INTERSHOP™

Group Management Report For The Six Months Ended

June 30, 2012

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Letter to Our Stockholders

Jochen Moll

Heinrich Göttler

Ludwig Lutter

Dear Intershop stockholders,

We have passed a major milestone and started selling our Company's "new DNA" in the first six months of this year: Intershop 7, our newly developed e-Commerce platform, is a multi-channel solution for the Internet, mobile devices, call centers as well as points of sale and it has received an overwhelming response. It is available to our customers under the traditional licensing model but also as a cloud solution. We owe this success primarily to our highly professional team, but also to our partners such as HP, who worked with our team. The result is a market-leading, flexible and cost efficient alternative to the traditional local implementation or hosting solutions, and it has considerably increased the number of customers we can reach.
Substantial efforts were made to guarantee a successful launch of Intershop 7. They were worth it, as the echo from the market shows, but they have also impacted the six months result, which amounted to EUR 235 thousand, as expected, and was lower than the figure for the previous year. We were able to continue the growth trend of our net revenue, which increased by 15% to EUR 26.4 million compared to the first six months of 2011. The development is proof that our Company continues to be on a solid growth path. Particularly gratifying is the increase of the important license revenues, which, with 56%, were clearly higher than in the prior year. We remain confident that the previously announced increase in revenue and net earnings from 10% to 20% for the full fiscal year 2012 will be achieved.
We have not only actively and successfully acquired new customers, but also qualitatively and quantitatively expanded business with our existing and Platinum customers. We are convinced that the new, groundbreaking technology platform will open additional doors and give us an extra boost. As announced, our Intershop team continues to grow, however, less rapidly than in previous quarters. Overall, as of June 30 of this year about 70 more staff members were employed compared to the prior year. The majority was hired to work in R&D. However, in order to establish our new platform on the market faster and in a more targeted way as well as to increase our global market share, the future growth will rather be in the Sales and Marketing departments.
Innovative power is a crucial driving force behind our success. We constantly look ahead to shape our future together with our customers and to provide products that add value in the international e-Commerce field for all parties involved. We look forward to you accompanying us on this exciting growth path.

Sincerely,

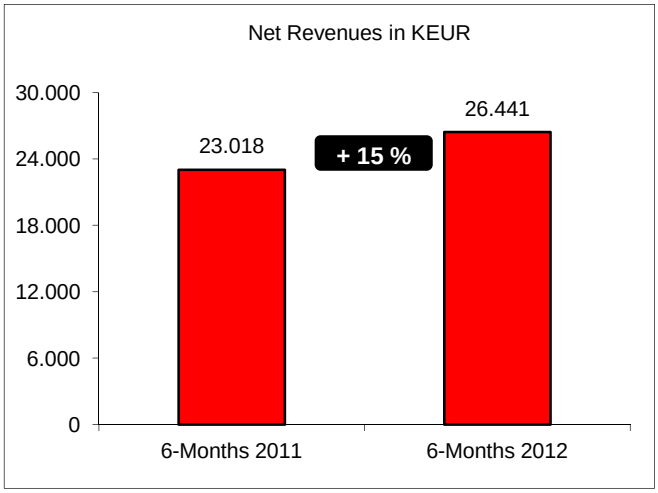
Jochen Moll

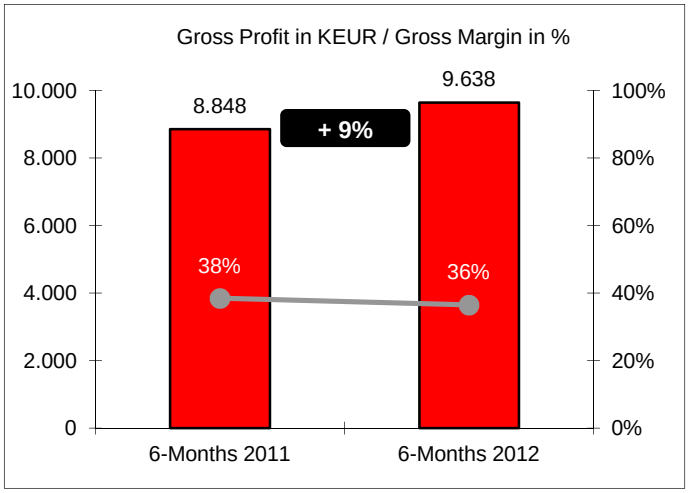
Heinrich Göttler

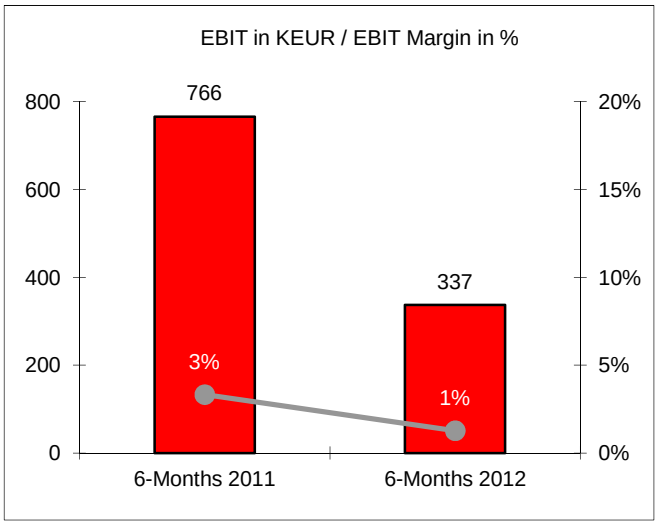
Ludwig Lutter

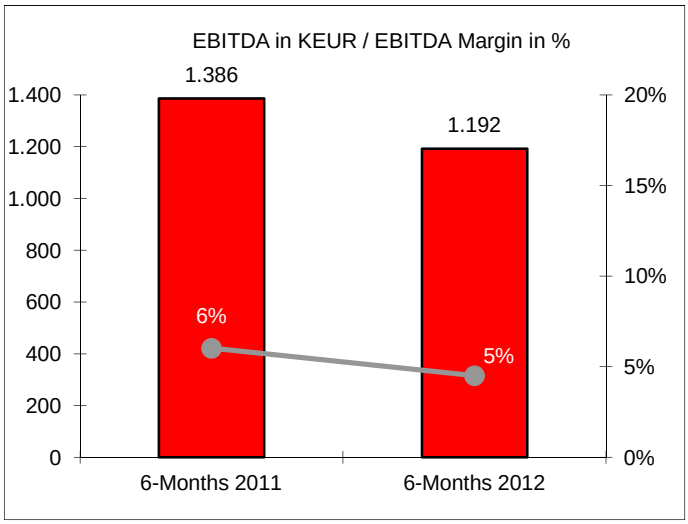
Key Figures for the Group

in EUR thousand	Q1 2012	Q2 2012	6-Months 2012	6-Months 2011
Net Revenues	13,325	13,116	26,441	23,018
Gross Profit	4,705	4,933	9,638	8,848
Gross Profit Margin	35%	38%	36%	38%
EBIT	-160	497	337	766
EBIT Margin	-1%	4%	1%	3%
EBITDA	52	1,140	1,192	1,386
EBITDA Margin	0%	9%	5%	6%
Earnings After Tax	-150	385	235	1,112
Earnings Per Share (EUR)	0.00	0.01	0.01	0.04









Group Management Report

Overall Economy and Industry

According to the latest economic forecast published by the International Monetary Fund (IMF) in July of this year, global growth, which was already lagging in the first three months of 2012, was further weakened in the second quarter. If, last year, the IMF expected a plus of 4.5% for 2012, it now forecasts only a 3.5% increase. IMF experts primarily see the reasons for the negative development in the new tensions on the financial markets as well as in the sovereign debt crisis in the euro zone. The IMF still forecasts a shrinking of economy in the euro zone of 0.3%. However, the German economy is still projected to grow by 1.0%.

In particular, private consumption will be an important pillar in the current year. This assessment was confirmed by the numbers published by the Bundesverband des Versandhandels (BVH, German E-Commerce and Distance Selling Trade Association). After revenues in the first quarter of 2012 compared very positively to the prior-year period, they rose again in the second quarter. Revenues in this segment rose by 15% from the beginning of April until the end of June 2012 compared to the prior-year period of 2011. 72% of those revenues were generated through online sales, which, with 27%, again increased disproportionately.

BITKOM, the German federal association for information technology, telecommunications and new media, also reported a positive response. Compared to the prior-year period, 71% of ICT providers increased sales revenue in the second quarter of 2012. According to the quarterly survey conducted by the association, business was the best for medium-sized providers of software and IT services. Despite the crises, as per the European Information Technology Observatory (EITO), the global ICT market will grow about 5% in 2012.

Revenue Development

After net revenue of EUR 13.3 million in the first quarter of 2012, net revenue amounted to EUR 13.1 million in the months April through June. With 15%, Intershop showed solid growth in the first six months of 2012 and generated a total net revenue of EUR 26.4 million compared to EUR 23.0 million in the prior-year period. The EUR 26.4 million figure represents the best half-year performance since the year 2001. Business with existing major customers as well as new projects have contributed to this success.

A look at the individual business areas shows that all segments with the exception of Maintenance achieved double-digit growth rates. Especially, the important Licensing business rose by 56% to EUR 2.8 million, a very positive development. Consulting/Training, which, with EUR 14.7 million, contributed the most to the sales revenue, rose by 14%, Online Marketing revenues amounted to EUR 2.0 million, a plus of 24%, and Other revenues increased from EUR 1.6 million in the first six months of 2011 to EUR 2.5 million, an improvement of 51%. Other revenues consist of full-service business and revenues from the transaction platform TheBakery.

The following table shows the trend in net sales revenue by area (in EUR thousand):

Six Months ended June 30,	2012	2011	Change
Licenses	**2,755**	**1,761**	56%
Consulting / Training	14,730	12,891	14%
Maintenance	4,490	5,125	-12%
Online Marketing	2,009	1,618	24%
Other revenues	2,457	1,623	51%
Service, maintenance and other	**23,686**	**21,257**	11%
Net Revenue total	26,441	23,018	15%

With the presentation of the new cross-channel software Intershop 7, successor to "Enfinity Suite 6.4", and the innovative cloud solution "Commerce Cloud Services" during the IT trade fair CeBIT in March of this year, Intershop decisively stimulated the course of the second quarter and the coming months. In April, Initiative Mittelstand named Intershop 7 "BEST OF 2012". With this, the new Internet platform is again one of the most innovative e-Commerce solutions for medium-sized companies and in the top league among the more than 2,500 applications submitted. Overall, the reaction to Intershop 7 was very positive.

In mid-April, LEDON Lamp GmbH, a subsidiary of the publicly traded Austrian Zumtobel AG, went live with an online store based on the Intershop platform – after only ten weeks of project duration. Since then, LEDON has outsourced to Intershop a majority of its e-Commerce value chain, from development and operation of the online shop (Software-as-a-Service), operation of the customer care center to acceptance of returns and management of accounts receivables.

Also in April, Intershop and the London-based Chapter Media formed a partnership to better serve the e-Commerce market of the entertainment and media sector. Chapter Media, which specializes in planning, strategy, online brand protection and development of highly scalable solutions, will bring in its expertise in the e-Commerce market to support all aspects of the modern multi-channel business in connection with Intershop's high-performance e-Commerce platform.

In May, the Pottermore Shop (shop.pottermore.com), the exclusive retailer of Harry Potter eBooks and digital audio books, started doing business powered by Intershop's e-Commerce platform. Intershop's comprehensive e-Commerce solution is the foundation of the whole Pottermore shopping experience.

Additional new business resulted from a contract concluded with a leading European retail fashion company as well as contracts concluded with the French RAJA Group, a leading distributor of packaging solutions in Europe, and the Javelin Group, Europe's leading consulting firm and system integrator for multi-channel sales and e-Commerce. The relationship with the Paris- and London-based Javelin Group has expanded into a Platinum partnership and improved access to the British retail market. Tenzing Managed IT Services was selected as a new technical partner and will support Intershop's B2B customers, providing secure global IT services and hosting solutions.

The Company's highest revenue-generating existing customers (platinum accounts) in the first six months of 2012 included the U.S. group HP, the Australian telecommunications group Telstra, as well as the mail order business Otto and its subsidiaries. One of the most important strategic goals of Intershop is to continue to qualitatively and quantitatively expand the cooperation with the platinum accounts.

Intershop continues to generate the biggest part of its net revenue in Europe. The respective share was 56.1%, 4.3% above the figure for the prior year. In the first six months of 2012, net revenue that can be attributed to the American continent increased from the 2011 figure of EUR 7.0 million to EUR 8.3 million, an increase of 18% in this very important Intershop region. In absolute as well as relative numbers, the performance of the Asia-Pacific region was weaker. In the time period under consideration, that region generated net revenue of EUR 3.4 million after EUR 4.1 million in the prior year. The resulting share in the net revenue is 12.7%.

Earnings Development

After the first quarter of 2012 brought a net loss of EUR 150 thousand – as previously projected – Intershop recorded a net profit of EUR 385 thousand in the second quarter of the current year. Overall for the first six months of 2012, the earnings for the period amounted to EUR 235 thousand. For the first six months of 2011, the earnings amounted to EUR 1,112 thousand. This equals 2012 earnings per share of EUR 0.01 (diluted and undiluted) after EUR 0.04 in prior-year period. The decrease for the period results from non-recurrent items and especially from investments in future growth: Resources were specifically used for launching the new software generation Intershop 7 on the market and increasing personnel in the area R&D.

The gross profit in the first six months of 2012 increased by 9% to EUR 9.6 million, which marks a gross margin of 36%, and therewith only slightly lower than the prior-year figure of 38%. Expenses rose by EUR 1.2 million or 15% to EUR 9.3 million and this can mostly be attributed to the costs for sales and marketing which rose by 35%. In the first six months of the year, they

amounted to EUR 4.1 million, EUR 1.1 million higher compared with the prior-year period. R&D expenses rose 7% to EUR 2.5 million, and due to non-recurrent items the general and administrative costs rose by 21% to EUR 3.3 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) fell by 14% to EUR 1,192 thousand for the first six months of 2012 compared to the respective prior-year period. The EBITDA margin was 5% after 6% a year earlier. After EUR 766 thousand in the first six months of 2011, the result from operating activities (EBIT) amounted to EUR 337 thousand in the first six months of 2012 despite higher depreciation and amortization. The EBIT margin was 1%. While Intershop profited from a tax refund in the prior-year period under review, it owed taxes on income and profit in the amount of EUR 153 thousand in the period under review.

Net Assets and Financial Position

The Intershop Communications AG is still in the comfortable position of being able to operate dynamically as well as sustainably on a sound foundation. This is reflected in the very solid financial position and asset situation. The equity ratio was 67% at the end of the first six months. The Company has no financial liabilities.

Total assets amounted to EUR 42.4 million at the end of the first six months of 2012 after EUR 41.2 million on December 31, 2011, a slight growth of 3% that can mainly be attributed to an increase in intangible assets by 15% to EUR 11.2 million. Factors here were the capitalization of software development costs and a decrease in write-downs. Cash and cash equivalents rose again: At the end of 2011, they amounted to EUR 16.9 million and on June 30, 2012 to EUR 17.7 million, a plus of 5%. Trade receivables fell by 14% to EUR 10.2 million, while other receivables and assets rose 69% to EUR 1.1 million.

On the liability side, equity with EUR 28.5 million remained almost unchanged. Non-current liabilities, which exclusively reflect deferred revenue, amounted to EUR 1.4 million. The current liabilities rose 9% to EUR 12.5 million, also primarily resulting from deferred revenue.

The Company recorded a positive operating cash flow of EUR 3.2 million in the first six months 2012. The outflow from investment activities amounted to EUR 2.4 million, while cash flow from financing activities was EUR 17 thousand. On balance, a net inflow of EUR 859 thousand was recorded for the period under review.

Research and Development

Research and development at Intershop focuses on the continued development of the Company's e-Commerce platform. The Company presented a completely new software generation for the flexible cross-channel commerce during the CeBIT in March. Intershop 7, the successor to Enfinity Suite 6.4, offers more than 1,500 new features and is a multi-channel solution for Internet, mobile devices, call centers or points of sale. The Initiative Mittelstand named the new Intershop platform one of the most innovative e-Commerce solutions for medium-sized firms in April. The Company allowed certain international partners and users to test the new software under its renewed Early Adopter Program before the official launch and has gained valuable knowledge for the further development during this PreSounding. Additionally, in cooperation with HP, Intershop developed a new cloud solution for online shopping based on Intershop 7 – a flexible, secure and cost efficient alternative to traditional local implementation or hosting.

Management Board and Supervisory Board

During the first six months of 2012, two changes in the executive bodies of Intershop Communications AG took place - one in the Supervisory Board and one in the Management Board.

The local court Jena in its decision dated January 26, 2012 appointed Bob van Dijk, Vice President eBay Europe, to the Supervisory Board of Intershop Communications AG effective February 1, 2012 until the next Annual Stockholders' Meeting. The Supervisory Board member James MacIntyre stepped down from his post effective January 31, 2012. During the Company's Annual Stockholders' Meeting on May 30, 2012, Bob van Dijk was elected a member of the Supervisory Board for the period ending with the conclusion of the Annual Stockholders'

Meeting that passes a resolution on the approval of the boards' activities during the fiscal year 2016.

The Supervisory Board appointed Jochen Moll a member of the Management Board of the Company effective April 1, 2012. Jochen Moll, who has more than 20 years management experience in the IT sector, replaced the long-term Management Board member Dr. Ludger Vogt and was appointed Spokesman of the Management Board.

Employees

Intershop's staff has grown by about 65% since the beginning of the year 2010. Compared to June 30, 2011, the Company employed about 70 more people at the end of the period under review. Intershop now employs 501 full-time equivalents, the majority - 93 % - in Europe. Also in light of the general shortage of skilled workers in Germany, these new hires and their integration are an exceptional additional burden in parallel to the current stepped-up expansion of our operating business. In the future, Intershop will very carefully continue to expand its staff in a sustainable way.

The following overview shows the breakdown of full-time employees by business unit.

Employees by department (full-time equivalents)	June 30, 2012	December 31, 2011	June 30, 2011
Technical Departments (research and development and service functions)	411	384	356
Sales and Marketing departments	40	38	31
General and administrative departments	50	48	45
Total	501	470	432

Group Risks

Regarding risks, please see the detailed description in the 2011 annual report.

Events subsequent to the balance sheet date

No significant events took place after the interim reporting date.

Outlook

Reliable prognoses regarding the development of the global economy can currently not be made. The euro zone is in the grip of the finance and banking crisis, statements regarding the future of the currency have no reliable basis. The U.S. economy recovers only slowly, except for a few large corporations. In the BRIC countries, the period of double-digit economic growth seems to be a thing of the past, and globally, the banking sector suffers under a massive loss of confidence due to mismanagement and a number of scandals.

In this highly volatile environment, which has now lasted for almost 6 years, the internationally active Intershop Communications AG has operated in a stable and successful way. Online shopping has been thriving in Germany as well as worldwide and an end of the growth is nowhere in sight. In order to meet the demands of this continuously growing market segment, central warehouses and mail-order bases with a storage area of about 2 million square meters were built in Germany alone – an increase the size of the surface area of Monaco. Online shopping has become an important pillar of the economy and Intershop is one of the players that make it happen.

In Germany, the sector's optimism is primarily based on private consumption. While the Institut für Wirtschaftsforschung in its monthly Ifo Business Climate Index reported in July a third consecutive drop, to the lowest level in more than two years, the consumption climate barometer of the GfK Gruppe in its August forecast rose to 5.9 points and reached its highest level since March 2012. The German Retail Federation HDE anticipates total revenues in the e-Commerce field of EUR 29.5 billion for the current year, a plus of 13%.

Contradictory projections, the unstable financial sector but also new future trends as well as a highly dynamic market make it difficult for companies to provide forecasts regarding their own business performance. Intershop Communications AG remains confident and still expects a growth in sales and profit of 10-20% for the year 2012. In light of the relative favorable conditions of the sector and the positive response to the new software generation Intershop 7, we consider this goal a realistic one.

Consolidated Balance Sheet

in EUR thousand	June 30, 2012	December 31, 2011
ASSETS		
Noncurrent assets		
Intangible assets	11,180	9,741
Property, plant and equipment	1,202	1,098
Other noncurrent assets	23	24
Deferred tax assets	895	895
	13,300	**11,758**
Current assets		
Trade receivables	10,185	11,794
Other receivables and other assets	1,141	676
Restricted cash	67	67
Cash and cash equivalents	17,743	16,884
	29,136	**29,421**
TOTAL ASSETS	42,436	41,179
SHAREHOLDERS´ EQUITY AND LIABILITIES		
Shareholders´ equity		
Subscribed capital	30,183	30,171
Capital reserve	7,758	7,753
Other reserves	(9,427)	(9,705)
	28,514	**28,219**
Noncurrent liabilities		
Other noncurrent provisions	0	78
Deferred revenue	1,383	1,344
	1,383	**1,422**
Current liabilities		
Other current provisions	552	1,029
Trade accounts payable	5,497	5,580
Income tax liabilities	697	579
Other current liabilities	2,794	2,763
Deferred revenue	2,999	1,587
	12,539	**11,538**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	42,436	41,179

Consolidated Statement of Comprehensive Income

	Three months ended June 30,		Six months ended June 30,	
in EUR thousand	2012	2011	2012	2011
Gross Revenues				
Licenses	1,643	746	2,755	1,761
Services, maintenance and other	12,755	12,307	26,506	24,200
	14,398	**13,053**	**29,261**	**25,961**
Media costs	**(1,282)**	**(1,432)**	**(2,820)**	**(2,943)**
Net Revenues				
Licenses	1,643	746	2,755	1,761
Services, maintenance and other	11,473	10,875	23,686	21,257
	13,116	**11,621**	**26,441**	**23,018**
Cost of revenues				
Licenses	(412)	(128)	(412)	(279)
Services, maintenance and other	(7,771)	(6,936)	(16,391)	(13,891)
	(8,183)	**(7,064)**	**(16,803)**	**(14,170)**
Gross profit	4,933	4,557	9,638	8,848
Operating expenses, operating income				
Research and development	(1,349)	(1,357)	(2,475)	(2,318)
Sales and marketing	(2,207)	(1,534)	(4,142)	(3,076)
General and administrative	(1,341)	(1,336)	(3,286)	(2,723)
Other operating income	470	390	672	556
Other operating expenses	(9)	(273)	(70)	(521)
	(4,436)	**(4,110)**	**(9,301)**	**(8,082)**
Result from operating activities	497	447	337	766
Interest income	40	27	52	36
Interest expense	(1)	0	(1)	(2)
Financial result	**39**	**27**	**51**	**34**
Earnings before tax	536	474	388	800
Income taxes	**(151)**	**316**	**(153)**	**312**
Earnings after tax	385	790	235	1,112
Other comprehensive income				
Exchange differences on translating foreign operations	46	(67)	43	(268)
Total comprehensive income	**431**	**723**	**278**	**844**
Earnings after tax attributable to:				
Shareholders of INTERSHOP Communications AG	**385**	**790**	**235**	**1,112**
Total comprehensive income attributable to:				
Shareholders of INTERSHOP Communications AG	**431**	**723**	**278**	**844**
Earnings per share (EUR, basic)	0.01	0.03	0.01	0.04
Earnings per share (EUR, basic)	0.01	0.03	0.01	0.04
Weighted average shares outstanding (basic)	30,183	30,183	30,174	30,174
Weighted average shares outstanding (diluted)	30,183	30,212	30,174	30,203

Consolidated Statement of Cash Flows

	Six months ended June 30,	
in EUR thousand	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	388	800
Adjustments to reconcile net profit/loss to cash used in operating activities		
Financial result	(51)	(34)
Depreciation and amortization	855	620
Other noncash expenses and income	(163)	41
Changes in operating assets and liabilities		
Accounts receivable	1,796	(2,285)
Other assets	(545)	(30)
Liabilities and provisions	(629)	981
Deferred revenue	1,398	750
Net cash provided by operating activities before income tax and interest	3,049	843
Interest received	52	36
Interest paid	(1)	(2)
Income taxes received	50	312
Net cash (used in) operating activities	3,150	1,189
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	0	7
Payments for investments in intangible assets	(2,022)	(1,082)
Proceeds on disposal of equipment	2	0
Purchases of property and equipment, net of capital leases	(374)	(493)
Net cash used in investing activities	(2,394)	(1,568)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received for unregistered stock	25	531
Expenses of cash received for unregistered stock	(8)	(21)
Net cash provided by/used in financing activities	17	510
Effect of change in exchange rates	86	(268)
Net change in cash and cash equivalents	859	(137)
Cash and cash equivalents, beginning of period	16,884	16,390
Cash and cash equivalents, end of period	17,743	16,253

Consolidated Statement of Shareholders´ Equity

in EUR thousand				Other reserves			
	Common shares (Number shares)	Subscribed capital	Capital reserve	Conversion reserve	Cumulative profit/ loss	Cumulative currency differences	Subscribed capital
Balance, January 1, 2012	**30,170,984**	**30,171**	**7,753**	**(93)**	**(11,890)**	**2,278**	**28,219**
Total comprehensive income					235	43	278
Issue of new shares	12,500	12	5				17
Balance, June 30, 2012	30,183,484	30,183	7,758	(93)	(11,655)	2,321	28,514
Balance, January 1, 2011	**29,582,305**	**29,582**	**7,630**	**(93)**	**(14,930)**	**2,421**	**24,610**
Total comprehensive income					1,112	-268	844
Stock option expense			16				16
Issue of new shares	469,679	470	40				510
Balance, June 30, 2011	30,051,984	30,052	7,686	(93)	(13,818)	2,153	25,980

Notes to the Consolidated Financial Statements as of June 30, 2012

General disclosures

The consolidated financial statements of Intershop Communications AG as of December 31, 2011 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 June 30, 2012 was prepared in accordance with IAS 34, Interim Financial Reporting.

This interim report as of June 30, 2012 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 2011. 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, 2011. The 2011 Annual Report is available on the Company's web site at http://www.intershop.com/investors-financial-reports.html .

Accounting principles (Compliance statement)

The interim consolidated financial statements of Intershop Communications AG 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.

The interim 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.

Basis of consolidation

In the first six months of fiscal year 2012, the scope of consolidation of the entities of INTERSHOP Communications AG has not changed relative to December 31, 2011. That means that at June 30, 2012, the scope of consolidation includes, besides the parent, the subsidiaries Intershop Communications, Inc., SoQuero GmbH, The Bakery GmbH, Intershop Communications Australia Pty Ltd, Intershop Communications AB, Aktienbolaget Grundstenen 137724 and Intershop Communications Ventures GmbH.

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 2011. The policies used are described in detail on pages 44 to 50 of the 2011 Annual Report.

Equity

The change in equity of INTERSHOP Communications AG is shown in the consolidated statement of changes in equity.

As of June 30, 2012, the subscribed capital amounted to EUR 30,183,484. It is divided into 30,183,484 non-par value bearer shares. The change of EUR 12,500 compared to December 31, 2011 was caused by the issuance of new shares from the Conditional Capital I.

The Authorized Capital remained unchanged. As of June 30, 2012, the Company's Authorized Capital amounted to EUR 7,656,137. The Authorized Capital I amounted to EUR 7,500,000 and the Authorized Capital II to EUR 156,137.

By resolution adopted by the stockholders during the Annual Stockholders' Meeting on May 30, 2012, the Conditional Capital I was cancelled. The cancellation was entered in the commercial register on June 28, 2012. In the first quarter 2012, 12,500 stock options under the 1999 stock option plan were exercised and 12,500 new shares were issued from the Conditional Capital I on March 28, 2012 to cover those options. As a result, the Conditional Capital I decreased to EUR 47,084. The declaratory entry in the commercial register was made on April 24, 2012. Due to forfeiture and non-issuance of options, no additional shares from the Conditional Capital I were issued and, therefore, the Conditional Capital I was cancelled by resolution adopted by the stockholders during the Annual Stockholders' Meeting on May 30, 2012.

Stock option plans

Option activity under the plans was as follows:

Six months ended June 30,	2012		2011	
	Number of shares outstanding (in thousand)	Weighted average exercise price (in EUR)	Number of shares outstanding (in thousand)	Weighted average exercise price (in EUR)
Outstanding at beginning of period	**131**	**1.80**	**903**	**1.80**
Granted	0	-	0	-
Exercised	(13)	2.10	(200)	1.70
Forfeited	(115)	1.72	(554)	1.86
Outstanding at end of period	3	3.61	149	1.77
Exercisable options at end of period	3	3.61	149	1.77

The weighted average share price for the exercised options amounted to EUR 2.98 on the exercise date. The options outstanding and exercisable as of June 30, 2012 have a weighted exercise price of EUR 3.61. The weighted remaining contractual term for options outstanding is 0.3 years.

In first six months of 2012, the Company recognized expenses of EUR 0.1 thousand relating to the stock option plans. These expenses amounted to EUR 16 thousand in the first six months of 2011. There were no outstanding liabilities from stock options programs as of the balance sheet date (prior year: EUR 221 thousand).

Other operating income

Other operating income consists of government grants in the amount of EUR 251 thousand (prior year: EUR 160 thousand), which were disbursed in the first six months of 2012. Those grants are related to an R&D project sponsored by the Federal Ministry of Education and Research and by the Thüringer Aufbaubank.

Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Basis for calculating basic earnings per share (Earnings after tax attributable to Intershop shareholders)	**385**	**790**	**235**	**1,112**
Basis for calculating diluted earnings per share	**385**	**790**	**235**	**1,112**

The number of shares is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Weighted average number of ordinary shares used to calculate basic earnings per share	**30,183**	**30,183**	**30,174**	**30,174**
Dilutive effect of potential ordinary shares:				
Weighted average number of options outstanding	0	29	0	29
Weighted average number of ordinary shares used to calculate diluted earnings per share	**30,183**	**30,212**	**30,174**	**30,203**

The earnings per share is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Calculation of earnings per share (basic)				
Basis for calculating basic earnings per share (in EUR thousand)	385	790	235	1,112
Weighted average number of shares (basic)	30,183	30,183	30,174	30,174
Earnings per share (basic) (in EUR)	**0,01**	**0,03**	**0,01**	**0,04**
Calculation of earnings per share (diluted)				
Basis for calculating diluted earnings per share (in EUR thousand)	385	790	235	1,112
Weighted average number of shares (diluted)	30,183	30,212	30,174	30,203
Earnings per share (diluted) (in EUR)	**0,01**	**0,03**	**0,01**	**0,04**
Adjustment of earnings per share (diluted) (in EUR)	**0,01**	**0,03**	**0,01**	**0,04**

In accordance with IAS 33.47, the stock options issued are included in the calculation of diluted earnings only if the average market price of Intershop ordinary shares during the quarter exceeds the exercise price of the stock options. As the diluted earnings reduce the loss per share or increase the earnings per share, an adjustment is made to the amount of basic earnings per share (antidilutive effect) in accordance with IAS 33.43. 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 June 30, 2012					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	1,613	30	0	0	**1,643**
Consulting and training	2,544	3,552	788	0	**6,884**
Maintenance	1,348	212	709	0	**2,269**
Online Marketing	1,061	0	0	0	**1,061**
Other	1,060	199	0	0	**1,259**
Total net revenues from external customers	**7,626**	**3,993**	**1,497**	**0**	**13,116**
Intersegment revenues	41	222	0	(263)	0
Total net revenues	**7,667**	**4,215**	**1,497**	**(263)**	**13,116**
Result from operating activities	**291**	**149**	**57**	**0**	**497**
Financial result					**39**
Earnings before tax					**536**
Income taxes					**(151)**
Earnings after tax					**385**

Three months ended June 30, 2011					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	710	36	0	0	**746**
Consulting and training	2,460	2,918	1,003	0	**6,381**
Maintenance	1,308	305	979	0	**2,592**
Online Marketing	808	0	0	0	**808**
Other	1,007	87	0	0	**1,094**
Total net revenues from external customers	**6,293**	**3,346**	**1,982**	**0**	**11,621**
Intersegment revenues	402	236	147	(785)	0
Total net revenues	**6,695**	**3,582**	**2,129**	**(785)**	**11,621**
Result from operating activities	**250**	**126**	**71**	**0**	**447**
Financial result					**27**
Earnings before tax					**474**
Income taxes					**316**
Earnings after tax					**790**

Six months ended June 30, 2012					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	2,257	338	160	0	**2,755**
Consulting and training	5,889	7,023	1,818	0	**14,730**
Maintenance	2,681	436	1,373	0	**4,490**
Online Marketing	2,009	0	0	0	**2,009**
Other	2,004	453	0	0	**2,457**
Total net revenues from external customers	**14,840**	**8,250**	**3,351**	**0**	**26,441**
Intersegment revenues	273	535	0	(808)	0
Total net revenues	**15,113**	**8,785**	**3,351**	**(808)**	**26,441**
Result from operating activities	**196**	**105**	**36**	**0**	**337**
Financial result					**51**
Earnings before tax					**388**
Income taxes					**(153)**
Earnings after tax					**235**

Six months ended June 30, 2011					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	1,484	277	0	0	**1,761**
Consulting and training	4,950	5,915	2,026	0	**12,891**
Maintenance	2,441	614	2,070	0	**5,125**
Online Marketing	1,618	0	0	0	**1,618**
Other	1,441	182	0	0	**1,623**
Total net revenues from external customers	**11,934**	**6,988**	**4,096**	**0**	**23,018**
Intersegment revenues	731	476	199	(1,406)	0
Total net revenues	**12,665**	**7,464**	**4,295**	**(1,406)**	**23,018**
Result from operating activities	**408**	**223**	**135**	**0**	**766**
Financial result					**34**
Earnings before tax					**800**
Income taxes					**312**
Earnings after tax					**1,112**

Litigation

In the first six months of fiscal 2012, the following changes occurred with respect to the litigation described on pages 67 to 68 of the 2011 Annual Report:

Because of the duration of the legal proceedings so far as well as the duration still anticipated, the legal dispute about the reversal of contracts regarding a software license and purchased services dating from the fiscal year 2006 was resolved through a settlement agreement dated May 24, 2012 and payment of a part of the sum claimed. The settlement also resolves the counterclaim. The settlement payment is lower than the reserve already set aside.

A final ruling on the costs relating to the three annulment and rescission lawsuits dating from January 2011 was issued on June 27, 2012. In accordance with Art. 248a, 249 para. 1, 149 para. 2 AktG (Aktiengesetz, German Stock Corporation Law), we refer to the publication in the Bundesanzeiger (German Federal Gazette) on July 14, 2012.

Related party disclosures

Besides its business relations with the consolidated subsidiaries, Intershop has relations with a company that holds an equity interest in Intershop. GSI Commerce Solutions Inc. held 26.14% of the Company's shares at the interim reporting date. The sales revenue earned with GSI Commerce Solutions Inc. amounted to EUR 2.134 thousand in the first half of 2012 (prior year: EUR 4.713 thousand). The outstanding receivables amounted to EUR 362 thousand at June 30, 2012 (prior year: EUR 2.141 thousand). The accounts receivables consist of trade receivables. Intershop did not purchase any goods or services from GSI and has no accounts payable as at June 30, 2012.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Directors' holdings and Securities transactions subject to reporting requirements

No member of the Company's executive bodies held Intershop ordinary bearer shares as of June 30, 2012. No Intershop ordinary bearer shares were purchased or sold by members of the Company's executive bodies or related parties in the first six months of fiscal year 2012.

Intershop-Shares

Stock Market Data on Intershop Shares	
ISIN	DE000A0EPUH1
WKN	A0EPUH
Stock market symbol	ISH2
Admission segment	Prime Standard / Regulated market
Sector	Software
Membership of Deutsche Börse indices	CDAX, Prime All Share, Technology All Share

Key figures for Intershop shares		**6M 2012**	**2011**	**6M 2011**
Closing price[1]	in EUR	2.10	2.06	2.80
Number of shares outstanding (end of period)	in million shares	30.18	30.17	30.05
Market capitalization	in EUR million	63.39	62.15	84.15
Earnings per share	in EUR	0.01	0.10	0.04
Cashflow per share	in EUR	0.10	0.10	0.04
Carrying amount per share	in EUR	0.94	0.94	0.86
Average trading volume per day[2]	Number	58,056	85,310	81,870
Free float	in %	67	69	74

[1] Basis: Xetra

[2] Basis: all stock exchanges

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This interim 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.