

WIRECARD AG

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KEY FIGURES

WIRECARD GROUP

		Q1/2011	Q1/2010
Sales revenues	TEUR	69,881	58,512
EBITDA	TEUR	16,866	15,961
EBIT	TEUR	15,143	14,688
Earnings per share (diluted and basic)	EUR	0.12	0.12
Shareholders' equity	TEUR	302,337	257,096
Total assets	TEUR	576,577	544,354
Cash flow on ordinary trading activity (adjusted for transaction volumes of a transitory nature)	TEUR	12,737	12,570
Employees		482	513
of which part-time		117	133

SEGMENTS

in EUR '000		Q1/2011	Q1/2010
Payment Processing & Risk Management	Sales revenues	66,972	54,428
	EBITDA	11,795	9,300
Acquiring & Issuing	Sales revenues	20,011	25,311
	EBITDA	4,923	6,519
Call Center & Communication Services	Sales revenues	1,095	1,319
	EBITDA	148	142
Consolidation	Sales revenues	- 18,197	- 22,546
	EBITDA	0	0
Total	Sales revenues	69,881	58,512
	EBITDA	16,866	15,961

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LETTER FROM THE CEO

Dear Shareholders,

During the first quarter of fiscal 2011, Wirecard AG built on the previous year's positive business performance.

Consolidated sales revenues after the first three months of 2011 were up by 20 percent to 69.9 million euros. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 16.9 million euros. This includes non-recurring extraordinary expenses of 2.3 million euros. Excluding these costs, EBITDA would have increased by 20 percent in the first quarter of 2011 year-on-year, to 19.2 million euros.

In our core business of electronic payment processing, payment and card acceptance as well as risk management services, in the first quarter of the current financial year both the expansion of business with our existing customers and the unchanged, positive trend in new customer figures made a positive contribution to the overall trend. Our portfolio of offerings for fraud prevention in the field of risk management is meeting with brisk demand from merchants operating on an international scale.

The nationwide distribution of the mywirecard 2 go Visa prepaid card via the Lekkerland distribution network is proceeding according to schedule.

The integration of the two new Chinese cooperation partners Alipay and China UnionPay is well on track, which means their products will be ready for deployment with our merchants beginning in early July. Here, too, we expect positive effects on our business for the second half of 2011.

My Management Board colleagues and I confirm our forecast for 2011 earnings before interest, taxes, depreciation and amortization (EBITDA) in the range of 81 to 90 million euros. At this year's Annual General Meeting, we propose that a dividend of EUR 0.10 be paid per share.

Sincerely,
Aschheim, May 2011


Dr. Markus Braun
CEO

1. BUSINESS ACTIVITIES

1.1. Business activities and products

Wirecard AG is one of the world's leading technology and service companies in the fields of electronic payments, risk management and banking services. By providing intelligent solutions from a single source, we support businesses in their efforts to ensure the secure processing of electronic payments on an international scale.

Solutions and products for business customers

Success in eCommerce also depends on the ability to accept a wide range of national and international payment methods. A large number of complementary products and solutions focusing on risk management ensure extensive protection against payment defaults. The core of the Wirecard portfolio of services is a central platform combining all distribution channels via a common interface, which offers savings in costs and processing effort for the customer. Outsourcing their financial processes allows our customers to focus on what's important: running their own businesses. To be able to meet industry and customer-specific requirements, Wirecard AG offers flexible approaches to solutions. The industry solutions currently available for the consumer goods, tourism and airlines sectors as well as for digital goods are based on our comprehensively integrated and bundled product lines.

Electronic payment processing is backed by customized risk management tools. Banking services like credit card acceptance or dedicated currency management complement the outsourcing of these financial processes. Additional products for point-of-sale and call-center services round off the range of solutions from a single source.

The Wirecard payment platform

A modular, service-oriented software architecture allows Wirecard the flexibility to change its business processes in conformity with market conditions at any time, and to respond speedily to new customer requirements. At the same time, the Internet-based architecture of the platform makes it possible to run individual work processes in a centralized way from a single location or, alternatively, to distribute them across the various companies within the Group and run them at different locations around the world.

Integration on a central platform provides merchants with immediate access to more than 85 different payment and risk management methods. These include traditional payment methods such as credit cards, direct debits and invoicing, as well as systems developed specifically for use over the Internet, such as Alipay, eps, giropay, iDEAL and paysafecard, all of which offer consumers additional payment options even at an international level. The

Wirecard payment platform offers merchants a wide variety of integration options, ranging from easy-to-use virtual terminals and an easily integrated, secure payment site provided by Wirecard to sophisticated technical interfaces (APIs)—thus enabling them to choose the type of interface that suits their individual requirements.

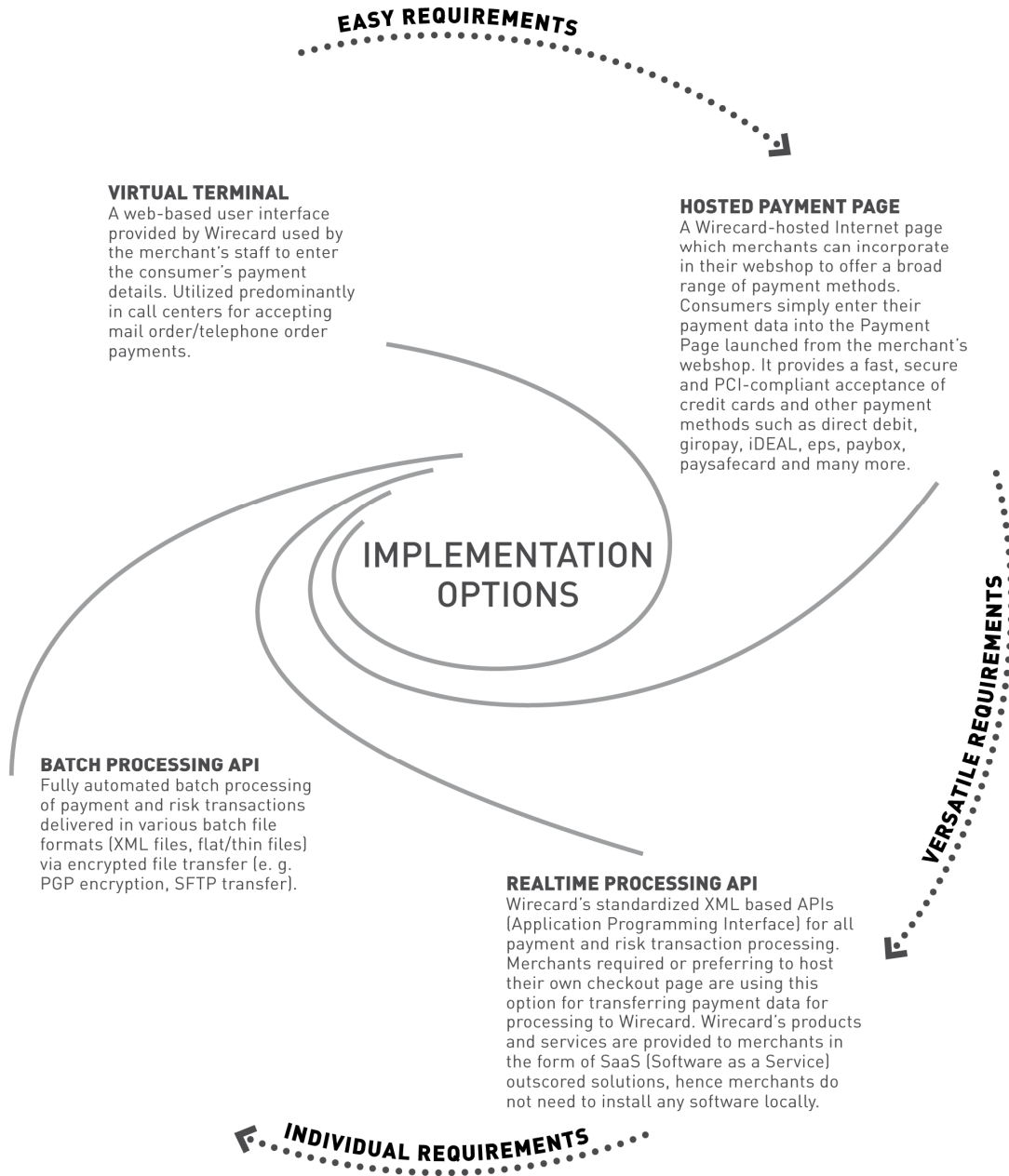
Through our partnerships, or interfaces, with industry-specific service providers such as Amadeus, SITA, Accelya, Experian and e-velopment, we can provide real “end-to-end” industry solutions that support downstream business processes with interfaces to the ERP/merchandise management/logistics/debtor management or accounting systems of our customers. In addition, we also supply standardized sector-independent shop system solutions.

We deploy state-of-the-art encryption technologies to safeguard the exchange of data. Transmission protocols such as XML, SOAP, SFTP and HTTPS ensure data security and connection flexibility using the very latest technologies. The Wirecard Enterprise Portal (WEP) is a web-based application for managing transactions, reports and statistics for use by merchants.

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Compared with buying and running a payment processing software package, working with Wirecard AG reduces operating expenses substantially, so that merchants are supported in their efforts to reduce costs. At the same time, Wirecard AG also provides merchants with advice on the design of their billing and accounting processes. This advisory service includes support in choosing the risk management methods to be implemented, based on the individual risk profile for the various payment methods and the merchant’s specific target markets.

Compared with brick-and-mortar trade, online or call-center sales present the merchant with a large number of new challenges. Different time zones, a range of different currencies, the risk of fraud or payment default and the sheer number of different payment methods, some of which are only available in certain countries—these all raise issues that most merchants will be able to resolve only by working with a competent, experienced partner specializing in the field.



Alternative payment methods

Non-card-based payment methods, such as payment services and bank-based or prepaid methods are grouped under the heading of Alternative Payment Methods. They also include country-specific payment methods, which are gaining in popularity with consumers and are generally linked to their bank accounts. For this reason, merchants' acceptance of alternative payment methods like giro pay in Germany, eps in Austria, and iDEAL in the Netherlands is also on the increase. Offering these payment methods allows merchants to appeal to new target groups, for example, people who don't own a credit card. At the same time, debit cards like Maestro from MasterCard, which can be used throughout Europe, are also gradually becoming available for use in online commerce.

The Wirecard platform can now also process payments made by means of SEPA direct debits. SEPA, the Single Euro Payments Area, is an initiative of the European Payment Council designed to make cross-border payments within Europe simpler, faster and more secure. The system allows merchants to process national or cross-border direct-debit payments under the same conditions, within a uniform legal framework and according to standardized procedural rules. The SEPA region is made up of the 27 EU member states plus Iceland, Liechtenstein, Monaco, Norway, and Switzerland.

Beyond that, in order to continue to improve its support for customers who are developing new markets and new customer groups, the Wirecard Group will carry on expanding its existing, extensive portfolio of alternative payment methods, such as the recently announced Chinese Alipay payment method.

Every payment method available on the market today has its advantages and drawbacks, and therefore each one comes with implications that merchants need to take into consideration—for example, whether they allow easy integration into a merchant's back office processes, and how they handle the reconciliation of bookings. Wirecard can offer support in this area, under the motto "Everything from a single source."

Products and services offered by the Wirecard Bank

The Wirecard Bank caters for its business customers with an extensive range of products and services. These include business and currency accounts as well as the allocation of payment acceptance agreements and the issuing of payment cards within the scope of co-branding and customer loyalty projects (prepaid or co-branded cards).

To be able to accept payments by credit or debit card, the merchant requires a credit card acceptance agreement from a bank licensed by the credit card organization (known as an acquiring bank).

Wirecard Bank has agreements in place with leading card organizations:

- Visa and MasterCard Principal Member—acquiring and issuing (issuing of proprietary cards)
- China UnionPay—online acquiring
- JCB International (Japan Credit Bureau)—full membership / acquiring and issuing
- Discover/Diners Club—online acquiring

For many of the alternative payment methods integrated into the Wirecard payment platform such as direct debit, SEPA direct debit, giro pay and soon Alipay, Wirecard Bank also provides payment acceptance. The continual expansion of the acceptance portfolio is planned for this area as well.

As a credit card acquirer, the Wirecard Bank can offer over 100 transaction currencies and 15 payout currencies in 69 countries worldwide. Moreover, the Wirecard Bank's membership in SWIFT (Society for Worldwide Interbank Financial Telecommunication) enables it to provide its business customers operating with a global reach a large number of supplementary services in the field of foreign payment transactions and forex management services.

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The link-up between technology and banking means business customers also have access to the following issuing products within the SEPA region.

- The Supplier and Commission Payments (SCP) product is an industry-specific automated solution that is particularly suitable for tourism operators, offering speedy, secure processing and settlement of global payouts at exact costs. A virtual MasterCard, Visa or Maestro card on a non-borrowing basis is created in real time for each individual booking transaction.
- The issuing product line also includes the Payout Card. This MasterCard, Visa or Maestro prepaid card offers employers a convenient way to pay wages to temporary, seasonal or casual workers: Companies can top up payout cards cheaply and quickly and then use them for payouts to workers throughout the SEPA region.
- Co-branded cards are deployed by corporations more and more frequently as a marketing instrument. From the individual conception and management of credit card projects through innovative software solutions for managing customer loyalty programs to comprehensive services from a single source, Wirecard Bank AG ensures the continuing success of each of its card projects. In future, the prepaid-card mywirecard platform will be made available as a white-label solution. It will then be possible to implement individual co-branded card concepts for prepaid cards with minimum lead time. As a result, not only the card but also the user interfaces will feature the customer company's chosen design or corporate identity. The many and various configuration options nevertheless facilitate maximum personalization. The card programs are available for several types of

cards: virtual or physical, available from the retail trade (2go) or by ordering over the Internet – as MasterCard, Maestro or Visa cards.

Wirecard products for consumers

The mywirecard consumer brand complements the core business of the Wirecard Group. It allows online merchants with Visa or MasterCard acceptance to expand their circle of customers by referring to the mywirecard.com prepaid cards—without the need for any technical integration and without incurring additional costs. Consumers have a choice of two cards on a non-borrowing basis, and these are available in a number of versions:

- The mywirecard 2go Visa is a non-personalized card that can also be used as a gift card. It is available at service stations and kiosks throughout Germany and can be topped up during purchases directly at the point of sale. Once the user activates the mywirecard 2go Visa via SMS or over the Internet, the balance paid in is available immediately. Customers who don't plan to recharge their cards are not required to provide any personal information, but if they choose to do so, the mywirecard 2go Visa can be activated online for top-up in just a few steps.
- The mywirecard MasterCard was conceived as a virtual card aimed at consumers who don't have a credit card or who don't want to use their conventional credit cards on the Internet. The online registration at www.mywirecard.com can be completed in seconds, and as soon as the card reflects a balance, the user is provided with all the card information needed to shop online: card number, expiration date and card verification number. If the amount loaded onto the card is used up, the account can be recharged again and again. And while the mywirecard MasterCard is a virtual product, it can also be topped up with cash at a point of sale. Consumers who wish to do so can order the mywirecard MasterCard also in the form of a plastic card.
- With the Prepaid Trio, Wirecard Bank offers private customers an online current account together with an ec/Maestro card and a VISA prepaid card, each on a non-borrowing basis. Thanks to the prepaid principle, not only can users make secure payments conveniently, they also have their finances under control at all times.

Point-of-sale services

Wirecard Retail Services GmbH is a service provider for payment solutions at the point of sale for card acceptance, terminals, clearing and reporting. Clearing via PoS card terminals is available for all conventional card-based payment methods, including ec-Cash (PIN), Maestro and credit cards. PoS customers who process their Visa, MasterCard or Maestro card acceptance transactions via Wirecard Bank are given access to the Wirecard Enterprise Portal (WEP). This central, web-based management application provides customers with an up-to-date record of their terminal transactions. Statistics and reporting functions further facilitate the necessary administrative processes. The portfolio covers the latest generation of stationary, portable and mobile phone-enabled card readers. In addition, integration with primary systems, including those that are combined with customer loyalty programs, is standard fare.

Call center services

Wirecard Communication Services GmbH provides a favorably priced customer contact center. Thanks to its hybrid structure, it is possible to achieve effective peak level management for inbound customers. At Wirecard Communication Services, communication by conventional means such as telephone and fax is broadened to include transmission of information via e-mail, tickets, chat rooms and forums, and the maintenance of knowledge databases. At present, all key communications channels are being serviced in 16 foreign languages (by native speakers). Agents are activated on demand and are thus also available to customers even at short notice.

THE GROUP'S PORTFOLIO OF TECHNOLOGY AND BANKING SERVICES

PAYMENT, RISKMANAGEMENT AND ISSUING PLATFORM

Wirecard Enterprise Portal (WEP)

- administrative application for merchants: transaction management, statistics and reports

Online payment services

- Credit card transactions via the international credit card and bank network
- Alternative payment methods: including giroipay, iDEAL, eps, paysafecard, CLICK2PAY, paybox, Alipay, direct debit, payment guarantee, SEPA direct debit, processing of local methods in other countries

Acquiring services/payment acceptance

- Card acceptance for Visa, MasterCard, Maestro, China UnionPay, American Express, Discover/Diners Club and JCB
- Payment acceptance for alternative payment methods: eps, giroipay, (SEPA) direct debit

POS payment processing

- Clearing via POS card terminals for all conventional card-based payment methods, including ec-Cash (PIN), Maestro and credit cards

Issuing of innovative card-based payout-solutions

- Supplier and Commission Payments (SCP)
- Payout cards

Issuing of prepaid cards

- mywirecard.com (mywirecard 2go Visa und mywirecard MasterCard)
- Prepaid Trio (online bank account, girocard/Maestro and Visa card)
- Co-branded cards

Risk management

- Decision-making strategies for cash control, fraud identification (Fraud Prevention Suite), new and portfolio customer evaluation and others
- Authentication schemes for online payments such as 3-D Secure™ or CUP-Secure
- Specialized partners: Experian, Quova and others
- Credit status check: CEG Consumer Rating, Bürgel, Arvato infoscore, DeltaVista and many more

Connection of sales channels via XML and/or front-end interface

- Internet/call centers/mail order: access to more than 85 payment and risk management methods
- Point-of-sale processing of payments via stationary and mobile terminals

Extended industry-specific integration options

- Shop software (e.g. integrated into CosmoShop, ePages, Gambio, Magento, osCommerce, OXID eSales, Powergap and Websale)
- Tourism: Integration into leading booking or software systems (CRS, GDS, IBE, BSP); e.g. Sabre, Amadeus, SITA, Midoco, Bosys, AirKiosk, 2e-Systems, Partners Software GmbH, DCS GmbH, TravelTainment, ETACS, Ypsilon.Net AG

FURTHER SERVICES

Banking services

- Account and currency management
- Business and private customer accounts

Call center services

- stationary, virtual and hybrid / multilingual Helpdesk 24/7

2. GENERAL ECONOMIC CONDITIONS AND BUSINESS TRENDS

2.1. General economic conditions

General global economic conditions

For fiscal 2011, the International Monetary Fund (IMF) assumes that the world economy will grow by 4.4 percent. According to initial quick estimates by Eurostat (Statistical Office of the European Communities), Gross Domestic Product (GDP) increased by 2.5 percent in the first quarter of 2011 year-on-year, both in the euro zone (Euro-17) and in the EU-27. Compared with the fourth quarter of 2010, the increase in both regions came to 0.8 percent.

Industry specific fundamentals

As detailed in the Forecast Report (Chapter 9) of the current annual report for 2010, we expect the European eCommerce market to grow by roughly 13 percent in 2011. This average value determined by Wirecard is based on studies by individual market research institutions of note, such as Forrester Research or PhoCusWright, but also on surveys carried out by the German Federal Mail Order Trading Association (*Bundesverband des deutschen Versandhandels—bvh*). We aggregate the percentage-based growth statistics expected from commerce, tourism and digital goods. This approach provides something like a representative average determined from the merchant portfolio of Wirecard AG.

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2.2. Business trend in the period under review

All corporate divisions within the Wirecard Group contributed to the ongoing positive business trend in the period under review.

Transaction volume

The lion's share of Group sales revenues is generated on the basis of business relations with providers of merchandise or services on the Internet, who outsource their payment processes to Wirecard AG. This means that the conventional services for the settlement and risk analysis of payment transactions performed by a payment services provider and the credit card acceptance performed by Wirecard Bank AG are closely linked.

The ongoing profitability of Wirecard AG during the period under review was also based on the positive market development and the trend in the direction of outsourcing. The economies of scale inherent in the technical platform and arising from the growing share of business customers who are boosting the transaction volume especially through the acquiring banking services as well as new product offers enabled the Wirecard Group to outperform the market once again in the year under review.

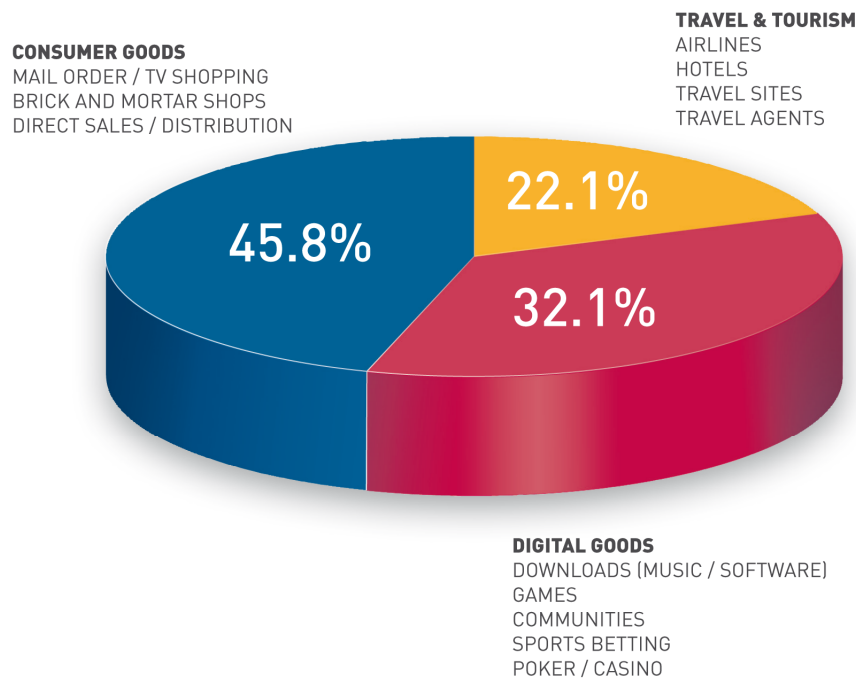
The following are the essential unique selling points provided by the “single-source” spectrum of services that the Wirecard Group offers its business customers:

- Combination of software technology and bank products
- International orientation—a single platform for all services
- Centralization of payment transactions from many and various distribution and procurement channels to a single platform
- Depth and range of services (industry and customer-specific products and solutions)
- Online-oriented acquiring bank in the Group (e.g. in 15 payout currencies)
- Supplementary banking services (such as corporate accounts, or foreign currency management)
- Innovative, software-based banking products (SCP—virtual credit cards, payout cards, co-branded cards)

Fee income from the core business of Wirecard AG, namely acceptance and issuing means of payment along with associated value added services, is generally dependent on the transaction volumes processed. In the first quarter of 2011 the transaction volume amounted to EUR 3.4 billion. At the end of period under review, the following breakdown to our target industries shows that positive business trends are continuing in all fields of activity:

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TRANSACTION VOLUMES



Target industry segments

With direct sales distributed across the Company's target industries, technological expertise and product depth, in the first quarter of 2011 Wirecard AG continued its operational growth and at the same time extended yet further its international network of cooperation and distribution partners.

A particular unique selling point of the Wirecard Group is the centralization of payment transactions from many and various distribution and procurement channels on a single platform. In addition to new business involving the assumption of payment processing, risk management and credit card acceptance in combination with ancillary and downstream banking services, significant cross-selling and up-selling opportunities are developing in business with existing portfolio customers, contributing to consistent growth in the course of business relations expanding.

The business activities of the Wirecard Group are classified into three key target industries, and these are addressed by means of cross-platform, industry-specific solutions and services as well as various integration options:

Consumer goods

Our clientele includes shop providers from many and various business sizes and industries, such as clothing, footwear, and sports equipment; books and DVDs; entertainment electronics; computers and IT peripherals; gifts; furniture and interior decorating; musical instruments; tickets; cosmetics; pharmaceuticals; and many more.

Digital goods

The target industry of digital goods comprises business models such as Internet portals, providers of console, PC and online games, online dating platforms, telecommunications services, and the interactive entertainment industry and games of chance such as sport bets and poker.

Tourism

Customers from the tourism industry include airlines, booking platforms and travel portals, travel agencies and hotels.

In all target industry segments, in the first quarter of 2011 business relations with existing customers were extended to include additional payment solutions, risk management processes and banking services.

The acquisition of new customers reflected a highly gratifying trend. The Berner Group, for instance, is a key customer acquired in the wholesale industry, an organization that plans to expand its international online shops to as many as 14 countries.

In the consumer goods industry, the Company once again generated substantial business from the various trading segments such as sports equipment, furniture/fittings and ticketing services.

In the target industry of digital goods, new customers come from many and various fields of digital business, including business-to-business models such as online storage providers or platforms for professional photographers.

In the tourism division, three airlines as well as several travel portals and booking platforms were acquired as new customers or integrated into live operations. These accounts include customers who have opted for the Supplier and Commission Payment solution, offering secure processing and settlement of global payments at exact costs.

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Business trend in the field of banking services

In addition to the acquiring services for corporate customers of the Wirecard Group, Wirecard Bank AG offers numerous additional services to corporate clients. The field of foreign currency accounts and currency management services was extended to include new currencies last year. This gives companies a safe calculation basis, whether for settlement of merchandise and services in foreign currency or when receiving foreign exchange from concluded transactions.

The Wirecard Bank is a Principal Member of MasterCard and Visa and a Full Member of the credit card organization JCB (Japan Credit Bureau). Furthermore the bank has license agreements with Discover/Diners and China UnionPay

Because it has been a member of SWIFT since 2008, Wirecard Bank AG has been able since then to establish a practically global network of correspondent banks for efficient and secure processing of foreign payment transactions. This same network also supports Wirecard AG in its Group-internal domestic and international payment transactions in the field of cash management. This means that processes can be organized more accurately and cost-efficiently.

As a result of the distribution partnerships concluded in the Issuing division in the previous year, the main focus in the first quarter of 2011 was on the expansion of sales outlets for the mywirecard 2go Visa product, starting in Germany for the time being. Since November 2010 consumers have been able to top up any mywirecard product with cash at more than 20,000 service stations and POS shops. In February 2010 Wirecard presented the product family on the Internet as mywirecard.com.

When it comes to the issue and settlement of eCash-based gift cards, cooperation between ICP companies and the Wirecard Bank has already resulted in some initial successes. The Wirecard Bank is a card-issuing bank for eCash-based gift cards for the largest German grocery association, with full-range and discount-branch outlets. The cooperation to produce branded gift cards began with partial issues as early as December 2010.

Call Center & Communication Services Division

Wirecard Communication Services GmbH concentrates primarily on providing core services to the Wirecard Group. The hybrid call center structure, i.e. the bundling of virtual stationary call centers with stationary ones, also enables third-party customers of “premium expert services” to benefit in the following segments:

- Financial Services
- First & Second Level User Helpdesk (specifically in the field of console and PC games as well as commercial software)
- Direct Response TV (DRTV) and targeted customer service in the outbound sector

In the first quarter of 2011, the portfolio customer business in the software support segment was extended.

2.3. Reporting segments

Wirecard AG reports on its business development in three segments, as follows.

Payment Processing & Risk Management (PP&RM)

This reporting segment comprises business activities by Wirecard Technologies AG, Wirecard Retail Services GmbH, Wirecard (Gibraltar) Ltd., Click2Pay GmbH, Wirecard Central Eastern Europe GmbH (formerly trading as Qenta paymentsolutions Beratungs und Informations GmbH), Wirecard UK and Ireland Ltd. (formely trading as Wirecard Payment Solutions Ltd.) and Procard Services FZ LLC. Business activities of Wirecard Bank AG are reported in a separate, independent reporting segment. Branches and companies of the Wirecard Group at locations outside Germany serve primarily to promote regional sales and localization of the products and services of the Group as a whole.

Business activities of Wirecard Bank AG are reported in a separate, independent reporting segment. Branches and companies of the Wirecard Group at locations outside Germany serve primarily to promote regional sales and localization of the products and services of the Group as a whole.

Business activities of the companies of the Wirecard Group included in the reporting segment of Payment Processing & Risk Management comprise only products and services associated with the acceptance and execution of downstream processing of electronic payment transactions, and related processes.

By means of a uniform technical platform that covers our various products and services, we use a standardized interface to provide our customers with access to a large number of payment and risk management schemes.

Acquiring & Issuing (A&I)

This reporting segment comprises the entire current business activities of Wirecard Bank AG. In addition to acceptance (acquiring) and issuing of credit and prepaid cards, it includes account and payment transaction services for business and private clients.

The “Acquiring & Issuing” segment also accounts for interest earned by the Wirecard Bank on financial investments and gains made from exchange rate differences when processing transactions in foreign currencies.

Call Center & Communication Services (CC&CS)

This reporting segment comprises all products and services of Wirecard Communication Services GmbH dealing with call center-supported relationship management of corporate and private customers. Apart from its primary function to support the two main segments mentioned above, this reporting segment also has an independent customer portfolio.

3. EARNINGS, FINANCIAL AND ASSET POSITION

3.1. Earnings position

In the first quarter of 2011 Wirecard AG is on course for growth of sales and earnings.

Development of Sales

Consolidated sales revenues were up by 19.4 percent in the first quarter 2011, from EUR58,512K to EUR 69,881K. Sales revenues generated by risk management services and the processing of online payment transactions in the core segment of Payment Processing & Risk Management increased by 23.0 percent from EUR 54,428K to EUR 66,972K.

The proportion of Group sales generated by the Acquiring & Issuing segment and, therefore, by Wirecard Bank AG came to EUR 20,011K (Q1/2010: EUR 25,311K). As in the preceding financial year, revenues of the Wirecard Bank chiefly comprised commission income from the Acquiring & Issuing divisions, from interest on financial investments and income earned on processing payment transactions, along with exchange rate differentials in handling transactions in foreign currencies. Customer deposits to be invested by the Wirecard Bank (March 31, 2011: EUR 117,828K; March 31, 2010: EUR 111,135K) are held only in sight deposits, overnight or fixed-term deposits, with other banks assessed by rating agencies of note as being subject to minimal risk (equivalent to an "Investment Grade" rating by Standard & Poor's and Moody's).

The Wirecard Group does not invest in money market instruments, stocks, financial derivatives or other speculative financial instruments. The only exceptions are forward exchange and currency options used to hedge sales revenues in foreign currencies.

The level of net interest income generated by the Wirecard Bank during the first quarter 2011 amounted to EUR 530K and is reported as revenue in the financial statements of the Wirecard Bank. Accordingly, it is not included in the Group's net financial income but is also reported as revenue in this respect. It comprises interest income on investment of own as well as customer funds (deposits and acquiring money) with external banks.

The Call Center & Communication Services segment generated EUR 1,095K in sales revenues in the period under review, compared with EUR 1,319K first quarter 2010.

Development of key expenditure items

Other own work capitalized consists primarily of the continued development of the core system for payment processing activities. In this regard, the only own work that is capitalized is what is subject to mandatory capitalization in accordance with IFRS accounting principles. In the first quarter 2011 the sum total of items capitalized amounted to EUR 1,621K (Previous year: EUR 1,271K).

The cost of materials within the Group rose to EUR 40,389K in the period under review, compared with EUR 31,115K a year earlier. In particular, the cost of materials includes commissions payable to banks issuing credit cards (Interchange) as well as charges payable to credit card companies.

At the Wirecard Bank, the cost of materials comprises expenses incurred by the Acquiring, Issuing and Payment divisions such as primarily Interchange, as well as processing costs of external services providers, production, personalization and transaction costs for prepaid cards and the payment transactions effected with them, and account management and transaction charges for keeping customer accounts. In the first quarter 2011 the cost of materials, not adjusted for consolidation effects, amounted to EUR 13,127K at the Wirecard Bank, compared with EUR 16,829 in the previous year.

Gross earnings (sales revenues including other own work capitalized less cost of materials) increased by 8.5 percent in the first quarter 2011, amounting to EUR 31,113K (Q1/2010: EUR 28,668K). Of this sum, gross earnings generated by the Wirecard Bank in 2010, without taking consolidation effects into account, amounted to EUR 6,884K (Q1/2010: EUR 8,482K).

Group personnel expenditure Q1/2011 increased to EUR 7,025K or by 1.1 percent year-on-year (Q1/2010: EUR 6,950K). In comparison with the growth of gross earnings by 8.5 percent, this reflects the high scalability of the business model of Wirecard AG. The consolidated personnel expense ratio declined by 1.8 percent points year-on-year, to 10.1 percent. Personnel expenditure at the Wirecard Bank amounted to EUR 739K in the first quarter 2011 (Q1/2010: EUR 683K).

Other operating expenses essentially comprise expenses on sales and marketing, operating equipment and leasing, consultancy and similar fees, as well as office expenses. In Q1/2011, these amounted to EUR 7,540K in the Wirecard Group (previous year: EUR 6,124K). As a result, they amounted to 10.8 percent (previous year: 10.5 percent) of sales revenues. Of these, without taking consolidation effects into consideration, the Wirecard Bank accounted for EUR 1,407K (previous year: EUR 1,433K).

Depreciation and amortization in Q1/2011 amounted to EUR 1,722K (previous year: 1,273) and predominantly related to investments in the payment platform. The share of amortization and depreciation effected at the Wirecard Bank in Q1/2011 amounted to EUR EUR 18K (Q1/2010: EUR 19K).

Furthermore expenses include non-recurring expenditures for the relocation of the corporate headquarters and for even faster expansion in Asia.

Other operating income comprised primarily income from the reversal of provisions and impairments, amounting to EUR 318K for the Group as a whole in the first quarter 2011, compared with EUR 366K in the previous year period. Of this sum, the Wirecard Bank accounted for EUR 184K (Q1/2010: EUR 153K) without adjustment for consolidation effects.

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EBITDA/EBIT development

The gratifying earnings trend is based on an increase in the volume of business transacted with existing and new customers via the Wirecard Group, economies of scale arising from our transaction-oriented business model as well as the intensified use of our banking services. Group earnings before interest and taxes (EBIT) were up by 3.1 percent in the first quarter 2011, rising from EUR 14,688K in the previous year to EUR 15,143K.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were up by 5.7 percent in the Group in Q1/2011, from EUR 15,961K in the previous period to EUR 16,866K. The EBITDA margin amounted to 24.1 percent in 2010 (previous year: 27.3 percent).

Net financial income

Net financial income in the first quarter 2011 came to EUR 418K (previous year: EUR -298K).

Group financial expenditure in Q1/2011 amounted to EUR 236K (Q1/2010: EUR 498K) and resulted primarily from loans taken out for past corporate acquisitions. The Group's net financial income does not include interest income generated by the Wirecard Bank, which is required to be reported as revenue in accordance with IFRS accounting principles.

Taxes

Owing to the international orientation of the business the cash-to-taxes ratio for Q1/2011 (without deferred taxes) amounted to 19.4 percent (Q1/2010: 7.6 percent). Including deferred taxes, the tax ratio came to 19.6 percent (Q1/2010: 14.8 percent). Due to the use of the tax-loss carry-forward of Wirecard Bank, from this year the difference between cash-to-tax ratio and the overall tax ratio is as expected low.

Earnings after taxes

In the first quarter 2011 earnings after taxes rose from EUR 12,262K in the previous year by 2.1 percent to EUR 12,519K.

Earnings per share

The number of shares issued remained unchanged at 101,803,139 shares, as in the preceding year. In the first quarter 2011 earnings per share (diluted and basic) were at EUR 0.12 (previous year: EUR 0.12) .

3.2. Financial and asset position

Principles and objectives of finance management

The primary objectives of finance management are to secure a comfortable liquidity situation at all times along with operational control of financial flows. The Treasury department is responsible for monitoring currency hedges. Following individual inspections, risks are restricted by additional deployment of financial derivatives. As in the previous year, forward exchange transactions and currency options were deployed as financial derivatives to hedge sales in foreign currencies in the year under review. It has been stipulated throughout the Group that no speculative transactions are entered into with financial derivatives.

Capital and financing analysis

Wirecard AG reports equity capital amounting to EUR 302,337K (December 31, 2010: EUR 289,844K). Due to the nature of our business, the highest liabilities exist vis-à-vis merchants in the field of credit card acquiring and customer deposit-taking as part of banking operations. These have a substantial effect on the equity ratio. The commercial banks, which granted Wirecard AG loans amounting to EUR 27,055K as at March 31, 2011 at interest rates ranging from 2.5 to 5.7 percent, do not include these items in equity capital calculations due to the facts and circumstances associated with this particular business model. According to Wirecard AG, this calculation reflects a true and fair view of the company's actual situation. These banks determine the equity ratio of Wirecard AG by dividing the amount of liable equity by total assets. Liable equity is determined by subtracting deferred tax assets and 50 percent of intangible investment assets from equity as reported in the balance sheet. If there are any receivables from shareholders or planned distributions, these should also be deducted. Total assets are determined by subtracting customer deposits, the acquiring funds of the Wirecard Bank and the reduced level of equity from the audited balance sheet total, which is then added back to leasing commitments. This calculation gives an equity ratio of 68.6 percent (December 31, 2010: 70.7 percent).

Investment analysis

The criteria for investment decisions in the Wirecard AG Group are: the capital employed the securing of a comfortable inventory of cash and cash equivalents, the results of an intensive analysis of both potential risks and the opportunity/risk profile, and finally the type of financing (purchase or leasing). Depending on the type and size of the investment, the chronological course of investment return flows is taken fully into account. In the period under review, investments were essentially made in further expansion and internationalization. On the one hand, EUR 670K were invested in Procard Services FZ LLC; on the other hand, a part of the variable purchase price for E-Credit in the amount of EUR 1,161K and EUR 245K in property, plant and equipment were invested. Additional investments were made in components for the operational payment platform. An investment of EUR 273K was made in externally developed and EUR 1,621K in internally created software.

Liquidity analysis

Current customer deposits from banking operations are fully due and payable on a daily basis and are reported under Other liabilities (customer deposits) on the liabilities side of Wirecard's consolidated annual financial statements. These customer funds are comparable in economic terms with short-term (bank) current account loans or overdraft facilities. For customer deposits (amounting to EUR 117,828K as at March 31, 2011; March 31, 2010: EUR 111,135K) separate accounts have been set up for these funds on the assets side, which may not be used for any other business purposes. Against this backdrop, securities (so-called collared floaters and current interest-bearing securities) with a nominal value of EUR 32,893K are held, and deposits with the central bank, sight and short-term time deposits with credit institutions are maintained in the total amount of the customer deposits of EUR 84,935K. These are reported in the Wirecard Group under the balance sheet item "Cash and cash equivalents", under non-current "financial and other assets" and under "current interest-bearing securities. However, they are not included in the financial resource fund. This amounted to EUR 115,282K as at March 31, 2011 (previous year: EUR: 150,027K).

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In addition, in considering the liquidity analysis, it should be borne in mind that liquidity is influenced by balance sheet date effects because of the company's particular business model. The liquidity that Wirecard receives through the credit card revenues of its merchants, and which it will pay out to the same merchants in future, is available to the Group for a transitional period. To enhance the level of transparency and illustrate the influence on cash flow, in addition to its usual presentation of cash flows in the ordinary course of business, Wirecard AG reports a further cash flow account to eliminate items that are of a merely transitory nature. These addenda will make it easier to identify and depict the cash-relevant portion of the Company's business figures.

Cash flow from operating activities, adjusted for transaction volumes of a transitory nature amounting to EUR 12,737K, clearly shows that Wirecard AG had a comfortable volume of own liquidity to meet its payment obligations at all times. The loan is short-term and shall be incorporated into a global credit facility for M&A transactions in May 2011. As a result, the Group's liabilities to banks increased by EUR 5,054K to EUR 27,055K (March 31, 2010: EUR 22,001K).

Asset position

Assets reported in the balance sheet of Wirecard AG increased by EUR 26,718K in the first quarter 2011, from EUR 549,859K to EUR 576,577K. While the value of non-current assets essentially increased due to the initial consolidation of Procard Services FZ LLC, current assets increased from EUR 314,636K to EUR 338,892K associated with our business model. The change in non-current assets is attributable on the one hand to the reporting date-related increase of receivables and on the other hand to the slight increase of cash.

In addition to the assets reported in the balance sheet in the Group of Wirecard AG, there is also a substantial volume of unreported intangible assets, such as software components, customer relationships, human and supplier capital and others. It is corporate policy to value assets conservatively and to capitalize them only if this is required in terms of international accounting standards.

4. GROUP STRUCTURE AND ORGANIZATION

4.1. Subsidiaries

The Wirecard Group is structured into various subsidiaries. The parent company, Wirecard AG, is headquartered in Grasbrunn near Munich, Germany. Since April 2011 Wirecard Bank AG, Wirecard Technologies AG, Wire Card Beteiligungs GmbH, Wirecard Retail Services GmbH, and Click2Pay GmbH are based in Aschheim near Munich. A resolution for the move of the registered office (seat) of Wirecard AG is on the agenda of the Annual General Meeting 2011. The head office of Wirecard Communication Services GmbH is located in Leipzig.

Wirecard Technologies AG and Wirecard (Gibraltar) Ltd., based in Gibraltar, develop and operate the software platform that represents the central element of our portfolio of products and services and of the internal business processes of the Wirecard Group.

Click2Pay GmbH, using the alternative Internet payment system of the same name (CLICK2PAY), generates sales revenues mainly in the markets for digital media, online portals and online games.

The subsidiaries Wirecard Payment Solutions Holdings Ltd., Wirecard UK and Ireland Ltd. (formerly trading as Wirecard Payment Solutions Ltd.) and Herview Ltd., all with head offices in Dublin (Ireland), as well as Wirecard Central Eastern Europe GmbH (formerly trading as Qenta paymentsolutions Beratungs und Informations GmbH) and based in Klagenfurt (Austria) provide sales and processing services for the Group's core business, namely "Payment Processing & Risk Management."

Wirecard Retail Services GmbH complements the range of services of Wirecard Technologies AG and Wirecard (Gibraltar) Ltd. to include the sale and operation of Point-of-Sale (POS) payment terminals. This provides our customers with the option to accept payments for their Internet-based and mail-order services as well as the electronic payments made at their POS outlets via Wirecard.

In an effort to streamline the Group's structure, companies previously integrated into the Group through takeovers in earlier years were merged with other companies. Accordingly, Pro Card Kartensysteme GmbH merged with Wirecard Retail Services GmbH, Aschheim (Germany) and webcommunication EDV Dienstleistungs- und Entwicklungs GmbH became part of Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria).



**WIREFCARD
SUBSIDIARIES**

GERMANY

WIREFCARD BANK AG
WIREFCARD RETAIL SERVICES GMBH
WIREFCARD TECHNOLOGIES AG
WIREFCARD COMMUNICATION SERVICES GMBH

EUROPE

WIREFCARD UK AND IRELAND LTD.
WIREFCARD CENTRAL EASTERN EUROPE GMBH
WIREFCARD (GIBRALTAR) LTD.

ASIA

WIREFCARD ASIA PTE. LTD.
PROCARD SERVICES FZ LLC

PPRM Payment Processing & Risk Management
A&I Acquiring & Issuing
CCS Call Center & Communication Services

Wirecard Communication Services GmbH bundles expertise in virtual and stationary call center solutions into a hybrid structure. The resulting flexibility enables dynamic response to the changing requirements of Internet-based business models. The services provided by Wirecard Communication Services GmbH are aimed mainly at business and private customers of the Wirecard Group, and especially those of Wirecard Bank AG.

The E-Credit Group, comprising Wirecard Asia Pte. Ltd. (formerly: E-Credit Plus Pte. Ltd), Singapore, and its subsidiaries, handles online payment processing primarily for eCommerce merchants in the eastern Asian region.

With effect from January 13, 2011, Wirecard AG took over Procard Services FZ LLC, based in Dubai, United Arab Emirates. Procard Services specializes on the provision of services for electronic payment processing, credit card acceptance and issuing of debit and credit cards, and has a portfolio of customers within the region. Through this takeover, Wirecard AG has strengthened its position in this region, in keeping with the strategy of expanding through the establishment of important international locations in growth regions.

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Wire Card Beteiligungs GmbH and Trustpay International GmbH (formerly trading as Trustpay International AG), both headquartered in Munich/Grasbrunn, act as interim holding companies for subsidiaries within the Group and have no operating activities.

An overview of the companies consolidated is provided in the Notes to the Consolidated Financial Statements.

4.2. Board of Management and Supervisory Board

The Board of Management of Wirecard AG remained unchanged as of March 31, 2011, consisting of three members;

- Dr. Markus Braun, CEO, Chief Technology Officer
- Burkhard Ley, Chief Financial Officer
- Jan Marsalek, Chief Sales Officer

The Supervisory Board of Wirecard AG remained unchanged as of March 31, 2011, consisting of three members.

- Wulf Matthias, Chairman
- Alfons Henseler, Deputy Chairman
- Stefan Klestil, Member

The remuneration system for the Board of Management and Supervisory Board consists of fixed and variable components. Further particulars are documented in the Corporate Governance report of the Annual Report 2010.

4.3. Employees

The success of the service-oriented business model of Wirecard AG relies to a large extent on having a highly motivated team. For this reason, the Human Resources department provides the employees with the best-possible support commensurate with their talents and qualifications. Managerial staff respects fundamental social principles, endorse an entrepreneurial approach and seek to foster team spirit in order to boost the Company's innovative strength.

On average during the first quarter 2011 Wirecard AG employed a workforce of 482 employees without the Board Members (Q1/2010: 513 employees), of which 117 (Q1/2010: 133) were employed part-time.

Staff participation (option) program

In order to continue to be able to foster loyalty to the Wirecard Group by offering managerial staff and employees a variable remuneration component with a long-term incentive effect, a resolution was adopted at the Annual General Meeting of Wirecard AG on June 24, 2008 to issue subscription rights to Wirecard AG stocks to employees and members of the Board of Management (Stock Option Plan 2008). Accordingly, new contingent capital (contingent capital 2008/I) was registered at a level of EUR 3,053,700.00. The subscription rights have not been issued as yet.

5. SUBSEQUENT REPORT

5.1. Information on events of particular importance

Ad hoc release according to Sec. 15 WpHG (German Securities Trading Act)

On April 28, 2011 Wirecard AG published its preliminary financial results for the first quarter of 2011.

Releases according to Sec. 26 (1) WpHG (German Securities Trading Act)

(Company notified after the end of reporting period)

Date of disclosure	Date of notification	Company notified after the end of the reporting period:
April 27, 2011	April 21, 2011	Henderson Group Plc, London, UK – 3.04 percent Exceedance of 3 percent-threshold on April 20, 2011
May 5, 2011	May 2, 2011	Artisan Funds, Inc., Milwaukee, USA – 2.92 percent Decrease below 3 percent threshold on April 26, 2011
May 5, 2011	May 4, 2011	Henderson Global Investors Limited, London, UK – 3.04 percent Correction concerning the disclosure of April 27, 2011

For more details please visit: <http://www.wirecard.com/investorrelations/financial-news/financialnews/>

5.2. Impact on results of operations, financial position and net assets

After the balance sheet date until publication of the interim report for the first quarter of fiscal 2011 there were no events which had impact on the financial, profit or asset position.

6. RESEARCH AND DEVELOPMENT/ RISKS/CHANCES

6.1. Research and Development

The individual expenditure items are included in the personnel expenditure of the respective departments (Payment & Risk, Issuing Services, etc.), in the advisory costs as well as in intangible assets.

6.2. Risks / Chances

For the Wirecard Group, the deliberate assumption of calculable risks and the consistent use of the opportunities associated with these risks form the basis of its entrepreneurial practice within the scope of value-based corporate management. With these strategies in mind, the Wirecard Group has implemented a risk management system that constitutes the foundations for risk and earnings-oriented corporate governance.

In the interests of securing the Company's success on a long-term, sustainable basis, it is therefore indispensable to identify, analyze, assess and document critical trends and emerging risks at an early stage. As long as it makes economic sense, corrective countermeasures must be adopted and risks mitigated or neutralized in order to optimize the Company's risk position relative to its earnings. The implementation and effectiveness of any countermeasures adopted should be continually reviewed.

In order to keep the financial impacts of potential damage to a minimum, Wirecard takes out insurance policies—to the extent that they are available and economically justifiable. Wirecard continually monitors the level of coverage they provide.

By the same token, it is a Company-wide policy to identify, evaluate and take opportunities in order to sustain growth trends and secure the Group's earnings growth. Beyond that, the analysis also reveals the risks that would arise from a failure to take the opportunities that present themselves.

As there have been no changes in the intervening period of time please refer to the Annual Report of fiscal 2010, Risk Report for more details. We wish to advise that no risks are present that could endanger the Group as a going concern.

7. OUTLOOK

In view of the unabated robust demand for international solutions in the field of payment processing and risk management services as well as the present status of customer projects, we are convinced that Wirecard AG will continue its dynamic development in the current financial year.

In the field of our core business payment processing services, alternative payment solutions will become increasingly important so that merchants will be able to broaden their customer base in certain countries. Alipay is an international, alternative payment solution that we will include in our program.

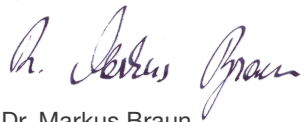
Work is under way to expand our range of versatile prepaid card products for business customers and consumers in order to generate additional potential in this field as well.

For the second half of 2011, we are optimistic about our ability to realize additional positive effects from the prepaid card business and our expansion in Asia.

Even though a total of 5 million euros in non-recurring expenses will be incurred in 2011 (as already announced), of which 2.3 million euros have already been booked in the quarter under review, the Management Board of Wirecard AG expects earnings before interest, taxes, depreciation and amortization (EBITDA) to range from 81 to 89 million euros for the current fiscal year.

Aschheim, near Munich May 17, 2011

Wirecard AG



Dr. Markus Braun



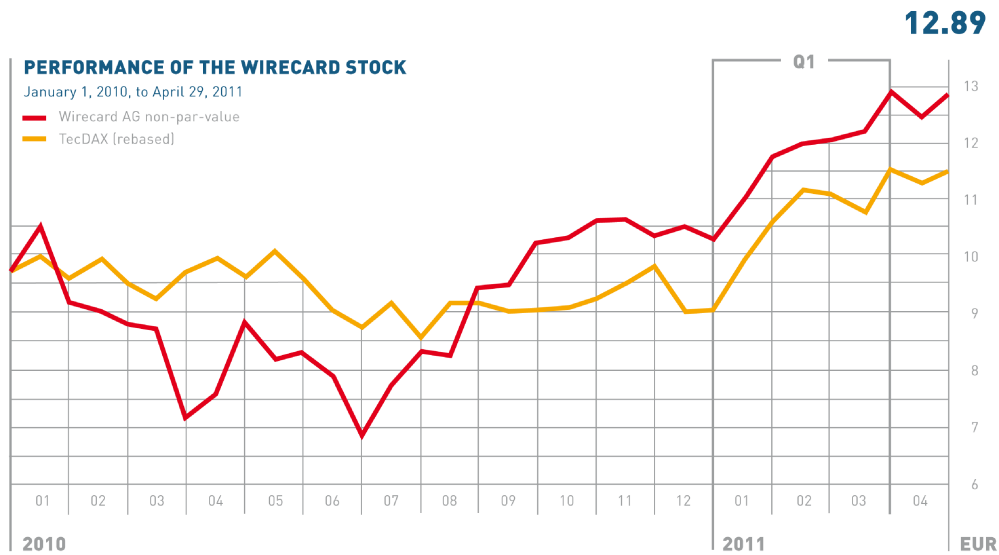
Burkhard Ley



Jan Marsalek

WIRECARD STOCK

The DAX rose by just under one percent in the first quarter of 2011, to 7,041.31 points. On the TecDAX, the benchmark index for Wirecard stock, an increase by 8.2 percent was recorded, to a final level of 930.61 points.



At the end of the first day of trading this year, Wirecard stock was valued at EUR 10.57. In the course of the reporting quarter, Wirecard stock was trading in a range between EUR 11 and EUR 12. At the March 31, 2011 reporting date, the share price closed at EUR 12.66, simultaneously the highest level for the quarter as a whole.

In the first quarter of 2011, Wirecard's share price increased by 19.7 percent.

KEY FIGURES WIRECARD STOCK Q1 2011				
			Q1/2011	Q1/2010
Number of Shares			101,803,139	101,803,139
Capital stock	EUR		101,803,139.00	101,803,139.00
Market capitalization (03/31)	bn EUR		1.29	0.713
Stock market price (03/31)	EUR		12.66	7.00
Stock market price high	EUR		12.66	10.25
Stock market price low	EUR		10.37	6.35

Stock data: XETRA closing price

Investor Relations

The Management Board of Wirecard AG continually maintains contact with a large number of institutional investors. In the first quarter of 2011, the primary focus was on individual talks (visits and telephone conferences) as well as investor conferences. At the end of the period under review, twelve analysts from banks of note were monitoring Wirecard's share price.

The Board of Management and the Supervisory Board of Wirecard AG undertake to comply with the principles of the German Corporate Governance Code and endorse the principles of transparent and sustained corporate governance. Special measures in this regard are the listing on the Prime Standard and reporting according to IAS/IFRS.

Private investors can obtain all the relevant information on the Internet at: <http://www.wirecard.com/investorrelations>.

BASIC INFORMATION ON WIRECARD STOCK

Year established	1999
Market segment:	Prime Standard
Index:	TecDAX
Type of equity:	No-par-value common bearer shares
Stock exchange ticker:	WDI; Reuters: WDIG.DE; Bloomberg: WDI:GR
WKN:	747206
ISIN:	DE0007472060
Authorized capital, in number of shares:	101,803,139
Group accounting category:	Exempting consolidated financial statements in accordance with IAS/IFRS
End of fiscal year:	December 31
Total capital stock as at March 31, 2011:	EUR 101,803,139.00
Beginning of stock market listing:	October 25, 2000
Board of Management:	Dr. Markus Braun (CEO, CTO)
	Burkhard Ley (CFO)
	Jan Marsalek (COO)
Supervisory Board:	Wulf Matthias (Chairman)
	Alfons W. Henseler (Deputy Chairman)
	Stefan Klestil (Member)
Shareholder structure as at March 31, 2011:	7.60% MB Beteiligungsgesellschaft mbH
(Shareholders with more than 3% of voting rights)	6.26% Jupiter Asset Management Ltd. (UK)
	5.00% Alken Fund Sicav (LU)
	4.97% Artisan Partners (US)
	3.10 % Wasatch Holdings, Inc. (US)
	3.08 % Columbia Wanger AM LLC (US)
	3.04 % Ameriprise Financial Inc. (US)
	92.4 % Freefloat
	(Alken, Ameriprise, Artisan, Columbia Wanger, Jupiter, and Wasatch are assigned to the freefloat according to the rules of Deutsche Börse)

GROUP-BALANCE SHEET – ASSETS

in EUR	03/31/2011	12/31/2010
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	111,851,023.15	101,339,875.98
Internally generated intangible assets	17,940,839.59	16,901,071.28
Other intangible assets	15,366,054.48	13,050,001.41
Customer relationships	62,891,668.20	62,450,775.11
	208,049,585.42	193,741,723.78
2. Property, plant and equipment		
Other property, plant and equipment	1,838,639.09	1,578,235.50
3. Financial and other assets / interest bearing securities	26,401,984.58	38,698,849.72
4. Tax credits		
Deferred tax assets	1,394,606.66	1,205,027.26
Total non-current assets	237,684,815.75	235,223,836.26
II. Current assets		
1. Inventories	312,479.50	359,509.39
2. Trade receivables and other receivables	128,296,136.24	118,740,739.19
3. Tax credits		
Tax assets	11,261.06	180,129.86
4. Interest bearing securities	10,000,000.00	10,000,000.00
5. Cash and cash equivalents*	200,271,970.26	185,355,190.19
Total current assets	338,891,847.06	314,635,568.63
Total assets	576,576,662.81	549,859,404.89

* Without the investment in interest-bearing securities reported under financial and other assets and under other interest-bearing securities, the volume of cash and cash equivalents would have exceeded the figure reported by EUR 32,893K.

GROUP-BALANCE SHEET – EQUITY AND LIABILITIES

In EUR	03/31/2011	12/31/2010
EQUITY AND LIABILITIES		
I. Shareholders' equity		
1. Subscribed capital	101,803,139.00	101,803,139.00
2. Capital reserve	11,261,517.49	11,261,517.49
3. Retained earnings	189,161,507.17	176,642,694.67
4. Foreign currency translation reserve	111,317.26	136,860.98
Total shareholders' equity	302,337,480.92	289,844,212.14
II. LIABILITIES		
1. Non-current liabilities		
Non-current interest bearing bank liabilities	1,000,000.00	1,000,000.00
Other non-current liabilities	1,066,891.49	331,922.00
Deferred tax liabilities	6,797,228.13	6,584,181.73
	8,864,119.62	7,916,103.73
2. Current liabilities		
Trade payables	105,499,341.82	98,443,415.67
Current interest-bearing liabilities	26,055,074.90	21,001,261.72
Other current provisions	1,387,491.15	1,652,111.11
Other current liabilities	9,225,997.02	8,524,274.02
Customer deposits from banking operations	117,828,251.40	118,745,103.95
Tax provisions	5,378,905.98	3,732,922.55
	265,375,062.27	252,099,089.02
Total liabilities	274,239,181.89	260,015,192.75
Total shareholders' equity and liabilities	576,576,662.81	549,859,404.89

CONSOLIDATED INCOME STATEMENT

in EUR	01/01/2011 - 03/31/2011	01/01/2010 - 03/31/2010
I. Sales	69,881,116.31	58,512,478.42
II. Other own work capitalized	1,620,672.95	1,271,068.54
1. Other own work capitalized	1,620,672.95	1,271,068.54
III. Operating expenses	49,136,967.44	39,337,547.05
1. Cost of materials	40,389,026.43	31,115,054.04
2. Personnel expenses	7,025,495.54	6,949,607.83
3. Amortization and depreciation	1,722,445.47	1,272,885.18
IV. Other operating income and expenses	(7,221,663.58)	(5,757,741.62)
1. Other operating income	318,245.28	366,412.98
2. Other operating expenses	7,539,908.86	6,124,154.60
Net operating income	15,143,158.24	14,688,258.29
V. Financial result	418,065.80	(298,475.10)
1. Other interest and similar income	654,257.08	199,613.47
2. Financial cost	236,191.28	498,088.57
VI. Profit before taxes	15,561,224.04	14,389,783.19
VII. Income tax	3,042,411.54	2,128,049.18
VIII. Profit after taxes	12,518,812.50	12,261,734.01
Earnings per share (basic)	0.12	0.12
Earnings per share (diluted)	0.12	0.12
Weighted average shares outstanding (basic)	101,803,139	101,803,139
Weighted average shares outstanding (diluted)	101,988,024	102,068,720

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR	01/01/2011 - 03/31/2011	01/01/2010 - 03/31/2010
Profit after taxes	12,518,812.50	12,261,734.01
Change in exchange differences from translation of operations outside the euro zone	(25,543.72)	(47,832.84)
Total comprehensive income	12,493,268.78	12,213,901.17

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Common stock Nominal value / Number of shares issued	Capital reserve	Retained earnings	Foreign currency translation reserve	Total Shareholders' Equity
	EUR / No.	EUR	EUR	EUR	EUR
Balance as of December 31, 2009	101,803,139.00	11,261,517.49	131,831,808.10	(14,094.75)	244,882,369.84
Profit after taxes			12,261,734.01		12,261,734.01
Dividends paid					0.00
Contingent capital increase (convertible bonds)	0.00	0.00			0.00
Currency translation differences				(47,832.84)	(47,832.84)
Balance as of March 31, 2010	101,803,139.00	11,261,517.49	144,093,542.11	(61,927.59)	257,096,271.01
Balance as of December 31, 2010	101,803,139.00	11,261,517.49	176,642,694.67	136,860.98	289,844,212.14
Profit after taxes			12,518,812.50		12,518,812.50
Dividends paid					0.00
Contingent capital increase (convertible bonds)	0.00	0.00			0.00
Currency translation differences				(25,543.72)	(25,543.72)
Balance as of March 31, 2011	101,803,139.00	11,261,517.49	189,161,507.17	111,317.26	302,337,480.92

CONSOLIDATED CASH FLOW STATEMENT

in EUR	01/01/2011 - 03/31/2011	01/01/2010 - 03/31/2010
EBIT	15,143,158.24	14,688,258.29
Gains/Losses from the disposal of fixed assets	0.00	0.00
Amortization/depreciation/write-ups of non-current assets	1,722,445.47	1,263,646.67
Impact on foreign currency translation	52,874.14	1,309,255.43
Changes in inventories	47,029.89	(4,604.35)
Changes in trade and other receivables	(9,523,548.63)	(15,028,558.99)
Changes in other assets	575,080.06	1,315,046.54
Changes in provisions	(264,619.96)	37,637.66
Increase/decrease in current liabilities excluding financial liabilities	734,969.49	0.00
Changes in trade payables	6,943,640.01	2,278,708.21
Changes in other current liabilities	701,723.00	(1,011,941.09)
Other non-cash income/expenses	0.00	0.00
Income taxes paid	(1,374,335.93)	(742,302.28)
Interest paid (excl. interest on loans)	(178,852.26)	(55,773.53)
Interest received	11,338.95	28,615.65
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	(2,305,307.34)	(2,035,346.37)
Cash flow from operating activities	12,285,595.13	2,042,641.84
Cash paid for investments in intangible assets and property, plant and equipment	(2,138,497.41)	(3,905,765.39)
Cash paid for investments in financial assets and interest bearing securities	0.00	0.00
Cash received from sale of financial assets	0.00	0.00
Cash received from loan repayments	0.00	0.00
Cash paid for the acquisition of entities and investments in consolidated entities	(1,831,255.93)	(440,126.28)
Cash flow from investing activities	(3,969,753.34)	(4,345,891.67)
Cash received from financial liabilities	5,000,000.00	0.00
Cash paid for repayment of financial liabilities	(10,000,000.00)	(1,000,000.00)
Dividends paid	0.00	0.00
Interest paid on loans	(28,299.99)	(51,693.75)
Cash flow from financing activities	(5,028,299.99)	(1,051,693.75)
Net change in cash and cash equivalents	3,287,541.80	(3,354,943.58)
Adjustments due to currency translation	(25,543.72)	12,282.80
Adjustments due to consolidation	(16,397.24)	3,670,204.33
Financial resources fund at the beginning of period	112,036,124.00	149,699,294.33
Financial resources fund at the end of period	115,281,724.84	150,026,837.88

**CONSOLIDATED CASH FLOW FROM OPERATING ACTIVITIES
(ADJUSTED FOR TRANSACTION VOLUMES OF A TRANSITORY NATURE)**

in EUR	01/01/2011 - 03/31/2011	01/01/2010 - 03/31/2010
EBIT	15,143,158.24	14,688,258.29
Gains/Losses from the disposal of fixed assets	0.00	0.00
Amortization/depreciation/write-ups of non-current assets	1,722,445.47	1,263,646.67
Impact on foreign currency translation	(398.00)	(201,199.01)
Changes in inventories	47,029.89	(4,604.35)
Changes in trade receivables and other receivables (adjusted for transaction volumes of a transitory nature)	(2,648,304.15)	(780,160.32)
Changes in other assets	575,080.06	1,315,046.54
Changes in provisions	(264,619.96)	37,637.66
Increase/decrease in current liabilities excluding financial liabilities	734,969.49	0.00
Changes in trade payables (adjusted for transaction volumes of a transitory nature)	516,918.69	68,549.44
Changes in other current liabilities	758,278.00	(1,011,941.09)
Other non-cash income/expenses	0.00	0.00
Income taxes paid	(1,374,335.93)	(742,302.28)
Interest paid (excl. interest on loans)	(178,852.26)	(55,773.53)
Interest received	11,338.95	28,615.65
Elimination of purchase price liabilities and adjustments net working capital from initial consolidation	(2,305,307.34)	(2,035,346.37)
Cash flow from operating activities	12,737,401.15	12,570,427.30

In accordance with the business model, the transaction volumes from the Acquiring business are reported under the item of Trade receivables and other receivables as receivables from credit card organizations and banks. At the same time, these business transactions give rise to liabilities to merchants, amounting to the transaction volume (less our commissions and charges). Receivables and liabilities (less our commissions and charges) are transitory in nature and subject to substantial fluctuations from one balance sheet date to another.

Against this backdrop, Wirecard has decided to present a further statement in addition to the usual cash flows from operating activities in order to eliminate those items that are merely transitory in nature. This is intended to facilitate the identification and reporting of the cash-relevant portion of the Company's results.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2011

1. Disclosures related to the Company and its valuation principles

1.1. Business activities and legal background

Wirecard AG, Bretonischer Ring 4, 85630 Grasbrunn (hereafter referred to as “Wirecard”, “Group” or “the Company”) was established on May 6, 1999. The name of the Company was changed from InfoGenie Europe AG to Wire Card AG upon entry thereof in the commercial register on March 14, 2005 and to Wirecard AG upon entry in the commercial register on June 19, 2006.

Consolidation perimeter

As at March 31, 2011, 19 subsidiaries were fully consolidated. As at March 31, 2010, there were 20 such companies.

SUBSIDIARIES OF WIRECARD AG

	Shares
Click2Pay GmbH, Aschheim (Germany)	100%
InfoGenie Ltd., Windsor, Berkshire (United Kingdom)	100%
Wirecard (Gibraltar) Ltd. (Gibraltar)	100%
Trustpay International GmbH (formerly Trustpay International AG), Aschheim (Germany)	100%
Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland)	100%
Wirecard UK and Ireland Ltd. (formerly: Wirecard Payment Solutions Ltd.), Dublin (Ireland)	100%
Herview Ltd., Dublin (Ireland)	100%
Wirecard Central Eastern Europe GmbH (formerly: Qenta paymentsolutions Beratungs und Informations GmbH), Klagenfurt (Austria)	100%
Wirecard Technologies AG, Aschheim (Germany)	100%
Wirecard Communication Services GmbH, Leipzig (Germany)	100%
Wirecard Retail Services GmbH, Aschheim (Germany)	100%
cardSystems FZ-LLC, Dubai (United Arab Emirates)	100%
Wire Card Beteiligungs GmbH, Aschheim (Germany)	100%
Wirecard Bank AG, Aschheim (Germany)	100%
Wirecard Asia Pte. Ltd. (formerly: E-Credit Plus Pte. Ltd.) (Singapore)	100%
E-Credit Plus Corp., Las Pinas City (Philippines)	100%
Wirecard Malaysia SDN BHD (formerly: Credence Collection SDN BHD), Petaling Jaya (Malaysia)	100%
E-Payments Singapore Pte. Ltd. (Singapore)	100%
Procard Services FZ LLC, Dubai (United Arab Emirates)	100%

Uniform accounting and valuation methods apply to the perimeter of consolidated subsidiaries. The subsidiaries' shareholdings and quotas of voting rights are identical.

The IAS/IFRS requirements concerning the mandatory inclusion of all domestic and foreign subsidiaries which are controlled by the parent company meaning the parent company directly or indirectly holds more than 50 percent of their voting rights, (cf. IAS 27.12 and IAS 27.13) are observed.

Business combinations

With effect from January 13, 2011, Wirecard AG took over 100 percent of Procard Services FZ LLC, based in Dubai, United Arab Emirates. Procard Services is specialized in services relating to electronic payment processing, credit card acceptance and the issuing of debit and credit cards, and the company has a regional customer portfolio. With this takeover Wirecard AG strengthens its position in that region and continues its strategy of intensifying its expansion by establishing key international locations in growth regions.

At the same time, a management that is regionally entrenched and a team of staff members experienced in the field of payment processing will be taken over, who will bring the regional expansion of the company forward together with the employees of Wirecard AG. Procard Services FZ LLC has a state-of-the-art technical platform at its disposal. It can be safely assumed that the integration into the Wirecard platform and the extension of complementary regional functionalities will generate additional technical synergy effects in the course of time.

The purchase price for the group of companies came to EUR 670K. In addition, debt amounting to EUR 14,471K was assumed. Beside the strategic relevance, the material assets of the companies taken over are customer relationships and the technical platform. Since the annual financial statements of the group of companies have not been issued with an audit as yet, adjustments to the value of the assets acquired may be necessary.

The preliminary breakdown is as follows:

ACQUIRED FAIR VALUES OF PROCARD CARD SERVICES FZ LLC

in EUR '000

Acquired assets and liabilities (fair values)	
Intangible assets	3,440
of which, customer relationships	730
Property, plant and equipment	202
Current assets and cash and cash equivalents	988
of which, cash and cash equivalents and current liabilities to banks immediately due and payable	(16)
Current liabilities	3,736
Non-current liabilities	10,735
Goodwill	10,511
Total fair values acquired	670
Purchase price	670

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The contribution to earnings for fiscal 2011, expected to amount to at least EUR 1 million, is largely to be used for the integration into the Group. For 2012, Wirecard expects the company acquired to contribute approx. EUR 1.5 million to Group EBITDA.

1.2. Principals and assumptions used in preparing the financial statements

Principles

The consolidated financial statements as at March 31, 2011 were prepared in accordance with IAS 34 (Interim Financial Reporting) with consideration of the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) as adopted by EU. The notes of the consolidated financial statements as at December 31, 2010 also apply accordingly to the present quarterly financial statements and should be taken into consideration in connection with the interim financial statements. Any variations from the above are explained below.

Presentation

The presentation of the Group's Balance Sheet, Income Statement, Cash Flow Statement and Segment reporting was effected in accordance with the consolidated financial statements as at December 31, 2010. Due to the final audited financial statements of E-Credit Group, revenues, costs and profits of the first quarter 2010 had to be adjusted. This was taken into account in the previous year comparison.

Comparability

The comparability with the previous period is limited owing to the initial consolidation of the Procard Services FZ LLC as at January 13, 2011.

Accounting and valuation methods

In the course of preparing the quarterly financial statements as at March 31, 2011, the same accounting and valuation principles were used as for the last consolidated financial statements (December 31, 2010) and in the previous-year period (January 1, 2010 through March 31, 2010). For more details please refer to the Annual Report as at December 31, 2010.

2. Explanatory notes on Group balance sheet assets

2.1. Intangible assets

Intangible assets comprise goodwill, internally generated intangible assets, other intangibles and customer relationships.

Goodwill

In accordance with the Group's accounting policies, goodwill is assessed at least once a year for possible impairments or whenever the need arises (most recently on December 31, 2010). The recoverable amount of a business segment (cash-generating unit) to which goodwill was assigned is determined on the basis of estimates by management. These took account of the prevailing general economic conditions. The Company determines these values using valuation methods based on discounted cash flows.

Due to the consolidation of the Procard Services FZ LLC, the level of goodwill increased by EUR 10,511K in Q1/2011 to EUR 111,851K (December 31, 2010: EUR 101,340K) and is reported in the following cash-generating units:

GOODWILL

in EUR '000s	03/31/2011	12/31/2010
Payment Processing & Risk Management	87,546	77,035
Acquiring & Issuing	24,017	24,017
Call Center & Communication Services	288	288
Total	111,851	101,340

Internally generated intangible assets

In Q1/2011 internally created software worth EUR 1,621K (Q1/2010: EUR 1,271K) was developed and capitalized. The software was programmed for the "Payment Processing & Risk Management" segment. It will be amortized using the straight-line method over the course of its useful economic life. The period in question is ten years.

Other intangible assets

Other intangible assets, in addition to the software for the individual workstations, essentially relate to software acquired for and used by the "Payment Processing & Risk Management" and "Acquiring & Issuing" segments. These will be amortized using the straight-line method

over the course of their useful economic lives. The relevant period ranges from three to ten years. In the period under review, this item increased from EUR 13,050K to EUR 15,366K.

Customer relationships

Customer relationships refer to acquired customer portfolios and those resulting from companies being consolidated. Of customer relationships, an amount equivalent to EUR 42,775K has indefinite useful lives. Accordingly, these are subjected to regular impairment testing (the last occasion being December 31, 2010). The remaining customer relationships do have an amortization period between 4 and 10 years.

In the period under review, this item increased following the initial consolidation of the Procard Services FFC LLC, in which EUR 712K was assigned to customer relationships within the scope of the purchase price allocation.

2.2. Property, plant and equipment

Other property, plant and equipment

Property plant and equipment comprises office and business equipment. Office equipment is stated at cost and depreciated using the straight-line method over its estimated useful life. For computer hardware this period is three to five years and, as a rule, ten years for office equipment and furniture.

Any gains and losses on disposal of fixed assets are recorded as other operating income and expenses, respectively. Maintenance and minor repairs are reported with an impact on profit and loss.

2.3. Financial and other assets

Financial and other assets, amounting to EUR 26,402K (December 31, 2010: EUR 38,699K) changed in the financial year, essentially due to the effects that Wirecard Bank AG sold parts of the interest-bearing securities, that were invested in various medium- and long-term interest-bearing securities. With an original term to maturity of three to five years, these earn interest solely according to terms and conditions prevailing on the money market, with minimum and maximum interest rates being agreed (so-called collared floaters). These are reported under financial and other assets; this is why they have the effect of reducing cash and cash equivalents.

2.4. Tax credits

Deferred tax assets

Tax credits/deferred tax assets refer to loss carry-forwards and their realizability as well as temporary differences between the tax balance sheet figures and Group earnings in accordance with IFRS. Deferred tax assets are recognized in accordance with IAS 12.15-45. The Company utilizes the balance sheet oriented liability method of accounting for deferred tax assets in accordance with IAS 12. Under the liability method, deferred taxes are determined according to the temporary differences between the carrying amounts of asset and liability items in the consolidated balance sheet and the tax balance sheet, as well as taking account of the tax rates in effect at the time the aforesaid differences are reversed. Deferred tax assets are accounted for to the extent that taxable earnings are considered likely to be available (IAS 12.24).

On account of tax assessments up to December 31, 2010, tax notices issued up to the assessment year of 2010 and consolidated taxable earnings in Q1/2011 deferred tax assets as at March 31, 2011 amounted to EUR 1,395K following a valuation allowance (December 31, 2010: EUR 1,205K).

2.5. Inventories

As at March 31, 2011, the inventories reported, amounting to EUR 312K (December 31, 2010: EUR 360K), reflected merchandise such as terminals and debit cards in particular. Their value was measured in accordance with IAS 2.

2.6. Trade receivables and other receivables

Trade receivables are non-interest-bearing and measured at their nominal amount or the lower value applicable as at the balance sheet date. The transaction volume of the Wirecard Group is also reported under the item Trade receivables as a receivable from credit card organizations and banks. At the same time, these business operations give rise to liabilities to our merchants, amounting to the transaction volume less our charges.

Receivables and liabilities (less our commissions and charges) are transitory in nature and subject to substantial fluctuations from one reference date to another. The increase as at March 31, 2011 is essentially due to an increase in receivables in the acquiring segment as at that particular date. Moreover, cooperation with other acquiring banks in the Asian region led to an increase in receivables year-on-year for accounting reasons. Furthermore, the comparability is limited due to initial consolidation of the Procard Services FFC LLC.

2.7. Tax credits

Tax credits as at March 31, 2011 include claims for tax refunds amounting to EUR 11K (December 31, 2010: EUR 10K) and as at December 31, 2010 claims for value added tax refunds amounting to EUR 170K (March 31, 2011: EUR 0K).

2.8. Interest-bearing securities

To improve its interest income, apart from investing in various medium- to long-term interest-bearing securities, Wirecard Bank AG also invested in short-term interest-bearing securities. These have an original term to maturity of six months. This concerns the acquisition of a bearer debenture of a renowned European big bank that corresponds to the conservative criteria of the Wirecard Group with regard to liquidity management. This item is reported under interest-bearing securities; for this reason, it reduces the level of cash and cash equivalents accordingly.

2.9. Cash and cash equivalents

The item Cash and cash equivalents (March 31, 2011: EUR 200,272K; December 31, 2010: EUR 185,355K) lists cash in hand and credit balances with banks (sight and time deposits and overnight [call] money). These also include resources from current customer deposits of Wirecard Bank AG (March 31, 2011: EUR 84,935K; December 31, 2010: EUR 73,318K) and funds derived from the acquiring business of Wirecard Bank AG.

To improve its interest income, Wirecard Bank AG invested in various short-, medium- and long-term interest-bearing securities (so-called collared floaters and interest-bearing securities). These are reported under long-term financial and other assets and under short-term interest-bearing securities. Excluding the purchase of these instruments, the item cash and cash equivalents would have been higher by a total of EUR 32,893K.

3. Explanatory notes on Group balance sheet liabilities

As regards the development of Group equity for the first quarter 2011, further particulars in addition to the following explanations are provided in the table “Consolidated statement of changes in equity”.

3.1. Subscribed capital

The Company's subscribed capital as at March 31, 2011 remained unchanged year-on-year at EUR 101,803,139.00 and is divided up into 101,803,139 no-par-value bearer shares based on a notional common stock of EUR 1.00 per share.

Authorized capital

Pursuant to a resolution adopted at the Annual General Meeting of June 18, 2009, the Board of Management was authorized to increase the capital stock with the consent of the Supervisory Board by June 18, 2014 on one or several occasions by up to a maximum total of EUR 37,299,652.00 against cash and/or non-cash capital contributions, including so-called “mixed contributions in kind”, by issuing up to 37,299,652 new no-par-value bearer shares (authorized capital 2009/I) and to determine that profit participation is to begin at a time other than that stipulated by legislation.

At the balance sheet date, the authorized capital (authorized capital 2009/I) remained unchanged at EUR 37,299,652.00.

Contingent capital

Due to the fact that no conversions took place during the financial year, there was no change to the level of contingent capital (contingent capital 2004) in the reporting period, and it remains at EUR 997,927.25 (December 31, 2010: EUR 997,927.25).

As well as the level of contingent capital 2008/I, amounting to EUR 3,053,700.00 (December 31, 2010: EUR 3,053,700.00) remained unchanged.

Purchase of treasury stock

By a resolution adopted at the Annual General Meeting on June 17, 2010, the Board of Management is authorized to acquire up to 10 percent of the capital stock of Wirecard AG existing at the time of the resolution. This authorization is valid until June 16, 2015.

Until March 31, 2011, the Board of Management did not make use of its authority to acquire and utilize treasury shares in accordance with § 71 (1) No. 8 of AktG).

3.2. Capital reserve

The capital reserve remained unchanged compared to the previous period at EUR 11,262K.

3.3. Retained earnings

At the Annual General Meeting in 2011, a proposal will be made for a dividend amounting to EUR 0.10 per share to be paid out to the shareholders, which is equivalent to a total amount of EUR 10,180,313.90

3.4. Non-current liabilities

Non-current liabilities break down into non-current interest-bearing liabilities, other non-current liabilities and deferred tax liabilities.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities, amounting to EUR 1,000K (December 31, 2010: EUR 1,000K) contribute toward the funding of the customer portfolios acquired in 2006 and 2007. According to agreements entered into, repayment is scheduled to be made in annual installments by the year 2012. Repayments due in the short term were reported under current interest-bearing liabilities.

Other non-current liabilities

Other non-currents liabilities as at March 31, 2011 consist of non-current loans in the amount of EUR 1,067K, of which EUR 735K were added to the Group's balance sheet, due to the initial consolidation of Procard Services FZ LLC.

Deferred tax liabilities

Deferred tax liabilities, amounting to EUR 6,797K (December 31, 2010: EUR 6,584K) related to temporary differences between tax balance sheet figures and the consolidated financial statements according to IFRS and are reported under non-current liabilities.

3.5. Current liabilities

Current liabilities are classified into trade payables, interest-bearing liabilities, other provisions, customer deposits from banking operations of Wirecard Bank AG, other liabilities, and tax provisions.

Trade payables

Trade payables are owed chiefly to merchants/online traders. Including the liabilities incurred in the field of acquiring, Wirecard Bank AG accounted for EUR 95,161K.

Current interest-bearing liabilities

Interest-bearing liabilities, amounting to EUR 26,055K (December 31, 2010: EUR 21,001K) were incurred to finance M&A transactions. The loans are short-term in nature. EUR 1,000K is due in the second half of 2011, and EUR 25,000K is planned to be transferred to a non-current credit facility in May 2011, which is made available for concluded and potential future M&A transactions. Repayments due in the long term are recorded under non-current interest-bearing liabilities.

Other provisions

Provisions are generally short-term in nature and will presumably be used in the first half of 2011. Other short-term provisions amounting to EUR 1,387K (December 31, 2010: EUR 1,652K) include financial statement and other auditing costs of EUR 910K as the largest single item (December 31, 2010: EUR 1,191K)

Other liabilities

Other liabilities, amounting to EUR 9,226K (December 31, 2010: EUR 8,524K) comprised EUR 4,269K (December 31, 2010: EUR 4,938K) in accrued liabilities and EUR 1,064K (December 31, 2010: EUR 2,264K) in current purchase price commitments arising from variable compensation for the acquisition of the E-Credit Group. Moreover, this item comprised as well as liabilities arising in the fields of payment transactions, wages and salaries, social security and the like.

Customer deposits from banking operations

This line item included customer deposits amounting to EUR 117,828K (December 31, 2010: EUR 118,745K) with Wirecard Bank AG.

Tax provisions

Tax provisions essentially relate to provisions set up for income taxes of Wirecard Bank AG (EUR 1,509K) and Wirecard AG (EUR 1,651K). Due to the tax prepayments for the period under review, provisions of EUR 1,897K had to be set up for taxes of the foreign companies.

4. Notes to the Income Statement

4.1. Sales

The Group's sales revenues (EUR 69,881K) are generated in the "Call Center & Communication Services", "Payment Processing & Risk Management"-divisions as well as the proceeds generated from commission payments of the Acquiring & Issuing-division. In addition, in the "Acquiring & Issuing" division EUR 530K in interest income of Wirecard Bank AG is reported as revenue in accordance with IAS 18.5(a). A detailed breakdown of revenues is shown under segment reporting.

4.2. Cost of materials

The cost of materials essentially comprises charges of the credit card issuing banks (Interchange), charges to credit card companies (e.g. MasterCard and Visa), transaction costs as well as transaction-related charges to third-party providers (e.g. in the field of Risk Management services and Acquiring). Expenses of payment guarantees and factoring activities are also recorded under risk management. In the field of Acquiring, intermediary commissions are also recorded for external sales activities.

The cost of materials of Wirecard Bank AG includes expenditure incurred by the Acquiring, Issuing and Payment Transactions business divisions. This includes the production costs of credit cards and the transaction costs for payment processes executed.

4.3. Personnel expenses

Personnel expenditure in first quarter 2011 amounted to EUR 7,025K (previous year: EUR 6,950K), comprising salaries amounting to EUR 6,257K (previous year: EUR 6,089K) and social security contributions of EUR 768K (previous year: EUR 861K).

In first quarter 2011, the size of the Wirecard Group's workforce averaged 482 employees (previous year: 513 employees) (excluding the Board of Management and trainees), 117 of whom (previous year: 133) worked on a part-time basis. Of the 482 employees, 21 (previous year: 14) were employed as management board members / general managers of a subsidiary.

These employees were engaged in the following functions:

EMPLOYEES

	Q1/2011	Q1/2010
Distribution	95	90
Administration	101	89
Customer Service	157	209
Research and Development and IT	129	125
Total	482	513
Thereof employed part-time	117	133

4.4. Other operating income

Other operating income in the amount of EUR 318K (Q1/2010: EUR 366K) essentially consists of income from reversal of provisions, the revaluation of receivables or netted remunerations in kind.

4.5. Other operating expenses

Breakdown of other operating expenses:

OTHER OPERATING EXPENSES

in EUR '000s	Q1/2011	Q1/2010
Legal and financial statement costs	667	886
Consulting expenses and consulting-related expenses	903	933
Office expenses	781	704
Equipment and leasing	1,263	1,206
Sales and marketing	847	1,137
Other	3,079	1,258
Total	7,540	6,124

4.6. Financial result

Net financial result amounted to EUR 418K (previous year: EUR -298K). Expenses, amounting to EUR 236K, included EUR 234K in interest (previous year: EUR 119K). This contrasts with net financial income of EUR 654K (previous year: EUR 200K). In accordance with IAS 18.5 (a), interest income of Wirecard Bank AG, amounting to EUR 530K (previous year: EUR 447K), is not included in the financial result but in sales revenues instead. Reference is made to Chapter 4.1 Sales revenues and to 6.1 Segment reporting.

4.7. Income tax expense and deferred taxes

On balance, the consolidated income statement for the first quarter 2011 includes an income tax expense item of EUR 3,042K. Essentially, these related to the income tax burdens determined for the Group member companies on the basis of the tax calculations for first quarter 2011. Moreover, to an extent of EUR 213K they related to the accumulation of deferred tax liabilities from temporary differences and the utilization of deferred tax assets of EUR 190K.

The cash-relevant tax rate (excluding deferred taxes) amounted to 19.4 percent (Q1/2010: 7.6 percent). Including deferred taxes, it amounted to 19.6 percent (Q1/2010: 14.8 percent).

5. Notes to the consolidated cash flow statement

The Group's cash flow account is prepared in accordance with IAS 7 (Statements of Cash Flows). It discloses the cash flows in order to show the source and application of cash and cash equivalents. In doing so, it distinguishes between changes in cash flows from operating, investing and financing activities.

Method used to measure cash and cash equivalents

For purposes of the cash flow statement, a cash fund is used, consisting of cash and cash equivalents. Cash includes cash in hand and sight or demand deposits.

Cash equivalents comprise current, extremely liquid financial investments that can be converted at any time at short notice into certain amounts of cash and are only subject to negligible fluctuations in value.

As at March 31, 2011, and March 31, 2010 the Company had both cash and cash equivalents in its books.

Reconciliation to cash and cash equivalents according to IAS 7.45

The balance of financial resources at the end of the period includes cash in hand and bank balances included in the line item cash and cash equivalents (March 31, 2011: EUR 200,272K; March 31, 2010: EUR 218,161K), less current (immediately due and payable) liabilities to banks (March 31, 2011: EUR 55K; March 31, 2010: EUR 94K) included in the line item current, interest-bearing liabilities. In addition, corresponding financial resources of current customer deposits from banking operations (March 31, 2011: EUR 84,935K; March 31, 2010: EUR 68,040K) were deducted or recorded as a reduction of the financial resources fund in the consolidated cash flow statement (IAS 7.22).

Current customer deposits are fully due and payable on a daily basis and are reported under Other liabilities (customer deposits) on the equity and liabilities side in Wirecard's consolidated annual financial statements. These customer funds are comparable in economic terms with short-term (bank) current account loans or overdraft facilities.

On the assets side, separate accounts have been set up for these funds, which may not be used for any other business purposes. Against this backdrop, securities (so-called collared floaters and current interest-bearing securities) with a nominal value of EUR 32,893K are held, and deposits with the central bank, sight and short-term time deposits with credit institutions are maintained in the total amount of the customer deposits of EUR 84,935K. These are reported in the Wirecard Group under the balance sheet item “Cash and cash equivalents”, under non-current “financial and other assets” and under “current interest-bearing securities.”

The effects of currency translation and changes to the consolidation perimeter were eliminated in the course of the calculation.

CASH AND CASH EQUIVALENTS

in EUR '000s	03/31/2011	03/31/2010
Cash and cash equivalents	200,272	218,161
Current interest-bearing liabilities	(26,055)	(2,594)
of which, current liabilities to bank	(55)	(94)
Reconciliation to cash and cash equivalents	200,217	218,067
of which, current customer deposits from banking operations	(84,935)	(68,040)
of which, Acquiring deposits in Wirecard Bank AG	(73,167)	(88,508)
Financial resources fund at the end of period	115,282	150,027

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5.1. Cash flow from operating activities

Due to the special system used in Acquiring, which is essentially characterized by balance sheet date effects inherent in the business model, Wirecard decided to present a further statement in addition to the usual presentation of cash flows from operating activities to eliminate those items that are merely transitory in nature. These addenda help to identify and present the cash-relevant portion of the Company's result.

The item Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation reflects necessary adjustments e.g. due to investments in customer relationships and in E-Credit Plus Pte. Ltd., Singapore, including subsidiaries as well as the effects of the initial consolidation of Procard Services FZ LLC. This item also reflects the deduction of the relevant residual purchase price liabilities from the item Increase/decrease in other current liabilities that do not relate to the cash flow from current

business activities. Moreover, the elimination of the effect of the initial consolidation of the net working capital arising from the acquisition of the Procard Services FZ LLC is reflected in this item.

The cash flow from operating activities is determined according to the indirect method by initially adjusting Group earnings to eliminate non-cash transactions, accruals, deferrals or provisions relating to past or future cash receipts or payments as well as income and expense items to be allocated to the field of investments or finance. After taking the changes to net current assets into account, this results in an inflow/outflow of funds from current business operations. The inflow/outflow of funds from operating activities is determined by adding the company's interest and tax payments.

The principal reasons for the changes in relation to the previous year are as follows:

The unadjusted cash flow from operating activities in first quarter 2011 increased from EUR 2,043K in the previous year to EUR 12,286K, essentially attributable to the special system used in the Acquiring division, which is impacted by cut-off date effects of a transitory nature inherent in the Company's business model. In this context, it should be borne in mind in particular that a very sharp increase in the operational cash flow in the fourth quarter of 2009, which was essentially due to delayed payouts on account of the public holidays, contrasted with a counteractive trend in the cash flow for the year 2010. In addition, the collaboration with other acquiring banks in the Asian region led to a increase of the receivable item for accounting reasons, which has a negative effect on the unadjusted cash flow of the previous year. The cash flow from operating activities (adjusted for transaction volumes of a transitory nature) amounts to EUR 12,737K (previous year: EUR 12,570K).

In line with the business model, the transaction volumes generated by the Acquiring business were reported under Trade receivables as receivables from credit card organizations and banks. At the same time, these business transactions give rise to liabilities to merchants, amounting to the transaction volume (less our commissions and charges). Receivables and liabilities (less our commissions and charges) are largely transitory in nature and subject to substantial fluctuations from one balance sheet date to another.

5.2. Cash flow from investment activities

The cash flow from investment activity is the result of the inflow of funds from non-current assets (excluding deferred taxes) and the outflow of funds for investments in non-current assets (excluding deferred taxes). Cash flow from investment activities amounted to EUR -3,970K in the year under review (previous year: EUR -4,346K).

The following are essentially affected by this:

SUBSTANTIAL CASH OUTFLOWS FOR INVESTMENTS

in EUR '000s

M&A Transactions	1,831
Internally generated intangible assets	1,621
Other intangible assets (software)	273
Property, plant and equipment	245

5.3. Cash flow from financing activities

In the present report, interest paid and interest received are reported separately. In the process, interest immediately related to financing is assigned to the cash flow from financing activities, and all other to cash flow from operations.

Cash flow from financing activities in first quarter 2011 essentially concerns the cash received from borrowings of financial liabilities amounting to EUR 5,000K and cash paid for to the repayment of financial liabilities totaling EUR -10,000K.

5.4. Financial resource fund at the end of period

Taking account of these inflows and outflows (Q1/2011: EUR 3,288K; Q1/2010: EUR -3,355K), exchange rate related changes (Q1/2011: EUR -26K; Q1/2010: EUR 12K) and changes to cash and cash equivalents on account of the consolidation perimeter (Q1/2011: EUR -16K; Q1/2010: EUR 3,670K), and of the financial resource fund at the beginning of the period (Q1/2011: EUR 112,036K; Q1/2010: EUR 149,699K), the financial resource fund at the end of the period amounted to EUR 115,282K (March 31, 2010: EUR 150,027K).

6. Other notes

6.1. Segment reporting

Reportable segments are determined in accordance with an internal reporting. Apart from sales revenues, the EBITDA and EBIT contribution is used as an internal measurement criterion, which is why EBITDA and EBIT are also reported as segment results. The settlement of services between the segments is made on the basis of third-party comparisons. Within the scope of internal reporting to the main decision-makers, balance-sheet items, interest and taxes are not reported at segment level.

Sales revenues are segmented into the following operating divisions: Distinctions are drawn here between the Payment Processing & Risk Management, Acquiring & Issuing and Call Center & Communication Services divisions. The Acquiring & Issuing segment comprises all business divisions of Wirecard Bank AG.

Payment Processing & Risk Management (PP&RM) is the largest segment for the Wirecard Group. This division accounts for all products and services for electronic payment processing and risk management.

The **Acquiring & Issuing (A&I)** segment completes and extends the value added chain of the Wirecard Group with the financial services provided via Wirecard Bank AG. In the business segment Acquiring, merchants are offered statements of credit card sales revenues for online and terminal payments.

In addition, traders can process their transaction-oriented payment transactions in numerous currencies via accounts kept with Wirecard Bank AG.

In the field of Issuing, prepaid cards are issued to private customers and to business clients, with end customers also being offered current (giro) accounts combined with prepaid cards and ec/Maestro cards.

Call Center & Communication Services (CC&CS) is the segment in which we report the complete value-added scope of our call center activities, with the other products such as after-sales service to our customers and mailing activities included as sub-categories.

In addition, information is provided on geographical regions according to production locations. These are broken down into three segments. The segmentation "Europe" contains Wirecard (Gibraltar) Ltd., InfoGenie Ltd. and the companies Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland), along with its subsidiaries and Wirecard Central Eastern Europe GmbH (formerly trading as: Qenta paymentsolutions Beratungs und Informations

GmbH), Klagenfurt (Austria). In the segment “Other foreign countries” the companies cardSystems FZ-LLC, Procard Services FZ LLC and Wirecard Asia Pte. Ltd., (Singapore) are subsumed along with their subsidiaries. The segment “Germany” includes all other companies within the Wirecard Group.

BREAKDOWN OF TOTAL REVENUES BY OPERATING DIVISIONS

in EUR '000s	Q1/2011	Q1/2010
Payment Processing & Risk Management (PP&RM)	66,972	54,428
Acquiring & Issuing (A&I)	20,011	25,311
Call Center & Communication Services (CC&CS)	1,095	1,319
	88,078	81,058
Consolidation PP&RM	(1,669)	(572)
Consolidation A&I	(16,200)	(21,558)
Consolidation CC&CS	(328)	(416)
Total	69,881	58,512

EBITDA BY OPERATING DIVISIONS

in EUR '000s	Q1/2011	Q1/2010
Payment Processing & Risk Management	11,795	9,300
Acquiring & Issuing	4,923	6,519
Call Center & Communication Services	148	142
	16,866	15,961
Consolidations	0	0
Total	16,866	15,961

EBIT BY OPERATING DIVISIONS

in EUR '000s	Q1/2011	Q1/2010
Payment Processing & Risk Management	10,194	8,058
Acquiring & Issuing	4,904	6,499
Call Center & Communication Services	45	131
	15,143	14,688
Consolidations	0	0
Total	15,143	14,688

REGIONAL REVENUE BREAKDOWN

in EUR '000s	Q1/2011	Q1/2010
Germany	42,003	41,337
Europe	31,666	28,981
Other countries	1,293	1,412
	74,962	71,730
Consolidation Germany	(4,916)	(13,136)
Consolidation Europe	(165)	(82)
Consolidation Other countries	0	0
Total	69,881	58,512

EBITDA BY REGIONS

in EUR '000s	Q1/2011	Q1/2010
Germany	8,595	7,210
Europe	8,666	7,935
Other countries	(395)	816
	16,866	15,961
Consolidations	0	0
Total	16,866	15,961

EBIT BY REGIONS

in EUR '000s	Q1/2011	Q1/2010
Germany	7,373	6,270
Europe	8,362	7,642
Other countries	(592)	776
	15,143	14,688
Consolidations	0	0
Total	15,143	14,688

7. Additional mandatory disclosures

7.1. Board of Management

The following persons were employed as members of the Board of Management at Wirecard AG.

Dr. Markus Braun, commercial computer scientist, member of the Board of Management since October 1, 2004
CEO, Chief Technology Officer

Burkhard Ley, banker, member of the Board of Management since January 1, 2006
Chief Financial Officer

Other supervisory board mandates: Backbone Technology AG, Hamburg (Germany)

Jan Marsalek, computer scientist, member of the Board of Management since February 1, 2010
Chief Operating Officer

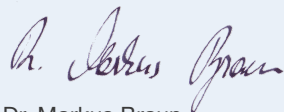
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7.2. Events after the balance sheet date

Events after the balance-sheet date, providing additional information on the Company's position as at the balance-sheet date (events required to be taken into account) have been included in the consolidated financial statements. Events not to be taken into account after the balance-sheet date are reported in the Notes if material in nature. However no such events had occurred.

Munich/Aschheim, May 17, 2011

Wirecard AG



Dr. Markus Braun



Burkhard Ley



Jan Marsalek

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Financial calendar

Please visit our website to find news and events in the Investor Relations section:

<http://www.wirecard.com/investorrelations>

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