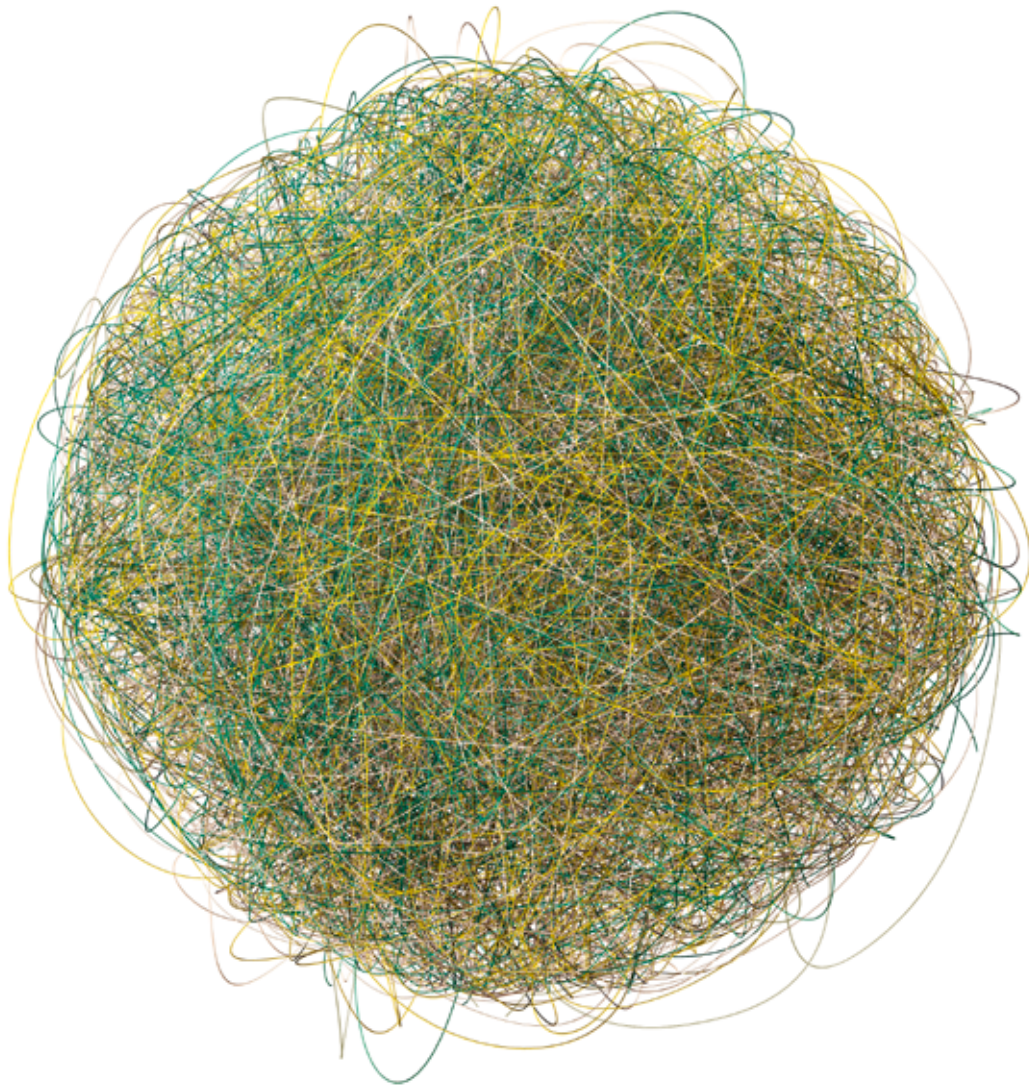


Half-Yearly Financial Report

of GFT Technologies AG as at 30 June 2014



– KEY FIGURES ACCORDING TO IFRS
(not audited)

		01/01/– 30/06/2014	01/01/– 30/06/2013	Change
Income statement				
Revenue	€ m	156.74	114.19	37.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	€ m	13.61	6.09	123.4%
Earnings before interest and taxes (EBIT)	€ m	11.40	5.36	112.7%
Earnings before taxes (EBT)	€ m	11.13	5.50	102.3%
Net income	€ m	7.32	4.36	68.0%
Balance sheet				
Non-current assets	€ m	138.20	47.90	188.5%
Cash, cash equivalents and securities	€ m	25.52	27.71	–7.9%
Other current assets	€ m	109.59	57.95	89.1%
ASSETS	€ m	273.31	133.56	104.6%
Non-current liabilities	€ m	78.74	6.34	1,142.8%
Current liabilities	€ m	106.60	48.57	119.5%
Shareholders' equity and liabilities	€ m	87.97	78.65	11.8%
LIABILITIES	€ m	273.31	133.56	104.6%
Equity ratio	%	32	59	–45.3%
Cash flow				
				€ m
Cash flow from operating activities	€ m	–2.22	–8.83	6.61
Cash flow from investing activities	€ m	–45.20	0.87	–46.07
Cash flow from financing activities	€ m	24.82	–1.35	26.18
Employees				
Employees (Figures as of 30 June)	FTE	2.983*	1,503	98.5%
Share				
Earnings per share	€	0.28	0.17	68.0%
Average number of outstanding shares (undiluted)		26,325,946	26,325,946	0.0%

(Rounding differences in the Interim Group Management Report due to presentation in € million possible)

* incl. 662 Rule employees

Half-Yearly Financial Report

as at 30 June 2014

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The Company

GFT Technologies Aktiengesellschaft, Stuttgart

→ THE GFT GROUP

The GFT Group continued its growth course in the first half of 2014 with an increase in revenue of 37% to €156.74 million. Pre-tax earnings (EBT) were more than doubled to €11.13 million. The strong progress of IT services for investment banks was a key growth driver. The acquisition of UK-based Rule Financial at the end of the second quarter greatly strengthened the GFT Group's standing with this target group – both from the client and employee perspective.

Revenue

€ million	quarter	€ million	quarter	Year-on-year change
78.85	4			
71.25	3			
58.68	2	79.02	2	Q2 — +35%
55.51	1	77.72	1	Q1 — +40%
264.29		156.74 (Q1 + Q2)		+37% (Q1 + Q2)
2013		2014		

Earnings before taxes (EBT)

€ million	quarter	€ million	quarter	Year-on-year change
6.31	4			
5.71	3	6.32	2	Q2 — +60%
3.95	2	4.81	1	Q1 — +211%
1.55	1			
17.52		11.13 (Q1 + Q2)		+102% (Q1 + Q2)
2013		2014		

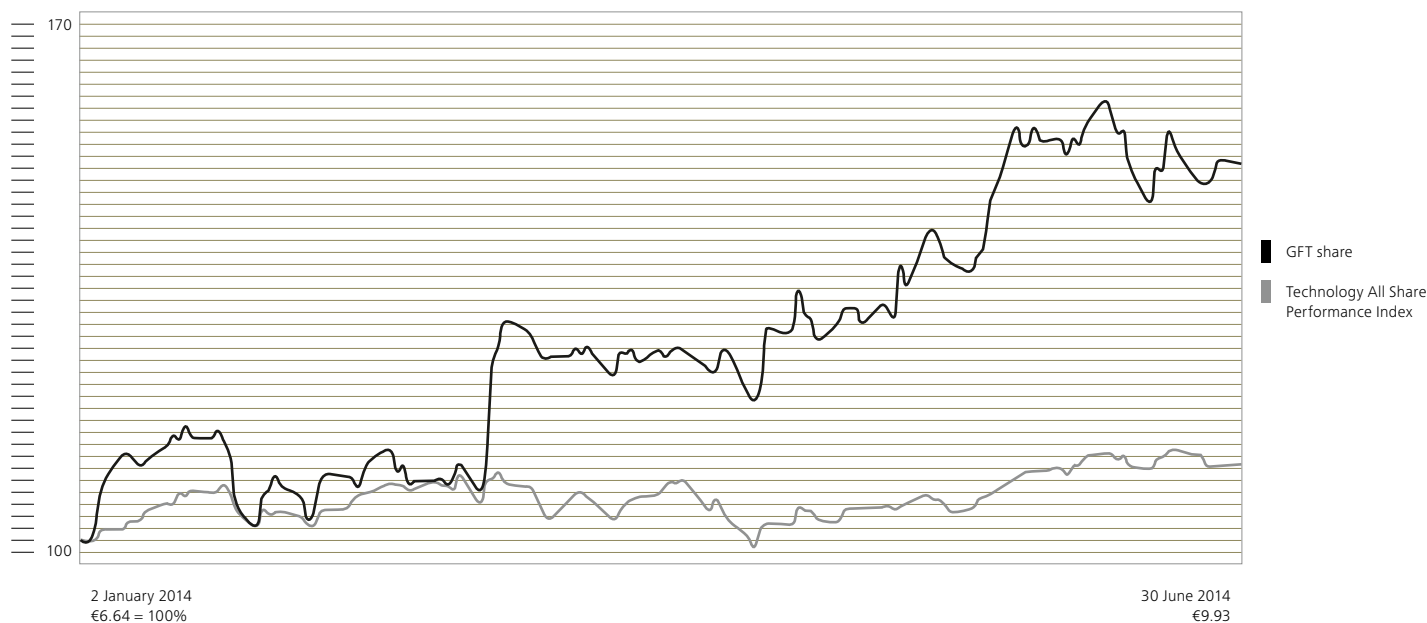
→ THE GFT SHARE

After moving sideways in the first quarter of 2014, the international stock markets continued their long-term upward trend in the first half of the year – supported by the expansionary monetary policies of the major central banks. Due to the lack of investment alternatives, a high degree of liquidity on the financial markets during the second quarter resulted in a series of new all-time highs for the major indices Dow Jones, S&P 500 and the DAX. The latter passed the 10,000-point mark for the first time and reached an all-time high of 10,050.98 points on June 20. With growth of just 3% in the first half of the year, however, the DAX fell well below its gain of around 25% in 2013. The technology index TecDAX was among the top international performers with growth of over 12%.

Following a 24% rise in value to €8.20 in the first quarter of 2014, the GFT share continued its positive trend in the second quarter. Progress

in April was initially modest following strong prior-month growth on the back of healthy business figures for 2013. On publication of the interim report in May, however, there was a significant upward trend in the GFT share price – buoyed by the first-quarter figures and positive analyst reports with strong upside target increases (Warburg from €10.00 to €11.50, equinet Bank AG from €9.40 to €10.60 and LBBW from €8.40 to €9.00). On 26 May, the share passed the 10-euro mark and closed the month at €10.14 on 28 May – despite the ex-dividend markdown. On 9 June, the GFT share reached its highest point of the first six months at €10.50. The share price only weakened from the middle of the month to fall below the 10-euro mark again. However, the 38-day line of €9.50 offered valid support. On 30 June, the GFT share closed at €9.93 and thus achieved growth of 50% in the first half of 2014. The average daily trading volume of 64,248 shares was more than twice as high as in the same period last year.

Share performance (indexed) – GFT Technologies AG vs. TecAll



Shareholder structure

According to a voting right notification pursuant to Section 21 of the German Securities Trading Act (WpHG) received in the first six months of 2014, the shareholder structure of GFT Technologies AG changed as follows:

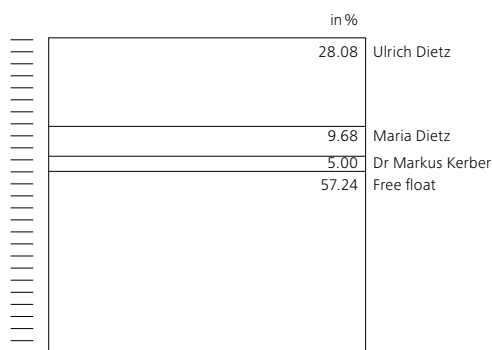
In January 2014, LBBW Asset Management Investmentgesellschaft mbH informed us that its shareholding had fallen below the 5-percent threshold. On 20 January 2014, its shareholding in GFT Technologies AG amounted to 4.91% (1,292,230 voting rights).

On 6 June 2014, JPMorgan Asset Management (UK) Limited informed us that its shareholding had exceeded the 3-percent threshold. On 5 June 2014, its shareholding in GFT Technologies AG amounted to 3.03% (796,756 voting rights).

On 30 June 2014, JPMorgan Asset Management (UK) Limited informed us that its shareholding had fallen below the 3-percent threshold. On 27 June 2014, its shareholding in GFT Technologies AG amounted to 2.92% (768,790 voting rights).

At the end of the first six months, company founder Ulrich Dietz held 28.08% of shares and Maria Dietz owned 9.68%. Dr Markus Kerber held 5.00%. As of 30 June 2014, the free float portion amounted to 57.24%.

Shareholder structure



Information on the GFT share

	H1 2014	H1 2013
Year-opening quotation (daily closing price Xetra)	€6.64	€3.22
Closing quotation on 30 June (daily closing price Xetra)	€9.93	€4.09
Percentage change	+50%	+27%
Highest price (daily closing price Xetra)	€10.50 (09/06/2014)	€4.20 (19/06/2013)
Lowest price (daily closing price Xetra)	€6.59 (27/01/2014)	€3.20 (03/01 and 07/01/2013)
Number of shares on 30 June	26,325,946	26,325,946
Market capitalisation on 30 June	€261.42 million	€107.67 million
Average daily trading volume in shares (Xetra and Frankfurt)	64,248	24,669
Earnings per share	€0.28	€0.17

ISIN: DE0005800601

Initial stock market quotation: 28/06/1999

Market segment: Prime Standard

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Interim Group Management Report

of GFT Technologies Aktiengesellschaft as of 30 June 2014
(not audited)

1. ECONOMIC REPORT

1.1. General economic and sector-specific conditions

General economic conditions

There were no significant changes in the macroeconomic environment in the first six months of 2014 compared to the forecasts made in the Annual Report 2013 of the GFT Group. According to the Federal Statistical Office, gross domestic product (GDP) in Germany rose by 0.8% in the first quarter – the strongest growth over the previous quarter in three years. The monthly report of the German Central Bank (Deutsche Bundesbank) in June 2014 states that after strong economic growth at the beginning of the year and a slight slowdown in the second quarter, the underlying trend of the German economy continues to be upward.

The European Central Bank (ECB) calculated quarter-on-quarter GDP growth of 0.2% for the eurozone in the first quarter of 2014. Following the longest recession in its history, this would represent the fourth consecutive quarter of economic growth for the eurozone. Despite a moderate slowdown compared to the first quarter, the ECB believes that economic indicators signal a continuation of the eurozone's economic recovery in the second quarter. However, unemployment remains high in certain areas and there is still a considerable degree of unused capacity. According to the ECB, the global economy has gained momentum again after a slight weakening in the first quarter. Geopolitical uncertainties and structural obstacles, however, are delaying a more rapid recovery in emerging markets.

Sector-specific conditions

The sector-specific conditions in the first half of 2014 were also largely in line with the forecasts of leading economic institutes stated in the Annual Report 2013 of the GFT Group. They had predicted accelerated year-on-year growth for the global IT market in 2014. Nevertheless, the market research institute Gartner lowered its estimated growth rate for annual global IT spending in July 2014 by 1.1 percentage points to 2.1% as a result of increasing price pressure on end-user devices. According to its market assessment in March 2014, the German high-tech association BITKOM expects global IT spending to increase by 3.8%. The main revenue drivers are likely to be software sales and IT services. In its survey of economic sentiment for the first half of 2014 conducted in July 2014, the association received largely positive assessments from those companies surveyed. Almost three-quarters (74%) of companies in the ICT sector (Information Technology and Telecommunications) reported increased revenues. Only 13% stated that revenues had fallen. In the IT Services segment, 84% of companies achieved revenue growth and just 10% reported falling sales.

1.2. Overview of business development

As expected, the GFT Group continued its positive development of the second half of 2013 in the first six months of 2014. The substantial increase in revenue of 37% to €156.74 million resulted mainly from strong organic growth with solutions for the finance sector in the GFT division, as well as from the acquisition in mid 2013 of the Italian consultancy Sempla S.r.l., Milan, Italy (as of January 2014: GFT Italia S.r.l., Milan, Italy/hereinafter "GFT Italia"). Revenue generated outside Germany increased to 75% (prev. year: 67%) in the reporting period. Due to the positive development of solutions for investment banking, revenue growth was particularly strong in the UK and the USA. As a result of this healthy revenue trend and high capacity utilisation in the GFT division, pre-tax earnings (EBT) more than doubled year on year to €11.13 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved to €13.61 million (prev. year: €6.09 million).

On 26 June 2014, the GFT Group acquired 98% of shares in the UK-based company Rule Financial Ltd., London, UK (hereinafter "Rule"). The agreement was signed and closed – and the first tranche of the purchase price paid – on the same day. Rule was included in the Consolidated Financial Statements of the GFT Group for the first time on 30 June 2014. The figures are preliminary and contain the balance sheet figures. The income statement will be included in the consolidation as of 1 July 2014 (due to the late closing). Further details on the provisional nature of the figures are provided in chapter 2 of the Notes to the Interim Financial Statements. Rule specialises in providing IT solutions for investment banks and its clients include 9 of the world's 10 largest investment banks. With branches in the UK, the USA, Canada, Poland, Costa Rica and Spain, the group's range of services includes business consulting, IT consulting and IT services. The company generated revenue of around €60 million in its financial year 2013 with earnings before interest, taxes, depreciation and amortisation (EBITDA) of €2.71 million and earnings before taxes (EBT) of €1.56 million. By acquiring Rule, the GFT Group has expanded the portfolio of its GFT division, which specialises in IT solutions for the financial sector, and greatly strengthened its onshore presence for investment banks in the UK and USA. The GFT division now also boasts a further attractive nearshore centre in Poland with around 400 employees.

1.3. Development of revenue

In the first six months of 2014, the GFT Group raised revenue by 37% to €156.74 million (prev. year: €114.19 million). As a member of the consolidated Group since July 2013, GFT Italia contributed €22.53 million to consolidated revenue in the first six months of 2014. Adjusted for this contribution, the GFT Group achieved organic growth of 18%.

Revenue by segment

€ million	in %	€ million	in %	Year-on-year change
69.14	61	114.07	73	GFT — +65%
45.04	39	42.66	27	emagine — -5%
0.01	0	0.01	0	Others — -7%
114.19 total		156.74 total		GFT Group — +37%
1st half-year 2013		1st half-year 2014		

The GFT Group comprises the two operating divisions (segments) **GFT** and **emagine**.

As a specialist for IT solutions for the finance sector, the **GFT division** achieved year-on-year revenue growth of 65% to €114.07 million in the first six months of 2014 (prev. year: €69.14 million). Adjusted for the revenue generated by GFT Italia (integrated into this division) of €22.53 million, GFT posted revenue growth of 32%. This strong organic growth resulted mainly from the ongoing progress made with solutions for investment banking, as well as solutions to meet banking compliance requirements. GFT enjoyed particularly strong revenue growth in the UK (+67%) and USA, where revenue was almost doubled. The GFT division's share of consolidated revenue in the first six months rose to 73% (prev. year: 61%).

The **emagine** division specializes in the staffing of technology projects with highly skilled experts for IT and engineering in the core markets Germany, UK and France. In the first six months of 2014, revenue in this division fell by 5% to €42.66 million (prev. year: €45.04). The division's share of total Group revenue decreased to 27% in the reporting period (prev. year: 39%).

Revenue by country

€ million	in %	€ million	in %	Year-on-year change
25.94	23	41.70	27	UK — +61%
40.18	35	38.79	25	Germany — -3%
2.70	2	25.38	16	Italy — +839%
20.66	18	18.37	12	France — -11%
13.21	12	14.37	9	Spain — +9%
4.29	4	8.42	5	USA — +96%
4.37	4	5.11	3	Switzerland — +17%
2.84	2	4.60	3	Other countries — +61%
114.19 total		156.74 total		GFT Group — +37%
1st half-year 2013		1st half-year 2014		

In the first quarter of 2014, the **UK** became the GFT Group's largest sales market and revenue continued to grow strongly in the second quarter. After six months, revenue generated in this country totalled €41.70 million, up 61% on the previous year (€25.94 million). Due to strong demand in the field of investment banking, the GFT division raised revenue by 67% to €35.50 million (prev. year: €21.24 million). The emagine division grew by 32% to €6.20 million (prev. year: €4.70 million). The UK's share of consolidated revenue rose to 27% (prev. year: 23%).

In the first six months of 2014, revenue in **Germany** decreased by 3% to €38.79 million (prev. year: €40.18 million). Whereas revenue of the emagine division fell by 8% to €17.55 million (prev. year: €19.07 million), the GFT division achieved slight growth in revenue of 1% to €21.24 million (prev. year: €21.09 million). As the GFT Group's second largest sales market, Germany's share of total revenue fell to 25% (prev. year: 35%).

With the acquisition of the Italian company Sempla, the GFT Group has been represented by nine offices in **Italy** since the second half of 2013. Revenue with clients in this region (which was previously classified under "Other countries") is now disclosed separately under "Italy". In the first six months of 2014, revenue in Italy amounted to €25.38 million (prev. year: €2.70 million). GFT Italia accounted for €22.53 million of this total, while the remaining €2.85 million was generated with Italian clients of other GFT Group companies. Italy contributed 16% (prev. year: 2%) to total Group revenue.

In the first six months of 2014, revenue in **France** fell by 11% to €18.37 million (prev. year: €20.66 million). Revenue in this region is generated almost completely by the emagine division. France's share of consolidated revenue fell to 12% (prev. year: 18%).

With revenue of €14.37 million after six months (prev. year: €13.21 million), **Spain** posted year-on-year growth of 9%. Its share of Group revenue was 9% (prev. year: 12%).

The strongest organic revenue growth in the first six months of 2014 was generated in the **USA** with a year-on-year increase of 96% to €8.42 million (prev. year: €4.29 million). As in the UK, this growth resulted mainly from the positive development of our solutions for investment banks. The country's contribution to consolidated revenue rose to 5% (prev. year: 4%).

Revenue in **Switzerland** increased by 17% in the reporting period to €5.11 million (prev. year: €4.37 million). This region accounted for 3% (prev. year: 4%) of consolidated revenue.

Revenue from **Other countries** improved by 61% to €4.60 million in the first six months of 2014 (prev. year: €2.84 million) thus raising its share of consolidated revenue to 3% (prev. year: 2%). The growth in revenue resulted in part from the positive business trend in Brazil and initial revenue contributions from new business regions.

Revenue generated outside Germany increased by 59% to €117.95 million (prev. year: €74.01 million) and accounted for 75% of total Group revenue (prev. year: 65%).

Revenue by industry

€ million	in%	€ million	in%	Year-on-year change
72.66	64	110.83	71	Financial service providers — +53%
25.21	22	26.83	17	Other industries — +6%
16.32	14	19.08	12	Other service providers — +17%
114.19 total		156.74 total		GFT Group — +37%
1st half-year 2013		1st half-year 2014		

With a 71% share of consolidated revenue (prev. year: 64%), the **Financial service providers** sector was the most important target industry for the GFT Group in the first six months of 2014. Revenue generated in this sector increased by 53% to €110.83 million (prev. year: €72.66 million).

The proportion of revenue contributed by the industrial sector, comprised under **Other service providers**, amounted to 17% (prev. year: 22%). Revenue generated in this sector totalled €26.83 million in the reporting period and was thus 6% up on the prior-year figure (€25.21 million).

Revenue in the **Other industries** sector rose by 17% to €19.08 million (prev. year: €16.32 million), corresponding to a share of GFT Group revenue of 12% (prev. year: 14%).

1.4. Earnings position

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the GFT Group rose by €7.52 million to €13.61 million in the first six months of 2014 (prev. year: €6.09 million), corresponding to growth of 123%. The EBITDA result includes total costs for the CODE_n innovation drive and this year's CeBIT fair presence of €1.02 million (prev. year: €0.90 million).

Despite a sharp increase in depreciation and amortisation of €1.48 million, **earnings before interest and taxes (EBIT)** improved by €6.04 million to €11.40 million in the first six months and were thus 113% above the prior-year figure (€5.36 million).

In the first six months of 2014, **earnings before taxes (EBT)** were up €5.63 million or 102% to €11.13 million (prev. year: €5.50 million). This led to a strong improvement in the operating margin of 2.3 percentage points to 7.1% (prev. year: 4.8%).

In the reporting period, the GFT Group generated **earnings after taxes** of €7.32 million. This represents a year-on-year increase in net profit of €2.96 million or 68% (prev. year: €4.36 million).

The calculated tax ratio rose to 34% (prev. year: 21%) and is thus at a normal level without special items. The slight increase resulted from the current distribution of earnings among the various national subsidiaries.

Due to the positive development of earnings in the first six months of 2014, **earnings per share** rose to €0.28 (prev. year: €0.17 per share) based on 26,325,946 outstanding shares.

Consolidated earnings position by segment

In the first six months of the current reporting year, segment allocation was revised with resulting slight changes to the prior-year segment figures. Details are provided in chapter 4 of the Notes to the Interim Financial Statements.

In the first six months of 2014, the pre-tax earnings contribution (EBT) of the **GFT** segment rose by 72% to €11.78 million (prev. year: €6.86 million), corresponding to an increase in the operating margin to 10.3% (prev. year: 9.9%). Compared to revenue, this disproportionately strong rise in earnings results mainly from high capacity utilisation and economies of scale.

Pre-tax earnings (EBT) of the **emagine** segment amounted to €0.89 million at the end of the first half of 2014 (prev. year: €0.06 million). Despite slightly lower revenues, an improved operating margin of 2.1% (prev. year: 0.1%) helped raise earnings by €0.83 million.

The **“Others”** category – presented as a reconciliation column in segment reporting – comprises balance sheet effects, costs of the holding company and consolidation amounts which cannot be directly charged to either of the two aforementioned divisions. At €–1.54 million, pre-tax earnings of this division in the first six months of 2014 were 9% above the prior-year figure (€–1.42 million). In addition to slightly higher costs of the holding functions, earnings in this segment include expenses for the CODE_n innovation platform and CeBIT fair presence in March 2014.

Consolidated earnings position by income and expense items

In the first six months of 2014, **other operating income** fell by €0.6 million to €1.82 million (prev. year: €2.42 million). The largest item was income from external CODE_n partnerships.

The item **cost of purchased services** – mainly comprising the use of external manpower – increased to €57.12 million in the reporting period (prev. year: €48.55 million). Despite the significant reduction in purchasing volumes of the Third Party Management business, the absolute expense rose as a result of increased purchases by the GFT division in line with the expansion of business. The ratio of cost of purchased services to revenue consequently fell year on year by 7 %-points to 36% (prev. year: 43%) due to higher consolidated revenue compared to the previous year.

Personnel expenses increased by €19.68 million to €68.54 million in the reporting period (prev. year: €48.86 million). Despite the sharp rise in headcount and significantly increased revenue share of the more labour-intensive GFT segment of 73% (prev. year: 61%), the proportion of revenue to personnel expenses (the so-called »personnel cost ratio«) remained stable at 44% – just one point up from the prior-year figure of 43%.

As a result of the Sempla acquisition, **depreciation of intangible and tangible assets** rose strongly by €1.47 million to €2.20 million in the first six months of 2014 (prev. year: €0.73 million).

Other operating expenses rose by 48% to €19.30 million in the reporting period (prev. year: €13.00 million). The main cost elements were operating, administrative and selling expenses, which rose by €6.23 million to €18.38 million (prev. year: €12.15 million). Whereas office space represents the largest item of operating expenses, selling expenses were influenced by increased travel expenses and slightly higher costs for CODE_n. Administrative expenses were mainly impacted by external consultancy fees. This item also includes exchange rate losses and other taxes.

Due to revenue growth, the operating result was more than doubled – despite increased expenses.

Compared to the same period last year, the **financial result** fell by €0.31 million to €–0.28 million in the reporting period (prev. year: €0.03 million). This was largely due to external interest expenses which rose to €0.51 million in the first six months (prev. year: €0.07 million).

In the first six months of 2014, **income taxes** amounted to €3.81 million and were thus €2.67 million above the prior-year figure (€1.14 million). Due to the increase in consolidated earnings, this corresponded to a moderate rise in the calculated tax ratio, as explained in the first section.

Earnings (EBT) by segment

€ million	Margin in%	€ million	Margin in%	Year-on-year change
6.86	9.9	11.78	10.3	GFT — +4.92 € m
0.06	0.1	0.89	2.1	emagine — +0.83 € m
-1.42	-	-1.54	-	Others — -0.12 € m
5.50 total	4,8	11.13 total	7,1	GFT Group — +5.63 € m
1st half-year 2013		1st half-year 2014		

1.5. Financial position

The financial management of the GFT Group ensures the permanent liquidity of all Group companies. The central Treasury department implements financial policy and risk management on the basis of guidelines set by the Executive Board. Financial investments are widely spread and generally for short-term periods. By focusing on short-term investments, the company ensures that the Group's bank balances receive interest in line with money market rates. The central Treasury department monitors currency risks for all Group companies and hedges via derivative financial instruments in accordance with the guidelines determined by the Executive Board. Only existing balance sheet items or expected cash flows are hedged. No currency hedging instruments were employed in the first half of 2014. A high level of free cash flow and strong equity ratio provide the basis for organic growth and offer scope for the GFT Group's acquisitions.

Rule was included in the Consolidated Financial Statements of the GFT Group for the first time on 30 June 2014. The figures are preliminary and contain the balance sheet figures. Whenever changes to balance sheet items with an effect on liquidity are mentioned below, this is based on the balance sheet figures of the GFT Group without the inclusion of Rule. Likewise, the changes to cash flow presented below refer to the balance sheet figures of the GFT Group without Rule.

As of 30 June 2014, **cash, cash equivalents and securities** amounted to €25.52 million and were thus €23.11 million below the corresponding figure at the end of 2013 (€48.63 million). This strong cash outflow resulted from the acquisition of Rule at the end of June. Compared to the end of the reporting period, however, securities fell only slightly by €0.66 million to €0.81 million (31 December 2013: €1.47 million).

Cash flows from operating activities amounted to €-2.22 million in the first six months and were thus €6.61 million up on the prior-year figure of 2013 (€-8.83 million). This positive trend is mainly due to the increase in net profit for the first six months of €2.96 million to €7.32 million (prev. year: €4.36 million), a year-on-year increase in provisions of €2.36 million and a reduction in cash outflows of €1.90 million from the change in receivables, which were just €-8.53 million in the first six months (prev. year: €-10.43 million).

In the first six months, the **change in liquidity from trade payables** and other liabilities amounted to €-4.33 million (prev. year: €-1.33 million). The negative effect on cash flow resulted from the reduction of trade payables, which were significantly lower. Other liabilities had virtually no impact on cash flow.

Cash flow from investing activities fell by €46.07 million to €-45.20 million in the first six months of 2014 (prev. year: €0.87 million). This was mainly due to the payment in connection with the acquisition of Rule less acquired cash and cash equivalents. At €-2.83 million, capital expenditure was largely unchanged from the previous year (€-2.79 million). Whereas the proceeds from the disposal of financial investments had a positive effect on cash flow of €3.52 million in the previous year, this effect was much weaker in the current reporting period.

In the first six months of 2014, **cash flows from financing activities** amounted to €24.82 million and were thus well above the prior-year figure (€-1.35 million). The strong increase resulted almost exclusively from the assumption of external loans totalling €31.78 million made in connection with the acquisition of Rule at the end of June. The payment to shareholders agreed at the Annual General Meeting of 27 May 2014 resulted in a cash outflow of €-6.58 million (prev. year: €-3.95 million).

1.6. Asset position

The **balance sheet total** of the GFT Group as of 30 June 2014 already includes the company Rule acquired in late June. Deviations resulting from the initial consolidation of Rule will be indicated below. Further details are provided in the Notes to the Interim Financial Statements.

All in all, the balance sheet total increased by €66.93 million, of which the initial consolidation of Rule accounted for €33.96 million. As of 30 June 2014, the new balance sheet total including Rule stood at €273.31 million (31 December 2013: €206.38 million).

Non-current assets were up €57.56 million to €138.32 million as of 30 June 2014 (31 December 2013: €80.76 million). The increase resulted mainly from the rise in goodwill of €54.01 million mainly due to the acquisition of Rule. Property, plant and equipment increased by €4.40 million, of which €2.17 million is attributable to Rule and the rest to standard investments in the IT infrastructure of the GFT segment.

At the end of the first six months of 2014, **current assets** amounted to €134.99 million and were thus €9.37 million above their year-end 2013 level of €125.62 million. This increase was mainly due to the rise in trade receivables of €30.34 million to €103.35 million (31 December 2013: €73.01 million). €22.06 million of this amount resulted from the assump-

tion of Rule's receivables. Without inclusion of Rule's balance sheet figures, trade receivables rose by €8.28 million due to the payment behaviour of certain clients. The increase in receivables was offset by a decrease in liquid funds of €22.44 million in connection with the Rule acquisition. At the end of the first six months, cash and cash equivalents amounted to €24.71 million compared to €47.15 million at the end of the previous financial year.

Equity of €87.98 million as of 30 June 2014 was €0.83 million above the corresponding figure on the balance sheet date of 31 December 2013 (€87.15 million). This change was almost exclusively due to the increase in the balance sheet profit of €0.74 million to €2.59 million as of 30 June 2014 (31 December 2013: €1.85 million). Other items were largely unchanged.

As a result of the increase in the balance sheet total and only a slight change in equity as of 30 June 2014, the **equity ratio** fell by 10 percentage points to 32% (31 December 2013: 42%).

On the **liabilities side**, there was a rise in **current liabilities** of €35.83 million to €106.60 million as of 30 June 2014 (31 December 2013: €70.77 million). This increase is mainly due to the rise in other liabilities of €17.77 million to €19.02 million (31 December 2013: €1.25 million) which comprises the conditional outstanding payment from the Rule acquisition. Further significant changes include an increase in other provi-

Group balance sheet structure

	€ million	€ million	€ million	€ million	
Other non-current assets	138.20	80.64	87.15	87.97	Equity capital
Other current assets	109.59	77.11	48.46	78.74	Non-current liabilities
Cash and securities	25.52	48.63	70.77	106.60	Current liabilities
Assets	273.31	206.38	206.38	273.31	Equity and liabilities
	30/06/2014	31/12/2013	31/12/2013	30/06/2014	

sions of €9.01 million and in other liabilities of €7.94 million. The increase in other provisions to €38.68 million (31 December 2013: €29.67 million) comprises a bonus provision from the acquisition of Rule amounting to €7.06 million. The rise in other liabilities was also mainly due to the consolidation of Rule items totalling €6.40 million, of which the largest item referred to VAT liabilities.

As of 30 June 2014, **non-current liabilities** amounted to €78.74 million and were thus up significantly on the year-end figure (31 December 2013: €48.50 million). This was due almost exclusively to the increase in financial liabilities of €30.12 million to €57.13 million (31 December 2013: €27.01 million) in connection with the financing of the Rule acquisition. As a result of increased liabilities, the Group's debt ratio rose by 10 percentage points to 68% (prev. year: 58%).

1.7. Non-financial performance indicators

Employees

As an internationally operating technology company, skilled and motivated employees play a vital role in the success of the GFT Group. In order to attract the best employees world-wide, promote their professional and personal development and keep them at the company, the GFT Group has installed a series of programmes which were presented in the Annual Report 2013.

The employee figures for Rule, acquired on 26 June 2014, were included in headcount as of 30 June 2014 and in the year-on-year comparison. They are based on figures provided by Rule as of 10 June 2014. Headcount is calculated on the basis of full-time staff, whereby part-time staff are included on a pro rata basis.

As of 30 June 2014, the **GFT Group** employed a total of 2,983 people (including 662 employees of Rule). The number of employees thus almost doubled compared to the same date last year (30 June 2013: 1,503).

At the end of the first half of 2014, headcount in the GFT division had more than doubled year on year to 2,820 (30 June 2013: 1,346). The strong increase in this division results from the Sempla acquisition in mid 2013, the Rule acquisition on 26 June 2014 and extensive hiring at our development centres in Spain and Brazil due to the high level of capacity utilisation. At the end of the first six months, the **emagine** division employed 110 people (30 June 2013: 108), corresponding to an increase of 1.9%. The number of staff employed by the holding company – disclosed in the Others category – rose by 8% to 53 (30 June 2013: 49).

In Germany, headcount increased by 56 people or 20% to 330 (30 June 2013: 274). The number of staff employed outside Germany rose by 1,424 or 116% to 2,653 (30 June 2013: 1,229). At the end of the reporting period, 89% of the GFT Group's employees were thus located abroad (30 June 2013: 82%). Due in part to the acquisition of Rule, there was strong headcount growth in the UK and USA with increases of 190 to 230 employees and 51 to 73 employees, respectively. With two development centres in Poland, Rule contributed 405 employees to the GFT Group. The acquisition means the GFT Group is now also represented by staff in Costa Rica and Canada (28 and 7, respectively).

Employees by division as of 30 June 2014

	Q2 2014*	Q2 2013
GFT	2,820	1,346
emagine	110	108
Others	53	49
Total	2,983	1,503

Employees by country as of 30 June 2014

	Q2 2014*	Q2 2013
Spain	1,188	950
Italy	444	0
Poland	405	0
Germany	330	274
Brazil	223	158
UK	230	40
USA	73	22
Switzerland	38	41
Costa Rica	28	0
France	17	18
Canada	7	0
Total	2,983	1,503
<i>Foreign share in %</i>	89	82

* incl. 662 Rule employees

Quality management

In June 2014, the GFT Group achieved re-certification according to the internationally recognised Capability Maturity Model Integration (CMMI®) Level 3. The GFT division has been applying CMMI standards since 2005, both for the preparation of offers and for project and quality management. This ensures the high-quality implementation of planned budget and deadline agreements. GFT Italia was included in the certification for the first time. Scheduled re-certification is conducted every three years (last time in 2011).

Research and development

In its GFT division, the GFT Group continually identifies and analyses the most important technology trends and develops concepts and solutions for innovative business models on behalf of its clients. The central Group Technology & Information Office observes market trends, prepares trend analyses, evaluates them, and coordinates research and development. Innovative basic research is performed at the Applied Technologies Center in Spain, which examines new technological developments with regard to possible applications in the finance sector, develops prototypes of new application solutions and supports our sales teams with solution approaches. GFT always gears its innovations towards client needs and has therefore established various co-innovation processes.

In the first six months of 2014, research and development expenses amounted to €1.07 million and were thus 5% up on the same period last year (€1.02 million). The largest share of this total (€0.77 million or 72%) was accounted for by personnel expenses (prev. year: €0.88 million or 86%).

2. SUBSEQUENT EVENTS

No events occurred after the reporting date of 30 June 2014 which are of major significance for the Group's financial position and performance.

3. OPPORTUNITY AND RISK REPORT

In the first six months of 2014, there were no material changes with regard to the comprehensive discussion of risks and opportunities provided in the Management Report accompanying the Consolidated Financial Statements for 2013.

Overall risk assessment

At the time of preparing this report, there are therefore no recognisable risks that might jeopardise the existence of the GFT Group. 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 the GFT Group is constantly evolving and will be reviewed by the external auditor in accordance with statutory requirements.

4. FORECAST REPORT

Macroeconomic development

According to leading economists, the prospects for the global economy in 2014 remain positive. Nevertheless, the World Bank downgraded its growth forecast for the global economy in June 2014 from 3.2% to 2.8% following a weak first quarter impacted by the Ukraine crisis and a severe winter in the USA. In its World Economic Outlook of April 2014, the International Monetary Fund (IMF) forecast a continued recovery of the global economy over the course of the year with anticipated year-on-year growth of 3.6%. At the same time, however, it expressly warned against risks from geopolitical uncertainties and the growing risk of deflation in the eurozone. Against this backdrop, the IMF downgraded its forecast for the eurozone in July 2014 from 1.2% to 1.1%. Despite positive growth rates in four consecutive quarters, the IMF believes that austerity measures by companies, banks and private households, as well as delayed structural reforms, may lead to stagnation in the medium term. For Germany, the IMF forecasts year-on-year growth of 1.7% – slightly below the 1.9% forecast of the German central bank.

Sector development

In February 2014, the International Data Corporation (IDC) forecast growth of 4.6% for the global IT market in 2014 and an increase in global spending on IT services of 4%. According to IDC, IT spending in Western Europe will rise by 3% and in Germany by 3.5% in 2014. The market research institute Gartner is somewhat less optimistic: in June 2014, it downgraded its growth forecast for the global IT market in 2014 from 3.2% to 2.1%. Gartner states that the correction mainly reflects increased price pressure on mobile devices, data centre systems and cloud storage services. The global growth rate for IT services was downgraded from 4.6% to 3.8% for the full year. In 2015, Gartner expects increased investment in new digital business models and a rise in global IT spending of 3.7%.

The market outlook of Germany's high-tech association BITKOM published in March 2014 – based on the forecasts of the European Information Technology Observatory (EITO) – forecasts global revenue growth for ICT products of 4.5% year on year. Information technology is expected to grow by 3.8% in 2014. The main growth drivers will be software sales and IT services with increases of 6.2% and 3.9%, respectively. EITO's growth forecast for the ICT market in the European Union was downgraded in July 2014 from 1.3% to 1%. The slight remaining growth will be driven by rising expenditures for standard software, IT services and mobile technologies.

Expected development of the GFT Group

On the announcement of its acquisition of Rule, the GFT Group adjusted its revenue and earnings guidance for the financial year 2014 stated in the Annual Report 2013. As a result of the acquisition, the GFT Group expects

additional revenue of around €42 million in the second half of 2014. This increases the GFT Group's revenue expectations for the financial year 2014 to around €352 million (previously €310 million). The annual forecast for EBITDA has been upgraded by €1.50 million to €29.50 million (previously €28.00 million). The GFT Group's forecast for EBT remains unchanged at €23.00 million. The earnings guidance stated above is subject to the final purchase price allocation in connection with the Rule acquisition.

Assumptions for the forecasts

Our forecasts are based on the above assumptions 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 the GFT Group.

Stuttgart, 6 August 2014

GFT Technologies Aktiengesellschaft

→ The Executive Board



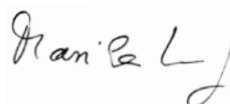
Ulrich Dietz

(Chairman of the Executive Board)



Jean-François Bodin

(Member of the Executive Board)



Marika Lulay

(Member of the Executive Board)



Dr Jochen Ruetz

(Member of the Executive Board)

→ c. 3

Interim Group Financial Statements acc. to IFRS

of GFT Technologies Aktiengesellschaft as at 30 June 2014, not audited

→ CONSOLIDATED BALANCE SHEET

as at 30 June 2014,
GFT Technologies Aktiengesellschaft, Stuttgart

	30/06/2014 in €	31/12/2013 in €
Non-current assets		
Licences, industrial property rights and similar rights	7,570,086.12	8,780,545.41
Goodwill	113,439,407.05	59,429,704.66
Property, plant and equipment	12,068,279.53	7,665,613.80
Securities	119,814.34	119,814.34
Financial assets, accounted for using the equity method	15,219.99	20,851.67
Other financial assets	742,911.03	540,978.78
Current tax assets	309,619.63	309,619.63
Deferred tax assets	4,055,907.89	3,893,629.92
	138,321,245.58	80,760,758.21
Current assets		
Inventories and trade receivables	103,350,613.59	73,009,844.36
Securities	687,920.00	1,354,000.00
Current tax assets	1,940,049.58	1,337,703.97
Cash and cash equivalents	24,710,857.12	47,148,865.32
Other financial assets	1,592,191.27	811,961.43
Other assets	2,709,325.66	1,954,099.85
	134,990,957.22	125,616,474.93
	273,312,202.80	206,377,233.14

→ **CONSOLIDATED BALANCE SHEET**

as at 30 June 2014, not audited
GFT Technologies Aktiengesellschaft, Stuttgart

	30/06/2014 in €	31/12/2013 in €
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	19,243,349.97	19,243,349.97
→ Changes not affecting net income	-1,000,535.26	-784,097.50
Changes in equity not affecting net income		
→ Actuarial gains/losses	-1,743,232.31	-1,732,598.30
→ Foreign currency translations	310,840.34	58,108.16
→ Reserve of market assessment for securities	97,286.40	37,584.00
Consolidated balance sheet profit	2,594,822.26	1,852,108.32
	87,976,259.55	87,148,182.80
Liabilities		
Non-current liabilities		
Other financial liabilities	11,889,449.18	11,673,011.42
Financial liabilities	57,132,551.53	27,006,446.36
Provisions for pensions	6,547,043.24	6,380,387.83
Other provisions	720,826.68	659,758.86
Deferred tax liabilities	2,447,462.01	2,740,334.00
	78,737,332.64	48,459,938.47
Current liabilities		
Other provisions	38,679,373.79	29,665,678.32
Current income tax liabilities	3,144,267.72	1,999,161.86
Financial liabilities	2,009,788.00	732,332.74
Trade payables	20,455,008.42	21,779,772.02
Other financial liabilities	19,023,889.58	1,250,409.99
Other liabilities	23,286,283.10	15,341,756.94
	106,598,610.61	70,769,111.87
	273,312,202.80	206,377,233.14

→ **CONSOLIDATED INCOME STATEMENT**

for the period from 1 January to 30 June 2014, not audited
GFT Technologies Aktiengesellschaft, Stuttgart

	01/01/- 30/06/2014 in €	01/01/- 30/06/2013 in €	01/04/- 30/06/2014 in €	01/04/- 30/06/2013 in €
Revenue	156,739,965.56	114,187,567.49	79,019,005.09	58,677,211.51
Other operating income	1,821,058.36	2,419,032.24	823,721.76	1,411,855.00
	158,561,023.92	116,606,599.73	79,842,726.85	60,089,066.51
Cost of purchased services	57,117,646.38	48,551,814.16	27,879,193.88	24,338,538.58
Personnel expenses				
a) Salaries and wages	56,326,889.71	40,763,972.68	28,567,158.21	21,249,425.92
b) Social security and expenditures for retirement pensions	12,208,898.05	8,100,583.85	6,336,145.63	4,285,749.15
	68,535,787.76	48,864,556.53	34,903,303.84	25,535,175.07
Depreciation on non-current intangible assets and of tangible assets	2,203,895.02	727,098.59	1,117,334.97	371,509.67
Other operating expenses	19,296,911.19	12,998,010.60	9,528,946.29	5,880,852.79
Result from operating activities	11,406,783.57	5,465,119.85	6,413,947.87	3,962,990.40
Other interest and similar income	238,632.17	213,997.31	162,998.83	119,136.99
Financial assets, accounted for using the equity method	-5,631.68	-1,931.42	-6,316.97	-8,428.54
Depreciation on securities	0.00	105,370.88	0.00	105,370.88
Interest and similar expenses	510,289.58	72,175.84	253,225.94	16,051.87
Financial result	-277,289.09	34,519.17	-96,544.08	-10,714.30
Earnings before taxes	11,129,494.48	5,499,639.02	6,317,403.79	3,952,276.10
Taxes on income and earnings	3,805,294.04	1,140,375.94	2,238,856.76	735,718.40
Net income	7,324,200.44	4,359,263.08	4,078,547.03	3,216,557.70
Net earnings per share – undiluted	0.28	0.17	0.15	0.12
Net earnings per share – diluted	0.28	0.17	0.15	0.12

→ CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period from 1 January to 30 June 2014, not audited <i>GFT Technologies Aktiengesellschaft, Stuttgart</i>	01/01/- 30/06/2014 in €	01/01/- 30/06/2013 in €	01/04/- 30/06/2014 in €	01/04/- 30/06/2013 in €
Net income	7,324,200.44	4,359,263.08	4,078,547.03	3,216,557.70
A. Components never reclassified to the income statement				
Actuarial gains/losses	-14,667.60	0.00	-5,392.50	0.00
Other changes in equity not affecting net income	-216,437.76	0.00	-108,218.88	0.00
Income taxes on components of other comprehensive income	4,033.59	0.00	2,550.65	0.00
Other (partial) result A.)	-227,071.77	0.00	-111,060.73	0.00
B. Components that can be reclassified to the income statement				
Financial assets available for sale (securities)				
→ Change of fair value recognised in equity during the financial year	82,920.00	302,316.16	-15,080.00	301,817.54
	82,920.00	302,316.16	-15,080.00	301,817.54
Exchange differences on translating foreign operations:				
→ Profits/losses during the financial year	252,732.18	-229,881.24	126,637.07	-278,476.88
	252,732.18	-229,881.24	126,637.07	-278,476.88
Income taxes on components of other result	-23,217.60	-69,389.21	-27,440.00	-69,249.59
Other (partial) result B.)	312,434.58	3,045.71	84,117.07	-45,908.93
Other result	85,362.81	3,045.71	-26,943.66	-45,908.93
Total result	7,409,563.25	4,362,308.79	4,051,603.37	3,170,648.77

→ **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

as at 30 June 2014, not audited
GFT Technologies Aktiengesellschaft, Stuttgart

	Subscribed capital €	Capital reserve €	Retained earnings €
			Other retained earnings
As at 01/01/2013	26,325,946.00	42,147,782.15	15,243,349.97
Retroactive adjustment acc. to IAS 19R			
Dividend payment May 2013			
Comprehensive income for the period 01/01/- 30/06/2013			
As at 30/06/2013	26,325,946.00	42,147,782.15	15,243,349.97
As at 01/01/2014	26,325,946.00	42,147,782.15	19,243,349.97
Dividend payment May 2014			
Comprehensive income for the period 01/01/- 30/06/2014			
As at 30/06/2014	26,325,946.00	42,147,782.15	19,243,349.97

* Net income

Retained earnings €		Other results €		Consolidated balance sheet profit/loss €	Total share capital €
Changes without effect on profit/loss	Foreign currency translations	Market assessment for securities	Actuarial gains/losses	Profit (+) Loss (-)	
0.00	578,943.10	-363,822.95	-1,891,432.39	-3,827,347.23	78,213,418.65
			26,571.40		26,571.40
				-3,948,891.90	-3,948,891.90
	-229,881.24	232,926.95	0.00	4,359,263.08*	4,362,308.79
0.00	349,061.86	-130,896.00	-1,864,860.99	-3,416,976.05	78,653,406.94
-784,097.50	58,108.16	37,584.00	-1,732,598.30	1,852,108.32	87,148,182.80
				-6,581,486.50	-6,581,486.50
-216,437.76	252,732.18	59,702.40	-10,634.01	7,324,200.44*	7,409,563.25
-1,000,535.26	310,840.34	97,286.40	-1,743,232.31	2,594,822.26	87,976,259.55

→ **CONSOLIDATED CASH FLOW STATEMENT**

for the period from 1 January to 30 June 2014, IFRS (not audited)
GFT Technologies Aktiengesellschaft, Stuttgart

	Notes	01/01 - 30/06/2014 €	01/01 - 30/06/2013 €
Net income		7,324,200.44	4,359,263.08
Taxes on income and earnings		3,805,294.04	1,140,375.94
Interest income		271,657.41	–34,519.17
Interest paid		–181,751.30	–11,144.17
Income taxes paid		–3,070,547.39	–1,182,937.65
Depreciation on tangible and intangible assets		2,203,895.02	727,098.59
Changes in provisions		2,005,388.61	–352,217.80
Other non-cash expenses/income		55,379.07	94,289.10
Profit from the disposal of tangible and intangible assets as well as financial assets		–92,211.17	–41,628.72
Changes in trade receivables		–8,532,699.19	–10,426,760.11
Changes in other assets		–1,681,593.12	–1,770,710.31
Changes in trade liabilities and other liabilities		–4,328,269.43	–1,331,671.13
Cash flow from operating activities		–2,221,257.01	–8,830,562.35
Cash receipts from sales of tangible assets		460.98	7,000.00
Cash payments to acquire tangible assets		–2,833,830.58	–2,792,829.47
Cash payments to acquire non-current intangible assets	(7)	–371,780.50	–71,023.10
Cash receipts from sales of financial assets		846,500.00	3,517,950.00
Cash payments from the acquisition of consolidated companies net of cash and cash equivalents acquired		–43,213,588.54	0.00
Cash receipts from acquiring consolidated companies		250,000.00	0.00
Interest received		123,291.98	211,737.56
Cash flow from investing activities		–45,198,946.66	872,834.99
Cash receipts from redemption of short-term or long-term loans		31,777,455.26	2,595,562.47
Cash payments to redeem financial loans		–373,894.83	0.00
Payments to shareholders		–6,581,486.50	–3,948,891.90
Cash flow from financing activities		24,822,073.93	–1,353,329.43
Influence of exchange rate fluctuations on cash and cash equivalents		160,121.54	–128,427.62
Change in cash funds from cash-relevant transactions		–22,438,008.20	–9,439,484.41
Cash funds at the beginning of the period		47,148,865.32	35,911,786.55
Cash funds at the end of the period		24,710,857.12	26,472,302.14

→ NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

These unaudited Interim Financial Statements of GFT Technologies Aktiengesellschaft (GFT AG) 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 2013, 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.

With the exception of the changes stated below, the same accounting and valuation methods were used in these interim financial statements as in the last consolidated financial statements as at 31 December 2013. Other new or amended standards and interpretations (IFRS 10, 11 und 12) to be applied as of 1 January 2014 have no material impact on the interim financial statements.

In drawing up these interim financial statements, the Executive Board 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 business combination with Sempla S.r.l. Milan/Italy, in 2013 and the acquisition of Rule Financial Ltd., London/UK, on 26 June 2014, comparability with prior-year figures is either not possible or only to a limited extent.

2. Changes to the consolidated Group and its associated companies

The following changes to the scope of consolidation have occurred since the consolidated financial statements were closed on 31 December 2013:

In an agreement dated 26 June 2014, GFT UK Ltd., London/UK, acquired a 97.93% stake in the UK-based IT service company Rule Financial Ltd., London/UK. The first tranche of the purchase price payment amounting to €43,722 thousand was made on 26 June 2014.

A further tranche of €17,050 thousand is due on 30 November 2014. The acquisition of the company was closed on 26 June 2014 and GFT AG has since indirectly controlled the purchased company via GFT UK Ltd..

On the same date, a put/call option was agreed for the remaining 2.07% with specified conditions. The value of this agreement is €0 or €2,200 thousand and is carried in the balance sheet as a contingent purchase price liability in the amount of €2,200 thousand.

By exercising the option to apply the anticipated acquisition method, the transaction is already treated as a one-hundred-percent acquisition of Rule Financial Ltd. as of 26 June 2014.

Rule Financial Ltd. has facilities in the USA, Canada, Poland, Spain and Costa Rica.

The main motivation for the acquisition was to strengthen the position of the GFT Group as an IT specialist for banks, to enhance the portfolio and to add high-quality consulting expertise on the UK, Polish and US markets.

Further reasons included:

- a) The high level of skill and motivation of employees at Rule Financial Ltd.
- b) Expected synergies between the GFT Group and Rule Financial Ltd. in the joint tapping of customers on the UK, Polish and US markets.
- c) Positioning of selected expertise of Rule Financial Ltd. among European clients of the GFT Group (credit products).
- d) Expansion of positioning in the field of investment banking in the UK and USA.
- e) The acquisition of an attractive nearshore centre in Poland.

In total, the acquisition is intended to drive the continued internationalisation of the GFT Group.

Due to the proximity of the acquisition and the reporting date, the disclosures required by IFRS 3 B64 can only be estimated as there was not yet any interim balance sheet of Rule Financial Ltd. as of 30 June 2014 nor purchase price allocation. This mainly concerns the client base and order backlog to be identified.

According to current estimates, the goodwill resulting from the purchase amounts to €54,134 thousand, which not only reflects the considerable synergy effects and expected cross-selling effects, but also the expected growth in the portfolio of the GFT Group. Goodwill is not tax deductible.

The transaction costs for the acquisition are currently €1,031 thousand and were recognised in the income statement as other operating expenses.

The variable purchase price liability depends on the future earnings of Rule Financial Ltd.. Earnings before interest, taxes, depreciation and amortisation in the years 2015 and 2016 are the main factor for calculating the variable purchase price liability.

The amounts for each major group of acquired assets and assumed liabilities at the time of acquisition are shown below:

	€ thousand
Non-current assets	56,305
Current assets	23,148
Total assets	79,453
Provisions	7,057
Liabilities	9,424
Total liabilities	16,481

The acquired receivables refer to trade receivables. The fair value of acquired receivables amounts to €21,649 thousand, while the gross amount is €22,055 thousand. Adjusted receivables as of the purchase date amount to €406 thousand. In accordance with IFRS 3.23, no other contingent liabilities were recognised. As of 30 June 2014, there were no significant changes to contingent liabilities.

If the acquisition had already taken place in January 2014, third-party sales of €36,845 thousand and an earnings contribution of approx. €127 thousand would have been generated.

3. Changes in equity

For the changes in equity capital between 1 January 2014 and 30 June 2014, we refer to the consolidated statement of changes in equity which is disclosed separately.

As of 30 June 2014, 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 2013). These shares are bearer shares and all grant equal rights.

In May 2013, a dividend of €0.15 per share was distributed to shareholders, totalling €3,949 thousand, from the balance sheet profit of the parent company GFT Technologies AG. In accordance with the adopted resolution of the Annual General Meeting of 27 May 2014, a dividend of €0.25 per share was distributed to shareholders, totalling €6,581 thousand, from the balance sheet profit of the parent company GFT Technologies AG.

There were no changes in authorised capital or conditional capital in the period 1 January 2014 and 30 June 2014 compared to 31 December 2013. As of 30 June 2014, GFT Technologies AG did not hold any of its own shares, nor did it purchase or sell any of its own shares in the period 1 January 2014 and 30 June 2014.

4. Segment reporting

The GFT Group has identified the two segments GFT and emagine as reportable segments. The identification of these segments was mainly based on the fact that the products and services offered in these segments show differences, and that the GFT Group is organised, managed and controlled on the basis of these segments. Internal reporting to the Executive Board, and thus control of the GFT Group, is based on the classification of Group activities in these segments.

The products and services with which the reportable segments generate their income can be characterised as follows: all activities in connection with IT solutions (services and projects) are aggregated in the GFT segment. The emagine segment focuses on the placement of freelance IT specialists and engineers.

Internal controlling and reporting within the GFT Group, and thus also segment reporting, is based on IFRS accounting principles as applied in the consolidated interim financial statements. The GFT Group measures the success of its segments by means of segment EBT (earnings before tax). Segment income and results also include transactions between the segments. Intersegment transactions take place at market prices on an arm's length principle.

As a general rule, the assets of the segments include all assets, except for those from income tax and assets attributed to the holding activity. The segment liabilities include all liabilities, except for those from income tax, financing, and liabilities in connection with the holding activity of GFT Technologies AG.

Due to the changed management approach, the holding companies located abroad were assigned to the GFT and emagine segments. The prior-year figures were adjusted accordingly.

→ SEGMENT REPORT

IFRS (not audited)

	GFT		emagine	
	30/06/2014 € thsd.	30/06/2013 * € thsd.	30/06/2014 € thsd.	30/06/2013 * € thsd.
External sales	114,070	69,137	42,656	45,035
Inter-segment sales	88	295	662	642
Total revenues	114,158	69,432	43,318	45,677
Scheduled depreciaton and amortisation	-2,036	-582	-88	-90
Significant non-cash income/expenditure other than depreciation	20	-58	0	0
Interest income	217	82	1	1
Interest expenses	-581	-79	-51	-13
Share of net profits of associated companies reported according to the equity method	-6	-2	0	0
Segment result (EBT)	11,786	6,859	886	60
Assets	231,441	90,871	29,827	31,861
Investment in associates reported according to the equity method	15	28	0	0
Investment in non-current intangible and tangible assets	56,421	872	29	13
Liabilities	158,475	31,267	16,366	18,104

* See point 4 of the Notes to the Interim Group Financial Statements

Total		Reconciliation		GFT Group	
30/06/2014 € thsd.	30/06/2013 * € thsd.	30/06/2014 € thsd.	30/06/2013 * € thsd.	30/06/2014 € thsd.	30/06/2013 * € thsd.
156,726	114,172	14	16	156,740	114,188
750	937	-750	-937	0	0
157,476	115,109	-736	-921	156,740	114,188
-2,124	-672	-80	-55	-2,204	-727
20	-58	-75	-36	-55	-94
218	83	21	131	239	214
-632	-92	122	20	-510	-72
-6	-2	0	0	-6	-2
12,672	6,919	-1,543	-1,419	11,129	5,500
261,268	122,732	12,044	10,824	273,312	133,556
15	28	0	0	15	28
56,450	885	890	1,979	57,340	2,864
174,841	49,371	10,495	5,532	185,336	54,903

For detailed information about the business segments, please refer to the table on pages 26–27. 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:

	01/01 - 30/06/2014 € thsd.	01/01 - 30/06/2013* € thsd.
Total segment revenue	157,476	115,109
Elimination of intersegment revenue	-750	16
Occasionally occurring revenue	14	-937
Group revenue	156,740	114,188
Total segment results (EBT)	12,672	6,919
Non-attributed expenses/income of Group HQ	-394	-911
Non-attributed expenses for elimination of interim results	0	0
Other	-1,149	-508
Group result before taxes	11,129	5,500

* Adjusted. The adjustment was due to the changed management approach with regard to the foreign holding companies.

	30/06/2014 € thsd.	30/06/2013* € thsd.
Total segment assets	261,268	122,732
Non-attributed assets of Group HQ	343	114
Securities	808	1,238
Assets from income taxes	6,821	6,679
Other	4,072	2,793
Group assets	273,312	133,556
Total segment liabilities	174,841	49,371
Non-attributed liabilities of Group HQ	209	198
Liabilities from income taxes	10,095	5,272
Other	191	62
Group liabilities	185,336	54,903

* Adjusted. The adjustment was due to the changed management approach with regard to the foreign holding companies.

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. Business transactions between the segments are also 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	
	01/01 - 30/06/2014 in € thsd.	01/01 - 30/06/2013 in € thsd.	30/06/2014 in € thsd.	30/06/2013 in € thsd.
UK	41,700	25,938	53,021	35
Germany	38,791	40,179	36,567	34,843
Italy	25,381	2,617	31,868	n/a
France	18,370	20,660	78	83
Spain	14,371	13,207	2,751	1,349
USA	8,421	4,286	5,004	5,154
Switzerland	5,110	4,368	85	95
Other countries	4,596	2,933	1,504	324
Total	156,740	114,188	130,878	41,883

* 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	
	01/01 - 30/06/2014 in € million	01/01 - 30/06/2013 in € million	01/01 - 30/06/2014	01/01 - 30/06/2013
Client 1	67.50	44.20	GFT, emagine	GFT, emagine

5. Changes to contingent and receivables

As of 30 June 2014, there were no significant changes to contingencies and other financial commitments compared to the consolidated financial statements as at 31 December 2013. As at 31 December 2013, there were no contingent receivables.

– INFORMATION ON FINANCIAL INSTRUMENTS
ACCORDING TO CLASS (not audited)

30/06/2014
€ thsd.

	Valued at amortised cost		Valued at fair value			Total
	Carrying amount	Fair value	Carrying amount	Fair value		
				Level 1 ¹	Level 2 ²	
Financial assets						
Loans and receivables						
Receivables from goods and services rendered	86,302	86,302				86,302
Amounts due from customers for production work	17,049	17,049				17,049
Cash and cash equivalents	24,711	24,711				24,711
Other long-term financial assets	743	743				743
Other short-term financial assets	1,592	1,592				1,592
Total						130,397
Available-for-sale financial assets						
Dividend-bearing securities			688	688		688
Total						688
Measured at fair value through profit or loss						
Dividend-bearing securities			120	120		120
Total						120
Financial liabilities						
Other financial liabilities						
Trade payables	20,455	20,455				20,455
Other short-term financial liabilities	1,973	1,973				1,973
Other long-term financial liabilities	573	573				573
Financial liabilities	59,143	59,143				59,143
Financial liabilities from subsequent purchase price payments			30,620		30,422	30,620
Total						112,764

1 Fair values were measured on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

2 Fair values were measured on the basis of 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).

3 Fair values were measured on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. Reporting on financial instruments

Information on financial instruments according to categories

The table on pages 30–31 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).

Quantitative disclosures for financial instruments stated in the balance sheet at fair value are included in the table on pages 30–31.

7. Investments / disinvestments

During the period 1 January 2014 to 30 June 2014, the GFT Group invested €372 thousand in intangible assets (1 January 2013 to 30 June 2013: €71 thousand), €2,834 thousand in tangible assets (1 January 2013 to 30 June 2013: €2,793 thousand) and €54,134 thousand in financial assets (1 January 2013 to 30 June 2013: €0 thousand). There were no significant disinvestments in the reporting period.

8. Related party disclosures

Compared to the disclosures made in the Notes to the consolidated financial statements as at 31 December 2013, 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.

9. Events after 30 June 2014

In the period up to 6 August 2014, there were no significant events with a direct impact on the Group's financial position and performance.

Stuttgart, 6 August 2014
GFT Technologies Aktiengesellschaft

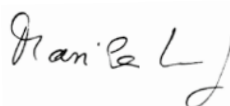
→ The Executive Board



Ulrich Dietz
Executive Board (Chairman)



Jean-François Bodin
Executive Board



Marika Lulay
Executive Board



Dr. Jochen Ruetz
Executive Board

– 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 2014.

Stuttgart, 6 August 2014
GFT Technologies Aktiengesellschaft

– The Executive Board



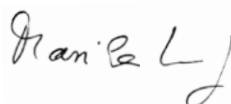
Ulrich Dietz

Executive Board (Chairman)



Jean-François Bodin

Executive Board



Marika Lulay

Executive Board



Dr Jochen Ruetz

Executive Board

→ Review report

To GFT Technologies Aktiengesellschaft, 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 Aktiengesellschaft, for the period from January 1 to June 30, 2014 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, 6 August 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

Original German version signed by:

Schwebler
Wirtschaftsprüfer

Bauer
Wirtschaftsprüfer

→ **FINANCIAL CALENDER**
2014



Quarterly Financial Report
as of 30 September 2014

→ **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.

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

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