore Pte. Limited.
The “Consolidation“ segment includes all transactions within the individual segments.

Regions in the first nine months of 2006:
The „Germany“ segment comprises the Germany sales unit including direct sales for Central Europe (Germany, Austria, Switzerland) as well as direct revenues from distributors in Denmark, Sweden, Norway, the Benelux countries, France, the United Kingdom, and Italy. The „U.S.A.“ segment comprises the U.S.A. sales unit including direct sales for North America. The „Rest of the world“ segment includes the subsidiaries in Prague, the Czech Republic, and in Sweden and Australia. The subsidiary in Australia will be liquidated. The liquidation is expected to be completed in fiscal year 2006. The parent company has issued a waiver of claim in favor of the subsidiary in this connection.
The „Consolidation“ segment includes all transactions within the individual segments.

Notes to the content of the individual line items:

- Revenues from external customers represent revenues from the regions with third parties outside the Group.
- Intersegment revenues include revenues from intersegment relationships.
- The net profit/loss for the period (adjusted) is arrived at as follows: The net profit/loss for the period was adjusted for interest income and expense between group companies and income and expense from deconsolidation.
- The „net profit/loss for the period“ segment variable is the consolidated net profit or loss as reported in the income statement.
- Noncash income includes the reversal of provisions for restructuring and provisions for legal and litigation costs, as well as income from deconsolidation.
- Noncash expenses include interest on the convertible bond and provisions for legal and litigation costs, provision for restructuring and expenses relating to the stock options plans.

Litigation

In the first nine months of 2007, the following changes occurred with respect to the litigation described on pages 73 to 75 of the 2006 Annual Report:

The legal dispute between Intershop and the landlord of its headquarters was settled amicably on August 27, 2007. To compensate for all disputed claims under the terminated lease, the parties agreed that Intershop should pay a lump sum of EUR 5.5 million (net) to the landlord. Of this amount, the Company has already paid the sum of EUR 4.0 million (net) to the landlord; the remaining EUR 1.5 million is due to be paid to the landlord by no later than the end of this year.

Furthermore, the parties have terminated the old lease and signed a new one, which involves considerably less rental space and which will run until November 2013. By terminating the old lease, Intershop freed up restricted cash of EUR 6.1 million. For the new lease, the Company must provide a rent security deposit in the initial amount of EUR 3.9 million;

however, this will be reduced by EUR 766 thousand annually. The payment of the settlement amount will not have any negative effects on Intershop's future operating result, as provisions were previously recognized in the past to cover this expense.

All disputes between the parties have been suspended until final settlement by the Company has been completed.

In 2004, a claim against the Company for approximately USD 750,000 was filed with a court in New York by a bank that advised the Company during its IPO in the United States in 2000. The claim relates to costs that the bank is alleged to have incurred in mounting a defense against the plaintiffs of the class-action lawsuit, in which a claim was also made against the bank. The Management Board is convinced that the claims for payment asserted against it are unjustified and has vigorously defended itself against them. Nevertheless, the Company decided to negotiate a settlement with the bank regarding the claims asserted. The settlement was reached on June 12, 2007 and provides for Intershop to pay the bank USD 400,000. This settlement has no effect on results for the coming quarters because the company had set up provisions some and had increased them in the second quarter of 2007.

On June 28, 2007, the Company was served with a notice of an action for rescission and annulment brought by a stockholder against the resolutions passed at the at the Stockholders' Meeting on May 9, 2007 with respect to agenda item 8 (buy-back authorization) and agenda item 13 (waiver of possible claims for recourse against Mr. Gutsch). This action is pending at the Commercial Division of Gera Regional Court under reference number 1 HK O 105/07. A further shareholder joined the dispute on the side of the Company. The previously scheduled and published date for the hearing has been cancelled and a new date has not yet been scheduled by the court.

The Company is defending itself against this action and is of the opinion that it is unfounded.

Related party disclosures

Related parties in accordance with IAS 24 are companies or persons that control or are controlled by the Intershop Group, provided that they are not already included in the consolidated financial statements. Control exists if a shareholder holds more than half of the voting rights of Intershop Communications AG or has the power to influence the operating policies of the Intershop Group's management by virtue of provisions of the Articles of Association or contractual agreements.

The Intershop Group did not have any relationships with unconsolidated subsidiaries, joint ventures, or associates as of September 30, 2007.

Mr. Michael Sauer, the chairmen of the Supervisory Board, is the managing director of Music Store A.Sauer GmbH, with which Intershop has relations in the course of its ordinary business activities. All transactions with this company are conducted on arm's length terms.

Other Disclosures

The 9th Annual Stockholders' Meeting of Intershop Communications AG was held on May 9, 2007. Some 170 stockholders attended, representing about 27 percent of the share capital.

The Stockholders' Meeting voted not to approve the actions of the Management Board. However, the actions of the Supervisory Board were approved.

The term of office of all the Supervisory Board members ended at the conclusion of the 2007 Annual Stockholders' Meeting. The Stockholders' Meeting elected Mr. Michael Sauer, Mr. Sven Heyrowsky and Mr. Joachim Sperbel as members of the Supervisory Board.

The resolution to appoint an auditor did not receive the necessary majority.

The Stockholders' Meeting approved the following resolutions:

- Resolution on the assumption by the Company of the D&O insurance premium for the Supervisory Board members
- Resolution on performance-related remuneration of the Supervisory Board members
- Resolution on the extension of the authorization to buy back own shares and to dispose of own shares in manner other than offering them to all stockholders or on the stock market.
- Resolution approving the transfer of information by the Company to the stockholders via remote data transfer (in accordance with section 30b(3) no.1 letter A of the WpHG as amended)
- Resolution to waive possible claims for recourse against a former member of the Super visory Board, Mr. Hans W. Gutsch.

The previous authorizations regarding the existing Authorized Capital I and Authorized Capital II were canceled and a new Authorized Capital I and Authorized Capital II were created. Conditional Capital IV was reduced and re-named Conditional Capital III. The required changes to the Articles of Association (Article 4(5), Article 4(6), and Article 4(4)) were authorized. The entry into the commercial register took place date with effect from July 5, 2007.

Directors' holdings

As of September 30, 2007, the following members of the Company's executive bodies held direct or indirect Intershop Communications AG ordinary bearer shares or options to purchase such shares, as well as shares in the 2004/2008 zero-coupon convertible bond issued by the Company.

Name	Title, Function	Shares held	Stock options held*	Convertible bonds
Michael Sauer	Chairman of the Supervisory Board	757,783	-	-
Sven Heyrowsky	Member of the Supervisory Board	-	-	-
Joachim Sperbel	Member of the Supervisory Board	-	-	-
Friedhelm Bischofs	Chairman of the Management Board	45,000	100,000	-

* The stock options were granted at the conditions of the 1999 stock option plan.

Securities transactions subject to reporting requirements

In the first nine months of 2007, the members of the Company's executive bodies and related parties made the following purchases and sales of Intershop ordinary bearer shares or shares in the 2004/2008 zero-coupon convertible bond issued by the Company.

Name	Date	Type of secu-	Type of transaction	Amount	Total value (EUR)
Supervisory Board					
Michael Sauer *	January 12, 2007	Share	Purchase	37,901	72,928
	January 17, 2007	Share	Purchase	19,000	44,080
	January 18, 2007	Share	Purchase	17,473	36,936
	January 12, 2007	Share	Purchase	12,527	26,683
	March 6, 2007	Share	Lending ***	70,000	0
	March 7, 2007	Share	Purchase	20,000	34,400
	May 15, 2007	Share	Purchase	10,750	21,285
	May 16, 2007	Share	Purchase	29,250	59,670
	May 16, 2007	Share	Purchase	15,000	31,800
	June 8, 2007	Share	Purchase	60,000	148,200
	June 27, 2007	Share	Transfer (Disposal)	1.200	3,588
	June 29, 2007	Share	Lending ***	52,600	0
	July 02, 2007	Share	Lending ***	277,400	0
	September 18, 2007	Share	Purchase	100,000	300,000
	September 24, 2007	Share	Purchase	26,190	96,873
	September 24, 2007	Share	Purchase	23,810	88,070
	September 26, 2007	Share	Purchase	15,300	58,752
	September 26, 2007	Share	Purchase	4,700	18,001
Sven Heyrowsky **	June 26, 2007	Share	Purchase	138.000	358,800
	June 27, 2007	Share	Purchase	151,631	394,241
Management Board:					
Friedhelm Bischofs	May 11, 2007	Share	Sale	40,000	80,000
	May 18, 2007	Bond	Purchase	5,000	10,150
	June 12, 2007	Share	Conversion	5,000	0

* These securities transactions were executed by Mr. Michael Sauer directly and by Kölner Parkhaus und Parkplatz GmbH and Music-Store Artur Sauer GmbH, which are subject to the disclosure requirements as related parties of Mr. Sauer.

** The securities transactions were executed by heycom GmbH, which is subject to the disclosure requirements as a related party of Mr. Sven Heyrowsky..

*** Mr. Michael Sauer lent the Company Intershop ordinary bearer shares free of charge to cover requirements under the employee stock option plan.The Company returned 337,370 shares on September 30, 2007.

Intershop Shares

Intershop shares began the first quarter at EUR 1.55 on January 2, 2007, and closed at EUR 3.90 on September 28, 2007. They reached a high of EUR 4.05 in the first nine months of 2007, and recorded a low of EUR 1.54. The average trading volume was around EUR 114 thousand.

Key figures for Interhop shares		**September 30, 2007**	**September 30, 2006**	**December 31, 2006**
Closing price*	in EUR	3.90	1.64	1.58
Number of shares outstanding	Number (thousand)	24,628	21.501	21,504
Number of shares - diluted	Number (thousand)	26,258	24,130	24,133
Market capitalization	in EUR million	96.1	35.3	34.0
Market capitalization - diluted	in EUR million	102.4	39.6	38.1
Free float	in %	86	100	100
Shareholders´ equity	in EUR million	11.3	8.7	6.9
Earnings per share	in EUR	(0.11)**	(0.20)**	(0.34)***

* *in Xetra*
** *nine-months ended*
*** *Year 2006*

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This interims report contains forward-looking statements regarding future events or the future financial and operational performance of Intershop. Actual events or results may differ materially from the results presented in these forward-looking statements or from the results expected according to these statements. Risks and uncertainties that could lead to such differences include Intershop‘s limited operating history, the limited predictability of revenues and expenses, and potential fluctuations in revenues and operating results, significant dependence on large individual customer orders, customer trends, the level of competition, seasonal fluctuations, risks relating to electronic security, possible state regulation, and the general economic situation.