wirecard

WIRECARD AG

INTERIM REPORT AS AT JUNE 30, 2012

KEY FIGURES

WIRECARD GROUP

		6M 2012	6M 2011
Revenues	TEUR	**177,897**	**147,872**
EBITDA	TEUR	**49,369**	35,350
EBIT	TEUR	**41,745**	31,810
Earnings per share (basic)	EUR	**0.30**	0.25
Shareholders' equity	TEUR	**500,020**	305,215
Total assets	TEUR	**861,755**	601,547
Cash flow from operating activities (adjusted)	TEUR	**41,972**	31,768
Employees		**603**	487
of which part-time		**154**	130

SEGMENTS*

in EUR '000		6M 2012	6M 2011
Payment Processing & Risk Management	Revenues	**121,441**	107,524
	EBITDA	**36,869**	24,881
Acquiring & Issuing	Revenues	**66,814**	52,436
	EBITDA	**12,220**	10,196
Call Center & Communication Services	Revenues	**2,559**	2,070
	EBITDA	**315**	273
Consolidation	Revenues	**(12,917)**	(14,158)
	EBITDA	**(35)**	0
Total	**Revenues**	**177,897**	**147,872**
	EBITDA	**49,369**	**35,350**

* Restricted comparability due to conversion in connection with the EU payment services directive - please also refer to the information in the notes

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LETTER FROM THE CEO

Dear Shareholders,

We continued to successfully grow our company in the first half of 2012. Compared to the previous year period the consolidated revenues increased in the first half year of 2012 by 20.3 percent to EUR 177.9 million. We were able to increase EBITDA to EUR 49.4 million (up 39.7 percent). Without the extraordinary expenses of EUR 5.2 million incurred in the first six months of 2011, EBITDA would even have increased by 21.7 percent.

In the first six months of 2012, the volume of transactions processed via the Wirecard platform totaled EUR 9.4 billion, of which EUR 0.9 billion was due to Asia. This pleasing growth is based on sustained growth in our core business, with new and existing customers who trust in Wirecard's payment services. From the acceptance of all of the relevant card solutions on the market and bank-based or alternative online payment solutions through to processing for these payment methods and risk management: integrated solutions create additional benefits in terms of efficiency and costs for merchants.

2012 is also characterized by innovative projects for payments using mobile devices. We are able to link technical competence and product innovation - and are like almost no other company able to do so - in order to support or establish new applications. At the same time, we have the licenses required for finance transactions in order to issue virtual or contact-free cards.

The acquisitions made at the end of 2011 contributed to the Wirecard Group's profitability to the anticipated extent in the first six months. With regard to our growth strategy, we are sticking with our target markets of Europe and Asia. The capital increase performed in the first six months allows us to react flexibly if there are opportunities for acquisitions.

In the second half of the current fiscal year, I am very confident that Wirecard AG's business will continue to enjoy positive growth. As a result, Wirecard AG's Management Board has confirmed its forecast for EBITDA of between EUR 103 and 115 million for fiscal year 2012, taking general economic risks into account.

Sincerely,

Aschheim, August 2012

Dr. Markus Braun
CEO

1. BUSINESS, PRODUCTS AND SERVICES

Wirecard AG is a software and IT specialist for outsourcing and white label solutions for payment processing and issuing products.

Wirecard ranks among the world's leaders when it comes to processing online payment transactions, checking these for risks and performing international processing. Since 1999 Wirecard has been supporting companies in accepting electronic payments from all sales channels. Wirecard bundles international payment methods for eCommerce using call centers and computers or mobile terminals. Wirecard helps companies by providing effective solutions to prevent fraud and payment defaults. Wirecard uses its own bank to offer international credit card and payment acceptance.

The companies in the Wirecard group are pursuing one common goal: mitigating the complexity and challenges of payment processing for merchants, either national or global, and to cut the costs of payment default.

Products and solutions

Success in eCommerce also depends on the ability to accept a wide range of national and international payment methods. A large number of complementary products and solutions focusing on risk management ensure extensive protection against payment defaults. The core of the Wirecard portfolio of services is a central platform combining all distribution channels via a common interface, which offers savings in costs and processing effort for the customer. Outsourcing their financial processes allows our customers to focus on what's important: running their own businesses. To be able to meet industry and customer-specific requirements, Wirecard AG offers flexible approaches to solutions. Electronic payment processing is backed by customized risk management tools. Banking services like credit card acceptance or dedicated currency management complement the outsourcing of these financial processes. Additional products for point-of-sale and call-center services complement the range of solutions from a single source.

Payment platform - global gateway

Its modular and service-oriented software architecture means that Wirecard is able to adjust business processes at any time in line with the market's needs, and thus to react fast to new customer requirements. At the same time, the Internet-based architecture of the platform makes it possible to run individual work processes in a centralized way from a single location or, alternatively, to distribute them across the various companies within the Group and run them at different locations around the world.

The Wirecard payment platform offers merchants various options for integration, in order to select the type of connection which perfectly fits their own individual needs:

- Virtual terminal - a Web-based application to input the consumer's card or payment data using a PC (mostly used in call centers)
- Wirecard Payment Page - a payment page hosted by Wirecard which provides merchants with rapid, secure and PCI-conform payment data processing
- Realtime Processing API - an interface based on XML technology to all payment and risk management processes, outsourcing solution as SaaS (software as a service)
- Batch Processing API - fully automated batch processing for payment and risk management transactions using various file formats and encrypted data transfer
- Point of Sale - Payment processing for bricks-and-mortar retail using terminal hardware

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

Risk management systems and activities to prevent fraud effectively protect merchants against fraud and payment defaults when using any of the standard opportunities for payment. Individually adjusted and merchant-specific testing methods take decisions in real time as to whether payments should be accepted or rejected. Fully automated processes with modular structures can be quickly and individually adjusted to the merchant's respective requirements. Business Intelligence Tools enable merchants to analyze the rule-based fraud prevention process in a structured and well-arranged manner using transparent graphs. This allows, for example, fraud parameters such as charge-back or the fraud rate to be pursued over time. In addition, the tools also offer an overview of transactions being classified as fraudulent by issuing banks. End-to-end reports and statistics support merchants to optimize fraud prevention.

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

Compared with buying and running a payment processing software package, working with Wirecard AG reduces operating expenses substantially, so that merchants are supported in their efforts to cut costs. In parallel, Wirecard AG advises its customers on structuring settlement and accounting processes or support on decisions regarding the risk management methods to be used. The decision is based on criterias such as the risk profile for the individual payment method or the merchant's target markets.

Merchants are facing a large number of challenges. Compared with brick-and-mortar trade, online or call-center sales are running in 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 outsourcing payment processing to an experienced partner.

Alternative payment methods

Alternative payment methods are used to refer to all of the mostly non-card based payment methods such as payment services, wallets, voucher systems and bank-account based or prepaid methods. They also include country-specific payment methods, which are popular with consumers and are generally linked to their bank accounts. As a result, the acceptance of alternative payment methods such as giropay in Germany, Przelewy24 (P24) in Poland, Alipay in China or MercadoPago in Brazil are gaining importance for eCommerce merchants. By offering these methods, merchants also address new target groups and some of these, for example, do not have credit or debit cards. At the same time, thanks to its wide ranging offering of local payment methods, Wirecard also supports companies in the cost-efficient internationalization of their business.

Also SEPA direct debit payments can be processed by the Wirecard platform. process payments made by means of. 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, the Wirecard Group is constantly expanding its existing extensive portfolio of alternative payment methods in order to continue to be able to effectively support its customers in developing new markets and customer groups.

Each payment method available on the market has different requirements for the merchants' systems and internal processes. These include, for example, smooth integration into back-office processes or the allocation of bookings (reconciliation). Wirecard supports retailers in implementing and integrating the desired payment methods. As a result, seamless workflows are created with regard to systems and processes. "Everything from a single source," is the Wirecard approach.

Merchant services – collection

No matter whether an online merchant, airline or travel platform: Being able to accept payments using credit or debit cards depends on having a card acceptance agreement with a bank (acquiring bank). This has to be licensed by the respective card organization.

As a credit-card acquirer, Wirecard Bank also has agreements with providers of alternative online payment methods, which authorize it, as a payment acceptance agent, to collect amounts and to pay these directly to merchants after deducting transaction fees.

Wirecard Bank has contracts with the leading card organizations and can thus also conclude card acceptance agreements for their credit and debit card brands.

- Visa and MasterCard: Principal Member – acquiring and issuing (issue of own cards)
- JCB International (Japan Credit Bureau): Full member - acquiring and issuing
- Discover International/Diners Club – acquiring
- American Express – online merchant acquiring
- China UnionPay – online merchant acquiring

For a large number of alternative payment methods integrated in the Wirecard payment platform, such as direct debits, SEPA direct debits, giropay, iDEAL or Debito Bradesco, Wirecard Bank secures not only technical processing of the payment, but also provides payment acceptance. The continual expansion of the acceptance portfolio is planned for this area as well.

As a credit card acquirer, the Wirecard Bank can offer over 100 transaction currencies and 18 payout currencies in 69 countries worldwide. Moreover, the Wirecard Bank's membership in SWIFT (Society for Worldwide Interbank Financial Telecommunication) enables it to provide its business customers operating with a global reach a large number of supplementary services in the field of foreign payment transactions and forex management services.

Banking services

In addition, Wirecard Bank also provides an extensive range of banking services. These include business and foreign currency accounts, and also treasury and forex management. The issue of innovative payment cards as part of co-branding and customer loyalty projects (prepaid or co-branded cards) allows technology and banking services to be linked in the Wirecard Group.

Card issuing

Several issuing products are available in the SEPA region (Single Euro Payments Area):

- 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, credit balance-based MasterCard, Visa card, Visa Electron, Maestro or UATP card is created in real time for each individual booking.

- The issuing product line also includes payout cards. This MasterCard, Visa or Maestro prepaid card offers employers an alternative solution for paying wages to temporary, seasonal or casual workers. Companies can top up payout cards cheaply and quickly and then use them for payouts to workers. This product is available throughout the SEPA region.

- Companies use co-branded cards as marketing instruments. From the individual conception and management of credit card projects through to innovative software solutions for managing customer loyalty programs to comprehensive services, Wirecard Bank AG ensures the continuing success of each of its card projects. The prepaid card platform mywirecard 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 processes are standardized. As a result, not only the card but also the online user interface is set up with the respective company's desired design or corporate identity. The wide range of products also meets the wide variety of users' needs. The card programs are available for several areas of use: they can be virtual or physical, available for sale in stores such as mywirecard 2go Visa or ordered online such as the mywirecard MasterCard. The product range is supplemented by Maestro and Visa Electron cards for special areas of use.

The mywirecard consumer brand complements the core business of the Wirecard Group. Two credit-balance based cards are available:

- mywirecard 2go Visa is a non-personalized card that can also be used as a gift card. It is available at gas stations and kiosks throughout Germany and can be topped up during purchases directly in more than 18,000 stations in stores. 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. Mywirecard 2go Visa cards can be activated for recharging in just a few simple steps in the Internet.
- 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 existing credit cards on the Internet. Online registration is completed in a matter of seconds at www.mywirecard.com; as soon as the card has a credit balance the user receives the entire card data needed to make online purchases: a card number, expiry 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. Mywirecard MasterCard can optionally also be ordered as a plastic card.
- With the Prepaid Trio, Wirecard Bank offers private customers an online current account together with a 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, but they can keep an eye on their finances at all times.

Mobile Payments

Mobile payments mean payment for a digital or physical good or service using a mobile phone. The introduction of smartphones has given a massive boost to the growth of mobile payments on global markets. Since the end of 2011, Wirecard AG has positioned itself as an end-to-end solution and service provider for the technical processing of multifunctional mobile payment solutions. In addition to, for example, NFC stickers, which are used as bridging technology for mobile devices that do not yet have near field communication (NFC) technology, Wirecard offers the issue and provisioning of virtual cards in NFC-enabled mobile phones. The Wirecard Group, which has its own bank in the Group, has the licenses required for finance transactions in order to issue virtual or contact-free cards that are based on eMoney coupon cards, MasterCard or Visa. The range of services is supplemented by the acceptance and processing of card payments, account management, couponing and loyalty solutions, commercial network operations and additional banking services.

Point of sale services

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

Call center services

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

The Group's portfolio of technology and banking services	
Payment, risk management and issuing platform	
Wirecard Enterprise Portal (WEP)	– Administrative application for merchants including 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, Alipay, direct debit, payment guarantee, SEPA direct debit, eKonto, Moneta.ru, Mercado Pago, POLi, 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 local methods in other countries
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 payment solutions	– Supplier and Commission Payments (SCP) – Payout cards
Issuing of prepaid cards	– mywirecard.com (mywirecard 2go Visa and mywirecard MasterCard) – Prepaid Trio (online bank account, girocard/Maestro and Visa card) – Co-branded cards
Mobile Payment	– Issue and provisioning of virtual cards in NFC-enabled mobile phones – Acceptance and processing of card payments, account management, couponing and loyalty solutions, commercial network operations and additional banking services
Risk management	– Decision-making strategies for cash control, fraud identification (Fraud Prevention Suite), new and portfolio customer assessment and others – Authentication schemes for online payments including 3-D Secure™, 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 modules for all leading shop providers (e.g., integrated into hybris, Magento, Oxid eSales, xt:Commerce, PrestaShop, osCommerce, Websale, PowerGap, CosmoShop, OpenCart, Virtuemart, Gambio GX) – Tourism: integration into leading booking systems (CRS, GDS: e.g., Sabre, Amadeus, SITA, AirKiosk, Rezgateway), software systems (IBE: e.g., 2e-Systems, Partners Software GmbH), mid-offices systems (e.g., Midoco, Bosys, DCS GmbH, TravelTainment, ETACS, Ypsilon.Net AG) and BSP
Other services	
Banking	– Account and currency management – Business and private customer accounts
Call center services	– Stationary, virtual and hybrid/multilingual help desk 24/7

2. UNDERLYING ECONOMIC CONDITIONS AND BUSINESS TRENDS

2.1. Underlying conditions

Global economic conditions

The International Monetary Fund (IMF) has forecast global economic growth of 3.5 percent for 2012. Both the IMF and the European Commission are forecasting economic output in the eurozone to fall by 0.3 percent this year.

Industry-specific underlying conditions

As a result of the summarized forecasts for Europe by market research institutes such as Forrester Research, PhoCusWright, Deutscher Versandhandelsverband, Handelsverband des Deutschen Einzelhandels and other institutes, we are forecasting growth for the European eCommerce market of around 11 percent in 2012 spanning all industries. We are sticking to this forecast in line with our business in the first half of 2012.

2.2. Business trend in the period under review

In the second quarter and first half of 2012, we expanded our existing customer relationships on our European core market and also in Asia, and have concluded promising agreements with new customers. More than 13,000 business customers now rely on Wirecard AG's solution portfolio. Other corporate divisions within the Wirecard Group, such as our Issuing business, contributed to the ongoing positive business growth in the period under review.

Transaction volume

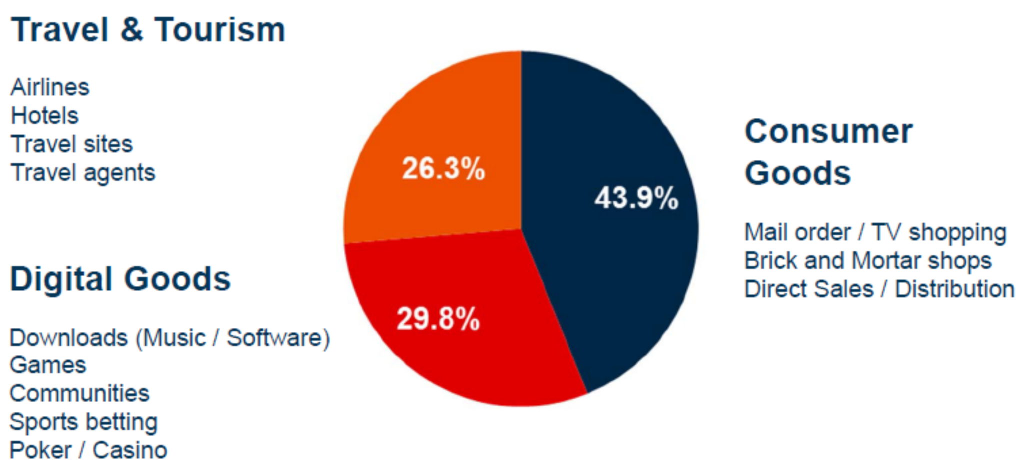
Wirecard's key USPs include the combination of software technology and banking products, the global orientation of its payment platform and innovative solutions to be able to process online payments efficiently and securely for its customers.

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

Economies of scale from the growing proportion of business customers who increase the transaction volume thanks to acquiring bank services, which is inherent in the technical platform, as well as new product offerings.

Fee income from the core business of Wirecard AG, namely acceptance and issuing means of payment along with associated value added services, is generally dependent on the transaction volumes processed. In the second quarter of 2012 the transaction volume amounted to EUR 5.0 billion (Q2 2011: EUR 3.7 billion). Asia accounted for 9.3 percent (EUR 0.5 billion) of this total. The transaction volume increased by 32.3 percent in the first six months of 2012 compared to the same period of 2011 to EUR 9.4 billion (thereof Asia: 9.2 percent or EUR 0.9 billion).

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



Business by target industry

With direct sales distributed across target industries, its technological expertise and product depth, in the first half of 2012 Wirecard AG continued its operational growth and at the same time broadened its customer base and international network of cooperation and distribution partners. During the period under review, Wirecard AG was able to establish many new customer relationships in all of its target industries.

For example, Wirecard AG was commissioned to take over payment processing for the offering www.lufthansaholidays.com, which Thomas Cook supports. We were able to expand our cooperation with Leipzig-based LMX Touristik GmbH. In addition to payment processing, LMX Touristik has decided to use the tokenization server, which enables secure, PCI-conform processing of its customers' credit card data.

We support several eCommerce shops for Bechtle AG's IT eCommerce division. In the commercial segment, we support eCommerce platforms, allowing consumers to securely store their payment data, so that they can benefit from even faster checkouts at the cash desk, and at the same time simplifying purchasing using mobile devices.

New digital business models, such as myTaxi-Payment or the Wunderkit-App are signs of evolutionary development that mobile devices such as smartphones and tablets are opening up for us. This is equally true for linking mobile payment functions in to the real world.

Netrada Payment GmbH's entire customer portfolio has been transferred to Wirecard since April 1, 2012 as part of an asset deal. As part of this, Wirecard processes payment and risk management processes for what are mostly well-known, internationally positioned online shops from the premium fashion sector. A supplementary strategic alliance has been concluded between Netrada Europe GmbH and the Wirecard Group, which aims to develop further joint potential based on the synergies resulting from the strategic alliance. Acquiring the customer portfolio and the strategic alliance agreement have allowed Wirecard to expand its market share and enhance its position in this industry segment.

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 opportunities are developing in business with existing portfolio customers, contributing to consistent growth in the course of business relations expanding.

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

- Consumer goods
- Digital goods
- Tourism

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, internet telecommunications services, and games of chance such as sport bets and poker.

Tourism

Customers in the tourism sector mostly comprise airlines, hotel chains, travel portals, travel operators, cruise lines, and travel agents.

Business with banking services and issuing

Within the Group, Wirecard Bank generates the bulk of its revenues via its sister companies' distribution structures. This spans banking services for companies via payment and card acceptance agreements or business or foreign currency accounts.

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

Income in the Issuing division comprises B2B product lines, such as the Supplier & Commission Payments solution as well as B2C prepaid card products. Contributions to revenues and earnings from the acquisition of the UK prepaid card portfolio from Newcastle Building Society started in December 2011. Subject to the license from the UK FSA, which is expected for the second half of 2012 the prepaid card business will be put on a broader European footing this year. Irrespective of this, on-track growth is expected for the entire Issuing division in the second half of the year.

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 call centers with stationary ones, also enables third-party customers to benefit from “premium expert services” 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 development in three segments.

Payment Processing & Risk Management (PP&RM)

This reporting segment includes the business activities of Wirecard Technologies AG, Wirecard Retail Services GmbH, Wirecard (Gibraltar) Ltd., Click2Pay GmbH, Wirecard Sales International GmbH (formerly: Trustpay International GmbH), Wirecard Central Eastern Europe GmbH, Wirecard UK and Ireland Ltd., Wirecard Asia Group (Singapore), comprising Wirecard Asia Pte. Ltd. (Singapore) and its subsidiaries, Wirecard Processing FZ LLC (formerly: Procard Services FZ LLC) with its registered office in in Dubai, United Arab Emirates, Systems@Work Pte. Ltd. with its registered office in Singapore and its subsidiaries.

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

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

Acquiring & Issuing (A&I)

This reporting segment includes the entire current business activities of Wirecard Bank AG, the newly formed Wirecard Card Solutions Ltd. with its registered office in Newcastle, UK, and Wirecard Acquiring & Issuing GmbH (formerly: Wire Card Beteiligungs GmbH). In addition to acceptance (acquiring) and issuing of credit and prepaid cards, it includes account and payment transaction services for business and private clients. In addition to acceptance (acquiring) and issuing of credit and prepaid cards, it includes account and payment transaction services for business and private clients.

The "Acquiring & Issuing" segment also accounts for interest earned by the Wirecard Bank and Wirecard Card Solutions Ltd. 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 support of corporate and private customers. Apart from its primary function of supporting the two main segments mentioned above, this reporting segment also has an independent customer portfolio.

3. EARNINGS-, FINANCIAL AND ASSET POSITION

3.1. Financial performance

During the second quarter of 2012, Wirecard AG successfully continued its revenue and income-oriented on-track growth.

Revenue growth

In the second quarter of 2012, consolidated revenues were up to 20.9 percent EUR 94,257K (Q2 2011: EUR 77,991K). In the first half year of 2012 consolidated revenues increased from EUR 147,872K by 20.3 percent to EUR 177,897K.

According to the requirement for a license for the provision of payment services which applies 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 has been implemented in the local laws of the member countries.

At present and in future the contractual services will continue to be invoiced to the same extent by the Wirecard Group. This change has not impacted Wirecard AG's financial position and results of operations. Payment services now have to be invoiced by Wirecard Bank AG. Technical services and customer support will be provided by local group subsidiaries, as was previously the case.

From May 2011, as a result revenues from external customers have been disclosed in the Acquiring & Issuing segment. These were previously booked in the PP&RM segment.

Revenues with other business segments within the Group (consolidations) have also changed as a result. The changes result in lower revenues in the PP&RM segment and higher revenues in the A&I segment. The change will not impact consolidated revenues and the profitability of the Group and the individual segments.

Revenue recorded in the core Payment Processing & Risk Management segment stemming from risk management services and processing online payment transactions lifted in the second quarter of 2012 due to the transition by 10.5 percent to EUR 65,428K (Q2 2011: EUR 59,224K). In the first half year of 2012 revenues totaled EUR 121,441K (6M 2011: EUR 126,196K). With the corresponding change assumed on January 1, 2011, revenues in the first half year of 2012 in the PP&RM segment would have been up by EUR 13,917K and in the second quarter of 2012 by EUR 10,191K.

The proportion of consolidated revenues accounted for by Acquiring & Issuing increased in the second quarter of 2012 by 30.8 percent to EUR 34,543K (Q2 2011: EUR 26,417K), and for the first half year of 2012 this totaled EUR 66,814K (6M 2011: EUR 46,427K), with the proportion of Issuing of EUR 15,583K for the first half year of 2012. With the change assumed already on January 1, 2011, revenues in the first half of 2012 in the A&I segment would have been up by 27.4 percent. In the second quarter of 2012 these would have been 27.5 percent higher.

Income from Acquiring & Issuing in the first half year of 2012 primarily comprised out of commissions, interest from financial investments and income from processing payments, as well as exchange rate gains from processing transactions in foreign currencies. Customer deposits to be invested by the Wirecard Bank (June 30, 2012: EUR 117,950K; June 30, 2011: EUR 92,508K) are held only in sight deposits, overnight or fixed-term deposits and bearer bonds with or held by other banks which meet the creditworthiness requirements from the group's own risk valuation and - to the extent that third-party ratings are available - are assessed by rating agencies of note as being subject to minimal risk. In addition, the group prepares its own risk valuation for the counterparty.

The interest income recorded by Wirecard Bank in the first half year of 2012 totaled EUR 1,776K (6M 2011: EUR 1,182K), and in the second quarter of 2012 this totaled EUR 923K (Q2 2011: EUR 652K) and is presented as revenues. Accordingly, it is not included in the Group's net financial income but is also reported here as revenues. It comprises interest income on investment of own as well as customer funds (deposits and acquiring money) with external banks.

The Call Center & Communication Services segment generated revenues of EUR 2,559K in the period under review, compared with EUR 2,070K in the first half year of 2011. Revenues in the second quarter of 2012 totaled EUR 1,170K (Q2 2011: EUR 974K).

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 year of 2012 the total own work capitalized amounted to EUR 4,181K (previous year: EUR 3,435K) and in the second quarter of 2012 this totaled EUR 2,093K (Q2 2011: EUR 1,814K). It is corporate policy to value assets conservatively and to capitalize them only if this is required in terms of international accounting standards.

The Group's cost of materials increased in the first half year of 2012 to EUR 102,517K, compared to EUR 85,969K in the previous year. In the second quarter of 2012 this totaled EUR 54,730K (Q2 2011: EUR 45,580K). In particular, the cost of materials includes commission payables 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 year of 2012 the cost of materials, not adjusted for consolidation effects, amounted to EUR 42,704K at Wirecard Bank, compared with EUR 29,547K in the first half year of 2011.

Gross earnings (revenues including other own work capitalized less cost of materials) increased in the first half year of 2012 by 21.8 percent, amounting to EUR 79,561K (6M 2011: EUR 65,338K). In the second quarter of 2012 gross earnings increased by 21.6 percent to EUR 41,620K (Q2 2011: EUR 34,225K). In the first half year of 2012, without taking consolidation effects into account, Wirecard Bank generated gross earnings of EUR 16,789K (6M 2011: EUR 16,880K).

Group personnel expenses in the first half year of 2012 increased to EUR 17,845K, and thus increased by 27.1 percent year-on-year (6M 2011: EUR 14,042K). The consolidated personnel expense ratio lifted by 0.5 percentage points year-on-year, to 10.0 percent. The increase in personnel expenses is due to the acquisitions made in the last year, which also restrict the comparability of this item. Personnel expenses at Wirecard Bank in the first half year of 2012 amounted to EUR 1,724K (6M 2011: EUR 1,488K).

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 year of 2012, these amounted to EUR 13,715K in the Wirecard Group (6M 2011: EUR 16,653K), and in the second quarter of 2012 these totaled EUR 7,058K (Q2 2011: EUR 9,114K). As a result, in the first half year of 2012 they amounted to 7.7 percent (6M 2011: 11.3 percent) of revenues or 7.5 percent of revenues in the second quarter of 2012 (Q2 2011: 11.7 percent). Of these, without taking consolidation effects into consideration, the Wirecard Bank accounted for EUR 4,174K (6M 2011: EUR 5,547K).

Furthermore expenses include integration costs for the new companies and the previous year's item also includes the non-recurring expenditure incurred in the first six months of 2011 for the relocation of the corporate headquarters and for accelerated expansion in Asia.

Depreciation and amortization in the first half year of 2012 amounted to EUR 7,624K (6M 2011: 3,539K) and in the second quarter of 2012 this totaled EUR 4,088K (Q2 2011: EUR 1,817K). Amortization/depreciation increased in the first half year of 2012 compared to the same period of the previous year, mostly due to the initial consolidation of Systems@Work Pte. Ltd., Singapore and its subsidiaries and Wirecard Card Solutions Limited, Newcastle (UK) and the acquisition of the assets of Netrada Payment GmbH. In addition, amortization/depreciation increased by EUR 1,069K as a result of a change in the remaining useful life of some customer relationships, which have been written down over a period of 20 years for the first time since the third quarter of 2011. The share of amortization and depreciation effected at the Wirecard Bank in the first half year of 2012 amounted to EUR 44K (6M 2011: EUR 37K).

Other operating income comprised primarily income from the reversal of provisions and impairment and in the first half year of 2012 this totaled EUR 1,368K for the Group as a whole, compared with EUR 707K in the previous year. Of this sum, excluding consolidation effects, the Wirecard Bank accounted for EUR 459K (6M 2011: EUR 350K).

EBITDA development

Earnings before interest, taxes, depreciation and amortization (EBITDA) were up in the first half year of 2012 by 39.7 percent in the Group, including one off expenses in the prior-year period for the relocation of the company's headquarters and the accelerated expansion in Asia, from EUR 35,350K in the previous period to EUR 49,369K. The EBITDA margin in the first half year of 2012 amounted to 27.8 percent (previous year: 23.9 percent). In the second quarter of 2012 EBITDA totaled EUR 26,111K. The corresponding EBITDA margin totaled 27.7 percent.

EBITDA in the Payment Processing & Risk Management segment in the first half year of 2012 totaled EUR 36,869K, and was thus up by 48.2 percent (6M 2011: EUR 24,881K). In the first half year of 2012 the Acquiring & Issuing segment accounted for EUR 12,220K of EBITDA (6M 2011: EUR 10,196K), and in the first half year of 2012 Issuing accounted for EUR 4,988K and in the second quarter of 2012 it accounted for EUR 2,649K.

Financial result

Net financial income in the first half year of 2012 totaled EUR - 1,265K (6M 2011: EUR - 33K). Group financial expenditure in the first half year of 2012 amounted to EUR 2,804K (previous year: EUR 935K) 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 year of 2012 (without deferred taxes) amounted to 17.6 percent (6M 2011: 19.8 percent). Including deferred taxes, the tax rate came to 19.7 percent (previous year: 19.4 percent). As a result of the relocation of major parts of the business from Grasbrunn to Aschheim in 2011, the company has to bear a higher trade tax rate of 11.55 percent (in Grasbrunn: 10.15 percent).

Profit after taxes

In the first half year of 2012 earnings after taxes increased from EUR 25,607K in the previous year by 26.9 percent to EUR 32,490K.

Earnings per share

The number of shares issued on June 30, 2012 was 111,983,452 shares (June 30, 2011: 101,803,139). Earnings per share (basic) in the first half year of 2012 totaled EUR 0.30 (6M 2011: EUR 0.25).

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 previous year, currency options were deployed as financial derivatives to hedge revenues in foreign currencies in the period under review. It has been stipulated throughout the Group that no speculative transactions are entered into with financial derivatives (see Chapter 7.7 Financial Risks of the 2011 annual report).

Capital and financing analysis

Wirecard AG reports equity of EUR 500,020K (December 31, 2011: EUR 340,887K). Due to the nature of our business, the highest liabilities exist vis-à-vis merchants in the field of credit card acquiring and customer deposit-taking as part of banking operations. These have a substantial effect on the equity ratio. The commercial banks, which granted Wirecard AG loans as at June 30, 2012 amounting to EUR 57,133K at variable interest rates of between 3.0 and 5.7 percent, do not include these items in the credit agreement concluded in 2011 in equity capital calculations due to the facts and circumstances associated with this particular business model. According to Wirecard AG, this calculation reflects a true and fair view of the company's actual situation. These banks determine Wirecard AG's equity ratio by dividing the amount of liable equity by total assets. Liable equity is determined by subtracting deferred tax assets and 50 percent of goodwill from equity as reported in the balance sheet. If there are any receivables from shareholders or planned distributions, these should also be deducted. Total assets are identified by subtracting customer deposits, the Acquiring funds of Wirecard Bank and the reduction in equity from the audited total assets, and leasing liabilities are added again to these total assets. This calculation gives an equity ratio of 70.4 percent for Wirecard AG (previous year: 69.3 percent).

Capital expenditure

The criteria for investment decisions in the Wirecard Group are, as a rule: the capital employed, the securing of a comfortable inventory of cash and cash equivalents, the results of an in-depth analysis of both potential risks and the opportunity/risk profile, and finally the type of financing (purchase or leasing). Depending on the type and size of the capital expenditure, the chronological course of investment return flows is taken fully into account. In the period under review, capital expenditure was essentially for further expansion and internationalization. EUR 7,500K was invested in medium-term sales partner agreements and EUR 10,139K was invested in acquiring customer relationships and M&A, and in addition investments were also made in components for the operating payment platform. An investment of EUR 1,165K was made in externally developed and EUR 4,181K in internally created software.

Liquidity analysis

Current customer deposits are fully due and payable on a daily basis and are reported under Other liabilities (customer deposits) on the equity and liabilities side in Wirecard's consolidated annual financial statements. These customer funds are comparable in economic terms with short-term (bank) account loans or overdraft facilities. For customer deposits (on June 30, 2012 these amounted to EUR 117,950K; June 30, 2011: EUR 92,508K) 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 60,155K (June 30, 2011: EUR 31,606K) are held, and deposits with the central bank, sight and short-term time deposits with credit institutions are maintained in the total amount of the customer deposits of EUR 57,795K (June 30, 2011: 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, 2012 this totaled EUR 238,882K (previous year: EUR 156,430K).

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. In so doing, the capital gains taxes on dividends that were paid or refunded in the respective year are eliminated. The previous year cash flow was retrospective adapted. These addenda help to identify and present the cash-relevant portion of the Company's earnings.

The cash flow from operating activities (adjusted) amounting to EUR 41,972K, clearly shows that Wirecard AG had a comfortable volume of own liquidity to meet its payment obligations at all times.

The interest-bearing liabilities are mostly non-current and fell in the first half year of 2012 by EUR 28,891K to EUR 57,133K (December 31, 2011: EUR 86,024K). In addition, EUR 17,117K was taken up by guaranteed credits.

Asset position

Assets reported in the balance sheet of Wirecard AG in the first half year of 2012 increased by EUR 154,696K from EUR 707,059K to EUR 861,755K. In the period under review both the non-current assets and also the current assets increased, the latter increasing from EUR 411,075K to EUR 533,742K. The changes are mostly due to the capital expenditure in the past year and reflect the growth in operating business. The capital increase caused the current assets to increase, in particular Wirecard's cash and cash equivalents.

In addition to the assets reported in the balance sheet, in the Wirecard Group there are also unreported intangible assets, such as software components, customer relationships, human and supplier capital and others.

4. GROUP STRUCTURE AND ORGANIZATION

4.1. Subsidiaries

The Wirecard Group includes various subsidiaries. The parent company, Wirecard AG, is headquartered in Aschheim/Dornach near Munich, Germany, which is also the head office of Wirecard Bank AG, Wirecard Technologies AG, Wirecard Acquiring & Issuing GmbH (formerly: Wire Card Beteiligungs GmbH), Wirecard Sales International GmbH (formerly: Trustpay International 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 as well as 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. and Herview Ltd., all with head offices in Dublin (Ireland), as well as Wirecard Central Eastern Europe GmbH, 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 the sister companies by providing the sale and operation of Point-of-Sale (POS) payment terminals. This provides our customers with the option to accept payments for their Internet-based and mail-order services as well as the electronic payments made at their POS outlets via Wirecard.

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

Dubai-based cardSystems FZ-LLC focuses on the sale of affiliate products and associated added-value services. The Wirecard Asia Group (formerly: E-Credit Plus Group) (Singapore), 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.

The Wirecard Processing FZ LLC (formerly: Procard Services FZ LLC) based in Dubai, United Arab Emirates is specialized in services relating to electronic payment processing, credit card acceptance and the issuing of debit and credit cards. The company has a regional customer portfolio.

Singapore-based Systems@Work Pte. Ltd. and its subsidiaries were acquired in December 2011. Systems@Work Pte. Ltd with its brand TeleMoney is one of the leading technical payment service providers for merchants and banks in the East Asian region. The Group includes the subsidiaries Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia) and Safe2Pay Pte. Ltd. (Singapore).

In addition, in December 2011 we also acquired the entire prepaid card issuing business from Newcastle Building Society, United Kingdom via a recently formed British subsidiary of the Wirecard Group, Wirecard Card Solutions Ltd. The Newcastle Building Society's prepaid card portfolio is one of the largest in Europe. The takeover is performed in two phases: In the first phase, Wirecard Card Solutions Ltd., as an outsourcing service provider, will take over key functions as part of the Newcastle Building Society's prepaid card business. In the second phase, Wirecard Card Solutions Ltd. will take over full control of the business, as soon as it receives its license as an eMoney institution from the UK Financial Services Authority.

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

4.2. Management Board and Supervisory Board

The Management Board of Wirecard AG remained unchanged as of June 30, 2012, consisting of three members:

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

The Supervisory Board of Wirecard AG remained unchanged as of June 30, 2012, consisting of three members:

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

The remuneration system for the Management and Supervisory Boards consists of fixed and variable components. Further particulars are documented in Corporate Governance Report of the Annual Report 2011.

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. Executives respect fundamental social principles, endorse an entrepreneurial approach and seek to foster team spirit in order to boost the Company's innovative prowess.

On average during the first half of 2012 Wirecard AG employed a workforce of 603 employees without the Board Members (6M 2011: 487 employees), of which 154 (6M 2011: 130) 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 26, 2012 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 2012) 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. Events of particular importance

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

Wirecard AG published its preliminary financial results for the second quarter of 2012 in an ad hoc disclosure dated July 30, 2012.

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

(reported to the company after the end of the period under review)

Date of disclosure	Date of notification	Company notified after the end of the reporting period
July 12, 2012	July 10, 2012	Jupiter Unit Trust Managers Limited, London, UK – 5.28 percent Correction concerning the disclosure of April 06, 2010
For more details please visit: http://www.wirecard.com/investorrelations/financial-news/financialnews/		

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

After the end of the reporting period until publication of the interim report for the second quarter of fiscal year 2012 there were no events which impacted the financial position or financial performance.

6. RESEARCH AND DEVELOPMENT/ RISKS AND CHANCES

6.1. Research and development

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

6.2. Risks and chances

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

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

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

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

As there have been no changes in the intervening period of time please refer to the Annual Report of fiscal 2011, Risk Report for more details. We wish to advise that no risks are present that could endanger the Group as a going concern.

7. OUTLOOK

In the second half of 2012, we expect demand for internationally oriented eCommerce projects to continue. As a result, many companies are changing their strategy and are looking for solutions to process payments internationally using a homogeneous infrastructure. 2012 is also a year with excellent opportunities for the Wirecard Group to grow at a faster pace than the market. Based on forecasts by various market research institutes, the European eCommerce market is expected to grow by around 11 percent in 2012.

In the coming months, we will continue to expand our core business for payment services in Europe and Asia. At the same time, Wirecard AG is positioned on the market for developments for mobile payment solutions between eCommerce and the point of sale as an active player on the market.

In terms of our growth strategy, in 2012 we will continue to rely on organic growth in our target markets of Europe and Asia, and we will use opportunities for acquisitions. However, what is critical is that we meet a strict range of criteria, so that we can continue to play an active role in the consolidation of the European and Asian ePayment markets.

Wirecard AG's Management Board is forecasting EBITDA of between EUR 103 and 115 million for fiscal year 2012, taking general economic risks into account.

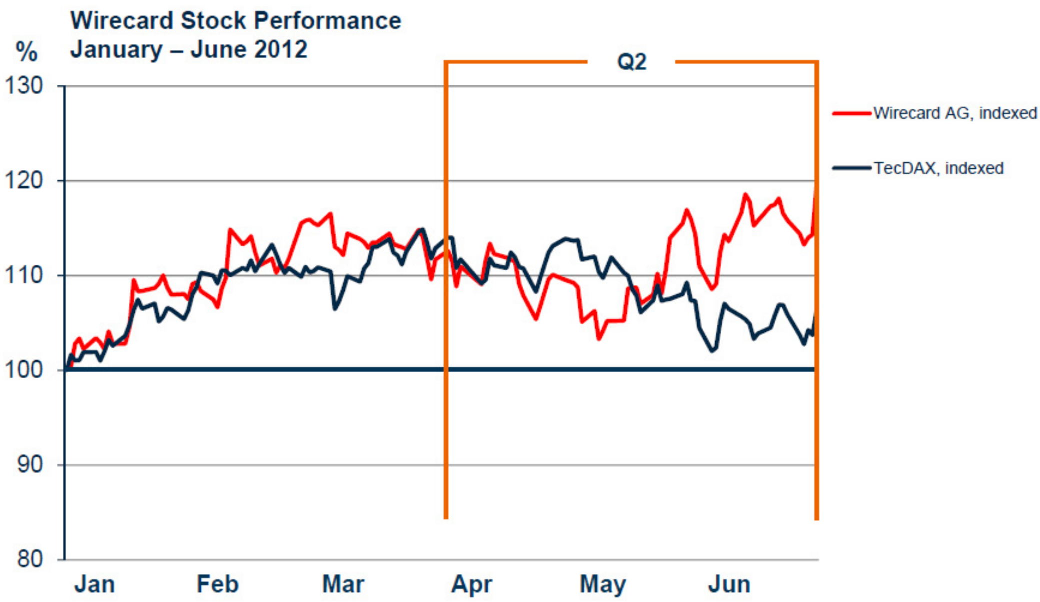
Aschheim (Munich), August 13, 2012

Wirecard AG

Dr. Markus Braun   Burkhard Ley   Jan Marsalek

8. WIRECARD STOCK

The second quarter of 2012 was very weak on the German stock market in view of the difficult market caused by the European sovereign debt crisis. The German lead index, the DAX, lost 7.6 percent during the period under review, falling to 6,416 points, and the peer index TecDAX, which is also relevant for Wirecard's shares fell by 5.8 percent from 790 to 744 points. In contrast, Wirecard's shares lifted by 7.1 percent in the second quarter of the year. The shares recorded their lowest closing rate in the quarter under review on May 8 at a price of EUR 13.20. However, the shares lifted constantly through to the end of the quarter and closed at their highest price on the last day of trading (June 29) at EUR 15.29. Taken over the first six months, the shares also fared significantly better than the TecDAX, up 23.1 percent, while the index only lifted by 8.6 percent.



A total of 21.1 million shares of Wirecard were traded on the electronic trading platform XETRA, which corresponds to an average trading volume of 340,951 shares per day.

KEY FIGURES WIRECARD STOCK Q2 2012

		Q2 2012	Q2 2011
Number of shares - all dividend-entitled		111,983,452	101,803,139
Capital stock	EUR	111,983,452.00	101,803,139.00
Market capitalization (June 30)	Bn EUR	1.71	1.26
Share price (June 30)	EUR	15.29	12.33
Annual high as of June 30	EUR	15.29	13.28
Annual low as of June 30	EUR	12.78	9.43

Stock data: XETRA closing prices

General Meeting/dividend resolution

Wirecard AG's Ordinary General Meeting was held in Munich on June 26, 2012. Resolutions passed at the General Meeting included carrying forward EUR 20,710,084.08 to new account from the disclosed net retained profits for fiscal year 2011 of EUR 31,908,429.28, and disbursing EUR 11,198,345.20 as a dividend, i.e., paying a dividend of EUR 0.10 per no-par-value share for each of the 111,983,452 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

Wirecard AG's Management Board and Investor Relations department are in constant dialog with the company's institutional investors - in individual talks, roadshows and investor conferences. At the end of the period under review, fourteen analysts from well-known banks were monitoring Wirecard's shares.

The Management and Supervisory Boards 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. In this regard special measures include listing in the Prime Standard and reporting according to IAS/IFRS.

Further information can be found online at: http://www.wirecard.com/investorrelations

BASIC INFORMATION ON WIRECARD STOCK

Year established:	1999
Market segment:	Prime Standard
Index:	TecDAX
Type of equity:	no-par-value common bearer shares
Stock exchange ticker:	WDI; Reuters: WDIG.DE; Bloomberg: WDI GY
German Securities Code (WKN):	747206
ISIN:	DE0007472060
Authorized capital, in number of shares:	111,983,452
Group accounting category:	exempting consolidated financial statements in accordance with IAS/IFRS
End of fiscal year:	December 31
Total capital stock as at June 30, 2012:	EUR 111,983,452.00
Beginning of stock market listing:	Oct. 25, 2000
Management Board:	Dr. Markus Braun (CEO, CTO)
	Burkhard Ley CFO
	Jan Marsalek CSO
Supervisory Board:	Wulf Matthias Chairman
	Alfons W. Henseler Deputy Chairman
	Stefan Klestil Member
Shareholder structure* as at June 30, 2012	(Shareholders with more than 3% of voting rights)
	7% MB Beteiligungsgesellschaft mbH
	6% Jupiter Asset Management Ltd. (UK)
	5% Alken Fund Sicav (LU)
	3% Wasatch Holdings, Inc. (US)
	3% Columbia Wanger AM LLC (US)
	3% Ameriprise Financial Inc. (US)
	93% free float (according to Deutsche Börse's definition)

*) Shareholder structure after capital increase. Interests (rounded) according to last notification from investors (Section 26a of the Wertpapierhandelsgesetz (WpHG - German Securities Trading Act))

CONSOLIDATED BALANCE SHEET – ASSETS

in EUR	06/30/2012	12/31/2011
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	128,610,478.23	127,565,205.48
Internally generated intangible assets	24,321,088.96	21,747,727.91
Other intangible assets	28,188,884.51	28,530,343.25
Customer relationships	91,750,722.74	87,569,941.50
	272,871,174.44	**265,413,218.14**
2. Property, plant and equipment		
Other property, plant and equipment	7,885,514.14	2,921,352.13
3. Financial and other assets / interest-bearing securities	45,833,774.92	26,714,080.65
4. Tax credits		
Deferred tax assets	1,422,729.06	935,682.14
Total non-current assets	**328,013,192.56**	**295,984,333.06**
II. Current assets		
1. Inventories and work in progress	661,431.17	779,041.92
2. Trade receivables and other receivables	199,282,094.82	182,146,406.20
3. Tax credits		
Tax refund entitlements	1,901,325.39	5,746,595.36
4. Interest-bearing securities and fixed deposits	35,087,254.57	9,000,000.00
5. Cash and cash equivalents	296,810,153.42	213,402,742.02
Total current assets	**533,742,259.37**	**411,074,785.50**
Total assets	**861,755,451.93**	**707,059,118.56**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

in EUR	06/30/2012	12/31/2011
EQUITY AND LIABILITIES		
I. Shareholders' equity		
1. Subscribed capital	111,983,452.00	101,803,139.00
2. Capital reserve	138,952,098.45	11,261,517.49
3. Retained earnings	248,939,678.87	227,647,884.70
4. Foreign currency translation reserve	144,534.04	174,807.86
Total shareholders' equity	**500,019,763.36**	**340,887,349.05**
II. Liabilities		
1. Non-current liabilities		
Non-current interest-bearing bank liabilities	46,000,000.00	85,023,539.78
Other non-current liabilities	7,722,592.55	12,919,280.07
Deferred tax liabilities	10,092,409.97	9,344,360.97
	63,815,002.52	**107,287,180.82**
2. Current liabilities		
Trade payables	143,940,929.09	135,427,699.85
Current interest-bearing liabilities	11,132,658.42	1,000,065.40
Other current provisions	843,811.61	992,406.81
Other current liabilities	21,515,033.01	15,103,555.21
Customer deposits from banking operations	117,950,354.26	105,041,535.89
Tax provisions	2,537,899.66	1,319,325.53
	297,920,686.05	**258,884,588.69**
Total liabilities	**361,735,688.57**	**366,171,769.51**
Total shareholders' equity and liabilities	**861,755,451.93**	**707,059,118.56**

CONSOLIDATED INCOME STATEMENT

in EUR		04/01/2012 - 06/30/2012		04/01/2011 - 06/30/2011
I. Revenues		**94,256,978.45**		**77,990,560.97**
II. Other own work capitalized		**2,093,384.54**		**1,814,095.09**
1. Own work capitalized	2,093,384.54		1,814,095.09	
III. Operating expenses		**67,964,145.19**		**54,412,682.66**
1. Cost of materials	54,729,947.24		45,579,827.13	
2. Personnel expenses	9,145,747.51		7,016,248.32	
3. Amortization and depreciation	4,088,450.44		1,816,607.21	
IV. Other operating income and expenses		**- 6,363,493.55**		**- 8,724,679.31**
1. Other operating income	694,223.08		388,881.54	
2. Other operating expenses	7,057,716.63		9,113,560.85	
Net operating income		**22,022,724.25**		**16,667,294.09**
V. Financial result		**- 564,984.04**		**- 451,435.45**
1. Other financial income	224,895.23		247,662.40	
2. Financial expenses	789,879.27		699,097.85	
VI. Profit before taxes		**21,457,740.21**		**16,215,858.64**
VII. Income tax		**4,249,489.40**		**3,127,785.27**
VIII. Profit after taxes		**17,208,250.81**		**13,088,073.37**
Earnings per share (basic)		0.15		0.13
Earnings per share (diluted)		0.15		0.13
Average shares outstanding (basic)		111,983,452		101,803,139
Average shares outstanding (diluted)		112,175,370		101,986,924

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR	04/01/2012 - 06/30/2012	04/01/2011 - 06/30/2011
Profit after taxes	17,208,250.81	13,088,073.37
Change in exchange differences from translation of operations outside the euro zone	- 106,034.17	- 29,911.47
Total comprehensive income	17,102,216.64	13,058,161.90

CONSOLIDATED INCOME STATEMENT

01/01/2012 - 06/30/2012		01/01/2011 - 06/30/2011		in EUR
	177,896,857.48		**147,871,677.28**	**I. Revenues**
	4,180,957.42		**3,434,768.04**	**II. Other own work capitalized**
4,180,957.42		3,434,768.04		1. Own work capitalized
	127,985,245.65		**103,549,650.10**	**III. Operating expenses**
102,516,806.22		85,968,853.56		1. Cost of materials
17,844,747.12		14,041,743.86		2. Personnel expenses
7,623,692.31		3,539,052.68		3. Amortization and depreciation
	- 12,347,136.97		**- 15,946,342.89**	**IV. Other operating income and expenses**
1,367,616.38		707,126.82		1. Other operating income
13,714,753.35		16,653,469.71		2. Other operating expenses
	41,745,432.28		**31,810,452.33**	**Net operating income**
	- 1,265,021.13		**- 33,369.65**	**V. Financial result**
1,539,039.34		901,919.48		1. Other financial income
2,804,060.47		935,289.13		2. Financial expenses
	40,480,411.15		**31,777,082.68**	**VI. Profit before taxes**
	7,990,271.78		**6,170,196.81**	**VII. Income tax**
	32,490,139.37		**25,606,885.87**	**VIII. Profit after taxes**
	0.30		0.25	Earnings per share (basic)
	0.30		0.25	Earnings per share (diluted)
	108,179,819		**101,803,139**	**Average shares outstanding (basic)**
	108,371,737		101,986,924	Average shares outstanding (diluted)

01/01/2012 - 06/30/2012	01/01/2011 - 06/30/2011	
32,490,139.37	25,606,885.87	Profit after taxes
- 30,273.82	- 55,455.19	Change in exchange differences from translation of operations outside the euro zone
32,459,865.55	25,551,430.68	Total comprehensive income

CONSOLIDATED CASH FLOW STATEMENT

in EUR	01/01/2012 - 06/30/2012	01/01/2011 - 06/30/2011
EBIT	**41,745,432.28**	**31,810,452.33**
Gains/Losses from the disposal of non-current assets	- 14,789.42	76,998.24
Amortization/depreciation/write-ups of non-current assets	7,623,692.31	3,539,052.68
Impact on foreign currency translation	- 653,356.99	- 561,985.68
Changes in inventories	117,610.75	51,054.71
Changes in trade and other receivables	- 17,099,434.72	- 15,388,153.80
Changes in other assets	- 10,468,568.34	924,250.02
Changes in provisions	- 618,214.90	- 445,949.90
Changes in non-current liabilities excluding financial liabilities	- 8,330,812.55	734,969.49
Changes in trade payables	8,589,986.68	49,087,195.56
Changes in other current liabilities	4,430,235.04	1,038,742.68
Income taxes paid	- 2,230,443.15	- 5,617,285.26
Interest paid (excl. interest on loans)	- 127,799.96	- 755,439.73
Interest received	91,463.15	38,444.27
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	1,931,755.30	- 1,255,181.32
Cash flow from operating activities	**24,986,755.48**	**63,277,164.29**
Cash paid for investments in intangible assets and property, plant and equipment	- 14,426,043.87	- 5,724,217.30
Cash received from the sale of intangible assets and property, plant and equipment	543,907.53	33,551.76
Cash paid for investments in financial assets and interest bearing securities	- 7,500,000.00	0.00
Cash paid for the acquisition of entities and investments in consolidated entities	- 1,931,755.30	- 2,881,381.95
Cash flow from investing activities	**- 23,313,891.64**	**- 8,572,047.49**
Cash received from the issue of shares	139,470,288.10	0.00
Cash paid for expenses from the issue of shares	- 2,202,263.87	0.00
Drawdown/redemption of lease liabilities	- 580,669.67	0.00
Cash received from financial liabilities	15,000,000.00	10,000,000.00
Cash paid for expenses from financial liabilities	- 238,525.16	0.00
Cash paid from repayments of financial liabilities	- 44,023,539.78	- 10,000,000.00
Dividends paid	- 11,198,345.20	- 10,180,313.28
Interest paid on loans	- 896,893.23	- 58,718.04
Cash flow from financing activities	**95,330,051.19**	**- 10,239,031.32**
Net change in cash and cash equivalents	**97,002,915.03**	**44,466,085.48**
Adjustments due to currency translation	- 30,273.82	- 55,455.19
Adjustments due to consolidation	0.00	- 16,397.24
Financial resources fund at the beginning of period	141,909,714.81	112,036,124.00
Financial resources fund at the end of period	**238,882,356.02**	**156,430,357.05**

CONSOLIDATED CASH FLOW FROM OPERATING ACTIVITIES (ADJUSTED)

in EUR	01/01/2012 - 06/30/2012	01/01/2011 - 06/30/2011
EBIT	**41,745,432.28**	**31,810,452.33**
Gains/losses from the disposal of non-current assets	- 14,789.42	76,998.24
Amortization/depreciation/write-ups of non-current assets	7,623,692.31	3,539,052.68
Impact from foreign currency translation	- 507,107.17	- 5,874.96
Changes in inventories	117,610.75	51,054.71
Changes in trade receivables and other assets (adjusted)	1,784,613.80	- 2,911,655.63
Changes in provisions	- 618,214.90	- 445,949.90
Changes in non-current liabilities excluding financial liabilities	- 8,330,812.55	734,969.49
Changes in trade payables (adjusted)	5,693.36	1,358,443.16
Changes in other current liabilities	4,547,122.93	1,103,911.01
Income taxes paid (adjusted)	- 6,276,560.18	- 1,571,168.23
Interest paid (excl. interest on loans)	- 127,799.96	- 755,439.73
Interest received	91,463.15	38,444.27
Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation	1,931,755.30	- 1,255,181.32
Cash flow from operating activities	**41,972,099.70**	**31,768,056.12**

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. In so doing, the capital gains taxes on dividends that were paid or refunded in the respective year are eliminated. 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	Capital reserve	Retained earnings	Foreign currency translation reserve	Total Shareholders' Equity
	EUR / NO.	EUR	EUR	EUR	EUR
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
Capital increase	0.00	0.00			0.00
Currency translation differences				- 55,455.19	- 55,455.19
Balance as of June 30, 2011	**101,803,139.00**	**11,261,517.49**	**192,069,267.26**	**81,405.79**	**305,215,329.54**
Balance as of December 31, 2011	**101,803,139.00**	**11,261,517.49**	**227,647,884.70**	**174,807.86**	**340,887,349.05**
Profit after taxes			**32,490,139.37**		32,490,139.37
Dividends paid			**- 11,198,345.20**		- 11,198,345.20
Capital increase	**10,180,313.00**	**127,690,580.96**			137,870,893.96
Currency translation differences				**- 30,273.82**	- 30,273.82
Balance as of June 30, 2012	**111,983,452.00**	**138,952,098.45**	**248,939,678.87**	**144,534.04**	**500,019,763.36**

EXPLANATORY NOTES

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

Wirecard AG, Einsteinring 35, 85609 Aschheim (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

On June 30, 2012, a total of 22 subsidiaries were fully consolidated. As of June 30, 2011, there were a total of 19 fully consolidated subsidiaries.

SUBSIDIARIES OF WIRECARD AG

	Shares
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%
Click2Pay GmbH, Aschheim (Germany)	100%
Wirecard (Gibraltar) Ltd. (Gibraltar)	100%
Wirecard Sales International GmbH (formerly: Trustpay International GmbH), Aschheim (Germany)	100%
Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland)	100%
Wirecard UK and Ireland Ltd., Dublin (Ireland)	100%
Herview Ltd., Dublin (Ireland)	100%
Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria)	100%
Systems@Work Pte. Ltd. (Singapore)	100%
Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia)	100%
Safe2Pay Pte. Ltd. (Singapore)	100%
Wirecard Processing FZ LLC (formerly: Procard Services FZ LLC), Dubai (United Arab Emirates)	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%
Wirecard Acquiring & Issuing GmbH (formerly:Wire Card Beteiligungs GmbH, Aschheim (Germany)	100%
Wirecard Bank AG, Aschheim (Germany)	100%
Wirecard Card Solutions Ltd., Newcastle (United Kingdom)	100%

Uniform accounting and valuation methods apply to the group of consolidated 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

Assets from NETRADA Payment GmbH

With effect from April 1, 2012, Wirecard Technologies AG acquired material assets from Netrada Payment GmbH, with its registered office in Mainz, Germany. This acquisition and the strategic alliance agreed have reinforced Wirecard AG's position as a payment service provider for the fashion industry. Netrada Payment GmbH specializes in providing services for payment and risk management processes in the fashion industry. NETRADA Payment GmbH is part of the Netrada Group, formerly D+S Europe, which offers end-to-end eCommerce fulfillment solutions for fashion, beauty and lifestyle as a leading international outsourcing service provider. As part of the acquisition, a long-term strategic alliance was also agreed with Netrada Management GmbH for the provision of payment and risk management services.

The agreed cash purchase price for the assets totaled EUR 2,500K. Depending on the success of the business, an earn-out payment of EUR 500K may have to be paid in 2012. The portfolio generated revenues of EUR 1,976K in 2011 and earnings of EUR -565K. A positive contribution to earnings is forecast for fiscal year 2012, taking synergies into account. The material assets acquired, in addition to the strategic importance, include customer relationships.

The breakdown is as follows:

AMOUNTS RECORDED AND FAIR VALUE PER MAIN CATEGORY ARISING FROM THE ACQUISITION OF THE CUSTOMER PORTFOLIO

in EUR '000s	Fair value
Goodwill	1,045
Customer relationships	1,823
Other non-current intangible assets	140

1.2. Principals and assumptions used in preparing the financial statements

Principles

The financial statements as at June 30, 2012 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, 2011 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, 2011.

Comparability

The comparability with the previous period is limited owing to the first time consolidation in the fourth quarter of 2011 of Systems@Work Pte. Ltd., Singapore, with its subsidiaries, and Wirecard Card Solutions Limited, Newcastle (United Kingdom). In addition, customer relationships totaling EUR 42,775K have been written down since the third quarter 2011 for the first time with a remaining useful life of 20 years, which is why amortization/depreciation increased by EUR 1,069K in the comparable period.

According to the requirement for a license for the provision of payment services which applies 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 has been implemented in the local laws of the member countries.

This change has not impacted the Wirecard Group's financial position and results of operations, however the comparability of segment reporting is restricted. Detailed information and reconciliations for comparability are included in Chapter 6.1. Segment Reporting.

The change in collateral at the customer's request means that comparability with the prior period or previous quarters is restricted in the items cash and cash equivalents and trade payables. Customers have replaced revolving collateral deposits from the daily transaction volume with bank guarantees payable upon first request from well-known banks. Without this transition, this item would have been EUR 30 million higher.

Accounting and valuation methods

In the course of preparing the financial statements as at June 30, 2012, the same accounting and valuation principles were used as for the last consolidated financial statements (December 31, 2011) and in the previous-year period (January 1, 2011 through June 30, 2011) if no other information is provided in the report. For more details please refer to the Annual Report as at December 31, 2011.

2. Notes to the 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 (last assessment on December 31, 2011) or if there is an indicator of possible impairment. 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.

In the first half year of 2012, due to the acquisition of the assets of Netrada Payment GmbH, the level of goodwill changed slightly and totaled EUR 128,610K (December 31, 2011: EUR 127,565K) and is disclosed in the following cash-generating units:

GOODWILL

in EUR '000s	06/30/2012	12/31/2011
Payment Processing & Risk Management	102,126	101,081
Acquiring & Issuing	26,196	26,196
Call Center & Communication Services	288	288
Total	**128,610**	**127,565**

Internally-generated intangible assets
In the first half year of 2012 internally generated software was developed and capitalized in the amount of EUR 4,181K (6M 2011: EUR 3,435K). This relates to software for the Payment Processing & Risk Management and Acquiring & Issuing segment. It is written off using the straight line method over its anticipated useful 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. This is between three and ten years. In the period under review, this item decreased from EUR 28,530K to EUR 28,189K.

Customer relationships

Customer relationships refer to acquired customer portfolios and those resulting from companies being consolidated. Customer relationships have an amortization period between 4 and 20 years.

In the period under review, this item increased following the initial consolidation of Netrada Payment GmbH, in which EUR 1,823K 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. It is stated at cost and depreciated using the straight-line method over its estimated useful life. For computer hardware this period is three to five years and, as a rule, up to ten years for office equipment and furniture. For the first time, this item includes assets from a lease agreement in the amount of EUR 5,132K. The lease liability is carried correspondingly under other liabilities.

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

2.3. Financial and other assets

Financial and other assets, amounting to EUR 45,834K (December 31, 2011: EUR 26,714K) mostly comprise interest-bearing securities from Wirecard Bank AG that were invested in various interest-bearing securities to improve interest income. These have an original term of four to five years and exclusively bear income based on the money market, however minimum and maximum interest rates have been agreed (so-called collared floaters). These were disclosed under financial and other assets, which is why these reduce the item cash and cash equivalents. It also includes medium-term financing agreements, including for sales partners.

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, 2011, tax notices issued up to the 2010 assessment year and consolidated taxable earnings in the first half year of 2012, deferred tax assets as at June 30, 2012 amounted to EUR 1,423K following a valuation allowance (December 31, 2011: EUR 936K).

2.5. Inventories and work in progress

As at June 30, 2012, the inventories reported, amounting to EUR 661K (December 31, 2011: EUR 779K), merchandise such as, in particular, terminals and debit cards. In addition, customer-specific payment-related software solutions were sold at Systems@Work Pte. Ltd.. Of this total EUR 282K was accounted for as work in progress. Their value was measured in accordance with IAS 2.

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

2.6. Trade receivables and other receivables

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

Receivables and liabilities (less commissions and charges) are transitory in nature and subject to substantial fluctuations from one balance sheet date to another. The increase as of June 30, 2012 is due to organic growth and also, mostly, to an increase in receivables from Acquiring due to the balance sheet date. Moreover, cooperation with other acquiring banks in the Asian region and software projects led to an increase in receivables year-on-year for accounting reasons. In addition, comparability is restricted due to the new companies.

2.7. Tax credits

As at June 30, 2012, the tax credits reported included tax refunds amounting to EUR 1,901K (December 31, 2011: EUR 5,570K). In addition, as at December 31, 2011, there were VAT refund claims amounting to EUR 177K (June 30, 2012: EUR 0K).

2.8. Fixed interest securities and fixed-term deposits

To improve its interest income, apart from investing in various interest-bearing securities, Wirecard Group also invested in fixed-term deposits. All of the investments are only concluded with banks or counterparties which meet the creditworthiness requirements from the group's own risk valuation and - to the extent that third-party ratings are available - are assessed by rating agencies of note as being subject to minimal risk. Fixed-term deposits with a term of more than three months are carried under interest-bearing securities and fixed-term deposits; for this reason, it reduces the level of cash and cash equivalents accordingly. Fixed-term deposits with a term of up to three months are carried under cash and cash equivalents.

2.9. Cash and cash equivalents

The item Cash and cash equivalents (June 30, 2012: EUR 296,810K; December 31, 2011: EUR 213,403K) lists cash in hand and credit balances with banks (sight and time deposits with terms of up to three months and overnight [call] money). These also include resources from current customer deposits of Wirecard Bank AG (June 30, 2012: EUR 57,795K; December 31, 2011: EUR 71,493K) and funds derived from Wirecard Bank AG's acquiring business. To improve its interest income, Wirecard Bank AG invested parts of the customer deposits in various short, medium and long-term bearing securities and fixed-term deposits (so-called collared floaters and interest-bearing securities). These are disclosed under non-current financial and other assets and other 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 60,155K.

The strong increase in cash and cash equivalents is due to factors including a capital increase which Wirecard AG successfully placed with institutional investors at a price of EUR 13.70 on March 8, 2012. As a result, Wirecard received net proceeds of EUR 137,268K. This was used to repay financial liabilities in the amount of EUR 28,891K.

3. Notes to the consolidated balance sheet equity and liabilities

As regards the development of consolidated equity for the first half year of 2012, further particulars in addition to the following explanations are provided in the table “Consolidated statement of changes in equity”.

3.1. Subscribed capital

Subscribed capital increased after the capital increase performed on March 8, 2012 and entered in the commercial register on March 9, 2012 by EUR 10,180,313.00. The subscribed capital has remained unchanged since then. As at June 30, 2012 it totaled EUR 111,983,452.00 and comprises 111,983,452 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 26, 2012, the Board of Management was authorized to increase the capital stock with the consent of the Supervisory Board by June 25, 2017 on one or several occasions by up to a maximum total of EUR 30,000K against cash and/or non-cash capital contributions, including so-called “mixed contributions in kind”, by issuing up to 30 million new no-par-value bearer shares (authorized capital 2012) and to determine that profit participation is to begin at a time other than that stipulated by legislation, including retroactively for a fiscal year which has already commenced, to the extent that no resolution has yet been passed for the profits of this past fiscal year.

As a result of this resolution, the authorized capital 2009/I no longer exists.

Contingent capital

Due to the fact that no conversions took place during the first half year of 2012, there was no change to the level of contingent capital (contingent capital 2004) in the reporting period, and it totals EUR 998K (December 31, 2011: EUR 998K).

In addition, the General Meeting on June 26, 2012 authorized the Board of Management, with the approval of the Supervisory Board up to June 25, 2017, to issue bearer bonds with warrants and/or convertible bonds on one or several occasions with a total nominal amount of up to EUR 300,000K, and to grant the bearers of bonds with warrants option rights or the bearers of convertible bonds conversion rights for bearer shares of the Company up to a total proportionate amount of up to EUR 25,000K in the share capital according to the details set out in the conditions for the bonds with warrants or the convertible bonds.

The share capital has been conditionally increased by up to EUR 25,000K comprising 25 million bearer shares (Conditional Capital 2012). The conditional capital increase is only performed to the extent that the bearers of the convertible bonds or bonds with warrants issued by the company or its indirect or direct majority participations as a result of the authorization resolved by the General Meeting on June 26, 2012 actually use their conversion or option rights up to June 25, 2017 or how the holders of the convertible bonds who have a conversion requirement for the convertible bonds to be issued by the company or its direct or indirect majority participations fulfill their requirement for conversion by June 25, 2017.

Purchase of treasury stock

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

Until June 30, 2012, 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

On March 7, 2012, Wirecard AG resolved a capital increase for 10,180,313 new shares. These were successfully placed with institutional investors at a price of EUR 13.70. Wirecard thus obtained a premium of EUR 129,290K. This is offset by directly allocable transaction costs of EUR 2,202K, which are reduced by all of the associated income tax advantages, with the result that the premium is offset by an amount of EUR 1,599K. As a result, the share premium increased during the period under review by EUR 127,690K and on June 30, 2012 it thus totaled EUR 138,952K.

3.3. Retained earnings

Wirecard AG's Ordinary General Meeting was held in Munich on June 26, 2012. Resolutions passed at the General Meeting included carrying forward EUR 20,710K to new account from the disclosed net retained profits for Wirecard AG (single-entity) for fiscal year 2011 of EUR 31,908K, and disbursing EUR 11,198K as a dividend, i.e., paying a dividend of EUR 0.10 per no-par-value share for each of the 111,983,452 dividend-entitled shares.

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

Interest-bearing liabilities were repaid on schedule in the second quarter. As a result, non-current interest-bearing liabilities fell to EUR 46,000K; December 31, 2011: EUR 85,024K).

Other non-current liabilities

Other non-current liabilities on June 30, 2012 mostly comprise the non-current portion of the earn-out components as part of the purchase of the Systems@Work Group on the amount of EUR 3,100K (December 31, 2011: EUR 12,135K) which are due in 2014. In addition, on June 30, 2012 this item included lease liabilities in the amount of EUR 3,839K (December 31, 2011: EUR 0K) and EUR 332K (December 31, 2011: EUR 332K) in (convertible) bonds.

The part of the earn-out component of EUR 9,866K, which will become due as part of the purchase of the Systems@Work Group in the first half of 2013, has been reclassified to current.

Deferred tax liabilities

Deferred tax liabilities, amounting to EUR 10,092K (December 31, 2011: EUR 9,344K) 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, customer deposits from banking operations of Wirecard Bank AG, other liabilities, and tax provisions.

Trade payables

Trade payables are owed chiefly to online traders (merchants). A total of EUR 130,572K is due to Wirecard Bank AG.

The change in collateral at the customer's request means that comparability with the prior period or previous quarters is restricted. Customers have revolving security retentions for daily transaction volumes from bank guarantees payable on demand from well-known banks. Without this transition, this item would have been EUR 30 million higher.

Interest-bearing liabilities

Interest-bearing liabilities, amounting to EUR 11,133K (December 31, 2011: EUR 1,000K) mostly include loans, of which EUR 10,000K is due in the first half of 2013 and EUR 1,000K in the fourth quarter of 2012.

Other provisions

Provisions are generally current in nature and are expected to be consumed within one year. Other current provisions amounting to EUR 844K (December 31, 2011: EUR 992K) include financial statement and other auditing costs of EUR 415K as the largest single item (December 31, 2011: EUR 508K).

Other liabilities

Other liabilities, amounting to EUR 21,515K (December 31, 2011: EUR 15,104K) include EUR 7,323K (December 31, 2011: EUR 6,051K) of accrued liabilities, EUR 1,486K (December 31, 2011: EUR 0K) as current lease liabilities, and EUR 10,366K (December 31, 2011: EUR 1,868K) as current purchase price liabilities from variable remuneration for M&A transactions. In addition, the item includes liabilities from payment transactions, wages and salaries, social security and similar.

Customer deposits from banking operations

This line item included customer deposits amounting to EUR 117,950K (December 31, 2011: EUR 105,042K) with Wirecard Bank AG.

Provisions for taxes

Tax provisions essentially relate to provisions set up for income taxes for foreign companies.

4. Notes to the consolidated income statement

4.1. Revenues

Consolidated revenues (EUR 177,897K) in the first half year of 2012 are generated in the "Call Center & Communication Services", "Payment Processing & Risk Management" divisions as well as the proceeds generated from commission payments of the "Acquiring & Issuing" division. In addition, in the period under review the interest income generated by the Acquiring & Issuing segment (EUR 1,776K) 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). Transaction-related charges, revenues from purchases of receivables and from payment guarantees arise in the course of risk management activities. 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

Der Personnel expenses in the first half year of 2012 totaled EUR 17,845K (previous year: EUR 14,042K) and were composed of salaries totaling EUR 15,861K (previous year: EUR 12,490K) and social security in the amount of EUR 1,984K (previous year: EUR 1,552K).

In the first half year of 2012, the Wirecard Group had an average of 603 employees (previous year: 487 employees (excluding the Board of Management and apprentices). Of this total 154 (previous year: 130) were employed part time. Of the 603 employees, 17 (previous year: 15) were employed as management board members / general managers of a subsidiary.

These employees were engaged in the following functions:

EMPLOYEES

	6M 2012	6M 2011
Sales	117	91
Administration	119	100
Customer service	189	166
Research/Development and IT	178	130
Total	**603**	**487**
of which part-time	**154**	**130**

4.4. Depreciation/amortization

Depreciation and amortization in the first half year of 2012 amounted to EUR 7,624K (6M 2011: EUR 3,539K). Amortization/depreciation increased in the first half year of 2012 compared to the same period of the previous year, mostly due to the initial consolidation of Systems@Work Pte. Ltd., Singapore and its subsidiaries and Wirecard Card Solutions Limited, Newcastle (UK) and the acquisition of the assets of Netrada Payment GmbH. In addition, amortization/depreciation increased by EUR 1,069K as a result of a change in the remaining useful life of some customer stocks, which have been written down over a period of 20 years for the first time since the third quarter of 2011.

4.5. Other operating income

Other operating income in the amount of EUR 1,368K (6M 2011: EUR 707K) essentially consists of income from reversal of provisions, the revaluation of receivables or netted remunerations in kind.

4.6. Other operating expenses

Breakdown of other operating expenses:

OTHER OPERATING EXPENSES

in EUR '000s	6M 2012	6M 2011
Legal and financial statement costs	2,028	1,549
Consulting expenses and consulting-related expenses	1,568	1,675
Office expenses	2,210	1,741
Equipment and leasing	2,657	2,630
Sales and marketing	2,440	1,706
Other	2,812	7,352
Total	**13,715**	**16,653**

4.7. Financial result

Net financial income totaled EUR - 1,265K (6M 2011: EUR - 33K). Expenses, amounting to EUR 2,804K, included EUR 2,583K in interest (6M 2011: EUR 927K), and currency-related expenses of EUR 85K (6M 2011: EUR 7K), which was offset by currency-related income of EUR 1K (6M 2011:. EUR 2K). In the first half year of 2012 financial assets were amortized in the amount of EUR 136K (6M 2011: EUR 1K). In addition, EUR 311K (6M 2011: EUR 264K) in interest income and EUR 1,228K (6M 2011: EUR 635K) was recorded from income from securities and loans, resulting in financial income being recorded in the amount of EUR 1,539K (6M 2011: EUR 902K).

Interest income in the Acquiring & Issuing segment in the amount of EUR 1,776K (6M 2011: EUR 1,182K) is not disclosed under the financial result, but under revenues. Please refer to Chapter 4.1. Revenues and 6.1. Segment reporting.

4.8. Income tax expense and deferred taxes

The consolidated income statement for the first half year of 2012 includes income tax expenses of EUR 7,990K. Essentially, these related to the income tax burdens determined for the Group member companies on the basis of the tax calculations for the first half year of 2012. In addition, these related to the change in deferred tax liabilities in the amount of EUR 748K and the change in deferred tax assets in the amount of EUR 115K.

The cash-relevant tax rate (excluding deferred taxes) amounted to 17.6 percent (6M 2011: 19.8 percent). Including deferred taxes, the tax rate came to 19.7 percent (6M 2011: 19.4 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, 2012, and June 30, 2011 the Company had both cash and cash equivalents in its books.

Reconciliation to financial resources 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, 2012: EUR 296,810K; June 30, 2011: EUR 217,335K), less current (immediately due and payable) liabilities to banks (June 30, 2012: EUR 133K; June 30, 2011: EUR 2K) included in the item current, interest-bearing liabilities. In addition, the financial resources corresponding to the current customer deposits from banking operations (June 30, 2012: EUR 57,795K; June 30, 2011: EUR 60,903K) were deducted according to IAS 7.22 or were included as a reduction in financial resources.

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 and fixed-term deposits) with a nominal value of EUR 60,155K 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 57,795K. These are reported in the Wirecard Group under the balance sheet item “Cash and cash equivalents”, under non-current “financial and other assets” and under “current interest-bearing securities”.

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

CASH AND CASH EQUIVALENTS

in EUR ‘000s		06/30/2012		06/30/2011
Cash and cash equivalents		**296,810**		**217,335**
Current interest-bearing liabilities	- 11,133		- 1,002	
of which, current liabilities to bank		- 133		- 2
Reconciliation to cash and cash equivalents		**296,677**		**217,333**
of which, current customer deposits from banking operations		- 57,795		- 60,903
of which, Acquiring deposits in Wirecard Bank AG	- 74,044		- 96,341	
Financial resources fund at the end of period		**238,882**		**156,430**

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. In so doing, the capital gains taxes on dividends that were paid or refunded in the respective year are eliminated. The previous year cash flow was retrospective adapted. These addenda help to identify and present the cash-relevant portion of the Company’s result.

The item Elimination of purchase price liabilities and adjustments to net working capital from initial consolidation reflects necessary adjustments e.g. due to investments as well as the effects of the first-time consolidation of Netrada Payment GmbH and, in the previous year, Wirecard Processing 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.

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

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

The unadjusted cash flow from operating activities fell from EUR 63,277K in the first half year of 2011 to EUR 24,987K in the first half year of 2012, essentially attributable to the special system used in the Acquiring division, which is impacted by cut-off date effects of a transitory nature inherent in the Company’s business model. The cash flow from operating activities (adjusted) amounts to EUR 41,972K (6M 2011: EUR 31,768K).

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 activities is the result of the inflow of funds from non-current assets (excluding deferred taxes) and the outflow of funds for investments in non-current assets (excluding deferred taxes). The cash flow from investment activities in the first half year of 2012 totaled EUR - 23,314K (6M 2012: EUR - 8,572K).

The following are essentially affected by this:

SUBSTANTIAL CASH OUTFLOWS FOR INVESTMENTS

in EUR '000s	
M&A transactions and acquisition of customer relationships	10,139
Internally generated intangible assets	4,181
Medium-term financing-agreements with sales partners	7,500
Other intangible assets (software)	1,165
Property, plant and equipment	873

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 the cash flow from operating activities.

On March 7, 2012, Wirecard AG resolved a capital increase for 10,180,313 new shares. These were successfully placed with institutional investors at a price of EUR 13.70 on March 8, 2012. As a result of the capital increase, gross proceeds from the issue of around EUR 137,268K accrued to the Company.

The cash flow from financing activities in the first half year of 2012 mostly related to the dividend disbursement in the amount of EUR 11,198K (6M 2011: EUR 10,180K).

5.4. Financial resource fund at the end of period

Taking into account this net cash provided/used(6M 2012: EUR 97,003K; 6M 2011: EUR 44,466K), the exchange-rate related changes (6M 2012: EUR - 30K; 6M 2011: EUR - 55K) and changes in the cash and cash equivalents due to the group of consolidated companies (6M 2012: EUR 0K; 6M 2011: EUR - 16K) and the cash and cash equivalents at the start of the period (6M 2012: EUR 141,910K; 6M 2011: EUR 112,036K), there are cash and cash equivalents at the end of the period in the amount of EUR 238,882K (June 30, 2011: EUR 156,430K).

6. Other notes
6.1. Segment reporting

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

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, Wirecard Acquiring & Issuing GmbH and Wirecard Card Solutions Ltd.

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

The **Acquiring & Issuing** (A&I) segment completes and extends the value added chain of the Wirecard Group with the financial services provided via Wirecard Bank AG, the newly formed Wirecard Card Solutions Ltd. and the financial services offered via Wirecard Acquiring & Issuing GmbH. In the business segment Acquiring, merchants are offered statements of credit card 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. and the companies Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland), along with its subsidiaries and Wirecard Card Solutions Ltd., Newcastle (United Kingdom) and Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria). In the segment “Other Countries”. the company cardSystems FZ-LLC, Dubai (United Arab Emirates) Wirecard Processing FZ LLC (previously: Procard Services FZ LLC), Dubai (United Arab Emirates) and Wirecard Asia Pte. Ltd. (Singapore), and Systems@Work Pte. Ltd. (Singapore) are included together with their subsidiaries. The segment “Germany” includes all other companies within the Wirecard Group.

According to the requirement for a license for the provision of payment services which applies 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 has been implemented in the local laws of the member countries.

At present and in future the contractual services will continue to be invoiced to the same extent by the Wirecard Group. This change has not impacted Wirecard AG’s financial position and results of operations. Payment services now have to be invoiced by Wirecard Bank AG. Technical services and customer support will be provided by local group subsidiaries, as was previously the case.

From May 2011, as a result revenues from external customers will be disclosed in the A&I segment. These were previously booked in the PP&RM segment.

Revenues with other business segments within the Group (consolidations) have also changed as a result. The changes have resulted in lower revenues in the PP&RM segment and higher revenues in the A&I segment. The change will not impact consolidated revenues and the profitability of the Group and the individual segments.

This transition also impacts the geographic breakdown, as revenues that are recorded by Wirecard’s local European facilities are partially incurred in Germany, where Wirecard Bank AG has its registered office.

The “pro forma” information included in the additional tables in the following sections eases comparison. These represent the prior periods as if the contractual transition had also taken place in 2011.

REVENUES BY OPERATING DIVISIONS

in EUR '000s	6M 2012	6M 2011	Q2 2012	Q2 2011
Payment Processing & Risk Management (PP&RM)	121,441	126,196	65,428	59,224
Acquiring & Issuing (A&I)	66,814	46,427	34,543	26,417
Call Center & Communication Services (CC&CS)	2,559	2,070	1,170	974
	190,814	**174,693**	**101,141**	**86,615**
Consolidation PP&RM	- 11,590	- 4,665	- 6,202	- 2,996
Consolidation A&I	- 470	- 21,496	- 250	- 5,297
Consolidation CC&CS	- 857	- 660	- 432	- 331
Total	**177,897**	**147,872**	**94,257**	**77,991**

REVENUES BY OPERATING DIVISIONS (AS IF)

in EUR '000	6M 2012	6M 2011	Q2 2012	Q2 2011
Payment Processing & Risk Management	121,441	107,524	65,428	55,237
Acquiring & Issuing	66,814	52,436	34,543	27,096
Call Center & Communication Services	2,559	2,070	1,170	974
	190,814	**162,030**	**101,141**	**83,307**
Consolidation PP&RM	- 11,590	- 10,673	- 6,202	- 3,675
Consolidation A&I	- 470	- 2,825	- 250	- 1,310
Consolidation CC&CS	- 857	- 660	- 432	- 331
Total	**177,897**	**147,872**	**94,257**	**77,991**

EBITDA BY OPERATING DIVISIONS

in EUR '000s	6M 2012	6M 2011	Q2 2012	Q2 2011
Payment Processing & Risk Management	36,869	24,881	19,385	13,086
Acquiring & Issuing	12,220	10,196	6,628	5,273
Call Center & Communication Services	315	273	101	125
	49,404	**35,350**	**26,114**	**18,484**
Consolidation	- 35	0	- 3	0
Total	**49,369**	**35,350**	**26,111**	**18,484**

REGIONAL REVENUE BREAKDOWN

in EUR '000s	6M 2012	6M 2011	Q2 2012	Q2 2011
Germany	95,159	92,382	47,303	50,378
Europe	82,024	62,079	46,588	30,415
Other countries	6,909	2,519	3,542	1,226
	184,092	**156,980**	**97,433**	**82,019**
Consolidation Germany	- 2,926	- 8,158	- 1,463	- 3,242
Consolidation Europe	- 3,259	- 950	- 1,710	- 786
Consolidation Other countries	- 10	0	- 3	0
Total	**177,897**	**147,872**	**94,257**	**77,991**

REGIONAL REVENUES (AS IF)

in EUR '000	6M 2012	6M 2011	Q2 2012	Q2 2011
Germany	95,159	93,336	47,303	53,225
Europe	82,024	59,656	46,588	27,159
Other countries	6,909	2,519	3,542	1,226
	184,092	**155,511**	**97,433**	**81,610**
Consolidation Germany	- 2,926	- 5,734	- 1,463	- 2,710
Consolidation Europe	- 3,259	- 1,905	- 1,710	- 909
Consolidation Other countries	- 10	0	- 3	0
Total	**177,897**	**147,872**	**94,257**	**77,991**

EBITDA BY REGIONS

in EUR '000s	6M 2012	6M 2011	Q2 2012	Q2 2011
Germany	21,700	18,605	11,011	10,009
Europe	26,837	18,145	14,691	9,480
Other countries	825	- 1,400	405	- 1,005
	49,362	**35,350**	**26,107**	**18,484**
Consolidation	7	0	4	0
Total	**49,369**	**35,350**	**26,111**	**18,484**

7. Additional mandatory disclosures

7.1. Management Board

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

Dr. Markus Braun, commercial computer scientist, member of the Management Board since October 1, 2004
CEO, Chief Technology Officer
Burkhard Ley, banker, member of the Management Board since January 1, 2006
Chief Financial Officer
Other supervisory board mandates: Backbone Technology AG, Hamburg (Germany)
Jan Marsalek, computer scientist, member of the Management Board since February 1, 2010
Chief Sales Officer

7.2. 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.

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Wirecard AG

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Financial calendar

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