Interim Report as of June, 30

H1 2009

GK SOFTWARE

Overview of KPIs

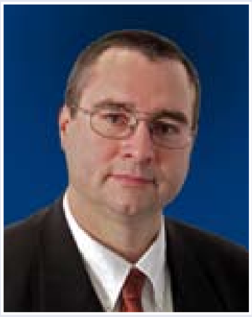
	30.6.2009 (not audited) (new basis of consolidation) [1]	30.6.2009 (not audited) (old basis of consolidation)	30.6.2008 (not audited)	31.12.2008 (audited)
Sales revenues (EUR thousand)	**8.536**	**8.163**	7.687	15.029
Total operating revenue (EUR thousand)	**9.262**	**9,024**	7.077	15.008
EBIT (EUR thousand)	**1.081**	**1.540**	1.522	2.775
EBIT margin (on revenues)	**12.7 %**	**18.9 %**	19.8 %	18.5 %
EBIT margin (on total operating revenue)	**11.7 %**	**17.1 %**	21.5 %	18.5 %
EBT (EUR thousand)	**1.214**	**1.684**	1.468	2.864
Net income for the period (EUR thousand)	**860**	**1.194**	1.030	2.034
Results per share (weighted) [2] (EUR)	**0.52**	**0.72**	0.62	1.38
Equity ratio	**61.1 %**	**64.0 %**	57.9 %	60.0 %

1 The old basis of consolidation comprises not only GK SOFTWARE AG, but also Eurosoftware s.r.o, GK Soft GmbH and StoreWeaver GmbH. The new basis of consolidation on 30 June 2009 includes SQ IT-Services for the first time.

2 The figures shown here are calculated on the basis of the 1,665,000 shares in circulation since 19 June 2008.

Contents

Rainer Gläß
CEO



Stephan Kronmüller
CFO

Ronald Scholz
COO

André Hergert
CFO

1. To the Shareholders

A. Letter to the Shareholders

Dear shareholders,

GK SOFTWARE can look back on a successful first half of 2009: The group was able to increase its sales revenues by 11% and its total operating revenue by more than 30%. It successfully took over the operating business of Solquest GmbH and the integration of this company is progressing well. We were able to take our first steps in Great Britain by equipping the merchandizing stores of the well known British car brand Aston Martin, we were able to secure Lidl as a customer once again and were able to extend our market leadership position in the food retail sector when Netto Marken-Discount commissioned us to place our equipment in the Plus stores that they have acquired.

This has all taken place against a background of economic situation marked by great uncertainty: Overall economic developments at the end of the six months reflected the strongest decline in economic performance in the history of the Federal Republic of Germany since the Second World War. And it was a similar story around the globe. Despite this – in Germany – consumer demand remained at an unchanged high level and developments in the retail sector remained stable. Overall the recession seems to have ended after the 2nd quarter of 2009 showed some small growth over the previous quarter.

Many uncertainties still remain resulting from the developments amongst other on the labor market and the ongoing developments at banks. All these could naturally have major effects on business operations at our customers.

These uncertainties and ambiguities are particularly being felt in our target market. Serious problems with some companies – renowned companies like Arcandor are restricting under bankruptcy protection – another group is reticent to invest – while other corporations are reporting positive figures and are pressing ahead with the expansion of their networks of stores across Europe.

Within this economic environment, the first half of 2009 was an eventful period for GK SOFTWARE. The most important specific event was without any doubt the acquisition of the operating business of an important rival. GK SOFTWARE was able to report the takeover of the operating business of Solquest GmbH at the end of May 2009. This was the most important competitor in the fields of store integration and mobile processes. The Solquest solutions were delivered to customers in Germany and Switzerland, which were – with one exception – no customers of GK SOFTWARE. With the takeover the company is reinforcing its capabilities and strengths to bring the development of the StoreWeaver solution to next level. The restructuring process and integration of Solquest, which will have a short-term negative effect on operating results, are moving ahead at such a pace that we are confident that we will be able to report that these developments are not having any negative effect on operating results by the end of the year.

At the reporting date, this means that sales revenues at GK SOFTWARE rose from EUR 7.69 million to EUR 8.54 million or by 11.0% in comparison with the previous year; the total operating revenue even increased from EUR 7.08 million to EUR 9.26 million or by more than 30%. But the integration and restructuring measures mentioned here are depressing results so that the net income for the period was EUR 0.84 million (in comparison with EUR 1.03 million in the previous year); so this figure trails the previous year's by 16.5%.

On the present operating business side we were able to continue to expand our position in the German discount retail sector and continue to press ahead with our international activities. We view this as the basis for positive developments in 2009 as a whole and beyond. Our annual shareholders' meeting in June 2009 showed that the Management Board's decisions attracted undivided support from shareholders.

The operating business of the present basis of consolidation of GK SOFTWARE led to an increase in sales revenues in comparison with the same period in the previous year from EUR 7.69 million to EUR 8.16 million, which represents growth of 6.2% – and this despite the general economic situation. It was even possible to increase the total operating revenue by more than 27% from EUR 7.08 million to EUR 9.02 million at the reporting date. The EBIT was EUR 1.54 million and therefore rose by 1.3%. The EBIT margin on sales revenues was 18.9% and this shows that GK SOFTWARE will be able to achieve its goal of maintaining its profitability in 2009. The results for the first half of 2009 rose by 16% from EUR 1.03 million in the same period last year to EUR 1.19 million.

The basis of this successful business development was the scheduled implementation of current projects and profits from new tier-one customers. Based on the profits from Lidl and Netto Marken-Discount, GK SOFTWARE AG now has achieved a market share of far more than 40 percent in terms of food retail discount chains in Germany. Following a very extensive selection process, Lidl has opted to equip all its approx. 8,000 stores in approx. 20 European countries with GK/Retail. This meant that we were able to win one of the largest retail IT projects in the face of well-known competitors. This once again demonstrates the confidence shown by leading retailers in our ability to realize international projects and in our technical and functional superiority over our rivals. The realization of the project is going according to plan. The EDEKA subsidiary Netto Marken-Discount also made a decision during the first half of the year to equip more than 2,300 Plus stores, which it has taken over, with GK/Retail. All the software solutions, which are already used by Netto Marken-Discount, are currently being rolled out at high speed as the Plus stores are renamed. Current projects like Hornbach, Coop (Switzerland) and JYSK Nordic are currently reaching important milestones and are moving ahead according to schedule. Our subsidiary StoreWeaver GmbH is working on schedule to provide a label printing solution for Coop (Switzerland) and is continuing to expand its product portfolio at the same time.

The green light for the major Release 12 was the most important milestone that we achieved in our software solutions. GK/Retail 12 concludes the process of switching the software components to a flexible building-block concept. New components, customer requirements or new peripheral equipment can be simply and precisely docked on to the overall structure like Lego bricks. As the GK/Retail standard remains unchanged, the reaction time for new challenges has been reduced considerably and the time-to-market has been cut, while still maintaining its releasability at the same time. The certification of our software solutions by SAP and IBM during the first half of the year proves the openness of GK/Retail for integrating the system in modern IT landscapes and it demonstrates the high value placed on it by leading IT companies. We have already received huge demand from our customers for the new major release and are certain that we have laid an important foundation stone for our ongoing growth.

In our research and development work, we have continued the pathway that we have adopted with Release 12. In line with the roadmap planning, new solutions and other functions have been developed and new technologies integrated in line with market requirements. The major focus of development work at the present time involves e.g. mobile merchandise management processes, the integration of digital signatures, managing digital advertising media or optimizing operating scenarios. For the first time, we have introduced an integrated software solution for gas stations this year and this combines the latest technology and management for complete gas station peripheral operations, from the gas pump to the price indicator boards.

We were able to make major progress in the internationalization of our operations during the first half of 2009. Our offices in the USA and Great Britain and the sales team for Russia have been able to report sustainable successes in setting up their sales pipelines. The first well-known customer in Great Britain, Aston Martin, was brought on board after the expiry of the reporting period. We continue to see huge potential in the international business and will continue our investments in this field.

Based on the good returns from the first half of the year, the advanced stage of deliveries in current projects and the positive preliminary results in gaining new customers, the Management Board views the future with a sense of optimism. The Management Board expects the company to meet its targets for this business year in the second half of 2009 – double digit growth in sale revenues and maintaining the previous year's level of profitability.

We are delighted to know that you are supporting us as we travel this promising pathway and we would like to thank you for placing your confidence in us.

The Management Board

Rainer Gläß
(CEO)

Stephan Kronmüller
(CTO)

Ronald Scholz
(COO)

André Hergert
(CFO)

B. GK SOFTWARE AG Shares

I. Summary

Key facts	
German Securities Identification Number (WKN)	757142
ISIN	DE0007571424
Ticker symbol	GKS
IPO	June 19, 2008
Type of shares	No-par value bearer shares
Stock exchanges	Frankfurt and XETRA
Segment	Regulated Market (Prime Standard)
Designated Sponsor	ICF Kursmakler AG
Number of shares outstanding	1,665,000
Share capital	EUR 1,665,000
Free float	24.33 %
Offering Price	EUR 21.00
Gross Issuing Volume	EUR 8.72 million
First Price (XETRA) Jun. 19, 2008	EUR 21.40

GK SOFTWARE AG shares have been listed on the Prime Standard section of the Frankfurt Stock Exchange since 19 June 2008. The issue price of the shares amounted to EUR 21 at the IPO and during initial trading the shares rose to EUR 21.40. Despite the volatile capital market environment in connection with the ongoing financial crisis, the share performance after the going public was stable. But the bankruptcy of the US Investment Bank Lehman Brothers in the middle of September and the increasingly acute crisis on global financial markets triggered falls in the value of shares around the globe. GK SOFTWARE AG shares were not immune to this trend. But the share price was able to recover significantly by the end of 2008. During the reporting period the shares have shown a strong recovery from EUR 11.50 to EUR 17.49 since March. So the shares have developed better than the technology-related indices in Germany, rising more than 50 percent.

Performance of GK SOFTWARE shares from 2 January until 21 August 2009, indexed in percent

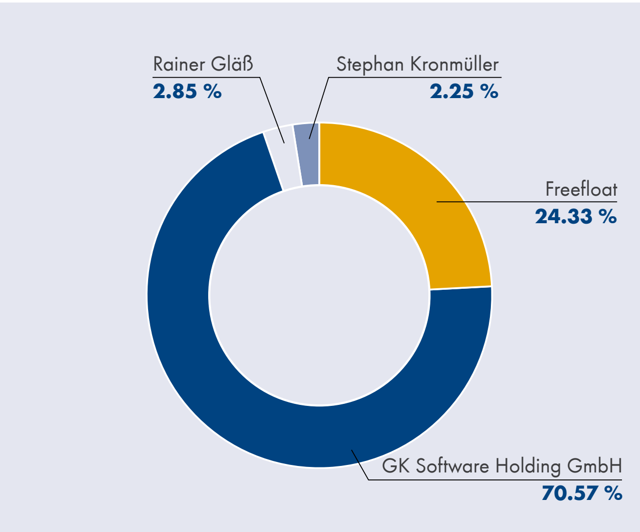
II. Share Capital/Market Capitalization

The share capital at GK SOFTWARE AG has been EUR 1,665 million since the IPO on 19 June 2008. It is divided up into 1,665,000 individual share certificates each with a nominal share value of EUR 1.00 in the equity capital. All the shares are fully entitled to attract dividends.

Based on the value of the shares on 30 June 2009 (EUR 17.49), the company's market capitalization amounted to EUR 29,120,850.

III. Shareholder Structure

GK SOFTWARE AG has a very stable shareholder structure, which enables the company to develop in a long-term and sustainable way. The



▲ **Shareholders structure** of GK SOFTWARE AG at of 30 June 2009

shareholder structure was as follows on the reporting data on 30 June 2009: The founder and CEO Rainer Gläß directly holds 2.85% of the shares in all. Stephan Kronmüller, also a founder and CTO, directly holds 2.25% of the shares. 70.57% are owned by GK Software Holding GmbH and they are equally allocated to the shareholders Rainer Gläß and Stephan Kronmüller. 24.33% are in free float.

IV. Investor Relations

GK SOFTWARE deliberately opted for a listing on the Prime Standard section in the summer of 2008. The highest possible levels of transparency towards its investors and all the other capital market participators were one of the company's most important principles from the outset.

GK SOFTWARE AG also places particular importance on the continual flow of information for the future too. This includes drawing up extensive quarterly, half-yearly and annual business reports in German and English, publishing a financial calendar and issuing immediate ad-hoc reports. Balance sheet reporting that matches IFRS international accounting standards also meets investors' need for information. The company is also planning to regularly attend analysts' conferences and road shows in Germany and abroad during 2009.

V. Directors-Dealings

Ronald Scholz

Purchase: 5.6.2009 5,000 shares EUR 13.80

Financial Calendar[1]

Analysts' conference /Equity Capital Forum in Frankfurt/Main	9 – 11 Nov. 2009
Third Quarter Report for 2009	27 Nov. 2009
2009 Annual Report	27 April 2010
First Quarter Report for 2010	26 May 2010
2010 Annual Shareholders' Meeting	17 June 2010
Second Quarter Report for 2010	26 Aug. 2010
Third Quarter Report for 2010	25 Nov. 2010

1 subject to alterations

2. Consolidated Interim Report

A. Financial Report

I. Business and Underlying Conditions for GK SOFTWARE AG

a. Corporate Structure

GK SOFTWARE AG is one of the leading software partners for the retail trade. The company was set up by Stephan Kronmüller and Rainer Gläß in Schöneck/Vogtland and the corporate headquarters have been based here since the company's founding. This centre is primarily home to administrative services, product development work, project management and third-level support. The company also has a branch in Berlin, which mainly manages marketing, sales and partner activities.

Software production and research and development take place at the 100 percent subsidiary EUROSOFTWARE s.r.o. in Plzen in the Czech Republic and this is therefore the major centre for programming and further technical developments.

GK SOFTWARE AG also has another 100 percent subsidiary in Basel/Riehen in Switzerland in the shape of StoreWeaver GmbH. This company manages the conceptual further development and sales of the StoreWeaver product group. Its technology is designed to be transferred to other sectors than the retail business. StoreWeaver GmbH opened its first German base in St. Ingbert in the state of Saarland in November 2008. This primarily serves the company as an innovation center, as it has been possible to attract retail IT experts with plenty of experience. GK Soft GmbH has also been set up as a one hundred percent subsidiary in Zurich in order to handle the Swiss service business.

After the takeover of the business operations of Solquest GmbH, SQ IT-Services GmbH was founded and it employs the former Sol-quest members of staff. SQ IT-Services GmbH guarantees the continuity of the contracts signed with Solquest GmbH. SQ IT-Services GmbH currently has two business locations in St. Ingbert and Waldbronn. Preparations are being made to merge the two centers. SQ IT-Services GmbH is also a one hundred percent subsidiary of GK SOFTWARE AG.

The Management Board at GK SOFTWARE AG comprises the two founder members of the company, Rainer Gläß (CEO, Administration, Marketing & Sales) and Stephan Kronmüller (CTO). The board also includes Ronald Scholz (COO) and André Hergert (CFO)

The three-man Supervisory Board at GK SOFTWARE AG is led by the chairman Uwe Ludwig. He has been a member of the Supervisory Board since 2001. The deputy chairman Heinrich Sprenger has also been a member of the committee since 2001. Thomas Bleier has been a member of the Supervisory Board since 2003.

Corporate structure at GK SOFTWARE AG

b. Personnel

GK SOFTWARE employed 294 members of staff at the reporting date on 30 June 2009; that is 81 more than in the previous year (213). The increase is largely due to taking over 54 members of staff at Solquest GmbH and establishing the new first-level support services, where six people are employed. The remaining growth can be attributed to the expansion of development and support capacities and this involves 11 more employees at Eurosoftware in comparison with the reporting date last year and nine more members of staff at GK SOFTWARE AG in Schöneck.

The majority of the group's employees are employed at the Schöneck offices (118 now – 109 in the reporting period last year). The Berlin office has fourteen members of staff and the major focus here is on sales and marketing and project and partner management. The new first-level support services are also based here and six new members of staff have been employed here since the beginning of the year.

The Czech subsidiary EUROSOFTWARE s.r.o. in Plzen employs 101 members of staff (90 last year). Seven people were employed at StoreWeaver GmbH in Basel/Riehen and St. Ingbert on 30 June 2009. As a result of the transfer of the business operations of Solquest GmbH, 54 members of staff were taken over by SQ IT-Services GmbH. SQ IT-Services GmbH employed 52 members of staff at St. Ingbert and Waldbronn on the reporting date.

In order to control and boost corporate growth at GK SOFTWARE, intensive investments have been made in training and developing employees for years. The one-year training program introduced in 2008 to deliberately provide qualified employees was continued in the first half of 2009 too. Six trainees were taking part in this program at the reporting date on 30 June 2009.

▲ **GK SOFTWARE won the Retail Technology Award 2009** of the international journal Retail Week in the category Best International Solution for the international project with Perfumery Douglas.

c. Products & Services

The GK/Retail suite provides market-leading solutions for retail stores, head offices and end-to-end integration between stores and enterprise headquarters. All the GK/Retail solutions are fully based on Java and open standards. They provide the opportunity to com-prehensively map business processes related to stores.

The new major version of GK/Retail 12, which was first presented at the EuroCIS specialist fair in February, represents a significant milestone in the development of the product family. It contains a number of innovations in functional and technical areas. The ABC technology (Advanced Business Components), which was previously used in individual solutions, is now taken over as the standard and universal architectural principle for all the individual elements. Other components and new developments can therefore be added to the overall structure easily and precisely like Lego bricks. Major improvements have been made for customer service in stores in Version 12. Two minor releases for GK/Retail 12 were given the go-ahead in the first half of 2009 and they extend the standard features by providing solution components, functionalities and interfaces to subsystems.

The software solutions provided by GK SOFTWARE AG attracted three important certifications during the reporting period – important in the international context too. GK/Retail was tested by SAP and was once again awarded "Integration with SAP Applications" and "Powered by SAP NetWeaver" certification. The certification process for the Retail Integration Framework was carried out in conjunction with IBM and certification was provided for GK/Retail. So both IBM and SAP have confirmed that the current version of GK/Retail can be used without any problems with their software solutions.

Store Solutions

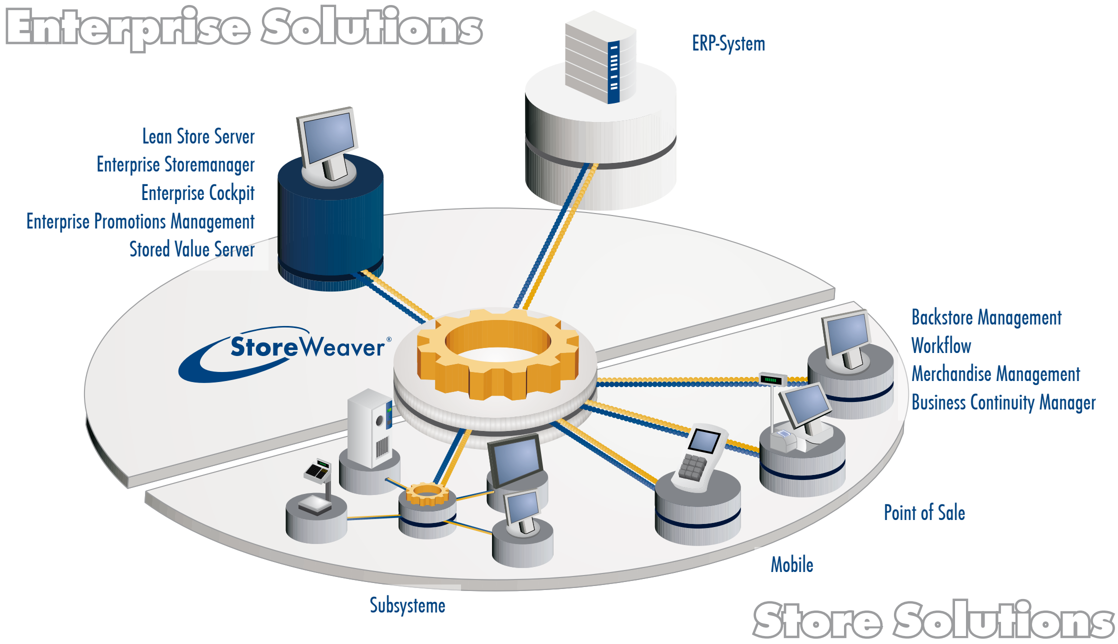
GK/Retail Store Solutions comprise solutions for use in the retail sector stores. They are designed to ideally handle all the business procedures at the till, on shelves, in warehouses or in the back office area. The Store Solutions are coordinated with each other and can be used at the customer's premises either fully integrated or separately. The following solutions are part of this product line:

- **GK/Retail POS** is the market-leading solution for operating till systems. The application guarantees that all business processes are handled securely at the point of sale and it provides extensive back office functions for cash management or managing stores or reporting purposes.
- **GK/Retail Mobile** is used on standard mobile devices and allows members of staff in stores to go about their work directly in the sales area, at shelves or in the warehouse quickly and directly. GK/Retail Mobile fulfils important store merchandise management tasks, e.g. deliveries, inventories, write-offs or accounting for empties. The information required for this is available right next to the goods on mobile devices. This means that the members of staff have permanent access to important information – e.g. prices and the availability of goods. By using Wi-Fi, the devices can access background systems at a higher speed, but can also work offline.
- **GK/Retail Workflow** distributes information automatically, simultaneously and in a controlled manner – e.g. items for recall or corporate-wide announcements or other information. The module, which is especially designed for the needs of corporations with many stores, allows a rapid and integrated flow of information and can also be used on mobile devices.
- **GK/Retail Merchandise Management** provides merchandise management processes in stores. It forms an ideal addition to leading central systems (e.g. SAP) and ensures that the stock information at stores is always available in real time. This software enables stores to perform important business processes like placing orders, carrying out inventories, doing price labeling or sending stock messages.

Enterprise Solutions

GK/Retail Enterprise Solutions cover software solutions, which enable enterprise headquarters to manage and monitor complex store structures. They are based on the standard architecture of GK/Retail and match both the solutions, which have been conceived for use in stores, and StoreWeaver. The Enterprise Solutions can be fully integrated with the Store Solutions or be used separately:

- **GK/Retail Lean Store Server** allows the centralization of all the back office servers. This means that an important part of the IT systems can be moved from the stores to enterprise headquarters. This opens up huge potential for store-based corporations – e.g. more powerful servers can be used and servicing and maintenance costs are reduced significantly. GK SOFTWARE AG is the world's leader in centralizing background systems.
- **GK/Retail Enterprise Storemanager** is the market-leading software solution for administering and monitoring technically large networks of stores, even across international frontiers. The solution enables companies to manage and monitor thousands of stores in many countries and is an important unique feature of the GK/Retail suite.
- **GK/Retail Enterprise Cockpit** offers managers a very quick summary of the technical and specialist key performance indicators. Technical breakdowns can be recognized in stores immediately and sales data (e.g. revenues) can be analyzed in real time. This solution creates corporate-wide transparency with regard to the state of systems in the stores and central business management data.



- **GK/Retail Enterprise Promotions Management** is a complete software solution for setting up, handling and managing corporate-wide promotions and special offers. It can be used, among other things, for managing the granting of discounts on customer card systems or for accepting any kinds of coupons at points of sale.
- **GK/Retail Stored Value Server** ensures that all the gift certificates that are issued are managed across the corporation. It provides a central database for making available all gift certificate information across the company and also handles all the processes linked to electronic gift cards.
- **GK/Retail Digital Content Management** is the central software solution for distributing multimedia content on to different kinds of display media throughout the corporation. As a result, images, slide shows or videos can be distributed to the relevant systems in the corporation or even pure text (e.g. for electronic shelf labels).

StoreWeaver

The StoreWeaver portfolio extends the GK/Retail suite in the areas of store integration, linking in subsystems and store merchandise management processes. It primarily deals with the scheduled uploading and downloading of current data from various store systems (e.g. scales and tills). StoreWeaver also guarantees that data is downloaded and fed on to central systems.

It is possible to link up and communicate with different software and hardware systems (empties machines, scales, POS, mobile terminals etc) by using StoreWeaver as the universal data hub and interface to ERP systems (e.g. SAP). So there is only one more interface in the store and this is used to handle all the communications. It is then impossible for complex networks to be created in the first place. Mechanisms like transaction security, central monitoring, authorization and configurability guarantee that operations at small or large store networks run smoothly.

Services

In addition to its products, GK SOFTWARE AG also provides extensive services. These include, for example, an analysis and advice on realizing new store solutions or adapting solutions already implemented to a customer's enhanced requirements – e.g. integrating new bonus systems in the till environment. As part of projects, the company can also draw up documentation or train personnel on how to handle software products and provide the associated project management.

One other important service feature involves providing maintenance and support services.

New Solutions and Extensions

GK SOFTWARE introduced a number of solutions on to the market in the first half of 2009 and they have markedly extended the product portfolio. The new major version of GK/Retail 12 was first presented to a specialist public in February at the EuroCIS, Europe's leading specialist fair for information technology and security in the retail sector, in Düsseldorf. The most important innovation in this release is the continuous availability of all the solutions components as Advanced Business Components (ABC). This consistent realization of the ABC concept, which was developed by GK SOFTWARE, allows a customer to freely decide which parts of the software should be used centrally or locally. As a result, customers achieve an even higher speed of realization and flexibility for current and future projects. At the same time, Release 12 of GK/Retail is based on the current version of Java and this opens up new opportunities for developing software and providing improved security concepts. The implementation of Windows and Linux environments optimized for the retail sector and support for other enterprise databases has also been completed with Release 12. Many minor improvements accelerate work with the solutions and allow new business processes to be handled. For example, the integration of a mobile payment solutions or a link-up facility for a self-checkout increase the attractiveness of GK/Retail and demonstrate the openness of the solution when linking in outside applications.

At the same time as publishing Release 12, a new digital signage solution was presented to the market in the shape of GK/Retail Digital Content Management. As a result, digital advertising material can automatically be distributed on to the relevant output media throughout the corporation. A newly developed integrated solution for digital signatures at tills was also presented during the first half of 2009.

D. Research & Development

The further development of existing products and the development of new software solutions have always been the company's major focus during the past few business years and they will continue to be an important strategic competitive factor in the future too. This is reflected in the continually rising number of employees in this department. Research and development are based at the EUROSOFTWARE s.r.o. subsidiary in Plzen. GK SOFTWARE AG employs 17 software developers there alone and they grapple exclusively with current trends on the software market in order to develop new, ground-breaking products from this work. Company management, sales and marketing personnel and customers of GK SOFTWARE AG also provide input for the work carried out by the research members of staff.

At the moment, the major focus is on the further development of existing software lines and adapting solutions to international requirements. With a view to extending the scope of functions of products, the company is mainly working on expanding the GK/Retail Mobile solution, on the store-based merchandise management functions and on a fully-automatic label printing solution in the R&D department. Alongside this, topics like mobile payment or self-checkout continue to be the major focus for the further development of the portfolio.

In addition, the further development of the software solutions is designed to open up additional sectors. Solutions for drinks markets and gas station operators were worked on during the first half of 2009.

E. Customers

The customers for GK SOFTWARE products mainly come from the retail sector at the moment. Market segments primarily include the food retail business, drugstore and household goods, fashion & lifestyle or technology & cars. The company provides pre-configured solutions in the cash & carry, department store, discount/food, specialist retails and cell phone shops and they are tailor-made to meet the needs of these segments. The products and services are

▼ **Customer journal GK/Inside,** published three to four times a year for customers and prospects.

directed at corporations with very different sizes.
Important New Projects in 2009 – Summary:

- LIDL (8,000 stores in more than twenty European countries)
- Netto Marken-Discount (equipping more than 2,300 former PLUS stores)
- Equipping the stores of the well-known brand cars Aston Martin.

All the projects are running according to schedule and the roll-out has already begun.

f. Market and Competitive Environment

Success at GK SOFTWARE is affected by economic developments and the willingness on the part of the retail trade to invest.

Sales revenues at retail outlets in Germany rose by 1.1% to EUR 399.6 billion in 2008. But in real terms, they contracted by 0.8%. Based on the overall economic situation, the German Retail Federation (HDE) is currently expecting (1 July) a nominal decline of up to 2 percent. HDE President Josef Sanktjohanser issued this statement: "This would mean that we would be moving within the fluctuations in retail sales that have been common for years, even if we are at the bottom end of this process."[1]. But he added that there was no guarantee that developments would improve this year. This, he said, depended on the labor market.

On the basis of this data, experts expect investment volumes to be lower in 2009 than in the previous year. The IT budget at retail corporations is 1% of gross sales on average (within a range between 0.4 and 1.3%). If the global economic crisis does not lead to any major, long-term breakdowns in the real economy and specific developments in the retail sector are within the range of the HDE's expectations, GK SOFTWARE believes that the general trends for developments in the past can be continued. As a result of growing international expansion and an increase in the intensity of competitiveness, the retail sector will have to press ahead with further investments in the near future. Information technology is viewed by most retail sector corporations as the critical success factor. So the retail sector could make major investments in the IT field. According to a survey by the EHI Retail Institute in Germany, IT equipment is on average more than six years old. About 20% of existing systems are even ten years old or more. The most important requirements for modern IT systems involve process optimization and customer loyalty.

In its current study entitled "IT Investments in Commerce in 2009", the EHI stresses that the issue of POS software is top of the list of priorities for stores. Older software solutions have often reached their limits in the face of more and more complex requirements and need to be replaced, the report says. According to the EHI data, fairly large proportions of the IT budget will be spent on web-based information portals for stores during the next few years, as the technical conditions for this are generally available (broadband etc). The EHI says that another major topic for IT managers is the introduction of new solutions for gathering data on mobile devices. Almost 20% of the companies questioned are planning to use self-checkouts in the future and 10% want to test them at least.

Many German retail corporations have now internationalized their business activities. According to a KPMG study ("Trends in the Retail Sector in 2010"), one of the most important factors for the retail sector is to achieve an international presence. New, strategically attractive target markets are available, e.g. in the USA or Russia. According to the study, an international presence and the proximity of Germany to the markets of Eastern Europe are the most important factors supporting the expansion of German retail corporations.

This creates huge sales and growth opportunities for GK SOFTWARE. In addition, the topic of customer loyalty is playing an increasingly important role for the retail sector. Particularly during the current economic downturn, consumers are looking for opportunities to make savings to a greater degree. This situation and the opportunity offered by GK products of integrating a wide

1 Source: http://de.reuters.com/article/topNews/idDEBEE56004A20090701

variety of bonus and gift certificate systems provide potential sales for GK SOFTWARE.

According to the study entitled "SITSI Verticals – Retail & Wholesale Germany" by Pierre Audin Consultants (PAC), IT expenditure for the retail trade in Germany totaled approx. EUR 6 billion in 2007 and will rise to EUR 6.5 billion by 2011. Estimates made by PAC indicate that GK SOFTWARE has market potential of securing between EUR 250 and 290 million in Germany. PAC assumes that IT investments will focus on two goals during the next few years: firstly, reducing costs and optimization and secondly, increasingly on topics related to customers. This, it says, particularly affects the POS zone with new hardware and software solutions in order to accelerate payment procedures, unify store processes and increase customer loyalty. Even if growth in IT investments should remain muted in 2009 and possibly in 2010, the sector experts believe that there is still a great deal of potential for the IT market in the retail sector. Greater standardization and automation of processes and therefore of IT systems will drive investments both at store level and at enterprise head-quarters.

Positioning in the Market

Partly as a result of its successful IPO, the company has been able to significantly improve its market position. Evidence of this is provided by winning the projects at Lidl and Netto Marken-Discount and the good market position in current tender procedures. Rapid project implementation, a broad portfolio of products, solutions that can be applied on an international basis and the long-term reduction in operating costs (TCO) are crucial advantages over competitors. The last point in particular is an important argument for gaining customers in Great Britain and France in the future too.

GK SOFTWARE has many rivals, which differ in the size of their company, the products that they offer and the target markets that they address. GK SOFTWARE has managed to successfully squeeze rivals and has therefore grown faster than the market. The company also benefits from its position as the leading technology provider of software solutions for the retail sector. GK SOFTWARE stands apart from complete providers on the one hand – they supply hardware (e.g. POS equipment, printers) and software to operate the store systems. On the other hand, it is different to service companies, which also focus on software for the retail sector, but have invested less in the technology and do not provide any state-of-the-art software solutions. The combination of store solutions, central components, mobile store merchandise solutions and an integration platform provides an important unique selling feature, as no other competitor has a comparable breadth of the latest technical solutions.

As a result of the takeover of the competitor Solquest, the company has been able to continue to improve its position in the market place. As a result, GK SOFTWARE AG has been significantly strengthened in the areas of store integration, merchandise management and mobile solutions in particular.

▼ **Advertisment for GK/Retail,** published during the US trade show NRF in a US trade magazine

g. Corporate Strategy

Since the company was set up, GK SOFTWARE AG has continually pursued further development using its own resources. The company's primary goal has been to further extend its market presence in the core market in Germany. To do this, the company is continually analyzing the IT infrastructure at leading German retail companies in order to be able to recognize possible needs for investments at an early stage and be involved in tendering processes for IT projects. In this way, GK SOFTWARE AG aims to obtain more customers and expand existing business relations. The company is also aiming to tap into new sectors and so expand its customer base in Germany. For this purpose, the company will continue to deliberately strengthen its sales and marketing organization.

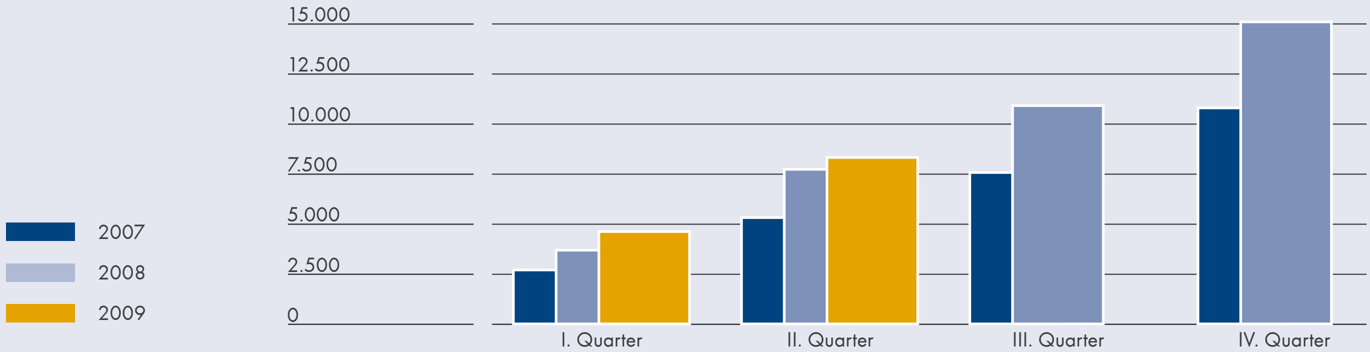
One important component in the company's growth strategy is to address the market for small and medium-sized retail enterprises. This expansion is initially designed to only apply to the German market, as these companies have a strong market presence here. In addition, access to this new circle of customers is due to be expanded through strategic partners, which have already specialized in small and medium-sized retail enterprises.

Alongside the German market, the company plans to continue to penetrate the international market in a robust manner. Global expansion will become possible through strategic partnerships. The revenues from the IPO form the financial basis for international expansion. The company is aiming to focus on leading retail corporations in the relevant markets in order to obtain showcase projects in this way. A further step will involve setting up our own company branches or sales subsidiaries in the respective countries, depending on the attractiveness of the market. The international expansion is being accompanied by deliberate marketing measures in order to increase the company's profile in the individual markets. The geographical target markets are initially the German-speaking neighboring countries, Great Britain, the USA and Russia. The company can already demonstrate initial success stories in its expansion strategy as a result of newly acquired international customers like the Swiss retail group Coop, the Scandinavian JYSK Nordic or the British company Aston Martin.

The company is also considering deliberate strategic acquisitions of companies or joint ventures as a tool to achieve the goal of be-coming a global leading international complete provider in the market for software solutions in the retail sector. Target companies may be foreign corporations, which already have an established market position and customer contacts in their own region.

▼ **Developments in Sales** compared to the previous years

Quarterly sales performance in comparison with the previous years, accumulated
in EUR thousand



II. Explanation of the Business Results and an Analysis of the Assets, Financial and Earnings Situation

A. Earnings Situation

GK SOFTWARE was able to once again increase its sales revenues in the first half of 2009. Sales revenues amounting to EUR 8.54 million exceeded the revenues in the previous year by 11% (EUR 7.69 million). This increase in sales revenues includes EUR 0.37 million from SQ IT-Services GmbH, which has been included in the consolidation for the first time. The total operating revenue rose from EUR 7.08 million to 9.26 million by more than 30 %. Because of this first consolidation of the acquired assets from Solquest, the net income for the period fell by 16.5% from EUR 1.19 million to EUR 0.86 million.

If we first look at the development of the operating business – i.e. the consolidated companies without SQ IT-Services GmbH – sales revenues rose 6.2% to EUR 8.16 million when compared to the same period in the previous year (2008: EUR 7.69 million). But if we take into consideration the changes in stocks for unfinished services or those that have not yet been settled – i.e. the effects of services provided in the previous periods – the company's operating performance rose by 26.6% from EUR 6.49 million to EUR 8.21 million. Total operating revenue, which not only includes operating performance, but also changes in stocks of finished goods and work in progress for own work capitalized and other operating earnings, rose by as much as 27.5% from EUR 7.08 million to EUR 9.02 million.

Material expenditure rose by EUR 0.27 million to EUR 0.29 million. The gross profits or losses improved by 28,3% from EUR 6.81 million in the previous year to EUR 8.74 million.

As part of the further growth planning process at GK SOFTWARE, development and project management resources were expanded from financial 2008 until the reporting date. As a result of this, expenditure on personnel for the previous basis of consolidation increased by 31.5% from EUR 3.74 million to EUR 4.92 million.

The scheduled write-downs in property, plant and equipment assets and intangible assets led to depreciation or amortization of EUR 0.42 million following a figure of EUR 0.35 million in the same period in the previous year. Other operating expenditure, which accounted for EUR 1.20 million in the same period in the previous year, now amounted to EUR 1.86 million. This is mainly due to expenditure on sales and advertising, which was increased by approx. EUR 0.40 million over the same period in the previous year in order to tap into international target markets.

As a result, the company's EBIT figure totaled EUR 1.54 million. This exceeds the figure for the previous year by 1.3%. This gives rise to an EBIT margin on sales revenues of 18.9% for the current business year (19.8% in the previous year).

The net income for the period for the previous basis of consolidation during the reporting period is therefore EUR 1.19 million and is therefore 16% higher than the comparable figure for the previous year (EUR 1.03 million).

With the first inclusion of SQ IT-Services GmbH, which covers the operating business of Solquest GmbH, which has been taken over, sales revenues rose by 11% to EUR 8.54 million. The operating performance rose by more than 30% as a result to EUR 8.54 million following a figure of EUR 6.49 million in the previous year.

The gross profits or losses rose to EUR 8.98 million or by 32% compared to the previous year's figure of EUR 6.81 million.

Expenditure on personnel rose on account of the employment contracts that were taken over by a total figure of 45.1% in comparison with the previous year's figure; the scheduled amortization or depreciation on the acquired non-current tangible and non-tangible assets led to a rise in depreciation/amortization to EUR 0.44 million and other operating expenditure rose to a total figure of EUR 2.03 million. This leads to an EBIT figure of EUR 1.08 million.

The financial results in the first half of 2009 were EUR 0.13 million (-0.05 million in the previous year). Expenditure on interest amounting to EUR 0.0,3 million was particularly the result of funding for real estate. The EBT figure amounted to EUR 1.21 million. In comparison with the previous year (EUR 1.47 million), this fell by 17.3% on account of expenditure on restructuring and integration. After taxes, the net income for the period for the group amounted to EUR 0.86 million (EUR 1.49 million in the previous year). Based on the number of shares in circulation at the reporting date, this represents earnings per share of EUR 0.52.

b. Assets Situation

The balance sheet total for GK SOFTWARE rose significantly from EUR 19.63 million (31 December 2008) to EUR 20.69 million at the reporting date on 30 June 2009. The balance sheet equity capital is now EUR 12.64 million and has created an equity ratio of 61.1% compared to 60% on 31 December 2008.

Non-current liabilities now amount to EUR 2.48 million. This figure particularly includes the funding for the company's own real estate in Schöneck and latent tax liabilities. The changes in the figures are the result of agreed repayment installments. The current liabilities now amount to EUR 5.58 million (EUR 5.46 million on 31 December 2008). They mainly include advance payments made by customers, which represent an important tool in funding the company. If the cash and cash equivalents are compared to the interest-bearing liabilities of EUR 1.26 million, the company has net debts of EUR -7.66 million. As a result, GK SOFTWARE is virtually debt-free and operates largely without any dependence on external bank funding, but it goes without saying that the company still makes use of the latter in the interests of having an optimized funding mix.

On the assets side, the non-current assets have risen from EUR 4.24 million to EUR 5.48 million, which is mainly the result of changes to intangible assets. They rose from EUR 1.63 million on 31 December 2008 to EUR 2.55 million at the reporting date on 30 June 2009. This development is particularly due to the capitalization of goods and services for own account in the further development of the GK/Retail software suite and on the rights to software solutions owned by Solquest GmbH, which were purchased. The property, plant and equipment remained at a similar level to 2008 (EUR 2.69 million, while the figure in 2008 was EUR 2.59 million). This mainly includes real estate and buildings (particularly the real estate in Schöneck) at EUR 2.17 million and operating and business equipment at EUR 0.49 million.

The derived value of the operating business of Solquest GmbH has been included in the balance sheet total for the first time; this figure results in a purchase price allocation of EUR 0.02 million.

In comparison with the figures published for 31 December 2008, the current assets have increased only slightly. They rose from EUR 15.38 million (31 December 2008) to EUR 15.22 million on 30 June 2009. Cash and cash equivalents at EUR 8.88 million are almost identical with the figure at the end of 2008 (EUR 8.85 million), while stocks of supplies only changed slightly (EUR 0.94 million at the reporting date compared to EUR 0.74 million on 31 December 2008). But trade accounts receivable fell from EUR 3.02 million to just EUR 2.17 million.

C. Financial Situation

The operating cash flow for the first half of 2009 amounted to EUR 1.08 million following a figure of EUR 0.24 million on 30 June 2008. The operating cash flow for the whole of 2008 totaled EUR 1.43 million. Operating cash flow in the narrower sense – i.e. without changes to net current assets and income tax payments – amounted to EUR 1.61 million. A figure of EUR 1.86 million was achieved in the same period in 2008, so the figure for the current year is mainly the result of lower net income for the period, which is due to the purchase of the operating business of Solquest GmbH.

Funds totaling EUR 1 million were consumed on investments. This included payments for the purchase of the operating business of Solquest GmbH. The investment behavior in office and business equipment and the ongoing development of our software suites has been maintained at a similar level to 2008 in 2009. The cash flow from investments amounted to EUR 0.57 million on 30 June 2008.

The cash flow from funding activities is dominated by scheduled repayments of non-current bank liabilities and amounted to EUR -0.06 million at the end of the half year. The previous year was dominated by the inflow of cash and cash equivalents from the IPO and the figure for 30 June showed an inflow of funds totaling EUR 7.70 million.

III. Report on Key Events after the Balance Sheet Date

GK SOFTWARE saw some fruit from its sales work in Great Britain after the reporting date. We have acquired the task of equipping the merchandize stores of Aston Martin with our software. This initial success story has underlined our aim to be successful in selling our products in Great Britain too.

B. Report on Risks and Prospects

I. Chancen und Risiken der GK SOFTWARE

Risks

GK SOFTWARE deliberately takes entrepreneurial risks in order to be able to benefit from the opportunities presented by the market. In order to recognize, manage and minimize risks at an early stage, the initial modules of a risk management system have already been put in place. These modules include a monthly meeting by the Management Board in order to identify possible risks and initiate countermeasures. The Supervisory Board is informed of the results of these discussions. On an operating basis, the relevant project managers provide information to the appropriate member of the Management Board about possible risks during the course of current projects. GK SOFTWARE AG believes that the degree of customer satisfaction and the number of new customer contacts are important indicators for assessing risks. So both these factors are subject to particular monitoring and are regularly checked as part of sales controls. As a next stage, GK SOFTWARE AG is planning to prepare an extensive risk management manual in order to identify potential risks in good time, define who is responsible for managing risks and document countermeasures.

As a result of its risk assessment, the Management Board has reached the conclusion that the overall opportunities/risks structure for GK SOFTWARE has not substantially changed in comparison with the statements made in the 2008 group situation report.

The business development of customers of GK SOFTWARE AG depends on the general consumer climate in Germany and Europe. The current global economic crisis has not yet affected the customers of GK SOFTWARE AG, but there have been a number of highly contradictory signals from the circle of these companies – ranging from the insolvency of well known companies to reports of other curtailing their investment behavior and even such with good and excellent corporate figures and optimistic investment scenarios. It is not possible to make a clear forecast on further developments because the effects of the expiry of measures designed to support the economy (cash for clunkers scheme, money for employees working shorter hours etc) are still completely unclear on the labor market. The strong decline in incoming orders for the German engineering sector, developments at vehicle manufacturers demonstrate the strong negative effects on developments in the real economy.

It is true that the forecasts provided by associations and analysts suggest that developments will be relatively calm in the retail trade in comparison with changes in other sectors, but the psychological effects of generally negative news on the investment behavior of customers of GK SOFTWARE is hard to predict.

The Management Board is continuing to achieve room to maneuver by means of remaining flexible when it comes to costs and deli-berate cost management so as to be able to respond to the effects of the situation in the real economy on the sales markets of GK SOFTWARE.

The company’s business is dominated by large individual projects involving a relatively small number of customers. As a result, these business relations have a significant effect on sales and results in any business year. The Management Board assumes that this will be the case in the future too. If one business partner cancels a project or gets into difficulties with making payments, this may have financial consequences for GK SOFTWARE AG, but this risk is limited by the use of regular payment plans or making payments dependent on so-called project milestone payments.

The ongoing consolidation of the retail sector market may lead to a reduction in the number of store networks in the short term, so that the buying power of the retail sector could rise. The retail sector in Germany is generally dominated by price wars. Retail companies therefore seek to pass on the resulting pressure on prices to their suppliers and contractual partners. This process is also felt in investments in IT equipment and may have an effect on producers of retail sector software. As GK SOFTWARE AG, however, provides solutions for a highly central function within retail sector groups, these risks are not classified as a threat to the company's existence.

The planned expansion is also associated with certain financial risks. These mainly arise from preliminary services provided to acquire customers. In the course of any further expansion, the project business will have to be increasingly scaled and this will take place by using partners. However, there are other risks when working with partners – not every process can be precisely controlled.

GK SOFTWARE AG does not rule out a situation where it partly acquires its products and sales base by deliberate acquisitions in order to complete the planned expansion of its business operations during the next few years. The company will exercise the maximum possible degree of prudence when preparing for and checking acquisitions. But it is impossible to completely eliminate the risk that an acquisition may have negative effects on the results of GK SOFTWARE AG.

To ensure further growth, the company needs additional highly qualified employees and we cannot rule out the possibility that members of staff in key positions will leave the firm. So it will be an ongoing challenge for the company to tie down current staff to the firm and at the same time attract new, motivated specialists. As a result of the IPO, the company believes that it has created important conditions for this.

In addition to the risks already mentioned, there are other factors, which could also affect the sales and revenue situation. They include, for example, risks from current projects or warranty claims. Exchange rate risks should also be mentioned here, but they will be further reduced in future by using exchange rate hedging tools. In particular, fluctuations in the Euro/Czech crown exchange rate could have a negative effect.

There was no risk at the end of the first half year 2009, which might prove to be a threat to the very existence of GK SOFTWARE AG.

Opportunities

There are growth opportunities for the company both in Germany and abroad. The issues targeted by the products of GK SOFTWARE AG are key strategic IT projects that are high on the list of priorities at many retail companies. In order to be a success in the international market place, the company is well placed with plenty of good references from the German retail sector and a technically well-developed product.
GK SOFTWARE AG products are already well represented on the international market and are being used at more than 57,000 POS units in 13,500 stores in 25 countries. GK SOFTWARE AG also has several major partners with excellent networks in the retail sector. This should make it easier to gain access to new customers in international markets like the USA or Asia. The company can make use of the experience that it has gained with its German customers, as the solutions have already been successfully introduced in 25 countries and therefore can be quickly transferred to foreign customers.

The growth prospects in Germany have not yet been exhausted either by a long way. The focus of GK SOFTWARE AG will be on new sectors in the future. They include, for example, the drinks trade, fast food chains and gas stations and this would significantly expand the target group of potential customers. Fairly small and medium-sized chains of stores, which have not been a prime target in the past, provide further huge potential, particularly if standardized solutions are sold. Integrated and automated processes for optimizing inventories, managing them and efficient customer management systems can help reduce warehouse costs and increase customer loyalty. As a result, the retail trade will almost certainly invest in solutions that integrate all the business processes. Without standardization and simplification of the processes, retail companies' margins will come under pressure as well. Homogenized till systems and centralized data flows will therefore be very important to retailers in the future. GK SOFTWARE AG can clearly benefit from this investment behavior in the retail sector.

The funds that have been generated by the IPO are being primarily used for international expansion. After all, the consolidation process in the software industry has already started with sector solutions for retailers. GK SOFTWARE AG wishes to play an active role in this process with its attractive range of products and solid financial base.

II. Outlook

It is still not possible to make any serious or reliable forecasts about the specific course of the new business year against the background of the global economic situation – as we have already mentioned.

But we must still point out that changes in the investment behavior of our customers are still probable, depending on the depth and duration of the crisis. Our customers have not yet changed their behavior to extend projects or postpone them or cancel them. But we cannot rule out reactions like these in the future and they would have negative consequences on the business operations at GK SOFTWARE AG.

However, we are certain that the basic trends, which have supported the growth of GK SOFTWARE AG, will not change, but at most they may be overtaken by other considerations as a result of the crisis. The tasks, which consist in being able to efficiently service more and more individual consumer needs in an increasingly internationalized world of stores and achieve customer loyalty by using differentiated features that go beyond prices, will only be fulfilled by using efficient IT structures. Exact information about business management issues within the network of stores will enable companies to manage their networks precisely and achieve positive results, even in economically troubled times – and this is only possible if companies have appropriate IT structures. Our newly acquired projects – e.g. for the complete European network of Lidl stores or the software switch of approx. 2,500 PLUS markets as a result of the takeover by Netto Marken-Discount – are clear evidence of this.

We are currently involved in in-depth negotiations with potential customers in Germany and abroad and the progress being made in projects with our existing customers is going according to plan. At the same time, we introduced important product innovations on to the market in 2008 with our Release 12 and demand for this is high and this represents an important basis for our future growth.

GK SOFTWARE expects a double digit growth in sales revenues in financial 2009 in comparison to 2008 with a similar level of profitability to the previous year in the operating business. The integration of the acquired business operations of SOLQUEST will not influence the result. However, this forecast is subject to the way that economic developments actually proceed in Germany and Europe, particularly in the retail trade. The experience has shown that issues like customer loyalty, increasing customer satisfaction and optimizing store processes in the retail sector are very important, particularly during any economic downturn. So the management board remain confident that business will continue to be successful at GK SOFTWARE beyond 2009.

3. Consolidated financial statements

A. Consolidated balance sheet as of June 30, 2009

Assets

EUR	Note No.	30.6.2009 (not audited)	31.12.2008 (audited)
Non-current assets			
Property, plant and equipment	2.1.; 3.1.	2,686,738.64	2,593,082.45
Intangible assets	2.2.; 3.2.	2,556,990.88	1,633,248.88
Financial Assets		300.00	0.00
Deferred taxes	2.11.; 4.9.	234,126.55	17,836.30
Total non-current assets		5,478,156.07	4,244,167.63
Current assets			
Inventories	2.3.; 3.3.	938,517.43	738,100.00
Accounts receivable	2.4.; 3.4.	2,171,674.63	3,023,201.58
Other receivables and assets	2.4.; 3.5.	3,225,434.58	2,765,481.55
Cash and cash equivalents	2.5.; 3.6.	8,880,155.30	8,854,938.53
Total current assets		15,215,781.94	15,381,721.66
Total (balance sheet)		**20,693,938.01**	**19,625,889.29**

Equity and Liabilities

EUR	Note No.	30.6.2009 (not audited)	31.12.2008 (audited)
Equity capital	3.7.		
Subscribed capital		1,665,000.00	1,665,000.00
Share premium		7,436,970.73	7,436,970.73
Retained earnings		31,095.02	31,095.02
Balance sheet profits		3,509,355.58	2,649,347.46
Total equity capital		12,642,421.33	11,782,413.21
Non-current liabilities			
Provisions for pensions and similar commitments	2.6.; 3.8.	48,719.12	48,719.12
Non-current liabilities to banks	2.7.; 3.9.	1,078,520.06	1,140,434.50
Deferred government grants	2.8.; 3.10.	725,019.10	749,652.03
Other non-current liabilities	2.7.; 3.11.	0.00	0.00
Deferred taxes	2.11.; 4.9.	623,896.69	443,405.05
Total non-current liabilities		2,476,154.97	2,382,210.70
Current liabilities			
Current provisions	2.9.; 3.13.	1,107,727.67	798,640.70
Current liabilities to banks	2.10.	116,921.44	115,503.60
Accounts payable	2.10.; 3.14.	321,486.80	525,974.39
Advance payments received	2.10.; 3.15.	2,430,599.54	2,271,498.24
Income tax liabilities	3.16.	306,557.39	211,149.47
Other current liabilities	2.10.; 3.17.	1,292,068.87	1,538,498.98
Total current liabilities		5,575,361.71	5,461,265.38
Total liabilities		8,051,516.68	7,843,476.08
Total (balance sheet)		**20,693,938.01**	**19,625,889.29**

B. Consolidated income statement for the financial year until January 1 to June 30, 2009

EUR	Note No.	30.6.2009 (not audited)	30.6.2008 (not audited)	31.12.2008 (audited)
Continued Operations				
Sales revenues	4.1.	8,535,806.54	7,686,819.64	15,028,546.88
Changes in stocks of work in progress		-88,568.20	-1,201,700.00	-1,259,500.00
Own work capitalized	4.2.	530,425.01	439,761.66	814,637.21
Other operating revenues	4.3.	284,422.05	152,156.59	424,386.79
		9,262,085.40	7,077,037.89	15,008,070.88
Material expenditure	4.4.	285,751.78	270,204.11	513,628.62
Personnel expenditure	4.5.	5,421,918.51	3,738,805.37	8,046,862.15
Amortization/depreciation	4.6.	444,930.61	348,492.79	718,885.63
Other operating expenditure	4.7.	2,028,930.57	1,197,694.90	2,954,184.02
		8,181,531.47	5,555,197.17	12,233,560.42
Operating results		1,080,553.93	1,521,840.72	2,774,510.46
Financial results	4.8.	133,336.31	-53,503.77	89,729.07
Results before income taxes		1,213,890.24	1,468,336.95	2,864,239.53
Income taxes	2.11; 4.9.	353,882.12	438,800.44	830,384.12
Net income		860,008.12	1,029,536.50	2,033,855.41
Profit carried forward		2,649,347.46	1,718,753.00	1,718,753.00
Transfers to share premium		0.00	-918,960.95	-918,960.95
Dividend payments		0.00	-184,300.00	-184,300.00
Net retained profits		3,509,355.58	1,645,028.55	2,649,347.46
Number of shares issued (average)		1,665,000	1,277,363	1,472,240
Undiluted earnings per share (in EUR/share)	4.10.	**0.52**	**0.81**	**1.38**

C. Consolidated cash flow statement as of June 30, 2009

EUR thousand	30.6.2009 (not audited)	30.6.2008 (not audited)	31.12.2008 (audited)
Cash flow from operating activities			
Net income/loss	860	1,030	2,034
Income taxes affecting results	354	439	830
Interest income/expenses affecting results	-133	54	-90
Earnings/losses from the sale or disposal of property, plant and equipment	-2	0	18
Reversals of deferred government grants	-20	-18	-36
Write-downs recognized for receivables	119	9	68
Write-ups recognized for receivables	-15	0	-8
Amortization/depreciation	445	348	719
Other non-cash income and expense	-3	-1	4
	1,605	1,861	3,539
Changes in net current assets			
Change in accounts receivable and other assets	46	48	-1,182
Change in inventories	-200	1,078	1,261
Change in accounts payable and other liabilities	-826	-223	116
Change in advance payments received	159	-1,549	-1,227
Change in provisions affecting results	309	290	270
Influx of cash provided by operating activities	1,093	1,505	2,777
Interest received	163	39	231
Interest paid	-29	-92	-141
Income tax paid	-146	-1,216	-1,440
Net cash flow provided by operating activities	1,081	236	1,427
Cash flow from investment activities			
Payments for property, plant and equipment and non-current assets	-1,002	-577	-1,215
Investment subsidies used	0	9	8
Disbursed loans to associated companies	0	0	-1,372
Disbursed loans	0	0	0
Net cash used in investment activities	-1,002	-568	-2,579
Cash flow from financing activities			
Dividend payments	0	-184	-184
New equity	0	8,021	7,852
Draw-down of loans	0	27	0.00
Repayment of credit	-60	-162	-120
Repayment of silent partnership	0	0	-450
Net cash provided by financing activities	-60	7,702	7,098
Net increase in cash and cash equivalents	**19**	**7,370**	**5,946**
Cash and cash equivalents at beginning of year	8,855	2,904	2,904
Impact of changes in exchange rates on cash and cash equivalents	6	4	5
Cash and cash equivalents on 31 Dec. 2008	**8,880**	**10,278**	**8,855**

D. Consolidated statement of changes in equity as of June 30, 2009

EUR	Subscribed capitall	Reserves (share premium)	Reserves (retained earnings)	Reserves (retained earnings)	Total
Balance on 1 Jan. 2008	155,000.00	0.00	207,134.07	1,718,753.00	2,080,887.07
net income	0.00	0.00	0.00	1,029,536.51	1,029,536.51
Dividend payments	0.00	0.00	0.00	-184,300.00	-184,300.00
Additions to retained earnings to increase capital	0.00	0.00	918,960.95	-918,960.95	0.00
Capital increase in company funds	1,095,000.00	0.00	-1,095,000.00	0.00	0.00
Capital increase (IPO)	415,000.00	8,300,000.00	0.00	0.00	8,715,000.00
Offsetting equity procurement costs with premium share less tax effect	0.00	-920,320.53	0.00	0.00	-920,320.53
Balance on 30 June 2008	**1,665,000.00**	**7,379,679.47**	**31,095.02**	**1,645,028.56**	**10,720,803.04**
net income 1 Jul 2008 to 31 Dec 2008	0.00	0.00	0.00	1,004,318.91	1,004,318.91
Adjustments to equity procurement cost including tax effect	0.00	57,291.26	0.00	0.00	57,291.26
Balance on 31 Dec. 2008	**1,665,000.00**	**7,436,970.73**	**31,095.02**	**2,649.347.46**	**11,782,413.21**
net income 1 Jan 2009 to 30 Jun 2009	0.00	0.00	0.00	860,008.12	860,008.12
Balance on 30 Jun 2009	**1,665,000.00**	**7,436,970.73**	**31,095.02**	**3,509,355.58**	**12,642,421.33**

E. Notes to the consolidated financial statements as of June 30, 2009

1. Reporting Principles

1.1. General Information

GK SOFTWARE AG is an Aktiengesellschaft (German stock company) located in Germany. The company's registered office is Waldstrasse 7, 08261 Schöneck. This is also its headquarters.

GK SOFTWARE AG is registered in the commercial register at Chemnitz local court under number HRB 19157.

The Group's business activities cover the development and production and selling and trading in software and hardware. Over the past few years, the company has moved from being an exclusively project-oriented company to a product-oriented company.

The Group manages its capital with the aim of maximizing income for its stakeholders by optimizing the equity/borrowing ratio. This ensures that all of the group companies can operate as going concerns.

The company's largest customers include:

- Lidl Stiftung & Co. KG, Neckarsulm,
- Edeka (MIOS Großhandel GmbH), Minden,
- Netto Michael Schels & Sohn GmbH & Co. oHG, Maxhuette-Haidhof,
- Tchibo Holding AG, Hamburg,
- dm-drogerie markt GmbH + Co. KG, Karlsruhe,
- Galeria Kaufhof GmbH, Köln,
- Parfümerie Douglas GmbH, Hagen.

1.2. Basis of Presentation

The consolidated accounts of GK SOFTWARE AG have been prepared according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as they applied at the balance sheet date.

Standards, which have been published, but are not yet in force, have not yet been used except for IFRS 3 in the reporting period. The Management Board assumes that the effects of these on the annual accounts will not be substantial. This financial interim report has been prepared according to IAS 34.

The consolidated financial statements were prepared for the first time according to IFRS as at 31 December 2005

The consolidated accounts are presented in euros.

The balance sheet is classified according to IFRS in line with the terms of the individual balance sheet items.

The income statement has been prepared using the total cost method.

As a rule, accounts receivable and payable are shown as current items on the balance sheet. We report pension obligations as non-current liabilities in line with their character.

Deferred tax assets and liabilities are shown as non-current.

1.3. Consolidated Group

The consolidated financial statements include GK SOFTWARE AG and all the companies, in which GK SOFTWARE AG holds a majority of the shareholders' voting rights.

The consolidated group consists of the parent company and three foreign companies (EUROSOFTWARE s.r.o., Plzen/Czech Republic, StoreWeaver GmbH, Riehen/Switzerland and GK Soft GmbH Zurich/Switzerland) and SQ IT-Services GmbH, incorporated under the laws of Germany in 2009 and included in these consolidated for the first time.

1.4. Principles of Consolidation

When capital is consolidated, the acquisition values of the participating interests are offset against the present values of the acquired assets and liabilities. Any remaining positive difference is shown as goodwill. Any remaining negative difference is shown in income after the fair values of the acquired assets and liabilities have been reviewed.

Earnings, sales, expenditure and revenues or accounts receivable and payable within the group between the consolidated companies have been eliminated.

1.5. Currency Conversion

The group companies prepare their annual accounts based on their respective functional currencies.

Foreign currency transactions for consolidated companies are converted into the functional currency using the exchange rate on the date of the transaction. Assets and liabilities are adjusted using the valid exchange rates on each balance sheet date. The resulting currency gains and losses are shown in income under other operating income or expenditure.

2. Accounting and Valuation Principles

Accounting and valuation principles are identical with those applied in the consolidated financial statement for financial year 2008.

3. Notes on the Consolidated Balance Sheet

3.1. Property, Plant and Equipment

EUR	Land and buildings	Technical equipment and machinery	Technical equipment and machinery	Payments on account and assets under construction	Total
Purchase/Production Costs					
Balance on 1 Jan. 2009	2,537,780.10	246,371.86	967,341.11	0.00	3,751,493.07
Additions	39,643.98	0.00	217,677.70	14,700.95	272,022.63
Disposals	0.00	9,778.92	29,946.20	0.00	39,725.12
Balance on 30 June 2009	2,577,424.08	236,592.94	1,155,072.61	14,700.95	3,983,790.58
Accumulated depreciation					
Balance on 1 Jan. 2009	362,916.17	208,116.32	587,378.13	0.00	1,158,410.62
Additions	40,340.14	12,432.48	107,487.03	0.00	160,259.65
Disposals	0.00	0.00	21,618.33	0.00	21,618.33
Balance on 30 June 2009	403,256.31	220,548.80	673,246.83	0.00	1,297,051.94
Carrying amount on 30 June 2009	**2,174,167.77**	**16,044.14**	**481,825.78**	**14,700.95**	**2,686,738.64**

3.2. Intangible Assets

EUR	Capitalised development costs	Industrial property rights and similar rights and assets	Goodwill	Total
Purchase/Production Costs				
Balance on 1 Jan. 2008	2,242,819.08	236,288.00	0.00	2,479,107.08
Additions	530,425.01	652,618.23	25,369.74	1,208,412.98
Disposals	0.00	0.00	0.00	0.00
Balance on 31 Dec. 2008	**2,773,244.09**	**888,906.23**	**25,369.74**	**3,687,520.06**
Accumulated amortization				
Balance at 1 Jan. 2008	720,659.62	125,198.58	0.00	845,858.20
Additions	239,628.61	45,042.37	0.00	284,670.98
Disposals	0.00	0.00	0.00	0.00
Balance on 31 Dec. 2008	**960,288.23**	**170,240.95**	**0.00**	**1,130,529.18**
Carrying amounts on 31 Dec. 2008	**1,812,955.86**	**718,665.28**	**25,369.74**	**2,556,990.88**

Capitalized development costs are subject to scheduled linear amortization over their estimated serviceable life of five years. The amortization starts in the year after they have been capitalized with the proportionate amount for the period.

The goodwill shown here is the result of the acquisition of the operating business of Solquest GmbH, Waldbronn.

The operating business was acquired on 28 May 2009 with economic effect from 1 May 2009. The only elements taken over by means of singular succession involve assets (fixed and current assets, customer contracts and employee contracts) and normal operating supplier and service contracts (rent, telecommunications etc). The purchase price amounted to EUR 500,000 and was paid in cash.

The fixed and current assets were taken over at their nominal accounting values. In the case of the intangible assets that were taken over, the list of which was prepared by Solquest GmbH itself, the estimated capitalized income value estimated by management on the basis of more detailed planning was taken over as the current value.

The acquisition was mainly triggered by the existing expertise that Solquest GmbH has in the field of store integration and mobile merchandise management solutions. A real current value cannot be attributed to this expertise as the market price cannot be established because of the heterogeneity of the dubious expertise. This figure is shown as the residue from the purchase price – after the deduction of the assets that have been taken over – and as goodwill amounting to EUR 25,369.74.

3.3. Inventories

EUR	30.6.2009	31.12.2008
Unfinished work in progress	912,267.43	738,100.00
Goods	26,250.00	0.00
Total	**938,517.43**	**738,100.00**

3.4. Accounts Receivable

Accounts receivable are due to be settled within one year.

The carrying amounts of accounts receivable match their fair values.

Write-downs totaled EUR 118,000 (2008 fiscal year: EUR 61,000). The valuation adjustment was made under other operating expenditure.

There were trade receivables in foreign currencies in CZK totaling EUR 65,000 on the balance sheet (2008 fiscal year: EUR 14,000).

3.5. Other Receivables and Assets

EUR	30.6.2009	31.12.2008
Receivables from shareholders	404,086.55	377,534.29
Tax receivables	99,598.81	408,986.99
Discharged loans to third parties	1,700,672.68	1,813,363.58
Others	1,021,076.54	165,596.69
Total	**3,225,434.58**	**2,765,481.55**

Receivables from shareholders relate to loans granted for an unlimited period amounting to EUR 219,000 (others are current) and bear interest of 5% p.a.

3.6. Cash and Cash Equivalents

Cash and cash equivalents are reported at face value. This item includes cash on hand and current bank deposits with terms of less than three months.

3.7. Equity Capital

For further information on changes in GK SOFTWARE AG's equity capital at the balance sheet date in 2008, please refer to the statement of changes in equity capital.

The company did not hold any of its own shares at the balance sheet date.

Retained earnings comprise the addition to statutory reserves and the differences arising from using IFRS for the first time.

3.8. Provisions for Pensions and Similar Commitments

Actuarial earnings and losses are amortized using the corridor method. They are not taken into account if they do not exceed 10% of the liabilities. The amount in excess of the corridor is entered on the balance sheet and is distributed over the average remaining service periods of the active workforce.

Current service costs are reported in the income statement under expenditure for retirement benefits, interest expense is reported under financial results and the earnings from pension plan re-insurance schemes are shown under other operating income. The assumptions from the 2008 fiscal year were applied in the same way at the 2009 reporting date.

Underlying assumptions:

Parameters	2008 %	2007 %	2006 %
Interest rate	5.5	5.5	5.0
Salary trend	0.0	0.0	0.0
Pension trend	1.5	1.5	1.5

In other respects, no further details about provisions for pensions are provided because of the small amount involved in line with IAS 19.120.

3.9. Non-current Liabilities to Banks

The company took out two investment loans from Commerzbank AG, Plauen in the 2007 fiscal year (original amounts: EUR 750,000 and EUR 450,000). The company also took over a loan from Gläß & Kronmüller OHG, Schöneck as part of the merger (original amount: EUR 225,000).

3.10. Deferred Government Grants

This item relates to taxable investment grants from the Free State of Saxony (issued by the Saxon Construction Bank) as part of a regional economic business development program and non taxable investment grants.

The subsidies and grants are reversed over the useful lives of the subsidized assets.

3.11. Other Non-Current Liabilities

There are no non-current liabilities to non-banks.

3.12. Deferred Taxes

Please see note 4.9.

3.13. Current Provisions

Current provisions for personnel are mostly for vacations, bonuses and statutory accident insurance. Provisions for production are mostly for warranties and in the other areas they are mainly for outstanding purchase invoices, auditing costs, consultancy costs and interest.

The provision for warranties is based on historical expenditure on warranties and estimates with regard to future costs.

3.14. Accounts Payable

EUR	Personnel	Production	Production	Total
Balance on 1 Jan. 2009	425,236.70	279,264.00	94,140.00	798,640.70
Taken up	209,383.26	104,264.00	59,214.20	372,861.46
Transfers	13.34	2,900.00	0.00	2,913.34
Additions	444,931.87	0.00	239,929.90	684,861.77
Balance on 30 June 2009	**660,771.97**	**172,100.00**	**274,855.70**	**1,107,727.67**

Accounts payable are due to be settled within one year.

There were liabilities in foreign currencies in CZK totaling EUR 294 thousand at the balance sheet date (2008 fiscal year: EUR 108 thousand).

The carrying amounts of accounts payable are in line with their fair values.

3.15. Advance Payments Received

Advance payments received have a term of less than one year.

At the balance sheet date there were no advance payments received in foreign currencies.

The advance payments received are not netted with inventories.

3.16. Income Tax Liabilities

This item includes the anticipated additional payment for corporation tax, the solidarity surcharge and trade tax in Germany and the Czech Republic for the accounting year.

3.17. Other Current Liabilities

EUR	30.6.2009	31.12.2008
Liabilities from wages and salaries	375,160.41	350,076.80
Other liabilities to employees	0.00	16,366.34
Tax liabilities	108,024.81	1,029,476.00
Other	808,883.65	142,579.84
Total	**1,292,068.87**	**1,538,498.98**

3.18. Secured Liabilities

Liabilities to banks are secured by registered charges on the company's property, registered in the Schöneck land register, Plauen Local Court, page 1895. In addition, in order to secure an investment loan, it was agreed to assign all current and future claims from life insurance and pension insurance agreements and the global assignment of accounts receivable for GK SOFTWARE AG from deliveries of goods and services to third-party debtors.

4. Notes on the Consolidated Income Statement

4.1. Sales Revenues

Sales revenues exclusively stem from the sale of hardware and software and the provision of services in Europe.

4.2. Own Work Capitalized

Own work capitalized covers the capitalized production costs for development work for internally-generated software. Both direct and indirect costs are included in production costs.

4.3. Other Operating Revenues

EUR	30.6.2009	30.6.2008
Write-ups of receivables written down	0.00	0.00
Earnings from investment grants	0.00	0.00
Earnings from reversals of deferred public grants	17,271.52	17,608.38
Reversals of provisions	5,164.90	0.00
Expense allowances	0.00	3,388.00
Vehicle use	98,466.57	69,017.30
Others	163,519.06	62,142.91
Total	**284,422.05**	**152,156.59**

4.4. Material Expenditure

EUR	30.6.2009	30.6.2008
Expenditure on raw materials, consumables and supplies and goods purchased	253,740.82	90,237.18
Expenditure on purchased services	32,010.96	179,966.93
Total	**285,751.78**	**270,204.11**

4.5. Human Resources Expenditure

EUR	30.6.2009	30.6.2008
Wages and salaries	4,581,146.70	3,253,406.89
Social security contributions	820,102.41	475,769.07
Expenditure on retirement benefits	20,669.40	9,629.42
Total	**5,421,918.51**	**3,738,805.38**

On average, the consolidated companies employed 287 members of staff during the reporting period (2008 reporting period: 185).

4.6. Depreciation and Amortization

Der Posten beinhaltet ausschließlich planmäßige Abschreibungen auf Sachanlagen und immaterielle Vermögenswerte.

4.7. Other Operating Expenditure

This item mostly includes legal and consultancy costs, office and operating costs and administrative and sales costs.

4.8. Financial Results

EUR	30.6.2009	30.6.2008
Interest income	162,680.16	38,918.61
Interest expenditure	29,343.85	-92,422.38
Total	**133,336.31**	**-53,503.77**

4.9. Income Taxes

EUR	30.6.2009	30.6.2008
Current tax liabilities	389,680.73	6,006.77
Deferred tax liabilities	-35,798.61	432,793.66
Total	**353,882.12**	**438,800.43**

Deferred taxes were based on a tax rate of or 29.1% for Germany and 24.0% for the Czech Republic.

Deferred tax liabilities are included in the following items:

EUR	30.6.2009 Assets	30.6.2009 Liabilities	31.12.2008 Assets	31.12.2008 Liabilities
Intangible assets	0.00	528,114.04	0.00	443,405.05
Provisions for pensions	2,426.53	0.00	2,426.53	0.00
Inventories	116.52	0.00	15,409.77	0.00
Carried forward losses	231,583.50	0.00	0.00	0.00
Accounts receiveable	0.00	95,782.65	0.00	0.00
Tax impact of offsetting the costs of acquiring equity with the share premium	0.00	0.00	354,734.62	354,734.62
Offsetting the tax impact of the costs of acquiring equity	0.00	0.00	-354,734.62	-354,734.62
Total (balance sheet)	**234,126.55**	**623,896.69**	**17,836.30**	**443,405.05**

Deferred tax assets/liabilities result from:

EUR	30.6.2009 Initial balance	30.6.2009 Recognized as earnings	30.6.2009 Final balance	31.12.2008 Initial balance	31.12.2008 Recognized as earnings	31.12.2008 Final balance
Temporary differences						
Provisions for pensions	2,426.53	0.00	2,426.53	2,046.67	379.86	2,426.53
Intangible assets	-443,405.05	-84,708.99	-528,114.04	-313,037.49	-130,367.56	-443,405.05
Inventories	15,409.77	-15,293.25	116.52	15,642.81	-233.04	15,409.77
Accounts receivable	0.00	-95,782.65	-95,782.65	0.00	0.00	0.00
				-295,348.01	-54,510.36	-349,858.37
Unused tax losses	0.00	231,583.50	231,583.50	0.00	0.00	0.00
Total	**-425,568.75**	**35,798.61**	**-389,770.14**	**-295,348.01**	**-130,220.74**	**-425,568.75**

Tax expense for the fiscal year can be transferred to the profits for the period as follows:

Transfer of tax expenditure/EUR	30.6.2009	30.6.2008
Pre-tax earnings	1,213,890.24	1,468,336.95
Anticipated tax expenditure 29.1%	353,242.06	427,726.55
Tax impact on non-deductible company spending	0.00	0.00
Tax impact on tax-free income	0.00	0.00
Other tax effects	640.06	11,073.89
Actual tax expenditure	353,885.12	438,800.44
Effective tax rate	**29.1%**	**29.1%**

4.10. Earnings Per Share

Earnings per share are calculated as the earnings divided by the weighted average number of shares in circulation during the fiscal year.

On average in fiscal 2008 1,665,000 shares were in circulation (30 June 2008: 1,277,363 shares).

Earnings at the balance sheet date totaled EUR 860 thousand (30 June. 2008: EUR 1,030 thousand). So the basic earnings per share were EUR 0.52 (30 June 2008: EUR 0.81).

There were no shares outstanding on 30 June 2009 or on 30 June 2008, which could dilute the earnings per share.

5. Information on the Cash Flow Statement

Cash and cash equivalents are cash in hand and bank balances.

6. Other Information

6.1. Financial instruments

Financial instruments include primary and derivative financial instruments.

The primary financial instruments on the assets side mostly comprise receivables, other financial assets and cash and cash equivalents. On the equity and liabilities side, the primary financial instruments mostly comprise liabilities valued at their amortized purchase costs. The primary financial instruments are disclosed on the balance sheet. If any default risks can be reported as financial assets, these risks are covered by write-downs.

The company took out two investment loans with Commerzbank AG, Plauen during the 2007 fiscal year (original amounts: EUR 750,000 and EUR 450,000). The interest payments for the two investment loans are secured via an interest rate cap. This covering transaction runs until 30 June 2012 and has a cap rate of 5.2% p.a.

6.2. Contingent Liabilities

Contingent liabilities are possible liabilities, which do not actually exist until one or several uncertain future events occur, over which the company does not exercise full control. They also include liabilities that are not expected to lead to any outflow of funds. According to IAS 37, contingent liabilities are not included on the balance sheet.

6.3. Operating Leases

Operating leases are for vehicles. The payments recorded as expenses in the 2009 fiscal year to 30 June 2009 totaled EUR 154 thousand.

6.4. Other Financial Commitments

There were financial commitments from leases totaling EUR 680 thousand (of which EUR 309 thousand is due within one year and another EUR 370,000 within five years).

6.5. Subsidiaries

Name of subsidiary	Registered office	Interest %	Voting rights %	Primary business
EUROSOFTWARE s.r.o.	Plzen/Czech Republic	100	100	Software development and sales, IT-services
GK Soft GmbH	Zurich/Switzerland	100	100	Software development and sales, IT-services
StoreWeaver GmbH	Riehen/Switzerland	100	100	Software development and sales, IT-services
SQ IT-Services GmbH	Schöneck, Germany	100	100	Software development and sales, IT-services

The companies are fully consolidated in these accounts.

6.6. Related Party Disclosures

All transactions with related parties are concluded under normal market conditions. Expenses for valuation adjustments or uncollectible receivables from related parties were not necessary or did not exist.

Transactions between GK SOFTWARE AG and its consolidated subsidiaries were eliminated during consolidation.

Parent Company

The direct parent company is GK Software Holding GmbH, Schöneck. There were no business relationships in the 2009 business year to balance sheet date.

Management Board

The Management Board members are:

- Rainer Gläß, Schöneck, CEO (engineering graduate)
- Stephan Kronmüller, Schöneck, CTO (engineering graduate)
- Ronald Scholz, Klingenthal, COO (engineering graduate)
- André Hergert, Hamburg, CFO (since March 28, 2008) (business administration graduate)

Remuneration for members of the Managing Board in the period under review totaled EUR 747 thousand

The Management Board members directly held the following interests in GK SOFTWARE AG on 30 Dec. 2008:

Rainer Gläß	47,500 shares	2.9 %
Stephan Kronmüller	37,500 shares	2.3 %
Ronald Scholz	12,300 shares	0.7 %

Supervisory Board

The Supervisory Board members are:

- Uwe Ludwig, Neumorschen, management consultant, chairman of the Supervisory Board
- Heinrich Sprenger, Iserlohn, entrepreneur
- Thomas Bleier, Oelsnitz, businessman

The total remuneration for GK SOFTWARE AG's Supervisory Board until June 30 2009 amounted to EUR 0 (EUR 9,000 in the previous year).

There are no agreements between the company's Supervisory Board members, which include compensation payments or other compensation for the members of the Supervisory Board when their period of office ends. There are currently no conflicts of interest between their obligations to the company and their private interests or other commitments.

There are no pension agreements with the company for the members of the Supervisory Board.

Loans to closely associated companies and persons:

EUR thousand	30.6.2009	31.12.2008
Loans to Management Board members	219	277
Loans to closely associated companies, which are not part of the group	1,281	1,261
Total	**1,500**	**1,538**

The loans have been granted for an indefinite period and interest of 4 or 5% p.a. is being charged.

6.7. Fee for the Audit Review

The income statement for 30 June 2009 includes a figure of EUR 24 thousand for auditing the annual accounts.

6.8. Compliance Statement

Companies, which are listed on the stock exchange for the first time, have to issue a first compliance statement at the latest before the expiry of one year after the start of the listing (19 June 2008) according to the IDW auditing standards, Effects of the German Corporate Governance Code on Auditing Annual Accounts (IDW PS 345), Paragraph 20. This was done by publicizing the compliance statement with the consolidated financial statement for fiscal 2008 on April 16, 2009.

6.9. Approval of the Financial Statements

The Management Board approved the accounts on 28 August 2009 and released them for publication.

Schöneck, August 2009

The Management Board

5. Declaration by legal representatives

To the best of our knowledge, we declare that, according to the principles of proper interim reporting applied, the interim financial statements provide a true and fair view of the company's net assets, financial position and results of operations, that the interim management report presents the company's business including the results and the company's position such as to provide a true and fair view and that the major opportunities and risks of the company's anticipated growth for the remaining financial year are described.

The Management Board

Rainer Gläß
(CEO)

Stephan Kronmüller
(CTO)

Ronald Scholz
(COO)

André Hergert
(CFO)

Imprint/Notes

Imprint

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Dipl.-Volkswirt Uwe Ludwig

Management board:

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Dipl.-Ing. Stephan Kronmüller, CTO
Dipl.-Ing. Ronald Scholz, COO
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Notes

Note to the Annual Report

This Annual Report is the English translation of the original German version. In case of deviations between these two the German version prevails. This Annual Reports is in both languages can be downloaded at **http://investor.gk-software.com**.

Note regarding the rounding of figures

Due to the commercial rounding of figures and percentages small deviations may occur.

Disclaimer

This annual report includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of GK SOFTWARE AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as "expect", "estimate", "intend", "can", "will" and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the retail and IT market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of GK SOFTWARE AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.

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