Group Management Report For The Six Months Ended

June 30, 2014

intershop®

Content

Letter to Our Stockholders

Jochen Moll

Ludwig Lutter

Dr. Jochen Wiechen

Dear stockholders and business partners,

The first half of the year was essentially characterized by the announced transformation from service provider to product company. This includes clear positioning of our product in the market paired with a new corporate design and website. We develop solutions for seamless omni-channel commerce focusing on the customer's shopping experience. That is our promise and what drives us. This allows us to realize the growth plans of an increasing number of customers, including more and more companies with relatively low online sales of less than EUR 10 million, who can grow with us into the high EUR 100 million range without having to re-shop platform. The first half of the year saw the addition of several very interesting new customers, such as Ekosport, the French market leader for ski and outdoor equipment, Trony, a leading hi-fi electronics dealer in Italy and the Tengelmann home improvement subsidiary GartenXXL. However, the competition for new license customers is intense and the second quarter's performance has not yet met our expectations despite a significant increase. Particularly in the US we had anticipated considerably more new license business. We will take cost measures in this region. Overall, 2014 remains a year of investment, in which we are conveying our new positioning to the market on a broader scale and canvassing aggressively for customers together with our partners. That means temporary higher costs and a negative annual result. However, these steps will increase our customer base and with it, our medium-term growth outlook.

At the Stockholder's Meeting in June, we introduced our plans for Intershop's further strategic development and received great encouragement for the direction we have taken. We thank you for this. We are working hard on generating an attractive return for your capital on the stock market in the medium term.

Sincerely,

Jochen Moll

Ludwig Lutter

Dr. Jochen Wiechen

Key Figures for the Group

in EUR thousand	6-Months 2014	6-Months 2013	Change
Revenue			
Net Revenue	23,777	25,376	-6%
Licenses	2,363	1,782	33%
Services, maintenance and other	21,414	23,594	-9%
Revenue Europe	15,023	16,066	-6%
Revenue U.S.A.	6,037	7,170	-16%
Revenue Asia/Pacific	2,717	2,140	27%
Earnings			
Cost of revenues	16,155	18,033	-10%
Gross profit	7,622	7,343	4%
Gross margin	32%	29%	
Operating expenses, operating income	11,912	10,214	17%
Research and development	2,656	1,942	37%
Sales and marketing	6,391	5,746	11%
General and administrative	3,034	2,705	12%
Other operating income/expenses	(169)	(179)	-6%
EBIT	(4,290)	(2,871)	-49%
EBIT Margin	-18%	-11%	
EBITDA	(2,241)	(1,056)	112%
EBITDA Margin	-9%	-4%	
Net result	(4,376)	(2,895)	-51%
Earnings per share (EUR)	(0.14)	(0.10)	-40%
Net Assets			
Shareholders' equity	19,856	24,635	-19%
Equity ratio	65%	69%	
Balance sheet total	30,359	35,788	-15%
Noncurrent assets	12,529	13,889	-10%
Current assets	17,830	21,899	-19%
Noncurrent liabilities	454	891	-49%
Current liabilities	10,049	10,262	-2%
Financial Position			
Cash and cash equivalents	6,370	10,802	-41%
Net cash operating activities	492	(1,656)	130%
Depreciation and amortization	2,049	1,815	13%
Net cash used in investing activities	(1,530)	(1,797)	15%
Employees	529	540	-2%

Group Management Report

Overall Economy and Industry

According to the latest forecast of the International Monetary Fund (IMF), from the end of July the global economy will increase by 3.4% in the current year, representing 0.2 percentage points less than predicted at the beginning of the year. For the euro zone, the IMF experts calculated an unchanged increase of 1.1% in 2014; for Germany, economists raised the forecast for the current year by 0.2 percentage points to 1.9% growth of the gross domestic product.

In the global e-Commerce market, the signs also continue to indicate growth. According to the US market research institute eMarketer, global B2C e-Commerce sales in the current year will increase by over 20% to a total volume of around US$ 1.47 trillion. The largest markets by far are Asia Pacific, North America and Western Europe, Intershop's target regions. The online and mail order industry in Germany is also optimistic for the current year. According to a survey of the Federal Association of German E-Commerce and Mail Order Business (BEVH) and the Creditreform subsidiary Boniversum, the business climate of the interactive retail market achieved a record high in spring 2014 so that it was considerably above the level of the economy as a whole. Along with increasing baseline indicators such as incoming orders, sales and earnings, the willingness to invest of the industry companies surveyed was clearly over the level of the previous year. In total, the BEVH expects continued above average growth for the German online business of around 24.8% to around EUR 48.8 billion this year. The global software market is also currently in growth mode. The European Information Technology Observatory (EITO) forecasts that total sales will grow by 6.1% for 2014 to EUR 313 billion. According to analyses of the Swiss investment bank UBS, the market, which is important for Intershop in terms of e-Commerce software as part of the customer relationship management market segment, was estimated at around US$ 3.5 billion last year and several studies indicate that it is expected to grow to around US$ 4 billion this year.

Revenue Development

In the first half of 2014, Intershop's net revenue came to EUR 23.8 million, representing a decrease of 6% over the prior year. This can be attributed to the ongoing reorganization of the company, which plans to focus on promising license revenue. In view of the intense competitive environment in this area, this reorganization requires increasing resources in sales and marketing, whose impact on revenue has an effect downstream. In contrast, there was a decrease in revenue from services, maintenance and other because discontinued resources with regard to key accounts were only partially offset by new business in this segment.

The license area is continuing its positive trend with an increase of 33% to EUR 2.4 million in the first half of the year. After EUR 1.1 million in the first quarter, Intershop recorded around EUR 1.3 million in the second with new license customers, corresponding to an increase of 14% over the prior-year quarter.

On the other hand, revenue for consulting and training decreased by 10% to EUR 11.8 million in the first six months of 2014 due to lower sales with two key accounts. However, at around 50% the consulting business remains by far the most important revenue driver of Intershop. The maintenance business decreased by 12% compared to the prior-year period due to lower sales with a customer, thereby contributing around 16% (EUR 3.7 million) to net revenue. In the other revenues area, sales dropped from EUR 4.1 million in the prior year to EUR 3.6 million. Increasing revenue with new full-service customers could only partially offset the losses through expiring contracts. Online marketing revenue increased again (+5%) and came to EUR 2.2 million, which confirms the good market position of the online marketing subsidiary SoQuero. Especially in the search engine marketing area (SEA and SEO), which is rapidly growing more important, as well as with traditional online campaigns, SoQuero is playing a significant role with the online marketing agencies in Germany.

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

Six Months ended June 30,	2014	2013	Change
Licenses	**2,363**	**1,782**	**33%**
Service, maintenance and other	**21,414**	**23,594**	**-9%**
Consulting/Training	11,849	13,153	-10%
Maintenance	3,718	4,209	-12%
Online marketing	2,199	2,097	5%
Other revenues	3,648	4,135	-12%
Net Revenue total	**23,777**	**25,376**	**-6%**

Transformation from service provider to product company

In the first half of the year, Intershop continued its strategic refocusing from service provider to product company. The medium-term goal is to reverse the ratio of product revenue (licenses and maintenance) and service revenue from 40:60 to 60:40. This decision is part of a complete reorientation in order for Intershop to even out the growth trend for the future. For the acquisition of new license customers, the Company started a broad marketing offensive in spring, whose go-ahead was marked by the presentation of the new brand presence as well as sales materials and a relaunch of the website. In addition, Intershop started an innovation initiative called "Seed – Growing Ideas." A high point of the marketing activities was the "Intershop Summit," which was held for the first time at the beginning of April 2014 in Berlin. Representatives from Intershop and leading e-Commerce companies provided insight into the rapidly changing world of omni-channel commerce at an exclusive event under the new slogan “Commerce as a Lifestyle”. Select customers, partners and press representatives could also get an idea of the new Intershop brand presence as well as the new Intershop initiative. Compared to the prior year, the Group-wide sales and marketing team was increased by 13 employees to a total of 79 in order to further increase the global market presence of the Company.

Numerous customer acquisitions in new target segment

The reorganization of sales is also accompanied by an expansion of the target market. This is how Intershop acquired numerous new customers in the smaller and medium-sized sales segment in the first half of the year, which the Company had previously focused on less strongly in favor of major customers. One of the important strengths of the Intershop 7 platform compared to competitor solutions is the suitability of the platform for smaller customers with online sales of EUR 1 to 10 million (SaaS/Cloud solution) as well as for large Internet retailers with revenues of more than EUR 1 billion.

The new customers include Ekosport, France's market leader for ski and outdoor equipment, Trony, a leading hi-fi electronics dealer in Italy, the Tengelmann subsidiary GartenXXL and the medium-sized office equipment supplier Papier Liebl. The existing customer Music Store, the fifth largest mail order company for music instruments worldwide, changed to the new flexible Intershop 7 platform in the course of its ongoing corporate growth. A recent well-known new addition to the customer portfolio is the Indian conglomerate Videocon, who is starting a new online and TV shopping channel in the area of consumer electronics based on Intershop 7.

Another important component of the new orientation is the expansion of the in-house development and sales capacities to include qualified partners in the respective markets. To this end, numerous new business and implementation partners were acquired in the first six months of 2014 and leading the way is US software company Adobe Systems, whose content management system "Adobe Experience Manager" will be integrated into the Intershop 7 commerce platform. Adobe and Intershop will market and sell the solution together predominantly in North America, Great Britain and Germany. Recently, Intershop introduced the new integration solution at the important Adobe Summit EMEA 2014 on May 14 and 15 in London. Along with the collaboration with Adobe, Intershop announced a strategic partnership with Siteworx, a leading US digital agency.

The partnership with Carrenza, a specialist for cloud-based technologies, was also intensified. In the future, Carrenza will take Intershop's legacy client/server application and make it available as a Software-as-a-Service model, which will enable a pay-as-you-go offering with flexible price options. Other new strategic partners are Payone, Querplex and Tricode. Payone is one of the leading bank-independent payment service providers in Europe. The partnership with Querplex takes the long-standing cooperation to a new level. In the future, Intershop will intensify its collaboration with the experienced marketing agency starting in the acquisition phase. With Tricode, Intershop has gained another partner for the important Dutch market.

In the first six months, Intershop increased its net revenue especially in the Asia Pacific region by 27% to around EUR 2.7 million. In the European market, net revenue decreased by around 6% to EUR 15.0 million. In the US, Intershop recorded a revenue decrease of around 16% to EUR 6.0 million. This is mainly attributable to declining revenue with respect to two key accounts. Overall, the European share of total net revenue was 63%, the US market was 25% and the Asia Pacific region was 12%.

Earnings Development

In the first half of 2014, Intershop increased its gross profit by 4% to EUR 7.6 million. The gross margin thus improved from 29% in the prior-year period to 32% in the first half of 2014. In conclusion, however, a negative operating result (EBIT) of EUR 4.3 million remained as a result of the decrease in revenue and the necessary investments for the strategic expansion. Earnings before depreciation and amortization (EBITDA) came to EUR -2.2 million. A significant expense item was sales and marketing, which increased by 11% to EUR 6.4 million. The costs for research and development also increased by 37% to EUR 2.7 million mainly due to the lower capitalization of software development costs and fewer product development services compared to the prior year. Administrative costs increased by 12%. In total, the operating cost ratio was 50% following 40% in the prior-year period. The aim for the second half of the year is to reduce the ratio significantly.

The result for the period before taxes came to EUR -4.3 million; after taxes, a half-year loss of EUR 4.4 million (prior year: EUR -2.9 million) remained. The earnings per share of EUR -0.14 was 4 cents below the prior-year figure of EUR -0.10.

Net Assets and Financial Position

Intershop generated a positive operating cash flow of EUR 0.5 million in the reporting period. Despite the negative result for the period, high cash inflows from receivables in the amount of EUR 2.4 million were in part responsible for this positive development. Cash on hand as of the reporting date at the end of June came to EUR 6.4 million compared to EUR 7.4 million at the end of December 2013.

The Intershop Group's equity ratio of 65% is still at a very high level. The equity position fell by 18% to EUR 19.9 million due to the loss for the period compared to year-end 2013.

The Intershop Group continues to be free of bank liabilities and other financial debt. Current liabilities increased by 11% to EUR 10.0 million (Dec 31, 2013: EUR 9.0 million). Altogether, total assets fell from EUR 33.7 million at year-end 2013 to EUR 30.4 million as of the interim balance sheet date.

Research and Development

Intershop also carried out a reorganization in the product area, with the aim of streamlining the development processes of the Intershop 7 platform. In the future, the R&D area will be split up into the Agile Development, Solution Management and Innovation Management segments. The aim of the Group's Chief Technology Officer, Dr. Jochen Wiechen, is to use in-house resources more effectively and integrate global partner resources quickly and smoothly where they are needed. At the core of the Innovation Management segment is the "Seed – Growing Ideas" initiative that was launched this past spring. The newly founded “Innovation Lab” based in Berlin will focus on new trends and innovations and their integration in Intershop’s range through partnerships. The partnerships will allow the respective start-ups to benefit from direct access to Intershop's customers, know-how and software tools, allowing them to utilize their economic potential better. The Innovation Lab will enable Intershop to integrate innovative tools related to omni-commerce quickly and effectively. The first two collaboration partners are Picalike, which specializes in image recognition, and the online advertising agency Jung von Matt/next.

Employees

Intershop is one of the most popular employers in the German IT industry. This was the result of a study by the news magazine Focus in cooperation with the business network Xing, the data aggregator Statista, and kununu, the largest German-language employer review portal. Based on a comparison of employers in the telecommunications and IT sector, Intershop ranked sixth, while in the IT industry alone it reached fourth place, leaving its well-known competitors behind. The contents of the survey included satisfaction with the leadership abilities of supervisors, career prospects, salary as well as the image of the employer.

Compared to the prior-year period, Intershop's workforce has decreased by 11 employees to 529 full-time staff members. While the high R&D personnel capacity necessary for the development of Intershop 7 was reduced, Intershop expanded its marketing and sales staff in order to successfully structure the marketing and sales offensive of the Company. A total of 13 new positions have been created since June 30 of the prior year.

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

Employees by department (full-time equivalents)	June 30, 2014	December 31, 2013	June 30, 2013
Technical Departments (research and development and service functions)	391	404	420
Sales and Marketing departments	79	73	66
General and administrative departments	59	58	54
Total	529	535	540

Group Risks

For information on the Company's risks, please refer to the detailed explanations in the 2013 Annual Report.

Events subsequent to the interim balance sheet date

In July 2014, an annulment and rescission lawsuit was brought against the Company by the shareholder GSI Commerce Solutions, Inc. regarding the resolution of item 6 (special audit) which was adopted at the Annual Stockholders' Meeting of June 12, 2014. The lawsuit is pending before the District Court of Gera and currently being reviewed.

On August 1, 2014, Intershop revised its forecast for the 2014 fiscal year and accordingly adjusted the sales and earnings forecast.

Outlook

The e-Commerce sector is still on a growth course. According to recent estimates, the market researchers at eMarketer expect annual growth of around 10% until 2018. Asia Pacific is expected to have the strongest growth and to surpass North America as the largest B2C e-Commerce market in 2015. Until 2018, its share of global B2C online sales at 37.4% is ahead of the US whose share is 30.6% and Western Europe with a share of 22.7%. Further growth is also predicted for the global software industry. The market research company IDC expects average annual growth for the industry of almost 6% until 2017.

As the industry outlook shows, there is very dynamic growth in the market segments that are relevant to Intershop. However, competition for new license customers is very intense and regionally fragmented. Intershop is currently focusing on measures to increase market visibility and gain additional market shares. In addition, it is constantly working on expanding its worldwide partner network. The primary objective in the medium term is strong growth in the product business by generating new license and maintenance revenue. The year 2014 remains an investment year to lay the foundation for the long-term increase of revenue and sustainable profitability.

Based on current projections, the Management Board has adjusted its forecast for the 2014 fiscal year at the start of August and now expects revenues to decline at a single-digit to low double-digit percentage as well as negative earnings before interest and taxes (EBIT) in the medium single-digit million euro range. Due to the weaker than expected growth in revenue, the Management has taken short-term measures to optimize the cost structure.

Consolidated Balance Sheet

in EUR thousand	June 30, 2014	December 31, 2013
ASSETS		
Noncurrent assets		
Intangible assets	10,677	11,104
Property, plant and equipment	937	1,026
Other noncurrent assets	20	20
Deferred tax assets	895	895
	12,529	**13,045**
Current assets		
Trade receivables	10,206	12,555
Other receivables and other assets	1,254	716
Cash and cash equivalents	6,370	7,389
	17,830	**20,660**
TOTAL ASSETS	30,359	33,705
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	30,183	30,183
Capital reserve	7,751	7,751
Other reserves	(18,078)	(13,752)
	19,856	**24,182**
Noncurrent liabilities		
Other noncurrent provisions	29	58
Deferred revenue	425	421
	454	**479**
Current liabilities		
Other current provisions	296	347
Trade accounts payable	2,988	3,057
Income tax liabilities	106	72
Other current liabilities	3,578	2,940
Deferred revenue	3,081	2,628
	10,049	**9,044**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	30,359	33,705

Consolidated Statement of Comprehensive Income

	Three months ended June 30,		Six months ended June 30,	
in EUR thousand	2014	2013	2014	2013
Gross Revenues				
Licenses	1,252	1,103	2,363	1,782
Services, maintenance and other	11,483	12,978	23,427	25,435
	12,735	**14,081**	**25,790**	**27,217**
Media costs	**(973)**	**(904)**	**(2,013)**	**(1,841)**
Net Revenues				
Licenses	1,252	1,103	2,363	1,782
Services, maintenance and other	10,510	12,074	21,414	23,594
	11,762	**13,177**	**23,777**	**25,376**
Cost of revenues				
Licenses	(833)	(676)	(1,652)	(1,362)
Services, maintenance and other	(7,180)	(8,602)	(14,503)	(16,671)
	(8,013)	**(9,278)**	**(16,155)**	**(18,033)**
Gross profit	3,749	3,899	7,622	7,343
Operating expenses, operating income				
Research and development	(1,431)	(846)	(2,656)	(1,942)
Sales and marketing	(3,326)	(2,987)	(6,391)	(5,746)
General and administrative	(1,558)	(1,300)	(3,034)	(2,705)
Other operating income	53	135	261	273
Other operating expenses	(34)	(43)	(92)	(94)
	(6,296)	**(5,041)**	**(11,912)**	**(10,214)**
Result from operating activities	(2,547)	(1,142)	(4,290)	(2,871)
Interest income	10	7	16	13
Interest expense	0	0	0	(1)
Financial result	**10**	**7**	**16**	**12**
Earnings before tax	(2,537)	(1,135)	(4,274)	(2,859)
Income taxes	**(46)**	**(34)**	(102)	(36)
Earnings after tax	(2,583)	(1,169)	(4,376)	(2,895)
Other comprehensive income				
Exchange differences on translating foreign operations	30	(101)	50	(82)
Total comprehensive income	**(2,553)**	**(1,270)**	**(4,326)**	**(2,977)**
Earnings per share (EUR, basic)	(0.09)	(0.04)	(0.14)	(0.10)
Earnings per share (EUR, basic)	(0.09)	(0.04)	(0.14)	(0.10)
Weighted average shares outstanding (basic)	30,183	30,183	30,183	30,183
Weighted average shares outstanding (diluted)	30,183	30,183	30,183	30,183

Consolidated Statement of Cash Flows

	Six months ended June 30,	
in EUR thousand	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	(4,274)	(2,859)
Adjustments to reconcile net profit/loss to cash used in operating activities		
Financial result	(16)	(12)
Depreciation and amortization	2,049	1,815
Other noncash expenses and income	33	(50)
Changes in operating assets and liabilities		
Accounts receivable	2,409	(496)
Other assets	(537)	(237)
Liabilities and provisions	460	(1,476)
Deferred revenue	425	1,994
Net cash provided by operating activities before income tax and interest	549	(1,321)
Interest received	16	12
Interest paid	0	(1)
Income taxes received	0	21
Income taxes paid	(73)	(367)
Net cash (used in) operating activities	492	(1,656)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investments in intangible assets	(1,312)	(1,566)
Proceeds on disposal of equipment	1	7
Purchases of property and equipment	(219)	(238)
Net cash used in investing activities	(1,530)	(1,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by/used in financing activities	0	0
Effect of change in exchange rates	19	(59)
Net change in cash and cash equivalents	(1,019)	(3,512)
Cash and cash equivalents, beginning of period	7,389	14,314
Cash and cash equivalents, end of period	6,370	10,802

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, 2014	**30,183,484**	**30,183**	**7,751**	**(93)**	**(15,796)**	**2,137**	**24,182**
Total comprehensive income					(4,376)	50	(4,326)
Balance, June 30, 2014	30,183,484	30,183	7,751	(93)	(20,172)	2,187	19,856
Balance, January 1, 2013	**30,183,484**	**30,183**	**7,751**	**(93)**	**(12,469)**	**2,240**	**27,612**
Total comprehensive income					(2,895)	(82)	(2,977)
Balance, June 30, 2013	30,183,484	30,183	7,751	(93)	(15,364)	2,158	24,635

Notes on the Consolidated Financial Statements as of June 30, 2014

General disclosures

The consolidated financial statements of Intershop Communications AG as of December 31, 2013 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, 2014 was prepared in accordance with IAS 34, Interim Financial Reporting.

This interim report as of June 30, 2014 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 2013. 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, 2013. The 2013 Annual Report is available on the Company's web site at http://www.intershop.com/investors-financial-reports.

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

The scope of consolidation of the entities of INTERSHOP Communications AG includes, as of June 30, 2014, in addition to the parent company, the subsidiaries Intershop Communications, Inc., SoQuero GmbH, The Bakery GmbH, Intershop Communications Australia Pty Ltd, Intershop Communications Nordics AB, Intershop Communications Ventures GmbH, Intershop Communications Asia Limited as well as Intershop Communications SARL. The Intershop Communications SARL, which is domiciled in Paris, was newly established in 2014. 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 2013. The policies used are described in detail on pages 48 to 53 of the 2013 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, 2014, subscribed capital was unchanged at EUR 30,183,484 and is divided into 30,183,484 non-par value bearer shares. As of June 30, 2014, the Company still had authorized capital of EUR 7,500,000 (Authorized Capital I).

Earnings per share

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Basis for calculating basic earnings per share (Earnings after tax attributable to Intershop shareholders)	**(2,583)**	**(1,169)**	**(4,376)**	**(2,895)**
Basis for calculating diluted earnings per share	**(2,583)**	**(1,169)**	**(4,376)**	**(2,895)**

The number of shares is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Weighted average number of ordinary shares used to calculate basic earnings per share	**30,183**	**30,183**	**30,183**	**30,183**
Weighted average number of ordinary shares used to calculate diluted earnings per share	**30,183**	**30,183**	**30,183**	**30,183**

The earnings per share is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Calculation of earnings per share (basic)				
Basis for calculating basic earnings per share (in EUR thousand)	(2,583)	(1,169)	(4,376)	(2,895)
Weighted average number of shares (basic)	30,183	30,183	30,183	30,183
Earnings per share (basic) (in EUR)	**(0.09)**	**(0.04)**	**(0.14)**	**(0.10)**
Calculation of earnings per share (diluted)				
Basis for calculating diluted earnings per share (in EUR thousand)	(2,583)	(1,169)	(4,376)	(2,895)
Weighted average number of shares (diluted)	30,183	30,183	30,183	30,183
Earnings per share (diluted) (in EUR)	**(0.09)**	**(0.04)**	**(0.14)**	**(0.10)**
Adjustment of earnings per share (diluted) (in EUR)	**(0.09)**	**(0.04)**	**(0.14)**	**(0.10)**

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.

Segment Reporting

Three months ended June 30, 2014					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	1,163	65	24	0	**1,252**
Consulting and training	2,221	2,571	984	0	**5,776**
Maintenance	1,522	220	130	0	**1,872**
Online Marketing	1,042	0	0	0	**1,042**
Other	1,384	210	226	0	**1,820**
Total net revenues from external customers	**7,332**	**3,066**	**1,364**	**0**	**11,762**
Intersegment revenues	181	30	79	(290)	**0**
Total net revenues	**7,513**	**3,096**	**1,443**	**(290)**	**11,762**
Result from operating activities	**(1,601)**	**(665)**	**(281)**	**0**	**(2,547)**
Financial result					**10**
Earnings before tax					**(2,537)**
Income taxes					**(46)**
Earnings after tax					**(2,583)**

Three months ended June 30, 2013					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	904	151	48	0	**1,103**
Consulting and training	2,430	3,212	682	0	**6,324**
Maintenance	1,563	236	364	0	**2,163**
Online Marketing	1,067	0	0	0	**1,067**
Other	2,315	193	12	0	**2,520**
Total net revenues from external customers	**8,279**	**3,792**	**1,106**	**0**	**13,177**
Intersegment revenues	45	239	8	(292)	**0**
Total net revenues	**8,324**	**4,031**	**1,114**	**(292)**	**13,177**
Result from operating activities	**(715)**	**(344)**	**(83)**	**0**	**(1,142)**
Financial result					**7**
Earnings before tax					**(1,135)**
Income taxes					**(34)**
Earnings after tax					**(1,169)**

Six months ended June 30, 2014					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	2,229	65	69	0	**2,363**
Consulting and training	4,838	5,077	1,934	0	**11,849**
Maintenance	3,008	455	255	0	**3,718**
Online Marketing	2,199	0	0	0	**2,199**
Other	2,749	440	459	0	**3,648**
Total net revenues from external customers	**15,023**	**6,037**	**2,717**	**0**	**23,777**
Intersegment revenues	415	58	79	(552)	**0**
Total net revenues	**15,438**	**6,095**	**2,796**	**(552)**	**23,777**
Result from operating activities	**(2,715)**	**(1,092)**	**(483)**	**0**	**(4,290)**
Financial result					**16**
Earnings before tax					**(4,274)**
Income taxes					**(102)**
Earnings after tax					**(4,376)**

Six months ended June 30, 2013					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	1,516	189	77	0	**1,782**
Consulting and training	5,693	6,133	1,327	0	**13,153**
Maintenance	3,020	465	724	0	**4,209**
Online Marketing	2,097	0	0	0	**2,097**
Other	3,740	383	12	0	**4,135**
Total net revenues from external customers	**16,066**	**7,170**	**2,140**	**0**	**25,376**
Intersegment revenues	83	420	8	(511)	**0**
Total net revenues	**16,149**	**7,590**	**2,148**	**(511)**	**25,376**
Result from operating activities	**(1,814)**	**(824)**	**(233)**	**0**	**(2,871)**
Financial result					**12**
Earnings before tax					**(2,859)**
Income taxes					**(36)**
Earnings after tax					**(2,895)**

Litigation

In the first six months of fiscal year 2014, the following changes took place with regard to the legal disputes disclosed on page 69 of the 2013 Annual Report:

In the proceedings, in which the Company asserts claims for payment from a contractual agreement, the contractual partner of the Company has now filed a counterclaim and is pursuing the rescission of services. In addition, the contractual party announced that it would investigate other damage claims. The Company is defending itself against this and is of the opinion that the claims asserted by the contractual partner have no foundation based on the merits of the case and that the amount is also without justification. The date for the conciliatory hearing and main hearing have been set for mid-December 2014.

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 revenue earned with the company amounted to EUR 992 thousand in the first six months of 2014 (prior year: EUR 1,708 thousand). The outstanding receivables amounted to EUR 170 thousand at June 30, 2014 (prior year: EUR 719 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, 2014.

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

As of June 30, 2014, the following members of the company's executive bodies held Intershop ordinary bearer shares:

Name	Function	Shares
Dr. Herbert May	Chairman of the Supervisory Board	18,000
Jochen Moll	Spokesman of the Board of Management	42,500
Ludwig Lutter	Member of the Board of Management	10,874
Dr. Jochen Wiechen	Member of the Board of Management	30,000

In the first six months of 2014, the members of the company's executive bodies made the following purchases of Intershop ordinary bearer shares:

Name	Date	Type of transaction	Amount	Total value (EUR)
Jochen Moll	02/25/2014	Purchase	10,000	19,000
Dr. Jochen Wiechen	01/31/2014	Purchase	20,000	35,770

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 2014**	**2013**	**6M 2013**
Closing price[1]	in EUR	1.64	1.48	1.53
Number of shares outstanding (end of period)	in million shares	30.18	30.18	30.18
Market capitalization	in EUR million	49.50	44.67	46.18
Earnings per share	in EUR	(0.14)	(0.11)	(0.10)
Cashflow per share	in EUR	0.02	(0.14)	(0.05)
Carrying amount per share	in EUR	0.66	0.80	0.82
Average trading volume per day[2]	Number	35,803	59,015	34,004
Free float	in %	69	69	67

[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.