Group Management Report For The Three Months Ended

March 31, 2011

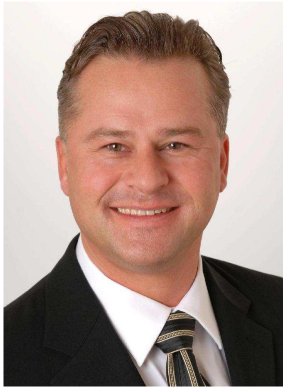
Content

March 31, 2011

Letter to Our Stockholders

Dr. Ludger Vogt

Heinrich Göttler



Ludwig Lutter

Dear stockholders and business partners,

We are pleased to be able to report to you that Intershop has once again had a strong quarter – this time with some new staff members. On April 01, 2011, Ludwig Lutter took over the duties of Chief Financial Officer from Peter Mark Droste, whose contract expired as scheduled on March 31, 2011. The Supervisory Board and Management Board colleagues are pleased to have obtained the services of Mr. Lutter for Intershop, as an experienced manager and proven financial expert.

The first-quarter results are "completely on budget". Contrary to the typical trends of software companies, according to which the first three months tend to be weaker than the following quarters, we once again experienced strong growth. The reason for the big 43% increase in sales to EUR 11.4 million was the very positive trend in our platinum accounts and the new projects acquired. We were not only able to renew our framework agreement with our important customer the Otto Group but also managed to sign another service contract with GSI. In addition, we obtained another platinum account: the CANCOM Group.

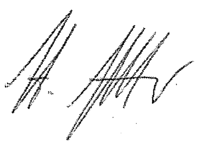
Intershop is on a solid growth path and we are continuing to prepare ourselves for the future. We had comfortable cash reserves of just over EUR 15 million at the end of March 2011 and are making investments in new personnel in order to be able to take full advantage of our positive growth prospects. At the end of March 2011, our team had increased by more than 80 employees relative to the same point in time in the prior year. Or R&D activities are centered on the new version of the Intershop standard software. The new release, which we are developing together with our international partner GSI, will contain a wealth of innovations and enhancements. The new generation of Intershop software contains trailblazing new features that up to now are unique on the market and mark yet another milestone in Intershop's software development.

In late March, eBay announced its intention to take over our partner GSI. You may have already heard about this. If eBay succeeds in its takeover attempt, the operator of the famous auction platform will become our biggest shareholder. We, the Intershop Management Board, expect further innovative ideas and positive effects for our company from this investment.

We thank you for your confidence.

Sincerely,

Dr. Ludger Vogt

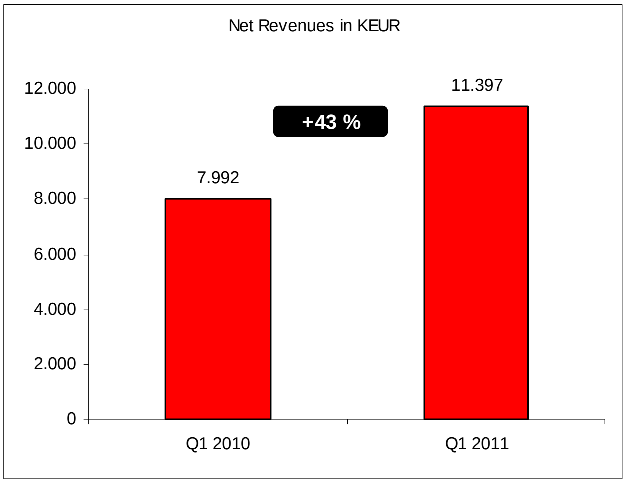


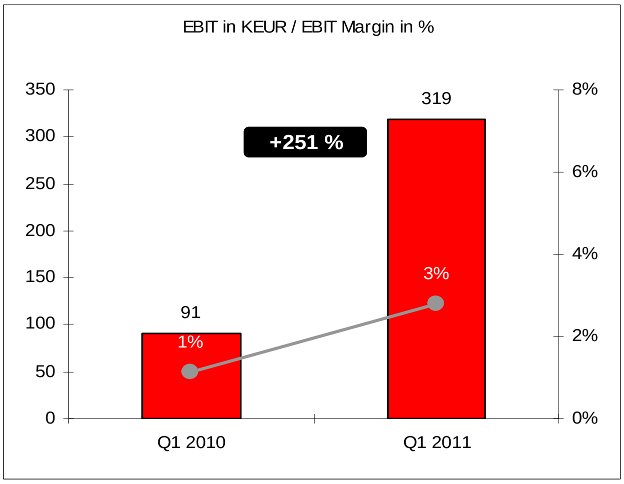
Heinrich Göttler

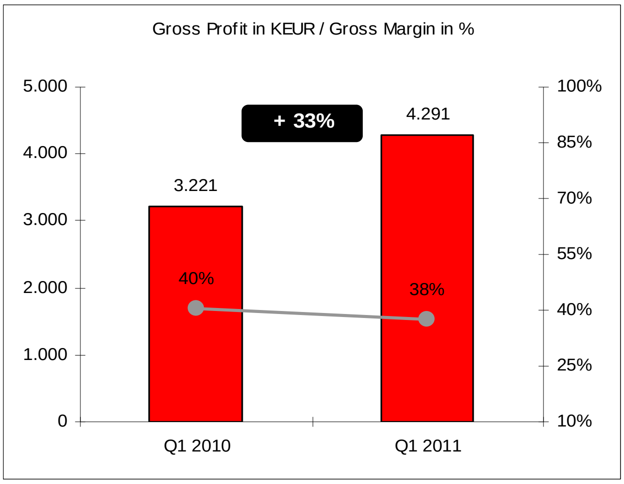
Ludwig Lutter

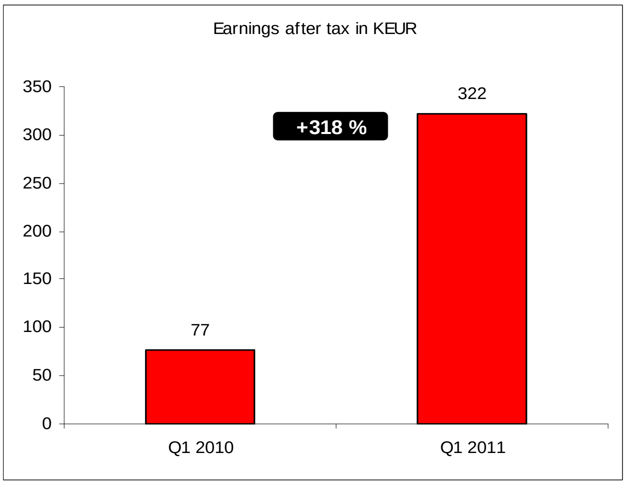
Key Figures for the Group

in EUR thousand	Q1 2011	Q1 2010
Net Revenues	11.397	7.992
Gross Profit	4.291	3.221
Gross Profit Margin	38 %	40 %
EBIT	319	91
EBIT Margin	3 %	1 %
EBITDA	619	652
EBITDA Margin	5 %	8 %
Earnings After Tax	322	77
Earnings Per Share (EUR)	0,01	0,01









Group Management Report

Overall Economy and Industry

The positive trend in the global economy continued in the first quarter of 2011. According to the estimates of the Organization for Economic Cooperation and Development (OECD), the global economic upturn is expected to be more lasting than the one in the fall of 2010. In the first quarter, hardly any of the leading industrial nations underwent such strong growth as Germany. According to the OECD, the growth rate of the Gross Domestic Product was 3.7%. In the second quarter, however, Germany's dynamic economic growth is expected to slow down. That assessment coincides with the latest Business Climate Index of the ifo Institute, which marked a decline for the second month in a row in April. That trend should be assessed as a return to normal following the index's record high in February 2011, however.

The sustained boom in e-commerce is not being strongly affected by the global economic trend. The Internet market continues to report good growth rates. In Germany, the retailers' association HDE [Hauptverband des Deutschen Einzelhandels] is expecting a 10% increase in online retail sales in 2011. The IT market is also displaying continued signs of recovery. According to the March 2011 forecasts of the high-tech association BITKOM, the industry-wide sales for the overall IT and telecommunications market will increase by 2.3% in the current year, and software sales will see above-average growth of 4.5% relative to the prior year.

Revenue Development

In the first quarter of 2011, Intershop once again showed strong growth in sales. With net revenues of EUR 11.4 million, the Company has outperformed the prior-year quarter by 43%. All business segments contributed to the increased sales. The main growth engine, however, was once again the consulting business, which rose from the prior-year figure of EUR 3.8 million to EUR 6.5 million. The reason for the significant improvement is higher sales with platinum accounts.

The segments of licensing (+22 % to EUR 1.0 million) and online marketing (+47 % to EUR 0.8 million) also developed very well in the first three months. It should be borne in mind, in that respect, that the prior-year net revenue from online marketing came out lower than stated in the report for the first quarter of 2010 because of a reclassification of the media costs that does not affect income. The maintenance service sector showed solid growth of 8%, reaching EUR 2.5 million. Other revenues (full service and transaction platform) also grew slightly by 11% to reach EUR 0.5 million.

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

Three Months ended March 31,	2011	2010 adjusted	Change
Licences	**1,015**	**833**	22%
Maintenance	2,533	2,340	8%
Consulting / Training	6,510	3,793	72%
Online Marketing	810	550	47%
Other revenues	529	476	11%
Service, maintenance and other	**10,382**	**7,159**	45%
Net revenue total	11,397	7,992	43%

As in the year 2010 as a whole, the Company's highest revenue-generating existing customers (Platinum Accounts) in the first three months included the Australian telecommunications group Telstra, the mail order business Otto and its subsidiaries, as well as GSI. The new platinum customer, the CANCOM Group, has already made a contribution to our growth. Besides CANCOM, a leading manufacturer-independent IT infrastructure and service provider, Intershop clinched major contracts with the two platinum accounts Otto Group and GSI in the first quarter. With Otto, a 3-year service contract was renewed with sale volume of approximately EUR 5 million. From GSI, Intershop received an order for more services until December 31, 2011, that will likewise generate a sales volume of about EUR 5 million if the services are requisitioned.

The regional revenue breakdown underscores the successful internationalization of Intershop's business, especially in the U.S.A. In the first three months of 2011, more than half of the net revenues (51%) were generated outside Europe. The share of sales earned in the USA was 32%, while the Asia-Pacific Region accounted for 19%. In the prior year, those two regions accounted for 20% each, while Europe achieved 60% of the sales.

Earnings Development

In the first three months, Intershop recorded an EBIT (earnings before interest and taxes) of EUR 319 thousand, compared to EUR 91 thousand in the same period of the prior year. That amounts to 251% growth. Net earnings rose to EUR 322 thousand, a 318% improvement. The reason for the positive trend was significantly higher sales together with a disproportionately low increase in expenses. The gross profit increased from the prior-year figure of EUR 3.2 million to EUR 4.3 million in the reporting year. At 38%, the gross margin was a bit lower than in the prior-year quarter, but that is primarily due to R&D costs being reclassified as production costs. At EUR 619 thousand, the EBITDA was slightly under the prior-year figure of EUR 652 thousand, because the substantially reduced depreciation and amortization represents a smaller share of the total expenditure.

Other operating expenses rose by 33% to EUR 3.8 million. Other operating expenses fell by 37% to EUR 166 thousand. The R&D expenditure rose by 7% to EUR 961 thousand, and the sales and marketing expenditure rose significantly from EUR 948 thousand to EUR 1.5 million in the first three months of 2011. One of the basic causes of that increase was the higher expense for sales partners and more intensive market monitoring. At EUR 1.4 million, general and administrative expenses remained stable relative to the prior-year period. Depreciation and amortization were reduced from the prior-year figure of EUR 561 thousand to EUR 300 thousand in the first quarter of 2011. That basically resulted from the decreased amortization of software development costs.

Earnings before tax amounted to EUR 326 thousand (prior year: EUR 85 thousand). Net profit increased accordingly by 318% to EUR 322 thousand. Earnings per share remained constant at EUR 0.01 (diluted and undiluted).

Net Assets and Financial Position

As of March 31, 2011, Intershop's net assets and financial position were very sound. The equity ratio was 64% and the Company was still free from financial liabilities.

Total assets as of the interim reporting date increased to EUR 39.2 million, from EUR 36.2 million as of the end of 2010. The main reason for the increase is the increased trade receivables connected with the new contracts signed in March 2011. Noncurrent assets remained largely constant, amounting to a total of EUR 10.7 million, EUR 8.8 million of which are intangibles. At EUR 14.8 million, the Company's cash and cash equivalents were still at a very high level (12/31/2010: EUR 16.4 million).

On the equity and liabilities side of the balance sheet, equity increased from EUR 24.6 million to EUR 25.1 million. The increased equity resulted from a share capital increase and the net profit for the quarter.

Noncurrent liabilities fell from EUR 2.1 million at year-end 2010 to EUR 1.9 million due to lower deferred revenue items. Current liabilities amounted to EUR 12.1 million as of March 31, 2011 compared to EUR 9.5 million at year-end 2010. Here, too, deferred revenue items were the main cause of the change, along with higher trade accounts payable.

In the first quarter of 2011, Intershop recorded a net cash outflow from EUR 1.6 million to EUR 14.8 million as of March 31, 2011 At EUR -1.0 million, the cash flow from operating activities in the reporting period was negative, mainly because of the increase in trade receivables. A reduction in trade receivables and a corresponding cash inflow are to be expected in the second quarter of 2011. The cash flow from investment activities was EUR -765 thousand; the EUR 383 thousand inflow from financial activities was the result of a share capital increase.

Research and Development

The Research and Development (R&D) expenses rose from around EUR 900 thousand in the first three months of the prior year to EUR 961 thousand. That figure is basically made up of personnel expenses attributable to R&D, including third-party services. The start-up costs for the subsidiary The Bakery, which were carried as R&D expenses in the prior year, were recognized as production costs in the reporting period.

Just as before, the R&D work in the first quarter was focused on developing a new release of the Intershop standard product, which is scheduled to go on sale in the fall of 2011. The new platform, which is being developed jointly with the strategic partner GSI, will contain a wealth of innovations and enhancements: a total of over 1,500 new features. The key components such as tools for internationalization and for promotion and merchandising have been thoroughly revised. A completely updated rule engine ensures fully rule-based processing sequences and our new reporting tool performs real-time analysis of online customers' shopping behavior. In addition, mobile commerce functionalities have been substantially enhanced in the new version.

Besides continuously developing the software, Intershop participates in research projects on a regular basis. In the first quarter, the "SimProgno" project was launched to research and improve the capture of interactions in e-commerce. The project partners are "Institut für angewandte Informatik e.V." of Leipzig and the Software Engineering Department of Friedrich Schiller University of Jena.

Management Board and Supervisory Board

In the first quarter of 2011, Intershop announced a change of Management Board members.

The Supervisory Board appointed Ludwig Lutter as a member of the Management Board of Intershop Communications effective April 01, 2011. As the Chief Financial Officer at Intershop, Mr. Lutter is in charge of the areas of Finance, Mergers and Acquisitions, IR and PR, as well as the Operations, Legal and Human Resources departments. He succeeds Peter Mark Droste, whose contract expired on March 31, 2011. Mr. Droste was appointed to the Management Board in April 2009.

Employees

Intershop has hired 82 new employees over the past twelve months. As of March 31, 2011, 401 employees were working at Intershop. In August 2010, Intershop launched a new hiring initiative, which is being continued this year. The Company is adjusting its workforce to the new pace of growth. In particular, the number of R&D and service personnel is being increased.

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

Employees by department (full-time equivalents)	March 31, 2011	December 31, 2010	March 31, 2010
Technical Departments (research and development and service functions)	325	289	251
Sales and Marketing departments	34	34	34
General and administrative departments	42	36	34
Total	401	359	319

Group Risks

For information on the Company's risks, please refer to the detailed explanations in the 2010 Annual Report.

Events subsequent to the balance sheet date

Due to the issuance of shares from the Authorized Capital II, subscribed capital of the Company rose by EUR 87,200 to EUR 30,051,984 as of May 4, 2011.

Outlook

According to the IMF (International Monetary Fund) forecasts, global economic growth will be on the order of 4.4% in 2011. The IMF expects a robust 3.0% increase in the gross domestic product in the USA, and 1.8 in for the Euro Zone. In Germany, the IMF estimates growth of 2.2% in the current year. In contrast, in their springtime appraisals, the leading German economists predicted a 2.8% improvement in German economic output. The Euro debt crisis is still considered to be an economic risk here in Germany. Together with rising oil prices and the effects of the natural disasters in Japan, the debt crisis could help increase uncertainty and endanger recovery. For 2012, a slowdown in growth in Germany is generally expected.

In the e-commerce sector, there is a continuing trend towards replacing or supplementing store-based retailers with online sales. According to a recent survey of retailers taken by the consultancy firm Ernst & Young, online sales are considered to have far greater prospects than the other distribution channels. 90% of the respondents rated the chances of growth in online sales as "good" to "very good".

Intershop is continuing to make heavy investments in innovations and new personnel for product development. The Intershop developers are working full steam ahead on the new release of the standard software, whose market launch is planned end of this year. The next generation of Intershop software will contain trailblazing innovations and enhancements. Moreover, through intensive market monitoring and regular participation in research projects, online retail trends are identified early and the range of e-commerce services is being continuously expanded along the process chain.

Overall, Intershop assumes that organic sales growth will be on the order of 10% to 20% in 2011. The investments in product development and the necessary development of the business areas should be taken into account in the result. For 2011 as a whole, Intershop is expecting an EBIT similar to the prior-year level.

Consolidated Balance Sheet

in EUR thousand	March 31, 2011	December 31, 2010
ASSETS		
Noncurrent assets		
Intangible assets	8,839	8,517
Property, plant and equipment	855	705
Other noncurrent assets	27	28
Deferred tax assets	895	895
Restricted cash	66	72
	10,682	**10,217**
Current assets		
Trade receivables	11,789	8,099
Other receivables and other assets	1,567	1,112
Restricted cash	383	383
Cash and cash equivalents	14,784	16,390
	28,523	**25,984**
TOTAL ASSETS	39,205	36,201
SHAREHOLDERS´ EQUITY AND LIABILITIES		
Shareholders´ equity		
Subscribed capital	29,965	29,582
Capital reserve	7,638	7,630
Other reserves	(12,481)	(12,602)
	25,122	**24,610**
Noncurrent liabilities		
Other noncurrent provisions	303	303
Deferred revenue	1,646	1,751
	1,949	**2,054**
Current liabilities		
Other current provisions	885	807
Trade accounts payable	3,733	3,255
Income tax liabilities	474	472
Other current liabilities	3,058	2,775
Deferred revenue	3,984	2,228
	12,134	**9,537**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	39,205	36,201

Consolidated Statement of Comprehensiv Income

	Three months ended March 31,	
in EUR thousand	2011	2010 (adjusted)
Gross Revenues		
Licenses	1,015	833
Services, maintenance and other	11,893	8,540
	12,908	**9,373**
Media costs	**(1,511)**	**(1,381)**
Net Revenues		
Licenses	1,015	833
Services, maintenance and other	10,382	7,159
	11,397	**7,992**
Cost of revenues		
Licenses	(151)	(434)
Services, maintenance and other	(6,955)	(4,337)
	(7,106)	**(4,771)**
Gross profit	4,291	3,221
Operating expenses, operating income		
Research and development	(961)	(900)
Sales and marketing	(1,542)	(948)
General and administrative	(1,387)	(1,393)
Other operating income	166	262
Other operating expenses	(248)	(151)
	(3,972)	**(3,130)**
Result from operating activities	319	91
Interest income	9	9
Interest expense	(2)	(15)
Financial result	**7**	**(6)**
Earnings before tax	326	85
Income taxes	(4)	(8)
Earnings after tax	322	77
Other comprehensive income		
Exchange differences on translating foreign operations	(201)	158
Total comprehensive income	**121**	**235**
Earnings after tax attributable to:		
Shareholders of INTERSHOP Communications AG	**322**	**163**
Minority interest	0	(86)
Total comprehensive income attributable to:		
Shareholders of INTERSHOP Communications AG	**121**	**321**
Minority interest	0	(86)
Earnings per share (EUR, basic)	0.01	0.01
Earnings per share (EUR, basic)	0.01	0.01
Weighted average shares outstanding (basic)	29,808	29,808
Weighted average shares outstanding (diluted)	29,908	30,537

Consolidated Statement of Cash Flows

	Three months ended March 31	
in EUR thousand	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	326	85
Adjustments to reconcile net profit/loss to cash used in operating activities		
Financial result	(7)	6
Depreciation and amortization	300	561
Other noncash expenses and income	8	15
Allowances for doubtful accounts	36	53
Changes in operating assets and liabilities		
Accounts receivable	(3,726)	1,785
Other assets	(455)	(893)
Liabilities and provisions	842	(772)
Deferred revenue	1,650	3,770
Net cash provided by operating activities before income tax and interest	(1,026)	4,610
Interest received	9	9
Interest paid	(2)	(15)
Income taxes paid	(4)	(8)
Net cash (used in) operating activities	(1,023)	4,596
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	7	0
Payments for investments in intangible assets	(528)	(397)
Purchases of property and equipment, net of capital leases	(244)	(93)
Net cash used in investing activities	(765)	(490)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received for unregistered stock	383	26
Expenses of cash received for unregistered stock	0	(7)
Net cash provided by/used in financing activities	383	19
Effect of change in exchange rates	(201)	158
Net change in cash and cash equivalents	(1,606)	4,283
Cash and cash equivalents, beginning of period	16,390	6,314
Cash and cash equivalents, end of period	14,784	10,597

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	Common shares	Subscribed capital
Balance, January 1, 2011	**29,582,305**	**29,582**	**7,630**	**(93)**	**(14,930)**	**2,421**	**24,610**	**0**	**24,610**
Total comprehensive income					322	(201)	121		121
Stock option expense			8				8		8
Issue of new shares	382,479	383					383		383
Balance, March 31, 2011	29,964,784	29,965	7,638	(93)	(14,608)	2,220	25,122	0	25,122
Balance, January 1, 2010	**26,309,094**	**26,309**	**6,728**	**(93)**	**(16,468)**	**2,247**	**18,723**	**(327)**	**18,396**
Total comprehensive income					163	158	321	(86)	235
Stock option expense			15				15		15
Issue of new shares	25,500	26	(7)				19		19
Balance, March 31, 2010	26,334,594	26,335	6,736	(93)	(16,305)	2,405	19,078	(413)	18,665

Notes to the Consolidated Financial Statements as of March 31, 2011

General disclosures

The consolidated financial statements of Intershop Communications AG as of December 31, 2010 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 March 31, 2011 was prepared in accordance with IAS 34, Interim Financial Reporting.

This interim report as of March 31, 2011 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 2010. 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, 2010. The 2010 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 quarter 2011 as against December 31, 2010. In addition to the parent company, the basis of consolidation therefore comprised the following companies as of March 31, 2011:

- 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
- Intershop Communications Australia Pty Ltd, Melbourne, Austalien

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 2010. The policies used are described in detail on pages 42 to 49 of the 2010 Annual Report.

In fiscal 2010, the presentation of the quarterly statements was adjusted to take into account the change in the presentation of the depreciation and amortization of capitalized software development costs. The depreciation and amortization of capitalized software development costs is now carried in the license production costs, thereby reducing the R&D costs.

Equity

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

The subscribed capital increased by EUR 382,479 as of March 31, 2011 to EUR 29,964,784 and is divided into 29,964,784 no-par value bearer shares. The change is attributable to a capital increase from Authorized Capital II due to the exercise of employee stock options.

As of March 31, 2011, the Company had authorized capital of EUR 4,650,440. Authorized Capital I was unchanged at EUR 4,553,103. As a result of the exercise of employee stock options, a capital increase in the amount of EUR 382,479 from Authorized Capital II was implemented as of February 08, 2011. Authorized Capital II was therefore reduced by this amount to EUR 97,337.

The Company's conditional capital remained unchanged compared with December 31, 2010. Its share capital has been increased conditionally by up to EUR 59,584 in order to issue 59,584 shares. Due to options that have expired or were not issued, however, a maximum of 12,500 shares may be issued in future from the conditional capital.

Stock option plans

Option activity under the plans was as follows:

Three months ended March 31,	2011		2010	
	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	**903**	**1.80**	**2,861**	**1.27**
Granted	0	-	0	-
Exercised	(58)	1.70	(61)	1.00
Forfeited	(8)	1.71	(2)	3.00
Outstanding at end of period	837	1.82	2,798	1.28
Exercisable options at end of period	754	1.74	2,533	1.22
Weighted average fair market value of options granted during the year	-	-	-	-

The weighted average share price for the exercised options amounted to EUR 1.94 on the exercise date.

The following table summarizes information with respect to the stock options outstanding on March 31, 2011:

Range of exercise price	Number of options outstanding	Weighted aver-age remaining contractual life	Weighted average exercise price	Number exercisable on March 31, 2011	Weighted average exercise price
(in EUR)	(in thousand)	(in years)	(in EUR)	(in thousand)	(in EUR)
1,00 – 1,50	36	0,2	1,43	27	1,43
1,51 – 2,50	715	0,3	1,71	706	1,71
2,51 – 3,61	86	1,4	2,87	21	2,95
	837	0,4	1,82	754	1,74

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

		Bandwidth from/to	
Expected term	in years	1.00	5.00
Risk-free interest rate	in %	2.71	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 three months of 2011, the Company recognized expenses of EUR 9 thousand relating to the stock option plans. These expenses amounted to EUR 15 thousand in the first three months of 2010. The liabilities under stock option programs amounted to EUR 103 thousand (prior year: EUR 80 thousand) as of the reporting date.

Earnings per share

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

	Three months ended March 31,	
	2011	2010
Basis for calculating basic earnings per share (Earnings after tax attributable to Intershop shareholders)	**322**	**163**
Basis for calculating diluted earnings per share	**322**	**163**

The number of shares is calculated as follows:

	Three months ended March 31,	
	2011	2010
Weighted average number of ordinary shares used to calculate basic earnings per share	**29,808**	**29,808**
Dilutive effect of potential ordinary shares:		
Weighted average number of options outstanding	100	729
Weighted average number of ordinary shares used to calculate diluted earnings per share	**29,908**	**30,537**

The earnings per share is calculated as follows:

	Three months ended March 31,	
	2011	2010
Calculation of earnings per share (basic)		
Basis for calculating basic earning per share (in EUR thousand)	322	163
Weighted average number of shares (basic)	29,808	29,808
Earnings per share (basic) (in EUR)	**0.01**	**0.01**
Calculation of earnings per share (diluted)		
Basis for calculating diluted earnings per share (in EUR thousand)	322	163
Weighted average number of shares (diluted)	29,908	30,537
Earnings per share (diluted) (in EUR)	0.01	0.01
Adjustment of earnings per share (diluted) (in EUR)	**0.01**	**0.01**

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

Segment reporting as of March 31, 2011

in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	774	241	0	0	**1,015**
Consulting and training	2,490	2,997	1,023	0	**6,510**
Maintenance	1,133	309	1,091	0	**2,533**
Online Marketing	810	0	0	0	**810**
Other	434	95	0	0	**529**
Total net revenues from external customers	**5,641**	**3,642**	**2,114**	**0**	**11,397**
Intersegment revenues	329	240	52	(621)	0
Total net revenues	**5,970**	**3,822**	**2,166**	**(621)**	**11,397**
Result from operating activities	**158**	**97**	**64**	**0**	**319**
Financial result					**7**
Earnings before tax					**326**
Income taxes					**(4)**
Earnings after tax					**322**

Segment reporting as of March 31, 2010 (adjusted)

in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli-dation	Group
Net Revenues from external customers					
Licenses	445	388	0	0	**833**
Consulting and training	2,295	777	721	0	**3,793**
Maintenance	1,164	331	845	0	**2,340**
Online Marketing	550	0	0	0	**550**
Other	339	121	16	0	**476**
Total net revenues from external customers	**4,793**	**1,617**	**1,582**	**0**	**7,992**
Intersegment revenues	62	156	0	(218)	0
Total net revenues	**4,855**	**1,773**	**1,582**	**(218)**	**7,992**
Result from operating activities	**53**	**21**	**17**	**0**	**91**
Financial result					**(6)**
Earnings before tax					**85**
Income taxes					**(8)**
Earnings after tax					**77**

Litigation

In the first three months of fiscal 2011, the following changes occurred with respect to the litigation described on pages 72 to 73 of the 2010 Annual Report:

In the legal dispute with one of the enterprise's contract partners, the Company and the contract partner have stated their positions on the transcript of the oral proceedings. No further orders from been delivered by the Regional Court yet. The Company is still of the opinion that the claims are unfounded, both with respect to the underlying grounds and the amount.

The action to rescind and set aside agenda item 1 of the extraordinary Stockholders' Meeting of December 14, 2010 (supervisory board election) has been resolved through a settlement. The settlement between the Company and the shareholder was published in the electronic federal gazette on 7 April 2011 pursuant to §249a and §149 (2) of the Stock Corporation Act [AktG].

The other three actions to rescind and set agenda item 3 of the extraordinary Stockholders' Meeting of December 14, 2010 (authorization for acquisition) have been combined. The Company assumes that the complaints are unfounded and that the resolution adopted in the extraordinary Stockholders' Meeting of December 14, 2010 will remain in effect.

Related party disclosures

In addition to its business relations with the consolidated subsidiaries, Intershop had relations with a company that has investments in Intershop. As of the interim balance sheet date, GSI Commerce Solutions Inc. owned 26.33% of the shares in the Company. The sales earned with the enterprise amounted to EUR 2,519 thousand in the first quarter of 2011. Outstanding receivables amounted to EUR 1,808 thousand as of March 31, 2011. The receivables were made up of trade receivables that were not yet due as of the interim reporting date. Intershop did not procure any goods or services from GSI and there were no liabilities as of March 31, 2011.

Directors' holdings and Securities transactions subject to reporting requirements

As of March 31, 2011, the Management Board member Dr. Ludger Vogt held 70,000 bearer shares of Intershop. No Intershop ordinary bearer shares were purchased or sold by members of the Company's executive bodies or related parties in the first three months of fiscal year 2011.

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		**Q1 2011**	**2010**	**Q1 2010**
Closing price[1]	in EUR	2.19	1.90	1.79
Number of shares outstanding (end of period)	in million shares	29.96	29.58	26.33
Market capitalization	in EUR million	65.62	56.21	47.14
Earnings per share	in EUR	0.01	0.07	0.01
Cashflow per share	in EUR	(0.03)	0.25	0.17
Carrying amount per share	in EUR	0.84	0.83	0.71
Average trading volume per day[2]	Number	78,354	64,171	69,019
Free float	in %	74	73	86

[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.