GFT

Interim Report

of GFT Technologies SE
as of 30 June 2016

Key figures (IFRS, unaudited)

GFT Technologies SE, Stuttgart

In € m	H1 / 2016	H1 / 2015	Δ %	Q2 / 2016	Q2 / 2015	Δ %
Income statement						
Revenue	208.03	178.76	16.37	110.64	90.24	22.60
Earnings before interest, tax, depreciation and amortisation (EBITDA)	21.54	19.80	8.77	11.39	10.19	11.78
Earnings before interest and taxes (EBIT)	15.86	14.98	5.87	8.46	7.73	9.55
Earnings before taxes (EBT)	14.60	14.23	2.56	7.56	7.35	2.95
Net income continued operation	12.21	8.85	37.89	6.63	4.11	61.45
Segments						
Revenue *Americas & UK*	110.84	103.80	6.79	59.66	52.34	13.99
Revenue *Continental Europe*	96.71	74.96	29.03	50.66	37.91	33.63
Revenue *Others*	0.48	0.00	n.a.	0.32	−0.01	
Earnings (EBT) *Americas & UK*	4.45	6.53	−31.79	3.37	3.29	2.49
Earnings (EBT) *Continental Europe*	10.06	9.40	7.10	5.41	5.48	−1.23
Earnings (EBT) *Others*	0.09	−1.70		−1.22	−1.43	
Share						
Earnings per share from continued operation	0.46 €	0.34 €	37.9	0.25 €	0.16 €	56.25
Average number of outstanding shares (undiluted)	26,325,946	26,325,946	0.0	26,325,946	26,325,946	
Balance sheet						
Non-current assets	174.31	158.00	10.3			
Cash, cash equivalents and securities	42.22	31.21	35.3			
Other current assets	130.07	106.94	21.6			
Assets	**346.60**	**296.15**	**17.0**			
Non-current liabilities	139.40	58.55	138.1			
Current liabilities	84.79	125.42	−32.4			
Shareholders' equity and liabilities	122.41	112.18	9.1			
Liabilities	**346.60**	**296.15**	**17.0**			
Equity ratio	35%	38%				
Cash flow						
Cash flow from operating activities	−14.84	−1.94	−12.90			
Cash flow from investing activities	−10.10	−11.53	1.43			
Cash flow from financing activities	21.22	9.60	11.62			
Employees						
Employees (absolute figures as of 30 June)	4,493	3,421	31.3			
Utilisation rate (weighted Ø GFT)	90.1%	89.2%				

Content

The Company

GFT Technologies SE, Stuttgart

The GFT group

Business trend of GFT in the first half of 2016

Following an expected development of business in the first quarter of 2016, GFT greatly accelerated its dynamic growth in the second quarter with an increase in revenue of 23% to €110.64 million. This trend was driven above all by the rising demand for solutions to digitise business processes in the financial services industry. Further growth momentum resulted from consistently high demand for solutions to implement compliance requirements.

In the first half-year, revenue rose by 16% year on year to €208.03 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by 9% to €21.54 million.

Due to the positive development of business, GFT has raised its full-year revenue guidance by €10.00 million to €420.00 million. As a result of special items caused by the devaluation of the British pound in connection with the Brexit referendum, full-year guidance for earnings before interest, taxes, depreciation and amortisation (EBITDA) and pre-tax earnings (EBT) has been lowered by €2.00 million each to €46.50 million and €33.00 million, respectively.

About GFT

GFT Technologies SE (GFT) is a business change and technology consultancy trusted by the world's leading financial services institutions to solve their most critical challenges. Specifically defining answers to the current constant of regulatory change – whilst innovating to meet the demands of the digital revolution. GFT brings together advisory, creative and technology capabilities with innovation culture and specialist knowledge of the finance sector, to transform the clients' businesses.

Headquartered in Germany, the company employs around 4,500 people and is represented in twelve countries. The GFT share (DE0005800601) is listed on the Frankfurt Stock Exchange in the TecDAX.

The GFT share

In early 2016, the international stock markets came under tremendous pressure due to weaker economic data in the emerging nations and a series of disappointing economic figures in the USA. The German blue-chip stock index DAX 30 and benchmark tech stock index TecDAX both lost around 19% in the first six weeks of trading. As of mid-February, the markets calmed again and recovered slightly in March on the ECB's announcement of further monetary easing.

The GFT share started trading in 2016 at €31.59 and was unable to escape the negative market trend at the beginning of the year. Due to its above-average growth of 154% in the previous year, the share came under additional pressure from profit-taking. Significant price falls in the banking sector in early February also negatively impacted the share, which closed at €21.43 on 8 February and thus reached its lowest point in the first quarter. The share recovered over the following days and closed February at €23.59. On 2 March 2016, GFT announced its preliminary results for the financial year 2015 which once again exceeded the upgraded forecasts for the full year. The guidance for 2016 announced on the same day, however, was below the consensus estimates of analysts. As a result, the share price weakened to €21.94 on 9 March and profited only marginally from improving market sentiment over the course of the month. With reference to the numerous growth opportunities of GFT, Warburg's analysts raised their upside forecast to €31.00 and recommended buying the stock in their study of 9 March following a slight model adjustment. On 23 March, UBS began covering the GFT share and in its first study gave a "neutral" rating with an upside target of €22.50. According to UBS, GFT is excellently positioned for future market developments. However, in view of the uncertainty surrounding its biggest client, Deutsche Bank, and the possible effects of a UK vote to leave the EU (Brexit), investors were advised to initially only monitor the share's progress. On 31 March, the share closed at €22.32 and thus ended the first quarter with a loss of 29%.

Over the course of the second quarter, the slight recovery on the international stock markets continued – whereby volatility increased significantly in June during the run-up to the Brexit referendum. Although stock markets were initially buoyant in the week of the referendum due to positive survey results, the surprising Brexit decision on 23 June prompted heavy losses over the following days – especially on the European stock markets. Despite a partial recovery by end of the month, the DAX and MDAX closed the first half-year with losses of 9.9% and 4.5%, respectively. The TecDAX lost as much as 12.5%.

In the second quarter of the year, the GFT share initially moved sideways. On announcement of positive results for the first quarter on 12 May 2016, the analysts Warburg, quirin and equinet once again recommended buying the share. Against the backdrop of the imminent Brexit referendum, volatility increased in June and the share fell to a new year-low of €18.51 on 16 June. The gradual recovery to €21.53 on 23 June following the announcement of positive survey results was interrupted by the Brexit decision. The share mirrored the strong downward trend on Europe's

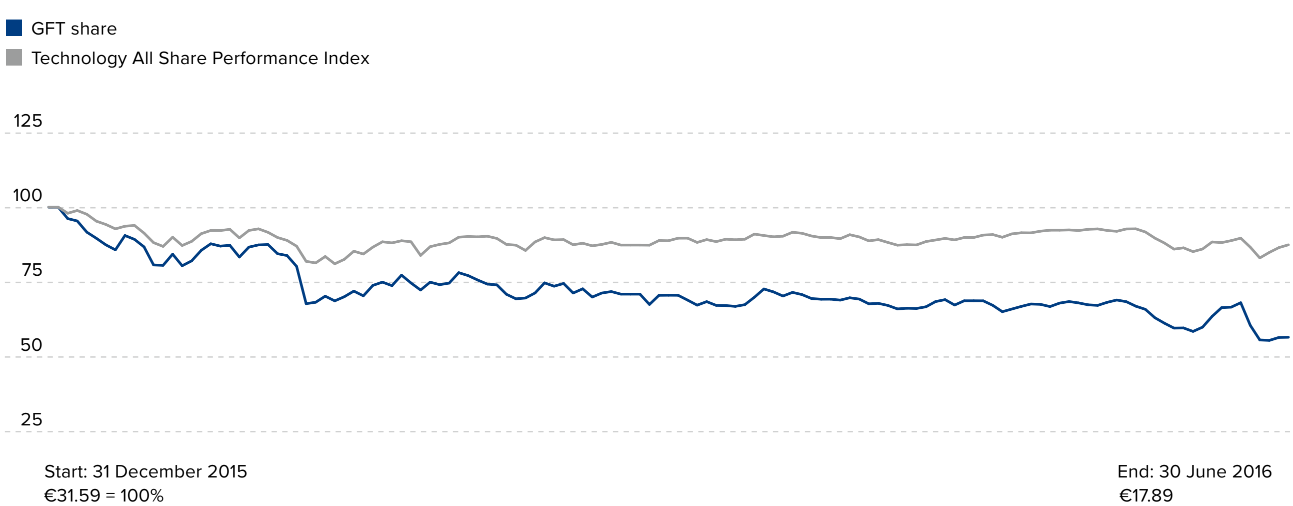
Information on the GFT share

	H1 / 2016	H1 / 2015
Quotation on 31 December (daily closing price Xetra)	€31.59	€12.42
Quotation on 30 June (daily closing price Xetra)	€17.89	€18.51
Percentage change from 31 December to 30 June	–43.4%	+49%
Highest price (daily closing price Xetra)	€30.38 (04/01/2016)	€19.70 (03/06/2015)
Lowest price (daily closing price Xetra)	€17.56 (28/06/2016)	€13,40 (02/01/2015)
Number of shares on 30 June	26,325,946	26,325,946
Market capitalisation on 30 June	€471 million	€487 million
Average daily trading volume in shares (Xetra)	135,141	113,075
Earnings per share from continued operations	**€0.46**	**€0.34**

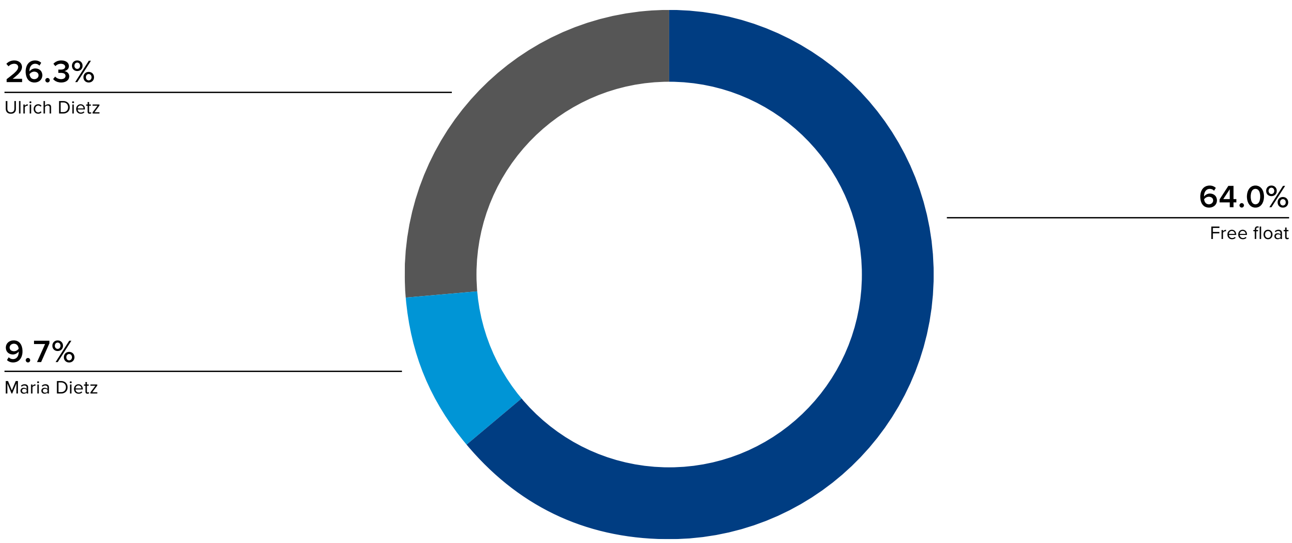
Initial stock market quotation: 28/06/1999
ISIN: DE0005800601
Market segment: Prime Standard
Indices: TecDAX, DAXplus 30 Family, GERMAN GENDER INDEX

stock markets and fell to a new year-low of €17.56 on 28 June. On 30 June, the GFT share closed trading at €17.89 – corresponding to a decline of 44.4% on its closing price of €31.59 on 31 December 2015. Average daily trading volumes (XETRA) in the first half-year rose by 20% to 135,141 shares (H1 / 2015: 113,075 shares).

GFT Technologies SE vs. TecDAX Index



Shareholder structure on 30 June 2016



Share capital

As of 30 June 2016, the share capital of GFT Technologies SE amounted to €26,325,946.00, divided into 26,325,946 no-par bearer shares. Each no-par share has a prorated share of capital amounting to €1.00.

Shareholder structure

On 16 June 2016, company founder Ulrich Dietz bought 20,000 shares of GFT via the XETRA trading platform. As a result, his proportion of voting stock increased from 26.2% to 26.3% at the end of the first half-year. On the same date, Maria Dietz continued to hold 9.7%. The free float portion (according to the definition of Deutsche Börse) amounted to 64.0% at the end of the first six months. According to the aforementioned definition, "non-free float" applies to all shares held by a shareholder whose accumulated total accounts for at least 5% of a company's share capital attributable to a particular share class.

Annual General Meeting

At the Annual General Meeting of GFT Technologies SE on 14 June 2016, shareholders adopted the proposal of the Administrative Board for a dividend of €0.30 for the 2015 financial year. This corresponds to a dividend payout of €7.90 million and a dividend rate of around 30%, based on the GFT group's net income for 2015. This was in line with the company's dividend policy, which recommends a dividend rate of between 20% and 40%. Within this range, the aim is to achieve a dividend rate of approximately 30%, whereby upward and downward adjustments may be made depending on the organic and inorganic growth of the GFT group.

Interim Group Management Report

of GFT Technologies SE as of 30 June 2016

1. Basic principles of the group

Change in segment reporting as of 1 January 2016
The segment reporting of the GFT group was changed with effect from 1 January 2016. Due to the sale of the staffing services division emagine in July 2015, the structure of those corporate components used to make decisions in business affairs has changed. Consequently, the former GFT business division is now divided into the segments *Americas & UK* and *Continental Europe*. The prior-year figures have been adjusted accordingly.

The *Americas & UK* segment comprises companies in the following countries:

- UK
- USA
- Canada
- Brazil
- Costa Rica
- Mexico
- Peru

The *Continental Europe* segment comprises companies in the following countries:

- Germany
- Italy
- Poland
- Switzerland
- Spain

Segment reporting complies with the accounting principles specified in IFRS 8 and is based on GFT's internal controlling and reporting.

GFT measures the success of its segments with the segment performance indicators revenue and earnings before taxes (EBT), amongst others. Segment revenues and segment results also include transactions between business segments. Transactions between segments are conducted at market prices and on an arm's-length basis.

2. Economic report

2.1. General economic and sector-specific conditions

General economic conditions
According to the latest Economic Report of the European Central Bank (ECB, 16 June 2016), the modest global economic growth of late 2015 continued in the first half of 2016. It went on to say that the main indicators had stabilised and there were signs of consistent economic development on a global level. The bank's experts believe that the main factors impeding growth are low commodity prices, US monetary policy, and the UK referendum on staying in the EU – whose outcome remained uncertain until shortly before the end of the first half-year.

Until the UK referendum on 23 June, the global economic trend in the second quarter corresponded to the International Monetary Fund (IMF) forecast of April 2016: restrained growth in almost all industrialised nations, strongly diverging trends in the emerging and developing nations, and a slight improvement in the situation in Brazil and Russia.

According to the ECB, the European economy recovered in the first half of 2016. In the first quarter of 2016, real gross domestic product (GDP) already rose by 0.5%. Growth continued to be bolstered by domestic demand and dampened by weaker exports. The latest figures indicate robust growth in the second quarter, which may however turn out to be somewhat weaker. However, the ECB economists issued this statement before the UK referendum. GDP growth here had already weakened by the end of the first half-year 2016 and the UK vote to leave the EU ("Brexit").

Following a strong start to the year, Deutsche Bundesbank reports that economic growth in Germany slowed noticeably in the following months. Whereas GDP in the first quarter grew by 0.7%, the bank's economists believe the trend was only half as strong from April to June.

Sector-specific conditions

The focus of financial institutions on the digitisation of their offerings has strengthened even further across the world in 2016. This trend was reported by the US market research firm Gartner in its quarterly update on the development of global IT spending published in April 2016. According to Gartner, there is a growing willingness of banks to invest in relevant services as well as an increasing interest in forming partnerships with fintech companies. In its update of 5 July 2016, Gartner's experts confirmed their growth forecast for global IT spending of 1.5%. In the first half of the year, the field of IT services made particularly strong progress – prompting an upgrade in the full-year forecast of 0.9% to 4.7%.

According to EITO (European Information Technology Observatory, July 2016), global revenues in the information and telecommunications market made good progress in the first half of 2016 – whereby growth in information technology was significantly stronger than in the field of telecommunications.

In Europe, the digital association Bitkom believes that sales of products and services in the field of information technology and telecommunications (ICT) were slightly slower in the first half of 2016 than in the previous year. Once again, the IT sector easily outperformed the telecommunications market. At the same time, the ongoing digitisation of the economy as a whole led to strong growth in sales of software and IT services.

According to the latest Bitkom sector barometer of 6 July 2016, seven out of ten companies in the ICT sector – and even 75% of companies in IT services – reported increased revenue in the first half of the year. For companies in this industry, the shortage of skilled labour is still the biggest obstacle by far for their business.

2.2. Overview of business development

In the second quarter of 2016, GFT expanded its portfolio of services and presence in Latin America with the acquisition of the Brazilian subsidiary of the Habber Tec International Group. In the transaction of 12 April 2016, 100% of shares were acquired in W.G. Systems Ltda., São Paulo, Brazil, which operates under the trademark Habber Tec Brazil. Habber Tec Brazil specialises in implementation and ongoing IT support for such topics as big data, analytics and mobile solutions with a substantial footprint in the financial services industry. For the financial year 2016, GFT expects a contribution to consolidated revenue of around €7.00 million. Due to writedowns from purchase price allocations and integration costs, the company is unlikely to make any appreciable contribution to consolidated profits in 2016.

Following an expected development of business in the first quarter of 2016, GFT greatly accelerated its dynamic growth in the second quarter with an increase in revenue of 23% to €110.64 million (Q2 / 2015: €90.24 million). Revenue over the six months as a whole rose by 16% to €208.03 million (H1 / 2015: €178.76 million). Adjusted for the revenue contributions of Habber Tec Brazil and Adesis Netlife S.L. (Adesis), acquired in July 2015, GFT achieved organic growth of 12% in the first half of 2016.

The *Continental Europe* segment continued its positive development of the first quarter with year-on-year revenue growth of 34% to €50.66 million in the second quarter (Q2 / 2015: €37.91 million). The main revenue driver in this segment, which is largely dominated by retail banking clients, was the growing demand for solutions to digitise business processes. In the first half-year, this segment posted revenue growth of 29% to €96.71 million (H1 / 2015: €74.96 million). In the *Americas & UK* segment, which mainly comprises investment banking clients, second-quarter revenue rose by 14% to €59.66 million (Q2 / 2015: €52.34 million). Over the first six months, this segment achieved revenue growth of 7% to €110.84 million (H1 / 2015: €103.80 million). The growth driver in this segment was demand for solutions to implement regulatory compliance.

GFT also posted year-on-year growth in earnings for the second quarter. Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the second quarter improved by 12% to €11.39 million (Q2 / 2015: €10.19 million). In the first six months, EBITDA rose by 9% to €21.54 million (H1 / 2015: €19.80 million).

Pre-tax earnings (EBT) of GFT increased by 3% in both the second quarter and first half-year to €7.56 million (Q2 / 2015: €7.35 million) and €14.60 million (H1 / 2015: €14.23 million), respectively. The *Continental Europe* segment contributed €5.41 million to earnings in the second quarter (Q2 / 2015: €5.48 million) and €10.06 million in the first half-year (H1 / 2015: €9.40 million). The *Americas & UK* segment posted earnings of €3.37 million in the second quarter (Q2 / 2015: €3.29 million) and €4.45 million in the first half-year (H1 / 2015: €6.53 million).

2.3. Development of revenue

Development of consolidated revenue in the first half of 2016

In the first half of 2016, GFT raised revenue by 16% to €208.03 million (H1 / 2015: €178.76 million). Of this total, Adesis Netlife S.L. (Adesis; acquired in July 2015) contributed €7.05 million (H1 / 2015: €0.00 million) and Habber Tec Brazil (acquired in April 2016) contributed €1.22 million. Adjusted for these revenue contributions, GFT achieved organic growth of 12% in the first half of the year.

Consolidated revenue of GFT in the first half of 2016

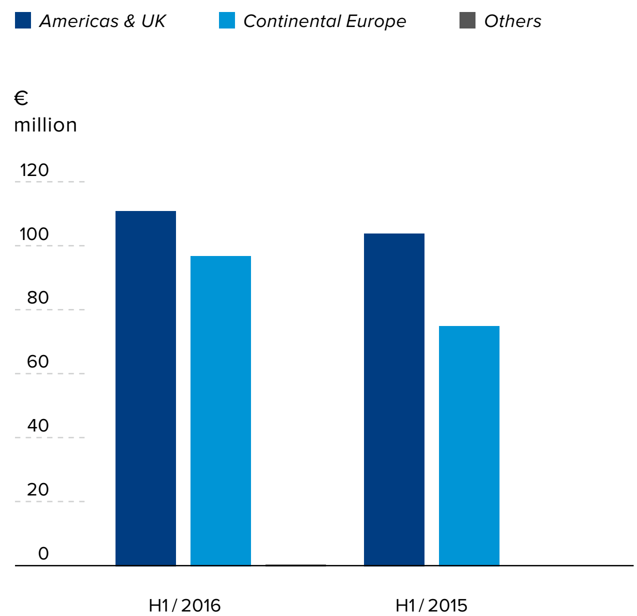
	H1 / 2016		H1 / 2015		
	€ million	% share	€ million	% share	Δ %
GFT organic	199.76	96	178.76	100	12
Adesis	7.05	3	0.00	0	
Habber Tec Brazil	1.22	1	0.00	0	
GFT	**208.03**	**100**	**178.76**	**100**	**16**

Consolidated revenue of GFT in the second quarter of 2016

	Q2 / 2016		Q2 / 2015		
	€ million	% share	€ million	Share %	Δ %
GFT organic	105.68	96	90.24	100	17
Adesis	3.74	3	0.00	0	
Habber Tec Brazil	1.22	1	0.00	0	
GFT	**110.64**	**100**	**90.24**	**100**	**23**

Revenue by segment in the first half-year
The *Continental Europe* segment, which is largely dominated by retail banking clients, raised revenue by 29% to €96.71 million in the first half-year (H1 / 2015: €74.96 million). The *Americas & UK* segment, which mainly comprises investment banking clients, reported revenue growth of 7% in the first half of the financial year.

Revenue by segment in the first half of 2016



Revenue by segment in the first half of 2016

	H1 / 2016		H1 / 2015		
	€ million	% share	€ million	% share	Δ %
Americas & UK	110.84	53	103.80	58	7
Continental Europe	96.71	47	74.96	42	29
Others	0.48	0	0.00	0	n.a.
GFT	**208.03**	**100**	**178.76**	**100**	**16**

Revenue by segment in the second quarter of 2016

	Q2 / 2016		Q2 / 2015		
	€ million	% share	€ million	% share	Δ %
Americas & UK	59.66	54	52.34	58	14
Continental Europe	50.66	46	37.91	42	34
Others	0.32	0	–0.01	0	n.a.
GFT	**110.64**	**100**	**90.24**	**100**	**23**

Revenue by country in the first half-year

In the **UK**, GFT's largest sales market, revenue fell by 9% to €73.42 million in the first six months (H1 / 2015: €80.71 million). This was due to shifts in the budgets of certain clients from the UK to the USA, as well as to delays in project decisions caused by the Brexit referendum on 23 June 2016. With a 36% share of consolidated revenue in the first half-year (H1 / 2015: 45%), the UK is still GFT's largest sales market.

Revenue generated with clients in **Spain** almost doubled in the first half-year. GFT achieved revenue growth here of over 90% to €37.11 million in the first six months (H1 / 2015: €19.50 million). This figure includes a revenue contribution from Adesis of €4.73 million (H1 / 2015: €0.00 million). Business was also aided by the further progress of the country's economic recovery and a revitalised banking sector, which is one of Europe's most advanced in terms of digitisation. With an 18% share of consolidated revenue (H1 / 2015: 11%), Spain was GFT's second-largest sales market at the end of the first half-year.

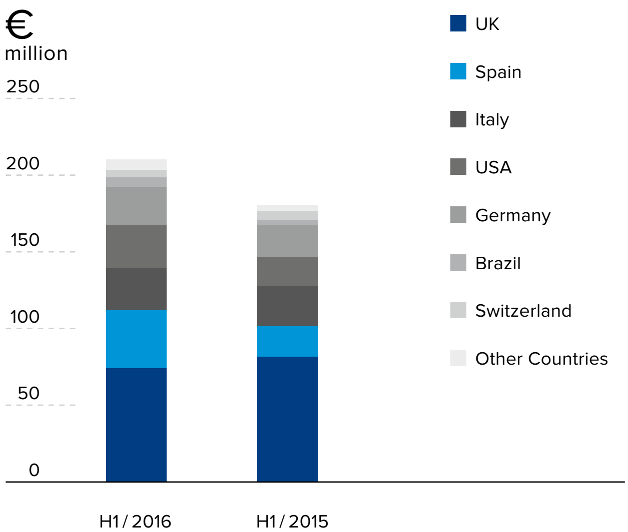
Revenue generated in the **USA** benefited from shifts in budgets from the UK in the first half-year and rose by 49% to €27.48 million (H1 / 2015: €18.45 million). The country's share of consolidated revenue grew to 13% (H1 / 2015: 10%).

Sales generated with clients in **Brazil** more than doubled to €6.19 million in the first six months (H1 / 2015: €2.99 million) – corresponding to 3% of consolidated revenue (H1 / 2015: 2%). Habber Tec Brazil accounted for €1.22 million of this revenue.

Revenue relating to **Other countries** increased by 59% to €6.93 million in the first half-year (H1 / 2015: €4.36 million). This total includes revenue of €2.32 million generated by Adesis in Mexico (H1 / 2015: €0.00 million).

Revenue generated outside Germany rose by 16% to €183.30 million in the first half-year (H1 / 2015: €158.23 million) and accounted for 87% of total Group revenue (H1 / 2015: 90%). The amount of total revenue generated outside Europe grew by 60% to €36.84 million (H1 / 2015: €22.98 million) – with a corresponding increase in the proportion of consolidated revenue to 18% (H1 / 2015: 13%).

Revenue of GFT by country in the first half of 2016



	H1 / 2016		H1 / 2015		
	€ million	% share	€ million	% share	Δ %
UK	73.42	36	80.71	45	–9
Spain	37.11	18	19.50	11	90
Italy	27.48	13	26.33	15	4
USA	27.48	13	18.45	10	49
Germany	24.73	12	20.53	12	20
Brazil	6.19	3	2.99	2	107
Switzerland	4.69	2	5.89	3	–20
Other Countries	6.93	3	4.36	2	59
GFT	**208.03**		**178.76**		**16**

Revenue of GFT by country in the second quarter of 2016

	Q2 / 2016		Q2 / 2015		
	€ million	% share	€ million	% share	Δ %
UK	38.69	35	40.50	45	–4
Spain	19.74	18	10.12	11	95
Italy	14.18	13	13.39	15	6
USA	14.66	13	9.44	10	55
Germany	13.19	12	9.74	11	35
Brazil	4.16	4	1.61	2	158
Switzerland	2.21	2	2.94	3	–25
Other Countries	3.81	3	2.50	3	53
GFT	**110.64**		**90.24**		**23**

2.4. Earnings position

Consolidated earnings position in the first half-year

In the first six months of 2016, **earnings before interest, taxes, depreciation and amortisation (EBITDA)** of GFT rose by €1.74 million to €21.54 million (H1 / 2015: €19.80 million), corresponding to growth of 9%. EBITDA was burdened by exchange rate effects of €–2.43 million (H1 / 2015: €0.32 million), due mainly to the devaluation of the British pound. Following its acquisition in July 2015, Adesis made standard central Group cost allocations of €0.35 million for the first time in the reporting period and achieved an EBITDA result of €–0.46 million. EBITDA includes total costs for the CODE_n innovation drive of €0.91 million (H1 / 2015: €2.14 million).

Despite an increase in depreciation of €0.86 million, **earnings before interest and taxes (EBIT)** improved by €0.88 million to €15.86 million in the first six months of 2016 and were thus 6% above the prior-year figure (H1 / 2015: €14.98 million).

Earnings before taxes (EBT) of €14.60 million were slightly up on the previous year (H1 / 2015: €14.23 million). The operating margin of 7.0% was one %-point below the prior-year figure (H1 / 2015: 8.0%).

In the reporting period, GFT generated **earnings after taxes** (net income) of €12.21 million, corresponding to an increase of €3.70 million or 43% (H1 / 2015: 8.51 million). The prior-year figure includes earnings of the discontinued business division emagine of €–0.34 million.

As a result of the current distribution of earnings among the various national subsidiaries, as well as special effects from retroactive tax refunds in Spain, the calculated **tax ratio** decreased to 16% (H1 / 2015: 38%).

In the first six months of 2016, **earnings per share** improved to €0.46 (H1 / 2015: €0.34), based on 26,325,946 outstanding shares.

Earnings (EBT) by segment in the first half-year

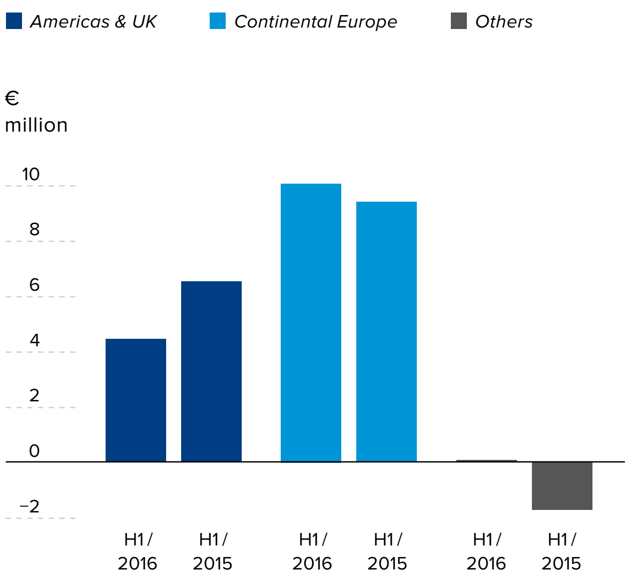
Increased Group cost allocations for the operating segments *Americas & UK* as well as *Continental Europe* had a positive impact on earnings of the *Others* category.

The pre-tax earnings contribution (EBT) of the *Americas & UK* segment fell by 32% to €4.45 million in the first half-year (H1 / 2015: €6.53 million). The operating margin fell to 4.0% (H1 / 2015: 6.3%). This decline resulted mainly from negative exchange rate effects of €–2.40 million (H1 / 2015: €0.09 million), as well as from increased staffing at the UK and US business units for forthcoming projects not yet in the productive implementation phase.

The segment *Continental Europe* reported pre-tax earnings of €10.06 million (H1 / 2015: €9.40 million), corresponding to growth of 7%. This segment was only affected to a minor extent (€–0.03 million) by currency effects (H1 / 2015: €0.23 million). The operating margin amounted to 10.4% (H1 / 2015: 12.5%).

The *Others* category – presented as a reconciliation column in segment reporting – comprises items which by definition are not included in the segments. It also includes elements of the Group headquarters which are not allocated, e.g. items or revenue relating to corporate activities only occasionally incurred or generated. Moreover, the reconciliation comprises disclosures in connection with expenses for CODE_n and activities in connection with the acquired building for the Group's headquarters in Stuttgart. Earnings of this category rose to €0.09 million (H1 / 2015: €–1.70 million).

Earnings (EBT) by segment in the first half of 2016



	H1 / 2016		H1 / 2015		
	€ million	Margin %	€ million	Margin %	Δ
Americas & UK	4.45	4.0	6.53	6.3	−2.08
Continental Europe	10.06	10.4	9.40	12.5	0.66
Others	0.09	–	−1.70	–	1.79
GFT	**14.60**	**7.0**	**14.23**	**8.0**	**0.37**

Earnings (EBT) by segment in the second quarter of 2016

	Q2 / 2016		Q2 / 2015		
	€ million	Margin %	€ million	Margin %	Δ
Americas & UK	3.37	5.7	3.29	6.3	0.08
Continental Europe	5.41	10.7	5.48	14.5	−0.07
Others	−1.22	–	−1.43	–	0.21
GFT	**7.56**	**6.8**	**7.35**	**8.1**	**0.21**

Consolidated earnings position by income and expense items

In the first six months of 2016, **other operating income** fell by €0.85 million to €2.16 million (H1 / 2015: €3.01 million). Other operating income included positive currency effects of €0.85 million (H1 / 2015: €1.38 million).

The **cost of purchased services** decreased by €0.62 million to €30.58 million in the reporting period (H1 / 2015: €31.20 million). The ratio of cost of purchased services to revenue fell year on year by 2 %-points to 15% (H1 / 2015: 17%).

Personnel expenses increased by €23.54 million to €126.55 million in the reporting period (H1 / 2015: €103.01 million) due to increased headcount and the acquired companies. Compared to the same period last year, the proportion of revenue to personnel expenses (the personnel cost ratio) rose from 58% to 61%.

In the first six months of 2016, **depreciation of intangible and tangible assets** rose by €0.86 million to €5.68 million (H1 / 2015: €4.82 million). As a result of the Adesis acquisition, there was also prorated depreciation from operating activities of €0.05 million and writedowns on the customer base from purchase price allocation (PPA) of €0.66 million. The acquisition of Habber Tec Brazil resulted in prorated depreciation from operating activities of €0.01 million and writedowns on the customer base from PPA of €0.14 million.

Other operating expenses increased by €3.76 million to €31.52 million in the reporting period (H1 / 2015: €27.76 million). The main cost elements were operating, administrative and selling expenses, which rose by €1.14 million to €26.85 million (H1 / 2015: €25.71 million). Other operating expenses also include negative exchange rate effects of €3.28 million (H1 / 2015: €1.05 million), which mainly relate to the devaluation of the British pound.

At €–1.26 million, the **financial result** was below the prior-year figure of €–0.74 million.

2.5. Financial position

GFT's financial management ensures the permanent liquidity of all Group companies. The central Treasury division implements financial policy and risk management on the basis of the agreed guidelines. Financial investments are currently all made for short-term periods. Treasury monitors currency and interest rate risks for all Group companies and hedges via derivative financial instruments in accordance with the guidelines set. Only existing balance sheet items or expected cash flows, as well as interest rate risks, are hedged.

In the previous year, a syndicated loan agreement was arranged with a banking consortium comprising Deutsche Bank AG, Landesbank Baden-Württemberg and UniCredit Bank AG to secure long-term funding and finance the acquisition of Adesis. The syndicated loan agreement has a fixed term of five years and an amount of up to €80.00 million, comprising two tranches: a Facility A credit line of up to €40.00 million and a Facility B revolving credit line of up to €40.00 million. As of 30 June 2016, €40.00 million of Facility A and €36.00 million of Facility B had been drawn. The interest rate is variable. For both facilities it is a fixed premium set per calendar year depending on the GFT Group's level of debt and based on the respective Euribor – 1, 2, 3 or 6 months.

There are certain rules of conduct for GFT during the term of the syndicated loan agreement and the promissory note agreements signed in financial year 2013. These mainly refer to specific financial covenants which must be met. The assumption of financial liabilities and the provision of collateral is limited. If GFT does not meet the specific financial covenants and other rules of conduct, this may lead to the immediate termination of the loan agreements. From the current perspective, there are no significant risks relating to the non-achievement of financial covenants or non-compliance with the other rules of conduct which are known to the company.

As of 30 June 2016, **cash, cash equivalents and securities** amounted to €42.22 million and were thus €4.76 million below the year-end figure (31 December 2015: €46.98 million). There was no stock of short-term securities. As of 30 June 2016, GFT had unused credit lines of €32.06 million. The net liquidity of GFT – calculated as the stock of disclosed cash, cash equivalents and short-term securities less financial liabilities – changed from €–36.46 million as of 31 December 2015 to €–70.33 million on 30 June 2016. The main reason for this trend was the increase in trade receivables and the resulting funding requirements.

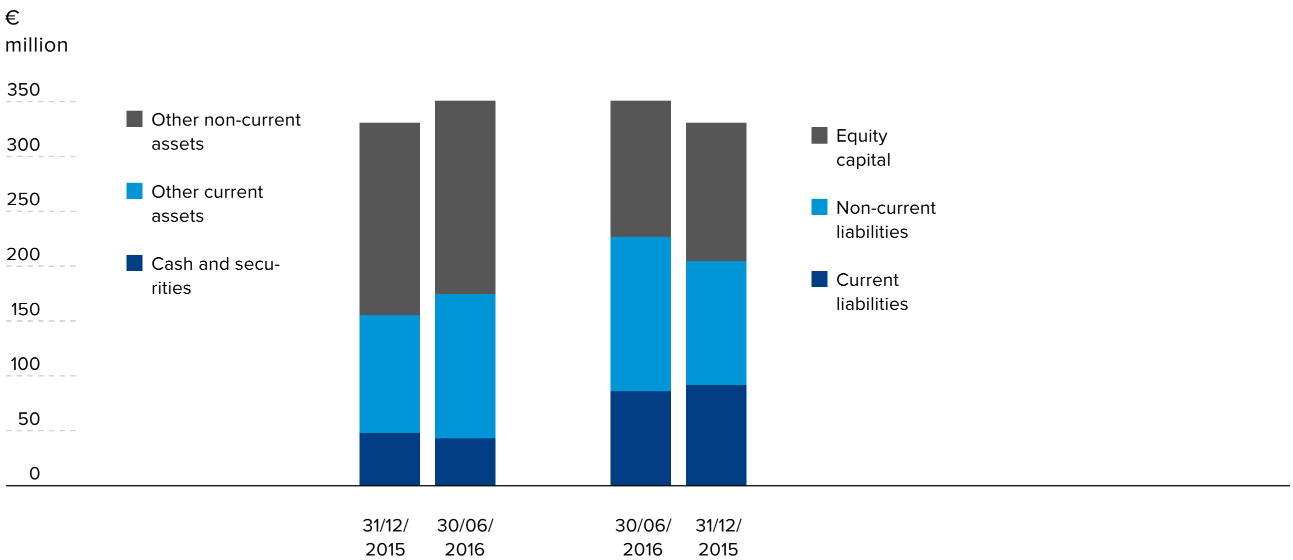
In the first half of 2016, **cash flows from operating activities** amounted to €–14.84 million and were thus €12.90 million below the prior-year figure (H1 / 2015: €–1.94 million). As usual, cash flows from operating activities are generally negative during the first part of the year. The year-on-year negative development of this item was influenced by numerous opposing effects. The increase in net profit to €12.21 million (H1 / 2015: €8.51 million) was opposed by disbursements from changes in trade receivables of €–22.73 million (H1 / 2015: €–11.15 million), in provisions of €–4.55 million (H1 / 2015: €–2.67 million) and in income taxes paid of €–2.58 million (H1 / 2015: €–4.19 million).

Cash flows from investing activities improved by €1.43 million to €–10.10 million in the first six months of 2016 (H1 / 2015: €–11.53 million), mainly due to a €4.79 million decline in capital expenditure (€–3.37 million; H1 / 2015: €–8.16 million). Payments in the first half of 2016 were primarily standard investments in IT. There was an opposing effect from payments for the acquisition of consolidation companies which rose by €–4.23 million (€–6.66 million; H1 / 2015 €–2.43 million).

Cash flows from financing activities in the first half-year amounted to €21.22 million and were thus €11.62 million higher than in the same period last year (H1 / 2015: €9.60 million). The increase resulted mainly from a €13.53 million rise in cash receipts from taking out loans (€30.11 million compared to €16.58 million prior-year period). There was an opposing effect from the repayment of short-term loans amounting to €–0.98 million (H1 / 2015: €–0.40 million) and from the dividend payment of €–7.90 million (H1 / 2015: €–6.58 million).

2.6. Asset position

Group balance sheet structure



Assets In € million	31/12/2015	30/06/2016
Other non-current assets	173.45	174.31
Other current assets	106.38	130.07
Cash and securities	46.98	42.22
	326.81	**346.60**

Equity and liabilities In € million	30/06/2016	31/12/2015
Equity capital	122.41	124.45
Non-current liabilities	139.40	111.73
Current liabilities	84.79	90.63
	346.60	**326.81**

As of 30 June 2016, the balance sheet total amounted to €346.60 million and was thus €19.79 million above the year-end figure 2015 (31 December 2015: €326.81 million).

Non-current assets rose by €0.86 million to €174.31 million as of 30 June 2016 (31 December 2015: €173.45 million). Currency effects reduced goodwill by €6.66 million while the acquisition of Habber Tec Brazil led to an increase of €6.01 million. All in all, therefore, goodwill was reduced by €0.65 million. The capitalised customer base of Habber Tec Brazil increased intangible assets by €1.16 million.

As of 30 June 2016, **current assets** amounted to €172.29 million and were thus €18.93 million above the year-end 2015 figure (€153.36 million). The rise in current assets is mainly a result of increased trade receivables of €22.02 million to €116.85 million (31 December 2015: €94.83 million). Moreover, other financial assets rose by €1.26 million to €2.48 million (31 December 2015: €1.22 million), while liquid funds in particular fell by €4.76 million to €42.22 million (31 December 2015: €46.98 million) and current income tax assets were down €0.90 million to €4.51 million (31 December 2015: €5.41 million).

As of 30 June 2016, **equity** totalled €122.41 million and was thus €2.04 million below the corresponding figure of 31 December 2015 (€124.45 million). Due mainly to the devaluation of the British pound, the adjustment amount for foreign currency translations fell by €6.12 million to €2.56 million (31 December 2015: €8.68 million). Net income for the period of €12.21 million less the dividend payment in June 2016 of €7.90 million (H1 / 2015: €6.58 million) increased the balance sheet profit by €4.31 million to €35.29 million (31 December 2015: €30.98 million).

The **equity ratio** as of 30 June 2016 stood at 35% and was thus 3%-points below the year-end figure (31 December 2015: 38%).

There was an increase in **non-current liabilities** of €27.67 million to €139.40 million as of 30 June 2016 (31 December 2015: €111.73 million) due to a €24.00 million rise in financial liabilities from the syndicated loan. This resulted mainly from financing trade receivables and the purchase of Habber Tec Brazil. At the end of the first half of 2016, non-current financial liabilities amounted to €108.19 million (31 December 2015: €82.82 million).

As of 30 June 2016, **current liabilities** stood at €84.79 million – compared to €90.63 million at year-end 2015. The net decrease of €5.84 million is mainly the result of a decline in other provisions of €4.53 million to €37.44 million (31 December 2015: €41.97 million) and in trade payables of €4.02 million to €7.35 million (31 December 2015: €11.37 million). There was an opposing effect from the increase in current financial liabilities of €3.75 million to €4.37 million. The reason for this increase was the use of existing credit lines by foreign subsidiaries and short-term bridging loans. The decrease in other provisions is mainly due to the utilisation of bonus provisions. Other liabilities fell by €0.99 million to €29.56 million (31 December 2015: €30.55 million).

Compared to 31 December 2015, the **debt ratio** was up 3%-points to 65% (31 December 2015: 62%).

2.7. Overall assessment of the development of business and the economic position

Following an expected development of business in the first quarter of 2016, GFT greatly accelerated its dynamic growth in the second quarter and increased revenue by 16% over the six months as a whole. Growth was driven above all by the rising demand for solutions to digitise business processes in the *Continental Europe* segment. Further growth momentum resulted from the implementation of regulatory compliance in the finance sector. As expected, revenue was boosted by the acquisitions made in July 2015 and April 2016 (Adesis and Habber Tec Brazil). Earnings also made good progress with year-on-year EBITDA growth of 9% and an improvement in EBT of 3% in the first half of the year.

As of 30 June 2016, the equity ratio stood at 35% and was thus 3%-points below the equity ratio on 31 December 2015. GFT still has a solid capital and balance sheet structure.

2.8. Non-financial performance indicators

Employees

Headcount is calculated on the basis of full-time employees; part-time employees are included pro rata. As of 30 June 2016, GFT employed a total of 4,493 people (30 June 2015: 3,421). The increase of 31% resulted from the takeover of Adesis, with 200 employees in Spain and 77 in Mexico, from the acquisition of Habber Tec Brazil with 102 employees, as well as from the hiring of new staff – above all at the company's development centres in Spain, Brazil, Poland and Costa Rica.

The productive utilisation rate based on the use of production staff in client projects amounted to 90% in the reporting period (H1 / 2015: 89%).

As of 30 June 2016, the number of employees in the *Americas & UK* segment amounted to 1,213 (30 June 2015: 703), corresponding to an increase of 73%. Headcount in the *Continental Europe* segment rose by 20% to 3,174 (30 June 2015: 2,635). The holding company employed 106 people (30 June 2015: 83), corresponding to an increase of 28%.

In Germany, headcount increased by 6% to 289 as of 30 June 2016 (30 June 2015: 272). The number of staff employed outside Germany rose by 1,055 or 34% to 4,204 (30 June 2015: 3,149). At the end of the reporting period, 94% of GFT's employees were thus located abroad (30 June 2015: 92%).

Employees by division

	30/06/2016	30/06/2015	Δ %
Americas & UK	1,213	703	73
Continental Europe	3,174	2,635	20
Others (Holding)	106	83	28
Total	**4,493**	**3,421**	**31**

Employees by country

	30/06/2016	30/06/2015	Δ %
Spain	1,859	1,510	23
Brazil	676	351	93
Italy	551	451	22
Poland	532	442	20
Germany	289	272	6
UK	237	222	7
Mexico	116	0	–
Costa Rica	92	42	119
USA	80	76	5
Switzerland	49	43	14
Canada	12	12	0
Total	**4,493**	**3,421**	**31**

Research and development

The GFT Group continually analyses the most important technology trends in the finance sector. On this basis, GFT develops pioneering solutions for the banking sector and helps its clients enhance their competitive position by gaining a technological lead. The Applied Technologies Group is responsible for conducting innovative basic research at the Spanish development centre in Sant Cugat del Vallès, near Barcelona. It prepares and evaluates trend analyses, examines the viability of new technological developments, builds prototypes of new application solutions and supports the sales teams with solution approaches.

In the first half of 2016, GFT invested a total of €2.88 million (H1 / 2015: €1.48 million) in research and development. The largest share of this total (€1.78 million or 62%) was accounted for by personnel expenses (H1 / 2015: €1.23 million or 83%). Expenses for outside services amounted to €0.11 million (H1 / 2015: €0.26 million), corresponding to 4% (H1 / 2015: 17%) of total research and development costs.

3. Subsequent events

There were no significant events after 30 June 2016 with a direct impact on the Group's financial position and performance.

4. Opportunity and risk report

From the current perspective, the Brexit referendum will not lead to any significant change in the opportunity and risk positions presented in the annual report 2015. Banks in the UK must continue to invest in IT projects in order to meet compliance requirements on schedule. Following the UK's possible exit from the EU, the country will either introduce its own regulations or follow those of the EU. In both cases, IT support will be necessary. Should UK banks relocate their headquarters or areas of their trading business to continental Europe, GFT is prepared to serve its current customers in the UK at other European locations.

For this reason, there were no material changes in the first half of 2016 with regard to the comprehensive discussion of risks and opportunities provided in the management report of the consolidated financial statements for 2015.

Overall risk assessment

At the time of preparing this report, there are therefore no recognisable risks that might jeopardise the existence of GFT. No permanent or substantial impairment of the company's financial position and performance is expected. The early warning system for the detection of risks implemented by GFT is constantly evolving and will be reviewed by the external auditor in accordance with statutory requirements.

5. Forecast report

Macroeconomic development

In its April report this year, the IMF already forecast only moderate growth for the world economy in 2016. As a result of the UK referendum to leave the EU ("Brexit"), it subsequently downgraded its growth forecasts for 2016 / 2017 in its report of July 2016. The correction is comparatively minor for the global economy as a whole: the IMF's economists expect growth of 3.1% this year and 3.4% next year – both figures down by 0.1%-point compared to April.

Similarly, economists believe that the Brexit vote will not substantially affect economic growth in the USA. However, following weaker-than-expected growth in the first quarter, the IMF lowered its forecast for the full year 2016 by 0.2%-points to 2.2%. It continues to expect growth of 2.5% in 2017.

For the UK, however, the IMF strongly downgraded its forecast. Although growth this year is expected to be only slightly weaker at 1.7% (−0.2%-points), the IMF's economists anticipate economic growth in the UK of just 1.3% in 2017 – compared to their previous forecast of 2.2%.

As the UK is Germany's third largest export market, the IMF also strongly downgraded its 2017 for this country. Following growth of 1.6% this year, the IMF expects the German economy to grow by 1.2% in 2017 – 0.4%-points less than previously expected.

According to experts at the ECB, the Brexit vote will significantly slow economic growth throughout the eurozone. This was the finding of a recent ECB survey of economic experts conducted from 30 June to 6 July. Although the experts upheld their growth forecast of 1.5% for the current year, they downgraded their estimates for 2017 by 0.2%-points to 1.4%. Growth in 2018 is likely to be 1.6% rather than 1.7%.

Sector development

In its update of 5 July 2016, Gartner forecasts an increase of 1.5% in global IT spending to 3.86 trillion US dollars. Compared to its forecast in April, the US market research firm raised its growth outlook for the IT services segment by 0.9%-points to 4.7%. In particular, spending on IT consulting in the field of digitisation is likely to be higher than expected and Gartner believes it will remain high until 2020.

According to the digital association Bitkom, the European ICT market is growing slightly slower in 2016 than in the previous year. It believes that ICT revenues in the EU member states will grow by 0.7% to €686 billion in 2016. In 2015, growth reached 2.9%.

The latest Bitkom sector barometer of 6 July 2016 paints an optimistic picture for the German ICT market in the second half of 2016. It should be noted, however, that the survey was conducted from 11 May to 15 June, before the Brexit vote. 83% of companies across the digital economy (and in the IT services sector) expect their revenues to grow. 56% of companies plan to hire new staff this year and only 6% expect headcount to fall.

In a press release published one day after the Brexit vote, Bitkom called for a uniform legal framework which would ensure a common digital market, including the UK, even after the UK's exit from the EU. The association expects revenue losses especially in the sale of ICT products and consumer electronics. Last year, Germany exported corresponding goods worth €2.9 billion to the UK.

Expected development of GFT

The guidance provided in the group management report of our annual report 2015 regarding the operating targets of GFT for the financial year 2016 was adjusted at the end of the first half-year. Due to the positive development of our business with solutions for the digitisation of business processes in the *Continental Europe* segment, we have raised our revenue guidance. In terms of earnings, GFT expects growth to be slightly slower than planned. This is mainly a result of special items relating to the devaluation of the British pound following the Brexit vote. In addition, the capacity utilisation of highly qualified consultants in the UK and USA is likely to improve more slowly than expected during the year as a result of project postponements.

Operating targets of GFT for the financial year 2016

- The **revenue target** was increased by €10.00 million to €420.00 million (previously €410.00 million).
- Earnings before interest, taxes, depreciation and amortisation **(EBITDA)** are now expected to reach €46.50 million (previously €48.50 million).
- Pre-tax earnings **(EBT)** of €33.00 million are now expected (previously €35.00 million).
- The previous guidance for the productive **utilisation rate** in the financial year 2016 has been confirmed. It is expected to remain at the high prior-year rate (89%). The anticipated lower utilisation of highly qualified consultants in the UK and USA will have no significant impact on this non-financial performance indicator.

Medium-term prospects

GFT has confirmed its medium-term guidance. Assuming that the demand for solutions to achieve regulatory compliance remains strong and the trend to digitise business processes continues, GFT aims to raise consolidated revenue to €800.00 million in the medium term with an EBITDA margin of around 12% in 2020. The underlying business plan assumes continued organic growth of around 10% per year in combination with targeted acquisitions.

Assumptions for the forecasts

Our forecasts are based on the assumptions stated in the annual report 2015 regarding overall economic development and the development of the financial services sector and IT industry. These forecasts take account of all events known at the time of preparing this report that might have an impact on the performance of GFT.

Stuttgart, 10 August 2016

GFT Technologies SE
The Managing Directors

Ulrich Dietz	Marika Lulay	Dr Jochen Ruetz
CEO	COO	CFO

Interim Group Financial Statement

of GFT Technologies SE as of 30 June 2016

Consolidated Balance Sheet (IFRS, unaudited)

as at 30 June 2016, GFT Technologies SE, Stuttgart

Assets

In €	30/06/2016	31/12/2015
Non-current assets		
Licences, industrial property rights and similar rights	31,434,876.26	30,273,556.49
Goodwill	108,554,867.80	109,206,156.49
Property, plant and equipment	27,879,959.98	26,487,994.14
Securities	123,059.81	123,059.81
Financial assets, accounted for using the equity method	93,139.44	424,201.99
Other financial assets	1,775,544.71	1,813,994.68
Current tax assets	99,665.71	799,302.01
Deferred tax assets	4,351,392.56	4,323,057.16
	174,312,506.27	**173,451,322.77**
Current assets		
Trade receivables	116,845,042.93	94,827,931.04
Current tax assets	4,509,506.58	5,406,581.79
Cash and cash equivalents	42,224,371.71	46,977,516.05
Other financial assets	2,475,484.14	1,222,092.94
Other assets	6,237,799.46	4,922,683.49
	172,292,204.82	**153,356,805.31**
	346,604,711.09	**326,808,128.08**

Equity and liabilities

In €	30/06/2016	31/12/2015
Shareholders' equity		
Share capital	26,325,946.00	26,325,946.00
Capital reserve	42,147,782.15	42,147,782.15
Retained earnings		
Other retained earnings	22,243,349.97	22,243,349.97
Changes not affecting net income	−3,435,252.43	−3,201,360.01
Changes in equity not affecting net income		
Actuarial gains / losses	−2,720,030.40	−2,727,351.59
Foreign currency translations	2,556,849.51	8,678,759.88
Consolidated balance sheet profit	35,288,119.85	30,980,236.76
	122,406,764.65	**124,447,363.16**
Liabilities		
Non-current liabilities		
Other financial liabilities	15,889,971.78	13,935,523.93
Financial liabilities	108,187,662.11	82,816,789.16
Provisions for pensions	8,824,977.56	8,334,339.98
Other provisions	600,679.00	744,764.93
Deferred tax liabilities	5,900,831.37	5,901,647.84
	139,404,121.82	**111,733,065.84**
Current liabilities		
Other provisions	37,436,756.47	41,969,939.29
Current income tax liabilities	1,856,152.11	1,828,862.73
Financial liabilities	4,370,996.86	619,560.40
Trade payables	7,345,936.09	11,370,826.34
Other financial liabilities	4,223,978.53	4,287,498.34
Other liabilities	29,560,004.56	30,551,011.98
	84,793,824.62	**90,627,699.08**
	346,604,711.09	**326,808,128.08**

Consolidated Income Statement (IFRS, unaudited)

for the period from 1 January to 30 June 2016, GFT Technologies SE, Stuttgart

In €	H1 / 2016	H1 / 2015	Q2 / 2016	Q2 / 2015
Revenue	208,025,471.74	178,761,865.37	110,639,471.32	90,242,900.11
Other operating income	2,161,590.44	3,008,623.05	806.91	499,653.42
	210,187,062.18	**181,770,488.42**	**110,640,278.23**	**90,742,553.53**
Cost of purchased services	30,577,424.65	31,197,158.76	15,963,070.06	14,963,152.84
Personnel expenses				
a) Salaries and wages	105,117,638.28	85,635,584.06	55,012,164.81	44,217,147.33
b) Social security and expenditures	21,429,650.33	17,375,479.90	10,964,665.10	8,825,623.70
	126,547,288.61	**103,011,063.96**	**65,976,829.91**	**53,042,771.03**
Depreciation on intangible assets and on tangible assets	5,680,841.07	4,822,019.51	2,926,848.37	2,464,178.04
Other operating expenses	31,522,340.36	27,762,109.47	17,309,272.04	12,551,549.47
Result from operating activities	**15,859,167.49**	**14,978,136.72**	**8,464,257.85**	**7,720,902.15**
Other interest and similar income	121,783.37	94,342.52	55,732.98	52,539.46
Financial assets, accounted for using the equity method	7,541.44	−8,272.36	22,327.06	−4,687.07
Impairment of financial assets	−420,765.41	0.00	−420,765.41	0.00
Interest and similar expenses	969,211.38	830,433.64	558,970.11	422,891.77
Financial result	−1,260,651.97	−744,363.48	−901,675.47	−375,039.38
Earnings before taxes	**14,598,515.52**	**14,233,773.24**	**7,562,582.38**	**7,345,862.77**
Taxes on income and earnings	2,392,848.63	5,382,256.88	930,665.71	3,238,126.48
Net income from continued operations	12,205,666.89	8,851,516.36	6,631,916.67	4,107,736.29
Net income from discontinued operations	0.00	−338,760.38	0.00	−438,301.42
Net income of the whole company	**12,205,666.89**	**8,512,755.98**	**6,631,916.67**	**3,669,434.87**
Net earnings per share – undiluted	0.46	0.32	0.25	0.14
Net earnings per share – diluted	0.46	0.32	0.25	0.14
Net earnings per share from continued operations – undiluted	0.46	0.34	0.25	0.16
Net earnings per share from continued operations – diluted	0.46	0.34	0.25	0.16

Consolidated Statement of Comprehensive Income (IFRS, unaudited)

for the period from 1 January to 30 June 2016, GFT Technologies SE, Stuttgart

In €	H1 / 2016	H1 / 2015	Q2 / 2016	Q2 / 2015
Net income of the whole company	12,205,666.89	8,512,755.98	6,631,916.67	3,669,434.87
A.) Components never reclassified to the income statement				
Actuarial gains / losses	10,058.16	−301,705.86	−16,957.75	−20,319.03
Other changes in equity not affecting income	−233,892.42	−224,816.00	−116,946.21	−112,408.00
Income taxes on components of other comprehensive income	−2,736.97	82,945.80	4,692.59	5,611.04
Other (partial) result A.)	**−226,571.23**	**−443,576.06**	**−129,211.37**	**−127,115.99**
B.) Components that can be reclassified to the income statement				
Exchange differences on translating foreign operations: Profits / losses during the financial year	−6,121,910.37	11,230,797.78	−963,767.41	1,894,552.97
	−6,121,910.37	**11,230,797.78**	**−963,767.41**	**1,894,552.97**
Other (partial) result B.)	**−6,121,910.37**	**11,230,797.78**	**−963,767.41**	**1,894,552.97**
Other result	−6,348,481.60	10,787,221.72	−1,092,978.78	1,767,436.98
Total result	**5,857,185.29**	**19,299,977.70**	**5,538,937.89**	**5,436,871.85**

Consolidated Statement of Changes in Equity (IFRS, unaudited)

as at 30 June 2016, GFT Technologies SE, Stuttgart

In €	Subscribed capital	Capital reserve	
As at 1 January 2015	**26,325,946.00**	**42,147,782.15**	
Dividend payment June 2015			
Comprehensive income for the period 01/01/ – 30/06/2015			
As at 30 June 2015	**26,325,946.00**	**42,147,782.15**	
As at 1 January 2016	**26,325,946.00**	**42,147,782.15**	
Dividend payment June 2016			
Comprehensive income for the period 01/01/ – 30/06/2016			
As at 30 June 2016	**26,325,946.00**	**42,147,782.15**	

* Net income

	Retained earnings		Other results		Consolidated balance sheet profit / loss	**Total share capital**
	Other retained earnings	Changes without effect on profit / loss	Foreign currency translations	Actuarial gains / losses	Profit (+) Loss (−)	
	22,243,349.97	**−1,753,204.02**	**1,348,211.87**	**−2,125,673.79**	**12,225,392.90**	**100,411,805.08**
					−6,581,485.73	−6,581,485.73
		−224,816.00	11,230,797.78	−218,760.06	8,512,755.98*	19,299,977.70
	22,243,349.97	**−1,978,020.02**	**12,579,009.65**	**−2,344,433.85**	**14,156,663.15**	**113,130,297.05**
	22,243,349.97	−3,201,360.01	8,678,759.88	−2,727,351.59	30,980,236.76	124,447,363.16
					−7,897,783.80	−7,897,783.80
		−233,892.42	−6,121,910.37	7,321.19	12,205,666.89*	5,857,185.29
	22,243,349.97	**−3,435,252.43**	**2,556,849.51**	**−2,720,030.40**	**35,288,119.85**	**122,406,764.65**

Consolidated Cash Flow Statement (IFRS, unaudited)

for the period from 1 January to 30 June 2016, GFT Technologies SE, Stuttgart

In €	H1 / 2016	H1 / 2015
Net income of the whole company	12,205,666.89	8,512,755.98
Taxes on income and earnings	2,392,848.63	5,524,807.88
Interest income	847,428.01	793,788.62
Interest paid	−601,151.53	−577,827.25
Income taxes paid	−2,582,433.81	−4,187,236.20
Depreciation on intangible and tangible assets	5,680,841.07	4,855,468.00
Changes in provisions	−4,549,283.29	−2,672,121.88
Other non-cash expenses / income	1,785,610.71	1,458,021.29
Profit from the disposal of tangible and intangible assets as well as financial assets	−33,802.76	7,257.53
Changes in trade receivables	−22,726,820.47	−11,152,752.39
Changes in other assets	−1,811,086.34	−2,197,959.65
Changes in trade payables and other liabilities	−5,446,681.99	−2,303,823.21
Cash flow from operating activities	**−14,838,864.88**	**−1,939,621.28**
Cash receipts from sales of tangible assets	44,754.03	2,869.80
Cash payments to acquire tangible assets	−3,368,446.89	−8,155,183.31
Cash payments to acquire non-current intangible assets	−215,761.83	−395,206.37
Cash payments for loans granted to third parties	0.00	−619,755.00
Cash payments to acquire consolidated companies net of cash and cash equivalents acquired	−6,661,892.90	−2,430,541.92
Interest received	97,947.25	63,242.98
Cash flow from investing activities	**−10,103,400.34**	**−11,534,573.82**

In €	H1 / 2016	H1 / 2015
Cash receipts from taking out short-term or long-term loans	30,106,771.38	16,578,876.97
Cash payments to redeem short-term or long-term loans	−984,461.97	−397,575.18
Payments to shareholders	−7,897,783.80	−6,581,485.74
Cash flow from financing activities	**21,224,525.61**	**9,599,816.05**
Influence of exchange rate fluctuations on cash and cash equivalents	−1,035,404.73	795,824.59
Change in cash funds from cash-relevant transactions	−4,753,144.34	−3,078,554.46
Cash funds at the beginning of the period	46,977,516.05	38,128,720.78
Cash funds at the end of the period	**42,224,371.71**	**35,050,166.32**

Condensed Notes to the Interim Financial Statements

as at 30 June 2016, GFT Technologies SE, Stuttgart

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

These unaudited interim financial statements of GFT Technologies SE (GFT SE) and its subsidiaries have been prepared in accordance with section 37w (3) of the German Securities Trading Act (WpHG) and International Accounting Standard (IAS) 34 – Interim Financial Reporting. Compared to the annual financial statements as at 31 December 2015, the interim financial statements include condensed reporting in the notes to the financial statements and comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The same accounting and valuation methods were used in these interim financial statements as in the last consolidated financial statements as at 31 December 2015. Other new or amended standards (IFRS 11, IAS 1, IAS 16, IAS 38, IAS 41, IAS 27, IFRS 5, IFRS 7, IAS 19 and IAS 34) to be applied as of 1 January 2016 have no material impact on the interim financial statements.

In drawing up these interim financial statements, the company made estimations concerning the application and interpretation of accounting regulations. Actual events may differ from these estimations. Future developments and results depend on a number of external factors involving risks and uncertainties, and are based on current assumptions which may prove inaccurate.

Due to the sale of the emagine division on 30 September 2015 the main KPIs (revenue, EBITDA and EBT) of the previous year refer to continued operations.

The investment at equity in Parkpocket GmbH, Munich, was fully written down as at 30 June 2016.

In the reporting period, legal disputes in the field of personnel were ended with the payment of a settlement.

As a result of tax refunds received by two subsidiaries following changes in tax regulations, the effective tax ratio fell.

2. Changes to the consolidated group and its associated companies

Compared to the consolidated financial statements as of 31 December 2015, the following changes have resulted for the consolidated group:

In an agreement dated 12 April 2016, GFT Brasil Consultoria Informatica Ltda., São Paulo, Brazil, acquired 100% of shares in the Brazilian IT service provider WG Systems Ltda., São Paulo, Brazil, for a purchase price of €6.85 million. The agreement contains an earnout component which depends on reaching certain revenue targets between €0 and €1.54 million.

Founded in 2000, WG Systems Ltda., São Paulo, Brazil, ran its business under the trade-mark Habber Tec Brazil and specialises in the implementation and ongoing support of Business Process Management (BPM), big data, analytics and mobile solutions. Similar to GFT, the company has a substantial footprint in the financial services industry. With over 100 employees, the company generated revenues of €5.50 million in its fiscal year 2015, with earnings before interest, taxes, depreciation and amortisation (EBITDA) of €1.44 million and pre-tax earnings (EBT) of €0.88 million.

The main motivation for the acquisition was to strengthen the position of the GFT Group as an IT service provider for the financial services industry and to expand its portfolio of services by adding high-quality consulting expertise in the Brazilian market.

Further reasons included:

a) Access to new clients in the field of major financial institutes and insurance companies
b) Expansion of portfolio with regard to BPM and mobile solutions, especially digital applications for the lending business and digital banking
c) Expected synergies between GFT and WG Systems Ltda. for the joint tapping of customers in the Brazilian market
d) Positioning of selected expertise of WG Systems Ltda. among Brazilian clients of the GFT Group
e) The high level of skill and motivation of employees at WG Systems Ltda.

The goodwill resulting from the purchase amounts to €5.33 million, which not only reflects the considerable synergy effects and cross-selling effects, but also the expected growth in the portfolio of the GFT Group. Goodwill is tax deductible.

The transaction costs for the acquisition amount to €0.12 million and were recognised in profit or loss as other operating expenses.

The amounts of acquired assets and assumed liabilities at the time of acquisition are shown below. As the purchase price allocation is unaudited, all amounts are preliminary:

In € million	12/04/2016
Goodwill	5.33
Intangible assets	3.88
Office and factory equipment	0.12
Trade receivables	0.38
Other assets	0.17
Cash and cash equivalents	0.19
Total assets	**10.07**
Other provisions	1.56
Other liabilities	0.15
Total liabilities	**1.71**

The acquired receivables refer to trade receivables. The fair value of acquired receivables amounts to €0.38 million, and the gross amount is €0.38 million. Adjusted receivables as of the purchase date amount to €0 million. No defaults on receivables are expected. No other contingent liabilities were recognised pursuant to IFRS 3.23.

Since the date of acquisition (12 April 2016) WG Systems Ltda. has generated third-party sales of €1.22 million and contributed €0.05 million to the consolidated operating result (EBT) as of 30 June 2016. If the acquisition had already taken place on 1 January 2016, third-party sales of €2.21 million and an earnings contribution of approx. €0.16 million would have been generated.

GFT Technologies (Switzerland) AG, Zurich, Switzerland, was merged with GFT Financial Solutions AG, Zurich, Switzerland, retroactively as of 1 January 2016. The merger had no impact on the consolidated financial statements of GFT Technologies SE.

3. Changes in equity

For the changes in equity capital between 1 January 2016 and 30 June 2016, we refer to the consolidated statement of changes in equity which is disclosed separately.

As of 30 June 2016, the company's share capital of €26,325,946.00 consists of 26,325,946 no-par value individual share certificates (no change relative to 31 December 2015). These shares are bearer shares and all grant equal rights. In June 2016, a dividend of €0.30 per share was distributed to shareholders, totalling €7.90 million (2015: €6.58 million), from the balance sheet profit of the parent company GFT SE.

4. Segment reporting

The segment reporting of GFT Technologies SE (GFT) was changed with effect from 1 January 2016. As a result of the sale of the staffing services division emagine in July 2015 (closing on 30 September 2015), the structure of those corporate components used to make decisions in business affairs has changed. Consequently, the former GFT business division is now divided into the segments *Americas & UK* and *Continental Europe*. The prior-year figures have been adjusted accordingly.

The *Americas & UK* segment comprises companies in the following countries:

- UK
- USA
- Canada
- Brazil
- Costa Rica
- Mexico
- Peru

The *Continental Europe* segment comprises companies in the following countries:

- Germany
- Italy
- Switzerland
- Spain
- Poland

Segment reporting complies with the accounting principles specified in IFRS 8 and is based on GFT's internal controlling and reporting.

GFT measures the success of its segments with the segment performance indicators revenue and earnings before taxes (EBT), amongst others. Segment revenues and segment results also include transactions between business segments. Transactions between segments are conducted at market prices and on an arm's-length basis.

The Managing Directors and the Administrative Board do not receive regular information on segment assets, segment liabilities or the capital expenditure of each segment. Assets and liabilities are disclosed in the consolidated balance sheet.

For detailed information about the business segments, please refer to the table on pages 38 – 39. It also includes disclosures concerning revenue from external clients for each group of comparable products and services.

The reconciliation of the segment figures to the corresponding figures in the interim financial statements is as follows:

In € million	H1 / 2016	H1 / 2015
Total segment revenue	**248.51**	**260.54**
Elimination of intersegment revenue	–40.96	–38.14
Occasionally occurring revenue	0.47	0
Group revenue	**208.02**	**222.40**
Total segment results (EBT)	**14.51**	**15.74**
Non-attributed expenses / income of Group HQ	1.38	0.57
Other	–1.29	–2.27
Group result before taxes	**14.60**	**14.04**

The reconciliation discloses items which per definition are not components of the segments. Non-attributed items of Group HQ, e.g. from centrally managed issues, are also included. Business transactions between the segments are eliminated in the reconciliation.

The table below shows information according to geographic regions for the GFT Group:

	Revenue from sales to external clients*		Non-current intangible and tangible assets	
In € million	H1 / 2016	H1 / 2015	30/06/2016	31/12/2015
UK	73.42	86.38	55.56	66.04
Germany	24.72	38.71	42.81	45.51
Italy	27.48	26.33	28.02	30.04
France	0	19.30	0	0.07
Spain	37.11	19.52	22.14	4.78
Brazil	6.19	2.99	11.04	0.58
USA	27.48	18.45	6.10	6.27
Switzerland	4.69	5.91	0.11	0.15
Poland	0	0	1.39	0.87
Other countries	6.93	4.81	0.73	0.15
emagine (discontinued)	0	−43.64		
Total	**208.02**	**178.76**	**167.90**	**154.46**

* Determined by client location

Revenue from clients who account for more than 10% each of Group revenue is shown below:

	Revenue		Segments in which this revenue is generated	
In € million	H1 / 2016	H1 / 2015	H1 / 2016	H1 / 2015
	–	–	*Americas & UK*	*Americas & UK*
Client 1	92.86	85.08	*Continental Europe*	*Continental Europe*

Information on Operating Segments (IFRS, unaudited)
Segment report for the period from 1 January to 30 June 2016,
GFT Technologies SE, Stuttgart

	GFT				
	Americas & UK		*Continental Europe*		
In € thsd.	**H1 / 2016**	**H1 / 2015**	**H1 / 2016**	**H1 / 2015**	
External sales	110,838	103,805	96,714	74,956	
Inter-segment sales	1,876	735	39,084	37,157	
Total revenues	**112,714**	**104,540**	**135,798**	**112,113**	
Scheduled depreciaton and amortisation	−2,317	−2,329	−2,933	−2,258	
Significant non-cash income / expenditure other than depreciation	−36	−187	702	36	
Interest income	160	203	237	60	
Interest expenses	−852	−966	−489	−293	
Share of net profits of associated companies reported according to the equity method	0	0	0	0	
Segment result (EBT)	**4,445**	**6,531**	**10,063**	**9,406**	

* Sold business division

	emagine*		Total		Reconciliation		GFT Group	
	H1 / 2016	H1 / 2015	**H1 / 2016**	H1 / 2015	**H1 / 2016**	H1 / 2015	**H1 / 2016**	H1 / 2015
	0	43,641	207,552	222,402	473	0	208,025	222,402
	0	252	40,960	38,144	−40,960	−38,144	0	0
	0	**43,893**	**248,512**	**260,546**	**−40,487**	**−38,144**	**208,025**	**222,402**
	0	−33	−5,250	−4,620	−431	−235	−5,681	−4,855
	0	−858	666	−1,009	−2,452	−449	−1,786	−1,458
	0	1	397	264	−275	−169	122	95
	0	−58	−1,341	−1,317	372	429	−969	−888
	0	0	0	0	8	−8	8	−8
	0	**−196**	**14,508**	**15,741**	**91**	**−1,703**	**14,599**	**14,038**

5. Changes to contingent liabilities and receivables

As of 30 June 2016, there were no significant changes to contingencies and other financial commitments compared to the consolidated financial statements as at 31 December 2015. As was the case on 31 December 2015, there were no contingent receivables.

6. Reporting on financial instruments

The table on pages 44 – 45 shows the carrying amounts and the fair value of the individual financial assets and liabilities for each individual class of financial instruments, and transfers them to the corresponding balance sheet items.

The fair value of a financial instrument is the price at which a party would take on the rights and / or obligations from this financial instrument from an independent, contractually-willing other party.

In the case of financial instruments to be accounted for at fair value, the fair value is determined on the basis of market prices. If no market prices are available, a valuation is carried out using typical valuation methods based on instrument-specific market parameters.

The fair value of loans and receivables and of original liabilities is fundamentally determined as the present value of future cash inflows or outflows, discounted at a current interest rate on the balance sheet date taking into account the respective due date of the asset items or the residual term of the liability. Owing to the mainly short maturity term of trade payables and receivables, other receivables and liabilities and cash and cash equivalents, the carrying amounts on the balance sheet date do not vary significantly from the fair value.

Financial instruments stated in the balance sheet at fair value can be classified according to the following hierarchy which reflects to which extent the fair value is observable:

Level 1: measurement at fair value on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: measurement at fair value using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: measurement at fair value based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of Level 2 were measured by the participating financial institutions on the basis of market data on the measurement date and using generally accepted valuation models.

The fair values of Level 3 were measured using the following valuation model:

The valuation model takes into account the present value of the expected payment, discounted using a risk-adjusted discount rate. The expected payment is calculated taking account of the possible scenarios of predicted EBITDA, the amount to be paid in each of these scenarios, and the probability of each of these scenarios.

The main non-observable input factors include the expected development of revenue and earnings.

The relationship between material, non-observable input factors and measurement at fair value is as follows:

The estimated fair value would increase (decrease) if revenue and earnings increase (decrease) relative to the expected value.

As of 31 December 2015, the carrying value of the conditional consideration for the former shareholders of Sempla S.r.l. changed as follows:

In € million	**2016**
Carrying value as of 1 January	11.83
Adjustment to the expected value	0
Interest effects	0.23
Payment	0
Carrying value as of 30 June	**12.06**

The variable purchase price liability depends on the future earnings of GFT Italia S.r.l. Average earnings before interest, taxes, depreciation and amortisation in the years 2015, 2016 and 2017 are the main factor for calculating the variable purchase price liability. The above figures were based on net income for 2015 and the budget for 2016, as well as earnings before interest, taxes, depreciation and amortisation for 2017, which are 20% above the average of the financial years 2014 to 2016. The maximum amount of the payment is not capped and the range of estimates of payments from this agreement is between €0 million and €13.81 million.

The conditional consideration for the former shareholders of WG Systems Ltda., São Paulo, Brazil, is between BRL 0 million and Brl 6.30 million. It depends on reaching certain revenue targets in 2016 and 2017 and developed as follows:

In € million	2016
Carrying value as of 12 April	1.50
Currency effects	0.21
Interest effects	0.01
Payment	0
Carrying value as of 30 June	**1.72**

Quantitative disclosures for financial instruments stated in the balance sheet at fair value are included in the table on pages 44 – 45.

No reclassifications between the three levels were made during the current financial year nor in the previous period.

Information on Financial Instruments according to Class (IFRS, unaudited)
as at 30 June 2016, GFT Technologies SE, Stuttgart

	30/06/2016						
	Value at amortised cost		Value at fair value				
				Fair value			
In € thsd.	Carrying amount	Fair value	Carrying amount	Level 1[1]	Level 2[2]	Level 3[3]	Total
Financial assets							
Loans and receivables							
Receivables from goods and services rendered	90,794	90,794					90,794
Amounts due from customers for production work	26,052	26,052					26,052
Cash and cash equivalents	42,224	42,224					42,224
Other long-term financial assets	1,710	1,710					1,710
Other short-term financial assets	2,475	2,475					2,475
Total							**163,255**
Measured at fair value through profit or loss							
Dividend-bearing securities			123	123			123
Interest rate cap[5]			66		66		66
Total							**189**
Financial liabilities							
Other financial liabilities							
Trade payables	7,346	7,346					7,346
Other short-term financial liabilities	4,224	4,224					4,224
Other long-term financial liabilities	2,108	2,108					2,108
Financial liabilities	112,559	112,559					112,559
Financial liabilities from subsequent purchase price payments[4,6]			13,792			13,792	13,792
Total							**140,029**

1) Fair value were measured on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.
2) Fair value were measured on the basis of inputs other than quoted prices included within level that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3) Fair value were measured on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).
4) Other long-term financial liabilities and financial liabilities from subsequent purchase price payments form together total other long-term financial liabilities acc. to balance sheet disclosure.
5) Other long-term financial assets and the interest cap form together other financial assets acc. to balance sheet disclosure.
6) The carrying amount of financial liabilities from subsequent purchase price payments was adjusted. No reclassification was made.

	31/12/2015						
	Value at amortised cost		Value at fair value				
				Fair value			
	Carrying amount	Fair value	Carrying amount	Level 1[1]	Level 2[2]	Level 3[3]	Total
	83,429	83,429					83,429
	11,399	11,399					11,399
	46,978	46,978					46,978
	1,593	1,593					1,593
	1,222	1,222					1,222
							144,621
			123	123			123
			221		221		221
							344
	11,371	11,371					11,371
	4,287	4,287					4,287
	2,108	2,108					2,108
	83,437	83,437					83,437
			11,828			11,828	11,828
							113,031

7. Investments / disinvestments

In the first half of 2016, the GFT Group invested €0.22 million in intangible assets (H1 / 2015: €0.40 million), €3.37 million in tangible assets (H1 / 2015: €8.16 million) and €6.66 million in financial assets (H1 / 2015: €0 million). Investments in property, plant and equipment mostly concerned hardware for new employees and the expansion of the data centre in St. Georgen.

There were no significant disinvestments in the reporting period.

Order commitments for intangible assets as of 30 June 2016 amounted to €0 million (30 June 2015: €0 million). Order commitments for property, plant and equipment as of 30 June 2016 amounted to €0.83 million (30 June 2015: €0.25 million).

8. Related party disclosures

Compared to the disclosures made in the notes to the consolidated financial statements as at 31 December 2015, there were no significant changes in related party disclosures. There were also no changes in the composition of related parties nor in relations with such parties.

In the reporting period, property, plant and equipment was sold to a member of the Administrative Board. The transaction was made using usual market prices and amounted to €40 thousand.

9. Events after 30 June 2016

In the period up to 10 August 2016, there were no significant events with a direct impact on the Group's financial position and performance.

Stuttgart, 10 August 2016

GFT Technologies SE
The Managing Directors

Ulrich Dietz
CEO

Marika Lulay
COO

Dr Jochen Ruetz
CFO

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining fiscal year 2016.

Stuttgart, 10 August 2016

GFT Technologies SE
The Managing Directors

Ulrich Dietz	**Marika Lulay**	**Dr Jochen Ruetz**
CEO	COO	CFO

Review report

To GFT Technologies SE, Stuttgart

We have reviewed the condensed interim consolidated financial statements of the GFT Technologies Aktiengesellschaft, Stuttgart, – comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and the notes – together with the interim group management report of the GFT Technologies SE, for the period from January 1 to June 30, 2016 that are part of the semi annual according to §37 w (or §37 x Abs. 3) WpHG [»Wertpapierhandelsgesetz«: »German Securities Trading Act«]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart, 10 August 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft

Original German version signed by:

Schwebler	Bauer
Auditor	Auditor

Financial calendar

GFT Technologies SE, Stuttgart

10 November 2016

Quarterly Statement
Q3 / 2016

Further information
Write to us or call us if you have any questions. Our Investor Relations team will be happy to answer them for you. Or visit our website at *www.gft.com/ir*. There you can find further information on our company and the GFT AG share.

The Interim Report is also available in German. The online versions of the German and English Reports are available on *www.gft.com/ir*.

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