

Intershop Communications AG  
Consolidated Balance Sheets (U.S.GAAP)  
(in thousands €, except share, unaudited)

	September 30, <u>2005</u>	December 31, <u>2004</u>
	€	€
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	5.037	1.632
Restricted cash	6.207	6.754
Trade receivables, net of allowances for doubtful accounts of €1,578 at December 31, 2004	2.037	2.257
Prepaid expenses and other current assets	2.223	810
Total current assets	15.504	11.453
Property and equipment, net	559	924
Financial investments	59	-
Other assets	27	458
Goodwill	4.473	4.473
<b>Total assets</b>	<b>20.622</b>	<b>17.308</b>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	2.299	1.689
Accrued restructuring costs	1.486	1.778
Other accrued liabilities	3.328	6.565
Deferred revenue	2.981	4.612
Total current liabilities	10.094	14.644
Long-term liabilities, net of current portion	12.164	-
Deferred revenue	-	10
Total liabilities	<b>22.258</b>	<b>14.654</b>
 Shareholders' equity		
Common share, stated value €1-authorized: 75,051,106 shares; outstanding: 8.517.100 shares as per September 30, 2005 and 25,551,412 share as per December 31, 2004	8.517	25.551
Paid-in capital	-	1.710
Accumulated deficit	(12.368)	(27.525)
Accumulated other comprehensive income	2.215	2.919
Treasury Stock	-	(1)
Total shareholders' equity	<b>(1.636)</b>	<b>2.654</b>
<b>Total liabilities and shareholders' equity</b>	<b>20.622</b>	<b>17.308</b>

Intershop Communications AG  
Consolidated Statements of Operations (U.S.-GAAP)  
(In thousands €, except per-share amounts, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
		(corrected)		(corrected)
	€	€	€	€
Revenues				
Licenses	538	310	2.270	1.682
Services, maintenance, and other	3.382	3.802	10.214	11.485
<b>Total revenues</b>	<b>3.920</b>	<b>4.112</b>	<b>12.484</b>	<b>13.167</b>
Cost of revenues				
Licenses	55	116	164	261
Services, maintenance, and other	2.149	2.167	6.542	6.758
<b>Total costs of revenues</b>	<b>2.204</b>	<b>2.283</b>	<b>6.706</b>	<b>7.019</b>
<b>Gross profit</b>	<b>1.716</b>	<b>1.829</b>	<b>5.778</b>	<b>6.148</b>
Operating expenses				
Research and development	630	1.082	2.089	3.125
Sales and marketing	1.531	1.058	4.179	3.766
General and administrative	1.227	1.424	3.225	4.562
Restructuring costs and asset impairment	(152)	233	(146)	381
<b>Total operating expenses</b>	<b>3.236</b>	<b>3.797</b>	<b>9.347</b>	<b>11.834</b>
<b>Operating loss</b>	<b>(1.520)</b>	<b>(1.968)</b>	<b>(3.569)</b>	<b>(5.686)</b>
Other income (expense)				
Interest income	47	45	127	110
Interest expense	(346)	(31)	(921)	(183)
Other income (expense), net	363	135	773	1.056
<b>Total other income (expense)</b>	<b>64</b>	<b>149</b>	<b>(21)</b>	<b>983</b>
<b>Net loss</b>	<b>(1.456)</b>	<b>(1.819)</b>	<b>(3.590)</b>	<b>(4.703)</b>
<b>Basic and diluted result per share</b>	<b>(0,17)</b>	<b>(0,08)</b>	<b>(0,42)</b>	<b>(0,20)</b>
Shares used in computing:				
For basic and diluted result per share	8.517	24.005	8.517	22.993

Intershop Communications AG  
Consolidated Statements of Cashflows (U.S.GAAP)  
(in thousands €, unaudited)

	Nine Months Ended September 30,	
	2005	2004
	€	(corrected) €
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	(3.590)	(4.703)
<i>Adjustments to reconcile net loss to cash used in operating activities</i>		
Depreciation and amortization	529	352
Non-cash effects from deconsolidation	(748)	(679)
Costs of zero-coupon convertible bond	159	
Provision for doubtful accounts	98	(76)
(Gain) Loss on disposal of property and equipment	(31)	(24)
<i>Changes in operating assets and liabilities</i>		
Accounts receivable	117	1.332
Prepaid expenses and other current assets	(129)	298
Other assets	(82)	88
Accounts payable	643	792
Deferred revenue	(1.479)	(945)
Accrued restructuring costs	(292)	(597)
Accrued expenses and other liabilities	(2.052)	599
Net cash used in operating activities	<b>(6.857)</b>	<b>(3.563)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Restricted cash	547	(564)
Proceeds on disposal of equipment	32	(251)
Purchases of property and equipment, net of capital leases	(185)	(31)
Net cash (used in) provided by investing activities	<b>394</b>	<b>(846)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from sale of common shares	-	5.233
Proceeds from placement of zero-coupon convertible bond	11.331	
Payment for costs of the zero-coupon convertible bond	(1.353)	
Net cash provided by financing activities	<b>9.978</b>	<b>5.233</b>
Effect of change in exchange rates on cash	(110)	135
Net change in cash and cash equivalents	3.405	959
Cash and cash equivalents, beginning of period	<b>1.632</b>	<b>2.611</b>
<b>Cash and cash equivalents, end of period</b>	<b>5.037</b>	<b>3.570</b>

Intershop Communications AG  
Consolidated Statement of Shareholders' Equity  
(in thousands €, except share data)

	Common Shares	Common Shares Stated Value	APIC	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Shareholders' Equity
<b>Balance, January 1, 2003</b>	<b>19.306.400</b>	<b>19.306</b>	<b>-</b>	<b>4.124</b>	<b>2.942</b>	<b>-</b>	<b>26.372</b>
Other comprehensive loss:							
Net loss				(20.140)			(20.140)
Foreign currency translation adjustments					(83)		(83)
Unrealized gain (loss) on available for sale security, net					189		189
Comprehensive loss							(20.034)
Conversion of common stock of subsidiary to common stock of parent	2.499.999	2.500		(2.500)			-
Conversion of preferred stock of subsidiary to common stock of parent	228.900	229		(229)			-
<b>Balance, December 31, 2003</b>	<b>22.035.299</b>	<b>22.035</b>	<b>-</b>	<b>(18.745)</b>	<b>3.048</b>	<b>-</b>	<b>6.338</b>
Other comprehensive loss:							
Net loss				(8.776)			(8.776)
Foreign currency translation adjustments					(129)		(129)
Comprehensive loss							(8.905)
Purchase of common stock						-40	-40
Re-issuance of treasury stock				(4)		39	35
Issuance of common bearer stock, rights issue	3.516.113	3.516	1.710				5.226
<b>Balance, December 31, 2004</b>	<b>25.551.412</b>	<b>25.551</b>	<b>1.710</b>	<b>(27.525)</b>	<b>2.919</b>	<b>(1)</b>	<b>2.654</b>
Other comprehensive loss:							
Net loss (unaudited)				(3.590)			(3.590)
Foreign currency translation adjustments (unaudited)					(704)		(704)
Comprehensive loss							(4.294)
Re-issuance of treasury stock (unaudited)				3		1	4
Simplified withdrawal of shares (unaudited)	(112)						-
Simplified capital decrease (unaudited)	(17.034.200)	(17.034)	(1,710)	18.744			-
<b>Balance, September 30, 2005</b>	<b>8.517.100</b>	<b>8.517</b>	<b>-</b>	<b>(12.368)</b>	<b>2.215</b>	<b>-</b>	<b>(1.636)</b>