Group Management Report For The Six Months Ended

June 30, 2010

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Letter to Our Stockholders

Dear stockholders and business partners,

We completed an important strategic move in the first half of 2010. The cooperation agreement with e-commerce provider GSI Commerce, a company listed on the U.S. Nasdaq exchange, has already become an important pillar of our growth strategy. GSI Commerce also reinforced the importance of its alliance by making a significant investment and, with an interest of 27.2%, is our largest shareholder today.

Intershop's net revenues of EUR 17.2 million in the first six months – the best half-year performance in seven years – are clearly a result of the strengthened relationships with our platinum customers.

The half-yearly net profit of EUR 395 thousand does not yet reflect current revenue growth. One reason for this is the expenses from nonrecurring factors such as the Extraordinary Stockholders' Meeting. Adjusted for these one-time items that add up to EUR 400 thousand, we would have increased the result from operating activities by approximately 170%. EBIT therefore remained at EUR 420 thousand – an increase of 37%.

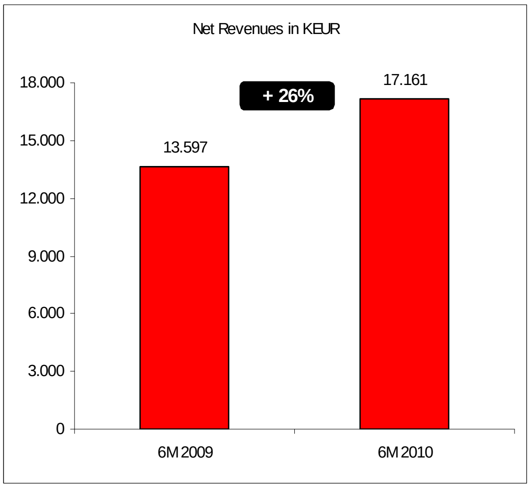
However, it should also be noted that we selectively increased our investments in product innovation and resources. We have reached a point in our Company's history where we can speed up the internationalization of our business. As we have shifted from a technology provider to an integrated e-commerce provider, we are now in a better position than ever to drive forward our business with our existing customers and to win new platinum accounts. We want to leverage these opportunities for the sustainable further development of our Company. Therefore, the second half of 2010 and the months thereafter will be shaped by the expansion of our business and investments in the future.

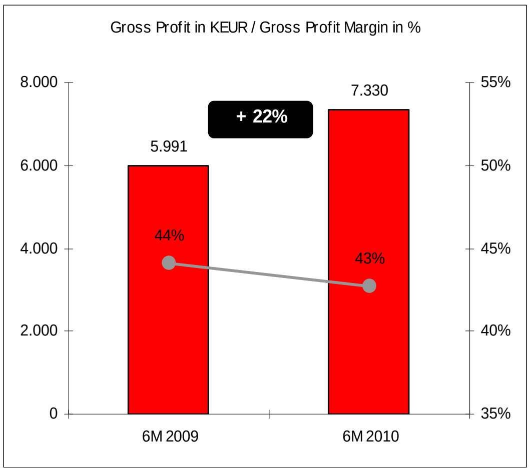
Sincerely,

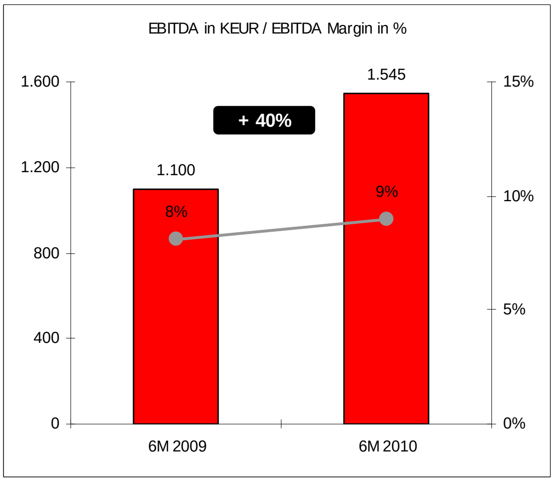
Peter Mark Droste — Heinrich Göttler — Dr. Ludger Vogt

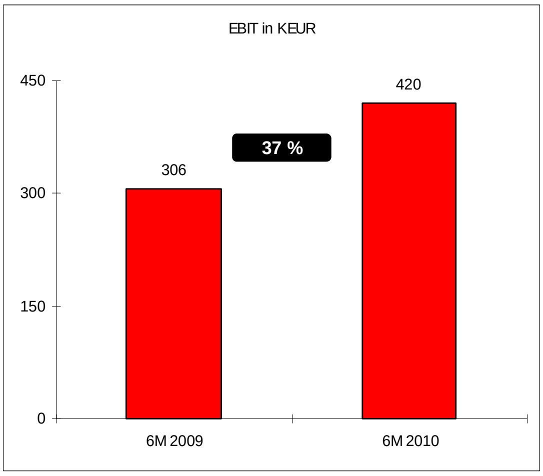
Key Figures for the Group

in EUR thousand	Q1 2010	Q2 2010	6M 2010	6M 2009
Net Revenues	8,251	8,910	17,161	13,597
Gross Profit	3,632	3,698	7,330	5,991
Gross Profit Margin	44%	42%	43%	44%
EBITDA	652	893	1,545	1,100
EBITDA Margin	8%	10%	9%	8%
EBIT	91	329	420	306
EBIT Margin	1%	4%	2%	2%
Earnings After Tax	77	318	395	440
Earnings Per Share (EUR)	0.01	0.01	0.01	0.02









Group Management Report

Overall Economy and Industry

After global economic output contracted by 1.0% overall in 2009 according to estimates by the Kiel Institute for the World Economy (IfW), the first decline in the global economy since 1946, the overall situation improved significantly in the first six months of the current year. Nevertheless, according to the IfW economists, the emerging international upturn is not very stable. The positive outlook is being dampened by high government debt in many industrialized countries. According to the IfW experts, the turbulence on the financial markets recently caused by the debt crisis in Europe has cut confidence in a sustainable recovery and economic growth. The fiscal policy tensions in the European Economic Area, including the issue of banking solvency, are leading to uncertainties. For example, risk appetite in general is falling and borrowing is more difficult.

According to the latest IfW forecast published at the beginning of July this year, the fact that the global economy will recover at a stronger pace this year than was assumed by the same institute in April 2010 is attributable to three emerging economies. In particular, the booming nations of China, India, and Brazil are now driving forward global economic growth. The IfW has lifted its forecast for the second time in 2010 and now anticipates a global upturn of 4.6%. At the beginning of the year this figure was 3.9%, and 4.2% in April. While China is expected to see growth of 10.5%, the experts are forecasting an increase of 9.4% for India and 7.1% for Brazil. Of the Western industrialized countries, Canada and the U.S.A. are seeing the greatest increase, at 3.6% and 3.3% respectively according to the IfW. In contrast, the recovery in Germany is modest, although it is slightly better than recently expected. The economic upturn is expected to be 1.4% this year – 0.2 points higher than was previously forecasted. Growth in the euro zone is forecast to stagnate at 1.0%.

Despite the uncertainties that mainly prevail in industrialized countries about sustainable macroeconomic growth, the e-commerce sector remains stable. The experts are unanimously predicting growth scenarios for this business, including the German market. German consumers remain willing to buy online this year. Thanks to strong growth in e-commerce, mail order and online retailers can continue to look forward to increased revenues. Based on the latest representative TNS Infratest consumer study “Distanzhandel in Deutschland 2010” (Distance Selling in Germany 2010), the Bundesverband des Deutschen Versandhandels (bvh – German E-Commerce and Distance Selling Trade Association) expects revenues for the sector as a whole of EUR 29.9 billion for the current year, which corresponds to an increase of 2.7%. According to the forecast, the percentage of distance selling in the retail industry will therefore increase to 7.6%. Online goods retailing will rise by 15% to EUR 17.8 billion (2009: EUR 15.5 billion). This means that the sector is now generating 59.5% of its sales via the Internet.

As shown by 25 recent country reports from Hamburg-based market research company yStats.com, e-commerce is experiencing a global upturn. B2C e-commerce revenue has increased in Asia in particular. E-commerce is also growing fast in Eastern Europe: The Czech market, for example, recorded a revenue increase of 23% in 2009. In Western Europe, Internet sales achieved solid growth. The North American market, on the other hand, proved to be vulnerable to the crisis, with the U.S.A. recording merely single-digit growth in B2C e-commerce in the past year.

Strategic Partnership

On April 16, 2010, Intershop Communications AG announced a strategic partnership agreement with U.S. company GSI Commerce, Inc. (NASDAQ: GSIC).

The multi-year agreement comprises the acquisition of a license for Intershop's Enfinity Suite standard software, including services and maintenance. The acquisition makes it possible for GSI to add Intershop software products to its e-commerce solution.

A reseller agreement is another component of the contract, under which GSI Commerce will act as the exclusive partner for Intershop's Enfinity software on the American market and as a non-exclusive partner on other foreign markets worldwide.

To underpin this strategic partnership between GSI and Intershop, the U.S. company has initially acquired a 10.5% interest in Intershop's share capital. In addition, GSI has increased its equity interest by a further 16.7% by means of two capital increases and, with a 27.2% interest, is now Intershop Communications AG's largest shareholder.

Revenue Development

Intershop Communications AG generated revenues of EUR 8.9 million in the second quarter of 2010, beating the record revenues of EUR 8.3 million in the first quarter, and its accumulated net revenues of EUR 17.2 million were the best half-year performance since 2003. Revenues rose by 26% year-on-year, after EUR 13.6 million in the first six months of 2009. The significant rise is due to the positive development in revenues from major customers (platinum accounts).

License revenues amounted to EUR 1.2 million in the first half of the year and, with a decline of 25%, were well below the figure for the prior-year period, although they had been up 7% in the first quarter. This change is primarily due to the fact that strategic priority was given to the intensive further development of platinum accounts, which tied up human resources. A positive outcome of this change in strategy is the very good development in all other areas compared with the first half of 2009: Maintenance revenues increased by 19% to EUR 4.8 million, the consulting area recorded growth of 35% to EUR 8.4 million, and online marketing generated a rise of 52% to EUR 1.8 million.

The following table shows the development of net revenues by area (in EUR thousand):

Six months ended June 30,	2010	2009	Change
Licences	**1.233**	**1,641**	-25%
Maintenance	4.776	4,029	19%
Consulting / Training	8.413	6,231	35%
Online Marketing	1.773	1,170	52%
Other revenues	966	526	84%
Service, maintenance and other	**15.928**	**11,956**	33%
Net revenue total	**17.161**	**13,597**	**26%**

The Company's highest revenue-generating existing customers (Platinum Accounts) in the first six months included Australian telecommunications group Telstra, mail order business Otto Group and its subsidiaries, GSI Commerce, and technology group Mettler Toledo. The most important new customers in the first half include U.S. company Hubert, one of the leading global specialist catering suppliers, which will soon launch its shop in Europe on the basis of Intershop's platform and Alfa Romeo, whose new merchandising shop is based on Enfinity. This alliance demonstrates

Intershop's full-service offering. BMW AG, a longstanding Intershop customer, also opted for Enfinity as the technical platform for its new e-commerce concept.

The regional revenue breakdown underscores the successful internationalization of Intershop's business in the Asia-Pacific region and the U.S.A. In the first half of 2010, 41% of revenues were generated in these two regions, whereas this figure was only at 25% in the prior-year period. For the first quarter of 2010 it amounted to 39%. Overall, Intershop generated 49% of its revenues outside Germany in the first six months of the year. Revenue outside Germany was 38% in the same period of 2009.

Earnings Development

Intershop generated net profit of EUR 395 thousand in the first half of 2010, a year-on-year decrease of 10%. The main reasons are the higher investments in product innovation and resources to strengthen the future development of the Company, higher taxes, and nonrecurring operating expenses. The costs for the Extraordinary Stockholders' Meeting alone, which was held in Jena on March 29, 2010 at the request of a group of stockholders, amounted to approximately EUR 150 thousand. Added to this were consulting fees relating to the cooperation agreement with GSI Commerce. General and administrative expenses rose by approximately EUR 400 thousand overall, due solely to these nonrecurring items.

The 37% rise in research and development expenses to EUR 2.5 million was the result of higher amortization of capitalized software development costs and increased investments in product development. Sales and marketing expenses declined by 8% to EUR 1.9 million.

Gross profit in the first six months increased by 22% from EUR 6 million to EUR 7.3 million. The gross margin was 43%.

Although the result from operating activities (EBIT) for the first quarter of 2010 was still 7% lower than in the previous year, it recorded an accumulated increase of 37% to EUR 420 thousand for the first six months, compared with EUR 306 thousand in 2009. On a pro forma basis, i.e., adjusted for the above-mentioned special factors, half-yearly EBIT was approximately EUR 820 thousand and therefore around 170% better than the figure for the previous year.

EBITDA increased from EUR 1.1 million in the prior-year quarter to EUR 1.5 million, corresponding to a rise of 40%. The EBITDA margin was 9%.

Adjusted for the nonrecurring items, this result is in line with the Company's expectations.

Research and Development

Research and development expenses rose from EUR 1.8 million in the first six months of 2009 to EUR 2.5 million in the reporting period. The main reasons for this are lower capitalization of development costs, higher amortization of software development costs, and higher investments in the product development.

Research and development activity is focussing on the further development of the Enfinity Suite. Marketing of version 6.5 will start at the beginning of 2011. Intershop successful launched Enfinity Suite 6.4 in January 2010. The version offers simplified integration of third-party software, additional sales promotion options, improved product information management, and more cost-effective operation.

Management Board and Supervisory Board

There were three changes in the Company's Supervisory Board in the first half of 2010. The Chairman, Joachim Sperbel, resigned as of March 31, 2010, and Michael Sauer also stepped down as a member of the Supervisory Board with immediate effect during the Company's Extraordinary Stockholders' Meeting on March 29, 2010. The Stockholders' Meeting elected IT manager Bernhard Wöbker and management consultant Peter Georg Baron von der Howen to succeed Mr. Sperbel and Mr. Sauer. At its constituent meeting, the new Supervisory Board elected Bernhard Wöbker as its new Chairman and Peter Georg Baron von der Howen as Deputy Chairman of the Supervisory Board.

Benedikt Wahler resigned as a member of the Supervisory Board effective May 31, 2010. Jim MacIntyre was appointed as a new Supervisory Board member by the Jena local court on May 20, 2010. He is the CEO of Product Laboratory, LLC, a holding company for research and development, and also heads the e-commerce technology area at GSI Commerce International.

Employees

Intershop employed 318 people as of June 30, 2010, 302 of whom worked in Germany and 16 in the Company's U.S. branch. The number of employees was therefore up 10% on the end of June 2009. The increase in employees is primarily attributable to the research and development (R&D) technical departments and service functions. These departments saw an overall increase of 28 employees as of June 30, 2010 compared with the same date in the previous year. The Company is thereby anticipating the expected growth primarily in the foreign markets and the accelerated further development of the Enfinity Suite.

At the end of the first six months, 79% of the employees worked in the technical departments, 10% in sales and marketing, and 11% in general and administrative functions.

The following overview shows the breakdown of full-time employees by business area:

Employees by department (full-time equivalents)	June 30, 2010	December 31, 2009	June 30, 2009
Technical Departments (research and development and service functions)	252	241	224
Sales and Marketing departments	32	32	35
General and administrative departments	34	30	29
Total	**318**	**303**	**288**

Net Assets and Financial Position

During the second quarter of 2010, Intershop Communications AG implemented two capital increases using Authorized Capital I. The first saw 559,555 new shares being issued, corresponding to 2.1% of the share capital. They were acquired by GSI Commerce, the new strategic partner. The capital increase was entered in the Jena commercial register on May 7, 2010. Intershop received almost EUR 1 million in cash.

The second capital increase saw 1,925,342 new shares, corresponding to 7.1% of the share capital, being issued at a price of EUR 1.42 per share. The Company received gross proceeds of approximately EUR 2.7 million from this issue. The capital increase was implemented as a 14-to-1 rights issue for the shareholders. Overall, preemptive rights were exercised for approximately 1.3 million shares by the existing shareholders, corresponding to an exercise ratio of 68.6%. The remaining shares were subscribed by GSI Commerce, Inc., the Company's strategic partner. The capital increase became effective on its entry in the commercial register at the Jena local court on June 3, 2010.

As of the end of the first half of the year, the Company's share capital amounted to EUR 28,951,966, compared with EUR 26,309,094 as of December 31, 2009.

Total assets as of June 30, 2010 increased to EUR 35.0 million, from EUR 28.7 million as of the end of 2009. The main reason for this increase is the rise in current assets from EUR 17.9 million as of December 31, 2009 to EUR 24.4 million as of the reporting date. Within this item, trade receivables fell by 35% from EUR 10.6 million to EUR 6.8 million, while cash and cash equivalents increased from EUR 6.3 million as of December 31, 2009 to EUR 16.0 million as of the interim reporting date. This increase was mainly due to net cash provided by operating activities (operating cash flow) of EUR 6.7 million, as well as to the proceeds generated by the capital increases. Noncurrent assets remained almost unchanged at EUR 10.6 million.

On the equity and liabilities side of the balance sheet, equity rose from EUR 18.4 million to EUR 22.6 million, corresponding to an equity ratio of 65% as of June 30, 2010. The rise in equity was primarily the result of the previously mentioned capital increases.

Noncurrent liabilities rose from EUR 0.8 million to almost EUR 3.2 million, mainly due to deferred revenue of EUR 2.7 million. Current liabilities amounted to EUR 9.1 million as of June 30, 2009, a slight decline of 4.3% as against year-end 2009 (EUR 9.6 million). The Company had no liabilities to banks as of the interim reporting date.

Group Risks

For information on the Company's risks, please refer to the detailed explanations in the 2009 Annual Report. Intershop's risk position has not changed significantly as against the risks mentioned there.

On April 15, 2010, Intershop Communications AG announced a strategic partnership agreement with U.S. company GSI Commerce, Inc. This includes both the license and service agreement with GSI itself, as well as a reseller agreement. This partnership enables Intershop to penetrate the key U.S. market faster. GSI Commerce's strength in terms of its potential customers and sales power in the United States significantly reduces the normal risks associated with penetrating new markets. Nevertheless, significant resources will be needed to make Intershop's new alliance a success. For example, there is a risk that Intershop will be unable to meet these resource requirements in full, which could prevent the expected revenue goals from being achieved. However, this danger is offset by the fact that GSI has already become a key Intershop customer.

Events subsequent to the balance sheet date

The Company's Annual Stockholders' Meeting, which was attended by some 100 shareholders and shareholder representatives, was held in Jena on July 2, 2010. Shareholders present represented approximately 42% of the share capital. The shareholders approved five of the six proposals presented by the Management Board on the agenda by a clear majority. The resolution to purchase own shares was rejected by a close vote. Jim MacIntyre, appointed to the Supervisory Board by the Jena district court in May 2010, was confirmed in office by the shareholders. The Meeting concurred with the recommendation of the Management Board and Supervisory Board to defer approval of the Supervisory Board's actions for fiscal year 2009 until the next Annual Stockholders' Meeting.

Outlook

Forecasts by experts about the global economy show that the situation at the end of the first half of 2010 had improved significantly year-on-year. This was mainly due to growth expectations for the Asia region as well as for South and North America. Fiscal policy tensions are expected to result in flat growth in the European Economic Area in 2010. Experts currently consider Germany to be the driving force behind Europe's economy. According to the latest economic barometer published by the German Institute for Economic Research (DIW) in July, this is mainly the result of the positive development of Germany's foreign trade. Germany is currently clearly profiting from growing demand within the triad, which also is reflected in the Ifo business climate index: The jump from 101.8 to 106.2 points in July 2010 was the biggest since the reunification of Germany. According to the experts, the upturn is broad-based and lifting all sectors of the economy. In addition to strong exports, this is due to both the favorable labor market in Germany and the resulting rise in domestic consumption.

The trend towards substituting or supplementing store-based retailers with an Internet sales channel is continuing in the e-commerce sector and is the key growth driver for Intershop's business model. According to Forrester Research, the online market in Germany will grow by an average of 9% in the coming years. As established by the German Federal Statistical Office, this area still has significant catch-up potential. In 2008, only 11% of German companies sold their goods on the Internet. However, developments in the mail-order sector show that setting up a webshop really is a must: According to the Bundesverband des Deutschen Versandhandels (bvh – German E-Commerce and Distance Selling Trade Association), 71% of all mail order customers are expected to purchase their goods online in 2010; the figure for 2009 was 61%. This represents rapid growth at an already high level. Added to this, new technologies should give a further boost. The successful combination of smartphones and millions of apps for a wide variety of applications suggests that the mobile Internet has now achieved a breakthrough. Mobile Internet shopping is the logical consequence of this.

Intershop, with its comprehensive service range along the entire e-commerce process chain, will profit from a rising trend towards online trading. The shift from a technology provider to a provider of integrated e-commerce solutions has given the Company an opportunity to realize steady, profitable growth, as demonstrated by fiscal year 2009 – the most successful in the Company's history – and the first six months of 2010. This also means the Company must continue to have an investment policy that focuses on production innovations and human resources to enable it to grow sustainably. In particular, this requires tremendous efforts to develop and expand business in the platinum customer sector.

As the first half of the year showed, key changes in strategy have given Intershop's business new impetus and strengthened the Company's position for the long term. The expansion of the platinum customer business has ensured that the first six months of 2010 was the best six-month period since 2003 in terms of net revenues. The partnership with GSI Commerce has also proven to be productive to date. Revenues of approximately EUR 3.5 million are expected from this cooperation for the year as a whole.

Taking into account these positive developments in the second quarter of 2010, the Board of Management is now forecasting growth in revenues of around 20% for the year as a whole. Given the higher investment in the sustainable development of the company, results will not initially be able to reflect this surge in growth and will stabilize at the positiv level of the previous year.

Consolidated Balance Sheet

in EUR thousand	June 30, 2010	December 31, 2009
ASSETS		
Noncurrent assets		
Intangible assets	9,151	9,504
Property, plant and equipment	633	571
Other noncurrent assets	24	22
Deferred tax assets	296	296
Restricted cash	475	475
	10,579	**10,868**
Current assets		
Trade receivables	6,844	10,569
Other receivables and other assets	1,184	607
Restricted cash	383	383
Cash and cash equivalents	15,994	6,314
	24,405	**17,873**
TOTAL ASSETS	**34,984**	**28,741**
SHAREHOLDERS´ EQUITY AND LIABILITIES		
Shareholders´ equity		
Subscribed capital	28,952	26,309
Capital reserve	7,463	6,728
Other reserves	(13,784)	(14,314)
	22,631	**18,723**
Minority interest	0	(327)
	22,631	**18,396**
Noncurrent liabilities		
Other noncurrent provisions	469	469
Deferred tax liabilities	0	10
Deferred revenue	2,736	307
	3,205	**786**
Current liabilities		
Other current provisions	549	552
Trade accounts payable	2,648	3,862
Income tax liabilities	912	1,054
Other current liabilities	1,942	1,861
Deferred revenue	3,097	2,230
	9,148	**9,559**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	**34,984**	**28,741**

Consolidated Statement of Comprehensive Statement

	Three months ended June 30,		Six months ended June 30,	
in EUR thousand	2010	2009	2010	2009
Gross Revenues				
Licenses	400	861	1,233	1,641
Services, maintenance and other	9,589	6,680	18,129	13,912
	9,989	**7,541**	**19,362**	**15,553**
Media costs	**(1,079)**	**(787)**	**(2,201)**	**(1,956)**
Nettoumsatzerlöse				
Licenses	400	861	1,233	1,641
Services, maintenance and other	8,510	5,893	15,928	11,956
	8,910	**6,754**	**17,161**	**13,597**
Cost of revenues				
Licenses	0	(8)	(23)	(16)
Services, maintenance and other	(5,212)	(3,661)	(9,808)	(7,590)
	(5,212)	**(3,669)**	**(9,831)**	**(7,606)**
Gross profit	**3,698**	**3,085**	**7,330**	**5,991**
Operating expenses, operating income				
Research and development	(1,223)	(896)	(2,534)	(1,845)
Sales and marketing	(949)	(998)	(1,897)	(2,066)
General and administrative	(1,262)	(1,130)	(2,655)	(2,139)
Other operating income	223	156	485	403
Other operating expenses	(158)	(9)	(309)	(38)
	(3,369)	**(2,877)**	**(6,910)**	**(5,685)**
Result from operating activities	**329**	**208**	**420**	**306**
Interest income	5	100	14	113
Interest expense	0	0	-15	0
Financial result	**5**	**100**	**-1**	**113**
Earnings before tax	**334**	**308**	**419**	**419**
Income taxes	**(16)**	**8**	**(24)**	**21**
Earnings after tax	**318**	**316**	**395**	**440**
Other comprehensive income				
Exchange differences on translating foreign operations	304	(12)	462	(35)
Total comprehensive income	**622**	**304**	**857**	**405**
Earnings after tax attributable to:				
Shareholders of INTERSHOP Communications AG	**318**	**419**	**395**	**594**
Minority interests	0	(103)	0	(154)
Total comprehensive income attributable to:				
Shareholders of INTERSHOP Communications AG	**622**	**407**	**857**	**559**
Minority interests	0	(103)	0	(154)
Earnings per share (EUR, basic)	0.01	0.02	0.01	0.02
Earnings per share (EUR, diluted)	0.01	0.02	0.01	0.02
Weighted average shares outstanding (basic)	27,315	27,315	26,565	26,565
Weighted average shares outstanding (diluted)	28,029	27,947	27,279	27,197

Consolidated Statement of Cash Flows

	January 1 to June 30,	
in EUR thousand	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	419	419
Adjustments to reconcile net profit/loss to cash used in operating activities		
Financial result	1	(113)
Depreciation and amortization	1,125	794
Other noncash expenses and income	24	103
Allowances for doubtful accounts	55	151
(Gain) Loss on disposal of property and equipment		
Changes in operating assets and liabilities	3,670	(633)
Accounts receivable	(578)	(814)
Other assets	(1,288)	(644)
Liabilities and provisions	3,295	457
Net cash (used in) operating activities before income tax and interest	**6,723**	**(280)**
Interest received	13	113
Interest paid	(14)	0
Income taxes paid	(24)	21
Net cash (used in) operating activities	**6,698**	**(146)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investments in intangible assets	(627)	(1,278)
Purchases of property and equipment, net of capital leases	(207)	(250)
Acquisition of consolidated companies	0	(254)
Net cash used in investing activities	**(834)**	**(1,782)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received for unregistered stock	3,868	57
Expenses of cash received for unregistered stock	(514)	(7)
Changes in the basis of consolidation	0	55
Net cash provided by/used in financing activities	**3,354**	**105**
Effect of change in exchange rates on cash	462	(34)
Net change in cash and cash equivalents	**9,680**	**(1,857)**
Cash and cash equivalents, beginning of period	6,314	8,082
Cash and cash equivalents, end of period	**15,994**	**6,225**

Consolidated Statement of Shareholders´ Equity

in EUR thousand				Other reserves					
	Common shares	Subscribed capital	Capital reserve	Conversion reserve	Cumulative profit/ loss	Cumulative currency differences	Equity attributable to shareholders of Intershop Communications AG	Minority interest	Total share-holders´ equity
Balance, January 1, 2010	**26,309,094**	**26,309**	**6,728**	**(93)**	**(16,468)**	**2,247**	**18,723**	**(327)**	**18,396**
Total comprehensive income					395	462	857		857
Acquired minority interest					(327)		(327)	327	0
Stock option expense			24				24		24
Issue of new shares	2,642,872	2,643	711				3,354		3,354
Balance, June 30, 2010	**28,951,966**	**28,952**	**7,463**		**(16,400)**	**2,709**	**22,631**	**0**	**22,631**
Balance, January 1, 2009	**26,192,767**	**26,193**	**6,579**	**(93)**	**(18,557)**	**2,213**	**16,335**	**0**	**16,335**
Total comprehensive income					594	(35)	559	(154)	405
Changes in the basis of consolidation							0	55	55
Stock option expense			103				103		103
Issue of new shares	45,868	46	4				50		50
Balance, June 30, 2009	**26,238,635**	**26,239**	**6,686**	**(93)**	**(17,963)**	**2,178**	**17,047**	**(99)**	**16,948**

Notes to the Consolidated Financial Statements as of June 30, 2010

General disclosures

The consolidated financial statements of Intershop Communications AG as of December 31, 2009 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, 2010 was prepared in accordance with IAS 34, *Interim Financial Reporting.*

This interim report as of June 30, 2010 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 2009. 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, 2009. The 2009 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

There were no changes to Intershop Communications AG's basis of consolidation in the first half of 2010 as against December 31, 2009. In addition to the parent company, the basis of consolidation therefore comprised the following companies as of June 30, 2010:

- Intershop Communications Inc., San Francisco, U.S.A.
- Intershop Communications Ventures GmbH, Jena, Germany
- Intershop Communications AB, Stockholm, Sweden
- SoQuero GmbH, Frankfurt/Main, Germany
- The Bakery GmbH, Berlin, Germany

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.

The Bakery GmbH

Intershop acquired the remaining 40% of the shares in The Bakery GmbH as of June 29, 2010 for a purchase price of EUR 3. The directly attributable transaction costs amounted to EUR 1 thousand. Intershop thus now holds a 100% interest in The Bakery GmbH.

Accounting policies

The same accounting policies were used to prepare this interim report as for the consolidated financial statements for fiscal year 2009. The policies used are described in detail on pages 43 to 49 of the 2009 Annual Report.

Equity

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

The subscribed capital increased by EUR 2,642,872 as of June 30, 2010 to EUR 28,951,966 and is divided into 28,951,966 no-par value bearer shares. The change is attributable to capital increases from Authorized Capital I and Authorized Capital II.

As of June 30, 2010, the Company had authorized capital of EUR 5,629,925. Authorized Capital I declined by EUR 2,484,897 and now amounts to EUR 4,553,103. A cash capital increase was implemented in the second quarter of 2010 while disapplying shareholders' preemptive rights by issuing 559,555 new no-par value bearer shares. This became legally effective on its entry in the commercial register on May 7, 2010. A cash capital increase was also implemented with preemptive rights for the shareholders at a ratio of 14:1 by issuing 1,925,342 new no-par value bearer shares. This change was entered in the commercial register on June 3, 2010.

Authorized Capital II declined by EUR 157,975 to EUR 1,076,822. There were three capital increases due to the exercise of employee options: February 5, 2010 (EUR 25,500), April 13, 2010 (EUR 60,639), and June 3, 2010 (EUR 71,836).

The Company's conditional capital remained unchanged compared with December 31, 2009. Its share capital has been increased contingently by up to EUR 92,917 in order to issue 92,917 shares. However, due to adjustments following the capital reductions and options that have expired or were not issued, a maximum of 45,833 shares may be issued in future from the conditional capital.

Stock option plans

Option activity under the plans was as follows:

Three months ended June 30,	2010		2009	
	Number of shares outstanding (in thousand)	Weighted average exercise price (EUR)	Number of shares outstanding (in thousand)	Weighted average exercise price (EUR)
Outstanding at beginning of period	2,861	1.27	3,307	1.35
Granted	0	-	0	-
Exercised	(132)	1.11	(4)	1.00
Forfeited	(19)	1.52	(104)	2.10
Outstanding at end of period	**2,710**	**1.28**	**3,199**	**1.32**
Exercisable options at end of period	2,511	1.23	2,325	1.28
Weighted average fair market value of options granted during the year	-	-	-	-

The weighted average share price for the exercised options amounted to EUR 1.74 on the exercise date.

The following table summarizes information with respect to the stock options outstanding on June 30, 2010:

Range of exercise price	Number of options outstanding	Weighted aver-age remaining contractual life	Weighted average exercise price	Number exercisable on June 30, 2010	Weighted average exercise price
(in EUR)	(in thousand)	(in years)	(in EUR)	(in thousand)	(in EUR)
1.00 – 1.50	1,827	0.5	1.02	1,756	1.01
1.51 – 2.50	797	1.0	1.72	735	1.72
2.51 – 3.50	83	2.1	2.84	18	2.86
3.51 – 3.61	3	2.4	3.61	2	3.61
	2,710	**0.7**	**1.28**	**2,511**	**1.23**

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

		Bandwidth form/to	
Expected term	in years	1.00	5.00
Risk-free interest rate	in %	2.71	4.43
Expected Volatility	in %	70.00	96.14
Dividend yield	in %	0.00	0.00
Exercise price	in Euros	1.00	3.61
Market price	in Euros	1.00	3.61
Option value	in Euros	0.56	3.37

In first six months of 2010, the Company recognized expenses of EUR 24 thousand relating to the stock option plans. These expenses amounted to EUR 103 thousand in the first six months of 2009.

Other operating income

Other operating income includes government grants amounting to EUR 153 thousand, which were issued in the first half of 2010. These grants relate to research and development projects supported by the Federal Ministry of Education and Research.

Earnings per share

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

	Three months ended June 30,		Six months ended June 30,	
In EUR thousand	2010	2009	2010	2009
Basis for calculating basic earnings per share (Earnings after tax attributable to Intershop shareholders)	**318**	**419**	**395**	**594**
Basis for calculating diluted earnings per share	**318**	**419**	**395**	**594**

The number of shares is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Weighted average number of ordinary shares used to calculate basic earnings per share	**27,315**	**27,315**	**26,565**	**26,565**
Dilutive effect of potential ordinary shares:				
Weighted average number of options outstanding	714	632	714	632
Weighted average number of ordinary shares used to calculate diluted earnings per share	**28,029**	**27,947**	**27,279**	**27,197**

The earnings per share is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Calculation of earnings per share (basic)				
Basis for calculating basic earning per share (in EUR thousand)	318	419	395	594
Weighted average number of shares (basic)	27,315	27,315	27,279	26,565
Earnings per share (basic) (in EUR)	**0.01**	**0.02**	**0.01**	**0.02**
Calculation of earnings per share (diluted)				
Basis for calculating diluted earnings per share (in EUR thousand)	318	419	395	594
Weighted average number of shares (diluted)	28,029	27,947	27,279	27,197
Earnings per share (diluted) (in EUR)	**0.01**	**0.02**	**0.01**	**0.02**
Adjustment of earnings per share (diluted) (in EUR)	**0.01**	**0.02**	**0.01**	**0.02**

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, 2010

in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Net Revenues from external customers					
Licenses	400	0	0	0	400
Consulting and training	2,234	1,481	905	0	4,620
Maintenance	1,212	329	895	0	2,436
Online Marketing	964	0	0	0	964
Other	296	185	9	0	490
Total net revenues from external customers	**5,106**	**1,995**	**1,809**	**0**	**8,910**
Intersegment revenues	55	176	0	(231)	0
Total net revenues	**5,161**	**2,171**	**1,809**	**(231)**	**8,910**
Result from operating activities	**(247)**	**302**	**274**	**0**	**329**
Financial result					**(5)**
Earnings before tax					**334**
Income taxes					**16**
Earnings after tax					**318**

Three months ended June 30, 2009 (adjusted)

in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Net Revenues from external customers					
Licenses	804	57	0	0	861
Consulting and training	2,249	324	575	0	3,148
Maintenance	1,374	191	381	0	1,946
Online Marketing	536	0	0	0	536
Other	177	70	16	0	263
Total net revenues from external customers	**5,140**	**642**	**972**	**0**	**6,754**
Intersegment revenues	42	187	0	(229)	0
Total net revenues	**5,182**	**829**	**972**	**(229)**	**6,754**
Result from operating activities	**0**	**83**	**125**	**0**	**208**
Financial result					**(100)**
Earnings before tax					**308**
Income taxes					**(8)**
Earnings after tax					**316**

Six months ended June 30, 2010

in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Net Revenues from external customers					
Licenses	845	388	0	0	1,233
Consulting and training	4,529	2,258	1,626	0	8,413
Maintenance	2,376	660	1,740	0	4,776
Online Marketing	1,773	0	0	0	1,773
Other	635	306	25	0	966
Total net revenues from external customers	**10,158**	**3,612**	**3,391**	**0**	**17,161**
Intersegment revenues	117	332	0	(449)	0
Total net revenues	**10,275**	**3,944**	**3,391**	**(449)**	**17,161**
Result from operating activities	**(529)**	**480**	**469**	**0**	**420**
Financial result					**1**
Earnings before tax					**419**
Income taxes					**24**
Earnings after tax					**395**

Six months ended June 30, 2009 (adjusted)

in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Net Revenues from external customers					
Licenses	1,467	57	117	0	1,641
Consulting and training	4,452	923	856	0	6,231
Maintenance	2,777	395	857	0	4,029
Online Marketing	1,170	0	0	0	1,170
Other	375	119	32	0	526
Total net revenues from external customers	**10,241**	**1,494**	**1,862**	**0**	**13,597**
Intersegment revenues	158	309	0	(467)	0
Total net revenues	**10,399**	**1,803**	**1,862**	**(467)**	**13,597**
Result from operating activities	**(116)**	**186**	**236**	**0**	**306**
Financial result					(113)
Earnings before tax					**419**
Income taxes					(21)
Earnings after tax					**440**

Litigation

The following changes occurred in the first six months of fiscal year 2010 with respect to the litigation described on pages 70 and 71 of the 2009 Annual Report: In the second of the listed legal disputes, a further hearing was held in April 2010 regarding a claim brought against the Company by a contractual partner in fiscal year 2006. The claim was for the reversal of the contracts, the repayment of the purchase price, and the payment of compensation. Following this, the Company is of the opinion that the legal dispute is unlikely to be settled in the near future. Further hearings are scheduled for the second half of the year. As a precautionary measure, a provision in the lower six-figure euro range was therefore established in the second quarter of 2010.

In addition to the litigation described in detail in the Annual Report, the Company is a defendant in various other actions arising from the normal course of business. Although the outcome of these actions cannot be forecast with certainty, the Company believes that the outcome of the actions will not have any material effects on its net assets and results of operations.

Related party disclosures

As of the interim reporting date, Intershop had relationships with consolidated subsidiaries and one company that is invested in Intershop. In the first half of the 2010, revenues generated with the investor amounted to EUR 1.1 million. Outstanding receivables as of June 30, 2010 amounted to EUR 0.9 million.

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, 2010 the following members of the Company´s executive bodies held INTERSHOP Communications AG ordinary bearer shares:

Name	Function	Shares
Bernhard Wöbker	Chairman of the Supervisory Board	58,928
Peter Georg Baron von der Howen	Deputy Chairman of the Supervisory Board	100

In the first six months of 2010, the members of the Company´s executive bodies made the following purchases and sales of Intershop ordinary bearer shares:

Name	Date	Type of security	Amount	Total value (EUR)
Supervisory Board:				
Bernhard Wöbker	May 12, 2010	Purchase	55,000	100,000
	June 8, 2010	Purchase*	3,928	5,578
Management Board:				
Peter Mark Droste	April 13, 2010	Sale	100,000	185,000

* Purchase via exercising the subscription rights of the capital increase

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

Intershop shares began the year at EUR 1.70 on January 4, 2010, and closed at EUR 1.73 on June 30, 2010. They reached a high of EUR 1.92 in first six months of 2010, and recorded a low of EUR 1.52. The average trading volume was around 44,000 shares.

Key figures for Intershop shares		June 30, 2010	December 31, 2009	June 30, 2009
Closing price[1]	In EUR	1.73	1.69	1.56
Number of shares outstanding	Number (thousand)	28,952	26,309	26,239
Number of shares – diluted	Number (thousand)	28,952	26,309	26,239
Market capitalization	In EUR million	50.1	44.5	40.9
Market capitalization – diluted	In EUR million	50.1	44.5	40.9
Free float	In %	63	86	85
Shareholder Equity	In Mio, EUR	22.6	18.4	16.9
Earnings per share	In EUR	0.01	0.08	0.02

[1] In Xetra

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