

WIRE CARD

GLOBAL PAYMENT & COMMUNICATION

**Report on the
first quarter 2005**

Key Data

Wire Card (Group)

		Q1 2005	Q1 2004	2004
Total revenues	TEUR	4,695	1,333	6,827
Operating Profit (EBIT)	TEUR	659	221	651
Earning per share	EUR	0.01	0.02	0.01
Shareholders' Equity	TEUR	51,189	8,918	8,796
Total assets	TEUR	118,914	12,143	16,613
Cash flows from operating activities	TEUR	11,159	(26)	278
Workforce	as of 31.03.	191*	19	18

* plus 214 part-time workforce

Proforma Wire Card (Group)*

		Q1 2005	Q1 2004	2004
Total revenues	TEUR	10,079	7,798	40,465
Operating Profit (EBIT)	TEUR	1,043	479	6,050
Shareholders' Equity	TEUR	51,398	k.A.	50,809
Total assets	TEUR	119,123	k.A.	91,791
Workforce	as of 31.03	191**	k.A.	159***

*As regards the structure and derivation of the pro forma figures, reference is made to the Management Report.

**plus 214 part-time workforce

***plus 203 part-time workforce

Pro forma Report by segments

		Q1 2005	Q1 2004	2004
EPRM*	Total Revenues TEUR	8,926	6,614	36,192
	Operating Profit (EBIT) TEUR	980	628	7,350
CCS**	Total Revenues TEUR	1,788	1,255	5,188
	Operating Profit (EBIT) TEUR	68	(149)	(1,314)
Other	Total Revenues TEUR	-	-	-
	Operating Profit (EBIT) TEUR	(5)	-	14
Consolidated	Total Revenues TEUR	(635)	(71)	(915)
	Operating Profit (EBIT) TEUR	-	-	-
Total Revenues	Total Revenues TEUR	10,079	7,798	40,465
Wire Card Group	Operating Profit (EBIT) TEUR	1,043	479	6,050

* Electronic Payment/ Risk Management

** Call Center & Communication Services

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Stock related Data

Year established	1996
Market segment (German Stock Exchange)	CDAX All Share, Prime Standard
Primary instrument	No-par-value bearer common stock
Ticker symbol	IGP; Reuters IGPG.DE; Bloomberg IGP
ISIN	DE0007472060
WKN	747 206
Number of shares	10,533,947* (55,408,228)
Accounting standard	Exempting consolidated financial statements in accordance with IAS/IFRS
End of fiscal year	31 December
Total capital stock as of March 31, 2005	EUR 52,669,735.00
Total capital stock as of May 31, 2005	EUR 55,408,228.00
Beginning of stock-market listing	25 October 2000
Board of Management	Dr. Markus Braun
Supervisory Board	Klaus Rehnig (Chairman), Ralf Stark, Alfons Henseler
Shareholders structure as of March 31, 2005	ebs Holding AG 87.2 % Freefloat 12,8 % (of which 7.1% has admission for trading as of May 31, 2005)

* As soon as the new shares from the non-cash capital increase in March 2005 and the share capital increase with subscription rights attached from May 2005 have admission for trading, the new number of shares will be 55,408,228.

The Company's Stock

Stock performance

The stock price of Wire Card AG rose by 10.7% in the first quarter, from EUR 2.24 to EUR 2.48. Following a low of EUR 2.12 early in February, the company's share price closed to EUR 2.45 by the end of that month. Against the backdrop of the non-cash capital increase being entered in the commercial register on March 14, 2005, the price rose to EUR 2.48 by the end of March. During the period under review, the mean stock price was in the region of EUR 2.40. After the reference date for the reporting period, the share price of Wire Card AG initially declined to EUR 2.25 but has seen an upward trend since mid-May. On May 26, our shares were trading at EUR 2.77.

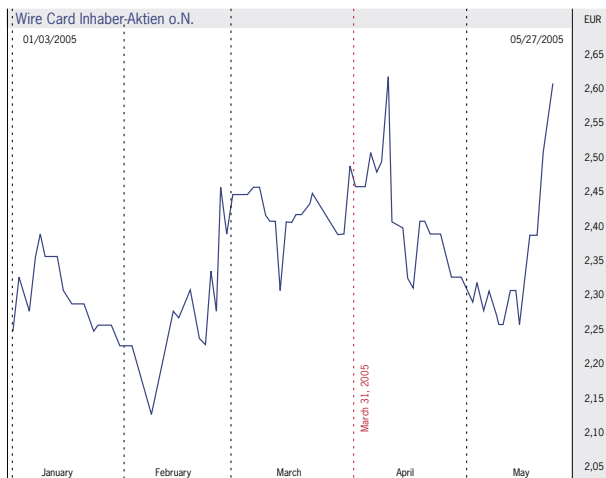


Chart: TRADE ELEVEN GmbH – Source: IDC ComStock Inc.

The increase in subscription rights capital entered in the commercial register on May 17, 2005 was originally planned for up to 3,931,951 shares in a ratio of 1:1 for all existing shareholders, at EUR 2.09 per share. The company ebs Holding AG waived the exercise of its subscription rights in advance as part performance out of the court settlement of actions for rescission. A total of 2,738,493 new shares were subscribed to. Following the capital increase, the company's capital stock was raised from EUR 52,669,735.00 to EUR 55,408,228.00.

Via direct and indirect holdings, as at March 31, 2005 ebs Holding AG held more than 92.5% of the common stock of Wire Card AG. The free float amounted to 7.5% at the end of March. Due to the increase in the subscription rights capital in May 2005, the stake of ebs Holding AG was reduced to 87.2%. The free float thus amounts to 12.8%, with 7.1% thereof being approved for trading at the end of May. The stock market listing of the shares derived from the increase in subscription rights capital is to be effected by December 31, 2005 at the latest.

Letter from the Board of Management

Dear Shareholders:

Following the successes of the past fiscal year, I am very pleased to deliver a positive report on business trends for the first quarter of 2005 even though global growth has been less dynamic year-on-year.

We managed to generate growth according to plan in all segments and, based on the customer and partner relationships entered into in the period under review, we are looking forward to the following quarter with confidence.


In particular, the reorientation of our distribution and services portfolio in order to take account of the needs of specific industries made a substantial contribution to our successful distribution activities in the first quarter. At the same time, we managed to benefit from the synergy effects arising from the integration of our subsidiaries, which have been beneficial to their fields of activity and existing customer relations.

On March 14, 2005, upon entry in the commercial register, the resolutions adopted at the annual general meeting on December 14, 2004 became effective.

With the inclusion of the entry made on March 14, 2005, the time of registration is of decisive importance as regards the time of (initial) consolidation of Wire Card Technologies AG (and its subsidiaries) integrated into Wire Card AG. Accordingly, in this quarterly report we have included a pro forma statement in the management report to explain and present the trends regarding the overall situation of the Group as a whole.

All in all, we anticipate that our operating results for 2005 will turn out as planned.

Sincerely,



Dr. Markus Braun
CEO

Consolidated Management Report

Preliminary note

On March 14, 2005, the non-cash capital contribution was entered in the commercial register effective as of January 1, 2005. InfoGenie Europe AG has since been renamed, now trading as Wire Card AG.

Until March 14, 2005, the present Wire Card AG has reported under the following segments:

- Telephony-based services
- Internet payment systems
- Other

These segments were also taken into account in the Annual Report 2004 now available. In order to take account of the core operations of Wire Card Technologies AG in future and those of its subsidiaries Awito GmbH, United Data GmbH and United Payment GmbH, the reporting segments have been renamed as follows, starting with the first quarterly report for 2005:

- 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
(along with its subsidiary, Nobitec GmbH)
- ▶ Awito GmbH
(along with its subsidiary cardSystems FZ LLC)
- ▶ net sales GmbH

- 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.

- 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.

Company:

- ▶ InfoGenie Global GmbH

1. Business trends and order situation of the reporting segments (pro forma statement)

In parallel with our presentation of the quarterly report, below we wish to show the business trends and order situation as part of a pro forma statement. In the process, the pro forma statement means that the companies integrated into the Group's structure as at March 31, 2005 and the relevant business activities are included and shown in the pro forma statement as if they had already been integrated into the consolidated structure as at January 1, 2005.

Consolidated Management Report

a. Electronic Payment / Risk Management (EPRM)

In the first quarter, the Electronic Payment / Risk Management (EPRM) division generated approx. 35% revenue growth year-on-year (TEUR 8,926 vs. TEUR 6,614 in the previous year) and approx. 56% in earnings (EBIT) growth (TEUR 980 vs. TEUR 628 in the preceding year). In the process, the company benefited from the industry orientation of distribution and product development activities introduced in 2004. Individual industry solutions are currently being made available for five vertical segments. In particular, the Travel & Transport division managed to generate higher-than-planned growth, with revenues earned on contracts concluded likely to increasingly be visible starting in the second quarter.

CLICK2PAY once again proved to be a substantial engine in terms of corporate growth, with market share for alternative payment systems being gained particularly on the North American and Asian markets.

The internationalization of CLICK2PAY was consistently continued by extending the product and service portfolio, e.g. by introducing further local payment systems and languages. In parallel, new marketing and promotion models were realized in close cooperation with our dealers and distribution partners, boosting the level of brand recognition and making a substantial contribution to further growth of our end-customer base.

The company succeeded in continuing the internationalization of the customer portfolio by extending its partner network as a key component of an integrated distribution strategy both in the market for Financial Supply Chain Management (FSCM) and in the field of alternative payment processes. Cooperation with new

partners in Spain, the United Kingdom and Japan will enable the enterprise to generate a disproportionately high level of growth in these local markets in the next several months. Apart from extending the company's partner network, by intensifying the level of cooperation with existing partners it was possible to further maximize their contributions to corporate growth.

b. Call Center & Communication Services (CCS)

The CCS division managed to generate an excellent quarterly revenue figure of TEUR 1,788 (previous year: TEUR 1,255) both in respect of stationary and distributed (virtual) call center services. At the same time, earnings before interest and taxes (EBIT) were boosted disproportionately to TEUR 68 (previous year: minus TEUR 149) by optimizing the cost structure in comparison with the reference period of the previous year. This positive trend was attributable in particular to the call center services rendered in connection with the CLICK2PAY product.

In the field of virtual call center services, in the first quarter it was possible to boost the minute volume by approx. 30% year-on-year (approx. 120,000 minutes).

In the wake of the successful restructuring of the call center business in the previous year, in the first quarter the company managed to exploit the synergy and interaction effects created. These include the use of synergies within the scope of direct distribution for the EPRM division as well as international 24/7 CLICK2PAY customer support in seven languages.

The order situation with portfolio customers such as T-Online, American Express, Hauffe Service Center (Lexware) and Ubi Soft as well as new customers such

as Kabel Deutschland is encouraging as regards the second quarter.

c. Other

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

2. 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.

The difference compared with the figures presented in the pro forma statement is based on the time at which the companies integrated within the scope of the non-cash capital contribution are included in the consolidated income statement. As already explained at length above, the pro forma statement comprises the total quarter as of January 1, 2005 from the perspective of the overall Group structure, while the presentation according to consolidated accounting principles only refers to the period as of March 14, 2005 (entry of the non-cash capital contribution in the commercial register).

For the comparative period of the previous year, 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 first quarter of 2005, Wire Card AG generated TEUR 4,695 in Group revenues, up by approx. TEUR 3,362 on the first quarter of 2004 (previous year: TEUR 1,333). 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 first quarter up to March 31, 2005 were in the region of TEUR 659, representing a year-on-year increase of more than 198% (previous year: TEUR 221).

Operating profit for the first quarter of 2005 amounted to TEUR 251, compared with a previous year profit for the same quarter of TEUR 170, which represents a 48% increase.

Earnings per share in the first quarter of 2005 amounted to EUR 0.01, compared with an EPS figure of EUR 0.02 in the same period a year earlier. The average number of shares outstanding rose from 10,533,947 to 18,861,105 year-on-year as a result of the non-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.

Consolidated Management Report

b. Revenues and earnings of the Wire Card Group (pro forma statement)

To facilitate a better understanding of business trends of the new Wire Card AG, the first quarter of 2005 is shown as a pro forma statement below and compared with the relevant business activities in the previous year.

In the first quarter of 2005, Wire Card AG generated TEUR 10,079 in pro forma Group revenues, up by approx. TEUR 2,281 on the first quarter of 2004 (previous year: TEUR 7,798). 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. At the same time, revenue growth was

also boosted with portfolio customers by extending the depth of the value added chain.

Pro forma earnings before interest and taxes (EBIT) for the first quarter up to March 31, 2005 were in the region of TEUR 1,043, equivalent to a year-on-year increase of more than 118% (previous year: TEUR 479). EBIT growth is attributable both to the increase in sales revenues and to an improvement in the EBIT margin from 6.1% in the same pre-year period to 10.3% in the first quarter of 2005. The increase in the EBIT margin is based above all on the exploitation of synergy effects and the disproportionately high share of higher-margin services (CLICK2PAY).

The essential parameters and key figures of the pro forma statement are as follows:

Pro forma Report by segments

		Q1 2005	Q1 2004	2004
EPRM*	Total Revenues TEUR	8,926	6,614	36,192
	Operating Profit (EBIT) TEUR	980	628	7,350
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Consolidated	Total Revenues TEUR	(635)	(71)	(915)
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Total Revenues	Total Revenues TEUR	10,079	7,798	40,465
Wire Card Group	Operating Profit (EBIT) TEUR	1,043	479	6,050

* Electronic Payment/ Risk Management

** Call Center & Communication Services

3. Outlook

The successes of the current reporting period confirm the wisdom of the strategic preparatory steps taken and investments made in extending the Group's portfolio of services during the last fiscal year. In the process, not only did the enterprise benefit from the line-of-business orientation of distribution and of the product portfolio; it also profited from the synergy effects following the integration of call center business as part of the Group's overall strategy.

The segmentation and specialization of distribution activities in core industries have been disproportionately successful and will be extended further in the following quarters. This will include an increasing involvement of the partner portfolio in industry and market-specific distribution activities as well as the general extension of the international network of partners and multipliers.

The internationalization and growth strategy on which the success of CLICK2PAY is based will also be consistently maintained with reference to extending the portfolio of services – e.g. by integrating additional payment methods and an extended range of languages on offer.

Based on the consolidation of the organizational structure in the CCS division last year, in the first quarter the technical foundations were laid to improve the integration of business field specific processes into the FSCM service portfolio and, therefore, to foster further business growth in future. At the same time, the modified IT structure to be commissioned in the second quarter will guarantee a smooth scaling of business development and will further optimize the company's cost structure.

All in all, from today's perspective business trends are also expected to remain positive for the following quarters, as planned.

Berlin, May 2005



Dr. Markus Braun
CEO

Consolidated Balance Sheet as of March 31, 2005

	Quarterly Report (Date of current quarter)	Annual Report (Date of last annual report)
ASSETS	31.03.2005	31.12.2004
	EUR	EUR
CURRENT ASSETS		
Cash and cash equivalents	27,555,222.57	672,666.10
Trade accounts receivable	34,419,110.90	4,382,475.77
Accounts receivable due from related parties	1,324,694.36	67,168.87
Inventories	344,875.00	0.00
Prepaid expenses and other current assets	4,586,273.57	4,231,788.96
Other marketable securities	160,102.13	150,000.00
OTHERS	0.00	0.00
Total current assets	68,390,278.53	9,504,099.70
DEFERRED TAXES		
Deferred Taxes	1,369,000.00	1,550,000.00
Deferred Taxes	1,369,000.00	1,550,000.00
NON CURRENT ASSETS		
Property, plant and equipment	725,318.73	306,198.46
Intangible assets	514,433.55	374,656.40
Goodwills	47,912,443.84	4,535,024.83
Investments	2,741.16	342,850.00
Total non current assets	49,154,937.28	5,558,729.69
TOTAL ASSETS		
of which short-term	68,390,278.53	9,504,099.70

LIABILITIES AND SHAREHOLDERS' EQUITY	Quarterly Report (Date of current quarter) 31.03.2005 EUR	Annual Report (Date of last annual report) 31.12.2004 EUR
CURRENT LIABILITIES		
Short-term debt and current portion of long-term debt	16,160,146.84	435,741.74
Trade accounts payable	45,069,232.93	1,783,840.50
Accounts payable due to related parties	0.00	4,771,366.35
Advance payments received	0.00	0.00
Accrued expenses	3,650,026.44	374,498.15
Other current liabilities	2,720,243.02	311,264.59
Total current liabilities	67,599,649.23	7,676,711.33
NON-CURRENT LIABILITIES		
Deferred revenues	125,122.13	139,662.11
Total non-current liabilities	125,122.13	139,662.11
SHAREHOLDERS' EQUITY		
Share capital	52,669,735.00	10,533,947.00
Contribution paid toward effecting a capital increase	0.00	0.00
Additional paid-in capital	1.00	1.00
Retained earnings / accumulated deficit	-1,513,212.74	-1,764,342.04
Accumulated other comprehensive income / loss	32,921.19	26,849.99
Total shareholders' equity	51,189,444.45	8,796,455.95
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	118,914,215.81	16,612,829.39
of which short-term	67,657,809.15	7,734,870.85

Consolidated Income Statement

For the period January 1 - March 31, 2005

	Quarterly Report I/2005 EUR	Quarterly Report I/2004 EUR
Revenues	4,694,613.98	1,333,056.66
Other operating income	57,157.29	70,459.85
Changes in inventories of finished goods and work in progress	258,296.00	0.00
Production of own fixed assets capitalized	0.00	45,000.00
Cost of purchased materials and services	-3,124,025.34	-541,286.65
Personnel expenses	-530,669.91	-337,293.27
Depreciation and amortization	-80,892.55	-55,332.66
Amortization (and impairment) of goodwill	0.00	0.00
Other operating expenses	-615,725.78	-294,013.39
Others	0.00	0.00
Operating income / loss	658,753.69	220,590.54
Interest income and expense	-30,169.00	-389.10
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	10,880.75	0.00
Other income / expense	0.00	0.00
Result before income taxes (and minority interest)	639,465.44	220,201.44
Income tax	-157,941.09	-50,440.70
Extraordinary income / expenses	-230,395.05	0.00
Result before minority interest	251,129.30	169,760.74
Minority interest	0.00	0.00
Net income / loss	251,129.30	169,760.74
Net income per share (basic)	0.01	0.02
Net income per share (diluted)	0.01	0.02
Weighted average shares outstanding (basic)	18,861,105	10,533,947
Weighted average shares outstanding (diluted)	18,861,105	10,533,947

Cash Flow Statement

For the period January 1 - March 31, 2005

	01.01.2005 -31.03.2005 EUR	01.01.2004 -31.03.2004 EUR
Cash flows from operating activities:		
Net profit / loss	251,129.30	169,760.74
Adjustments for:		
Depreciation and amortization	80,892.55	55,332.66
Increase / decrease in provisions and accruals	3,275,528.29	18,330.21
Other: Comprehensive Income	6,071.20	9,631.06
Movements in Trade Payables und Other Liabilities	40,908,464.53	-242,022.43
Change in net working capital	-31,822,622.36	-37,429.89
Transactions arising from initial consolidations not impacting an payments	-1,540,020.71	0.00
Net cash provided used in operating activities	11,159,442.80	-26,397.65
Cash flows from investing activities:		
Purchase of property, plant and equipment	-1,291.43	-58,272.92
Income from the sale of financial assets	0.00	0.00
Repayment of notes receivable	0.00	0.00
Net cash used in investing activities	-1,291.43	-58,272.92
Cash flows from financing activities:		
Proceeds from issuance of share capital	0.00	0.00
Deposits from short-or long-term loans taken out	0.00	0.00
Cash repayments of amounts borrowed	0.00	0.00
Net cash provided used in financing activities	0.00	0.00
Net increase (decrease) in cash and cash equivalents	11,158,151.37	-84,670.57
Cash and cash equivalents at beginning of period	236,924.36	295,995.10
Cash and cash equivalents at end of period	11,395,075.73	211,324.53

Consolidated Statements of Shareholders' Equity

	Common Stock		Contribution paid toward effecting a capital increase	
	Shares	Amount EUR	Shares	Amount EUR
Balance at December 31, 2003	10,533,947	10,533,947.00	0	0.00
Consolidated Result 1. Quarter 2004 Comprehensive loss				
Balance at March 31, 2004	10,533,947	10,533,947.00	0	0.00
Balance at December 31, 2004	10,533,947	10,533,947.00	0	0.00
Consolidated Result 1. Quarter 2005 Comprehensive loss				
Capital increase by asset	42,135,788	42,135,788.00		
Balance at March 31, 2005	52,669,735	52,669,735.00	0	0.00

as of March 31, 2005

	Additional paid-in capital EUR	Accumulated result EUR	other compre- hensive loss EUR	Total share- holders' equity EUR	Comprehensive result EUR
	1.00	-1,817,278.47	22,019.31	8,738,688.84	
		169,760.74		169,760.74	169,760.74
			9,631.06	9,631.06	169,760.74
	1.00	-1,647,517.73	31,650.37	8,918,080.64	
	1.00	-1,764,342.04	26,849.99	8,796,455.95	
		251,129.30		251,129.30	251,129.30
			6,071,20	6,071,20	251,129,30
				42,135,788.00	
	1.00	-1,513,212.74	32,921.19	51,189,444.45	

Notes to the Consolidated Financial statement

Comparability

Following the commercial register entry of March 14, 2005, 100% of the shares of Wire Card Technologies AG (along with its 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 substantial increase in balance-sheet items on account of this contribution, a comparison of line items as at March 31, 2005 in comparison with December 31, 2004 is only possible to a limited degree.

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.

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 „creditors and other liabilities“ reflect substantial changes year-on-year 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.

In respect of the changeover from U.S. GAAP to IAS/IFRS in the consolidated annual financial statements of Wire Card AG as at December 31, 2004, quarterly reporting as of this quarter 1/2005 will also be effected in accordance with IAS/IFRS.

Accounting and valuation principles

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

Goodwill, amounting to TEUR 47,912, relates to the following subsidiaries

	31.03.2005	31.12.2004
	TEUR	TEUR
Wire Card Technologies AG	43,377	0
InfoGenie Global GmbH	2,300	2,300
net sales GmbH	167	167
Click2Pay GmbH	2,068	2,068
	47,912	4,535

Based on resolutions passed by the Board of Management and the Supervisory Board (September 28, 2004), the companies net sales GmbH and InfoGenie Global GmbH are to be merged as soon as possible on the basis of the annual financial statements as at December 31, 2004. Taking account of the corporate planning of net sales GmbH, from a commercial point of view the relevant goodwill of the two companies therefore is to be treated in cumulative form as at the reference date for reporting purposes.

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 evaluation of their fair values at the date of acquisition. At Wire Card AG, the (initial) capital consolidation for Wire Card Technologies

AG net sales as at March 14, 2005 generated TEUR 43,377 in goodwill. 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 as at March 31, 2005.

In the quarterly financial statements as at March 31, 2005, the resolution passed at the ordinary general meeting held July 15, 2004 was taken into account in the sense that no tax charges came into effect for 2005 as at March 31, 2005 in the case of net sales GmbH and Click2pay GmbH due to the profit and loss transfer agreements in place between the dependent enterprises net sales GmbH and Click2pay GmbH and the controlling company Wire Card AG (effective as of January 1, 2004). The profit and loss transfer agreements indicated were registered in 2004.

For deferred tax purposes, Wire Card 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 enacted 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%.

As regards the item of extraordinary income/expenses, it should be noted that on the one hand, this item includes TEUR 176 in income derived from the reversal of liabilities impacting on profit and loss and, on the other, TEUR 368 in expenses from discontinued operations.

The consolidated income statement for the period from January 1, 2005 through March 31, 2005 includes income tax expenses amounting to TEUR 157. Essentially, these relate to TEUR 181 in utilizations of deferred tax assets.

Assets and liabilities relating to the joint venture include assets and liabilities concerning companies forming part of the consolidation perimeter of the Group's parent company, ebs Holding AG. Assets and liabilities of companies within the subgroup of Wire Card AG were consolidated.

Events of particular significance after March 31, 2005

The following resolutions passed at the ordinary general meeting December 14, 2004 were registered in the case of Wire Card AG effective as of March 14, 2005:

- increase in authorized capital by up to EUR 26,335 million
- increase in contingent capital by up to EUR 5,250 million
- changes to the company bylaws (approved capital, contingent capital)

In the course of current, ongoing planning activities, on May 25, 2005 Paul Bauer-Schlichtegroll was amicably withdrawn from the Board of Management by the Supervisory Board but will remain active within the Group as a member of the Management Board of Wire Card Technologies AG.

Notes to the Consolidated Financial statement

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 case, 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. This was finalized by virtue of the commercial register entry of March 14, 2005 and will be effected for the first time on the Group's segment reporting. In order to ensure a continued significant transparency for our shareholders, the segments are therefore required to be reclassified.

As in the past, sales revenues are segmented in geographical terms by production sites; in addition, sales are segmented by operating divisions. Distinctions are drawn here between the divisions of „Call Center Services“, „Electronic Payment and Risk Management“ and „Other“.

Call Center Services (CCS) used to be the former segment of telephony-based services. The new nomenclature takes account of the extraordinary value added depth of our call center activities, with other products such as after-sales service of our customers and mailing activities being included as subcategories.

Electronic Payment and Risk Management (EPRM) represents the biggest and most important segment by far for the Wire Card Group. The old segment of Internet payment systems is included under this

head, but is also augmented by numerous other products of the extensive service portfolio of Wire Card AG. Detailed segmentation of our financial services is neither feasible nor would it make sense, since – in our role as Application Service Providers (ASP) – we assume a large number of individual partial processes for our customers in the entire field of payment transactions and risk management services, which are predominantly interdependent. For this reason, net sales GmbH needs to be included in this quarterly report as the company provides key indispensable and inseparable activities relating to electronic payments.

In the segment „**Other**“, this quarterly report only reflects InfoGenie Global GmbH, which reports no activities at present.

Specifically:

Geographical revenue breakdown	I/2005 TEUR	I/2004 TEUR
Germany	4,641	1,125
United Kingdom	167	208
Other	-	-
	4,808	1,333
Consolidation	-113	-

Total geographical

revenues **4,695** **1,333**

Breakdown of sales revenues by operating divisions	I/2005 TEUR	I/2004 TEUR
Call Center Services	1,180	1,072
Electronic Payment and Risk Management	3,628	261
Other	-	-
	4,808	1,333
Consolidation	-113	-

Total revenues by

geographical region **4,695** **1,333**

Operating result I by operating divisions (Gross profit on sales)	I/2005 TEUR	I/2004 TEUR
Call Center Services	521	577
Electronic Payment and Risk Management	1,058	216
Other	250	-1
	1,829	792
Consolidation	-	-
Total operating result I	1,829	792

Operating result II by operating divisions (Earnings before interest and taxes)	I/2005 TEUR	I/2004 TEUR
Call Center Services	64	-16
Electronic Payment and Risk Management	631	213
Other	-7	-5
	688	192
Consolidation	-49	29
Total operating result II	639	221

As regards the segment „Other“, it should be noted that this segment includes expenses from discontinued operations (TEUR 368) reported in the income statement under extraordinary income/expenses.

Geographical breakdown of long-term assets	31.03.05 TEUR	31.12.04 TEUR
Germany (fixed assets and deferred taxes)	56,318	5,230
United Kingdom	114	118
Other regions	-	-
	56,432	5,348
Consolidation	-5,908	1,761
Total long-term assets	50,524	7,109

Geographical breakdown of investments	I/2005 TEUR	I/2004 TEUR
Investments in intangible assets		
Germany	188	-
United Kingdom	-	-
Other	-	-
Total	188	-
Investments from consolidations	-	45
Total	188	45

Investments in tangible assets	I/2005 TEUR	I/2004 TEUR
Germany	445	13
United Kingdom	-	-
Other	-	-
	445	13
Investments from consolidations	-	-
Total	445	13

Investments in financial assets	I/2005 TEUR	I/2004 TEUR
Germany	7,278	-
United Kingdom	-	-
Other	-	-
	7,278	-
Investments from consolidations	3	-
Total	7,281	-

Total investments 7,914 58

To the extent that the investments above were derived from the non-cash capital contribution, they have no impact in terms of payments. These are assigned to the region of Germany and concern: TEUR 188 in intangible assets, TEUR 445 in property, plant and equipment and TEUR 7,278 in financial assets.

Notes to the Consolidated Financial statement

Geographical breakdown of of segment liabilities	31.03.05 TEUR	31.12.04 TEUR	Breakdown of segment debt by operating divisions	31.03.05 TEUR	31.12.04 TEUR
Germany			Call Center Services		
I. Provisions	3,244	329	I. Provisions	443	345
II. Other liabilities			II. Other liabilities	-	-
a) Long-term liabilities	104	118	a) Long-term liabilities	104	118
b) Short-term liabilities			b) Short-term liabilities	-	-
b1) Trade payables	44,976	518	b1) Trade payables	405	575
b2) Interest-bearing liabilities	16,160	435	b2) Interest-bearing liabilities	44	14
b3) Other liabilities	17,581	11,947	b3) Other liabilities	4,583	3,437
	82,065	13,347		5,579	4,489
United Kingdom			Electronic Payment and Risk Management		
I. Provisions	44	45	I. Provisions	3,177	17
II. Other liabilities	-	-	II. Other liabilities	-	-
a) Long-term liabilities	-	-	a) Long-term liabilities	-	-
b) Short-term liabilities	-	-	b) Short-term liabilities	-	-
b1) Trade payables	93	98	b1) Trade payables	44,664	29
b2) Interest-bearing liabilities	-	-	b2) Interest-bearing liabilities	16,116	421
b3) Other liabilities	75	77	b3) Other liabilities	11,062	5,940
	212	220		75,019	6,407
Other			Other		
I. Provisions	362	-	I. Provisions	30	12
II. Other liabilities	-	-	II. Other liabilities	-	-
a) Long-term liabilities	-	-	a) Long-term liabilities	-	-
b) Short-term liabilities	-	-	b) Short-term liabilities	-	-
b1) Trade payables	-	-	b1) Trade payables	-	12
b2) Interest-bearing liabilities	3	-	b2) Interest-bearing liabilities	-	-
b3) Other liabilities	-	-	b3) Other liabilities	2,014	2,647
	365	-		2,044	2,671
	82,642	13,567			
Consolidation	-14,917	-5,751	Consolidation	-14,917	-5,751
Total geographical breakdown of segment liabilities	67,725	7,816	Total breakdown of segment liabilities by operating divisions	67,725	7,816

Employees

As at March 31, 2005 the Group had a workforce of 191 full-time and 214 part-time employees.

Breakdown of employees according to the various companies:

■ Wire Card Technologies AG	13 employees
■ Wire Card AG	82 employees
■ United Payment GmbH	8 employees
■ United Data GmbH	191* employees
■ Click2Pay GmbH	5 employees

* plus 214 part-time workforce

Securities transactions and subscription rights liable to disclosure

Wire Card AG and its subsidiaries held no shares in the Company as at the reporting reference date (March 31, 2005). Accordingly, no stock portfolios are recorded under the Company's current assets.

No securities transactions subject to mandatory reporting were entered into by members of the Board of Management or Supervisory Board in the period under review.

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.

Should the Board of Management utilize the newly created authorized capital, and in the event that it would issue convertible bonds and/or grant options on the basis of the contingent capital, this would give rise to dilutive effects on the company's capital.

Investor Relations Calendar

Please visit our website www.wirecard.com - here you find all the News and Events at the Investor Relations Section.

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