wirecard

WIRECARD AG

INTERIM REPORT AS AT MARCH 31, 2013

Key figures

Wirecard Group

		Q1 2013	Q1 2012
Revenues	TEUR	**101,084**	**83,640**
EBITDA	TEUR	**26,334**	23,258
EBIT	TEUR	**21,070**	19,723
Earnings per share (basic)	EUR	**0.15**	0.15
Shareholders' equity	TEUR	**558,639**	494,116
Total assets	TEUR	**1,179,335**	868,208
Cash flow from operating activities (adjusted)	TEUR	**22,656**	18,262
Employees		**894**	595
of which part-time		**141**	154

Segments

in EUR '000		Q1 2013	Q1 2012
Payment Processing & Risk Management	Revenues	**71,615**	56,013
	EBITDA	**18,423**	17,485
Acquiring & Issuing	Revenues	**39,562**	32,271
	EBITDA	**7,855**	5,591
Call Center & Communication Services	Revenues	**1,199**	1,389
	EBITDA	**56**	214
Consolidation	Revenues	**- 11,292**	- 6,033
	EBITDA	**0**	- 32
Total	**Revenues**	**101,084**	**83,640**
	EBITDA	**26,334**	**23,258**

Content

Letter from the CEO

Dear Shareholders,

The first three months of the new year have certainly brought successful business for our group. Wirecard AG's consolidated revenues in the first quarter of 2013 were up 21 percent to EUR 101.1 million.

Our EBITDA increased by 13 percent from EUR 23.3 million to EUR 26.3 million.

Compared to the same period of the previous year, the transaction volume processed using the Wirecard platform was up 29.5 percent to EUR 5.7 billion. Asia accounts for EUR 0.8 billion or almost 14 percent. Our solutions for everything to do with Internet payment processing, our integrated risk management services such as fraud prevention, and financial services for card acceptance or currency management mean that the Wirecard Group provides companies with an end-to-end product range. As a result, we are growing both from our existing customers, and also from the new customers we are acquiring.

In the first quarter of 2013, we were able to further expand our leading position for mobile payment services and the associated added-value services.

At the start of April 2013, we consolidated Trans Infotech Pte. Ltd., our latest corporate acquisition in Asia. We are convinced that our strategy of integrating providers of payment transaction, network operation and technology services in high-growth economic regions in Asia into our group of companies constitutes a sustainable investment.

We are continuing to focus on mostly organic growth, which we will supplement with smaller acquisitions on our target markets.

For fiscal year 2013, the Management Board is forecasting EBITDA of between EUR 120 and EUR 130 million, taking the investments in Mobile Payments into account.

Yours sincerely,

Aschheim, May 2013

Dr. Markus Braun
CEO

1. Business activities and products

With more than 14,000 customers and 13 years of experience on the market, Wirecard AG offers its customers state-of-the-art technology, transparent real-time reporting services and support in developing their international payment strategies, be these offline, online or mobile.

Overview

Wirecard AG is one of the world's leading independent providers of outsourcing and white label solutions for electronic payment transactions.

The Wirecard Group has been supporting companies in accepting electronic payments from all sales channels. A global multichannel platform bundles international payment acceptances and methods, flanked by fraud prevention solutions. When it comes to issuing their own payment instruments in the form of cards or mobile payment solutions, Wirecard provides companies with an end-to-end infrastructure, including the requisite issuing licenses for card and account products.

As a software and IT specialist, Wirecard is also constantly expanding its portfolio with innovative payment technologies.

Business model

The Wirecard Group's business model is mostly based on transaction-based fees for the use of software or services. End-to-end solutions spanning the entire value chain are offered in customers' own corporate designs as co-branded solutions (with card organizations) as well as under the Wirecard brand. The flexible combination of technology, service and banking services makes the Wirecard platform unique for customers in all industries.

Multi-Channel Payment Gateway – global payment processing

The Multi-Channel Payment Gateway, which is linked to 200 international payment networks (banks, payment solutions, card networks) provides payment and acquiring acceptance via the Wirecard Bank and global banking partners, including the integrated risk and fraud management systems. In addition, for example country-specific payment and debit systems as well as industry-specific access solutions such as BSP (Bank Settlement Plan) or the encryption of payment data during payment transfers (tokenization) are provided. In addition, Wirecard offers call center services (24/7) with trained native speakers in 16 languages.

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.

Payment Acceptance Solutions – payment acceptance/credit card acquiring

Wirecard supports all sales channels with payment acceptance for credit cards and alternative payment solutions (multi-brand), technical transaction processing and settlement in several currencies, and it offers the corresponding POS terminal infrastructure as well as numerous other services. In addition to Principal Membership with Visa and MasterCard, there are also acquiring license agreements with JCB, American Express, Discover/Diners and UnionPay. Banking services such as forex management supplement outsourcing for financial processes.

Risk Management Solutions – Risk management

Wide-ranging tools are available for the use of risk management technology to minimize fraud scenarios and to prevent fraud (fraud/risk management). The Fraud Prevention Suite (FPS) uses rule-based decision-making logic (rule engine) and offers extensive reports, for example which proportion of transactions was rejected and why. In addition, FPS analyzes whether exclusively fraudulent transactions are rejected. Age verification, KYC identification (know your customer), analysis using device fingerprinting, hotlists and much more is included in the risk management strategies. An international network of service providers who have specialized in creditworthiness checks can also be included depending on the merchant’s business model.

Issuing Solutions – card-based solutions

The offering for issuing solutions has been constantly expanded since 2007 and includes managing card accounts and processing card transactions (issuing processing) as well as issuing various card types, mostly Visa and MasterCard. The card number can be used in connection with a plastic card, virtually or in connection with a SIM card in mobile devices, or it can be used on a sticker or in the chip and magnetic strips on a plastic card for dual use (dual interface).

Wirecard offers an SP-TSM Gateway (service provider-trusted service manager), which can be integrated into all major systems. In addition, Wirecard operates its own SP-TSM server. SP-TSM is used to provision card data in the form of secure elements in a mobile device, and includes, for example, card management, card personalization and PIN management.

Wallet Solutions – solutions for mobile payments

The Wallet Solution is based on a (white-label) platform which makes it possible to manage credit balance accounts and provides technical support for customer legitimation processes (KYC), peer-to-peer money transfers and various top-up processes - and is compliant with national and regional regulations for the issue of Visa or MasterCard products. The platform has user interfaces for administrative functions (e.g. call center) and for consumers. These can access their wallet both via the Internet and also using their cellphone in the form of smartphone apps. The wallet solution supports peer-to-peer money transfers and also Internet payments, via the cellphone (in-app payment) and also in bricks-and-mortar retail via NFC and QR-codes.

Payment Innovations – convergence of online, offline and mobile

As one of the leading providers for payment and risk management solutions, Wirecard's work is based on developing its own innovations and it also implements customer-specific special solutions. In-app payments are just one of many future-oriented technologies in this regard. The mobile card reader solution on a white label basis simplifies mobile acceptance of card payments. In the couponing and loyalty segment, at present new value-added services are arising, which Wirecard is making possible by merging acquiring and issuing. Mobile advertising services with payouts and vouchers are also being offered, right in line with the trend for convergence in sales channels and payment systems.

2. General conditions and performance

2.1. General economic conditions

Global economic conditions

In April, the International Monetary Fund (IMF) downscaled its forecast for global economic growth for 2013 by -0.2 percentage points to 3.3 percent. The European Commission is forecasting a downturn in economic output in the Eurozone in 2013 by 0.3 percent, and minimal growth of 0.1 percent for the European Union.

In April, the IMF forecast growth of 2.0 percent for 2013 for the Singapore metropolitan region. The IMF is forecasting 5.9 percent growth for the Asia 5 countries (Indonesia, Thailand, Malaysia, the Philippines and Vietnam).

Industry-specific underlying conditions

We are convinced that the European eCommerce market still offers enormous growth potential. As a result of the forecasts that have been summarized for us by market research institutes such as Forrester Research, PhoCusWright, Deutscher Versandhandelsverband, Handelsverband des deutschen Einzelhandels and others, we are expecting growth on the European eCommerce market of around 11 to 12 percent in 2013 for all industries.

According to a publication by eMarketer in February 2013, the Asia/Pacific region, with growth of 30 percent, already has the potential to overtake North America as the world's largest market for eCommerce sales. This is due, in particular, to the volume in China. Our customer mix in Asia comprises eCommerce merchants, telecommunications and financial service providers, banks as well as the operators of public transport and infrastructure offerings, and ensures the growth of our business, mostly irrespective of the economy. eCommerce here is still in its infancy, and will converge directly with mobile commerce applications as part of the rapid spread of smartphones, because mobile devices are or will become the sole source of access to the Internet for millions of people. Our early investments in companies which base their growth on state-of-the-art technologies for multi-channel enabled payment transaction solutions, mean that we already enjoy an excellent position in these regions.

2.2. Business performance

Wirecard AG was able to reach its targets in the first quarter of fiscal 2013 with more than 14,000 existing customers and continuously increasing new customer acquisitions.

Transaction volume 1st. quarter 2013

Wirecard's key unique selling points include its combination of software technology and banking products, the global orientation of the payment platform and innovative solutions that allow online payments to be processed efficiently and securely for customers.

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.

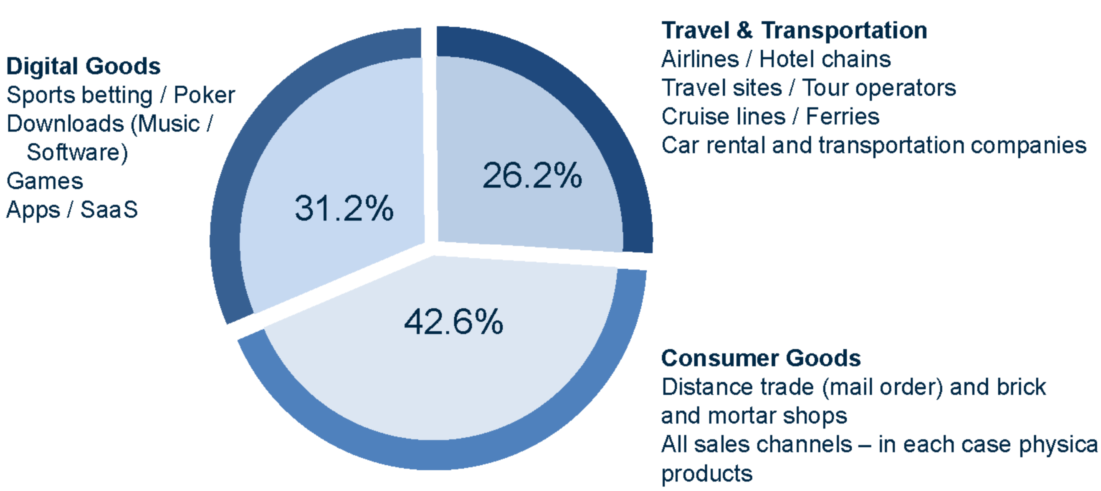
Economies of scale from the growing proportion of business customers who increase the transaction volume via acquiring bank services, as well as new product offerings are immanent in the technical platform.

Fee income from the core business of Wirecard AG, namely acceptance and issuing means of payment along with associated value added services, is generally proportionate to the transaction volumes processed. In the first quarter of 2013 the transaction volume totaled EUR 5.7 billion (Q1/2012: EUR 4.4 billion).

Asia accounted for 14 percent (EUR 0.8 billion). In the previous year period it accounted for 9.1 percent (EUR 0.4 billion).

At the end of period under review, there was the following breakdown in our target industries:

Transaction volumes



Target industries

With direct sales distributed across the Company's target industries, technological expertise and service depth, in the first quarter of 2013 Wirecard AG continued its operational growth and at the same time extended yet further its international network of cooperation and distribution partners.

In the tourism sector, we initiated strategic alliances with several airlines including SriLankan Airlines and the African low cost carrier Fast Jet. In ticketing, for example, we added Citytixx. Our co-operation with PM-International AG (product innovations for food supplements and cosmetics) is being expanded to numerous other countries step by step.

A particular unique selling point of the Wirecard Group is the centralization of cash-free 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, there are significant cross-selling and up-selling opportunities in business with existing portfolio customers, contributing to consistent growth as the business relationships expand.

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
- Digital goods
- Tourism

Consumer goods

Our customers include merchants who sell physical products to their target group (B2C or B2B). Our customer segment comprises companies of various sizes, from eCommerce start-ups through to groups with international activities. These include Internet pure players, multi-channel, teleshopping and/or purely bricks-and-mortar merchants.

The industry segmentation is highly varied: from traditional industries such as clothing, shoes, sporting equipment, books/DVDs, entertainment systems, computer/IT peripherals, furniture/fittings, tickets, cosmetics, etc. through to multi-platform structures and marketplaces.

Digital goods

The target industry digital goods comprises business models such as Internet portals, App software companies, career portals, Internet telephony and lotteries such as sports betting and poker.

Travel and transportation

Customers in the tourism sector mostly comprise airlines, hotel chains, travel portals, tour operators, travel agents, car rental companies, ferries and cruise lines as well as transport and logistics companies.

Business development in Asia

In Asia, we are already productively using technology developments for Mobile Payments, for which the launch is only now being planned in Europe. Here, for example, Wirecard is supporting EZ-Link Pte. Limited Singapore, the largest national issuer of contactless cards. Mobile electronic radio chip cards for public transport are topped up by Wirecard using over the air (OTA) technology, irrespective of the place or time.

Business trend in the field of banking services

Wirecard Bank generates most of its revenues within the group via sister companies' sales structures. This comprises banking services for companies as well as payment and card acceptance contracts and business and foreign currency accounts.

In the period under review Wirecard Bank AG has entered into a new partnership with UATP. As a result, Wirecard will now be able to offer and route payment solutions to all UATP Merchant types, including air, hotel, rail and travel agencies. Wirecard and UATP have already garnered the first client airberlin for a voucher program to be routed through the UATP Network. airberlin, Germany's second-largest airline, is already using the Wirecard Group's payment processing.

Forex management services are increasingly being provided for airlines and eCommerce providers who book incoming payments in various currencies as a result of their international business. This gives them a safe calculation basis in 33 different currencies, whether for settlement of merchandise and services in foreign currencies or when receiving foreign currencies from concluded transactions.

Business trend in the field of issuing services

Income in the issuing division comprises stemmed from B2B product lines such as the Supplier and Commission Payments solution as well as B2C prepaid card products. Wirecard has been involved in the Issuing business since 2007, and this spans the issue of prepaid cards based on the card platform we developed in house. The existing technology and the specialist knowledge we have established are now being used for mobile payments.

Business field Mobile Payments

In the period under review the cooperation with Vodafone Group was announced. This partnership is based on the creation, implementation and operation of all technical mobile payment processes as well as issuing virtual and physical co-branded Visa cards. The Vodafone payment service will be rolled out internationally from this year.

Telecommunications companies are currently establishing new ecosystems with the introduction of contactless payments. We are supporting these companies in introducing their own mobile payment products based on Near-Field-Communication (NFC) technology. Payments are made via a wireless connection to the payment terminal. The requisite card data is transferred using NFC technology via a contactless interface, for example between the end customer's physical or virtual card and the merchant's payment terminal. Corresponding encryption technologies are used for the transfer as they are applied today in EMV cards.

Wirecard AG is an end-to-end solution and service provider for the technical processing of multi-functional mobile payment solutions. During the past fiscal year, innovative solutions were presented and key transactions were concluded in the three key areas of mobile payments.

- Payment on mobile
- Mobile as the point of sale
- Mobile at the point of sale

If payments are made using cellphones (payment on mobile), the customer either pays directly from a mobile application (in-app payment) or, for example, via the Wirecard Payment Page or the smartphone's mobile browser. In-app payments always demand that the customer previously registers with the respective provider. Payment data can also be stored, as enabled by Wirecard for the myTaxi payment functions. In the case of browser-based payment processes, traditional eCommerce transactions are performed. The mobile device is only used as a front-end device, such as a laptop.

However a mobile device can also be used as a payment terminal (mobile as the point of sale) i.e., a tablet or smartphone becomes the point of acceptance using a card reader. The Wirecard Card Reader solution was already launched in the second half of 2012 for a customer in the gastronomy industry, the orderbird AG. Wirecard uses a white-label program for its Mobile Card Reader. This program comprises various card reader solutions, the associated card acceptance together with wallet applications, and open interfaces for developers. The card readers are add-on devices for smartphones or tablets, and support both the EMV standard and also magnetic strips for mobile card payments at the point of sale. The end customer confirms payment by signing the touchscreen or with their PIN.

Our end-to-end solutions are independent of specific transfer technologies, and include providing mobile wallets on a white-label basis including the associated technical services, end-to-end card management and the issue of virtual or plastic cards. In addition, as a Service Provider-Trusted Service Manager (SP-TSM) we store, or provision, virtual card data in the SIM cards for NFC-enabled cellphones. Wirecard Bank AG and Wirecard Card Solutions Ltd. have the licenses required to issue virtual or contactless cards that are based on eMoney credit cards or MasterCard or Visa. The range of services is supplemented by the acceptance and processing of card payments, account management, couponing and loyalty solutions, commercial network operations and additional banking services.

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, PC and mobile games as well as commercial software, security and navigation)
- Mail order/direct response TV (DRTV) and targeted customer service (outbond)
- Market and opinion research/Web hosting

During the past quarter, Wirecard Communication Services further expanded its partnerships with existing customers.

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 includes the business activities of Wirecard Technologies GmbH, Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland) and its subsidiaries, Wirecard Asia Group (Singapore) comprising Wirecard Asia Pte. Ltd. (Singapore) and its subsidiaries, Wirecard Processing FZ-LLC and cardSystems Middle East FZ-LLC with its registered office in Dubai (United Arab Emirates), Systems@Work Pte. Ltd., with its registered office in Singapore and its subsidiaries, PT Prima Vista Solusi, Jakarta (Indonesia), Wirecard Retail Services GmbH, Wirecard (Gibraltar) Ltd., Click2Pay GmbH and Wirecard Central Eastern Europe GmbH.

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.

The business activities of the companies included in the Payment Processing & Risk Management reporting segment exclusively comprise products and service for the acceptance or implementation and the downstream processing of electronic payments and the associated processes.

We offer our customers access to a large number of payment and risk management methods via a uniform technical platform which spans our various products and services.

Acquiring & Issuing (A&I)

This reporting segment spans the entire current business activities of Wirecard Bank AG, the Wirecard Card Solutions Ltd. and Wirecard Acquiring & Issuing GmbH. This segment includes acceptance (acquiring) and issuing credit and prepaid cards as well as account and payment transaction services for corporate and private customers.

The Acquiring & Issuing segment also includes the interest incurred at Wirecard Bank from cash deposits and income from exchange rate differences when processing transactions in foreign currencies.

Call Center & Communication Services (CC&CS)

This reporting segment includes all of the products and services of Wirecard Communication Services GmbH which deal with the call center-assisted support of corporate and private customers. In addition to its primary task of supporting the two main segments named above, this reporting segment also has its own portfolio of customers.

3. Earnings-, financial and asset position

Wirecard AG mostly publishes its figures in thousands of euro (EUR K). The use of rounding means that it is possible that some figures do not add up exactly to form the totals stated, and that the figures and percentages do not exactly reflect the absolute values on which they are based.

3.1. Earnings

In the first quarter 2013 Wirecard AG once again substantially increased its revenues and also its operating profits.

Revenue growth

In the first quarter 2013 consolidated revenues increased from EUR 83,640K by 20.9 percent to EUR 101,084K.

Revenue recorded in the core segment Payment Processing & Risk Management stemming from risk management services and processing online payment transactions lifted in the first quarter 2013 by 27.9 percent to EUR 71,615K (Q1 2012: EUR 56,013K).

The proportion of consolidated revenues accounted for by Acquiring & Issuing increased in the first quarter 2013 by 22.6 percent to EUR 39,562K (Q1 2012: EUR 32,271K).

Income from Acquiring & Issuing in the first quarter 2013 primarily comprised out of commissions, interest from financial investments and income from processing payments, as well as exchange rate gains from processing transactions in foreign currencies. Customer deposits to be invested by the Wirecard Bank and Wirecard Card Solutions (March 31, 2013: EUR 223,701K; March 31, 2012: EUR 111,075K) are held only in sight deposits, overnight or fixed-term deposits and bearer bonds with or held by other banks which meet the creditworthiness requirements from the group's own risk valuation and - to the extent that third-party ratings are available - are assessed by rating agencies of note as being subject to minimal risk. In addition, the group prepares its own risk valuation for the counterparty.

The interest income recorded by the Acquiring & Issuing segment in the first quarter 2013 totaled EUR 695K (Q1 2012: EUR 853K), and is presented as revenues. Accordingly, it is not included in the Group's net financial income but is also reported here as revenues. 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 (CC&CS) segment generated revenues of EUR 1,199K in the period under review, compared with EUR 1,389K in the first quarter 2012.

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, own work is only capitalized if it is subject to mandatory capitalization in accordance with IFRS accounting principles. In the first quarter 2013 the total own work capitalized amounted to EUR 3,673K (previous year: EUR 2,088K). It is corporate policy to value assets conservatively and to capitalize them only if this is required in terms of international accounting standards.

The Group's cost of materials increased in the first quarter 2013 to EUR 59,188K, compared to EUR 47,787K in the previous year. In particular, the cost of materials includes commission payables to banks issuing credit cards (Interchange), charges payable to credit card companies (e.g. MasterCard and Visa), transaction costs as well as transaction-based fees to third party suppliers (e.g. in the field of risk management and acquiring). For risk management, it also includes expenses for payment guarantees and factoring. In the field of acquiring it comprises commission costs for external distributions.

In the Acquiring and Issuing segment, the cost of materials comprises expenses incurred by the Acquiring, Issuing and Payment divisions such as Interchange, and primarily processing costs for 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 2013 the cost of materials, not adjusted for consolidation effects, amounted to EUR 24,996K at Wirecard Bank, compared with EUR 20,759K in the first quarter 2012.

Gross earnings (revenues including other own work capitalized less cost of materials) increased in the first quarter 2013 by 20.1 percent, amounting to EUR 45,569K (Q1 2012: EUR 37,941K).

Group personnel expenses in the first quarter 2013 increased to EUR 11,007K, and thus increased by 26.5 percent year-on-year (Q1 2012: EUR 8,699K). The consolidated personnel expense ratio lifted by 0.5 percentage points year-on-year, to 10.9 percent. The increase in personnel expenses is as well due to the acquisitions made in the last year as due to the projects in the mobile payment business, which also restrict the comparability of this item.

Other operating expenses essentially comprise expenses on sales and marketing, operating equipment and leasing, consultancy and similar fees, value adjustments as well as office expenses. These also include costs for external employees and consultants used in mobile payment projects.

These totaled EUR 9,068K in the Wirecard Group in the first quarter 2013 (previous year: EUR 6,657K). They thus totaled 9.0 percent (previous year: 8.0 percent) of revenues.

Depreciation and amortization in first quarter 2013 amounted to EUR 5,264K (Q1 2012: 3,535K) and was formed mostly for investments in products for the payment platform. Amortization/depreciation increased in the first quarter 2013 compared to the same period of the previous year, mostly due to investments in property, plant and equipment, the initial consolidation of companies and business combinations.

Other operating income comprised primarily income from the reversal of provisions and income from contractual agreements in the first quarter 2013 this totaled EUR 840K for the Group as a whole, compared with EUR 673K in the previous year.

EBITDA development

The pleasing earnings growth is due to the increase of the transaction volume processed by the Wirecard Group, economies of scale from the transaction-oriented business model and from the increased use of our banking services.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were up in the first quarter 2013 by 13.2 percent in the Group, from EUR 23,258K in the previous period to EUR 26,334K. The EBITDA margin in the first quarter 2013 amounted to 26.1 percent (previous year: 27.8 percent).

EBITDA in the Payment Processing & Risk Management segment in the first quarter 2013 totaled EUR 18,423K, and was up by 5,4 percent (Q1 2012: EUR 17,485K) taken into account the expenses for the mobile payment and M&A. In the first quarter 2013 the Acquiring & Issuing segment accounted for EUR 7,855K of EBITDA (Q1 2012: EUR 5,591K), and in the first quarter 2013 Issuing accounted for EUR 3,472K.

Financial result

Net financial income in the first quarter 2013 totaled EUR - 954K (Q1 2012: EUR - 700K). Group financial expenditure in the first quarter 2013 amounted to EUR 1,464K (previous year: EUR 2,014K) and resulted primarily from loans taken out for past corporate acquisitions and the revaluation of financial assets. Financial income does not include interest income generated by the Wirecard Bank, which must 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 the first quarter 2013 (without deferred taxes) amounted to 14.9 percent (Q1 2012: 16.9 percent). Including deferred taxes, the tax rate came to 17.8 percent (previous year: 19.7 percent).

Profit after taxes

In the first quarter 2013 earnings after taxes increased from EUR 15,282K in the previous year by 8.2 percent to EUR 16,531K.

Earnings per share

The number of shares (basic) issued in the first quarter 2013 was 112,192,241 numbers (previous year: 104,376,185). Earnings per share (basic) in the first quarter 2013 totaled EUR 0.15 (Q1 2012: EUR 0.15).

3.2. Net assets and financial analysis

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, currency options were deployed as financial derivatives to hedge revenues in foreign currencies in the period under review. It has been stipulated throughout the Group that no speculative transactions are entered into with financial derivatives (see Chapter 7.7 Financial Risks in the annual report 2012).

Capital and financing analysis

Wirecard AG reports equity of EUR 558,639K (December 31, 2012: EUR 541,730K). 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 as at March 31, 2013 amounting to EUR 113,633K at variable interest rates of between 1.7 and 3.95 percent as of the balance sheet date, do not include these items in the credit agreement concluded in 2011 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 Wirecard AG's equity ratio by dividing the amount of liable equity by total assets. Liable equity is determined by subtracting deferred tax assets and 50 percent of goodwill 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 identified by subtracting customer deposits, the Acquiring funds of Wirecard Bank and the reduction in equity from the audited total assets, and leasing liabilities are added again to these total assets. This calculation gives an equity ratio of 57.2 percent for Wirecard AG (December 31, 2012: 58.6 percent).

Capital expenditure

The criteria for investment decisions in the Wirecard Group are, as a rule: the capital employed, the securing of a comfortable inventory of cash and cash equivalents, the results of an in-depth 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 capital expenditure, the chronological course of investment return flows is taken fully into account. During the period under review, capital expenditure was mostly for strategic customer relationships and the acquisition of Trans Infotech Pte.. In internally developed software the investments totaled to EUR 3,673K.

Liquidity analysis

Current customer deposits 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) account loans or overdraft facilities. For customer deposits (on March 31, 2013 these amounted to EUR 223,701K; March 31, 2012: EUR 111,075K) 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 148,945K (March 31, 2012: EUR 32,970K) 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 73,703K (March 31, 2012: EUR 78,105K). 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. As of March 31, 2013 this totaled EUR 248,490K (March 31, 2012: EUR 273,433K).

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 from operating activities, Wirecard AG reports a further cash flow statement to eliminate items that are of a merely transitory nature. These addenda help to identify and present the cash-relevant portion of the Company's earnings.

The cash flow from operating activities (adjusted) amounting to EUR 22,656K, clearly shows that Wirecard AG had a comfortable volume of own liquidity to meet its payment obligations at all times.

Interest-bearing liabilities are mostly non-current and were used for M&A transactions performed, or are available for potential future M&A transactions. As a result, the group's interest-bearing liabilities to banks increased by EUR 18,663K to EUR 113,633K (December 31, 2012: EUR 94,970K).

Asset position

Assets reported in the balance sheet of Wirecard AG in the first quarter 2013 increased by EUR 51,451K from EUR 1,127,884K to EUR 1,179,335K. In the period under review the current assets increased from EUR 668,010K to EUR 699,827K. In addition to the capital expenditure in the period under review the changes are primarily due to the growth in operating business. In addition to the assets reported in the balance sheet, in the Wirecard Group there are also unreported intangible assets, such as software components, customer relationships, human and supplier capital and others.

4. GROUP STRUCTURE AND ORGANIZATION

4.1. Subsidiaries

The Wirecard Group includes various subsidiaries.

Europe

The parent company, Wirecard AG, is headquartered in Aschheim near Munich, Germany, which is also the head office of Wirecard Bank AG, Wirecard Technologies GmbH, Wirecard Acquiring & Issuing GmbH, Wirecard Sales International GmbH, Wirecard Retail Services GmbH, and Click2Pay GmbH. The head office of Wirecard Communication Services GmbH is in Leipzig.

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

Wirecard Retail Services GmbH complements the range of services of the sister companies by providing 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.

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 subsidiaries Wirecard Payment Solutions Holdings Ltd., Wirecard UK and Ireland Ltd. and Herview Ltd., all with head offices in Dublin (Ireland), as well as Wirecard Central Eastern Europe GmbH and based in Klagenfurt (Austria) provide sales and processing services for the Group's core business, namely Payment Processing & Risk Management. Click2Pay GmbH operates wallet products.

Wirecard Card Solutions Ltd., based in Newcastle (United Kingdom) received its eMoney license from the UK Financial Services Authority with effect from September 7, 2012. Wirecard acquired the entire prepaid card issuing business from Newcastle Building Society in the United Kingdom was taken over in 2012.

Wirecard Acquiring & Issuing GmbH and Wirecard Sales International GmbH, both headquartered in Aschheim, act as intermediate holding companies for subsidiaries within the Group and have no operating activities.

Asia

Wirecard Processing FZ-LLC and cardSystems Middle East FZ-LLC with registered offices in Dubai, United Arab Emirates, suport sales, mostly for regional customers and partners, and specialize in services for electronic payment processing, credit card acceptance and the issue of debit and credit cards. These services are provided for Wirecard Group companies as well as merchants and banks.

The Wirecard Asia Group, comprising Wirecard Asia Pte. Ltd. and its subsidiaries E-Credit Plus Corp., Las Pinas City (Philippines), Wirecard Malaysia SDN BHD, Petaling Jaya (Malaysia), E-Payments Singapore Pte. Ltd. (Singapore), is engaged in the field of online payment processing, predominantly on behalf of eCommerce merchants in the eastern Asian region.

Singapore-based Systems@Work Pte. Ltd. with its subsidiaries and TeleMoney brand is one of the leading technical payment service providers for merchants and banks in the East Asian region. The group includes the subsidiaries Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia) and Safe2Pay Pte. Ltd. (Singapore).

In December 2012 we completed the acquisition of PT Prima Vista Solusi, which is headquartered in Jakarta, Indonesia. The company is a leading provider of payment transaction, network operation and technology services for banks and retail companies in Indonesia.

On December 21, 2012 we announced the acquisition of a 100% interest in Trans Infotech Pte. Ltd., Singapore.

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

4.2. Management Board and Supervisory Board

The Management Board of Wirecard AG remained unchanged as of December 31, 2013, consisting of three members:

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

There were no changes to Wirecard AG's Supervisory Board. The Supervisory Board had the following members on December 31, 2013:

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

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

4.3. Employees

The success of the service-oriented business model of Wirecard AG relies to a large extent on having a highly motivated international team. That is why the Human Resources department provides employees with the best-possible support commensurate with their talents and qualifications. Executives respect fundamental social principles, endorse an entrepreneurial approach and seek to foster team spirit in order to boost the Company's innovative prowess. Our executives have an inter-cultural mindset and live a participative management style, with greater involvement by employees in decision-making processes. The Human Resources department attaches great importance to supporting employees individually, in order to ensure their optimum development.

Development first quarter 2013

There were 894 employees on average in Q1 2013 (Q1/2012: 595), without members of the Management Board and trainees of which 141 (Q1/2012: 154) were employed part-time. The comparability is restricted due to the acquisitions made in the last year.

5. Report on events after the balance sheet date

5.1. Events of particular importance

M&A

As at April 09, 2013 Wirecard Sales International GmbH has taken over control about Trans Infotech Pte. Ltd. based in Singapore.

Publications according to Section 15 of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG)

Wirecard AG published its preliminary figures for the first quarter 2013 in an ad hoc release dated April 24, 2013. At the same time, the forecast EBITDA for 2013 was confirmed, which is expected to be between EUR 120 and 130 million.

Disclosures within the meaning of Section 25a (1) of the WpHG and Section 26 (1) of the WpHG

(reported to the company after the end of the period under review)
Details can be found online at http://www.wirecard.com/investorrelations/financial-news/financialnews/

5.2. Impact on the Group's financial position and results of operations

After the balance sheet date Trans Infotech Pte. Ltd. has been fully consolidated into Wirecard Group since April 09, 2013. The considerations in connection with this transaction comprise cash payments (all converted into Euro) in an amount of approx. EUR 21.1 million and earn out-components of up to approx. EUR 4.4 million, dependent on the operational profit (EBITDA) of the acquired group in the years 2013 through 2015. It is expected that the acquired group of companies will reach an EBITDA of approx. EUR 2.5 million in fiscal 2013, taking one-off expenses in the amount of EUR 0.75 million into account.

Additional information in section 1.1 (Notes): Acquisitions

6. Research and Development/ Risks and 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 and 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, the aim is to adopt corrective countermeasures and limit, avoid or shift risks, in order to optimize the company's risk position relative to its earnings. The implementation and effectiveness of any countermeasures adopted has to be continually reviewed.

In order to keep the financial impact 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 2012, 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

We are taking an optimistic view of fiscal year 2013, and expect that we will once again grow at a faster pace than the market this year. This is based on our core business, which is benefiting from the growing eCommerce market in Europe and Asia. This is coupled with our Issuing activities for prepaid card products.

We will sustainably expand our market position as a specialist for payment and processing and for financial services with our new Mobile Payment initiatives. Wirecard AG’s modular technology platform also forms the core of all of our activities for mobile payment solutions.

We are sticking to our successful strategy of mostly organic growth in connection with moderate acquisitions.

In fiscal year 2013, we are continuing to expect strong business growth, and confirm our forecast of EBITDA of between EUR 120 and EUR 130 million.

Aschheim (Munich) May 15, 2013

Wirecard AG

Dr. Markus Braun Burkhard Ley Jan Marsalek

Wirecard Stock

The German stock market continued to enjoy positive performance in Q1 2013. The main index, the DAX, moved sideward in the first three months of the year, and after reaching an interim high of more than 8,000 points, it increased by 2.4 percentage points to 7795.31 points. The TecDAX soared to 932.03 points and was thus up by 12.6 percent. Wirecard's stock increased in the quarter under review by 15.9 percent, once again more than the benchmark TecDAX and on March 28, the last trading day in the quarter, the stock closed at a historic high of EUR 21.55. The lowest share price in the three-month period was recorded on January 31, 2013 at EUR 16.77.

During the quarter, a total of 23.6 million Wirecard shares were traded on the electronic XETRA trading platform, which corresponds to an average trading volume of 380,412 shares per day.

Key figures Wirecard stock Q1 2013

		Q1 2013	Q1 2012
Number of shares - all dividend-entitled		112,192,.241	111,983,452
Share capital	EUR thousand	112,192	111,983
Market capitalization (March 31)	EUR bn	2.42	1.60
Share price (March 31)	EUR	21.55	14.28
Annual high as of March 31	EUR	21.55	14.90
Annual low as of March 31	EUR	16.77	12.78

Price data: XETRA closing prices

Investor Relations

Wirecard AG's Management Board and Investor Relations are in constant contact with institutional investors in person-to-person discussions, roadshows and investor conferences. At the end of the period under review, sixteen analysts from banks of note were monitoring Wirecard's stock.

The Management Board 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.

Additional information online at: http://www.wirecard.com/investor-relations/

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 GY	
German Securities Code No. (WKN):	747206	
ISIN:	DE0007472060	
Authorized capital, in number of shares:	112,192,241	
Group accounting category:	Exempting consolidated financial statements according to IAS/IFRS	
End of fiscal year:	December 31	
Total share capital as at March 31, 2013	EUR 112,192K	
Start of stock market listing:	October 25, 2000	
Management Board:	Dr. Markus Braun	CEO, CTO
	Burkhard Ley	CFO
	Jan Marsalek	CSO
Supervisory Board:	Wulf Matthias	Chairman
	Alfons W. Henseler	Deputy Chairman
	Stefan Klestil	Member
Shareholder structure as at March 31, 2013:		
(Shareholders with more than 3% of voting rights)	5.9 % MB Beteiligungsgesellschaft mbH	
	94,1 % free float (according to Deutsche Börse's definition), of which	
	*6 % Jupiter Asset Management Ltd. (UK)	
	*5 % Alken Fund Sicav (LU)	
	3.79 % Artisan Partners (US)	
	3.02 % Manning & Napier Group LLC (US)	

*) After capital increase 2012. Interests (rounded) according to last notification by investors (Section 26a WpHG)

WIRECARD PLATFORM

	MULTI-CHANNEL PAYMENT GATEWAY	PAYMENT ACCEPTANCE SOLUTIONS	RISK AND FRAUD MANAGEMENT	ISSUING SOLUTIONS	WALLET SOLUTIONS	PAYMENT INNOVATIONS
TECHNOLOGY	> More than 200 connections to banks, payment solutions and card networks > Tokenization of sensitive payment data > Adapters for industry software solutions > Real-time reporting and business intelligence > Subscription management > Billing and Settlement Plan (BSP) > Automated dispute management > White-label user- and system-interfaces	> Card acquiring processing > Acquiring processing of alternative payment schemes > Multi-currency processing and settlement > Terminal software for payment and value added services > Terminal management solutions	> Automated fraud pattern detection > Address verification > Credit rating agency gateway > Device fingerprinting > Real-time rule-engine > Bespoke decision logic and score cards > Hotlists (black/white/grey)	> Card issuing processing > Multiple card types (credit, debit and prepaid cards) > Multiple form factors: plastic, virtual, mobile, sticker, dual-interface > Instant card creation > SP-TSM* gateway	> Multi-channel consumer enrolment and base-data management > Zero-balance and pass-through accounts > Credit facility management > Multiple top-up and funding sources > Mobile and Internet apps > Peer-to-peer funds transfer (P2P)	> International money remittance > In-app payments > Mobile card reader solutions > Loyalty and couponing services > Contextual advertising and cash-back > Biometric and "mini ATM" solutions for emerging markets > Industry solutions (e.g. public transport, taxi, airline,...)
SERVICES	> Global payment strategy advisory > Multi-lingual 24/7 merchant helpdesk > Case management and exception handling > Payment guarantee	> Corporate banking services > Acquiring services for Visa, MasterCard, JCB, American Express, Discover/Diners, UnionPay and alternative payment methods > Consolidated settlement and treasury services > Terminal network deployment and operation	> Credit risk and fraud management advisory > Case management and exception handling > Anti-money-laundry monitoring	> Card program management > Issuing licenses from Visa, MasterCard, JCB > BIN sponsorship services > Supplier selection and management > Card personalization and data preparation > PIN-management > Hosted SP-TSM* service	> Multi-lingual 24/7 helpdesk facilities > Consumer banking services > eMoney institution > Managed know-your-customer (KYC) service > Marketing and merchant enrolment support	> Management of multi-channel payment products for financial institutions and mobile operators > Merchant and consumer acquisition for payment products with outbound callcenter

END-TO-END-SOLUTIONS FOR ALL INDUSTRY-VERTICALS

ONLINE — POS — MOBILE — MAIL ORDER/TELEPHONE ORDER (MOTO)

WHITE-LABEL — CO-BRANDED — WIRECARD-BRANDED

* Service Provider - Trusted Service Manager

Consolidated Balance Sheet – Assets

in EUR '000s	03/31/2013	12/31/2012
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	**141,862**	142,149
Internally generated intangible assets	**31,459**	28,797
Other intangible assets	**26,238**	25,607
Customer relationships	**160,208**	151,279
	359,767	**347,832**
2. Property, plant and equipment		
Other property, plant and equipment	**11,250**	11,802
3. Financial and other assets / interest-bearing securities	**107,915**	99,128
4. Tax credits		
Deferred tax assets	**576**	1,112
Total non-current assets	**479,508**	**459,874**
II. Current assets		
1. Inventories and work in progress	**1,250**	1,626
2. Trade receivables and other receivables	**256,492**	215,496
3. Tax credits		
Tax refund entitlements	**8,424**	8,384
4. Interest-bearing securities and fixed deposits	**111,116**	84,332
5. Cash and cash equivalents	**322,545**	358,172
Total current assets	**699,827**	**668,010**
Total assets	**1,179,335**	**1,127,884**

Consolidated Balance Sheet – Equity and Liabilities

in EUR '000s	03/31/2013	12/31/2012
EQUITY AND LIABILITIES		
I. Shareholders' equity		
1. Subscribed capital	**112,192**	112,192
2. Capital reserve	**140,425**	140,425
3. Retained earnings	**306,278**	289,746
4. Foreign currency translation reserve	**- 256**	- 634
Total shareholders' equity	**558,639**	**541,730**
II. Liabilities		
1. Non-current liabilities		
Non-current interest-bearing bank liabilities	**100,031**	80,031
Other non-current liabilities	**11,912**	12,305
Deferred tax liabilities	**13,288**	13,232
	125,231	**105,568**
2. Current liabilities		
Trade payables	**223,939**	187,249
Current interest-bearing liabilities	**13,602**	14,939
Other current provisions	**1,249**	1,298
Other current liabilities	**24,459**	28,971
Customer deposits from banking operations	**223,701**	241,893
Tax provisions	**8,515**	6,236
	495,465	**480,586**
Total liabilities	**620,696**	**586,154**
Total shareholders' equity and liabilities	**1,179,335**	**1,127,884**

Consolidated Income Statement

in EUR '000s	01/01/2013 - 03/31/2013		01/01/2012 - 03/31/2012	
I. Revenues		**101,084**		**83,640**
II. Other own work capitalized		**3,673**		**2,088**
1. Own work capitalized	**3,673**		2,088	
III. Operating expenses		**75,459**		**60,021**
1. Cost of materials	**59,188**		47,787	
2. Personnel expenses	**11,007**		8,699	
3. Amortization and depreciation	**5,264**		3,535	
IV. Other operating income and expenses		**- 8,228**		**- 5,984**
1. Other operating income	**840**		673	
2. Other operating expenses	**9,068**		6,657	
Net operating income		**21,070**		**19,723**
V. Financial result		**- 954**		**- 700**
1. Other financial income	**510**		1,314	
2. Financial expenses	**1,464**		2,014	
VI. Profit before taxes		**20,116**		**19,023**
VII. Income tax		**3,585**		**3,741**
VIII. Profit after taxes		**16,531**		**15,282**
Earnings per share (basic) in EUR		**0.15**		0.15
Earnings per share (diluted) in EUR		**0.15**		0.15
Average shares outstanding (basic)		**112,192,241**		104,376,185
Average shares outstanding (diluted)		**112,332,197**		104,567,247

Consolidated Statement of Comprehensive Income

in EUR '000s	01/01/2013 - 03/31/2013	01/01/2012 - 03/31/2012
Profit after taxes	**16,531**	15,282
Change in exchange differences from translation of operations outside the euro zone	**378**	76
Total comprehensive income	**16,909**	15,358

Consolidated Statement of Changes in Equity

	Subscribed capital Nominal value / number of shares issued EUR '000s / NO.'000s	Capital reserve EUR '000s	Retained earnings EUR '000s	Foreign currency translation reserve EUR '000s	Total Shareholders' Equity EUR '000s
Balance as of December 31, 2011	101,803	11,261	227,648	175	340,887
Profit after taxes			15,282		15,282
Currency translation differences				76	76
Total comprehensive income	**0**	**0**	**15,282**	**76**	**15,358**
Capital increase	10,180	127,691			137,871
Balance as of March 31, 2012	**111,983**	**138,952**	**242,930**	**251**	**494,116**
Balance as of December 31, 2012	**112,192**	**140,425**	**289,746**	**- 634**	**541,730**
Profit after taxes			16,531		**16,531**
Currency translation differences				378	**378**
Total comprehensive income	**0**	**0**	**16,531**	**378**	**16,909**
Balance as of March 31, 2013	**112,192**	**140,425**	**306,277**	**- 256**	**558,639**

Consolidated Cash Flow Statement

in EUR '000s	01/01/2013 - 03/31/2013	01/01/2012 - 03/31/2012
EBIT	**21,070**	**19,723**
Gains/Losses from the disposal of non-current assets	**0**	- 15
Amortization/depreciation/write-ups of non-current assets	**5,264**	3,535
Impact on foreign currency translation	**- 112**	420
Changes in inventories	**376**	- 33
Changes in trade and other receivables	**- 41,875**	- 4,493
Changes in other assets	**- 11,632**	- 6,412
Changes in provisions	**130**	- 688
Changes in non-current liabilities excluding financial liabilities	**85**	284
Changes in trade payables	**36,776**	2,449
Changes in other current liabilities	**- 34**	- 4,153
Income taxes paid	**- 707**	- 2,246
Interest paid (excl. interest on loans)	**- 26**	- 65
Interest received	**143**	20
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	**1,000**	0
Cash flow from operating activities	**10,458**	**8,327**
Cash paid for investments in intangible assets and property, plant and equipment	**- 16,432**	- 2,619
Cash received from the sale of intangible assets and property, plant and equipment	**0**	544
Cash paid for investments in financial assets and interest bearing securities	**- 2,101**	- 7,500
Cash paid for the acquisition of entities and investments in consolidated entities	**- 1,000**	0
Cash flow from investing activities	**- 19,533**	**- 9,575**
Cash received from the issue of shares	**0**	139,470
Cash paid for expenses from the issue of shares	**0**	- 2,202
Drawdown/redemption of lease liabilities	**- 478**	- 209
Cash received from financial liabilities	**20,000**	5,000
Cash paid for expenses from financial liabilities	**- 12**	- 107
Cash paid from repayments of financial liabilities	**- 1,250**	- 9,024
Interest paid on loans	**- 768**	- 233
Cash flow from financing activities	**17,492**	**132,695**
Net change in cash and cash equivalents	**8,417**	**131,447**
Adjustments due to currency translation	**377**	76
Financial resources fund at the beginning of period	**239,696**	**141,910**
Financial resources fund at the end of period	**248,490**	**273,433**

Consolidated cash flow from operating activities (Adjusted)

in EUR '000s	01/01/2013 - 03/31/2013	01/01/2012 - 03/31/2012
EBIT	**21,070**	**19,723**
Gains/losses from the disposal of non-current assets	**0**	- 15
Amortization/depreciation/write-ups of non-current assets	**5,264**	3,535
Impact from foreign currency translation	**- 535**	- 45
Changes in inventories	**376**	- 33
Changes in trade receivables and other assets (adjusted)	**- 1,206**	3,255
Changes in provisions	**130**	- 688
Changes in non-current liabilities excluding financial liabilities	**85**	284
Changes in trade payables (adjusted)	**- 2,941**	- 1,393
Changes in other current liabilities	**3**	- 4,070
Income taxes paid (adjusted)	**- 707**	- 2,246
Interest paid (excl. interest on loans)	**- 26**	- 65
Interest received	**143**	20
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	**1,000**	0
Cash flow from operating activities	**22,656**	**18,262**

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 AG 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 also eliminates the capital gains taxes on dividends that are refunded in the following year. This is intended to facilitate the identification and reporting of the cash-relevant portion of the Company's results.

Explanatory Notes

1. Disclosures related to the company and its valuation principles
1.1. Business activities and legal background

Wirecard AG, Einsteinring 35, 85609 Aschheim 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.

Group of consolidated companies

As of March 31, 2013 a total of 23 subsidiaries were fully consolidated. On March 31, 2012 this figure totaled 22 companies.

Subsidiaries of Wirecard AG

	Shares
Wirecard Technologies GmbH, Aschheim (Germany)	100%
Wirecard Communication Services GmbH, Leipzig (Germany)	100%
Wirecard Retail Services GmbH, Aschheim (Germany)	100%
cardSystems Middle East FZ-LLC, Dubai (United Arab Emirates)	100%
Click2Pay GmbH, Aschheim (Germany)	100%
Wirecard (Gibraltar) Ltd. (Gibraltar)	100%
Wirecard Sales International GmbH, Aschheim (Germany)	100%
Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland)	100%
Wirecard UK and Ireland Ltd., Dublin (Ireland)	100%
Herview Ltd., Dublin (Ireland)	100%
Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria)	100%
Systems@Work Pte. Ltd. (Singapore)	100%
Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia)	100%
Safe2Pay Pte. Ltd. (Singapore)	100%
PT Prima Vista Solusi, Jakarta (Indonesia)	100%
Wirecard Asia Pte. Ltd. (Singapore)	100%
E-Credit Plus Corp., Las Pinas City (Philippines)	100%
Wirecard Malaysia SDN BHD, Petaling Jaya (Malaysia)	100%
E-Payments Singapore Pte. Ltd. (Singapore)	100%
Wirecard Processing FZ LLC, Dubai (United Arab Emirates)	100%
Wirecard Acquiring & Issuing GmbH, Aschheim (Germany)	100%
Wirecard Bank AG, Aschheim (Germany)	100%
Wirecard Card Solutions Ltd., Newcastle (United Kingdom)	100%

Uniform accounting and valuation methods apply to the group 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

Trans Infotech Pte. Ltd.

The Wirecard Group agreed to purchase a 100% Interest in Trans Infotech Pte. Ltd., Singapore, together with its companies, on December 21, 2012. Trans Infotech Pte. Ltd. was formed in 1997 and has 80 employees. The group ranks among the leading providers in the payment services sector for banks in Vietnam, Cambodia and Laos. In addition, Trans Infotech acts as a technology partner for banks, transport companies and trading companies in Singapore, The Philippines and Myanmar, offering payment, network operation and technology services. The compensation due as part of the transaction comprises cash payments of around EUR 21.1 million (translated) plus earn-out components which could total up to approx. EUR 4.4 million. These earn-out components are based on the operating profits (EBITDA) for the purchased companies from 2013 to 2015. The company is expected to record EBITDA of around EUR 2.5 million in fiscal year 2013. The group recorded a practically balanced result in fiscal year 2012 with revenues of EUR 9.1 million. This transaction was closed at April 9, 2013. Integration costs are put at EUR 0.75 million. As one of the leading payment service providers in the Indo-Chinese region, Trans Infotech is an ideal supplement to Wirecard’s activities in Singapore and Indonesia. The company has a strong orientation to the region’s high-growth markets, and already has, for example, card management for local prepaid and debit cards as well as contactless and mobile card payments in its program. This step broadens the basis for Wirecard’s sales in South-East Asia. Trans Infotech plays a key role on markets in the Indo-Chinese region, which are growing at a dynamic pace, and it currently has more than 60,000 terminals.

According to preliminary estimates and valuations, the following assets have been acquired:

Amounts recorded and fair value per main category arising from the corporate acquisition Trans Infotech Pte. Ltd., Singapore

in EUR '000s	Carrying amount	Fair value
Cash & cash equivalents	579	**579**
Goodwill	0	**770**
Customer relationships	16,700	**20,411**
Other non-current intangible assets	1,400	**4,396**
Other assets	6,166	**6,166**
Deferred tax liabilities	0	**1,056**
Non-current Liabilities	431	**431**
Current liabilities	5,865	**5,865**
Shareholders' equity	18,549	**24,970**

1.2. Principals and assumptions used in preparing the financial statement

Principles

The financial statements as at March 31, 2013 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, 2012 also apply accordingly to the present 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, 2012. The balance sheet, income statement and cash flow statement were presented in EUR. This helps to make these easier to read. However, this presentation can result in differences between the actual figures and the individual figures disclosed. In addition, rounding can result in differences in the corresponding figures in other tables or in the text.

Comparability

As a result of the consolidation of the assets and liabilities acquired as part of the purchase of the prepaid card portfolio from Newcastle Building Society, the PT Prima Vista Solusi and the assets of NETRADA Payment GmbH during the period under review, several items in the financial statements have changed substantially. As a result, comparability is only possible to a limited extent. In particular, this relates to the asset items of receivables, cash and cash equivalents and the liability item of customer deposits.

Accounting and valuation methods

In the course of preparing the financial statements as at March 31, 2013, the same accounting and valuation principles were used as for the last consolidated financial statements (December 31, 2012) and in the previous-year period (January 1, 2012 through March 31, 2012) if no other information is provided in the report. For more details please refer to the Annual Report as at December 31, 2012.

2. Explanatory notes on consolidated 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, 2012). The determination of the recoverable amount of a business segment (cash-generating unit) to which goodwill was assigned is based on 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.

Goodwill only changed slightly in the first quarter 2013 as a result of currency translation with valuation on the balance sheet date, and totals EUR 141,862K (December 31, 2012: EUR 142,149)K. There were neither additions nor impairment-related write-downs. Goodwill is reported in the following cash-generating units:

Goodwill

in EUR '000s	03/31/2013	12/31/2012
Payment Processing & Risk Management	**107,422**	107,422
Acquiring & Issuing	**34,439**	34,439
Call Center & Communication Services	**288**	288
Total	**142,149**	**142,149**
Less: Impairment-related write-downs	**0**	0
Less: Goodwill changes as of currency translation	**287**	0
	141,862	**142,149**

Internally generated intangible assets

In first quarter 2013 internally-generated software was developed and capitalized in the amount of EUR 3,673K (Q1 2012: EUR 2,088K). Compared to the previous year, this item has increased in particular as a result of the increased development activities at Wirecard Processing FZ LLC and Wirecard Technologies GmbH. This relates to software for the payment platform and "Mobile Payment" projects. It is written off using the straight-line method over its anticipated useful economic life of 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. The relevant period ranges from three to ten years. This item changed in the period under review from EUR 25,607K to EUR 26,238K.

Customer relationships

Customer relationships refer to acquired customer portfolios and those resulting from companies being consolidated. The acquisitions made by Wirecard focused on acquiring regional customer relationships in order to expand the market position with the acquisitions made. The increase in this item of EUR 8,929K in the period under review is connected with the further expansion of strategic customer relationships. As a rule, amortization starts together with the flow of benefits and is performed over the expected useful life.

2.2. Property, plant and equipment

Other property, plant and equipment

Property plant and equipment comprises office and business equipment. It 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, thirteen years for office equipment and furniture. The main increases in this item are due to investments in expanding the computer centers and also to the first-time consolidation of the companies acquired.

Any gains and losses on disposal of fixed assets are recorded as other operating income and expenses, respectively. Maintenance and minor repairs are charged to profit and loss as incurred.

Financing and leases

The carrying amount of the technical equipment and operating and office equipment held as part of finance leases on March 31, 2013 totaled EUR 4,395K (December 31, 2012: EUR 4,826K). The leased items serve as security for the respective obligations from the finance leases agreements.

2.3. Financial and other assets / interest bearing securities

Financial and other assets on March 31, 2013 totaled EUR 107,915K (December 31, 2012: EUR 99,128K). In order to improve interest income, various interest-bearing securities were held. These mostly bear income based on the money market, in some cases minimum and maximum interest rates have been agreed (collared floaters). On the balance sheet date the interest bearing securities totaled EUR 38,303K (December 31, 2012: EUR 44,720K). In addition, medium-term financing agreements are included for sales partners (March 31, 2013: EUR 17,036K; December 31, 2012: EUR 18,852K). In addition, advance payments made in connection with corporate acquisitions that have not yet been concluded were included in this item in the amount of EUR 34,275K.

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, 2012, tax notices issued up to the assessment year 2011 for first quarter 2013 and the consolidated taxable earnings in first quarter 2013, the deferred tax assets as at March 31, 2013 amounted to EUR 576K following a valuation allowance (December 31, 2012: EUR 1,112K).

2.5. Inventories and work in progress

As at March 31, 2013, the inventories and work in progress reported amounting to EUR 1,250K (December 31, 2012: EUR 1,626K) reflected merchandise such as terminals and debit cards, which are kept, in particular, for payments using cellphones. This item increased as a result of the first-time consolidation of Prima Vista. Their value was measured in accordance with IAS 2.

Inventories and work in progress are measured at the lower of cost (of acquisition or manufacture) and their net realizable value. No value deductions were made in the year under review and in the previous period. No value reversals occurred either.

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 commissions and charges) are mostly transitory in nature and subject to substantial fluctuations from one balance sheet date to another. The increase as at March 31, 2013 is essentially due to an increase in receivables in the acquiring segment as at that particular date, in addition to organic growth. Moreover, cooperation with other acquiring banks in the Asian region led to an increase in receivables year-on-year for accounting reasons. In addition, comparability is restricted due to the new company and the new business operations. In particular the consolidation of the pre-paid portfolio of Newcastle Building Society caused this item to increase.

2.7. Tax credits

Tax credits on March 31, 2013 include claims for tax refunds amounting to EUR 5,924K (December 31, 2012: EUR 5,919K) and claims for value added tax refunds amounting to EUR 2,587K (December 31, 2012: EUR 2,465K).

2.8. Interest-bearing securities and fixed-term deposits

To improve its interest income, apart from investing in various interest-bearing securities, the Wirecard Group has also invested in fixed-term deposits. All investments were only concluded with banks or counterparties that meet the creditworthiness requirements from the Group’s own risk evaluation and - to the extent that external ratings are available - are assessed as having a minimum creditworthiness risk by well-known ratings agencies. Fixed-term deposits with a term of more than three months are disclosed under “Interest-bearing securities and fixed-term deposits”, which reduces the item Cash and cash equivalents. Fixed-term deposits have been transferred as collateral for credit card acquiring for the duration of the business relationship in the amount of EUR 4,596K. Fixed-term deposits with a term of up to three months are disclosed under the item Cash and cash equivalents.

2.9. Cash and cash equivalents

The item Cash and cash equivalents (March 31, 2013: EUR 322,545K; December 31, 2012: EUR 358,172K includes cash in hand and bank balances (demand deposits, fixed-term deposits with a term of up to three months and overnight deposits). These also include resources from current customer deposits of Wirecard Bank AG which are not placed in interest-bearing securities (March 31, 2013: EUR 73,703K; December 31, 2012: EUR 118,036K) 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 disclosed under non-current financial and other assets and other current interest-bearing securities. Without the purchase of these securities and the fixed-term deposits with a term of more than three months, cash and cash equivalents would have been higher by EUR 148,945K (December 31, 2012: EUR 128,425K).

3. Explanatory notes on consolidated balance sheet equity and liabilities

As regards the development of Group equity for first quarter 2013, 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 totaled unchanged on March 31, 2013, EUR 112,192K, and comprised 112,192,241 no-par value shares with a notional common stock of EUR 1.00 per share.

Authorized capital

According to the resolution by the General Meeting on June 26, 2012, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 30,000K by June 25, 2017 on one or several occasions by up to a maximum total of EUR 30,000K against cash and/or non-cash capital contributions, including so-called “mixed contributions in kind”, by issuing up to 30 million new no-par-value bearer shares (authorized capital 2012) and to determine that profit participation is to begin at a time other than that stipulated by legislation, to the extent that no resolution has been passed to date regarding the profits for this past fiscal year.

On the balance sheet date there was authorized capital (Authorized capital 2012I) of EUR 30,000K.

Contingent capital

The contingent capital (contingent capital 2004) remained unchanged in the period under review and totals EUR 789K (December 31, 2012: EUR 789K).

In addition, the Annual General Meeting on June 26, 2012 authorized the Management Board, with the consent of the Supervisory Board, to issue, on one or several occasions, bearer bonds with warrants and/or convertible bonds with a total nominal amount of up to EUR 300,000K, and to grant the holders or creditors of bonds with warrants option rights or the holders or creditors of convertible bonds conversion rights to new bearer shares of the company with a proportionate amount in the share capital of up to EUR 25,000K, according to the details in the conditions for the bonds with warrants or the convertible bonds.

Purchase of treasury stock

By a resolution adopted at the Annual General Meeting on June 17, 2010, the Management Board 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, 2013, the Management Board did not make use of its authority to acquire and utilize treasury shares in accordance with Section 71(1) No. 8 of AktG).

3.2. Capital reserve

On March 31, 2013 the capital reserve totaled unchanged EUR 140,425K.

3.3. Retained earnings

A proposal will be made at the 2013 General Meeting to pay a dividend of EUR 0.11 per share to the shareholders, which corresponds to a total amount of EUR 12,341K.

3.4. Foreign currency translation reserve

The foreign currency translation reserve changed in first quarter 2013 due to exchange rate factors and with no impact on profit or loss from EUR – 634K in the previous year to EUR – 256K. With regard to the foreign currency translation reserve, reverence is made to the relevant passage under 2.1 Principles and assumptions used in preparing the annual financial statements in the financial report 2012.

3.5. 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

In total non-current interest-bearing liabilities increased in the context of the purchase of Trans Infotech Pte. Ltd. from EUR 80,031K on December 31, 2012 to EUR 100,031K.

Other non-current liabilities

Other non-current liabilities on March 31, 2013 mostly comprise the non-current portion of earn-out components in the amount of EUR 8,041K (December 31, 2012: EUR 7,805K), which are due in 2014 and 2015. In addition, on March 31, 2013, this item included lease liabilities of EUR 3,022K (December 31, 2012: EUR 3,434K), liabilities for variable remuneration for members of the Management Board in the amount of EUR 650K (December 31, 2012: EUR 867K) and EUR 198K (December 31, 2012: EUR 198K) in (convertible) bonds.

The earn-out components and current purchase price liabilities in the amount of EUR 12,231K that are due in 2013 are carried under current liabilities.

Deferred tax liabilities

Deferred tax liabilities, amounting to EUR 13,288K (December 31, 2012: EUR 13,232K) related to temporary differences between tax base and the consolidated financial statements according to IFRS and are reported under non-current liabilities.

3.6. Current liabilities

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

Trade payables

Trade payables are owed chiefly to merchants/online traders. Liabilities denominated in foreign currencies were revalued by EUR – 100K (December 31, 2012: EUR – 14K) at the exchange rate prevailing on the balance sheet date, with an impact on expenses. Including the liabilities incurred in the field of acquiring, Wirecard Bank AG accounted for EUR 210,010K (December 31, 2012: EUR 171,404K). Trade payables increased significantly compared to the previous year as a result of the Wirecard Group's organic growth and also due to the balance sheet date

Interest-bearing liabilities

Interest-bearing liabilities, in the amount of EUR 13,602K (December 31, 2012: EUR 14,939K) mostly include loans, which are due in the second quarter of 2013 in the amount of EUR 10,000K and in the second half of 2013 in the amount of EUR 3,250K.

Other provisions

Provisions are generally short-term in nature and will presumably be used in 2013. Other current provisions in the amount of EUR 1,249K (December 31, 2012: EUR 1,298K) include the costs of preparing and auditing the financial statements as the largest single item in the amount of EUR 602K (December 31, 2012: EUR 648K).

Other liabilities

Other liabilities in the amount of EUR 24,459K (December 31, 2012: EUR 28,971K) comprised EUR 7,636K (December 31, 2012: EUR 7,650K) accrued liabilities in the amount of EUR 1,648K (December 31, 2012: EUR 1,648K) the current portion of lease liabilities and EUR 12,231K (December 31, 2012: EUR 13,081K) current purchase price liabilities from variable remuneration for M&A transactions. In addition, this item includes liabilities from payment transactions, wages and salaries, social security and the like.

Customer deposits from banking operations

This item includes customer deposits in the amount of EUR 223,701K (December 31, 2012: EUR 241,893K) with Wirecard Bank AG and Wirecard Card Solutions Ltd.. The slight downturn in deposits is due to factors including seasonal fluctuations for the use of prepaid cards.

Provisions for taxes

Provisions for taxes related to provisions set up for income taxes of Wirecard Bank AG (EUR 1,370K) and Wirecard AG (EUR 100K). Due to the tax prepayments for the period under review, provisions of EUR 7,044K had to be set up for taxes of the foreign companies.

4. Notes to the consolidated income statement

4.1. Revenues

Consolidated revenues (EUR 101,084K) in the first quarter 2013 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 period under review the interest income generated by the Acquiring & Issuing segment (EUR 695K) according to IAS 18.5(a) is carried under revenues. 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, comprising Interchange and in particular processing costs from external service providers, from production, personalization and transaction costs for prepaid cards and the payment transactions performed with these cards, as well as account management and transaction fees for managing customer accounts.

4.3. Personnel expenses

Personnel expenses in first quarter 2013 totaled EUR 11,007K (previous year: EUR 8,699K), comprising salaries amounting to EUR 9,658K (previous year: EUR 7,711K), and social security contributions in the amount of EUR 1,349K (previous year: EUR 988K).

In first quarter 2013 Wirecard Group had an average of 894 employees (previous year: 595 employees) (excluding the Management Board and apprentices), 141 of whom (previous year: 154) worked on a part-time basis. Of the 894 employees, 30 (previous year: 19) were employed as Management Board members / general managers of a subsidiary.

The increase in personnel expenses is also due to the acquisitions made in the last year, which also restrict the comparability of this item.

These employees were engaged in the following functions:

Employees

	Q1 2013	Q1 2012
Sales	**141**	115
Administration	**140**	117
Customer service	**365**	189
Research/Development and IT	**248**	174
Total	**894**	**595**
of which part-time	**141**	**154**

4.4. Depreciation/amortization

Depreciation and amortization in the first quarter 2013 amounted to EUR 5,264K (Q1 2012: EUR 3,535K). Amortization/depreciation increased in first quarter 2013 compared to the same period of the previous year, mostly due to the purchases and initial consolidation of the last year.

4.5. Other operating income

Other operating income in the amount of EUR 840K (Q1 2013: EUR 673K) essentially consists of income from reversal of provisions, the revaluation of receivables or netted remunerations in kind.

4.6. Other operating expenses

Breakdown of other operating expenses:

Other operating expenses

in EUR '000s	Q1 2013	Q1 2012
Legal and financial statement costs	**1,135**	862
Consulting expenses and consulting-related expenses	**1,966**	868
Office expenses	**1,307**	1,059
Equipment and leasing	**1,231**	1,259
Sales and marketing	**1,554**	1,327
Other	**1,875**	1,282
Total	**9,068**	**6,657**

4.7. Financial result

The financial result totaled EUR – 954K (previous year: EUR – 700K). Expenses in the amount of EUR 1,464K include interest in the amount of EUR 997K (previous year: EUR 1,876K) amortization of financial investments in the amount of EUR 466K (previous year: EUR 136K) and currency-related expenses of EUR 1K (previous year: EUR 2K), which were offset by currency-related income in the amount of EUR 37K (previous year: EUR 0K). In addition, interest income of EUR 408K (previous year: EUR 137K) and EUR 66K (previous year: EUR 1,177K) from income from securities and loans, with the result that financial income of EUR 510K (previous year: EUR 1,314K) was recorded. Interest income in the Acquiring & Issuing segment in the amount of EUR 695K (previous year: EUR 853K) is not disclosed under the financial result according to IAS 18.5 (a), but under revenues. Please refer to Chapters 4.1. Sales Revenues and 5.1. Segment Reporting.

4.8. Income tax expense and deferred taxes

The consolidated income statement for the first quarter 2013 includes income tax expenses of EUR 3,585K. Essentially, these related to the income tax burdens determined for the Group member companies on the basis of the tax calculations for the first quarter 2013. In addition, these related to the change in deferred tax liabilities in the amount of EUR 56K and the change in deferred tax assets in the amount of EUR 536K.

The cash-relevant tax rate (excluding deferred taxes) amounted to 14.9 percent (Q1 2012: 16.9 percent). Including deferred taxes, the tax rate came to 17.8 percent (Q1 2012: 19.7 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, 2013, and March 31, 2012 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, 2013: EUR 322,545K; March 31, 2012: EUR 351,614K), less current (immediately due and payable) liabilities to banks (March 31, 2013: EUR – 352K; March 31, 2012: EUR – 76K) included in the line item current, interest-bearing liabilities. In addition, corresponding financial resources of current customer deposits from banking operations (March 31, 2013: EUR – 73,703K; March 31, 2012: EUR – 78,105K) 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 reported under Other liabilities (customer deposits) on the equity and liabilities side in Wirecard's consolidated annual financial statements. Depending on the type and size of the investment, the chronological course of investment return flows is taken fully into account. 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 short and medium-term interest-bearing securities) with a nominal value of EUR 148,945K (March 31, 2012: EUR 32,970K) are held, and deposits with the central bank, sight and short-term time deposits with banks are maintained in the amount of EUR 73,703K (March 31, 2012: EUR 78,105K). 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	03/31/2013		03/31/2012	
Cash and cash equivalents		322,545		351,614
Current interest-bearing liabilities	- 13,602		- 1,076	
of which, current liabilities to bank		- 352		- 76
Reconciliation to cash and cash equivalents		322,193		351,538
of which, current customer deposits from banking operations		- 73,703		- 78,105
of which, Acquiring deposits in Wirecard Bank AG	- 122,853		- 73,202	
Financial resources fund at the end of period		248,490		273,433

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 M&A transactions. 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 from the business combinations was performed here.

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 2013 increased from EUR 8,327K in the previous year to EUR 10,458K, 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. The cash flow from operating activities (adjusted) amounts to EUR 22,656K (previous year: EUR 18,262K). In line with the business model, the transaction volumes generated by the Acquiring business were reported under Trade 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 commissions and charges) are mostly transitory in nature and subject to substantial fluctuations from one balance sheet date to another.

5.2. Cash flow from investing activities

The cash flow from investing activities 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). The cash flow from investing activities totaled EUR – 19,533K in the year under review (previous year: EUR – 9,575K).

The following are essentially affected by this:

Substantial cash outflows for investments

in EUR '000s	
M&A transactions	**3,101**
Customer relationships	**9,946**
Internally generated intangible assets	**3,673**
Other intangible assets (software)	**2,156**
Property, plant and equipment	**657**

5.3. Cash flow from financing activities

In the present report, interest paid and interest received is 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 2013 essentially concerns the receipt from the drawdown of financial liabilities in the amount of EUR 20,000K in the context of the purchase of Trans Infotech Pte. Ltd. and the payment from the redemption of financial liabilities in the amount of EUR –

1,250K. The capital increase of the previous year which Wirecard AG successfully placed with institutional investors on March 8, 2012 at a price of EUR 13.70, generated in the previous period net proceeds from the issue of EUR 137,268K which accrued to the company.

5.4. Financial resource fund at the end of period

Taking into account these inflows and outflows (Q1 2013: EUR 8,417K; Q1 2012: EUR 131,447K), exchange-rate related changes (Q1 2013: EUR 377K; Q1 2012: EUR 76K) as of the financial resource fund at the beginning of the period (Q1 2013: EUR 239,696K; Q1 2012: EUR 141,910K) the financial resource fund at the end of the period amounted to EUR 248,490K (March 31, 2012: EUR 273,433K).

6. Other notes

6.1. Segment reporting

Reportable segments are determined in accordance with an internal reporting. Apart from sales revenues, EBITDA is also used as an internal measurement criterion, which is why EBITDA is also reported as the segment result. 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 of the business divisions of Wirecard Bank AG, Wirecard Acquiring & Issuing GmbH and Wirecard Card Solutions Ltd.

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 chain of the Wirecard Group with the financial services provided via Wirecard Bank AG, Wirecard Card Solutions Ltd. and the financial services offered by Wirecard Acquiring & Issuing GmbH. 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 "Europe" segment contains Wirecard (Gibraltar) Ltd., and the companies Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland), along with its subsidiaries, Wirecard Card Solutions Ltd., Newcastle (United Kingdom) and Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria). The segment "Other foreign countries" includes the companies cardSystems Middle East FZ-LLC, Dubai (United Arab Emirates), Wirecard Processing FZ LLC (formerly: Procard Services FZ LLC), Dubai (United Arab Emirates), Wirecard Asia Pte. Ltd. (Singapore), Systems@Work Pte. Ltd. (Singapore) with its respective subsidiaries and PT Prima Vista Solusi (Indonesia). The segment "Germany" includes all other companies within the Wirecard Group.

As part of the homogenization of the Wirecard Group's various technical platforms, various merchants who were previously included in the Europe region are now processed using Asian platforms, which has had a corresponding impact on the geographic distribution. Consolidating and centralizing technical functions on platforms at locations in Europe and Asia serves to boost internal efficiency, harmonize the product landscape for all of the subsidiaries and to optimize the processing time for regional payment transactions.

Revenues by operating divisions

in EUR '000s	Q1 2013	Q1 2012
Payment Processing & Risk Management (PP&RM)	71,615	56,013
Acquiring & Issuing (A&I)	39,562	32,271
Call Center & Communication Services (CC&CS)	1,199	1,389
	112,376	89,673
Consolidation PP&RM	- 9,924	- 5,389
Consolidation A&I	- 767	- 220
Consolidation CC&CS	- 601	- 424
Total	**101,084**	**83,640**

EBITDA by operating divisions

in EUR '000s	Q1 2013	Q1 2012
Payment Processing & Risk Management	18,423	17,485
Acquiring & Issuing	7,855	5,591
Call Center & Communication Services	56	214
	26,334	23,290
Consolidation	0	- 32
Total	26,334	23,258

Regional revenue breakdown

in EUR '000s	Q1 2013	Q1 2012
Germany	54,919	47,856
Europe	25,215	35,436
Other countries	24,986	3,367
	105,120	86,659
Consolidation Germany	- 1,190	- 1,463
Consolidation Europe	- 2,384	- 1,549
Consolidation Other countries	- 462	- 7
Total	101,084	83,640

EBITDA by regions

in EUR '000s	Q1 2013	Q1 2012
Germany	12,785	10,688
Europe	7,285	12,147
Other countries	6,264	420
	26,334	23,255
Consolidation	0	3
Total	26,334	23,258

6.2. Obligations from finance leases agreements

The Group has concluded finance leases agreements for IT- components, terminals and cars. The liabilities from finance leases in the amount of EUR 4,670 4,670K are carried under both current and non-current other liabilities. The obligations from operating leases on March 31, 2013 counted EUR 3,493K.

7. Additional mandatory disclosures

7.1. Management Board

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

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

Burkhard Ley, banker, member of the Management Board since January 1, 2006
Chief Financial Officer
Other supervisory board mandates: Backbone Technology AG, Hamburg (Germany)

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

7.2. Supervisory Board

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

Wulf Matthias (Chairman), Managing Director der Bank Sarasin AG, Frankfurt a. Main
Other supervisory board mandates:
Wirecard Bank AG, Aschheim (Germany)
Deufol AG, Hofheim (Germany)

Alfons W. Henseler (Deputy Chairman), self-employed management consultant
Other supervisory board mandates:
Wirecard Bank AG, Aschheim (Germany)
Diamos AG, Sulzbach (Germany)

Stefan Klestil Managing director and owner of Belview Partners GmbH
Other supervisory board mandates:
Wirecard Bank AG, Aschheim (Germany)

7.3. 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. These are as follows:

Wirecard Sales International GmbH obtained control of Trans Infotech Pte. Ltd. with its registered office in Singapore with effect from April 9, 2013. The compensation due as part of the transaction comprises cash payments of around EUR 21.1 million (translated) plus earn-out components which could total up to approx. EUR 4.4 million. These earn-out components are based on the operating profits (EBITDA) for the purchased companies from 2013 to 2015. The company is expected to record EBITDA of around EUR 2.5 million in fiscal year 2013, and one-off transaction costs of EUR 0.75 million must be taken into account. Further details can be found in Section 1.1 Corporate acquisitions.

Aschheim, May 15, 2013

Wirecard AG

Dr. Markus Braun | Burkhard Ley | Jan Marsalek

Publication details

Published by

Wirecard AG
Einsteinring 35, D-85609 Aschheim, Germany

Phone: +49 (0) 89 / 4424 - 1400
Fax: +49 (0) 89 / 4424 - 1500
Mail: kontakt@wirecard.com

Financial calendar

Please visit our website to find news and events in the Investor Relations section: http://www.wirecard.com/investorrelations

Wirecard AG
Investor Relations
Einsteinring 35, D-85609 Aschheim, Germany

Phone: +49 (0) 89 / 4424 - 1424
Mail: ir@wirecard.com

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