

WIRE CARD

GLOBAL PAYMENT & COMMUNICATION

Report on the 3rd Quarter 2005

Key Data

Wire Card Group		Q3 2005	Q3 2004	9M 2005	9M 2004
		Actual	"as-if"	"as-if"	"as-if"
Total revenues	TEUR	15,179	8,128	39,276	22,950
Operating profit (EBIT)	TEUR	3,007	2,114	5,976	3,144
Earnings per share	EUR	0.03	k.A.	k.A.	k.A.
Shareholders' equity	TEUR	60,039	k.A.	60,039	k.A.
Total assets	TEUR	97,605	k.A.	97,605	k.A.
Cash flow from operating activities	TEUR	11,083	k.A.	k.A.	k.A.
Workforce per 30.09.2005		199	k.A.	199	k.A.
Plus part-time workforce		161	k.A.	161	k.A.

		Q3 2005	Q3 2004	9M 2005	9M 2004	
		Actual	„as-if“	„as-if“	„as-if“	
EPRM*	Total Revenues	TEUR	14,626	7,008	36,977	19,809
	EBIT	TEUR	3,280	2,341	6,644	3,825
CCS**	Total Revenues	TEUR	1,301	1,120	4,401	3,212
	EBIT	TEUR	-436	-227	-580	-681
Other	Total Revenues	TEUR	-	-	-	-
	EBIT	TEUR	13	-	-16	-
Consolidation	Total Revenues	TEUR	-748	-	-2,102	-71
	EBIT	TEUR	150	-	-72	-
Total	Total Revenues	TEUR	15,179	8,128	39,276	22,950
	EBIT	TEUR	3,007	2,114	5,976	3,144

* Electronic Payment/Risk Management

** Call Center & Communication Services

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The Company's Stock

In the third quarter, the Wire Card AG's share price rose by 43%, from EUR 2.73 to EUR 3.90. Initially, the share price fell from July through mid-August to a low of EUR 2.65, followed by an upward trend from August 10, to reach a price of EUR 3,90 at the end of the period under review. The mean share price for the third quarter was EUR 3.26. On September 27, 2005, the share price reached a new 52-week high of EUR 4.25, up by more than 56% compared with the quotation of July 1, 2005.

Following the Board of Management and Supervisory Board resolution of September 12, 2005 and the Commercial Register entry of October 18, 2005, the company's capital stock was increased by EUR 6,694,457.00, to EUR 62,102,685.00. The new capital stock is divided up into 62,102,685 shares with a par value of EUR 1 each. The new 6,694,457 shares were issued at an offering price of EUR 3.30. The net proceeds of the capital increase, amounting to EUR 21.7 million, will be applied to financing the acquisition of XCOM Bank AG as well as the associated costs thereof.

In its securities prospectus of October 21, 2005, the company applied for 52,618,738 shares derived from this year's capital increases to be listed for trading on Frankfurt's Securities Exchange (Prime Standard segment). On October 28, 2005, all shares were listed for trading on the stock market. The securities prospectus has been made available on the Internet for information purposes.

Within the scope of the stock market listing, ebs Holding AG and MB Beteiligungsgesellschaft mbH entered into a lock-up agreement vis-à-vis VEM Aktienbank AG, undertaking not to sell the 41,135,788 shares held by them and newly listed for trading on the stock market for a period of six months after the date of such listing.

The share of Wire Card AG held by ebs Holding AG amounted to 74.1% as at the October 31, 2005 reference date. The free float amounted to 25.9%.



Letter from the Management Board


Dear Shareholders:

The preliminary earnings figures for the third quarter, which we announced at an early date on October 28, 2005, exceeded our expectations. This quarterly and nine-monthly report now comprises the final business figures and once again affirms our positive expectations for fiscal 2005 as a whole. In the EPRM business division, the level of growth exceeded our planning figures. Both the positive trend in our portfolio, numerous new customers and the ongoing surge in the transaction volume recorded by CLICK2PAY contributed to this development.

What was of decisive strategic importance was the announced takeover of XCOM Bank AG on September 8, 2005. Studies by the Federal Supervisory Authority for Financial Services (German acronym: BaFin) and the Prüfungsverband deutscher Banken e.V., an auditing association of German banks, gave rise to no objections; as a result, we have stepped up the operational integration of the new business division, making it possible for XCOM Bank to be integrated into the Wire Card Group as of January 1, 2006. The acquisition of XCOM Bank facilitates an extension of our existing portfolio of services in the field of online payment processing along the entire value-added chain. In fact, the takeover of XCOM Bank will make a considerable expansion and optimization of our product range possible in the future. Meanwhile, the cash capital increase initiated in connection with the takeover of XCOM Bank AG has been concluded. The inflow of funds amounting to EUR 21.7 million has meanwhile taken place. All new shares were listed for trading, raising our free float to 25.9% in the process.

In addition, as at November 1, 2005 we succeeded in acquiring Mr. Rüdiger Trautmann (48) as a new member of the Board of Management, responsible for the Sales and Marketing divisions. We anticipate his international industry expertise to make a substantial contribution to acquiring new customers. Following a Supervisory Board resolution of November 17, 2005, Mr. Burkhard Ley (46) was appointed to the position of Chief Financial Officer as of January 1, 2006, for a period of three years. We are certain that his banking expertise and business experience will enhance and facilitate the further extension of the financial services division of Wire Card AG.

As part of our quarterly reporting, in the third quarter it was possible to fully consolidate all Group segments over the entire period under review for the second time. Since this had not been the case in the corresponding period a year earlier, in this report we have again included a „pro-forma“ statement of the previous year's figures for your convenience – in addition to the mandatory section. This reflects a comparison of the segments of today's Wire Card AG with the same business divisions a year earlier, even though these were not part of the Group at the time. The decidedly positive course of business also in the third quarter of 2005 confirms our strategic orientation and indicates that growth for the year as a whole will exceed our expectations.



Dr. Markus Braun
CEO



Rüdiger Trautmann
COO

Berlin, November 2005.

Consolidated Management Report

Preliminary Note

Since the presentation of the report on the first quarter of 2005, consolidated reporting has been based on the following segments:

▶ **Electronic Payment / Risk Management (EPRM)**

The EPRM division comprises all services in the field of payment processing, particularly services performed by the Wire Card Financial Supply Chain Management (FSCM) software platform and by the product CLICK2PAY.

- Companies:
 - ▶ Wire Card Technologies AG
 - ▶ Click2Pay GmbH
 - ▶ United Payment GmbH
 - ▶ cardSystems FZ LLC (Dubai)
 - ▶ Wire Card, Inc. (USA) *
 - ▶ Wire Card ESP. S.L. (Spanien) *
 - ▶ Wire Card Gibraltar Ltd. (Gibraltar)*
 - ▶ Paysys Limited (Mauritius) *

* these companies will only commence operations in Q4

▶ **Call Center & Communication Services (CCS)**

The CCS division comprises the distributed (virtual) and stationary call center services at the locations of Berlin and Leipzig.

- Companies:
 - ▶ Wire Card AG (formerly: InfoGenie Europe AG)
 - ▶ United Data GmbH
 - ▶ InfoGenie UK Ltd. (UK)

▶ **Other**

This division reflects other income not generated by the EPRM or CCS segments. At present, no business activities are being recorded in this segment. Historical data in this segment relate to fields of activity no longer engaged in today.

On September 12, 2005, Wire Card AG acquired the company Wire Card Beteiligungs GmbH from ebs Holding AG, acting as purchaser for XCOM BANK AG. XCOM Bank AG is planned to be integrated into the Group effective as of January 1, 2006 and reported in a new segment from that date. Until the end of the year, however, Wire Card Beteiligungs GmbH will temporarily be reported in the segment 'Other'.

- Companies:
 - ▶ Wire Card Beteiligungsgesellschaft mbH

Business Trends and Order Situation of the Reporting Segments

In order to ensure optimum comparability of current business trends year-on-year, the following key figures were compared with the relevant data of the previous year as part of a „pro-forma“ analysis. This reflects a comparison of the segments of today's Wire Card AG with the same business divisions a year earlier, even though these were not part of the Group at the time.

► **Electronic Payment / Risk Management (EPRM)**

Substantial growth was recorded in the Group's EPRM segment – both in the third quarter and in the full first nine months of fiscal 2005. Compared with the same period in the preceding year, revenues were up by 109% (TEUR 14,626 vs. TEUR 7,008 in the previous year) and earnings before interest and taxes (EBIT) rose by 40% (TEUR 3,280 vs. TEUR 2,341 in the previous year).

In the period under review, we further extended the company's already strong position in the Travel & Transportation sector. New customers were acquired in the hotel & catering sector and among airlines and travel operators (Mövenpick Hotels & Resorts, IXEO Interactive Travel S.A. (ixeo.com), blu-express.com). This development was positively influenced perhaps especially by industry-specific network of partner companies established in recent months.

As announced in the previous quarterly report, the third quarter focused on extending the portfolio of products and services relating to the FSCM platform. In the process, the constantly growing internationalization of the customer portfolio was duly taken into account by

integrating additional banking and risk management partners.

Thanks to the cooperation with ScoreControl GmbH, the range of products and services provided by Wire Card along the financial supply chain has been extended to include the entire receivables management complex. This has made it possible for the sectors of billing, payment transactions, and receivables management to be fully linked for the first time.

In the field of stationary points of sale (POS) terminals, the cost structure continued to be optimized in the period under review thanks to quality-related growth.

In the third quarter, CLICK2PAY recorded a disproportionately high level of expansion particularly in the Asian growth market thanks to optimized localization of the product; this applied both to new registrations and transaction volumes.

At the same time, the presence of the brand was further reinforced by boosting sales with multipliers, such as trading platforms or Internet auction portals.

Consolidated Management Report

► Call Center & Communication Services (CCS)

In the third quarter, despite an increase in sales revenues to TEUR 1,301 (previous year: TEUR 1,120) the Group's CCS division reported an increased operating loss (EBIT) to minus TEUR 436 (previous year: minus TEUR 227) year-on-year. This occurred particularly due to restructuring costs impacting on earnings.

On the whole, the business volume developed on target in the period under review, in line with the usual seasonal fluctuations prevailing in this sector.

In the field of virtual call center services, in the third quarter the minute volume declined by approx. 18% year-on-year, to 351.130 minutes.

A large number of new customers were acquired particularly in the PC and Internet games division. At the same time, the migration of the technical infrastructure to a new platform was concluded, creating a stable technical basis for long-term growth.

► Other

In the period under review, there were no activities of note outside the company's core operations.

The operating profit of TEUR 13 was the result of provisions in InfoGenie Global GmbH being written back, reduced by the operating costs of InfoGenie Global GmbH and Wire Card Beteiligungs GmbH.

Within the scope of the consolidation, it was partly possible to write back the costs of the employee incentive option program incurred in the 2nd quarter.

Business Trends in the Group

a) Sales revenues and earnings of the Wire Card Group

Business trends for the Group as a whole are recorded and stated below in line with international consolidated accounting principles according to IAS/IFRS.

For the comparative period of the previous year, in accordance with the regulations only the Group structure of former InfoGenie Europe AG is depicted. In addition, in departure from the quarterly report of the previous year, the presentation was made in line with IAS/IFRS (previously: U.S. GAAP). The essential differences were already dealt with as part of the consolidated annual financial statements for fiscal 2004.

In the third quarter of 2005, Wire Card AG generated TEUR 15,179 in Group sales, up by approx. TEUR 12,920 on the third quarter of 2004 (previous year: TEUR 2,259).

Due to the consolidation described above and the change to the Group's structure in relation to the same quarter in the previous year, a year-on-year comparison is only possible to a limited degree.

Earnings before interest and taxes (EBIT) for the third quarter up to September 30, 2005 came to TEUR 3,007, equivalent to an almost nine-fold year-on-year increase (previous year: TEUR 337).

Operating profit for the third quarter of 2005 reached TEUR 1,805, compared with an operating profit of TEUR 229 in the same quarter a year earlier.

Earnings per share in the 3rd quarter of 2005 came to EUR 0.03. The average number of shares registered rose from 10,533,947 to 55,408,228 year-on-year as a result of the non-cash capital increase and the cash capital increase being assigned to the appropriate period.

Again, we wish to advise that due to the consolidation and the new corporate structure, a year-on-year comparison is only possible to a limited degree.

b) „As-if“ comparison of sales revenues and earnings of the Wire Card Group with the corresponding business units of the previous year

In order to ensure optimum comparability of current business trends in relation to the corresponding period under review of the previous year, the third quarter of 2005 is compared below with the same business divisions of the previous year, even though these were not yet part of the Group at the time.

In the third quarter of 2005, Wire Card AG generated TEUR 15,179 in Group sales, up by approx. TEUR 7,060 or 87% on the third quarter of 2004 (previous year: TEUR 8,128).

This revenue growth resulted from the development of all three Group segments as planned, with the EPRM division benefiting in particular from the successful distribution activities in connection with CLICK2PAY and the market segment Travel & Transportation, respectively.

At the same time, revenue growth was also boosted with portfolio customers by extending the depth of the value added chain.

Consolidated Management Report

Operating profit (EBIT) for the third quarter up to September 30, 2005 amounted to TEUR 3,007, representing a year-on-year increase of more than 42% (previous year: TEUR 2,114).

The level of EBIT growth is attributable to the year-on-year increase in sales revenues in the third quarter of 2005.

The essential parameters and key figures of the „as-if“ statement are as follows:

			Q3 2005	Q3 2004	9M 2005	9M 2004
			Actual	„as-if“	„as-if“	„as-if“
EPRM*	Total Revenues	TEUR	14,626	7,008	36,977	19,809
	Operating Profit, EBIT	TEUR	3,280	2,341	6,644	3,825
CCS**	Total Revenues	TEUR	1,301	1,120	4,401	3,212
	Operating Profit, EBIT	TEUR	-436	-227	-580	-681
Other	Total Revenues	TEUR	-	-	-	-
	Operating Profit, EBIT	TEUR	13	-	-16	-
Consolidation	Total Revenues	TEUR	-748	-	-2,102	-71
	Operating Profit, EBIT	TEUR	150	-	-72	-
Total	Total Revenues	TEUR	15,179	8,128	39,276	22,950
	Operating Profit, EBIT	TEUR	3,007	2,114	5,976	3,144

Outlook

In the third quarter, the Group once again exceeded expectations relating to future business trends, managing to lay stable foundations for further growth and a successful finish to fiscal 2005.

Activities in the following fourth quarter will clearly be dominated by the integration of XCOM Bank (trading as Wire Card Bank in the future), which will make a substantial contribution as a wholly owned subsidiary to further extending the current portfolio of products and services as of January 1, 2006.

Whereas some services could only be provided in cooperation with partner banks in the past, the takeover of XCOM Bank and its integration into the service portfolio of Wire Card AG will ensure a far-reaching independence of the Group from other banks, facilitating the extension of the Group's own portfolio of products and services along the value-added chain.

While a substantial volume of synergies are unfolding between existing products and the new business division, the current product range in the fields of card acceptance and issuing, i.e. issuing of credit cards, for example, stands to benefit in particular from the new opportunities available.

Whereas the integration of XCOM Bank will provide new growth impetus from the beginning of the forthcoming fiscal year, the successful sales activities of the third quarter will contribute to boosting sales revenues as early as the final quarter of the fiscal 2005.

The internationalization of CLICK2PAY will continue to be intensified in the fourth quarter. Special attention will be devoted to optimizing the current range of products and services for the Japanese and Turkish markets.

It is currently assumed that the targeted increase of 30% in sales revenues and EBIT for fiscal 2005 will be exceeded.

This information is based on the trend for the first nine months of the current fiscal year, which has exceeded expectations, and the fact that, as a rule, the fourth quarter is strongest on sales in the EPRM and CCS divisions due to seasonal factors.

In view of the economies of scale generated by additional growth as well as the enhanced value-added depth in the wake of the acquisition of XCOM Bank, we anticipate a substantial increase in profitability in fiscal 2006.

Berlin, November 2005



Dr. Markus Braun

CEO



Rüdiger Trautmann

CEO

Consolidated Balance Sheet

Assets	Quarterly Report	Annual Report
	Date of current quarter 30.09.2005	Date of last annual report 31.12.2004
	EUR	EUR
CURRENT ASSETS		
Cash and cash equivalents	16,091,032.55	672,666.10
Trade accounts receivable	19,813,914.48	4,382,475.77
Accounts receivable due from related parties	243,527.54	67,168.87
Inventories	69,905.50	0.00
Prepaid expenses and other current assets	3,905,439.59	4,231,788.96
Other marketable securities	37,500.00	150,000.00
Others	0.00	0.00
Total current assets	40,161,319.66	9,504,099.70
DEFERRED TAXES		
deffered taxes	181,000.00	1,550,000.00
Deffered Taxes	181,000.00	1,550,000.00
NON CURRENT ASSETS		
Property, plant and equipment	1,146,231.80	306,198.46
Intangible assets	4,211,871.55	374,656.40
Goodwills	50,028,768.26	4,535,024.83
Investments	1,875,753.36	342,850.00
Total non current assets	57,262,624.97	5,558,729.69
TOTAL ASSETS	97,604,944.63	16,612,829.39
of which short-term	40,161,319.66	9,504,099.70

Liabilities and shareholders' equity

Quarterly Report

Annual Report

Date of current quarter

Date of last annual report

30.09.2005**31.12.2004**

EUR

EUR

CURRENT LIABILITIES

Short-term debt and current portion of long-term debt	6,822,634.61	435,741.74
Trade accounts payable	23,502,800.20	1,783,840.50
Accounts payable due to related parties	1,582,096.95	4,771,366.35
Advance payments received	0.00	0.00
Accrued expenses	3,290,844.00	374,498.15
Other current liabilities	1,780,678.82	311,264.59
Total current liabilities	36,979,054.58	7,676,711.33

NON-CURRENT LIABILITIES

Deferred revenues	96,042.17	139,662.11
Debenture loans	490,500.00	0.00
Total non-current liabilities	586,542.17	139,662.11
Minority interest	0.00	0.00

SHAREHOLDERS' EQUITY

Share capital	55,408,228.00	10,533,947.00
Additional paid-in capital	2,864,765.03	1.00
Retained earnings / accumulated deficit	1,733,618.84	-1,764,342.04
Accumulated other comprehensive income / loss	32,736.01	26,849.99
Total shareholders' equity	60,039,347.88	8,796,455.95

Total liabilities and shareholders' equity**97,604,944.63****16,612,829.39**

of which short-term

37,037,214.50

7,734,870.85

Consolidated Income Statement

	Quarterly Report III/2005 01.07.2005 - 30.09.2005 EUR	Quarterly Report III/2004 01.07.2004 - 30.09.2004 EUR
Revenues	15,178,998.87	2,258,549.87
Other operating income	749,906.80	63,475.17
Changes in inventories of finished goods and work in progress	-142,250.00	0.00
Production of own fixed assets capitalized	0.00	45,000.00
Cost of purchased materials and services	-9,429,225.79	-1,124,742.15
Personnel expenses	-2,235,815.34	-447,319.63
Depreciation and amortization	-249,404.16	-61,540.61
Amortization (and impairment of goodwill)	-53,893.03	0.00
Other operating expenses	-810,952.32	-396,829.28
Others	0.00	0.00
Operating income / loss	3,007,365.03	336,593.37
Interest income and expense	-33,666.62	11,233.55
Income from investments and participations	0.00	0.00
Income / expense from investments accounted for by the equity method	0.00	0.00
Foreign currency exchange gains / losses	-168,245.48	0.00
Other income / expense	0.00	0.00
Result before income taxes (and minority interest)	2,805,452.93	347,826.92
Income tax	-964,629.85	-48,603.90
Extraordinary income / expenses	-36,038.68	0.00
Result before minority interest	1,804,784.40	299,223.02
Minority interest	0.00	0.00
Net income / loss	1,804,784.40	299,223.02
Net income per share (basic)	0.03	0.03
Net income per share (diluted)	0.03	0.03
Weighted average shared outstanding (basic)	55,408,228	10,533,947
Weighted average shares outstanding (diluted)	55,528,669	10,533,947

	Quarterly Report 01.01.2005 - 30.09.2005 EUR	Quarterly Report 01.01.2004 - 30.09.2004 EUR
Revenues	33,891,984.76	5,137,198.98
Other operating income	1,053,220.46	283,386.42
Changes in inventories of finished goods and work in progress	29,671.00	0.00
Production of own fixed assets capitalized	0.00	135,000.00
Cost of purchased materials and services	-19,935,194.55	-2,465,380.55
Personnel expenses	-5,669,212.91	-1,175,693.09
Depreciation and amortization	-414,813.04	-176,684.40
Amortization (and impairment of goodwill)	-118,511.96	0.00
Other operating expenses	-3,244,955.24	-1,084,120.64
Others	0.00	0.00
Operating income / loss	5,592,188.52	653,706.72
Interest income and expense	-121,971.65	10,600.37
Income from investments and participations	0.00	0.00
Income / expense from investments accounted for by the equity method	0.00	0.00
Foreign currency exchange gains / losses	-160,168.95	0.00
Other income / expense	0.00	0.00
Result before income taxes (and minority interest)	5,310,047.92	664,307.09
Income tax	-1,953,804.44	-269,312.38
Extraordinary income / expenses	141,717.40	0.00
Result before minority interest	3,497,960.88	394,994.71
Minority interest	0.00	0.00
Net income / loss	3,497,960.88	394,994.71
Net income per share (basic)	0.08	0.04
Net income per share (diluted)	0.08	0.04
Weighted average shared outstanding (basic)	42,931,262	10,533,947
Weighted average shares outstanding (diluted)	43,051,703	10,533,947

Consolidated Statement of Changes in Shareholders' Equity

for the term until September 30, 2005	Common Stock		Additional
	Shares	Amount EUR	paid-in capital EUR
Balance at December 31, 2003	10,533,947	10,533,947.00	1.00
Consolidated Result at September 30, 2004			
Comprehensive loss			
Balance at September 30, 2004	10,533,947	10,533,947.00	1.00
Balance at December 31, 2004	10,533,947	10,533,947.00	1.00
Consolidated Result at September 30, 2005			
Comprehensive loss			
Capital increase by cash	2,738,493	2,738,493.00	2,814,764.03
Capital increase by asset	42,135,788	42,135,788.00	
Convertible bonds			50,000.00
Balance at September 30, 2005	55,408,228	55,408,228.00	2,864,765.03

Accumulated result	Other comprehensive loss	Total shareholders' equity	Comprehensive result
EUR	EUR	EUR	EUR
-1,817,278.47	22,019.31	8,738,688.84	
394,994.71		394,994.71	394,994.71
	5,072.86	5,072.86	394,994.71
-1,422,283.76	27,092.17	9,138,756.41	
-1,764,342.04	26,849.99	8,796,455.95	
3,497,960.88		3,497,960.88	3,497,960.88
	5,886.02	5,886.02	3,497,960.88
		5,553,257.03	
		42,135,788.00	
		50,000.00	
1,733,618.84	32,736.01	60,039,347.88	

Consolidated Cash Flow Statement

	Quarterly Report (current year to date) 01.01.2005- 30.09.2005 EUR	Quarterly Report (comparative period previous year) 01.01.2004- 30.09.2004 EUR
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit / loss	3,497,960.88	394,994.71
Adjustments for:		
Depreciation and amortization	533,325.00	176,372.12
Increase / decrease in provisions and accruals	2,916,345.85	-1,239,286.77
Other	5,886.02	5,072.86
Movements in Trade Payables und Other Liabilities	19,955,484.59	3,483,279.17
Change in net working capital	-13,869,853.51	-2,972,740.66
Transactions arising from initial consolidations not impacting an payments	-1,955,765.40	0.00
Net cash provided used in operating activities	11,083,383.43	-152,308.57
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-8,568,027.88	-149,349.98
Income from sale of equipment	422,361.00	0.00
Repayment of notes receivable	0.00	0.00
Net cash used in investing activities	-8,145,666.88	-149,349.98
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital	5,603,257.03	0.00
Deposits from short-or long-term loans taken out	490,500.00	0.00
Cash repayments of amounts borrowed	0.00	0.00
Net cash provided used in financing activities	6,093,757.03	0.00
Net increase (decrease) in cash and cash equivalents	9,031,473.58	-301,658.55
Cash and cash equivalents at beginning of period	236,924.36	433,241.10
Cash and cash equivalents at end of period	9,268,397.94	131,582.55

Financial Statement Disclosures

Principles and methods

The quarterly financial statements as at September 30, 2005 – like the consolidated annual financial statements as at December 31, 2004 – were prepared in accordance with IAS/IFRS.

The notes to the consolidated annual financial statements as at December 31, 2004 also apply accordingly to the quarterly financial statements as at September 30, 2005.

Any departures from the above are explained below. In addition, IAS 34 „Interim Financial Reporting“ was applied.

Presentation

The presentation of the balance sheet, income statement and capital flow account is effected in accordance with the stock exchange rules of the Frankfurt Stock Exchange, taking account of the principles of reporting by maturities.

Comparability

As at September 30, 2005, 11 companies were fully consolidated. Full consolidation also extended to include 11 companies as at June 30 and March 31, 2005. As at December 31, 2004, there were 5 such companies. Nobitec GmbH, previously unconsolidated, became part of United Payment GmbH in the third quarter of 2005 following a merger. Wire Card Beteiligungsgesellschaft mbH was consolidated for the first time in the third quarter of 2005.

Following the commercial register entry of March 14, 2005, 100% of the shares of Wire Card Technologies

AG (along with its 5 subsidiaries) were paid into Wire Card AG in the form of a non-cash capital contribution.

As regards the comparability in principle, it should be noted that due to this non-cash capital contribution registered in the first quarter of 2005, the increase in the nominal capital in this connection and the associated substantial increase in the consolidation perimeter and in the balance-sheet items on account of this contribution, a comparison of line items as at September 30, 2005 in relation to December 31, 2004 is only possible to a limited degree. Wire Card Beteiligungsgesellschaft is a further newcomer to the Group; it was required to be consolidated for the first time in the third quarter of 2005 and likewise impacts on a comparison as at December 31, 2004.

On account of the initial consolidation of Wire Card Technologies AG required to reflect the date of the commercial register entry (March 14, 2005), comparability of the income statement is likewise restricted as regards the corresponding previous-year quarter and semester, respectively.

The same applies to the presentation of the Group's cash flow statement since, in particular, such items as „changes to net current assets“ and „changes to trade payables and other liabilities“ reflect substantial year-on-year changes in the wake of the non-cash capital contribution.

As regards the separate presentation of specific statements in order to achieve a certain comparability, reference is made to the management report.

Due to the changeover in the consolidated financial statements of Wire Card AG as at December 31, 2004

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from US-GAAP to IAS/IFRS, as of the year 2005 quarterly reporting is also effected in accordance with IAS/IFRS.

Accounting and valuation principles

In the course of preparing the quarterly financial statements as at September 30, 2005, the same accounting and valuation principles were applied as for the consolidated annual financial statements as at December 31, 2004 and in the previous period under review (January 1, 2004 through September 30, 2004).

Goodwill, amounting to TEUR 50,029, relates to the following subsidiaries:

	30.09.2005	31.12.2004
	TEUR	TEUR
Wire Card		
Technologies AG	43,315	0
InfoGenie Global GmbH	2,300	2,300
net sales GmbH	167	167
Click2Pay GmbH	2,068	2,068
Wire Card		
Beteiligungsg. mbH	2,179	0
	50,029	4,535

Based on resolutions passed by the Board of Management and Supervisory Board, the companies net sales GmbH and InfoGenie Global GmbH will be merged under Wire Card AG by the end of 2005. In addition, a resolution was passed for a merger to allow Awito GmbH to become part of Wire Card Technologies AG.

The initial consolidation of Wire Card Technologies AG (along with its subsidiaries) took place as at March 14, 2005.

The purchase was accounted for using the acquisition method. The purchase price was allocated to the assets acquired, based on the date of acquisition. At Wire Card AG, the (initial) capital consolidation as at March 14, 2005 generated TEUR 42,542 in goodwill for Wire Card Technologies AG.

Wire Card Technologies AG accounts for additional goodwill amounting to TEUR 773 (status as at September 30, 2005) acquired in Wire Card Technologies AG and its subsidiaries.

The results of Wire Card Technologies AG (in addition to its subsidiaries) will be included in the company's consolidated figures as of March 14, 2005. The operating results of Wire Card Technologies AG (and its subsidiaries) prior to initial consolidation were taken into account solely in terms of the capital consolidation.

The first-time consolidation of Wire Card Beteiligungsgesellschaft mbH was effected on September 12, 2005. The purchase was accounted for using the acquisition method.

The purchase price was allocated to the assets acquired, based on the date of acquisition. At Wire Card AG, within the scope of the (initial) capital consolidation

as at September 12, 2005, TEUR 2,179 in goodwill was generated for Wire Card Beteiligungsgesellschaft mbH.

The operating results of Wire Card Beteiligungsgesellschaft will be included in the Company's Group earnings figures as of September 13, 2005.

The operating results of Wire Card Beteiligungsgesellschaft mbH until the time of the initial consolidation were solely taken into account in terms of the capital consolidation.

In consideration of deferred taxes, Wire Card AG applies the liability method in accordance with the rules of „Accounting for Income Taxes“.

Under the liability method, deferred taxes are determined according to the temporary differences between recognition of asset and liability items in the financial statements and the tax balance sheets using statutory tax rates in effect in the years in which the differences are expected to reverse.

Valuation adjustments to deferred tax assets are made if the probability of a tax benefit being realized is below 50%.

The item extraordinary income/expenses essentially includes TEUR 176 in income derived from the reversal of liabilities with an impact on profit and loss.

The consolidated income statement for the period from January 1, 2005 through September 30, 2005 includes income tax expenses amounting to TEUR 1,954. Essentially, these relate to TEUR 1,369 in utilizations of deferred tax assets as well as approx. TEUR 585 in accrued/deferred taxes as at September 30, 2005.

Assets and liabilities relating to the joint venture include assets and liabilities concerning companies forming part of the consolidation perimeter of the Group parent company, ebs Holding AG (registration of the change in legal form to ebs Holding GmbH took place on November 10, 2005).

Assets and liabilities of companies within the subgroup of Wire Card AG were consolidated.

Shareholders' equity

On the basis of the authorization passed at the extraordinary general meeting of Wire Card AG, Berlin, on December 14, 2004 and entered in the commercial register of the Berlin local court on March 14, 2005, the Board of Management of the company passed a resolution on April 11, 2005 with the approval of the Supervisory Board on the same day to raise the company's capital stock from EUR 52,669,735.00 by up to EUR 3,931,951.00, to reach up to EUR 56,601,686.00 by issuing up to 3,931,951 new no-par-value bearer shares with a pro-rata amount of the capital stock of EUR 1.00 per share.

The new shares are fully eligible for dividend participation in fiscal 2005.

In the wake of these resolutions, within the scope of the cash capital increase effected in the second quarter of 2005, due to the issue of 2,738,493 new shares the value of the company's capital stock rose by EUR 2,738,493, from EUR 52,669,735.00 to reach EUR 55,408,228.

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Events of particular significance after September 30, 2005

The following events of particular significance have taken place since the end of the period under review:

It was announced on October 6, 2005 that the increase in subscription rights capital was successfully concluded, utilizing the authorized capital.

As a result of the capital increase due to 6,694,457 shares being issued at a price of EUR 3.30, the Company recorded an inflow of gross issuing revenue amounting to more than EUR 22 million.

Since the principal shareholder, ebs Holding AG, has waived the exercise of its statutory subscription rights, the free float has risen to 25.9%.

On October 27, 2005, it was announced that Mr. Rüdiger Trautmann (aged 48) was appointed by resolution of the Supervisory Board as a member of the Management Board as of November 1, 2005 for a period of three years. Mr. Trautmann is responsible for the Sales and Marketing divisions.

Following a Supervisory Board resolution of November 17, 2005, Mr. Burkhard Ley (46) was appointed to the position of Chief Financial Officer as of January 1, 2006, for a period of three years.

In addition, on October 27, 2005 all shares derived from the capital increases performed in 2005, amounting to a total of 52,618,738 shares, were listed for trading on the Frankfurt Securities Exchange (Prime Standard) upon approval of the offering prospectus by the German Federal Financial Supervisory Authority of October 21, 2005 and the official listing notice from the Frankfurt Securities Exchange dated October 26, 2005.

The inclusion of all shares in the listing was effected on October 28, 2005.

Of these shares, a total of 41,633,992 are subject to a lock-up agreement for a period of 6 months.

Reporting by segment

In accordance with IAS 14, the companies whose participation certificates are traded publicly are required to publish information (segment revenues, segment expenses, segment earnings, segment assets and segment liabilities) regarding the operational business segments or geographical segments (in each instance, cf. IAS 14, paragraph 9) and notes concerning their products and services, locations, as well as main customers.

Following the integration of Wire Card Technologies AG, Wire Card AG has acquired a new, forward-looking orientation.

The integration was concluded following the commercial register entry on March 14, 2005.

Sales revenues are segmented in geographical terms by production sites; in addition, as in the previous quarter, sales are segmented by the following operating divisions: „Electronic Payment and Risk Management“, Call Center Services“ and „Other“.

Electronic Payment and Risk Management („EPRM“) represents the biggest and most important segment by far for the Wire Card Group. In this division, all products and services from the comprehensive portfolio of financial services are listed.

Call Center Services („CCS“) is the segment in which we report the extraordinary value-added depth of our call center activities, with the other products such as after-sales service of our customers and mailing activities also being included as sub-categories.

In the segment „Other“, items are listed that cannot be assigned to the classifications of the other divisions indicated above. These include activities in new fields of activity that cannot be assigned to any of the existing segments.

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Segment reporting	Qu III 2005	Qu III 2004	Qu III 2005	Qu III 2004
Wire Card AG Group	TEUR	TEUR	TEUR	TEUR
REGIONAL REVENUE BREAKDOWN				
Germany	34,923	4,660	15,767	2,090
United Kingdom	473	555	149	168
Other	76	-	11	-
	35,472	5,215	19,927	2,258
Consolidation	-1,580	-78	-748	-
Total geographical revenue breakdown	33,892	5,137	15,179	2,258
BREAKDOWN OF SALES REVENUES BY OPERATING DIVISIONS				
Call Center Services	3,793	2,598	1,301	806
Electronic Payment and Risk Management	31,679	2,617	14,626	1,452
Other	-	-	-	-
	35,472	5,215	15,927	2,258
Consolidation	-1,580	-78	-748	-
Total revenues by geographical region	33,892	5,137	15,179	2,258
OPERATING RESULT I BY OPERATING DIVISIONS				
(Gross profit on sales)				
Call Center Services	2,939	1,239	793	377
Electronic Payment and Risk Management	10,866	1,512	4,564	942
Other	220	-1	220	-185
	14,025	2,750	5,577	1,134
Consolidation	-39	-78	30	-
Total operating result I	13,986	2,672	5,607	1,134
OPERATING RESULT II BY OPERATING DIVISIONS				
(operating profit)				
Call Center Services	-584	-579	-436	-263
Electronic Payment and Risk Management	6,295	1,129	3,280	577
Other	-18	10	13	-5
	5,693	560	2,857	309
Consolidation	-101	94	150	28
Total operating result II	5,592	654	3,007	337

	September 30, 2005	December 31, 2004
	TEUR	TEUR
REGIONAL BREAKDOWN OF LONG-TERM ASSETS		
Germany	60,499	5,230
United Kingdom	99	118
Other regions	3,721	-
	64,319	5,348
Consolidation	-7,056	1,761
Total long-term assets	57,263	7,109
	Qu III 2005	Qu III 2004
	TEUR	TEUR
INVESTMENTS IN INTANGIBLE ASSETS*		
Germany	2,380	135
United Kingdom	-	-
Others	3,784	-
	6,164	135
Investments from consolidations	-74	-
Total Investments in intangible assets*	6,090	135
INVESTMENTS IN TANGIBLE ASSETS*		
Germany	612	16
United Kingdom	-	-
Other	-	-
	612	16
Investments from consolidations	-7	-2
Total Investments in tangible assets*	605	14
INVESTMENTS IN FINANCIAL ASSETS*		
Germany	2,173	-
United Kingdom	-	-
Other	-	-
	2,173	-
Investments from consolidations	-300	-
Total Investments in financial assets*	1,873	-
Total investments	8,568	149

* Investments not effective in payment terms and which were based on the non-cash capital contribution as at March 14, 2005 were not included in the segment calculation. These would have amounted to TEUR 1,077 in intangible assets (thereof TEUR 889 in goodwill); TEUR 445 in tangible assets and TEUR 7,278 in financial assets. All these investments would have been assignable to the region of Germany.

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	September 30, 2005	December 31, 2004
	TEUR	TEUR
GEOGRAPHICAL SEGMENT LIABILITIES		
Germany		
I. Provisions	2,272	329
II. Other liabilities		
a) Long-term liabilities	75	118
b) Short-term liabilities		
b1) Trade payables	23,538	518
b2) Interest-bearing liabilities	6,823	435
b3) Other liabilities	29,468	11,947
	62,176	13,347
United Kingdom		
I. Provisions	18	45
II. Other liabilities		
a) Long-term liabilities	-	-
b) Short-term liabilities		
b1) Trade payables	89	98
b2) Interest-bearing liabilities	-	-
b3) Other liabilities	54	77
	161	220
Other		
I. Provisions	329	-
II. Other liabilities		
a) Long-term liabilities	-	-
b) Short-term liabilities		
b1) Trade payables	98	-
b2) Interest-bearing liabilities	-	-
b3) Other liabilities	3,811	-
	4,238	-
	66,575	13,567
Consolidation	-29,010	-5,751
Total geographical breakdown of segment liabilities	37,565	7,816

	September 30, 2005	December 31, 2004
	TEUR	TEUR
BREAKDOWN OF SEGMENT DEBT BY OPERATING DIVISIONS		
Call Center & Communication		
I. Provisions	397	345
II. Other liabilities	-	-
a) Long-term liabilities	75	118
b) Short-term liabilities	-	-
b1) Trade payables	452	575
b2) Interest-bearing liabilities	-	14
b3) Other liabilities	10,931	3,437
	11,855	4,489
Electronic Payment and Risk Management		
I. Provisions	2,107	17
II. Other liabilities	-	-
a) Long-term liabilities	-	-
b) Short-term liabilities	-	-
b1) Trade payables	23,215	29
b2) Interest-bearing liabilities	6,823	421
b3) Other liabilities	18,659	5,940
	50,804	6,407
Other		
I. Provisions	115	12
II. Other liabilities	-	-
a) Long-term liabilities	-	-
b) Short-term liabilities	-	-
b1) Trade payables	58	12
b2) Interest-bearing liabilities	-	-
b3) Other liabilities	3,743	2,647
	3,916	2,671
	66,575	13,567
Consolidation	-29,010	-5,751
Total segment liabilities by operating divisions	37,565	7,816

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Employees

As at September 30, 2005, the Group had a workforce in the various companies as detailed below:

	Full-time	Part-time
▶ Wire Card AG	14	2
▶ Wire Card Technologies AG	81	11
▶ United Payment GmbH	5	1
▶ United Data GmbH	93	147
▶ Click2Pay GmbH	4	-
▶ Info Genie Ltd.	2	-
Total	199	161

Securities transactions and subscription rights liable to disclosure

Wire Card AG and its subsidiaries held no shares in the Company as at the reference date for reporting purposes (September 30, 2005). Accordingly, no stock portfolios are recorded under the Company's current assets.

Securities transactions subject to mandatory disclosure entered into by members of the Board of Management or Supervisory Board in the period under review: September 5, 2005, MB Beteiligungsgesellschaft mbH, Munich, GM: Dr. Markus Braun (Board member of Wire Card AG), purchase of 2,301,796 shares at a price of EUR 1.80 each (OTC).

No subscription rights of Board members or of other employees of Wire Card AG or any of its subsidiaries existed as at the reporting reference date, except for the convertible bonds described below.

In the event of a conversion of convertible bonds into shares, this would lead to dilutive effects on the

company's capital, which have been taken into account as such under diluted earnings in the income statement (2nd quarter of 2005, 1st half of 2005 and the first nine months of 2005).

Staff participation program („SOP“):

Following the resolution passed by the Annual General Meeting of July 15, 2004, Wire Card AG („the Company“) created a staff participation program („SOP“) based on convertible bonds with the option of issuing up to 1,050,000 convertible bonds to members of the Management, consultants of the Company, its workforce as well as employees of associated companies.

The issue of up to 502,000 convertible bonds for the year 2005 was approved by Supervisory Board resolutions of January 21, 2005 and May 4, 2005, respectively. A list of entitled subscribers and convertible bonds actually subscribed to as at September 30, 2005 is available. By September 30, 2005, the entitled subscribers listed had purchased a total of 490,500 convertible bonds.

Employees were offered a swap for the first time in the period from September 6 to September 13, 2005. In this period, a total of four employees exercised their right to exchange 27,687 Wire Card shares. The average strike price came to EUR 1.82 per share. This (contingent) capital increase still remains to be entered in the Commercial Register.

The convertible bonds have a term to maturity of 10 years and are interest-free.

The subscription price for each convertible bond is EUR 1.00.

The right to conversion relating to the convertible bonds is subject to a suspensive condition providing for time-based milestones in accordance with the following scheme (vested benefits):

- ▶ 25% after at least 12 months' uninterrupted service to the Company or its associated companies
- ▶ a further 6.25% after each of a further three months' service to the Company or its associated companies

The strike price for conversion of the convertible bonds into shares of Wire Card AG in principle is 50% of the average closing price of Wire Card stock on the last ten banking business days prior to the date of exercise. For purposes of determining the average closing price, the respective closing prices for Wire Card stock determined in the electronic „Xetra“ trading system of the Frankfurt Securities Exchange on the last ten banking business day prior to the date of exercise are to be added and divided by ten.

The conversion period ends when the term to maturity of 10 years has elapsed.

Holders of convertible bonds can only convert these to the extent that they have become vested.

The right to conversion regarding convertible bonds not exercised as yet can only be exercised within the scope of fixed time periods. The conversion periods amount to three weeks in each case and begin to coincide with a public reporting date of the Company.

These reporting dates in principle are the day of presentation of the quarterly reports, the date of the financial press conference as well as the date of the Annual

General Meeting. The exact dates are communicated to the persons eligible for conversion by public display.

Exceptions from the rules above, however, are detailed below:

- ▶ the period from the last date of deposit for shares prior to general meetings of the Company up to the third banking business day after the respective general meeting;
- ▶ the period of two weeks prior to the end of each fiscal year of the Company, and
- ▶ the period from the date on which the Company issues an offer to its shareholders for subscription to new shares or partial debentures with conversion or option rights (by letter to all shareholders or by publishing a notice in the Government Gazette of the Federal Republic of Germany) up to the date on which the shares of the Company conferring subscription rights are listed for the first time as „ex subscription rights“ on the securities exchange to which the Company's shares were introduced.

In these periods, convertible bonds cannot be converted or exchanged.

Stock related Data

Year established	1996
Market segment (German Stock Exchange)	CDAX Prime All Share, Prime Standard
Primary instrument	No-par-value bearer common stock
Ticker symbol	IGP, Reuters IGPG.DE, Bloomberg IGP
ISIN	DE0007472060 DE000A0E96B8 (Lock-up until April 30,2006)
WKN	747206
Number of Shares	62,102,685
Group accounting category	Exempting consolidated financial statements in accordance with IAS/IFRS
End of fiscal year	31.12.
Total capital stock as of September 30, 2005	EUR 55,408,228.00 (as of Oct.31,2005: EUR 62,102,685.00)
Beginning of stock-market listing	25 October 2000
Board of Management	Dr. Markus Braun (CEO) Rüdiger Trautmann (COO)
Supervisory Board	Klaus Rehnig (Chairman), Paul Bauer-Schlichtegroll, Alfons Henseler
Shareholders' structure as of October 31, 2005	ebs Holding AG 74.13 % Freefloat 25.87 %

Investor Relations calendar

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