

WIRECARD AG

INTERIM REPORT
AS AT JUNE 30, 2011

KEY FIGURES

WIRECARD GROUP

		6M 2011	6M 2010
Revenues	TEUR	147,872	123,845
EBITDA	TEUR	35,350	33,546
EBIT	TEUR	31,810	30,866
Earnings per share (diluted and basic)	EUR	0.25	0.26
Shareholders' equity	TEUR	305,215	262,720
Total assets	TEUR	601,547	517,364
Cash flow from operating activities (adjusted for transaction volumes of a transitory nature)	TEUR	27,722	26,408
Employees		487	509
of which part-time		130	133

SEGMENTS*

in EUR '000		6M 2011	6M 2010
Payment Processing & Risk Management	Revenues	126,196	116,529
	EBITDA	24,881	20,931
Acquiring & Issuing	Revenues	46,427	50,720
	EBITDA	10,196	12,509
Call Center & Communication Services	Revenues	2,070	2,385
	EBITDA	273	106
Consolidation	Revenues	-26,821	-45,789
	EBITDA	0	0
Total	Revenues	147,872	123,845
	EBITDA	35,350	33,546

*Restricted comparability due to EU Payment Services Directive (PSD) – Reference is made to chapter 6.1. (Notes)

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LETTER FROM THE CEO

Dear Shareholders,

Wirecard AG is once again presenting positive results from the first half of the year. Revenues in the first six months of 2011 totaled EUR 147.9 million, up 19.5 percent. EBITDA totaled EUR 35.4 million and includes one-off extraordinary expenses of EUR 5.2 million. Excluding these costs, EBITDA would have increased by 21.2 percent in the first six months of 2011 year-on-year, to EUR 40.6 million. These one-off costs now no longer need to be considered.

We were able to record a large number of operating successes in the first half of the year. We concluded contracts with customers in all of our three core industries on our core market of Europe. At the same time, we laid key foundations to drive our expansion in Asia.

In addition, we expect that we will be able to implement the positive operating effects from our prepaid card business and the strategic alliances that we have concluded in Asia which are forecast for the second half of the year.

As a result of the excellent course of business, my colleagues on the Managing Board and I are pleased to confirm EBITDA in a bandwidth of between EUR 81 to 89 million for the year.

Sincerely,
Aschheim, August 2011


Dr. Markus Braun
CEO

1. BUSINESS ACTIVITIES AND PRODUCTS

1.1. Business activities and products

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

Solutions and products for business customers

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

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

The Wirecard payment platform

A modular, service-oriented software architecture allows Wirecard the flexibility to change its business processes in line with market conditions at any time, and to respond speedily to new customer requirements. At the same time, the platform's Internet-based architecture makes it possible to run individual workflows centrally from a single location or, alternatively, spread across various subsidiaries and to run them at different locations around the world.

Integration on a central platform provides merchants with immediate access to more than 85 different payment and risk management methods. These include traditional methods such as credit cards, direct debits and invoicing, as well as systems developed specifically for use over the Internet, such as Alipay, eps, giro pay, iDEAL and paysafecard, all of which offer consumers additional payment options, including at an international level. The Wirecard payment platform offers merchants a wide range of integration options, from easy-to-use virtual terminals and an easy-to-integrate, secure payment site provided by Wirecard to

sophisticated technical interfaces (APIs)—thus enabling them to choose the type of interface that suits their individual requirements.

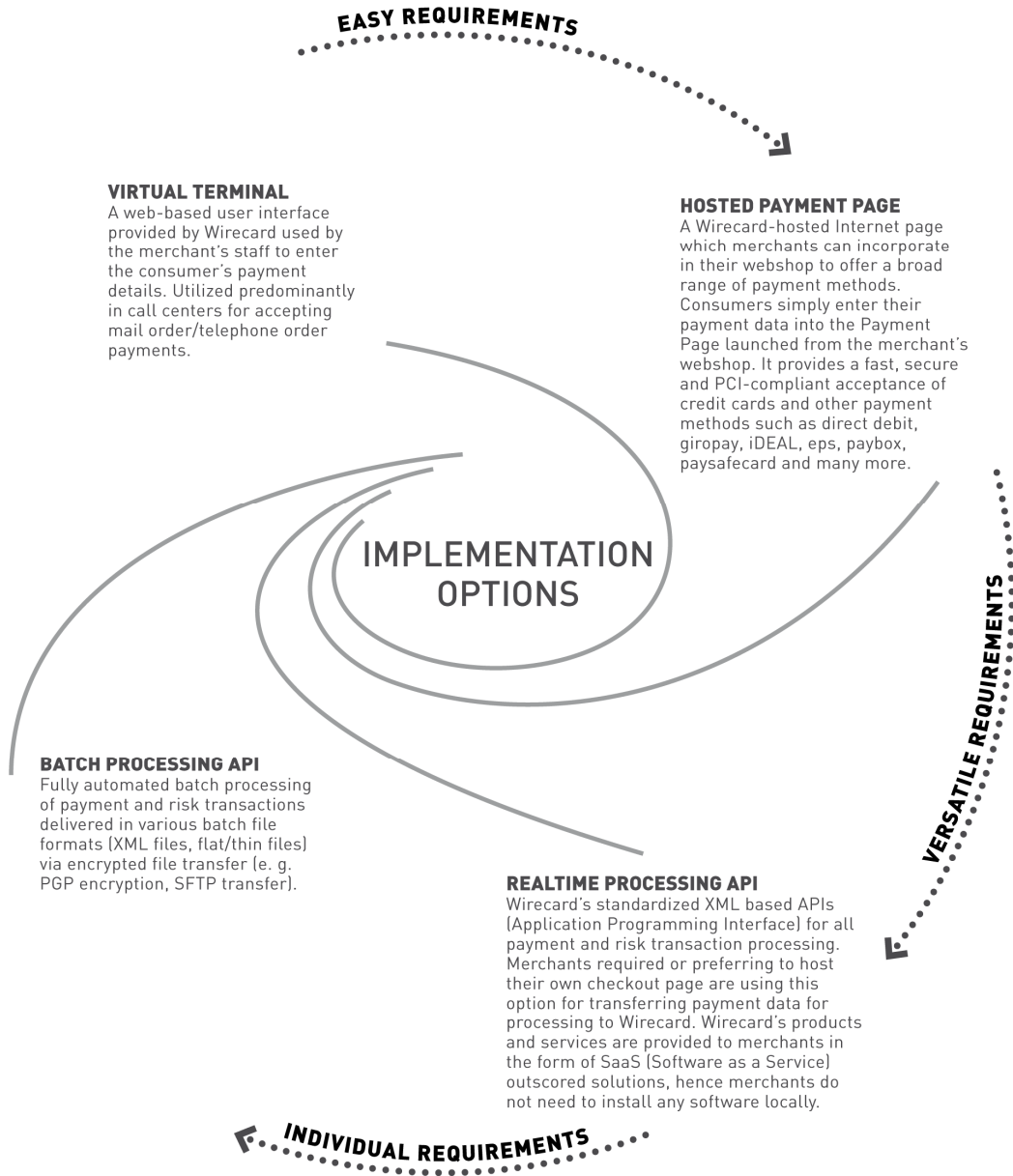
Our strategic alliances and interfaces with industry-specific service providers such as Amadeus, SITA, Accelya, Experian and e-velopment, mean that we can provide real “end-to-end” industry solutions that support downstream business processes with interfaces to the ERP/merchandise management/logistics/debtor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

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

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

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



Alternative payment methods

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

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

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

Every payment method available on the market today has its advantages and drawbacks, and therefore each one comes with implications that merchants need to take into consideration—for example, whether they allow easy integration into a merchant's back office processes, and how they handle the reconciliation of bookings. Wirecard also supports its customers here: thanks to its "single-source" principle.

Products and services offered by the Wirecard Bank

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

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

Wirecard Bank has agreements in place with leading card organizations:

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

For many of the alternative payment methods integrated into the Wirecard payment platform such as direct debit, SEPA direct debit, giro pay and soon Alipay, Wirecard Bank also provides payment acceptance. Here too the company plans to constantly expand the acceptance portfolio.

As a credit card acquirer, the Wirecard Bank can offer over 100 transaction currencies and 18 payout currencies in 69 countries worldwide. In addition, Wirecard Bank is a member of SWIFT (Society for Worldwide Interbank Financial Telecommunication), allowing it to offer business customers with international operations a large number of supplementary services for foreign payment transactions and currency management.

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

- The Supplier and Commission Payments (SCP) product is an industry-specific automated solution that is particularly suitable for tourism operators, offering speedy, secure processing and settlement of global payouts at exact costs. A virtual MasterCard, Visa or Maestro card on a non-borrowing basis is created in real time for each individual booking transaction.
- The issuing product range also includes the Payout Card. This MasterCard, Visa or Maestro prepaid card offers employers a convenient way to pay wages to temporary, seasonal or casual workers: Companies can top up payout cards cheaply and quickly and then use them to pay workers throughout the SEPA region.
- Companies are increasingly using co-branded cards as a marketing instrument. From the individual conception and management of credit card projects, innovative software solutions for managing customer loyalty programs through to end-to-end services, Wirecard Bank AG ensures the continuing success of each of its card projects. Most recently, the prepaid-card mywirecard platform is available as a white-label solution. It will then be possible to implement individual co-branded card concepts for prepaid cards with minimum lead time as all of the workflows will be standardized. As a result, not only the card but also the user interfaces will feature the customer company's chosen design or corporate identity. In spite of this, however, the wide range of possibilities for configuration facilitate maximum personalization. The card programs are available for several types of cards: virtual or physical, available from the retail trade (2go) or by ordering over the Internet – as MasterCard, Maestro or Visa cards.

Wirecard Bank products for consumers

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

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

Point-of-sale services

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

Call center services

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

THE GROUP'S PORTFOLIO OF TECHNOLOGY AND BANKING SERVICES

PAYMENT, RISKMANAGEMENT AND ISSUING PLATFORM

Wirecard Enterprise Portal (WEP)

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

Online payment services

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

Acquiring services/payment acceptance

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

POS payment processing

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

Issuing of innovative card-based payout-solutions

- Supplier and Commission Payments (SCP)
- Payout cards

Issuing of prepaid cards

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

Risk management

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

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

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

Extended industry-specific integration options

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

FURTHER SERVICES

Banking services

- Account and currency management
- Business and private customer accounts

Call center services

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

2. GENERAL ECONOMIC CONDITIONS AND BUSINESS TRENDS

2.1. General economic conditions

General global economic conditions

The International Monetary Fund (IMF) cut its forecast for global economic growth by 1.0 percent to 4.3 percent in June 2011.

According to initial quick estimates by Eurostat (Statistical Office of the European Communities), Gross Domestic Product (GDP) increased by 0.2 percent in the second quarter of 2011 year-on-year, both in the euro zone (Euro-17) and in the EU-27. Compared to the first quarter of 2011, the increase in both regions was 0.8 percent.

Industry-specific underlying conditions

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

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2.2. Business trend in the period under review

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

Transaction volume

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

The ongoing profitability of Wirecard AG in the second quarter of 2011 was also based on the market's positive growth and the migration to outsourcing as well as the group's innovative range of products and solutions.

The economies of scale inherent in the technical platform and arising from the growing share of business customers who are boosting the transaction volume especially through the acquiring banking services as well as new product offers enabled the Wirecard Group to outperform the market once again in the quarter under review.

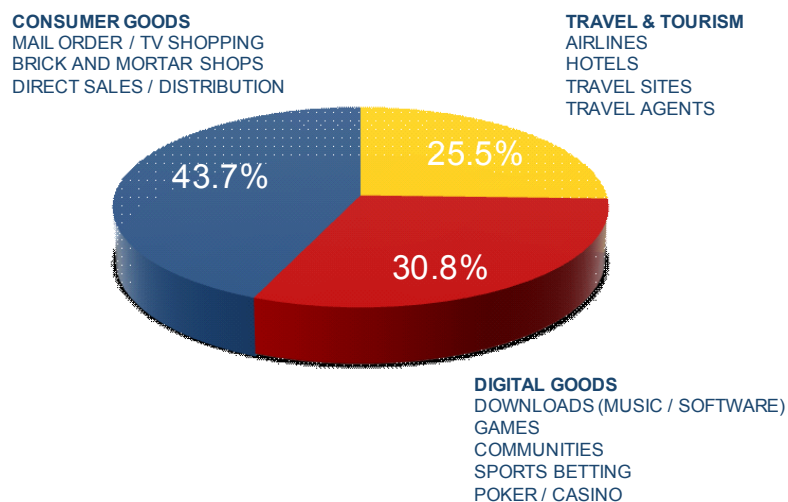
The following are the essential unique selling points provided by the “single-source” spectrum of services that the Wirecard Group offers its business customers:

- Combination of software technology and bank products
- International orientation—a single platform for all services
- Centralization of payment transactions from many and various distribution and procurement channels to a single platform
- Depth and range of services (industry and customer-specific products and solutions)
- Online-oriented acquiring bank in the Group (e.g. in 18 payout currencies)
- Supplementary banking services (such as corporate accounts, or foreign currency)
- Innovative, software-based banking products (SCP—virtual credit cards, payout cards, co-branded cards)

Fee income from the core business of Wirecard AG, namely acceptance and issuing means of payment along with associated value added services, is generally dependent on the transaction volumes processed. After the first six months of 2011, these totaled EUR 7.1 billion. At the end of period under review, the following breakdown to our target industries shows that positive business growth is continuing in all fields of activity:

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TRANSACTION VOLUMES



Target industry segments

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

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

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

Consumer goods

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

Digital goods

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

Tourism

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

Business trend

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

A large number of contracts were concluded with new customers in the first half of 2011. If we include the respective run-up period required until these projects are implemented, we expect that the new customers will go live in the current or in the fourth quarter of 2011.

Business trend in the field of banking services

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

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

Because it has been a member of SWIFT since 2008, Wirecard Bank AG has been able since then to establish a practically global network of correspondent banks for efficient and secure processing of foreign payment transactions. This same network also supports Wirecard AG in its intra-group domestic and international payment transactions in the field of cash management. It makes the organization of workflows more precise and less costly.

Expanding the points of sale for the mywirecard 2go Visa product also made further progress in the second quarter of 2011. With regard to co-branded cards, the project with BONAYOU MasterCard recently started. This is issued by Wirecard Bank. BONAYOU is a new business model—a digital gift voucher platform.

Call Center & Communication Services

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

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

2.3. Reporting segments

Wirecard AG reports on its business growth in three segments.

Payment Processing & Risk Management (PP&RM)

This reporting segment comprises business activities by Wirecard Technologies AG, Wirecard Retail Services GmbH, Wirecard (Gibraltar) Ltd., Click2Pay GmbH, Wirecard Central Eastern Europe GmbH (formerly: Qenta paymentsolutions Beratungs und Informations GmbH), Wirecard UK and Ireland Ltd. (formerly: Wirecard Payment Solutions Ltd.), Wirecard Asia Pte. Ltd. (formerly: E-Credit Plus Pte. Ltd.) and Procard Services FZ LLC. Business activities of Wirecard Bank AG are reported in a separate, independent reporting segment.

Branches and companies of the Wirecard Group at locations outside Germany serve primarily to promote regional sales and localization of the products and services of the Group as a whole.

The business activities the companies included in the “Payment Processing & Risk Management” segment exclusively comprise products and services that deal with the acceptance or execution and 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 segment spans all of Wirecard Bank AG’s current operating activities, and includes acceptance (acquiring) and issuing credit cards and prepaid cards as well as account and payment services for business and private customers.

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

Call Center & Communication Services (CC&CS)

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

3. FINANCIAL POSITION AND PERFORMANCE

3.1. Financial performance

During the second quarter of 2011, Wirecard AG successfully continued its revenue and income-oriented on-track growth.

Revenue growth

Consolidated revenues were up 19.4 percent in the second quarter of 2011 to EUR 77,991K (Q2 2010: EUR 65,333K). In the first six months of 2011 consolidated revenues increased by 19.4 percent from EUR 123,845K to EUR 147,872K.

According to the license for the provision of payment services which has been valid from April 30, 2011, there was a transition in accounting for acquiring and payment processing. This is based on the EU Payment Services Directive (PSD) which is implemented in the local laws of the member states.

The Wirecard Group itself processes (and will process in future) all contractual services to an unchanged extent. This change has not impacted the Wirecard Group's financial position and performance. All of the payment services will now be invoiced by Wirecard Bank AG. The local group subsidiaries will continue to provide technical services and customer support.

As a result, from May 2011 revenues with external customers have been booked in the A&I segment that were previously booked in the PP&RM segment.

Revenues in other segments within the group (consolidation) have thus also changed as a result. The changes led to lower revenues in the PP&RM segment and to higher revenues in the A&I segment. Consolidated revenues and the profitability of the group and also the individual segments will not be affected by the change.

Revenue recorded in the core Payment Processing & Risk Management segment stemming from risk management services and processing online payment transactions lifted in the first half year 2011 by 8.3 percent from EUR 116,529K to EUR 126,196K, and as a result of the transition in the second quarter of 2011 it fell by -4.6 percent to EUR 59,224K (Q2 2010: EUR 62,101K). Without the change as a result of the EU PSD and the associated contractual transition, revenues in the first half of 2011 in the PP&RM segment would have been up by EUR 15,234K, and also up by EUR 15,234K in Q2 2011.

The proportion of consolidated revenues accounted for by Acquiring & Issuing and thus Wirecard AG increased by 4.0 percent in the second quarter of 2011 to EUR 26,417K (Q2 2010: EUR 25,409K), and totaled EUR 46,427K for the first half of 2011 (6M 2010: EUR 50,720K). Wirecard Bank's revenues in the past fiscal year primarily comprised commission income from Acquiring & Issuing, 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 (June 30, 2011: EUR 92,508K; June 30, 2010: EUR 101,376K) are held only in sight deposits, overnight or fixed-term deposits and bearer bonds with the bank or held by other banks, with other banks assessed by rating agencies of note as being subject to minimal risk (equivalent to an "Investment Grade" rating by Standard & Poor's and Moody's).

Without the change as a result of the EU PSD and the associated contractual transition, revenues in the first half of 2011 in the A&I segment would have been down by EUR 2,335K and by EUR 2,335K in Q2 respectively.

The interest income recorded by Wirecard Bank in the first six months of 2011 totaled EUR 1,182K (6M 2010: EUR 1,043K), and in the second quarter of 2011 this totaled EUR 652K (Q2 2010: EUR 596K) and is presented as revenues in Wirecard Bank's financial statements. 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 segment generated revenues of EUR 2,070K in the period under review, compared with EUR 2,385K in the first half of 2010. Revenues in the second quarter of 2011 totaled EUR 974K (Q2 2010: EUR 1,066K).

As a result of the PSD and the associated contractual transition, not only the companies' revenues fell, but also the consolidation effects. In the first half of 2011 these amounted to EUR 26,821K compared to EUR 45,789K in the first half of 2010. Consolidation would have been EUR 17,569K higher in the first half of 2011 without these changes.

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 half of 2011 the total own work capitalized amounted to EUR 3,435K (6M 2010: EUR 2,531K) and in the second quarter of 2011 this totaled EUR 1,814K (Q2 2010: EUR 1,260K).

The Group's cost of materials increased in the first half of 2011 to EUR 85,969K, compared to EUR 67,137K in the first half year 2010. In the second quarter of 2011 this totaled EUR 45,580K (Q2 2010: EUR 36,022K). In particular, the cost of materials includes commission payable to banks issuing credit cards (Interchange) as well as charges payable to credit card companies.

At the Wirecard Bank, the cost of materials comprises expenses incurred by the Acquiring, Issuing and Payment divisions such as 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 half of 2011 the cost of materials, not adjusted for consolidation effects, amounted to EUR 29,547K at the Wirecard Bank, compared with EUR 33,896K in the first half year 2010.

Gross earnings (revenues including other own work capitalized less cost of materials) increased by 10.3 percent in the first six months of 2011, amounting to EUR 65,338K (6M 2010: EUR 59,239K). In the second quarter of 2011 gross earnings increased by 12.0 percent to EUR 34,225K (Q2 2010: EUR 30,571K). In the first half of 2011 Wirecard Bank, without considering consolidation effects, recorded gross earnings of EUR 16,880K (6M 2010: EUR 16,824K).

Group personnel expenses in H1 2011 fell to EUR 14,042K, and thus fell by -1.2 percent year-on-year (6M 2010: EUR 14,218K). In comparison with the growth of gross earnings by 10.3 percent, this reflects the high scalability of Wirecard AG's business model. The consolidated personnel expense ratio declined by 2.0 percentage points year-on-year, to 9.5 percent. Personnel expenses at Wirecard Bank amounted to EUR 1,488K in the first six months of 2011 (6M 2010: EUR 1,380K).

Other operating expenses essentially comprise expenses on sales and marketing, operating equipment and leasing, consultancy and similar fees, as well as office expenses. In the first half of 2011, these amounted to EUR 16,653K in the Wirecard Group (6M 2010: EUR 12,005K), and in the second quarter of 2011 these totaled EUR 9,114K (Q2 2010: EUR 5,880K). As a result, they amounted to 11.3 percent in the first half of 2011 (6M 2010: 9.7 percent) of revenues or 11.7 percent of revenues in the second quarter of 2011 (Q2 2010: 9.0 percent). Of these, without taking consolidation effects into consideration, the Wirecard Bank accounted for EUR 5,547K (6M 2010: EUR 3,169K).

Furthermore expenses include non-recurring expenditure for the relocation of the corporate headquarters and for even faster expansion in Asia. Depreciation and amortization in the first half of 2011 amounted to EUR 3,539K (6M 2010: 2,681K) and in the second quarter of 2011 this totaled EUR 1,817K (Q2 2010: EUR 1,408K). These predominantly related to investments in payment platform products. The share of amortization and depreciation effected at the Wirecard Bank in the first half of 2011 amounted to EUR 37K (6M 2010: EUR 39K).

Other operating income comprised primarily income from the reversal of provisions and impairment amounting to EUR 707K for the Group as a whole in the first half of 2011, compared with EUR 529K in the first half year 2010. Of this sum, excluding consolidation effects, the Wirecard Bank accounted for EUR 350K (6M 2010: EUR 234K).

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EBITDA/EBIT development

The pleasing earnings trend is based on an increase in the volume of business transacted with existing and new customers via the Wirecard Group, economies of scale arising from our transaction-oriented business model as well as the intensified use of our banking services. Group earnings before interest and taxes (EBIT) were up by 3.1 percent in the first six months of 2011, rising from EUR 30,866K in the first half year 2010 to EUR 31,810K. During the second quarter of 2011 this increased from EUR 16,177K to EUR 16,667K.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were up by 5.4 percent in the Group in the first six months of 2011, from EUR 33,546K in the first half year 2010 to EUR 35,350K, despite the one-off expenses for relocating the company's headquarters and the even faster expansion in Asia. The EBITDA margin amounted to 23.9 percent in the first six months of 2011 (6M 2010: 27.1 percent). In the second quarter of 2011 EBITDA totaled EUR 18,484K. The corresponding EBITDA margin totaled 23.7 percent.

Net financial income

Net financial income in the first half of 2011 totaled EUR -33K (6M 2010: EUR -321K).

Group financial expenditure in the first six months of 2011 amounted to EUR 935K (6M 2010: EUR 845K) 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 half of 2011 (without deferred taxes) amounted to 19.8 percent (6M 2010: 7.4 percent). Including deferred taxes, the tax rate came to 19.4 percent (6M 2010: 12.3 percent). Due to the use of the tax-loss carry-forward of Wirecard Bank, from this year the difference between cash-to-tax ratio and the overall tax rate is low as of this year, as expected.

Earnings after taxes

In the first half of 2011 earnings after taxes fell from EUR 26,776K in the first half year 2010 by -4.4 percent to EUR 25,607K, which is due to the lower tax rate in the first half year 2010.

Earnings per share

The number of shares issued remained unchanged at 101,803,139 shares, as in the first half year 2010. Earnings per share in the first half of 2011 (both diluted and basic) totaled EUR 0.25 (6M 2010: EUR 0.26).

3.2. Financial performance

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 first half year 2010, forward exchange transactions and 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.

Capital and financing analysis

Wirecard AG reports equity of EUR 305,215K (December 31, 2010: EUR 289,844K). Due to the nature of our business, the highest liabilities exist vis-à-vis merchants in the field of credit card acquiring and customer deposit-taking as part of banking operations. These have a substantial effect on the equity ratio. The commercial banks, which granted Wirecard AG loans amounting to EUR 32,002K as at June 30, 2011 at variable interest rates of currently 3.03 percent, do not include these items in equity capital calculations due to the facts and circumstances associated with this particular business model. According to Wirecard AG, this calculation reflects a true and fair view of the company's actual situation. These banks determine 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 determined by subtracting customer deposits, the acquiring funds of the Wirecard Bank and the reduced level of equity from the audited total assets, which is then added back to leasing commitments. This calculation gives an equity ratio of 69.3 percent for Wirecard AG (December 31, 2010: 70.7 percent).

Capital expenditure

The criteria for investment decisions in the Wirecard AG 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. In the period under review, capital expenditure was essentially for further expansion and internationalization. EUR 670K was invested in the acquisition Procard Services FZ LLC, Dubai, EUR 2,211K as part of the variable purchase price for the E-Credit Group, and EUR 1,284K in property, plant and equipment due, in particular, to revenues. Additional investments were made in components for the operational payment platform. An investment of EUR 1,005K was made in externally developed and EUR 3,435K in internally created software.

Liquidity analysis

Current customer deposits from banking operations are fully due and payable on a daily basis and are reported under Other liabilities (customer deposits) on the liabilities side of Wirecard's consolidated annual financial statements. These customer funds are comparable in economic terms with short-term (bank) current account loans or overdraft facilities. For customer deposits (amounting to EUR 92,508K as at June 30, 2011; June 30, 2010: EUR 101,376K) 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 31,606K are held, and deposits with the central bank, sight and short-term time deposits with banks are maintained in the total amount of the customer deposits of EUR 60,903K. 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 June 30, 2011 this totaled EUR 156,430K (6M 2010: EUR 127,386K).

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In addition, in considering the liquidity analysis, it should be borne in mind that liquidity is influenced by balance sheet date effects because of the company's particular business model. The liquidity that Wirecard receives through the credit card revenues of its merchants, and which it will pay out to the same merchants in future, is available to the Group for a transitional period. To enhance the level of transparency and illustrate the influence on cash flow, in addition to its usual presentation of cash flows 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 for transaction volumes of a transitory nature amounting to EUR 27,722K, clearly shows that Wirecard AG had a comfortable volume of own liquidity to meet its payment obligations at all times. The interest-bearing liabilities disclosed as of the balance sheet date are mostly non-current and in Q2 2011 these were transformed to a non-current global credit facility which is provided for M&A transactions already performed and which may potentially be performed in future. The Group's liabilities to banks increased by EUR 10,001K to EUR 32,002K (December 31, 2010: EUR 22,001K).

Asset position

Assets reported in the balance sheet of Wirecard AG increased by EUR 51,688K in the first half of 2011, from EUR 549,859K to EUR 601,547K. While the value of non-current assets increased, essentially due to the initial consolidation of Procard Services FZ LLC, current assets increased from EUR 314,636K to EUR 362,492K due to our business model. The change in non-current assets is attributable to the reporting date-related increase in receivables, which is also inherent in our business model and on the other hand to the slight increase in cash.

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

4. GROUP STRUCTURE AND ORGANIZATION

4.1. Subsidiaries

The Wirecard Group includes various subsidiaries. The parent company, Wirecard AG, is headquartered in Aschheim (Munich), which is also the registered office of Wirecard Bank AG, Wirecard Technologies AG, Wire Card Beteiligungs GmbH, Wirecard Retail Services GmbH, and Click2Pay GmbH. The head office of Wirecard Communication Services GmbH is in Leipzig.

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

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

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

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

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



**WIRECARD
SUBSIDIARIES**

GERMANY

WIRECARD BANK AG
WIRECARD RETAIL SERVICES GMBH
WIRECARD TECHNOLOGIES AG
WIRECARD COMMUNICATION SERVICES GMBH

EUROPE

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

ASIA

WIRECARD ASIA PTE. LTD.
PROCARD SERVICES FZ LLC

PPRM Payment Processing & Risk Management

A&I Acquiring & Issuing

CCS Call Center & Communication Services

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

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

With effect from January 13, 2011, Wirecard AG took over Procard Services FZ LLC, based in Dubai, United Arab Emirates. Procard Services specializes on the provision of services for electronic payment processing, credit card acceptance and issuing of debit and credit cards, and has a portfolio of customers within the region. With this takeover Wirecard AG strengthen its position in that region and continues its strategy of intensifying its expansion by establishing key international locations in growth regions.

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

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

4.2. Board of Management and Supervisory Board

The Board of Management of Wirecard AG remained unchanged as of June 30, 2011, consisting of three members:

- Dr. Markus Braun, CEO, CTO
- Burkhard Ley, CFO
- Jan Marsalek, COO

The Supervisory Board of Wirecard AG remained unchanged, consisting of three members.

The Supervisory Board had the following members on June 30, 2011:

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

The remuneration system for the Board of Management and Supervisory Board consists of fixed and variable components. Further particulars are documented in the Section 5 of the Corporate Governance Report in the 2010 annual 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 team. That is why the Human Resources department provides employees with the best-possible support commensurate with their talents and qualifications. Managerial staff respects fundamental social principles, endorses an entrepreneurial approach and seek to foster team spirit in order to boost the Company's innovative prowess. The Human Resources department attaches great importance to supporting employees individually, in order to ensure their optimum development.

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On average during the first half of 2011, Wirecard AG had 487 employees without the Board Members and apprentices (6M 2010: 509 employees), of which 130 (6M 2010: 133) were employed part-time.

Staff participation (option) program

In order to continue to be able to foster loyalty to the Wirecard Group by offering managerial staff and employees a variable remuneration component with a long-term incentive effect, a resolution was adopted at the Annual General Meeting of Wirecard AG on June 22, 2011 to issue subscription rights to Wirecard AG stock to employees and members of the Board of Management. Accordingly, the company's employees and the members of management and employees at the company's associated companies can be issued shares from authorized capital (Authorized Capital 2009/I) according to Section 204 (3) of the Aktiengesetz (AktG - German Public Limited Companies Act).

5. REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

5.1. Information on events of particular importance

Ad hoc disclosure according to Sec. 15 of the WpHG (German Securities Trading Act)

On July 27, 2011 Wirecard AG published its preliminary financial results for the second quarter of 2011.

Disclosures according to Sec. 26 (1) of the WpHG

(Company notified after the end of the reporting period).

There were no notifications after the end of the reporting period.

5.2. Impact on financial position and financial performance

After the end of the reporting period until publication of the interim report for the second quarter of fiscal year 2011 there were no events which impacted the financial position or financial performance.

6. RESEARCH AND DEVELOPMENT/ OPPORTUNITIES AND RISKS

6.1. Research and Development

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

6.2. Opportunities and risks

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

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

In order to keep the financial 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 2010 Annual Report, 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 forecasting a strong fiscal year for many reasons. We are expanding our range of products and solutions for European online companies. Wirecard AG's internationally-oriented product strategy and its interlinking risk management solutions, for example to prevent fraud, hits the nail on the head when it comes to supporting merchants' expansion activities with regard to professional payment processing.

In addition, we are also continuing our expansion in Asia. We are pursuing our intended objectives, in particular to address companies in the individual Asian regions from our two locations in Singapore and Dubai. Demand from existing and potential new customers in Asia shows that the Wirecard Group, whose wholly owned banking subsidiary is the first non-Chinese bank to hold an online acquiring license for China UnionPay, plays a key technological role.

This is coupled with the fact that we are expecting our prepaid card business to provide a positive impetus in the second half of the year. Wirecard Bank's Issuing division is also closely interlinked with the Group's technology unit, and comprises card products for consumers, payout solutions via virtual cards, as well as white-label and co-branding solutions for business customers.

We can assume that Wirecard AG will also outperform growth on the European market in the second half of 2011. The extraordinary expenses totaling EUR 5.2 million incurred in the first six months of 2011 have now been put to bed. Wirecard AG's Board of Management is confirming its forecast for fiscal year 2011 of recording EBITDA of between EUR 81 to 89 million.

Aschheim (Munich), August 17, 2011.

Wirecard AG



Dr. Markus Braun



Burkhard Ley

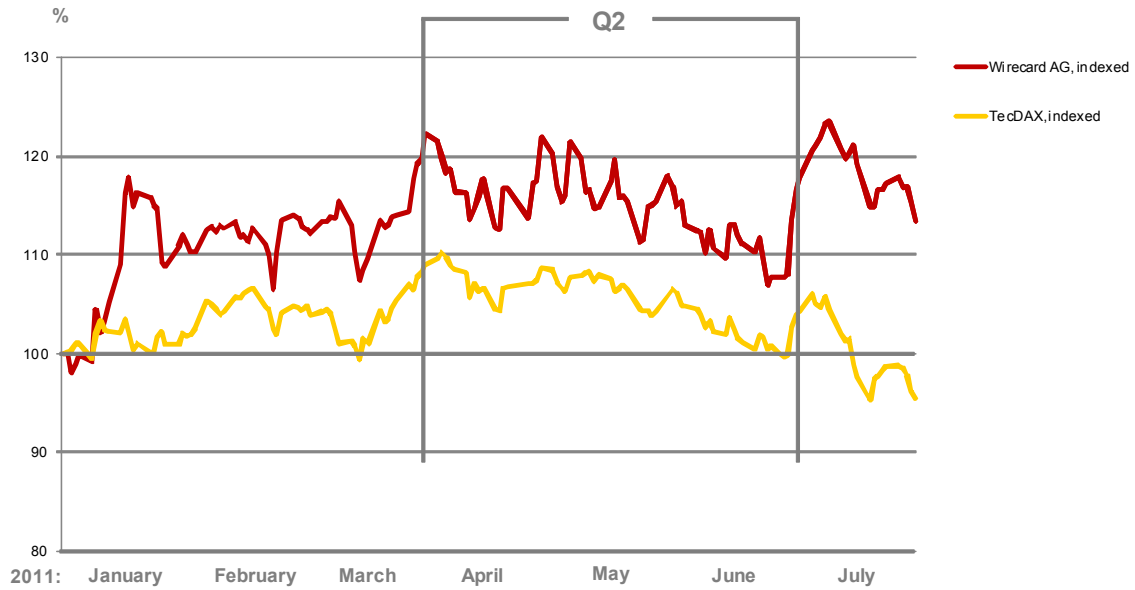


Jan Marsalek

WIRECARD STOCK

In the second quarter of 2011 the DAX lifted by 3 percent to 7,376 points. The TecDAX, the reference index for Wirecard stock, closed at 894 points, down 5 percent.

Wirecard's stock peaked at the very start of the second quarter of 2011 on April 1. As was the case in the first quarter of the previous year, the share price remained stable, averaging at EUR 12.13. An average of 218,738 shares was traded each day. The closing price on June 30, 2011 was 12.33.



The share price for Wirecard's stock lifted by 17 percent during the first half of 2011.

KEY FIGURES WIRECARD STOCK Q2 2011

		Q2/2011	Q2/2010
Number of shares		101,803,139	101,803,139
Capital stock	EUR	101,803,139.00	101,803,139.00
Market capitalization (June 30)	Bn EUR	1.26	0.715
Stock market price (June 30)	EUR	12.33	7.02
Annual high as of June 30	EUR	13.28	8.79
Annual low as of June 30	EUR	9.43	7.02

Stock data: XETRA closing rates

General Meeting/dividend resolution

Wirecard AG's Ordinary General Meeting for this year was held in Munich on June 22, 2011. Resolutions passed at the General Meeting included carrying forward EUR 8,842,506.86 to new account from the disclosed net retained profits for fiscal year 2010 of EUR 19,022,820.76, and disbursing EUR 10,180,313.90 as a dividend, i.e., paying a dividend of EUR 0.10 per no-par-value share for each of the 101,803,139 dividend-entitled shares. All of the agenda items were passed with a majority. Details of the results of voting are available online at:

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

Investor Relations

The Board of Management and Investor Relations ensure that the company is in constant contact with institutional investors via roadshows, individual discussions (visits and telephone conferences and investors' conferences). At the end of the period under review, twelve analysts from banks of note were monitoring Wirecard's share price.

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

Further information can be found 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:GR
German Securities Code (WKN):	747206
ISIN:	DE0007472060
Authorized capital, in number of shares:	101,803,139
Group accounting category:	Exempting consolidated financial statements according to IAS/IFRS
End of fiscal year:	December 31
Total capital stock as at June 30, 2011:	EUR 101,803,139.00
Beginning of stock market listing:	October 25, 2000
Board of Management:	Dr. Markus Braun (CEO, CTO)
	Burkhard Ley (CFO)
	Jan Marsalek (COO)
Supervisory Board:	Wulf Matthias, Chairman
	Alfons W. Henseler (Deputy Chairman)
	Stefan Klestil (Member)
Shareholder structure as at June 30, 2011:	
(Shareholders with more than 3% of voting rights)	7.60% MB Beteiligungsgesellschaft mbH
	6.26% Jupiter Asset Management Ltd. (UK)
	5.00% Alken Fund Sicav (LU)
	4.97% Artisan Partners (US))
	3.10 % Wasatch Holdings, Inc. (US)
	3.08 % Columbia Wanger AM LLC (US)
	3.04 % Ameriprise Financial Inc. (US)
	92.4 % Freefloat
	(Alken, Ameriprise, Artisan, Columbia Wanger, Jupiter, and Wasatch are assigned to the freefloat according to the rules of Deutsche Börse)

CONSOLIDATED BALANCE SHEET – ASSETS

in EUR	06/30/2011	12/31/2010
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	111,851,023.15	101,339,875.98
Internally generated intangible assets	19,127,925.57	16,901,071.28
Other intangible assets	14,911,778.42	13,050,001.41
Customer relationships	63,133,585.95	62,450,775.11
	209,024,313.09	193,741,723.78
2. Property, plant and equipment		
Other property, plant and equipment	2,521,925.58	1,578,235.50
3. Financial and other assets / interest-bearing securities	25,985,839.84	38,698,849.72
4. Tax credits		
Deferred tax assets	1,522,997.44	1,205,027.26
Total non-current assets	239,055,075.95	235,223,836.26
II. Current assets		
1. Inventories	308,454.68	359,509.39
2. Trade receivables and other receivables	134,211,875.36	118,740,739.19
3. Tax credits		
Tax assets	1,636,868.53	180,129.86
4. Interest-bearing securities	9,000,000.00	10,000,000.00
5. Cash and cash equivalents	217,334,771.37	185,355,190.19
Total current assets	362,491,969.94	314,635,568.63
Total assets	601,547,045.89	549,859,404.89

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

in EUR	06/30/2011	12/31/2010
EQUITY AND LIABILITIES		
I. Shareholders' equity		
1. Subscribed capital	101,803,139.00	101,803,139.00
2. Capital reserve	11,261,517.49	11,261,517.49
3. Retained earnings	192,069,267.26	176,642,694.67
4. Foreign currency translation reserve	81,405.79	136,860.98
Total shareholders' equity	305,215,329.54	289,844,212.14
II. LIABILITIES		
1. Non-current liabilities		
Non-current interest-bearing bank liabilities	31,000,000.00	1,000,000.00
Other non-current liabilities	1,066,891.49	331,922.00
Deferred tax liabilities	6,774,773.79	6,584,181.73
	38,841,665.28	7,916,103.73
2. Current liabilities		
Trade payables	147,093,283.31	98,443,415.67
Current interest-bearing liabilities	1,001,690.33	21,001,261.72
Other current provisions	1,206,161.21	1,652,111.11
Other current liabilities	9,640,448.70	8,524,274.02
Customer deposits from banking operations	92,508,273.01	118,745,103.95
Tax provisions	6,040,194.51	3,732,922.55
	257,490,051.07	252,099,089.02
Total liabilities	296,331,716.35	260,015,192.75
Total shareholders' equity and liabilities	601,547,045.89	549,859,404.89

CONSOLIDATED INCOME STATEMENT

in EUR	04/01/2011 - 06/30/2011	04/01/2010 - 06/30/2010
I. Revenues	77,990,560.97	65,332,760.44
II. Other own work capitalized	1,814,095.09	1,260,001.37
1. Other own work capitalized	1,814,095.09	1,260,001.37
III. Operating expenses	54,412,682.66	44,697,814.55
1. Cost of materials	45,579,827.13	36,022,078.42
2. Personnel expenses	7,016,248.32	7,267,974.39
3. Amortization and depreciation	1,816,607.21	1,407,761.74
IV. Other operating income and expenses	-8,724,679.31	-5,717,617.57
1. Other operating income	388,881.54	162,825.90
2. Other operating expenses	9,113,560.85	5,880,443.47
Net operating income	16,667,294.09	16,177,329.69
V. Net financial income	-451,435.45	-22,424.38
1. Other interest and similar income	247,662.40	324,906.00
2. Financial expenses	699,097.85	347,330.38
VI. Profit before taxes	16,215,858.64	16,154,905.31
VII. Income tax	3,127,785.27	1,640,844.21
VIII. Profit after taxes	13,088,073.37	14,514,061.10
Earnings per share (basic)	0.13	0.14
Earnings per share (diluted)	0.13	0.14
Weighted average shares outstanding (basic)	101,803,139	101,803,139
Weighted average shares outstanding (diluted)	101,986,924	102,069,023

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR	04/01/2011 - 06/30/2011	04/01/2010 - 06/30/2010
Profit after taxes	13,088,073.37	14,514,061.10
Change in exchange differences from translation of operations outside the euro zone	-29,911.47	271,931.81
Total comprehensive income	13,058,161.90	14,785,992.91

CONSOLIDATED INCOME STATEMENT

01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010	in EUR
147,871,677.28	123,845,238.86	I. Revenues
3,434,768.04	2,531,069.91	II. Other own work capitalized
3,434,768.04	2,531,069.91	1. Own work capitalized
103,549,650.10	84,035,361.60	III. Operating expenses
85,968,853.56	67,137,132.46	1. Cost of materials
14,041,743.86	14,217,582.22	2. Personnel expenses
3,539,052.68	2,680,646.92	3. Amortization and depreciation
-15,946,342.89	-11,475,359.19	IV. Other operating income and expenses
707,126.82	529,238.88	1. Other operating income
16,653,469.71	12,004,598.07	2. Other operating expenses
31,810,452.33	30,865,587.98	Net operating income
- 33,369.65	- 320,899.48	V. Net financial income
901,919.48	524,519.47	1. Other interest and similar income
935,289.13	845,418.95	2. Financial expenses
31,777,082.68	30,544,688.50	VI. Profit before taxes
6,170,196.81	3,768,893.39	VII. Income tax
25,606,885.87	26,775,795.11	VIII. Profit after taxes
0.25	0.26	Earnings per share (basic)
0.25	0.26	Earnings per share (diluted)
101,803,139	101,803,139	Weighted average shares outstanding (basic)
101,986,924	102,069,023	Weighted average shares outstanding (diluted)

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01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010	
25,606,885.87	26,775,795.11	Profit after taxes
- 55,455.19	224,098.97	Change in exchange differences from translation of operations outside the euro zone
25,551,430.68	26,999,894.08	Total comprehensive income

CONSOLIDATED CASH FLOW STATEMENT

in EUR	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010
EBIT	31,810,452.33	30,865,587.98
Gains/Losses from the disposal of non-current assets	76,998.24	- 51,631.01
Amortization/depreciation/write-ups of non-current assets	3,539,052.68	2,680,646.92
Impact on foreign currency translation	- 561,985.68	1,312,576.97
Changes in inventories	51,054.71	- 38,777.33
Changes in trade and other receivables	- 15,388,153.80	- 18,172,816.27
Changes in other assets	924,250.02	- 525,549.45
Changes in provisions	- 445,949.90	164,888.84
Increase/decrease in non-current liabilities excluding financial liabilities	734,969.49	- 1,482,592.62
Changes in trade payables	49,087,195.56	- 17,127,979.37
Changes in other current liabilities	1,038,742.68	- 3,621,934.17
Income taxes paid	- 5,617,285.26	- 1,384,904.64
Interest paid (excl. interest on loans)	- 755,439.73	- 262,770.01
Interest received	38,444.27	140,816.15
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	- 1,255,181.32	- 762,638.71
Cash flow from operating activities	63,277,164.29	- 8,267,076.72
Cash paid for investments in intangible assets and property, plant and equipment	- 5,724,217.30	- 6,657,660.04
Cash received from the sale of intangible assets and property, plant and equipment	33,551.76	0.00
Cash paid for investments in financial assets and interest bearing securities	0.00	0.00
Cash received from sale of financial assets	0.00	231,643.63
Cash received from loan repayments	0.00	0.00
Cash paid for the acquisition of entities and investments in consolidated entities	- 2,881,381.95	- 440,126.28
Cash flow from investing activities	- 8,572,047.49	- 6,866,142.69
Cash received from financial liabilities	10,000,000.00	0.00
Cash paid for repayment of financial liabilities	- 10,000,000.00	-1,000,000.00
Dividends paid	- 10,180,313.28	- 9,162,282.51
Interest paid on loans	- 58,718.04	- 114,236.50
Cash flow from financing activities	- 10,239,031.32	- 10,276,519.01
Net change in cash and cash equivalents	44,466,085.48	- 25,409,738.42
Adjustments due to currency translation	- 55,455.19	224,098.58
Adjustments due to consolidation	- 16,397.24	2,872,241.45
Financial resources fund at the beginning of period	112,036,124.00	149,699,294.33
Financial resources fund at the end of period	156,430,357.05	127,385,895.94

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

In EUR	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010
EBIT	31,810,452.33	30,865,587.98
Gains/Losses from the disposal of non-current assets	76,998.24	- 51,631.01
Amortization/depreciation/write-ups of non-current assets	3,539,052.68	2,680,646.92
Impact on foreign currency translation	- 5,874.96	- 21,750.02
Changes in inventories	51,054.71	- 38,777.33
Changes in trade receivables and other receivables (adjusted for transaction volumes of a transitory nature)	- 3,835,905.65	4,743,582.02
Changes in other assets	924,250.02	- 525,549.45
Changes in provisions	- 445,949.90	164,888.84
Increase/decrease in non-current liabilities excluding financial liabilities	734,969.49	- 1,482,592.62
Changes in trade payables (adjusted for transaction volumes of a transitory nature)	1,358,443.16	- 3,142,665.18
Changes in other current liabilities	1,103,911.01	- 4,513,882.77
Income taxes paid	- 5,617,285.26	- 1,384,904.64
Interest paid (excl. interest on loans)	- 755,439.73	- 262,770.01
Interest received	38,444.27	140,816.15
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	- 1,255,181.32	- 762,638.71
Cash flow from operating activities	27,721,939.09	26,408,360.17

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Subscribed capital Nominal value / number of shares issued			Foreign currency translation reserve	Total Shareholders' Equity
	EUR / NO.	Capital reserve EUR	Retained earnings EUR	EUR	EUR
Balance as of December 31, 2009	101,803,139.00	11,261,517.49	131,831,808.10	- 14,094.75	244,882,369.84
Profit after taxes			26,775,795.11		26,775,795.11
Dividends paid			- 9,162,282.51		- 9,162,282.51
Contingent capital increase (convertible bonds)	0.00	0.00			0.00
Currency translation differences				224,098.97	224,098.97
Balance as at June 30, 2010	101,803,139.00	11,261,517.49	149,445,320.70	210,004.22	262,719,981.41
Balance as of December 31, 2010	101,803,139.00	11,261,517.49	176,642,694.67	136,860.98	289,844,212.14
Profit after taxes			25,606,885.87		25,606,885.87
Dividends paid			- 10,180,313.28		- 10,180,313.28
Contingent capital increase (convertible bonds)	0.00	0.00			0.00
Currency translation differences				- 55,455.19	- 55,455.19
Balance as at June 30, 2011	101,803,139.00	11,261,517.49	192,069,267.26	81,405.79	305,215,329.54

EXPLANATORY NOTES

Consolidated financial statements as at June 30, 2011

1. Disclosures related to the Company and its valuation principles

1.1. Business activities and legal background

Wirecard AG, Einsteinring 35, 85609 Aschheim (hereafter referred to as “Wirecard”, “Group” or “the Company”) was established on May 6, 1999. The name of the Company was changed from InfoGenie Europe AG to Wire Card AG upon entry thereof in the commercial register on March 14, 2005 and to Wirecard AG upon entry in the commercial register on June 19, 2006.

Group of consolidated companies

A total of 19 subsidiaries were fully consolidated on June 30, 2011. As of June 30, 2010, there were a total of 20 fully consolidated subsidiaries.

SUBSIDIARIES OF WIRECARD AG

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

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

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

Business combinations

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

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

The purchase price for the group of companies came to EUR 670K. In addition, debt amounting to EUR 14,471K was assumed. The key assets of the company acquired include the strategic importance of its customer relationships and the technical platform. Since the annual financial statements of the company have not yet been audited, adjustments to the value of the assets acquired may be necessary.

The breakdown is as follows:

ACQUIRED FAIR VALUE OF PROCARD SERVICES FZ LLC

in EUR '000

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

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

1.2. Principals and assumptions used in preparing the financial statements

Principles

The consolidated financial statements as at June 30, 2011 were prepared in accordance with IAS 34 (Interim Financial Reporting) with consideration of the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) as adopted by EU. The notes of the consolidated financial statements as at December 31, 2010 also apply accordingly to the present half-year financial statements and should be taken into consideration in connection with the interim financial statements. Any variations from the above are explained below.

Presentation

The presentation of the Group's Balance Sheet, Income Statement, Cash Flow Statement and Segment reporting was effected in accordance with the consolidated financial statements as at December 31, 2010.

Comparability

The comparability with the previous period is limited in these six-month financial statements owing to the initial consolidation of the Procard Services FZ LLC as at January 13, 2011.

According to the license for the provision of payment services which has been valid from April 30, 2011, there was a transition in accounting for acquiring and payment processing. This is based on the EU Payment Services Directive (PSD) which is implemented in the local laws of the member states.

This change has not impacted the Wirecard Group's financial position and performance, however it means that the comparability of the segment report is limited. In this regard, extensive explanatory notes and reconciliations are provided in Item 6.1 of the Segment Report in order to ease comparability.

Accounting and valuation methods

In the course of preparing the six-month financial statements as at June 30, 2011, the same accounting and valuation principles were used as for the last consolidated financial statements (December 31, 2010) and in the previous-year period (January 1, 2010 through June 30, 2010). For more details please refer to the Annual Report as at December 31, 2010.

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, 2010). The recoverable amount of a business segment (cash-generating unit) to which goodwill was assigned is determined on the basis of estimates by management. These take into account the current underlying economic conditions. The Company determines these values using valuation methods based on discounted cash flows.

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

GOODWILL

in EUR '000	06/30/2011	12/31/2010
Payment Processing & Risk Management	87,546	77,035
Acquiring & Issuing	24,017	24,017
Call Center & Communication Services	288	288
Total	111,851	101,340

Internally generated intangible assets

In the period under review, internally generated software was developed and capitalized in the amount of EUR 3,435K (6M 2010: EUR 2,531K). The software was programmed for the Payment Processing & Risk Management segment. It will be amortized using the straight-line method over the course of its useful economic life. The period in question is ten years.

Other intangible assets

Other intangible assets, in addition to the software for the individual workstations, essentially relate to software acquired for and used by the "Payment Processing & Risk Management" and "Acquiring & Issuing" segments. They are written down using the straight line method over the course of their useful lives. The relevant period ranges from three to ten years. In the period under review, this item increased from EUR 13,050K to EUR 14,912K.

Customer relationships

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

In the period under review, this item increased following the initial consolidation of the Pro-card Services FFC LLC, in which EUR 730K was assigned to customer relationships within the scope of the purchase price allocation.

2.2. Property, plant and equipment

Other property, plant and equipment

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

Gains/Losses from the disposal of non-current assets are carried under other operating income and expenses. Maintenance and smaller repairs are recognized in income.

2.3. Financial and other assets

Financial and other assets, amounting to EUR 25,986K (December 31, 2010: EUR 38,699K) changed in the financial year, essentially due to the effects that Wirecard Bank AG sold parts of the interest-bearing securities, that were invested in various medium and long-term interest-bearing securities to improve interest income. With an original term to maturity of three to five years, these earn interest solely according to terms and conditions prevailing on the money market, with minimum and maximum interest rates were agreed (so-called collared floaters). These are reported under financial and other assets; this is why they have the effect of reducing cash and cash equivalents.

2.4. Tax credits

Deferred tax assets

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

On account of tax assessments up to December 31, 2010, tax notices issued up to the 2010 assessment year and consolidated taxable earnings in the first six months of 2011, deferred tax assets as at June 30, 2011 amounted to EUR 1,523K following a valuation allowance (December 31, 2010: EUR 1,205K).

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2.5. Inventories

As at June 30, 2011, the inventories reported, amounting to EUR 308K (December 31, 2010: EUR 360K), merchandise such as, in particular, terminals and debit cards. These are measured according to IAS 2.

2.6. Trade receivables and other receivables

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

Receivables and liabilities (less commissions and charges) are transitory in nature and subject to substantial fluctuations from one balance sheet date to another. The increase as of June 30, 2011 is mostly due to an increase in receivables from Acquiring due to the balance sheet date. Moreover, cooperation with other acquiring banks in the Asian region led to an increase in receivables year-on-year for accounting reasons. Furthermore, the comparability is limited due to initial consolidation of the Procard Services FFC LLC.

2.7. Tax credits

As at June 30, 2011, the tax credits reported included tax refunds amounting to EUR 1,637K (December 31, 2010: EUR 10K). As at December 31, 2010, there were VAT refund claims amounting to EUR 170K (June 30, 2011: EUR 0K).

2.8. Interest-bearing securities

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

2.9. Cash and cash equivalents

The item Cash and cash equivalents (June 30, 2011: EUR 217,335K; December 31, 2010: EUR 185,355K) lists cash in hand and credit balances with banks (sight and time deposits and overnight [call] money). These also include resources from current customer deposits of Wirecard Bank AG (June 30, 2011: EUR 60,903K; December 31, 2010: EUR 73,318K) and funds derived from Wirecard Bank AG's acquiring business. To improve its interest income, Wirecard Bank AG invested in various short, medium and long-term interest-bearing securities (so-called collared floaters and interest-bearing securities). These are reported under non-current financial and other assets and under current interest-bearing securities. Excluding the purchase of these instruments, the item cash and cash equivalents would have been higher by a total of EUR 31,606K.

3. Explanatory notes on consolidated balance sheet liabilities

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

3.1. Subscribed capital

The Company's subscribed capital as at June 30, 2011 remained unchanged year-on-year at EUR 101,803,139.00 and comprises 101,803,139 no-par-value bearer shares based on a notional common stock of EUR 1.00 per share.

Authorized capital

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

By way of a resolution at the General Meeting on June 22, 2011, shares can now also be offered to members of the company's management as employee shares from authorized capital excluding subscription rights at a price which is not significantly lower than the stock market price. The company's employees and the members of management and employees at the company's associated companies can be issued shares according to Section 204 (3) of the Aktiengesetz (AktG - German Public Limited Companies Act).

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

Contingent capital

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

By way of a resolution passed at the General Meeting on June 22, 2011, the contingent capital 2008/I was cancelled in the amount of EUR 3,053,700.00 (December 31, 2010: EUR 3,053,700.00).

Purchase of treasury stock

By a resolution adopted at the Annual General Meeting on June 17, 2010, the Board of Management is authorized, with the approval of the Supervisory Board, to acquire treasury stock in the company of up to 10 percent of the share capital of Wirecard AG which exists on the date the resolution was passed. This authorization is valid until June 16, 2015.

Until June 30, 2011, the Board of Management 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

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

3.3. Retained earnings

At the General Meeting on June 22, 2011, the company's proposal to pay a dividend of EUR 0.10 per share to the shareholders was accepted. As a result, a total amount of EUR 10,180,313.28 was disbursed as a dividend.

3.4. Non-current liabilities

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

Non-current interest-bearing liabilities

During the second quarter, as scheduled, the current interest-bearing liabilities were transferred to a non-current global credit facility, which has been provided for M&A transactions performed and for potential M&A transactions in future. As a result, non-current interest-bearing liabilities increased to EUR 31,000K (December 31, 2010: EUR 1,000K).

Other non-current liabilities

Other non-currents liabilities as at June 30, 2011 consist of non-current loans in the amount of EUR 1,067K, of which EUR 735K were added to the Group's balance sheet, due to the initial consolidation of Procard Services FZ LLC.

Deferred tax liabilities

Deferred tax liabilities, amounting to EUR 6,775K (December 31, 2010: EUR 6,584K) related to temporary differences between the tax base and the consolidated financial statements according to IFRS and are reported under non-current liabilities.

3.5. Current liabilities

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

Trade payables

Trade payables are owed chiefly to merchants/online traders. A total of EUR 129,118K is due to Wirecard Bank AG.

Interest-bearing liabilities

Interest-bearing liabilities, amounting to EUR 1,002K (December 31, 2010: EUR 21,001K) fell on schedule, as these were transferred to a non-current global credit facility which was provided for M&A transactions performed and for potential future M&A transactions. The remaining loan of EUR 1,000K is due in the second half of 2011.

Other provisions

Provisions are generally current in nature and are expected to be consumed within one year. Other current provisions amounting to EUR 1,206K (December 31, 2010: EUR 1,652K) include financial statement and other auditing costs of EUR 749K as the largest single item (December 31, 2010: EUR 1,191K).

Other liabilities

Other liabilities, amounting to EUR 9,640K (December 31, 2010: EUR 8,524K) comprised deferred liabilities of EUR 5,206K (December 31, 2010: EUR 4,938K). In addition, this item includes liabilities arising in the fields of payment transactions, wages and salaries, social security and the like.

Customer deposits from banking operations

This line item included customer deposits amounting to EUR 92,508K (December 31, 2010: EUR 118,745K) with Wirecard Bank AG.

Tax provisions

Tax provisions essentially relate to provisions set up for income taxes of Wirecard Bank AG (EUR 2,068K) and Wirecard AG (EUR 2,293K). Due to the tax prepayments for the period under review, provisions of EUR 1,591K had to be formed for taxes of the foreign companies.

4. Explanatory notes to the income statement

4.1. Revenues

Consolidated revenues (EUR 147,872K) 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, the interest income generated by Wirecard Bank AG (EUR 1,182K) 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. This includes the production costs of credit cards and the transaction costs for payment processes executed.

4.3. Personnel expenses

Personnel expenses in the first half of 2011 totaled EUR 14,042K (previous year: EUR 14,218K) and comprised salaries amounting to EUR 12,490K (previous year: EUR 12,516K) and social security in the amount of EUR 1,552K (previous year: EUR 1,702K).

During the first half of 2011, Wirecard AG had 487 employees without the Board Members and apprentices (previous year: 509 employees), of which 130 (previous year: 133) were employed part-time. Of the 487 employees, 15 (previous year: 14) were employed as management board members / general managers of a subsidiary.

The employees were engaged in the following functions:

EMPLOYEES

	6M 2011	6M 2010
Distribution	91	92
Administration	100	88
Customer Service	166	198
Research and Development and IT	130	131
Total	487	509
of which part-time	130	133

4.4. Other operating income

Other operating income in the amount of EUR 707K (6M 2010: EUR 529K) essentially consists of income from reversal of provisions or netted remunerations in kind.

4.5. Other operating expenses

Breakdown of other operating expenses:

OTHER OPERATING EXPENSES

in EUR '000	6M 2011	6M 2010
Legal and financial statement costs	1,549	1,987
Consulting expenses and consulting-related expenses	1,675	1,941
Office expenses	1,741	1,454
Equipment and leasing	2,630	2,337
Sales and marketing	1,706	2,171
Other	7,352	2,115
Total	16,653	12,005

4.6. Net financial income

Net financial income totaled EUR -33K (previous year: EUR -321K). Expenses, amounting to EUR 935K, included EUR 927K in interest (previous year: EUR 385K). This contrasts with net financial income of EUR 902K (previous year: EUR 525K). In accordance with IAS 18.5 (a), interest income of Wirecard Bank AG, amounting to EUR 1.182K (previous year: EUR 1,043K) is not carried under net financial income but under revenues. Please refer to Section 4.1 Revenues and 6.1 Segment Reporting.

4.7. Income tax and deferred taxes

On balance, the consolidated income statement for the first half of 2011 includes income tax expense of EUR 6,170K. Essentially, these related to the income tax burdens determined for the Group member companies on the basis of the tax calculations for first half of 2011. In addition, these related to the change in deferred tax liabilities in the amount of EUR 191K and the change in deferred tax assets in the amount of 318K.

The cash-relevant tax rate (excluding deferred taxes) amounted to 19.8 percent (6M 2010: 7.4 percent). Including deferred taxes, the tax rate came to 19.4 percent (6M 2010: 12.3 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 June 30, 2011, and June 30, 2010 the Company had both cash and cash equivalents in its books.

Reconciliation to cash and cash equivalents according to IAS 7.45

The balance of financial resources at the end of the period includes cash in hand and bank balances included in the line item cash and cash equivalents (June 30, 2011: EUR 217,335K; June 30, 2010: EUR 182,290K), less current (immediately due and payable) liabilities to banks (June 30, 2011: EUR 2K; June 30, 2010: EUR 45K) included in the line item current, interest-bearing liabilities. In addition, corresponding financial resources of current customer deposits from banking operations (June 30, 2011: EUR 60,903K; June 30, 2010: EUR 54,859K) were deducted or recorded as a reduction in cash and cash equivalents.

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

On the assets side, separate accounts have been set up for these funds, which may not be used for any other business purposes. Against this backdrop, securities (so-called collared floaters and current interest-bearing securities) with a nominal value of EUR 31,606K are held, and deposits with the central bank, sight and short-term time deposits with banks are maintained in the total amount of the customer deposits of EUR 60,903K. 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 group of consolidated companies were eliminated in the course of the calculation.

CASH AND CASH EQUIVALENTS

in EUR '000	06/30/2011	06/30/2010
Cash and cash equivalents	217,335	182,290
Current interest-bearing liabilities	- 1,002	- 2,545
of which, current liabilities to bank	- 2	- 45
Reconciliation to cash and cash equivalents	217,333	182,245
of which, current customer deposits from banking operations	- 60,903	- 54,859
of which, Acquiring deposits in Wirecard Bank AG	- 96,341	- 73,998
Financial resources fund at the end of period	156,430	127,386

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5.1. Cash flow from operating activities

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

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

arising from the acquisition of the Procard Services FZ LLC (previous year: E-Credit Group) is reflected in this item.

The cash flow from operating activities is determined according to the indirect method by initially adjusting Group earnings to eliminate non-cash transactions, accruals, deferrals or provisions relating to past or future cash receipts or payments as well as income and expense items to be allocated to the field of investments or finance. After consideration of the changes in net current assets, this results in the net cash provided by/used in operating activities. The net cash provided by/used in 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 half of 2011 increased from EUR -8,267K in the previous year to EUR 63,277K, essentially attributable to the special system used in the Acquiring division, which is impacted by cut-off date effects of a transitory nature inherent in the Company's business model. In this context, it should be borne in mind in particular that a very sharp increase in the operational cash flow in the fourth quarter of 2009, which was essentially due to delayed payouts on account of the public holidays, was offset by a downturn in the cash flow in 2010. The cash flow from operating activities (adjusted for transaction volumes of a transitory nature) totals EUR 27,722K (6M 2010: EUR 26,408K).

In line with the business model, the transaction volumes generated by the Acquiring business were reported under Trade receivables as receivables from credit card organizations and banks. At the same time, these business transactions give rise to liabilities to merchants, amounting to the transaction volume (less our commissions and charges). Receivables and liabilities (less our commissions and charges) are 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 investment activity is the result of the inflow of funds from non-current assets (excluding deferred taxes) and the outflow of funds for investments in non-current assets (excluding deferred taxes). The cash flow from investing activities totaled EUR -8,572K in the year under review (previous year: EUR -6,866K).

The following are essentially affected by this:

SUBSTANTIAL CASH OUTFLOWS FOR INVESTMENTS

in EUR '000

M&A Transactions	2,881
Internally generated intangible assets	3,435
Other intangible assets (software)	1,005
Property, plant and equipment	1,284

5.3. Cash flow from financing activities

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

The cash flow from financing activities in the first half of 2011 mostly related to the dividend disbursement in the amount of EUR 10,180K (6M 2010: EUR 9,162K).

5.4. Financial resources fund at the end of period

Taking into account this net cash provided/used(6M 2011: EUR 44,466K; 6M 2010: EUR - 25,410K), the exchange-rate related changes (6M 2011: EUR - 55K; 6M 2010: EUR 224K) and changes in the cash and cash equivalents due to the group of consolidated companies (6M 2011: EUR - 16K; 6M 2010: EUR 2,872K) and the financial resources fund at the beginning of the period (6M 2011: EUR 112,036K; 6M 2010: EUR 149,699K), there are financial resources fund at the end of period in the amount of EUR 156,430K (June 30, 2010: EUR 127,386K).

6. Other explanatory notes

6.1. Segment reporting

Reportable segments are determined in accordance with an internal reporting. Apart from revenues, the EBITDA and EBIT contribution is used as an internal measurement criterion, which is why EBITDA and EBIT are also reported as segment results. Services between the segments are settled based on 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.

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

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

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

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

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

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

In addition, information is provided on geographical regions according to production locations. These are broken down into three segments. The segmentation "Europe" contains Wirecard (Gibraltar) Ltd., InfoGenie Ltd. and the companies Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland), along with its subsidiaries and Wirecard Central Eastern Europe GmbH (previously: Qenta paymentsolutions Beratungs und Informations GmbH), Klagenfurt (Austria). In the segment "Other Countries" the company cardSystems FZ-LLC,

Procard Services FZ LLC and Wirecard Asia Pte. Ltd. (Singapore) are included together with their subsidiaries. The segment "Germany" includes all other companies within the Wirecard Group.

According to the license for the provision of payment services which has been valid from April 30, 2011, there was a transition in accounting for acquiring and payment processing. This is based on the EU Payment Services Directive (PSD) which is implemented in the local laws of the member states.

The Wirecard Group itself processes (and will process in future) contractual services to an unchanged extent. This change has not impacted the Wirecard Group's financial position and performance. Payment services will now be invoiced by Wirecard Bank AG. The local group subsidiaries will continue to provide technical services and customer support.

As a result, from May 2011 revenues with external customers have been booked in the A&I segment that were previously booked in the PP&RM segment.

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Revenues in other segments within the group (consolidation) have thus also changed as a result. The changes result in lower revenues in the PP&RM segment and higher revenues in the A&I segment. Consolidated revenues and the profitability of the group and also the individual segments will not be affected by the change.

This change has also impacted the geographic distribution, as revenues that had been recorded by Wirecard's local European facilities are partially incurred in Germany, where Wirecard Bank AG is located.

For comparability, the "as if" figures are included below in additional tables.

REVENUES BY OPERATING DIVISIONS

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Payment Processing & Risk Management (PP&RM)	126,196	116,529	59,224	62,101
Acquiring & Issuing (A&I)	46,427	50,720	26,417	25,409
Call Center & Communication Services (CC&CS)	2,070	2,385	974	1,066
	174,693	169,634	86,615	88,576
Consolidation PP&RM	- 4,665	- 1,192	- 2,996	- 619
Consolidation A&I	- 21,496	- 43,753	- 5,297	- 22,196
Consolidation CC&CS	- 660	- 844	- 331	- 428
Total	147,872	123,845	77,991	65,333

REVENUES BY OPERATING DIVISIONS WITHOUT A CHANGE TO THE CONTRACTUAL REGULATIONS (AS IF)

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Payment Processing & Risk Management	141,430	116,529	74,458	62,101
Acquiring & Issuing	44,092	50,720	24,082	25,409
Call Center & Communication Services	2,070	2,385	974	1,066
	187,592	169,634	99,514	88,576
Consolidation PP&RM	- 2,330	- 1,192	- 661	- 619
Consolidation A&I	- 36,730	- 43,753	- 20,531	- 22,196
Consolidation CC&CS	- 660	- 844	- 331	- 428
	147,872	123,845	77,991	65,333

EBITDA BY OPERATING DIVISIONS

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Payment Processing & Risk Management	24,881	20,931	13,086	11,630
Acquiring & Issuing	10,196	12,509	5,273	5,991
Call Center & Communication Services	273	106	125	- 36
	35,350	33,546	18,484	17,585
Consolidation	0	0	0	0
Total	35,350	33,546	18,484	17,585

EBIT BY OPERATING DIVISIONS

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Payment Processing & Risk Management	21,618	18,308	11,424	10,251
Acquiring & Issuing	10,159	12,471	5,255	5,971
Call Center & Communication Services	33	87	- 12	- 45
	31,810	30,866	16,667	16,177
Consolidation	0	0	0	0
Total	31,810	30,866	16,667	16,177

REGIONAL REVENUES

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Germany	92,382	83,536	50,378	42,199
Europe	62,079	64,127	30,415	35,145
Other countries	2,519	2,856	1,226	1,444
	156,980	150,519	82,019	78,788
Consolidation Germany	- 8,158	- 26,507	- 3,242	- 13,370
Consolidation Europe	- 950	- 167	- 786	- 85
Consolidation Other countries	0	0	0	0
Total	147,872	123,845	77,991	65,333

REGIONAL REVENUES WITHOUT A CHANGE TO THE CONTRACTUAL REGULATIONS (AS IF)

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Germany	91,850	83,536	49,846	42,199
Europe	66,382	64,127	34,718	35,145
Other	2,519	2,856	1,226	1,444
	160,751	150,519	85,790	78,788
Consolidation Germany	- 12,461	- 26,507	- 7,545	- 13,370
Consolidation Europe	- 418	- 167	- 254	- 85
Consolidation Other countries	0	0	0	0
	147,872	123,845	77,991	65,333

EBITDA BY REGIONS

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Germany	18,605	15,794	10,009	8,583
Europe	18,145	16,404	9,480	8,470
Other countries	- 1,400	1,348	- 1,005	532
	35,350	33,546	18,484	17,585
Consolidation	0	0	0	0
Total	35,350	33,546	18,484	17,585

EBIT BY REGIONS

in EUR '000	6M 2011	6M 2010	Q2 2011	Q2 2010
Germany	16,054	13,792	8,681	7,522
Europe	17,550	15,806	9,188	8,163
Other countries	- 1,794	1,268	- 1,202	492
	31,810	30,866	16,667	16,177
Consolidation	0	0	0	0
Total	31,810	30,866	16,667	16,177

7. Additional mandatory disclosures

7.1. Board of Management

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

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

CEO, Chief Technology Officer

Burkhard Ley, banker, member of the Board of Management

since January 1, 2006

Chief Financial Officer

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

Jan Marsalek, computer scientist, member of the Board of Management

since February 1, 2010

Chief Operating Officer

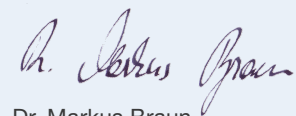
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7.2. Events after the balance sheet date

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

Aschheim (Munich), August 17, 2011.

Wirecard AG



Dr. Markus Braun



Burkhard Ley



Jan Marsalek

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

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