



Group Management Report For The Six Months Ended
June 30, 2015

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Letter to Our Stockholders



Jochen Moll



Dr. Jochen Wiechen

Dear stockholders and business partners,

Operational developments at Intershop during the second quarter of 2015 have confirmed the positive trend of the first three months of the year. As a result of the marked improvement in the gross margin, we were able to achieve a nearly balanced operating result, and were also in a position to slightly increase our revenues (adjusted for sales). Similarly, on the strategic front important progress was made in the reorganization of the company into an integrated solution provider for omni-channel commerce. Put simply: The direction and the momentum are going in the right way, the trend will be continued, but we know, our goal has not yet been achieved.

We are particularly confident about developments in the product business, where we have registered several promising successes with the acquisition of new customers. Overall, product sales rose significantly by 21%, carried by higher licensing revenues (+43%) and an improved maintenance business (+7%). In the case of service revenues, the expiring projects with two large customers are still having an effect; adjusted for these effects, revenues in this segment also increased across the board. The successful expansion of the customer base through license sales leads to gradually increasing service revenues, which means that we should also see this segment return to growth in 2016.

The increased market presence and diversified restructured solutions portfolio have resulted in a large number of new customers in the first half of the year. Particularly noticeable is Intershop's increased attractiveness for international partner companies, which is also the result of the renewed classification of our B2B solution into the "Leader" category as part of the most recent Forrester Wave Study by US market researcher Forrester Research. We have also made progress on the financing side by obtaining additional stability with a EUR 6 million loan in July.

Thanks to a positive business situation and the improved financial situation we are looking towards the second half of the year with optimism. To our colleague Ludwig Lutter, who left the company with the approval of the Supervisory Board on July 31, 2015, we express our gratitude for his strong commitment to the company and wish him all the best for the future. His duties will be assumed by Jochen Moll.

Sincerely,


Jochen Moll


Dr. Jochen Wiechen

Key Figures for the Group

in EUR thousand	6-Months 2015	6-Months 2014	Change
Revenue			
Revenue	20,987	23,777	-12%
Product Revenue	7,344	6,081	21%
Services Revenue	13,643	17,696	-23%
Revenue Europe	14,106	15,023	-6%
Revenue U.S.A.	3,635	6,037	-40%
Revenue Asia/Pacific	3,246	2,717	19%
Earnings			
Cost of revenues	12,170	16,155	-25%
Gross profit	8,817	7,622	16%
Gross margin	42%	32%	
Operating expenses, operating income	9,352	11,912	-21%
Research and development	2,931	2,656	10%
Sales and marketing	4,277	6,391	-33%
General and administrative	2,536	3,034	-16%
Other operating income/expenses	(392)	(169)	132%
EBIT	(535)	(4,290)	88%
EBIT Margin	-3%	-18%	
EBITDA	1,366	(2,241)	161%
EBITDA Margin	7%	-9%	
Net result	(619)	(4,376)	86%
Earnings per share (EUR)	(0.02)	(0.14)	86%
Net Assets			
Shareholders' equity	16,906	19,856	-15%
Equity ratio	65%	65%	
Balance sheet total	26,009	30,359	-14%
Noncurrent assets	10,260	12,529	-18%
Current assets	15,749	17,830	-12%
Noncurrent liabilities	0	454	-100%
Current liabilities	9,103	10,049	-9%
Financial Position			
Cash and cash equivalents	7,708	6,370	21%
Net cash operating activities	2,496	492	407%
Depreciation and amortization	1,901	2,049	-7%
Net cash used in investing activities	(1,073)	(1,530)	30%
Employees	385	529	-27%

Group Management Report

Overall Economy and Industry

The International Monetary Fund (IMF) continues to forecast moderate growth for the global economy. Compared to the April forecast, IMF experts lowered their estimate for the year 2015 in July by 0.2 percentage points to a global growth rate of 3.3%. This rate is at the level of the prior year. The primary driver behind this minor correction is the weakness in the US economy, where expectations regarding economic growth were lowered from 3.1% to 2.5%. Overall, the IMF expects a combined GDP of 2.1% for industrialized countries. The economies of the Eurogroup countries are also expected to do well with a growth rate of 1.5%. With regard to Germany, experts are forecasting an increase of 1.6%, compared to 1.2% for France and 2.4% for the UK.

The e-Commerce market is considered one of the engines of the global economy. The trend towards digitization has now reached virtually all industries, and is considered one of the key factors for future growth in the trading segment. For the year 2015, US market research company eMarketer is forecasting the B2C e-Commerce trade to grow by around 21%. This corresponds to a global market volume of approximately USD 1.6 trillion. The most important target regions of Intershop's business activities are expected to deliver double-digit growth rates for the market for B2C e-Commerce in 2015. In this context, the US market is expected to grow by 14.2%, the UK by 14.5% and France by 11.1%. Growth in Germany is supposed to be particularly strong at 15.9%, according to eMarketer. The Handelsverband Deutschland (HDE) is more conservative in its estimate with a forecast growth rate of 12% across Germany to approximately EUR 44 billion.

In terms of global IT markets, US market researcher Gartner has slightly revised its investment forecast, and now expects expenditures to increase by 2.5% (versus 3.1%) during the current year (adjusted for currency). The German IT market also offers positive news, as it is expected to grow by an above-average rate of 3.2% in 2015, according to information from industry association BITKOM. The strongest component in this context are sales revenues with software (+5.7%). The IT services business is expected to grow by 3%.

Business developments during the first half of 2015

During the first six months of 2015, Intershop's performance improved markedly compared to the prior-year period. This applies both with regard to the company's financial performance as well as the expansion of its market presence, capacity utilization and developments in the project pipeline.

Customer-focused market presence: Intershop Commerce Suite und Commerce Services

During the first few months of 2015, Intershop continued its conversion from a service company to an integrated omni-commerce solution provider with a focus on product offerings. In line with the introduction of a new brand presence and the reorganization of marketing and sales activities last year, Intershop has revised its software product range and officially presented a new solution portfolio in February 2015. All technical solutions offered by Intershop will be bundled under the "Intershop Commerce Suite" umbrella, and marketed accordingly. The consistently customer-oriented market presence makes it easier for users to obtain an overview of the components and operating models in the Intershop service portfolio. Each element of the Intershop Commerce Suite contains specific products that are offered by the company on the basis of three supply models: Cloud, Managed and Enterprise. If a dealer has decided on a Commerce solution, Intershop offers the relevant services in the Commerce Services segment from the first development of ideas and in-depth consulting services, to start-up, maintenance and enhancement of a trading platform.

During the first half of the year, Intershop used numerous trade fair appearances and customer events to introduce its new solutions portfolio, including Internet World in Munich as well as E-World, the leading German trade fair for energy and water management in Essen. At the latter event, and similar to prior years, Intershop presented its turnkey online trading solution for utility companies, which has already been implemented for corporations such as Vattenfall.

"Leader" in the most recent B2B Forrester Wave, significant growth in new customers

International industry analysts have again ranked the Intershop Commerce Suite as the leading product solution. As part of the "Forrester Wave" study by the US market research institute Forrester Research, which was published in June 2015, Intershop was declared the "Leader" on account of its B2B solution, and hence was deemed the strongest alternative to products offered by the three large global software providers IBM, Oracle and SAP. Intershop did particularly well with regard to the criteria "Digital touchpoints for end users", "Solution architecture" and "Implementation period". The study especially highlighted the suitability of Intershop's solution for complex cross-location and cross-sales channel B2B projects. This award highlights the fact that Intershop offers an internationally leading solution thanks to its product innovations and the company's early focus on the B2B segment. As early as January 2015, Intershop also made it into the group of the world's top five providers in the "Forrester Wave" study for the B2C sector, where it achieved the rating "Strong Performer".

The positive assessment by independent market researchers indicates that Intershop made the right choices during the 2014 fiscal year, which increased the company's market presence particularly in the medium-sized business sector, and which has increased the company's attractiveness for international partner companies.

During the first half of 2015, Intershop intensified its collaboration with several long-time partners, and added new service providers to its already extensive partner network. In this vein, the company intensified its successful partnership with Scandinavian IT service provider Brightstep, which has been in place since 2001, by accepting the company into the group of best partner companies as a Platinum Partner. The partnership with ModusLink, one of the world's leading omni-channel technology and fulfillment providers, was also expanded. In the spring, the company introduced its new Cloud offering, which is marketed through its partner 4 FriendsOnly.com (4FO). Effective immediately, 4FO offers the development of online shops on the basis of the Intershop 7 Enterprise e-Commerce software as a Platform-as-a-Service (PaaS) solution to small and medium-sized companies under the ShopInSphere brand name. The company also gained additional customers during the first half of the year on the basis of the Intershop Cloud solution. This is proof that Intershop has established itself as a provider of an attractive SaaS solution.

As a whole, there was brisk demand for Intershop Suite with all supply models (Cloud, Managed, Enterprise) during the first six months of the year. Some of the numerous new customers, mainly in the medium-sized segment, include companies such as Cenpac, Aventics and Weyland. With the Swedish company Martin & Servera and Dutch Daily Fresh Food, the company obtained two customers that market food to business clients over the Internet, and thus are part of a future market that is enjoying increasing popularity in these countries. Working with partner ModusLink, Intershop took just four months to implement the European country shops of the Tassimo brand, whose hot beverage systems (capsule machines) are also very popular in Germany. The new online shop of the Indian branch of Staples, a well-known global provider of office items, went online in April. The B2B solution of this US company for the Indian market mainly targets demand for office supplies by a growing number of companies in the large cities of the world's second-most populous country. Other important "Go Lives" during the first half of the year also included the launch of the Austrian shop of an existing Intershop customer Garten XXL. In the UK, online optician Mister Spex received the famous ECMOD Direct Commerce Award 2015 for its relaunch that is based on the Intershop Suite - further proof of the successful global expansion of the online business of a growing company using Intershop's omni-channel solution.

Revenue Development

Reorganization of revenues into product and service revenues

At the beginning of the 2015 fiscal year, Intershop reorganized revenues into the main groups product revenues and service revenues. Now product revenues include both licensing revenues as well as maintenance revenues. Service revenues include revenues from consulting and training, full-service income and other income. Other income includes the online marketing revenues generated in the past year by subsidiary SoQuero GmbH, which has since been sold, and revenues from the outsourced operating business of subsidiary The Bakery GmbH. This change is based on the renewed focus on the product business, which was implemented in 2014. Since the sale of licenses is normally followed by maintenance costs, the reorganization now better depicts actual business activities and the revision of the product portfolio. The applied accounting policies are not affected by this change.

Sales revenues grow by 12% during the first six months of 2015, adjusted for "special effects"

During the second quarter of 2015, Intershop generated sales of approximately EUR 11 million (Q2 2014: EUR 11.8 million). Adjusted for the revenues from sold online marketing subsidiary SoQuero as at September 30, 2014, Intershop generated slightly higher sales revenues (+3%) and thus continued the positive trend of the first quarter.

During the reporting period of the first six months of 2015, sales revenues amounted to EUR 21 million (prior-year period: EUR 23.8 million). This corresponds to a drop of 12% compared to the prior-year period, which is due to the disposal of the online marketing business (SoQuero) and expiring projects with two large customers. Adjusted for the SoQuero disposal, revenues only declined by 3%. Adjusted for the two "special effects", Intershop was able to increase its revenues by 12% across the board during the first half of 2015. This increase is the result of both additional revenues with existing customers as well as new customers.

Product revenues rose by 21% to EUR 7.3 million during the first half of the year (compared to the prior-year period). In this context, licensing revenues grew disproportionately by 43% to a semi-annual result of EUR 3.4 million. Maintenance revenues increased by 7% to approximately EUR 4.0 million.

Service revenues declined by 23% during the first six months of the year to EUR 13.6 million. This segment was affected by the already referenced lower sales revenues with two large customers, which led to a 12% decline in consulting revenues. Adjusted for this item, consulting revenues rose by 15% - a clear indicator that Intershop has turned the corner in terms of sales in the consulting segment. Overall, the consulting and training segment remains Intershop's most important source of revenue with a share of almost 50%. Revenues in the full service segment were about the same level of the prior-year period at EUR 3.2 million.

The large number of new customers and significant increase in sales revenues in the product segment, particularly with licenses (+43%), are a clear indication that the strategy of refocusing on the product business is gradually bearing fruit. Success in this area is also accompanied by additional service revenues, as shown by the growth trend in adjusted service revenues for the first six months of the year, so that stable revenues and positive results can again be expected for all business segments in the medium term.

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

Six Months ended June 30,	2015	2014	Change
Product Revenue	7,344	6,081	21%
Licenses	3,372	2,363	43%
Maintenance	3,972	3,718	7%
Service Revenue	13,643	17,696	-23%
Consulting/Training	10,454	11,849	-12%
Full Service	3,189	3,242	-2%
Other Revenue	0	2,605	-100%
Revenue total	20,987	23,777	-12%

In terms of the regional distribution of sales, the numbers shifted in favor of the Asia Pacific region during the first half of the year. In this case, the Intershop group increased its revenues by 19% to approximately EUR 3.2 million during the reporting period, which represents a share of 15% of total revenues. In contrast, revenues generated in the US market fell by 40% to EUR 3.6 million or 17% of total sales due to a decline in sales revenues with large customers. Sales revenues from European markets declined by 6% to EUR 14.1 million. Adjusted for the SoQuero disposal, the gain is 10%. The home continent's share of sales was 67%.

Earnings Development

Improved higher-margin sales and an overall improved cost structure allowed Intershop to generate a decidedly improved gross result for the first six months of 2015 at EUR 8.8 million. The gross margin increased from 32% in the prior-year period to the current level of 42%. Sales costs fell disproportionately to the decline in sales, by 25% to EUR 12.2 million.

Operating expenses declined by 21% to EUR 9.4 million. This drop is due to the measures designed to improve the cost structure, which is reflected in the 33% drop in sales and marketing costs, among others. Expenses amounted to EUR 4.3 million during the reporting period, following EUR 6.4 in the prior year. Administration costs also fell compared to the prior-year period, by 16% to EUR 2.5 million. Costs for research and development rose by 10% to EUR 2.9 million, as investments in in-house development projects increased.

On the whole, total costs (sales costs and operating expenses) fell by 23% to EUR 21.5 million. This had the effect of improving the operating result before amortization and depreciation (EBITDA) from EUR -2.2 million in the prior-year period to EUR 1.4 million for the reporting period. The result from operating activities (EBIT) also saw significant improvement from EUR -4.3 million to EUR -0.5 million. With regard to the second quarter, Intershop virtually reached the break-even point with an EBIT of EUR -0.1 million, which reflects the improved margin and cost structure.

Overall, the Intershop group achieved an after-tax period result of EUR -0.6 million (prior year: EUR -4.4 million) during the first six months of the year. The earnings per share were EUR -0.02, compared to EUR -0.14 in the prior year.

Net Assets and Financial Position

Current assets rose by almost 11% to EUR 15.7 million during the first six months compared to the end of 2014. This development was mainly due to cash and cash equivalents, which increased by 21% to EUR 7.7 million compared to end of 2014. On the liabilities side, the equity position decreased by EUR 0.7 million to EUR 16.9 million. The equity ratio of the Intershop group was at a comfortable level (65%). Liabilities, which do not include any interest-bearing financial liabilities, were above the level of the 2014 year-end at EUR 9.1 million. The total assets increased slightly by 3% to EUR 26.0 million on the interim balance sheet date.

During the reporting period, Intershop significantly improved its operating cash flow from EUR 0.5 million in the first half of 2014 to EUR 2.5 million during the 2015 reporting period. This increase is mainly due to the significantly improved result. Cash outflows from investing activities declined from EUR 1.5 million to EUR 1.1 million. Overall, cash inflows during the first half of the year amounted to EUR 1.35 million. As a result, cash and cash equivalents increased from EUR 6.4 million to EUR 7.7 million.

Research and Development

The continuous further development of the Omni Commerce platform Intershop 7, which was again assessed as the leading solution by reputable analysis firm Forrester Research as part of a B2B market study, is at the center of research and development (R&D) activities. At present, R&D activities are focused on preparations for the next platform updates to Version 7.6. These activities concentrate in particular on B2B and Order Management issues, as well as the further development of the Cloud version of the software. Another task consists of warranting the consistent smooth operation of the different Commerce Suite components, which are supplied on the basis of Intershop 7.5, and the different operating models Cloud, Managed and Enterprise, and optimizing functions where required. This is achieved with minor updates or maintenance activities, for example. It is the only way that a competitive and reliable solutions portfolio can be supplied on a consistent basis in the fast-growing e-Commerce sector, which is characterized by short innovation cycles.

Management Board and Supervisory Board

With its decision of April 30, 2015, the Local Court of Jena appointed Dr. Harald Schrimpf, CEO of PSI AG, to the Supervisory Board of INTERSHOP Communications AG effective May 1, 2015 until the end of the next Annual Stockholders' Meeting. The current member of the Supervisory Board, Prof. Dr. Nikolaus Mohr, resigned from the Board on April 30, 2015 for professional reasons.

A long-standing member of the Management Board, Ludwig Lutter, resigned his post effective June 30, 2015 with the approval of the Supervisory Board, and will be leaving the company on July 31, 2015. The departments led by Mr. Lutter will be headed up by the spokesperson of the Management Board, Jochen Moll.

Employees

At the end of June 2015, Intershop had 385 full-time employees around the world. Compared to the same time last year, this represents a decrease of 144 employees. Almost half of the reduction (68 employees) is due to the loss of subsidiaries SoQuero GmbH and The Bakery GmbH.

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

Employees by department (full-time equivalents)	June 30, 2015	December 31, 2014	June 30, 2014
Technical Departments (Service functions and Research and Development)	291	322	391
Sales and Marketing	50	47	79
General and administrative	44	46	59
Total	385	415	529*

*461 employees without subsidiaries SoQuero GmbH and The Bakery GmbH

As of the interim balance sheet date, 335 employees or 87% of the workforce worked in European branch offices (prior year: 88%). The share of the staff in the Asia Pacific region (26) rose from 5% to 7%. At 24 employees, the share of the US-based workforce was just under the prior-year level at 6%.

Group Risks

For information on the Company's risks, please refer to the detailed explanations in the 2014 Annual Report.

Events Subsequent to the Balance Sheet Date

The loan with Sparkasse Jena-Saale-Holzland for EUR 6 million, which is secured by a guarantee from the federal state of Thuringia, was made available in July 2015.

No other material events that must be reported occurred after the balance sheet date.

Outlook

The global e-Commerce market will continue to see significant growth in the current and future years. The market researchers at eMarketer expect that the B2C online business will expand to USD 2.5 trillion by 2018; for next year, the analysts have forecast growth of 18.6% to USD 1.9 trillion. The B2B online business will also be in a position to increasingly realize its potential in the coming years. According to information from the US company Frost & Sullivan, global B2B e-Commerce revenues will grow to USD 12 trillion by 2020, which would correspond to an annual growth rate of 10%. The market research company IDC forecasts growth of 3.4% for global IT markets in 2015 and also 2016. In this vein, it is expected that the software business will see particularly strong growth with 6.3% in the current and 6.6% in the coming year. The IT services business is expected to grow by 3.0% and 3.3% respectively. The considerable growth rate in the e-Commerce market continues to show great potential for the acquisition of new customers in the B2C and B2B business segments. At the same time, global IT markets and in particular the market for e-Commerce software are characterized by highly dynamic technology cycles and very intense competition. The acquisition of new customers requires that commerce platform providers have a significant market presence, provide a competitive offering and offer stable company growth.

Following a positive starting quarter, Intershop continues to track within the budget range in terms of the semi-annual outlook. The successful refocus on the product business is clearly reflected in this segment's growing share of revenues, which increased from 26% to 35% compared to the prior-year period. This development was supported both by the license as well as the maintenance business. Service revenues will continue to decline (as announced) during the current business year due to the expiring projects at large customers. In the full-service segment, the company maintains its expectations regarding stable revenue levels compared to the prior year, which is confirmed by the semi-annual figures.

As a result of the change in strategy and the adjusted cost structure, Intershop believes that it continues to be well positioned in a very competitive environment. An added factor in this regard is the financing package with a loan volume of EUR 6 million, which creates additional leeway for product innovations, particularly in the B2B segment and the area of SaaS solutions, and which provides medium-term planning security in terms of corporate financing. The Management Board also continues to consider a series of additional financing options, such as the utilization of approved capital.

With regard to the current business year, the Management Board maintains its forecast for the full year as noted in the 2014 annual report. Accordingly, the company expects that sales revenues, which have been adjusted for the disposal of the online marketing subsidiary, will experience a decline in low double-digit percentage in 2015. The Management Board also expects a more or less balanced operating result (EBIT) on the basis of a slightly higher gross margin and optimized cost structures.

Consolidated Balance Sheet

in EUR thousand	June 30, 2015	December 31, 2014
ASSETS		
Noncurrent assets		
Intangible assets	8,774	9,451
Property, plant and equipment	485	631
Other noncurrent assets	49	45
Deferred tax assets	952	950
	10,260	11,077
Current assets		
Trade receivables	7,042	6,737
Other receivables and other assets	624	733
Restricted cash	375	375
Cash and cash equivalents	7,708	6,358
	15,749	14,203
TOTAL ASSETS	26,009	25,280
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	30,183	30,183
Capital reserve	7,751	7,751
Other reserves	(21,028)	(20,357)
	16,906	17,577
Noncurrent liabilities	0	0
Current liabilities		
Other current provisions	341	344
Trade accounts payable	1,881	1,670
Income tax liabilities	74	150
Other current liabilities	3,273	2,867
Deferred revenue	3,534	2,672
	9,103	7,703
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	26,009	25,280

Consolidated Statement of Comprehensive Income

	Three months ended June 30,		Six months ended June 30	
in EUR thousand	2015	2014	2015	2014
Revenues				
Product Revenues	4,065	3,124	7,344	6,081
Service Revenues	6,969	8,638	13,643	17,696
	11,034	11,762	20,987	23,777
Cost of revenues				
Cost of revenues - Product	(1,121)	(1,308)	(2,601)	(2,548)
Cost of revenues - Services	(4,963)	(6,705)	(9,569)	(13,607)
	(6,084)	(8,013)	(12,170)	(16,155)
Gross profit	4,950	3,749	8,817	7,622
Operating expenses, operating income				
Research and development	(1,532)	(1,431)	(2,931)	(2,656)
Sales and marketing	(2,446)	(3,326)	(4,277)	(6,391)
General and administrative	(1,231)	(1,558)	(2,536)	(3,034)
Other operating income	189	53	471	261
Other operating expenses	(41)	(34)	(79)	(92)
	(5,061)	(6,296)	(9,352)	(11,912)
Result from operating activities	(111)	(2,547)	(535)	(4,290)
Interest income	4	10	6	16
Interest expense	(7)	0	(7)	0
Financial result	(3)	10	(1)	16
Earnings before tax	(114)	(2,537)	(536)	(4,274)
Income taxes	(31)	(46)	(83)	(102)
Earnings after tax	(145)	(2,583)	(619)	(4,376)
Other comprehensive income				
Exchange differences on translating foreign operations	(51)	30	(52)	50
Other comprehensive income from exchange differences	(51)	30	(52)	50
Total comprehensive income	(196)	(2,553)	(671)	(4,326)
Earnings per share (EUR, basic, diluted)	0.00	(0,09)	(0,02)	(0,14)
Weighted average shares outstanding (basic, diluted)	30,183	30,183	30,183	30,183

Consolidated Statement of Cash Flows

	Six months ended June 30,	
in EUR thousand	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	(536)	(4,274)
<i>Adjustments to reconcile net profit/loss to cash used in operating activities</i>		
Financial result	1	(16)
Depreciation and amortization	1,901	2,049
<i>Changes in operating assets and liabilities</i>		
Accounts receivable	(122)	2,409
Other assets	116	(537)
Liabilities and provisions	515	460
Deferred revenue	773	425
Net cash provided by operating activities before income tax and interest	2,648	549
Interest received	6	16
Interest paid	(1)	
Income taxes received	5	0
Income taxes paid	(162)	(73)
Net cash (used in) operating activities	2,496	492
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investments in intangible assets	(1,005)	(1,312)
Proceeds on disposal of equipment	4	1
Purchases of property and equipment	(72)	(219)
Net cash used in investing activities	(1,073)	(1,530)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by/used in financing activities	0	0
Effect of change in exchange rates	(73)	19
Net change in cash and cash equivalents	1,350	(1,019)
Cash and cash equivalents, beginning of period	6,358	7,389
Cash and cash equivalents, end of period	7,708	6,370

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, 2015	30,183,484	30,183	7,751	(93)	(22,438)	2,174	17,577
Total comprehensive income					(619)	(52)	(671)
Balance, June 30, 2015	30,183,484	30,183	7,751	(93)	(23,057)	2,122	16,906
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

Notes on the Consolidated Financial Statements as of June 30, 2015

General disclosures

The consolidated financial statements of INTERSHOP Communications AG as of December 31, 2014 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, 2015 was prepared in accordance with IAS 34, Interim Financial Reporting.

This interim report as of June 30, 2015 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 2014. 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, 2014. The 2014 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, which include standard (IFRS, IAS) adopted by IASB, and the Interpretations (IFRIC, SIC) issued by the International Financial Reporting Interpretations Committee (IFRS IC), 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, 2015, in addition to the parent company, the subsidiaries Intershop Communications, Inc., Intershop Communications Australia Pty Ltd, Intershop Communications Asia Limited, Intershop Communications Nordics AB, The Bakery GmbH, Intershop Communications Ventures GmbH, Intershop Communications SARL as well as Intershop Communications LTD.

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 2014. The policies used are described in detail on pages 48 to 53 of the 2014 Annual Report.

Revenues will be divided into the main groups product revenues and service revenues as of the 2015 fiscal year. Product revenues include licensing revenues and revenue from maintenance. Service revenues include revenues from consulting and training, full-service income and other income. Other income consists solely of the online marketing revenues generated in previous years, and the revenues from the TheBakery business.

Equity

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

As of June 30, 2015, 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, 2015, 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,	
	2015	2014	2015	2014
Basis for calculating basic and diluted earnings per share (Earnings after tax)	(145)	(2,583)	(619)	(4,376)
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	30,183	30,183	30,183	30,183
Calculation of earnings per share (basic/diluted)				
Basis for calculating basic/diluted earnings per share (in EUR thousand)	(145)	(2,583)	(619)	(4,376)
Weighted average number of shares (basic/diluted)	30,183	30,183	30,183	30,183
Earnings per share (basic/diluted) (in EUR)	0.00	(0.09)	(0.02)	(0.14)

If 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. If a basic result and diluted result are the same, this may be disclosed in one row as per IAS 33.67.

Segment Reporting

Three months ended June 30, 2015					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Revenues from external customers					
Product Revenues	3,227	453	385	0	4,065
Licenses	1,692	140	224	0	2,056
Maintenance	1,535	313	161	0	2,009
Service Revenues	4,342	1,291	1,336	0	6,969
Consulting and training	3,112	1,173	1,057	0	5,342
Full Service	1,230	118	279	0	1,627
Total revenues from external customers	7,569	1,744	1,721	0	11,034
Intersegment revenues	94	33	187	(314)	0
Total revenues	7,663	1,777	1,908	(314)	11,034
Result from operating activities	(76)	(8)	(27)	0	(111)
Financial result					(3)
Earnings before tax					(114)
Income taxes					(31)
Earnings after tax					(145)

Three months ended June 30, 2014					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Revenues from external customers					
Product Revenues	2,685	285	154	0	3124
Licenses	1,163	65	24	0	1,252
Maintenance	1,522	220	130	0	1,872
Service Revenues	4,647	2,781	1,210	0	8,638
Consulting and training	2,221	2,571	984	0	5,776
Full Service	1,177	210	226	0	1,613
Other revenues	1,249	0	0	0	1,249
Total revenues from external customers	7,332	3,066	1,364	0	11,762
Intersegment revenues	181	30	79	(290)	0
Total 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)

Six months ended June 30, 2015					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consolidation	Group
Revenues from external customers					
Product Revenues	5,657	1,052	635	0	7,344
Licenses	2,582	448	342	0	3,372
Maintenance	3,075	604	293	0	3,972
Service Revenues	8,449	2,583	2,611	0	13,643
Consulting and training	6,108	2,290	2,056	0	10,454
Full Service	2,341	293	555	0	3,189
Total revenues from external customers	14,106	3,635	3,246	0	20,987
Intersegment revenues	274	36	187	(497)	0
Total revenues	14,380	3,671	3,433	(497)	20,987
Result from operating activities	(357)	(88)	(90)	0	(535)
Financial result					(1)
Earnings before tax					(536)
Income taxes					(83)
Earnings after tax					(619)

Six months ended June 30, 2014					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consolidation	Group
Revenues from external customers					
Product Revenues	5,237	520	324	0	6,081
Licenses	2,229	65	69	0	2,363
Maintenance	3,008	455	255	0	3,718
Service Revenues	9,786	5,517	2,393	0	17,696
Consulting and training	4,838	5,077	1,934	0	11,849
Full Service	2,343	440	459	0	3,242
Other revenues	2,605	0	0	0	2,605
Total revenues from external customers	15,023	6,037	2,717	0	23,777
Intersegment revenues	415	58	79	(552)	0
Total 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)

The organization of revenues for the business segments that must be reported was adjusted in accordance with the presentation of revenues for the Group. We refer to the section "Accounting policies".

Litigation

In the first six months of fiscal year 2015, the following change took place with regard to the legal disputes disclosed on pages 68/69 of the 2014 Annual Report:

The proceedings surrounding the legal challenge and action of nullity filed by shareholder GSI Commerce Solutions, Inc., before the Regional Court of Gera ended on 13 July 2015 with a court settlement in a conciliation hearing pursuant to sec. 278 subsect. 6 ZPO.

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 271 thousand in the first six months of 2014 (prior year: EUR 992 thousand). The outstanding receivables amounted to EUR 142 thousand at June 30, 2015 (prior year: EUR 170 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, 2015.

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, 2015, 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
Dr. Kai Hudetz	Member of the Supervisory Board	4,000
Jochen Moll	Spokesman of the Board of Management	50,000
Dr. Jochen Wiechen	Member of the Board of Management	30,000

In the first six months of fiscal year 2015, the members of the company's executive bodies did not undertake any securities transactions involving Intershop ordinary bearer shares.

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 2015	2014	6M 2014
Closing price ¹	in EUR	1.13	1.07	1.64
Number of shares outstanding (end of period)	in million shares	30.18	30.18	30.18
Market capitalization	in EUR million	34.11	32.30	49.50
Earnings per share	in EUR	(0.02)	(0.22)	(0.14)
Cashflow per share	in EUR	0.08	0.01	0.02
Carrying amount per share	in EUR	0.56	0.58	0.66
Average trading volume per day ²	Number	31,882	31,039	35,803
Free float	in %	69	69	69

¹ Basis: Xetra

² Basis: Xetra/Frankfurt

Contact



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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.