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**Interim Report
as of June 30, 2004**

GFT Group at a glance

	01/01-30/06/2004	01/01-30/06/2003
Financial figures according to IFRS	€(k)	€(k)
Turnover	57,345	70,576
EBIT	-3,356	-7,425
Amortization and depreciation	2,117	3,468
Amortization of goodwill	1,176	1,739
EBITDA	-1,239	-3,957
Operating loss (EBITA)	-2,180	-7,379
Six months deficit	-3,744	-5,192
Cash-flows from operating activities	-14,856	-4,593
Earnings per share according to DVFA/SG	-0.14 €	-0.20 €
Earnings per share according to DVFA/SG pre goodwill amortization	-0.10 €	-0.14 €
Employees, average for the period	1,035	1,036
Employees, absolute as of 30/06	1,052	1,023



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Executive Board's Report

Business development

In the first half of the current year, the GFT Group's turnover and earnings trends matched our expectations. On the one hand, the group considerably reduced its loss situation, particularly by comparison with the first half of the previous year. On the other hand, though its first quarter performance was even better than planned the predicted turnover growth could not be fully achieved in the second quarter. In the light of this development and our updated forecast for the second half of the year, we believe a positive result is realistic in the second half of the year. Taking into consideration the weakness of the first few months of the current financial year, we expect a positive EBITDA result for 2004 as a whole.

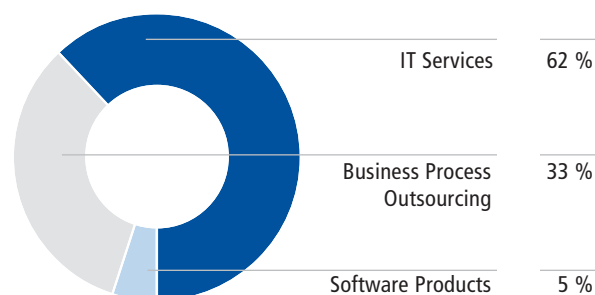
In the first six months of the 2004 financial year, the GFT Group had a turnover of € 57.4m. Of this, € 28.9m. was achieved in the second quarter and € 28.5m. in the first. Turnover fell by approx. 19 % relative to the first half of 2003 (€ 70.6m.).

Our existing clients made particularly intensive use of the GFT Group's more economical international production facilities. Increased project volumes partially made up for a fall in turnover in the first half of the year which was due to lower prices. We predict expanded turnover in the second half of 2004 and throughout 2005 due to additional orders resulting from the improved attractiveness of our price-performance ratio.

Distribution of turnover by business segments

Due to a permanent change in the economic environment and demand patterns and due to the corresponding effects on the GFT Group's business activities and internal financial reporting, segmental reporting in this interim report was adjusted. The group's business divisions are now divided up into the IT Services, Business Process Outsourcing (BPO) and Software Products segments. The IT Services segment comprises all group activities associated with IT solutions. The former reporting format mainly focused on the frontend and backend segments in this respect. The Business Process Outsourcing segment covers the placement of freelance IT specialists (the former Freelance Agency) and the annual general meeting service. The Software

Percentage turnover distribution in the GFT Group by business segments



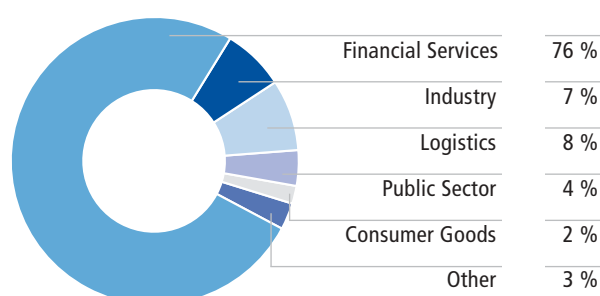
Products segment relates to GFT's development and distribution of its own software products and to associated services (an expanded version of the former Products division).

Turnover distribution by segments was as follows in the first half of 2004. The turnover share accounted for by IT Services was approx. 62 % (€ 35.3m.), Business Process Outsourcing made up a 33 % share (€ 19.1m.) whilst Software Products provided a turnover share of approx. 5 % (€ 2.9m.).

Distribution of turnover by industries

In the first six months of 2004 the GFT Group once again achieved its largest turnover share with clients from the financial services sector. These clients accounted for a share of 76 %,

Percentage turnover distribution in the GFT Group by industries

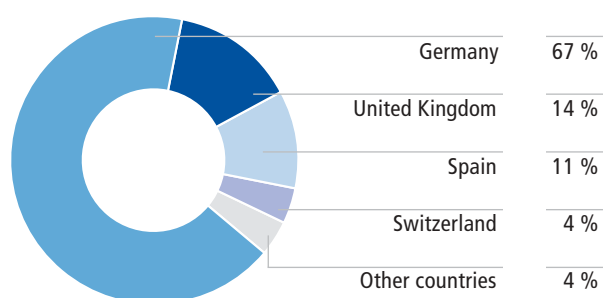


a 3 percentage point increase on the first six months of the previous year. In contrast, the share provided by the logistics sector fell from 11 % to 8 %. 7 % of turnover was achieved with industrial clients in the first half of the current financial year, compared to 8 % in the first half of 2003. There were only slight changes in the public sector (4 %), the consumer goods sector (2 %) and in the segment for other clients (3 %) relative to the first half of the previous year.

Distribution of turnover by countries

The turnover share achieved by the GFT Group with clients outside Germany continued to rise in the first half of 2004. GFT gained almost 67 % (approx. € 38.2m.) of its overall turnover in its domestic German market. Turnover outside Germany accordingly amounted to approx. € 19.2m. or 33 %. Foreign turnover in the first half of 2004 rose by 9 percentage points relative to the first half of 2003. GFT increased the turnover share provided by its British clients from 8 % to 14 % (€ 8.1m.) – as in previous quarters, it expanded its turnover with British clients in both absolute and relative terms. This is due above all to the investment banking activities of GFT's British subsidiary. The turnover share provided by Spanish clients amounted to 11 % (€ 6.3m.), an increase of 1 percentage point relative to the first half of the previous year. The turnover share provided by Swiss clients fell by 1 percentage point to 4 % (€ 2.4m.), whilst the turnover share accounted for by clients in other countries – including Austria and Hungary – rose from 1 % to 4 % (€ 2.4m.).

Percentage turnover distribution in the GFT Group by countries



Demand and capacity utilization

The GFT Group's rate of capacity utilization differs for its various offices. Whilst its nearshore and offshore production facilities are generally fully utilized, its utilization rate in its domestic German market is not yet fully satisfactory. However, GFT is maintaining its current capacity in the expectation of increased demand in the second half of the year. GFT is training its German employees through internal training and development

programs so as to expand the company's method expertise and the range of its products and services. In addition, the Executive Board is constantly implementing individual quality improvement measures to boost efficiency and capacity utilization.

Earnings

Earnings for the first half of the year were in accordance with the company's planning. We had predicted that the positive result for the second half of the year would compensate the negative result in the first half. We now expect that in the next six months turnover will rise slower than expected and that we will achieve earnings before tax which will be positive but not sufficient to make up for the shortfall in the first six months.

The GFT Group's earnings before interest and taxes (EBIT) amounted to € -1.7m. in the second quarter of 2004 and thus remained unchanged on the first quarter. Accordingly, the EBIT result for the first half year is € -3.4m. In the same period in the previous year, EBIT amounted to € -7.4m., but this was affected by non-recurring items resulting from restructuring costs and other operating income in the amount of € 2.8m. Comparable EBIT for the same period in the previous year accordingly amounted to € -4.6m.

Earnings before interest, taxes, depreciation and amortization (EBITDA) also remained unchanged in the second quarter of 2004 relative to the first, amounting to € -0.6m. Accordingly, as of June 30, 2004 this figure was € -1.2m. As of June 30, 2003 EBITDA had amounted to € -4.0m. We still expect positive EBITDA for 2004 as a whole.

As of June 30, 2004 the GFT Group's earnings before taxes amounted to € -3.2m., compared to € -7.2m. at the same point in the previous year.

Taking into consideration taxes on income and minority interests, as of June 30, 2004 the GFT Group recorded a deficit of € -3.7m., compared to € -5.2m. as of June 30, 2003. As of March 31, 2004 its deficit had amounted to € -1.8m.

Earnings per share according to DVFA/SG methods pre goodwill amortization amounted to € -0.10. After goodwill amortization, this figure was € -0.14. 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 € 61.7m. as of June 30, 2004. Of this, € 30.9m. related to the second quarter. The group's operating costs thus remained almost constant relative to the first quarter of 2004 (€ 30.7m.). Compared to

the same period in the previous year – which was affected by restructuring costs – operating costs were reduced by 26 % (June 30, 2003: € 83.2m.).

The cost of materials – which mainly comprises the costs of services purchased from freelance employees – amounted to approx. € 21.8m. as of June 30, 2004. This cost remained roughly unchanged in the second quarter (€ 10.8m.) relative to the first (€ 10.9m.). By comparison with the first half of the previous year, in which the cost of materials amounted to € 31.0m., the cost of materials was reduced by almost 30 %. The average number of freelance employees working in the project business in the first half of 2004 was 59.

In the first half of the current financial year personnel expenses amounted to € 28.4m. Costs of € 15.8m. in the first quarter were reduced to € 14.1m. in the second, a decrease of 11 %. Relative to the first half of the previous year, personnel expenses fell by 19 %. In contrast, there was no change in the average number of permanent employees (first half of 2004: 1,035; first half of 2003: 1,036). This trend reflects personnel restructuring in favor of international locations with lower wage and ancillary wage costs.

Second quarter depreciations of tangible and intangible assets amounted to €(k) 462, €(k) 16 less than the previous quarter's expenses. Goodwill amortization (€(k) 588) was unchanged on the previous quarter.

In the second quarter of 2004 other operating expenditure increased by approx. € 0.5m. on the first quarter and amounted to € 5.0m. In the first six months of 2004 other operating expenditure consisted of operating expenses (€ 3.1m.), sales expenses (€ 3.9m.) and administrative and other expenses (€ 2.5m.). These expenses were reduced by approx. € 4.1m. or 30 % relative to the first half of the previous year.

Liquidity

As of June 30, 2004, the GFT Group's available cash – that is, its liquid funds and marketable securities less its net payables to banks – amounted to € 20.7m., a decrease of € 4.2m. compared to March 31, 2004. This decrease is largely due to an approx. € 3.0m. reduction in net current assets (an increase in trade receivables and a decrease in advanced payments received). The increase in trade receivables is due to a one-off development in the United Kingdom, where a client's outsourcing program has led to a delay in the UK subsidiary's creditor management system. There are no doubts as to the client's credit worthiness and these undisputed receivables will be received in the next few months.

Investments

The GFT Group's investments in the first half of 2004 amounted to approx. €(k) 388. Investments in intangible fixed assets amounted to €(k) 87, investments in tangible fixed assets to €(k) 301.

Employees

As of June 30, 2004, the GFT Group had 1,052 permanent employees – 35 more than on March 31, 2004 and 29 more than at the same point in the previous year. In the first half of the current financial year the GFT Group had an average of 1,035 employees; in the first quarter of 2004 this figure was 1,028, whilst in the first half of the previous year it was 1,036.

On June 30, 2004, roughly 65 % (684 employees) of GFT's workforce was based at its international offices whilst 35 % of its workforce (368 employees) was based in Germany. There was therefore a further rise in the number of GFT's employees outside Germany. In the first half of the previous year, approx. 52 % of GFT's employees were still based in Germany, in the first quarter of 2004 this figure was approx. 38 %.

Both the slight increase in the company's number of employees and the shift of personnel outside Germany are largely due to new hirings by emagine S.A. in Spain. As part of the expansion of GFT's international production concept, its Spanish subsidiary is providing additional resources for nearshore production for client projects.

Research and development

In the GFT Group, expenditure on research and development – which mainly consisted of personnel expenses – amounted to a total of approx. € 2.8m. in the first half of 2004. Of this, € 1.5m. related to the second quarter of 2004 and € 1.3m. to the first. In the first half of 2003 this expenditure amounted to approx. € 2.2m.

The research and development expenses for the second quarter of 2004 include the costs associated with comprehensive employee training programs for the CMMI initiative. GFT began this initiative in Germany at the start of the year and will be continuing it over the next few quarters. GFT's Spanish subsidiary already reached Level 2 of the CMM certification scheme at the end of last year. CMM stands for Capability Maturity Model and is a procedural model for the assessment of the quality of software processes which enables the user to determine improvement measures. The model is known as CMMI in reference to the other disciplines involved in a product development.

Significant events during the second quarter

On June 9, 2004 GFT's ordinary Annual General Meeting was held in Stuttgart. The shareholders present represented almost 75 % of the share capital. They passed a vote of formal approval for the Executive and Supervisory Boards and passed their proposals with clear majorities. The shareholders once again chose Grant Thornton GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditor for the current financial year and gave their consent to the merger agreement between GFT Financial Solutions GmbH, Eschborn, and GFT Technologies AG, St. Georgen. As the terms for all Supervisory Board members ended with the conclusion of the Annual General Meeting, a new vote for Supervisory Board members also took place. Four of the current Supervisory Board members were reelected. New to the committee are Dr. Thorsten Demel, taking the seat of Rainer Neske and representing the major shareholder Deutsche Bank AG, and Dr. Markus Kerber. Manfred Schuster, Director for Corporate IT at Deutsche Post AG, left the Supervisory Board.

Outlook for the current financial year

At the start of the year we anticipated the sluggish state of demand amongst our German clients in the first half of 2004; in the second quarter of the year this once again affected turnover development.

Project business in Germany is generally affected by increasing demand for international production capacities. The GFT Group already reacted to this market situation in 2003 and is now able to maintain project volumes on a constantly high level. At the same time, however, the price reductions our clients require of us mean reduced turnover which have to be compensated for through higher project volumes.

We will achieve the turnover growth we aspire to through further impending international IT projects and through improved utilization of our domestic capacities. Combined with intensified and focused sales activities both in German-speaking Europe and in the United Kingdom, France and Spain, our established international production network will provide a platform for our planned international IT project business growth.

Second quarter turnover growth was moderate. In the second half of 2004 we expect GFT to achieve turnover of approx. € 64m. to € 66m. and balanced earnings before taxes.

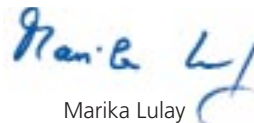
The Executive Board would like to thank all the company's employees for their considerable dedication and its clients, partners and shareholders for the confidence and loyalty.

St. Georgen, August 5, 2004

The Executive Board



Ulrich Dietz



Marika Lulay



Dr. Jochen Ruetz

GFT Technologies Aktiengesellschaft, St. Georgen

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

Assets	6 Months 01/01-30/06/2004 €	Annual Accounts 01/01-31/12/2003 €(k)
Current assets		
Cash and cash equivalents	8,633,369.25	32,718
Short-term investments / marketable securities	12,114,868.87	3,310
Trade accounts receivable	23,614,260.47	16,548
Accounts receivable due from related parties	0.00	0
Inventories	10,875.07	101
Deferred tax asset	0.00	0
Prepaid expenses and other current assets	2,154,261.19	1,921
Others	0.00	0
Total current assets	46,527,634.85	54,598
Long-term assets		
Property, plant and equipment	3,043,668.07	3,440
Intangible assets	508,083.17	706
Goodwill	16,756,833.41	17,933
Investments	0.00	0
Financial assets at equity	0.00	0
Notes receivable / loans	0.00	0
Deferred taxes	6,420,716.23	6,672
Other assets	221,222.08	221
Others	0.00	0
Total long-term assets	26,950,522.96	28,972
Total assets	73,478,157.81	83,570

GFT Technologies Aktiengesellschaft, St. Georgen

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

Liabilities and shareholders' equity		
	6 Months 01/01-30/06/2004 €	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	10,750.92	10
Trade accounts payable	8,722,698.78	10,775
Liabilities within the group	0.00	0
Advanced payment received	2,431,204.23	3,113
Accrued expenses	12,299,689.05	14,724
Deferred revenues	1,110,924.46	631
Income tax payable	879,156.14	773
Deferred taxes	0.00	0
Other current liabilities	3,010,335.86	4,894
Others	0.00	0
Total current liabilities	28,464,759.44	34,920
Long-term liabilities		
Long-term debt, less current portion	3,538.89	3
Capital lease obligation, less current portion	0.00	0
Deferred revenues	0.00	0
Deferred taxes	783,328.69	629
Pension accrual	704,770.00	705
Others	0.00	0
Total long-term liabilities	1,491,637.58	1,337
Minority interests	275,923.13	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	69,280.82	116
Accumulated deficit	-52,840,690.77	-49,149
Total shareholders' equity	43,245,837.66	46,984
Total liabilities and shareholders' equity	73,478,157.81	83,570

GFT Technologies Aktiengesellschaft, St. Georgen

Group Profit and Loss Statement from April 1 until June 30, 2004 (IFRS)

Income Statement		
	3 Months 01/04-30/06/2004 €	3 Months 01/04-30/06/2003 €(k)
Turnover	28,845,585.04	36,707
Other operating income	318,826.45	622
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	-10,822,206.43	-15,975
Personnel expenses	-14,115,911.39	-15,807
Depreciation and amortization	-462,465.63	-855
Amortization of goodwill	-587,963.72	-869
Other operating expenses	-4,965,594.31	-5,160
Others	0.00	0
Operating loss	-1,789,729.99	-1,337
Interest income and expenditure	75,835.55	117
Income from investments and participations	0.00	0
Income/expenses from financial assets at equity	0.00	0
Foreign currency gains/losses	93,129.08	-33
Other income/expenses	0.00	-31
Result before income taxes (and minority interest)	-1,620,765.36	-1,284
Income tax	-255,549.94	378
Extraordinary income/expenses	0.00	0
Result before minority interest	-1,876,315.30	-906
Minority interest	25,067.11	25
Net loss	-1,851,248.19	-881
Net income per share (basic)	-0.07 €	-0.04 €
Net income per share (diluted)	-0.07 €	-0.04 €
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 June 30, 2004 (IFRS)

Income Statement		
	6 Months 01/01-30/06/2004 €	6 Months 01/01-30/06/2003 €(k)
Turnover	57,344,508.82	70,576
Other operating income	964,256.95	5,290
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	-21,757,407.45	-31,026
Personnel expenses	-28,415,454.74	-35,214
Depreciation and amortization	-940,688.08	-1,729
Amortization of goodwill	-1,175,927.45	-1,739
Other operating expenses	-9,411,857.43	-13,537
Others	0.00	0
Operating loss	-3,392,569.38	-7,379
Interest income and expenditure	145,793.85	214
Income from investments and participations	0.00	0
Income/expenses from financial assets at equity	0.00	0
Foreign currency gains/losses	36,928.51	-15
Other income/expenses	0.00	-31
Result before income taxes (and minority interest)	-3,209,847.02	-7,211
Income tax	-534,433.34	2,019
Extraordinary income/expenses	0.00	0
Result before minority interest	-3,744,280.36	-5,192
Minority interest	52,703.95	40
Net loss	-3,691,576.41	-5,152
Net income per share (basic)	-0.14 €	-0.20 €
Net income per share (diluted)	-0.14 €	-0.20 €
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 June 30, 2004 (IFRS)

Cash-flow statement		
	6 Months 01/01-30/06/2004 €	6 Months 01/01-30/06/2003 €(k)
Cash-flows from operating activities		
Annual result	-3,691,576.41	-5,152
Adjustements for:		
Minority interests	-52,703.95	-40
Depreciation	2,116,615.53	3,468
Changes in accruals and value adjustments	-2,163,740.40	4,910
Loss/Profit on disposals of fixed assets	32,184.11	-19
Foreign currency gains/losses	36,928.51	-15
Others	0.00	31
Changes in working capital	-11,133,843.29	-7,776
Cash-flows from operating activities	-14,856,135.90	-4,593
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	0.00	-2
Acquisition of fixed assets	-388,125.20	-519
Proceeds from the sale of fixed assets	10,266.80	51
Others	-8,804,559.31	-8,910
Cash-flows from investments	-9,182,417.71	-9,380
Cash-flows from financing activities		
Inflows from equity contribution	0.00	0
Cash proceeds from issuing short or long term bonds/loans	843.52	0
Payments related to repayments of bonds/loans	0.00	-1,262
Outflow from financial leasing	0.00	0
Others	-46,678.81	-66
Cash-flows from financing	-45,835.29	-1,328
Foreign exchange adjustments from liquid funds	0.00	0
Decrease in liquid funds	-24,084,388.90	-15,301
Liquid funds at the beginning of period	32,717,758.15	34,936
Liquid funds at the end of period	8,633,369.25	19,635

GFT Technologies Aktiengesellschaft, St. Georgen

Changes of the Equity Capital Entries of GFT Group as of June 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							
01/01-30/06/2003					-66,183.81		-66,183.81
Net loss after other shareholders' share or net earnings							
01/01-30/06/2003						-5,152,270.57	-5,152,270.57
As of 30/06/2003	26,325,946.00	67,346,563.99	1,387.65	2,343,349.97	72,346.75	-36,585,272.04	59,504,322.32
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							
01/01-30/06/2004					-46,678.81		-46,678.81
Net loss after other shareholders' share or net earnings							
01/01-30/06/2004						-3,691,576.41	-3,691,576.41
As of 30/06/2004	26,325,946.00	67,346,563.99	1,387.65	2,343,349.97	69,280.82	-52,840,690.77	43,245,837.66

GFT Technologies Aktiengesellschaft, St. Georgen

Notes to the Quarterly Financial Statements (Interim Report) of the GFT Group as of June 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 no changes to the consolidated group since the group annual financial statements as of December 31, 2003.

The consolidated group has undergone the following change since the quarterly financial statements as of June 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 June 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.

3. Equity capital changes

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

As of June 30, 2003 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 June 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 June 30, 2004 relative to December 31, 2003. Dividends have not been proposed or paid out during the 2004 financial year.

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	
	01/01-30/06/2004	01/01-30/06/2003	30/06/2004	30/06/2003	01/01-30/06/2004	01/01-30/06/2003
Germany	38,151	53,370	57,696	87,965	274	348
Spain	6,308	7,188	6,109	5,665	79	5
Switzerland	2,430	3,424	2,309	4,086	22	127
Great Britain	8,099	5,632	6,447	3,434	13	0
Other foreign countries	2,357	962	917	1,191	0	39
Total	57,345	70,576	73,478	102,341	388	519

* According to location of client's head office

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 previous statements. 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.

As of 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- 30/06/2004 €	01/01- 30/06/2003 €(k)
By fields of operation		
Consulting and software development	33,354,074	39,033
Maintenance proceeds	1,789,402	1,795
Other turnover	236,143	1,676
IT Services	35,379,619	42,504
Freelance Agency	18,509,835	23,440
Annual General Meeting Services	511,164	911
Business Process Outsourcing	19,020,999	24,351
Software Products	2,943,890	3,721
	57,344,508	70,576
By region*		
Germany	38,150,690	53,370
Foreign	19,193,818	17,206
	57,344,508	70,576

* According to location of clients' head office

6. Changes to contingent liabilities

As of June 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.

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.

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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))	30/06/2004	30/06/2003	30/06/2004	30/06/2003	30/06/2004	30/06/2003	30/06/2004	30/06/2003	30/06/2004	30/06/2003	30/06/2004	30/06/2003
Turnover												
External sales	35,380	42,504	19,021	24,351	2,944	3,721	57,345	70,576				
Inter-segment sales	–	–	487	1,886	–	–	487	1,886	-487	-1,886		
Total turnover	35,380	42,504	19,508	26,237	2,944	3,721	57,832	72,462	-487	-1,886	57,345	70,576
Result												
Segment result	-1,913	-6,964	477	1,080	-572	-630	-2,008	-6,514			-2,008	-6,514
Unallocated corporate expenses											-1,348	-911
Operating result											-3,356	-7,425
Interest expenses											-7	-27
Interest income											153	241
Share of net profits of associates											–	–
Result pre taxes											-3,210	-7,211
Taxes on income											-534	2,019
Six months' result											-3,744	-5,192
Other information												
Segment assets	34,806	52,168	17,285	18,349	2,056	6,875	54,147	77,392			54,147	77,392
Investment in equity method associates											–	–
Unallocated corporate assets											19,331	24,949
Consolidated total assets											73,478	102,341
Segment liabilities	18,293	25,397	7,500	9,489	1,948	4,997	27,741	39,883			27,741	39,883
Unallocated corporate liabilities											2,491	2,954
Consolidated total liabilities											30,232	42,837
Capital expenditure	287	412	24	55	65	43	376	510	12	9	388	519
Depreciation	1,839	2,880	156	228	87	301	2,082	3,409	35	59	2,117	3,468
Non-cash expenditure other than depreciation	–	–	–	–	–	–	–	–	–	31	–	31

7. Investments

During the period between January 1, 2004 and June 30, 2004, the GFT Group invested €(k) 87 in intangible fixed assets (January 1 to June 30, 2003: €(k) 159) and €(k) 301 in tangible assets (January 1 to June 30, 2003: €(k) 360).

8. Relationships with affiliated companies and persons

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 persons, and to the relationships with these.

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, whilst 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 June 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 June 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	0	-18,000	-18,000
Subscription rights as of 30/06/2004	264,897*	67,500	332,397
thereof employees	264,897*	67,500	332,397
thereof Executive Board	0	0	0

*The 264,897 subscription rights from the stock options program 1999 lapsed on July 6, 2004

10. Directors' dealings

As of June 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 31/03/2004	7,796,240	1,500	0	7,797,740
Additions	0	0	0	0
Disposals	0	0	0	0
As of 30/06/2004	7,796,240	1,500	0	7,797,740

Subscription rights to 1 share; Executive Board members

	Ulrich Dietz	Marika Lulay	Dr. Jochen Ruetz	Total
	Number	Number	Number	Number
As of 31/03/2004	0	0	0	0
Additions	0	0	0	0
Disposals	0	0	0	0
As of 30/06/2004	0	0	0	0

Shares; Supervisory Board members

	Dr. Gerhard Barth	Dr. Thorsten Demel	Dr. Markus Kerber	Dr. Simon Kischkel	Rainer Neske	Franz Niedermaier	Ingrid Schmidt	Manfred Schuster	Total
	Number	Number	Number	Number	Number	Number	Number	Number	Number
As of 31/03/2004	0	0	0	1,302	0	0	1,000	0	2,302
Additions	0	0	1,155,258*	0	0	0	0	0	1,155,258
Disposals	0	0	0	0	0	0	0	0	0
As of 30/06/2004	0	0	1,155,258	1,302	0	0	1,000	0	1,157,560

*The additions relate to the entry to the Supervisory Board

Subscription rights to 1 share; Supervisory Board members

	Dr. Gerhard Barth	Dr. Thorsten Demel	Dr. Markus Kerber	Dr. Simon Kischkel	Rainer Neske	Franz Niedermaier	Ingrid Schmidt	Manfred Schuster	Total
	Number	Number	Number	Number	Number	Number	Number	Number	Number
As of 31/03/2004	0	0	0	0	0	0	6,168	0	6,168
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
As of 30/06/2004	0	0	0	0	0	0	6,168	0	6,168

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Important Dates

March 30, 2004	Annual Results Press Conference
May 13, 2004	Three Months' Statement
June 9, 2004	Annual General Meeting
August 12, 2004	Six Months' Statement
September 1, 2004	Analyst Presentation – Small Cap Conference
November 11, 2004	Nine Months' Statement
November 22, 2004	Analyst Presentation – German Equity Forum

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