

GFT Technologies AG's Statement of Compliance with the German Corporate Governance Code in accordance with § 161 AktG*

(Issue: December 17, 2004)

The Management Board and Supervisory Board of GFT Technologies AG accept the recommendations of the Government Commission for the German Corporate Governance Code, as issued on May 21, 2003, and have complied with these in the 2004 financial year respectively will comply with these in the 2005 financial year, apart from the exceptional cases detailed below:

2.2.2. "When new shares are issued, shareholders, in principle, have pre-emptive rights corresponding to their share of the equity capital."

At the issuance of new shares, in principle GFT grants its shareholders a subscription right. However, on the basis of the company's articles of association, the Management Board is entitled, with the consent of the Supervisory Board, to exclude this shareholder subscription right in cases of capital increases in return for contributions in kind and to exclude residual amounts from the subscription right.

4.2.3. Paragraph 3 "The salient points of the compensation system and the concrete form of a stock options scheme or comparable instruments for components with long-term incentive effect and risk elements shall be published on the company's website in plainly understandable form and be detailed in the annual report. This shall include information on the value of stock options."

As the Management Board no longer disposes of stock options and is not preparing to issue a new options program at present, we only report on the terms and conditions of the current options program in the annual report.

4.2.3 Paragraph 4 "The Chairman of the Supervisory Board shall outline the salient points of the compensation system and any changes thereto to the General Meeting."

This Code recommendation is not complied with in the 2004 financial year.

As the compensation system of the Management Board is customary to the trade and does not include any stock options, the Chairman of the Supervisory Board will not report on the main features of the compensation system and modifications to it at the annual general meeting.

This Code recommendation will be complied with in the calendar year 2005.

The Chairman of the Supervisory Board will outline the salient points of the compensation system and any changes thereto to the General Meeting that resolves upon the discharge for the 2004 financial year.

4.2.4. "Compensation of the members of the Management Board shall be reported in the Notes of the Consolidated Financial Statements subdivided according to fixed, performance-related and long-term incentive components. The figures shall be individualized."

GFT will maintain its customary report structure, which shows the Management Board members' salaries only for the Management Board collectively, with a breakdown of total compensation and components with long-term incentives (e.g. stock options) if applicable.

5.3.2. "The Supervisory Board shall set up an Audit Committee which, in particular, handles issues of accounting and risk management, the necessary independence required of the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement. The Chairman of the Audit Committee should not be a former member of the Management Board of the company."

The above-mentioned tasks are performed by GFT's economic committee, to which all its Supervisory Board members belong. This ensures that all its Supervisory Board members receive the same quality and volume of information. In practice, detailed notification of the entire Supervisory Board with regard to the quarterly and annual financial statements and risk management plus an extensive discussion of these issues with the qualified auditor has proved successful at GFT.

5.4.5. Paragraph 2 "Members of the Supervisory Board shall receive fixed as well as performance-related compensation. Performance-related compensation should also contain components based on the long-term performance of the enterprise."

The compensation of Supervisory Board members at GFT is relatively low in comparison with other

companies. In view of the company's economic context, an increase in compensation, even in the sense of a variable, performance-related component, does not seem appropriate at present.

5.4.5. Paragraph 3 "The compensation of the members of the Supervisory Board shall be reported in the Notes of the Consolidated Financial Statements, subdivided according to components. Also payments made by the enterprise to the members of the Supervisory Board or advantages extended for services provided individually, in particular, advisory or agency services shall be listed separately in the Notes to the Consolidated Financial Statements."

This Code recommendation is not complied with in the 2004 financial year.

GFT will maintain its customary report structure, which shows the total compensation of the Supervisory Board collectively.

This Code recommendation will be complied with in the calendar year 2005.

The compensation of the members of the Supervisory Board will be reported in the Notes of the Consolidated Financial Statements of the 2005 financial year, subdivided according to components. Also payments made by the enterprise to the members of the Supervisory Board or advantages extended for services provided individually, in particular, advisory or agency services will be listed separately in the Notes to the Consolidated Financial Statements of the 2005 financial year.

St. Georgen, December 13, 2004