

A horizontal banner with a background of a blurred image of a person's hand. The banner is divided into four colored sections: blue, dark green, light green, and grey. The text "Interim Report as of September 30, 2004" is centered in white on the blue section.

Interim Report
as of September 30, 2004

GFT Group at a glance

	01/01-30/09/2004	01/01-30/09/2003
Financial figures according to IFRS	€(k)	€(k)
Turnover	90,008	103,920
EBIT	-3,048	-8,766
Amortization and depreciation	3,128	5,127
Amortization of goodwill	1,759	2,608
EBITDA	81	-3,639
Result before income tax (EBT)	-2,775	-8,502
Nine months' deficit	-3,709	-6,022
Cash-flows from operating activities	-13,259	-8,686
Earnings per share according to DVFA/SG	-0.11 €	-0.24 €
Earnings per share according to DVFA/SG pre goodwill amortization	-0.04 €	-0.14 €
Employees, average for the period	1,040	1,026
Employees, absolute as of 30/09	1,035	1,006



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Executive Board's Report

Business development

True to expectations, GFT performed strongly in the third quarter of the current financial year. With a clear increase in turnover and positive results, we succeeded in turning the tide: in the first nine months of 2004 we were back in the black in terms of EBITDA and recorded positive pre-tax earnings for the third quarter. We stand by our predictions for the remainder of the current financial year and still expect GFT to achieve positive EBITDA in the 2004 financial year and balanced earnings before taxes in the second half of the year. The stability of our business development will enable us to generate further improvements in our pre-tax earnings for the fourth quarter in relation to the third quarter of 2004.

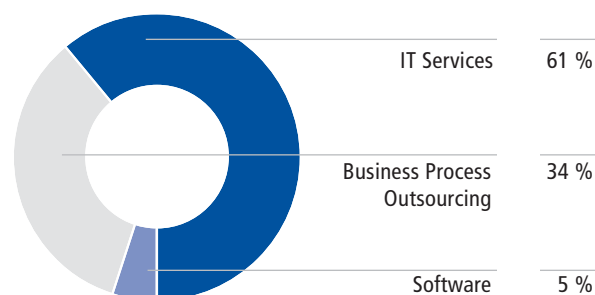
In the first nine months of the 2004 financial year, the GFT Group achieved turnover of € 90.0m. Third-quarter turnover was € 32.7m, a rise of almost 13 % in relation to the second quarter. This was achieved despite the fact that turnover is normally weaker in the main summer vacation period. Turnover fell by approx. 13 % in comparison to the first nine months of the 2003 financial year (€ 103.9m).

Our clients responded very favorably to GFT as a partner with reliable and easy-to-utilize international production facilities and they made intensive demands of us. Increased third-quarter turnover is attributable both to rising demand in the project sector – where a significant new collaboration was agreed with Deutsche Bank – and in the business process outsourcing sector. emagine GmbH, that enables its clients to outsource management of all non-strategic IT providers, gained the IT subsidiary of a leading insurance group as a new client in the third quarter.

Distribution of turnover by segment

Since the second quarter of 2004, the group's business divisions have been divided into the IT Services, Business Process Outsourcing (BPO) and Software segments. The IT Services segment comprises all the group's activities associated with IT solutions. The Business Process Outsourcing segment comprises the placement of freelance IT specialists plus the annual general meeting service. The Software segment relates to GFT's development and

Percentage turnover distribution in the GFT Group by business segments



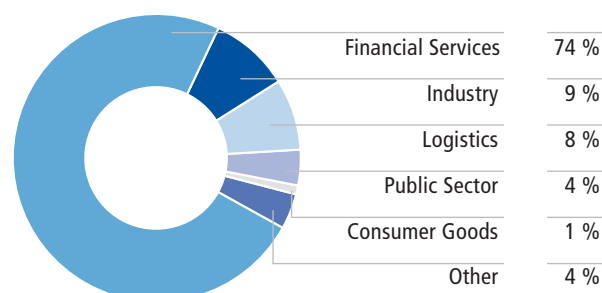
distribution of its own software products and to associated services.

Turnover distribution by segment was as follows as of September 30, 2004. The IT Services segment recorded a share of turnover of approx. 61 % (€ 54.4m). The share provided by the Business Process Outsourcing segment was almost 34 % (€ 30.8m). In the Software segment a share of turnover of approx. 5 % (€ 4.8m) was achieved. Accordingly, the distribution of turnover by segment altered only slightly compared to the first half of 2004.

Distribution of turnover by industries

The financial services sector remains the GFT Group's most important market. In the first nine months of 2004 it accounted

Percentage turnover distribution in the GFT Group by industries

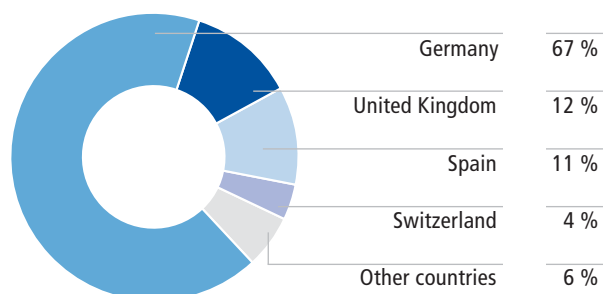


for almost 74 % of turnover. This sector's share of turnover thus remained constant compared to the same period in the previous year. The proportion of turnover provided by industrial clients rose from 7 % to 9 % in relation to the first nine months of the previous year, whereas the logistics sector's share fell by 3 percentage points to 8 %. The share of turnover provided by the public sector increased to almost 4 % in the period under review, a rise of 3 percentage points compared to the same period in the previous year. The consumer goods sector (1 %) and the segment for other clients (4 %) both declined in significance by one percentage point.

Distribution of turnover by countries

As of September 30, 2004 the GFT Group achieved approx. 67 % (€ 60.0m.) of its overall turnover with clients in its domestic German market, 8 percentage points less than as of September 30, 2003. Accordingly, the turnover achieved by the GFT Group with clients outside Germany proportionately increased and amounted to € 30.0m. or approx. 33 %. The British and Spanish sales markets remain the most important ones. In the first nine months of the 2004 financial year, turnover of € 10.9m. was achieved with clients in the United Kingdom. This corresponds to a proportion of approx. 12 % and an increase of 3 percentage points compared to the same period in the previous year. The share of turnover achieved with clients in Spain increased by 2 percentage points and now amounts to approx. 11 % (€ 9.9m.). Clients from other countries – including Austria, France, Hungary and increasingly also the USA – made a far stronger turnover contribution in the first nine months of the present financial year than in the previous year. Their overall share increased by 4 percentage points to 6 % (€ 5.5m.). The share of turnover provided by Swiss clients fell by 1 percentage point to 4 % (€ 3.7m.).

Percentage turnover distribution in the GFT Group by countries



Demand and capacity utilization

Whereas second-quarter capacity utilization differed from office to office in the GFT Group, it was satisfactory for all its locations in the third quarter, both in Germany and abroad. The current

orders situation has demonstrated that our decision to retain our capacities in Germany was right. Capacity utilization at our office in India has also increased considerably in the past three months. This provides further proof of the success of our international production concept and its utilization by our clients. We predict ongoing satisfactory capacity utilization for the fourth quarter.

Earnings

As expected, in the third quarter of the current financial year we turned the tide in terms of our results. In the first nine months of 2004 we registered positive EBITDA figures. Particularly with regard to the third quarter, all other earnings indicators were positive again.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 1.3m. in the third quarter of 2004, having been € -0.6m. each in the first and second quarters. This enabled us to compensate for the shortfall of the first six months. This figure was thus positive on September 30, 2004, amounting to €(k) 81 (September 30, 2003: € -3.6m.). We continue to predict positive EBITDA for 2004 as a whole.

The GFT Group's earnings before taxes amounted to € 0.4m. in the third quarter of 2004. This figure thus improved from € -3.2m. as of June 30, 2004 to € -2.8m. as of September 30, 2004. On September 30, 2003 earnings before taxes amounted to € -8.5m., but they were affected by non-recurring items relating to restructuring costs and by other operating income in the amount of € 2.6m. Comparable earnings before taxes for the same period in the previous year accordingly amounted to € -5.9m.

After taking into consideration taxes on income and minority interests, the GFT Group recorded a surplus of €(k) 36 in the third quarter of 2004. Its deficit on September 30, 2004 thus amounted to € -3.7m. At the same point in the previous year its deficit had amounted to € -6.0m.

Earnings per share as per DVFA/SG methods before goodwill amortization amounted to € -0.04. After goodwill amortization, this figure was € -0.11. This relates to an average figure of 26,325,946 outstanding shares. An interim dividend will not be paid out.

Cost and price trends

The GFT Group's operating costs amounted to € 94.7m. on September 30, 2004. Of this, € 33.0m. related to the third quarter. The group's costs thus once again rose compared to the first two quarters of 2004. This is mainly due to a higher cost of materials. Operating costs were reduced by approx. 20 %

compared to the same period in the previous year, which was affected by restructuring costs (September 30, 2003: € 118.6m.).

The cost of materials – which mainly comprises the costs of services purchased from freelance employees – amounted to € 35.1m. in the first nine months of the current financial year. This cost increased from € 10.8m. in the second quarter of 2004 to approx. € 13.3m. in the third. In comparison to the first nine months of the previous year – in which the cost of materials amounted to € 46.7m. – it was reduced by 25 %. The average number of freelance employees working in the project business in the first nine months of 2004 increased to 63 (June 30, 2004: 59).

Personnel expenses amounted to approx. € 42.2m. on September 30, 2004. While these expenses amounted to € 14.1m. in the second quarter, in the third they were once again reduced slightly to € 13.8m. In comparison to September 30, 2003 (€ 49.1m.), personnel expenses were reduced by 14 % during the period under review. In contrast, the average number of permanent employees increased from 1,026 at the same point in the previous year to 1,040 on September 30, 2004. This trend reflects a shift of personnel to international locations with lower wage and ancillary wage costs.

In the third quarter depreciation on intangible and tangible fixed assets amounted to €(k) 429, €(k) 33 less than the corresponding figure in the previous quarter. At €(k) 583, goodwill amortization was slightly below the figure for the previous quarter (€(k) 588). This is due to the deconsolidation of GFT Systems GmbH from the GFT Group.

The other operating expenses fell slightly in the third quarter of 2004 in relation to the second and amounted to € 4.9m. Compared to the first nine months of the previous year, the other operating expenses were reduced by 19 % from € 17.6m. to € 14.3m. As of September 30, 2004 this other operating expenditure consisted of operating expenses (€ 4.6m.), sales expenses (€ 5.6m.) and administrative and other expenses (€ 4.1m.).

The non-recurring deconsolidation costs resulting from the sale of GFT Systems in the third quarter of 2004 amounted to € 0.8m. As partial compensation for this non-recurring item, accruals no longer required for operating purposes were released in the amount of € 0.6m., thus increasing earnings.

The price pressure from our clients remains obvious as the market environment is still strongly competitive. The GFT Group already reacted to this market situation in the past financial year. With its international production network it is now more than ever able to react to this trend without suffering losses in project business. It is necessary to develop a concept for the intense price war in the current market environment so as to acquire more major projects.

Liquidity

The GFT Group's available cash – that is, its liquid funds and marketable securities less its net payables to banks – amounted to € 21.5m. on September 30, 2004, a slight increase of € 0.8m. compared to June 30, 2004. This is due not least to its considerably improved third-quarter results. The outstanding payments from a client in the United Kingdom – which were delayed in the second quarter and thus led to higher trade receivables – were for the most part entered in the books during the third quarter.

Investments

In the first nine months of the current financial year, investments in the GFT Group amounted to approx. €(k) 699. Investments in intangible fixed assets amounted to €(k) 261, investments in tangible fixed assets to €(k) 438.

Employees

As of September 30, 2004 the GFT Group had 1,035 permanent employees. This corresponds to a decrease of 17 employees compared to June 30, 2004 but an increase of 29 compared to the same point in the previous year. On average, in the first nine months of the current financial year the GFT Group had 1,040 employees, compared to 1,026 in the first nine months of the previous year.

The development of the GFT Group's employee structure reflects the expansion of its international production concept. The proportion of employees outside Germany once again increased in the third quarter. On September 30, 2004 720 employees – almost 70 % of the workforce – were based in offices outside Germany, while 315 employees – approx. 30 % of our workforce – were based in Germany. On June 30, 2004 approx. 35 % of the employees were based in Germany, whereas in the first nine months of the previous year this figure was still approx. 47 %.

The shift of personnel to GFT's international offices in the third quarter is due, on the one hand, to the fact that GFT Systems GmbH – with an office in Germany and 52 employees – withdrew from the GFT Group's consolidated group. On the other hand, the Spanish subsidiaries in particular appointed new employees to support the nearshore implementation of client projects.

Research and development

In the GFT Group expenditure on research and development, mainly consisting of personnel costs, amounted to a total of approx. € 4.1m. between January and September 2004. At

€ 1.3m. in the third quarter, this expenditure was reduced slightly in relation to a figure of € 1.5m. in the second quarter of 2004. Compared to the previous year, expenditure on research and development increased. On September 30, 2003 it had totaled € 3.3m.

Significant events during the third quarter

During the third quarter of 2004 the Executive Board of GFT Technologies AG continued to focus on the company's core activities. In this connection, GFT Systems GmbH was withdrawn from the GFT Group's network with effect as of August 19, 2004. GFT Technologies AG sold 71 % of its shares to the existing management of GFT Systems and now only holds 10 % of the shares. Being long-term partners, the two companies will continue to work in close cooperation.

In September 2004 GFT extended its strategic partnership with Deutsche Bank for the development and maintenance of a number of core banking applications in Germany. This was confirmed with another collaboration. The annual turnover volume resulting from this contract amounts to approx. € 6m. Deutsche Bank and GFT are thus continuing their long-term partnership. Deutsche Bank is also supporting GFT's strategy of increasing the free float of shares and has lowered its shareholding to just below 20 %.

Significant events following the end of the quarter

On October 20, 2004 the merger of GFT Financial Solutions GmbH with GFT Technologies AG became legally effective. The merger of the previously fully consolidated subsidiary with the parent company can now occur with retrospective effect as of January 1, 2004. The annual general meeting already agreed to the merger in June 2004, which is mainly beneficial for tax reasons.

Outlook for the current financial year

Positive turnover development in the third quarter is attributable to increased demand on the part of our German and foreign clients. The high rate of utilization of our employees' capacities coming along with this has led to a positive quarterly result.

We were more than able to compensate for the continuing price pressure through increased project volumes. Our strengthened and focused sales activities in France, Germany, Spain and the United Kingdom played a crucial role in this trend.

We expect that in the fourth quarter of 2004 GFT will fall slightly short of its third-quarter turnover due to vacation time at the end of the year, but that it will see a further improvement in its earnings before taxes. For the second half of 2004 overall we predict turnover of € 65m. and earnings before taxes in excess of € 1m.

The Executive Board would like to thank all the company's employees for their great dedication and all its clients, partners and shareholders for their confidence and loyalty.

St. Georgen, November 4, 2004

The Executive Board



Ulrich Dietz



Marika Lulay



Dr. Jochen Ruetz

GFT Technologies Aktiengesellschaft, St. Georgen

Group Balance Sheet as of September 30, 2004 (IFRS)

Assets	9 Months 01/01-30/09/2004 €	Annual Accounts 01/01-31/12/2003 €(k)
Current assets		
Cash and cash equivalents	11,790,199.58	32,718
Short-term investments / marketable securities	10,248,995.12	3,310
Trade accounts receivable	23,663,645.54	16,548
Accounts receivable due from related parties	0.00	0
Inventories	10,875.07	101
Deferred tax assets	0.00	0
Prepaid expenses and other current assets	2,051,883.15	1,921
Others	0.00	0
Total current assets	47,765,598.46	54,598
Long-term assets		
Property, plant and equipment	2,833,308.66	3,440
Intangible assets	522,001.85	706
Goodwill	15,913,219.24	17,933
Investments	0.00	0
Financial assets at equity	0.00	0
Notes receivable / loans	0.00	0
Deferred taxes	6,438,546.17	6,672
Other assets	216,886.82	221
Others	0.00	0
Total long-term assets	25,923,962.74	28,972
Total assets	73,689,561.20	83,570

GFT Technologies Aktiengesellschaft, St. Georgen

Group Balance Sheet as of September 30, 2004 (IFRS)

Liabilities and shareholders' equity		
	9 Months 01/01-30/09/2004 €	Annual Accounts 01/01-31/12/2003 €(k)
Current liabilities		
Current portion of capital lease obligation	0.00	0
Short-term debt and current portion of long-term debt	567,501.53	10
Trade accounts payable	9,951,384.77	10,775
Liabilities within the group	0.00	0
Advanced payment received	1,244,607.64	3,113
Accrued expenses	11,981,812.10	14,724
Deferred revenues	1,097,032.05	631
Income tax payable	1,179,714.10	773
Deferred taxes	0.00	0
Other current liabilities	3,110,316.49	4,894
Others	0.00	0
Total current liabilities	29,132,368.68	34,920
Long-term liabilities		
Long-term debt, less current portion	3,538.89	3
Capital lease obligations, less current portion	0.00	0
Deferred revenues	0.00	0
Deferred taxes	651,412.87	629
Pension accrual	630,445.00	705
Others	0.00	0
Total long-term liabilities	1,285,396.76	1,337
Minority interests	0.00	329
Shareholders' equity		
Share capital	26,325,946.00	26,326
Additional paid-in capital	67,346,563.99	67,347
Treasury stock	0.00	0
Legal reserve	1,387.65	1
Other revenue reserves	2,343,349.97	2,343
Currency translation adjustment	55,725.67	116
Accumulated deficit	-52,801,177.52	-49,149
Total shareholders' equity	43,271,795.76	46,984
Total liabilities and shareholders' equity	73,689,561.20	83,570

GFT Technologies Aktiengesellschaft, St. Georgen

Group Profit and Loss Statement from July 1 until September 30, 2004 (IFRS)

Income Statement		
	3 Months 01/07-30/09/2004 €	3 Months 01/07-30/09/2003 €(k)
Turnover	32,663,578.28	33,344
Other operating income	1,066,989.87	795
Changes in inventories of work in progress	0.00	0
Production of own fixed assets capitalized	0.00	0
Cost of purchased materials and services	-13,293,206.83	-15,713
Personnel expenses	-13,835,404.63	-13,907
Depreciation and amortization	-429,169.41	-790
Amortization of goodwill	-582,950.96	-869
Other operating expenses	-4,874,502.47	-4,091
Others	0.00	0
Operating income/loss	715,333.85	-1,231
Interest income and expenditure	127,446.85	50
Income from investments and participations	0.00	0
Income/expenses from financial assets at equity	0.00	0
Foreign currency losses	-184,662.19	-115
Other income/expenses	-222,893.25	5
Result before income tax (and minority interest)	435,225.26	-1,291
Income tax	-399,540.29	461
Extraordinary income/expenses	0.00	0
Result before minority interest	35,684.97	-830
Minority interest	3,828.28	-50
Net income/loss	39,513.25	-880
Net income per share (basic)	0.00 €	-0.03 €
Net income per share (diluted)	0.00 €	-0.03 €
Weighted average shares outstanding (basic)	26,325,946	26,325,946
Weighted average shares outstanding (diluted)	26,325,946	26,325,946

GFT Technologies Aktiengesellschaft, St. Georgen

Group Profit and Loss Statement from January 1 until September 30, 2004 (IFRS)

Income Statement		
	9 Months 01/01-30/09/2004 €	9 Months 01/01-30/09/2003 €(k)
Turnover	90,008,087.10	103,920
Other operating income	2,031,246.82	6,084
Changes in inventories of work in progress	0.00	0
Production of own fixed assets capitalized	0.00	0
Cost of purchased materials and services	-35,050,614.28	-46,739
Personnel expenses	-42,250,859.37	-49,120
Depreciation and amortization	-1,369,857.49	-2,519
Amortization of goodwill	-1,758,878.41	-2,608
Other operating expenses	-14,286,359.90	-17,628
Others	0.00	0
Operating loss	-2,677,235.53	-8,610
Interest income and expenditure	273,240.70	264
Income from investments and participations	0.00	0
Income/expenses from financial assets at equity	0.00	0
Foreign currency losses	-147,733.68	-130
Other income/expenses	-222,893.25	-26
Result before income tax (and minority interest)	-2,774,621.76	-8,502
Income tax	-933,973.63	2,480
Extraordinary income/expenses	0.00	0
Result before minority interest	-3,708,595.39	-6,022
Minority interests	56,532.23	-11
Net loss	-3,652,063.16	-6,033
Net income per share (basic)	-0.14 €	-0.23 €
Net income per share (diluted)	-0.14 €	-0.23 €
Weighted average shares outstanding (basic)	26,325,946	26,325,946
Weighted average shares outstanding (diluted)	26,325,946	26,325,946

GFT Technologies Aktiengesellschaft, St. Georgen

Group Cash-flow Statement from January 1 until September 30, 2004 (IFRS)

Cash-flow statement		
	9 Months 01/01-30/09/2004 €	9 Months 01/01-30/09/2003 €(k)
Cash-flows from operating activities		
Annual result	-3,652,063.16	-6,033
Adjustments for:		
Minority interests	-56,532.23	11
Depreciation	3,210,897.32	5,127
Changes in accruals and value adjustments	-2,097,042.28	1,608
Loss/profit on disposals of fixed assets	26,305.14	-24
Foreign currency gains/losses	-147,733.68	-131
Others	912,214.85	26
Changes in working capital	-11,454,841.68	-9,270
Cash-flows from operating activities	-13,258,795.72	-8,686
Cash-flows from investing activities		
Acquisition of subsidiaries less acquired cash funds	0.00	0
Proceeds from the sale of subsidiaries less acquired cash funds	630,165.77	-2
Acquisition of fixed assets	-781,247.95	-676
Proceeds from the sale of fixed assets	11,428.42	53
Others	-7,754,729.97	288
Cash-flows from investments	-7,894,383.73	-337
Cash-flows from financing activities		
Inflows from equity contribution	0.00	0
Cash proceeds from issuing short or long term bonds/loans	557,949.69	140
Payments related to repayments of bonds/loans	0.00	-452
Outflow from financial leasing	0.00	0
Others	-332,328.81	-43
Cash-flows from financing	225,620.88	-355
Foreign exchange adjustments from liquid funds	0.00	0
Decrease in liquid funds	-20,927,558.57	-9,378
Liquid funds at the beginning of period	32,717,758.15	34,936
Liquid funds at the end of period	11,790,199.58	25,558

GFT Technologies Aktiengesellschaft, St. Georgen

Changes of the Equity Capital Entries of GFT Group as of September 30, 2004

Changes of the equity capital entries							
	Share capital	Additional paid-in capital	Legal reserve	Other revenue reserves	Currency translation adjustment	Group retained earnings	Total
	€	€	€	€	€	€	€
As of 01/01/2003	26,325,946.00	67,346,563.99	1,387.65	2,343,349.97	138,530.56	-31,433,001.47	64,722,776.70
Currency changes							
01/01-30/09/2003					-43,219.66		-43,219.66
Net loss after other shareholders' share or net earnings							
01/01-30/09/2003						-6,032,700.87	-6,032,700.87
As of 30/09/2003	26,325,946.00	67,346,563.99	1,387.65	2,343,349.97	95,310.90	-37,465,702.34	58,646,856.17
Currency changes							
01/01-31/12/2003					-22,570.93		-22,570.93
Net loss after other shareholders' share or net earnings							
01/01-31/12/2003						-17,716,112.89	-17,716,112.89
As of 31/12/2003	26,325,946.00	67,346,563.99	1,387.65	2,343,349.97	115,959.63	-49,149,114.36	46,984,092.88
Currency changes							
01/01-30/09/2004					-60,233.96		-60,233.96
Net loss after other shareholders' share or net earnings							
01/01-30/09/2004						-3,652,063.16	-3,652,063.16
As of 30/09/2004	26,325,946.00	67,346,563.99	1,387.65	2,343,349.97	55,725.67	-52,801,177.52	43,271,795.76

GFT Technologies Aktiengesellschaft, St. Georgen

Notes to the Quarterly Financial Statements (Interim Report) of the GFT Group as of September 30, 2004

1. Fundamentals for the GFT Group's quarterly financial statements

The quarterly financial statements of the GFT Technologies Aktiengesellschaft Group ("GFT AG") should be read in conjunction with the GFT AG group annual financial statements as of the end of the last financial year (December 31, 2003). They were drawn up in € in accordance with standard principles of accounting and valuation and conform to the prescriptions set out in IAS 34 and the regulations for the Frankfurt Stock Exchange.

The same accounting and valuation methods were used in these quarterly financial statements as in the previous group annual financial statements as of December 31, 2003. These are the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) which were applicable on the closing date. In accordance with the rules governing their initial application, the standards which came into force for the first time at the start of the 2004 financial year will not apply until the 2005 financial year. The new standards do not therefore affect the comparability of these quarterly financial statements and the figures for the previous year.

2. Changes to the consolidated group and its associated companies

There have been the following changes to the consolidated group since the group annual financial statements as of December 31, 2003.

On August 19, 2004 GFT AG sold 71.0 % of the shares in its subsidiary GFT Systems GmbH, Ilmenau, thus reducing its investment from 81.0 % to 10.0 %. GFT Systems GmbH left the consolidated group on August 19, 2004. GFT Systems GmbH contributed 1.4 % of group turnover in the 2003 financial year and 1.0 % in the first half of 2004. Its withdrawal had no significant effect on the group's assets, financial and earnings position, apart from a disposal loss in the amount of €(k) 771.

The previously fully consolidated subsidiary GFT Financial Solutions GmbH, Eschborn, merged with GFT AG (the acquiring entity) on January 1, 2004. On the balance sheet date September 30, 2004 this merger was not yet valid. It became valid on October 20, 2004. The merger had no effect on the GFT Group's quarterly financial statements as of September 30, 2004.

The consolidated group has undergone the following changes since the quarterly financial statements as of September 30, 2003.

On October 29, 2003 GFT Technologies AG concluded an agreement to purchase all the shares in eQuadriga Software Private Limited, Trichy, India. At the time of preparation of these quarterly financial statements, the passage of ownership had not yet become legally effective. However, since October 29, 2003 GFT Technologies AG has controlled eQuadriga Software Private Limited, determined its business and financial policy and enjoyed the benefits and borne the burdens associated with this investment. GFT Technologies AG accordingly considers itself to have economic ownership of the company and has included eQuadriga Software Private Limited in its group financial statements since the date of economic acquisition, October 29, 2003. The inclusion of eQuadriga Software Private Limited did not have any significant effect on the group's assets, financial and earnings position.

On December 22, 2003 GFT sold its shares (100.0 %) in its subsidiary GFT TransForce GmbH, Stuttgart; this company withdrew from the consolidated group on this date. In the 2003 financial year GFT TransForce GmbH made a contribution of 0.0 % to the group's turnover. Its withdrawal had no significant effect on the group's assets, financial and earnings position.

The group's associated companies have undergone the following change since September 30, 2003.

The 25.1 % investment in CScout Inc. was sold in December 2003. It had already been written off to zero in the 2002 financial year. The group has therefore not had any associated companies since December 2003.

Geographical data in accordance with IAS 14

in €(k)	External turnover for group*		Book value for segmental assets		Investments in tangible fixed assets and intangible assets	
	01/01-30/09/2004	01/01-30/09/2003	30/09/2004	30/09/2003	01/01-30/09/2004	01/01-30/09/2003
Germany	60,047	78,204	57,014	82,131	504	475
Spain	9,878	9,722	7,024	5,302	89	19
Switzerland	3,733	5,038	2,304	3,696	93	132
Great Britain	10,885	9,444	6,176	4,988	0	0
Other foreign countries	5,465	1,512	1,172	1,111	13	50
Total	90,008	103,920	73,690	97,228	699	676

* According to location of client's head office

3. Equity capital changes

With respect to the changes in equity capital between January 1, 2004 and September 30, 2004 we refer to the separate equity capital analysis on page 13.

As of September 30, 2004 the company's share capital of € 26,325,946.00 consists of 26,325,946 non par value individual share certificates (no change relative to December 31, 2003). These shares are made out in the name of the holder and they all confer equal rights. On September 30, 2004 the group accumulated deficit included a carry forward from the previous year amounting to €(k) -49,149 (previous year: €(k) -31,433).

No changes resulted to the company's authorized and conditional capital between January 1 and September 30, 2004 relative to December 31, 2003. Dividends have not been proposed or paid out during the 2004 financial year.

4. Segmental reporting

Due to a sustainable change in the economic environment and in demand patterns – which has correspondingly affected the business activities, organizational structure and internal financial reporting of the GFT Group – these financial statements present GFT's business segments differently from the group annual financial statements as of December 31, 2003. The comparative information for the same period in the previous year has been adjusted in line with the new business segment format; goodwill is assigned to the business segments for the first time.

In these financial statements, the IT Services, Business Process Outsourcing (BPO) and Software Products business segments provide the primary reporting format for segmental reporting. The IT Services segment summarizes all activities associated with IT solutions (services and projects; it essentially consists of the former Frontend and Backend business divisions.) The Business Process Outsourcing segment comprises the placement of freelance IT specialists (the former Freelance Agency division) plus the annual general meeting service. The Software Products segment relates to GFT's development and distribution of its

own software products and to associated services (an expanded version of the old Products division). (See chart on page 16)

In addition to segment data by business segment, oriented in accordance with the company's structure, the table shown above contains geographical data in accordance with IAS 14 (secondary information).

5. Breakdown of turnover

Breakdown of turnover		
	01/01- 30/09/2004	01/01- 30/09/2003
	€	€(k)
By fields of operation		
Consulting and software development	51,574,087	54,361
Maintenance proceeds	2,585,277	4,273
Other turnover	287,249	2,062
IT Services	54,446,613	60,696
Freelance Agency	29,673,404	36,551
Annual General Meeting Services	1,087,070	1,399
Business Process Outsourcing	30,760,474	37,950
Software Products	4,801,000	5,274
	90,008,087	103,920
By region*		
Germany	60,047,024	78,204
Foreign	29,961,063	25,716
	90,008,087	103,920

* According to location of clients' head office

6. Changes to contingent liabilities

As of September 30, 2004, apart from the following exceptions the group had not undergone any significant changes to its contingencies and other financial commitments since its group annual financial statements of December 31, 2003.

GFT Technologies Aktiengesellschaft – Group

Information about business segments

Information about business segments												
	IT Services	IT Services	Business Process Outsourcing (BPO)	Business Process Outsourcing (BPO)	Software Products	Software Products	Sum	Sum	Eliminations	Eliminations	Consolidated	Consolidated
(all amounts in €(k))	30/09/2004	30/09/2003	30/09/2004	30/09/2003	30/09/2004	30/09/2003	30/09/2004	30/09/2003	30/09/2004	30/09/2003	30/09/2004	30/09/2003
Turnover												
External sales	54,447	62,095	30,760	36,551	4,801	5,274	90,008	103,920				
Inter-segment sales	–	–	854	3,103	–	–	854	3,103	-854	-3,103		
Total turnover	54,447	62,095	31,614	39,654	4,801	5,274	90,862	107,023	-854	-3,103	90,008	103,920
Result												
Segment result	-1,698	-7,855	1,172	1,927	-149	-1,341	-675	-7,269			-675	-7,269
Unallocated corporate expenses											-2,373	-1,497
Operating result											-3,048	-8,766
Interest expenses											-24	-36
Interest income											297	300
Share of net profits of associates											–	–
Result pre taxes											-2,775	-8,502
Taxes on income											-934	2,480
Nine months' result											-3,709	-6,022
Other information												
Segment assets	40,119	62,601	14,875	13,193	1,908	5,023	56,902	80,817			56,902	80,817
Investment in equity method associates											–	–
Unallocated corporate assets									16,788	16,411	16,788	16,411
Consolidated total assets											73,690	97,228
Segment liabilities	17,282	22,738	8,876	8,459	1,723	4,488	27,881	35,685			27,881	35,685
Unallocated corporate liabilities									2,537	2,896	2,537	2,896
Consolidated total liabilities											30,418	38,581
Capital expenditure	550	560	28	58	100	45	678	663	21	13	699	676
Depreciation	2,679	4,288	233	312	123	430	3,035	5,030	94	97	3,129	5,127
Non-cash expenditure other than depreciation	771	26	–	–	–	–	771	26	141	–	912	26

Bank deposits include accounts kept by notary publics in their own name for the GFT Group on a trust basis (€(k) 80; December 31, 2003: €(k) 453) for which the GFT Group has only a limited right of disposal. The GFT Group may only dispose of bank deposits amounting to €(k) 3,100 (December 31, 2003: €(k) 2,556) with the express approval of the relevant bank.

7. Investments

During the period between January 1, 2004 and September 30, 2004, the GFT Group invested €(k) 261 in intangible fixed assets (January 1 to September 30, 2003: €(k) 193) and €(k) 438 in tangible assets (January 1 to September 30, 2003: €(k) 483).

8. Relationships with affiliated companies and people

Relative to the notes to the group annual financial statements as of December 31, 2003 apart from the following there were no changes to the composition of the affiliated companies and people, and to the relationships with these.

At the start of the year the affiliated company Deutsche Bank AG and its subsidiary ARGFRAN Beteiligungs Aktiengesellschaft – both seated in Frankfurt/Main – held 25.04 % of the shares in GFT AG. By October 2004 they had reduced their investment to 19.9 %.

In respect of changes in share ownership by Executive Board members, please see the section Directors' Dealings on page 19.

GFT AG's annual general meeting of June 9, 2004 elected the former Executive Board member Dr. Markus Kerber and Dr. Thorsten Demel to the company's Supervisory Board, whereas Manfred Schuster and Rainer Neske both resigned from the Supervisory Board.

9. Explanations about shares for company use and subscription rights of employees and members of the company's executive bodies

As of September 30, 2004, GFT AG does not hold any own shares; nor were any own shares acquired or sold in the period from January 1 to September 30, 2004 (§ 160 para. 1 no. 2 AktG – German Company Law).

The explanations about subscription rights of employees and members of the company's executive bodies as per § 160 para. 1 no. 5 AktG refer to the stock options program (subscription rights as per § 192 para. 2 no. 3 AktG):

The extraordinary shareholders' meeting of June 4/24, 1999 approved a conditional equity capital increase through an issue

of up to 260,000 individual share certificates (corresponding to 780,000 individual share certificates following the 3:1 stock split of May 16, 2000, Conditional Capital I/1999) permitting subscription rights exclusively through stock options programs as well as the basic features of stock options programs to be launched by the Executive Board. The conditional capital increase will only be executed if the holders of the subscription rights issued exercise their right of subscription as per § 192 para. 2 no. 3 AktG. The conditional increase in capital is to be carried out only insofar as the holders of the issued subscription rights wish to use their subscription rights according to § 192 para. 2 no. 3 AktG. Beneficiaries are exclusively members of the Executive Board and employees of GFT Technologies AG and of wholly owned subsidiaries who have been granted subscription rights. The subscription rights are non-transferable except in the event of death of the holder and will lapse if the subscription right holder leaves an employment relationship with a company of the GFT Group. The figures given below in respect of the stock options programs have been adjusted in line with the 3:1 stock split of May 16, 2000; the adjustment will be made de facto when the subscription right is exercised.

With the authorization of the shareholders' meeting of June 4, 1999 and with the consent of the Supervisory Board, on June 24/ August 25, 1999 the Executive Board approved an initial stock options program "Option terms and conditions regarding the issuance of subscription rights for GFT Technologies AG 1999/2004". This stock options program concerns subscription rights for up to 379,179 individual share certificates for the approved conditional capital increase of € 780,000 (= 780,000 individual share certificates). According to this program, a subscription right authorizes the holder to acquire one individual share certificate of GFT AG at the placement price fixed within the framework of the admission to stock exchange dealing (subscription price € 7.67/share). The subscription rights were acquired in the period from June 1 to 25, 1999. On fulfillment of the performance criterion the exercise of the subscription rights will take place in three exercise tranches of equal size during specific exercise phases starting from November 2001. According to the performance criterion subscription is possible if the average price of the GFT share at the time of the exercise phase exceeds the subscription price of € 7.67 by 40 %. It has not so far been possible to exercise any of the exercise tranches since the performance criterion has not been met; the last possible exercise phase has been in June/July 2004. The subscription rights lapsed on July 6, 2004.

With the consent of the Supervisory Board and following its decision of May 30, 2000 the Executive Board launched a further "Stock options program 2000/2005" relating to subscription rights for up to 163,350 individual share certificates for conditional capital amounting to € 780,000. In accordance with this program a subscription right provides an entitlement to acquire one individual GFT AG share certificate at € 51.90. On fulfillment of the performance criterion the subscription rights will be exercised in three exercise tranches of equal size during

specific exercise phases from November 2002 onwards. Subscription is possible after fulfillment of the performance criterion if the average price of the GFT share at the time of the exercise phases exceeds the subscription price of € 51.90 by 25 %. Since the performance criterion was not met, it was not possible to exercise the first two exercise tranches in November 2002 and November 2003; however, they have not expired and may be exercised together with the next exercise tranche in November 2004 if the performance criterion is met.

The stock of issued subscription rights developed as follows:

Stock of issued subscription rights			
Subscription rights to one each share	Stock options program 1999	Stock options program 2000	Total
Subscription rights as of 01/01/2000	379,179	0	379,179
newly issued subscription rights in 2000	0	163,350	163,350
subscription rights lapsed in 2000	-28,152	-3,150	-31,302
Subscription rights as of 31/12/2000	351,027	160,200	511,227
newly issued subscription rights in 2001	0	0	0
subscription rights lapsed in 2001	-34,359	-14,550	-48,909
Subscription rights as of 31/12/2001	316,668	145,650	462,318
newly issued subscription rights in 2002	0	0	0
subscription rights lapsed in 2002	-25,704	-27,600	-53,304
Subscription rights as of 31/12/2002	290,964	118,050	409,014
newly issued subscription rights in 2003	0	0	0
subscription rights lapsed in 2003	-26,067	-32,550	-58,617
Subscription rights as of 31/12/2003	264,897	85,500	350,397
thereof employees	264,897	85,500	350,397
thereof Executive Board	0	0	0
newly issued subscription rights in 2004	0	0	0
subscription rights lapsed in 2004	-264,897	-19,050	-283,947
Subscription rights as of 30/09/2004	0	66,450	66,450
thereof employees	0	66,450	66,450
thereof Executive Board	0	0	0

10. Directors' dealings

As of September 30, 2004, the members of the group's bodies held the following stocks of GFT shares and subscription rights, each of which conferred the right to one GFT share:

Shares; Executive Board members

	Ulrich Dietz	Marika Lulay	Dr. Jochen Ruetz	Total
	Number	Number	Number	Number
As of 30/06/2004	7,796,240	1,500	0	7,797,740
Additions	10,000	0	7,500	17,500
Disposals	500,000	0	0	500,000
As of 30/09/2004	7,306,240	1,500	7,500	7,315,240

Subscription rights to 1 share; Executive Board members

	Ulrich Dietz	Marika Lulay	Dr. Jochen Ruetz	Total
	Number	Number	Number	Number
As of 30/06/2004	0	0	0	0
Additions	0	0	0	0
Disposals	0	0	0	0
As of 30/09/2004	0	0	0	0

Shares; Supervisory Board members

	Dr. Gerhard Barth	Dr. Thorsten Demel	Dr. Markus Kerber	Dr. Simon Kischkel	Franz Niedermaier	Ingrid Schmidt	Total
	Number	Number	Number	Number	Number	Number	Number
As of 30/06/2004	0	0	1,155,258	1,302	0	1,000	1,157,560
Additions	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
As of 30/09/2004	0	0	1,155,258	1,302	0	1,000	1,157,560

Subscription rights to 1 share; Supervisory Board members

	Dr. Gerhard Barth	Dr. Thorsten Demel	Dr. Markus Kerber	Dr. Simon Kischkel	Franz Niedermaier	Ingrid Schmidt	Total
	Number	Number	Number	Number	Number	Number	Number
As of 30/06/2004	0	0	0	0	0	6,168	6,168
Additions	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	4,668*	4,668
As of 30/09/2004	0	0	0	0	0	1,500	1,500

* The disposals relate to the lapsed subscription rights from the stock options program 1999.

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Important Dates

March 30, 2005	Annual Results Press Conference
May 12, 2005	Three Months' Statement
June 7, 2005	Annual General Meeting
August 11, 2005	Six Months' Statement
November 10, 2005	Nine Months' Statement

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