



Wire Card AG
Q1/2006

Interim Report as of March 31, 2006

wirecard

Key Data

Wire Card Group			Q1 2006	Q1 2005	Q1 2005	2005
					Pro forma	Pro forma
Total revenues	TEUR	17,120	4,695	10,079	54,304	
EBIT	TEUR	3,812	439	1,043	9,751	
Earnings per share (basic and undiluted)	EUR	0.05	0.01	n/a	0.17	
Shareholders' equity	TEUR	88,786	51,189	51,398	85,607	
Total assets	TEUR	130,407	118,914	119,123	121,607	
Cash Flow from operating activity	TEUR	810	11,153	n/a	n/a	
Employees		356	415	415	323	
of whom part-time employees		166	214	214	154	

Segments			Q1 2006	Q1 2005	Q1 2005	2005
					Pro-forma	Pro-forma
EPRM	Total revenues	TEUR	16,436	3,628	8,926	51,833
	EBIT	TEUR	4,006	431	980	10,826
CCS	Total revenues	TEUR	1,959	1,180	1,788	6,318
	EBIT	TEUR	(169)	64	68	(991)
Other	Total revenues	TEUR	0	0	0	0
	EBIT	TEUR	0	(7)	(5)	0
Consolidation	Total revenues	TEUR	(1,275)	(113)	(635)	(3,847)
	EBIT	TEUR	(25)	(49)	0	(84)
Total	Total revenues	TEUR	17,120	4,695	10,079	54,304
	EBIT	TEUR	3,812	439	1,043	9,751

Electronic Payment/Risk Management (EPRM)

Call Center & Communication Services (CCS)

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Foreword

Dear Shareholders:

Our Company's business performance in the first quarter of 2006 substantially exceeded our forecasts and showed that we are on track to meeting our full-year growth targets.

We achieved encouraging results in all segments, particularly in our core business Electronic Payment & Risk Management (EPRM).

Our Company's dynamic performance is due to a highly diversified international customer base as well as a broad portfolio of products and services. In particular, the range of services offered by Wire Card Bank and the alternative payment system CLICK2PAY is safeguarding our competitive lead and has been spurring our growth on a sustained basis.

After the consolidation of Wire Card Bank AG on January 1, 2006, our activities in the period under review focused on preparations for the market launch of our first card products and bank services for our customers.

Since the commencement of business activities at the beginning of March, bank service business has been profitable and achieving sustained growth. As the year proceeds, we will be increasingly benefiting from the synergistic effects between Wire Card Bank and the Group's other segments and thus reinforcing the Group's performance.

At the end of the quarter under review, we were already able to report on significant growth in the CLICK2PAY user base. The key to the success of CLICK2PAY is the combination of systematic international orientation as well as extensive product localization.

Our cooperation and marketing partners are also increasingly driving Wire Card's growth and helping us to enter new markets swiftly. Thus, the partnership forged in February 2006 with TRUST International, one of the world's leading operators of hotel reservation systems, is representative of the steady growth in our network of partners and multipliers.

The favorable performance of our stock in the first quarter of 2006 reflects our successes in fiscal 2005 as well as the confidence which the capital market has in the prospects for our Group.

We are optimistic of being able to report further successes throughout the rest of the year.

On behalf of my fellow Board members as well as the staff, I would like to take this opportunity to thank you for the trust which you have placed in us and look forward to welcoming you to our annual general meeting.

Berlin / Munich, May 2006



Dr. Markus Braun

Chairman of the Board of Management – CEO

Consolidated Management Report

1. Economic fundamentals, market and industry trends

A. The market for electronic online payment systems: EPRM

In the first quarter of 2006, Wire Card AG continued on its successful growth course in the core segment of Electronic Payment & Risk Management (EPRM).

All areas of Internet business were still growing steadily at the beginning of the year with the rapid spread of DSL connections in combination with flat rates indirectly providing impetus for consumer behavior. The Internet is particularly being used for buying merchandise, booking flights and holidays, downloading music, playing games, and placing sporting bets. Users are being offered an increasingly broader range of new multimedia services. Using the Internet is becoming cheaper and cheaper, with consumers spending increasingly more time on line.

Wire Card is participating in the boom in the internationalization of the Internet and the trend in favor of direct marketing of merchandise, travel and services. Companies are also using the Internet to gain direct access to consumers.

B. Market trends for Call Center & Communication Services: CCS

In the call center industry, Communications is registering heightened demand for “hybrid” call center services, i.e. the combination of distributed (virtual) structures for handling peak loads with stationary call center services.

Wire Card also sees a further trend towards outsourcing payment process in growing demand for integrated call center services.

2. Business performance

Record revenues of over EUR 17.12 million achieved in the first quarter in tandem with a rise in EBIT to EUR 3.8 million.

Consolidated for the first time on January 1, 2006, Wire Card Bank commenced operations at the beginning of March 2006.

In the interests of heightened comparability, the following section additionally includes pro-forma figures for the first quarter of 2005 to allow for the fact that Wire Card Technologies AG was consolidated on March 14, 2005, i.e. the day on which it was entered in the companies register.

2.1 Revenues and earnings

As of March 31, 2006, Wire Card AG achieved consolidated revenues (including inventory changes) of TEUR 17,120 (previous year: TEUR 4,695/pro forma TEUR 10,079), equivalent to an increase of 69 percent over the pro forma figures for the previous year.

EBIT came to TEUR 3,812 (previous year: TEUR 439), an increase of TEUR 1,043 or 265 percent over the pro forma year-ago figures. As a result, the EBIT margin widened in pro forma terms from 10.3 percent to 22.3 percent.

The increase in both figures is due to substantial additions to the customer base as well as growth with existing customers.

2.2 Gross Profit

Gross profit came to TEUR 8,081 (previous year: TEUR 1,820).

Personnel expenses in the quarter under review came to TEUR 2,707 (previous year: TEUR 531).

Other operating expenses, including third-party services, cost of premises, valuation adjustments of receivables, administrative and distribution costs and travel expenses, equaled TEUR 2,233 in the first quarter (previous year: TEUR 1,022).

2.3 Asset and financial situation

Balance sheet and liquidity

Balance sheet equity in the consolidated annual financial statements as at March 31, 2006 amounted to TEUR 88,786 (Dec. 31, 2005: TEUR 85,607).

The equity ratio amounts to 68 percent.

The unappropriated surplus came to TEUR 9,417 (Dec. 31, 2005: TEUR 6,239) thanks to the positive business development. Current assets rose from TEUR 60,131 to TEUR 64,188. Liabilities to banks equaled TEUR 2,693 (Dec. 31, 2005: TEUR 6,188).

The ratio of current assets to current liabilities:

03.31.2006	Current assets	TEUR 64,188	= 1.58
	Current liabilities	TEUR 40,651	
12.31.2005	Current assets	TEUR 60,131	= 1.70
	Current liabilities	TEUR 35,393	

Net profit and earnings per share

Group after-tax earnings came to 3,2 million Euros (Dec. 31, 2005: TEUR 0,25 million Euros).

Basic and diluted earnings per share stand at EUR 0.05 (previous year: EUR 0.01)

3. Segment reporting

3.1 Development of EPRM (Electronic Payment & Risk Management)

Wire Card Bank AG has been consolidated since January 1, 2006. Its revenues and earnings are allocated to the EPRM segment on account of the nature of its business activities even though it operates completely independently within the Group. Wire Card Bank AG commenced operations in March 2006.

In the EPRM segment, revenues of EUR 16,436 were generated (previous year: TEUR 3,628). Here as well, the inclusion of pro forma revenues in Q1, 2005 (TEUR 8,926) enhances comparability. This is equivalent to an increase of 84 percent.

EBIT came to TEUR 4,006 (previous year: TEUR 431/pro forma TEUR 980).

The growth in consolidated revenues is primarily due to the core EPRM segment, which is decisively underpinning growth in existing and new customers.

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

Services in the field of Electronic Payment and Risk Management are rendered primarily by Wire Card Technologies AG, which develops and operates the platform for FSCM, and Wire Card (Gibraltar) Ltd.. Other companies included in the EPRM segment are Click2Pay GmbH and its payment system of the same name and United Payment GmbH, which primarily focuses on POS (point of sale) and virtual terminals.

cardSystems FZ-LLC, which also belongs to the EPRM segment, distributes affiliate products and performs services directly associated with the sale of these products.

The remaining foreign branch offices are primarily responsible for selling the products of the Group as a whole and for the localization of payment solutions.

CLICK2PAY

Work on systematically adapting CLICK2PAY for the growth markets in Europe and Asia continued in the quarter under review. The range currently comprises localized solutions for 24 countries – Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the U.S.A.

Wire Card AG's alternative payment solution is active worldwide and offers localized versions in 24 countries.

Beyond multilingual functionalities, further local currencies and payment methods were also integrated in this software solution. CLICK2PAY with its "Think global/Act local" strategy provides a large number of benefits both for retailers and consumers alike.

Geared to international Internet and e-commerce offers, CLICK2PAY has recorded a rapid surge in new registrations, particularly in Europe and Asia, in the past six months.

Together with Swiss partner Yellowworld AG, a solution optimized for e-government requirements was developed and has been in use at the Swiss Private Insurance Office (BPV) since January 1, 2006. This marks a further success in efforts to diversify the customer basis.

Click2Pay by Yellowworld

3.2 Development CCS (Call Center & Communication Services)

The stationary call center operations generate the bulk of their revenues within the Group primarily via the provision of services as a customer service center for CLICK2PAY.

The volume of minutes achieved by Virtual Call Center (VCC) services rose by 62 percent over the first quarter of 2005 to 346 thousand minutes.

All in all, revenues of TEUR 1,959 (previous year: TEUR 1,180) were achieved. This increase is primarily due to extensions to existing VCC services business via new products as well as new customers.

The loss at the EBIT level stands at TEUR 169 (previous year: TEUR 64) and is primarily due to restructuring.

4. Consolidation perimeter

The following wholly owned subsidiaries were consolidated as of the balance sheet date in the first quarter of 2006.

- InfoGenie Ltd., Windsor, Berkshire (United Kingdom)
- Wire Card (Gibraltar) Ltd., (Gibraltar)
- Click2Pay GmbH, Grasbrunn (Germany)
- Wire Card Beteiligungs GmbH, Grasbrunn (Germany)
- Wire Card Technologies AG, Grasbrunn (Germany)
- United Payment GmbH, Grasbrunn (Germany)
- United Data GmbH, Grasbrunn (Germany)
- cardSystems FZ-LLC., Dubai (United Arabian Emirates)
- Wire Card Bank AG, Grasbrunn (Germany)

5. Employees

The number of employees in the Group as a whole increased by 33 in the first quarter of 2006

By resolution of the Board of Management of May 4/August 26, 2005 and of the Supervisory Board of August 26, 2005, up to 502,000 convertible bonds were issued for fiscal 2005. In 2005, a total of 490,500 convertible bonds were subscribed.

As of March 21, 2005, the date on which the annual press conference was held, a further 54,700 convertible bonds were subscribed over a period of 21 days. The convertible bonds have a term to maturity of 10 years and are interest-free.

In accordance with the resolutions of the annual general meeting, the subscription price for a convertible bond is EUR 1.00. The subscription price was granted by the Company to the respective entitled employee as an interest-free loan with a term to maturity to match that of the convertible bonds or until such time as the conversion right is exercised.

The detailed terms of subscription are set out in the notes to the consolidated financial statements in the Annual Report for 2005.

6. Research & Development

Expenses in the field of R&D are included under personnel expenses of programmers/developers with a view to continually adjusting the platform technology.

7. Risk Report

The Board of Management has complied with the duty to establish a suitable early risk detection system by ensuring that appropriate guidelines for suitable control and monitoring instruments are in place for all strategic and operational management functions.

These instruments serve to secure the Company's ongoing business operations and show any dangerous developments at an early stage to enable appropriate countermeasures to be taken to correct such trends. The Board of Management monitors risk management activities and reports to the Supervisory Board on a regular basis.

Please refer to the risk report in the Annual Report for 2005 for more details as there have been no changes in the intervening period of time.

8. Report relating to dependencies

As regards relations with associated companies in fiscal 2005, reference is made to the detailed statement in the notes. In addition, the Board of Management has issued the following statement: "Our Company received adequate consideration in respect of all legal transactions listed in the report on relations with associated companies in the circumstances known to us at the time the legal transactions took place. The Company was not adversely affected by any measures adopted or omitted."

9. Corporate governance and profit transfer agreement

On July 19, 2005, Wire Card AG entered into a profit transfer agreement with Wire Card Technologies AG, with Wire Card AG as the controlling shareholder. In terms of a resolution of August 30, 2005, the annual general meeting consented to this strategy. In addition, the individual financial statements of Wire Card AG extend to include the corporate governance and profit transfer agreement entered into in 2004 between Wire Card AG – as the controlling enterprise – and Click2Pay GmbH.

10. Changes to the Board of Management and Supervisory Board

Effective January 1, 2006, Burkhard Ley was appointed to the Board of Management as Chief Financial Officer. The Board of Management comprises:

- Dr. Markus Braun – Technology (Chairman)
- Burkhard Ley - Finance
- Rüdiger Trautmann – Sales & Marketing

There have been no changes to the Supervisory Board.

11. Events occurring after the balance sheet date

Changes to the shareholder structure

- At the beginning of April 2006, Wire Card AG issued a statement pursuant to Section 25.1 of the German Securities Trading Act that the North American entity Massachusetts Mutual Life Insurance Company had exceeded the 5% threshold on April 7, 2006 and held approx. 5.05 percent of Wire Card AG's capital as of that date.
- 54,700 preferred shares from the employee option program were entered in the companies register on May 17, 2006. The share capital increased to EUR 62,316,147.00.

12. Outlook

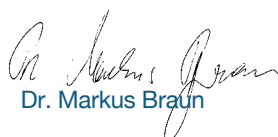
Wire Card AG's strategy entails systematically extending its two product mainstays: the Wire Card platform and CLICK2PAY. With this approach together with ongoing internationalisation Wire Card is strengthening its position as a provider of integrated solutions. This strategy is being supported by the supplementary services provided by Wire Card Bank AG.

The Board of Management thus considers the Wire Card Group to be excellently positioned to reinforce its pioneering role in the international development of electronic payment systems.

Following the excellent results achieved in the first quarter and on the basis of the outlook for the rest of the year, the Board of Management expects EBIT growth of well over 40 percent for the year as a whole.

Berlin, May 2006

Wire Card AG


Dr. Markus Braun


Burkhard Ley


Rüdiger Trautmann

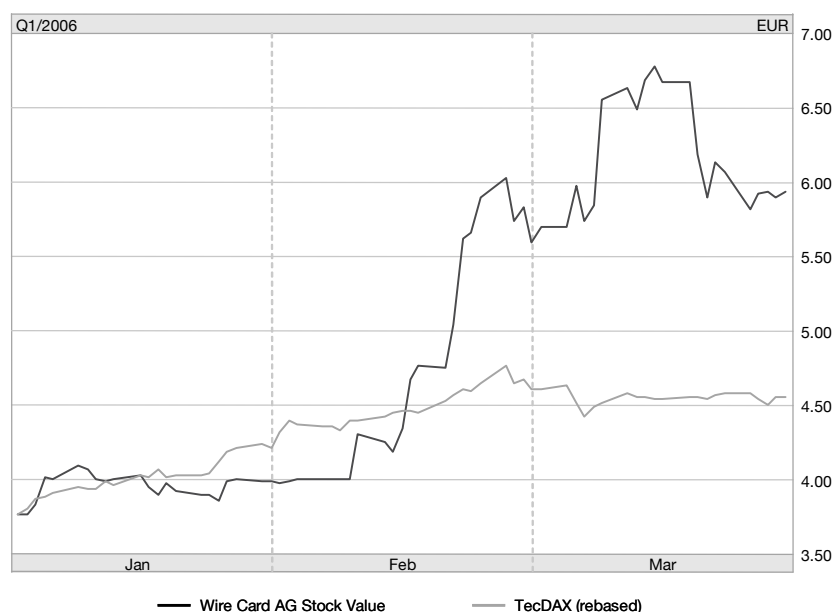
Wire Card stock

On January 2, 2006, Wire Card stock traded at EUR 3.76, which was also its low for the year to date. Up until February 20, the stock oscillated around EUR 4, virtually tracking the TecDax, before clearing the EUR 5 hurdle. In mid March it hit a high for the period under review of EUR 6.79, closing at EUR 5.95 on March 31.

Gains of 58% for the stock in the first quarter.

On February 22, trading volumes exceeded 1 million shares on a single day for the first time. Average trading volumes per day/52-week came to around 120,000.

Stock data
XTRA, FSE



Key figures on Wire Card stock in the period under review:

		Q1 2006	Q1 2005
Number of shares 31.03.		62,261,447	10,533,947
Capital stock 31.03.	EUR	62,261,447.00	52,699,735.00
Market cap. 31.03.	Mio.EUR	371	26
Stock market price 31.03.	EUR	5.95	2.48
Stock market high	EUR	6.79	2.48
Stock market low	EUR	3.76	2.12

Investor Relations

Within the first few months of the year, several analysts conducted studies into the Company and included Wire Card AG in their coverage in addition to SES research:

- Berenberg Bank Hamburg
- Crédit Agricole Cheuvreux S.A. Germany
- Sal. Oppenheim jr. & Cie.
- WestLB Equity markets

The Board of Management and the Supervisory Board of Wire Card AG undertake to comply with the principles of the German Corporate Governance Code and endorse the principles of transparent and sustained corporate governance. Special measures in this regard include the listing in the Prime Standard and accounting in accordance with IAS/IFRS.

Private investors can obtain all the relevant information on the Internet at www.wirecard.de in the "Investor Relations" section.

Basic information on Wire Card stock

Year established:	1999
Market segment:	Prime Standard
Indices:	CDAX, Prime All Share
Type of equity:	No par value common bearer shares
Stock exchange ticker:	Reuters IGPG.DE, Bloomberg IGP
WKN:	747206
ISIN:	DE0007472060
Authorized capital in number of shares:	EUR 62,261,447
Group accounting category:	Exempting consolidated financial statements in accord. with IAS/IFRS
End of fiscal year:	31.12.
Total common stock as at March 31, 2006:	EUR 62,261,447.00
Beginning of stock market listing:	25. Oktober 2000
Board of Management:	Dr. Markus Braun CEO Burkhard Ley CFO Rüdiger Trautmann COO
Supervisory Board:	Paul Bauer-Schlichtegroll Alfons Henseler Klaus Rehnig (Chairman)
Shareholder structure 31.03.2006	9.62% ebs Holding GmbH 8.01% MB Beteiligungsgesellschaft mbH 82.37% Freefloat (inkl. 7.83% AVENUE Luxembourg S.A.R.L.)

Consolidated Balance Sheet

Assets	03/31/2006 EUR	12/31/2005 EUR
I. NON CURRENT ASSETS		
1. INTANGIBLE ASSETS		
a) Goodwill	56,552,067.67	49,975,116.26
b) Self-provided intangible assets	112,354.90	137,305.00
c) Other intangible assets	4,336,150.80	4,206,327.20
	<hr/> 61,000,573.37	<hr/> 54,318,748.46
2. TANGIBLE ASSETS		
Property; plant and equipment	834,474.10	929,812.94
3. FINANCIAL ASSETS	4,366,158.33	5,759,164.49
4. TAX ASSETS		
Deferred taxes	17,449.06	467,483.98
	<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS	66,218,654.86	61,475,209.87
II. CURRENT ASSETS		
1. INVENTORIES	1,087,373.00	1,233,362.00
2. TRADE RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS	35,443,716.43	23,269,460.27
3. TAX ASSETS		
Tax refunds	242,414.88	41,746.54
4. OTHER FINANCIAL ASSETS	0.00	0.00
5. CASH AND CASH EQUIVALENTS	27,414,549.27	35,586,820.16
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	64,188,053.58	60,131,388.97
Total assets	130,406,708.44	121,606,598.84

EQUITY AND LIABILITIES	03/31/2006 EUR	12/31/2006 EUR
I. SHAREHOLDERS' EQUITY		
1. Subscribed capital	62,261,447.00	62,261,447.00
2. Capital reserve	17,080,368.50	17,080,368.50
3. Consolidated accumulated profits	9,417,305.96	6,238,605.21
4. Currency translation adjustment	27,252.85	26,685.12
TOTAL SHAREHOLDERS' EQUITY	88,786,374.31	85,607,105.83
II. LIABILITIES		
1. CURRENT PROVISIONS		
a) Tax provisions	793,846.00	584,546.00
b) Other current provisions	1,530,000.97	1,493,570.89
	2,323,846.97	2,078,116.89
2. OTHER LIABILITIES		
a) Non-current liabilities		
a1) Deferred income taxes	174,419.33	184,216.17
a2) Other non-current liabilities	795,003.70	422,058.75
	969,423.03	606,274.92
b) Current liabilities		
b1) Trade payables	33,106,340.06	26,112,431.40
b2) Interest-bearing bank loans and overdrafts	2,693,197.33	6,188,186.32
b3) Other current liabilities	2,479,652.90	878,405.72
	38,279,190.29	33,179,023.44
3. TAX LIABILITIES		
Current tax liabilities	47,873.84	136,077.76
TOTAL LIABILITIES	41,620,334.13	35,999,493.01
Total shareholders' equity and liabilities	130,406,708.44	121,606,598.84

Consolidated Income Statement

	1st. Quarter 2006		1st. Quarter 2005	
	EUR	EUR	EUR	EUR
I. Sales		17,119,962.90		4,694,613.98
II. Increase or decrease in inventories of finished goods, work-in-process, other own work capitalized				
1. Other own work capitalized	106,516.00		0.00	
2. Increase or decrease in inventories of finished goods and work-in-process	(145,989.00)	(39,473.00)	258,296.00	258,296.00
III. Operating expenses				
1. Cost of materials	(8,999,246.19)		(3,124,025.34)	
2. Personnel expenses	(2,707,052.75)		(530,669.91)	
3. Amortisation and depreciation	(239,802.34)	(11,946,101.28)	(80,892.55)	(3,735,587.80)
IV. Other operating income and expenses				
1. Other operating income	911,491.17		244,199.72	
2. Other operating expenses	(2,233,826.78)	(1,322,335.61)	(1,022,282.51)	(778,082.79)
Net operating income		3,812,053.01		439,239.39
V. Financial result				
1. Financial costs	(125,441.49)		(34,404.56)	
2. Other interest and similar income	178,400.11	52,958.62	4,235.56	(30,169.00)
VI. Profit before taxes		3,865,011.63		409,070.39
VII. Income tax		(686,310.88)		(157,941.09)
VIII. Profit after taxes		3,178,700.75		251,129.30
IX. Profit carry forward (previous year: Loss carry forward)		6,238,605.21		(1,764,342.04)
X. Consolidated accumulated profits (previous year: losses)		9,417,305.96		(1,513,212.74)
Earnings per share (basic)		0.05		0.01
Earnings per share (diluted)		0.05		0.01
Weighted average shares outstanding (basic)		62,261,447		18,861,105
Weighted average shares outstanding (diluted)		62,371,562		18,861,105

Consolidated Cash Flow Statement

	01.01.-31.03.2006 EUR	01.01.-31.03.2005 EUR
Profit after taxes	3,178,700.75	251,129.30
+/- Amortisation/depreciation of non-current assets less goodwill, deferred taxes, changes in currency translation	240,847.78	80,892.55
+/- Impairment charge on goodwill	53,652.00	0.00
+/- Increase/decrease in provisions	245,730.08	3,275,528.29
+/- Other non-cash-related expenses/income	440,238.08	0.00
-/+ Increase/decrease in current liabilities	(12,228,935.50)	(31,822,622.36)
+/- Increase/ decrease of other liabilities and tax liabilities	8,879,896.87	40,908,464.53
+/- Non cash-related item due to initial consolidation	0.00	(1,540,020.71)
= Cash flow from operating activities	810,130.06	11,153,371.60
+ Receipts from disposal of property, plant and equipment	27,336.16	0.00
- Payments for investments in property, plant and equipment	(8,195.04)	(1,291.43)
+ Receipts from disposal of intangible assets	0.00	0.00
- Payments for investments in intangible assets	(269,523.56)	0.00
- Payments for investments in goodwill	(6,630,603.41)	0.00
+ Receipts from disposal of securities	1,845,393.83	0.00
- Payments for investments in securities	(452,387.67)	0.00
= Cash flow from investing activities	(5,487,979.69)	(1,291.43)
+ Receipts from issuance of share capital	0.00	0.00
+/- Receipts/payments on changes in borrowings	0.00	0.00
= Cash Flow from financing activities	0.00	0.00
Net change in cash and cash equivalents	(4,677,849.63)	11,152,080.17
+/- Adjustments due to currency translation of consolidation items	567.73	6,071.20
+ Cash and cash equivalents as of beginning of period	29,398,633.84	236,924.36
= Cash and cash equivalents as of end of period	24,721,351.94	11,395,075.73
Additional explanations for the consolidated cash flow statement	01.01.(31.03.2006) EUR	01.01.(31.03.2005) EUR
Non-cash related increase in equity	0.00	42,135,788.00
Hereof non-cash capital increase by assets	0.00	42,135,788.00

Consolidated Statement of Changes in Shareholders Equity

	Common stock	
	Number of shares issued	Nominal value EUR
Balance as of December 31, 2004	10.533.947	10.533.947,00
Profit after taxes		
Changes due to currency translation		
Capital increase by assets	42.135.788	42.135.788,00
Balance as of March 31, 2005	52.669.735	52.669.735,00
Balance as of December 31, 2005	62.261.447	62.261.447,00
Profit after taxes		
Changes due to currency translation		
Balance as of March 31, 2006	62.261.447	62.261.447,00

Common stock			
	Number of shares issued	Nominal value EUR	Capital reserve EUR
Balance as of December 31, 2004	10,533,947	10,533,947.00	1.00
Profit after taxes			
Changes due to currency translation			
Capital increase by assets	42,135,788	42,135,788.00	
Balance as of March 31, 2005	52,669,735	52,669,735.00	1.00
Balance as of December 31, 2005	62,261,447	62,261,447.00	17,080,368.50
Profit after taxes			
Changes due to currency translation			
Balance as of March 31, 2006	62,261,447	62,261,447.00	17,080,368.50

Principles and methods

The quarterly financial statements as at March 31, 2006 – like the consolidated annual financial statements as at December 31, 2005 – were prepared in accordance with IAS/IFRS. The notes to the consolidated annual financial statements as at December 31, 2005 also apply accordingly to the quarterly financial statements as at March 31, 2006. 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 consolidated annual financial statements as at December 31, 2005.

Comparability

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 respectively.

The same applies to the presentation of the Group's cash flow statement since, in particular, such items as "changes to 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.

On January 1, 2006 Wire Card Bank AG, Grasbrunn was consolidated for the first time.

The presentation of the balance sheet, income statement and capital flow account is effected in accordance with the consolidated annual financial statements as at December 31, 2005 for the first time. In the interest of comparability the presentation of the previous year quarterly results were adapted.

The interim reports of the previous year were effected in accordance with the rules of the Frankfurt Stock Exchange.

Accounting and valuation principles

In the course of preparing the quarterly financial statement as at March 31, 2006, the same accounting and valuation principles were applied as for the consolidated annual financial statements as at December 31, 2005 and in the previous period under review (January 1, 2005 through March 31, 2005).

Due to internal restructuring measures (mergers) within the Group, historic goodwill values were redefined at the level of cash-generating units. Goodwill, amounting to TEUR 56,552, relates to the following subsidiaries:

	31.03.2006 TEUR	31.12.2005 TEUR
EPRM	54,139	47,508
CCS	458	458
Other	2,179	2,179
	56,776	50,145
less: Impairment-depreciation	224	170
	56,552	49,975

Wire Card Bank AG was consolidated for the first time on January 1, 2006. The purchase was accounted for using the acquisition method. At Wire Card AG, the (initial) consolidation of Wire Card Bank AG as at January 1, 2006 generated goodwill of TEUR 6,631. This goodwill has been assigned to the EPRM segment. The operating results of Wire Card Bank AG are included in the Company's Group earnings figures as of January 1, 2006.

The quarterly financial statements as of March 31, 2006 make allowance for the profit transfer agreements between Click2Pay GmbH and Wire Card Technologies AG as subsidiaries and Wire Card AG as the parent company. The profit transfer agreements were registered in fiscal 2004 (Click2Pay GmbH) and fiscal 2005 (Wire Card Technologies AG).

The Company utilizes the balance sheet oriented liability method of accounting for deferred taxes in accordance with IAS No. 12. Under the liability method, deferred taxes are determined according to the temporary differences between the valuation rates of asset and liability items in the consolidated financial statements and the tax balance sheets, as well as taking account of the tax rates in effect at the time the aforesaid differences are reversed. Deferred tax assets are adjusted if the probability of a tax benefit being realized is below 50 percent (IAS 12, Paragraph 24).

The consolidated income statement for the period from January 1, 2006 through March 31, 2006 includes income tax expenses amounting to TEUR 686. They primarily relate to the utilization of deferred tax assets in an amount of TEUR 425 and the income tax expense calculated for the Group companies on the basis of tax calculations for the first quarter.

Trade and other receivables include receivables due from foreign subsidiaries. These companies are not consolidated as they are of subordinate importance. Assets and liabilities of companies within the subgroup of Wire Card AG were consolidated.

Shareholders' equity

Please refer to the consolidated statement of movements in equity capital.

As at March 31, 2006, subscribed capital was unchanged at EUR 62,261,447.00 and is divided into 62,261,447 bearer shares with a notional share of EUR 1.00 each.

The capital reserve of TEUR 17,080 primarily relates to the cash capital increases in fiscal 2005 (TEUR 16.901).

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.

Sales revenues are segmented in geographical terms by production sites. In this regard, in addition to cardSystems FZ-LLC, the new company Wire Card (Gibraltar) Ltd. is also included under Other foreign operations. Moreover, sales revenues are segmented by operational areas as had already been done in the quarterly reports. 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. Wire Card Bank AG, which substantially extends services along the financial supply chain, is also assigned to this segment.

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.

	Q1 2006 TEUR	Q1 2005 TEUR
Regional revenue breakdown		
Germany	13,307	4,641
United Kingdom	134	167
Others	4,954	0
	18,395	4,808
Consolidations	(1,275)	(113)
	17,120	4,695
	Q1 2006 TEUR	Q1 2005 TEUR
Breakdown of total revenues by operating divisions		
Call Center & Communication Services	1,959	1,180
Electronic Payment & Risk Management	16,436	3,628
Others	0	
	18,395	4,808
Consolidations	(1,275)	(113)
	17,120	4,695
	Q1 2006 TEUR	Q1 2005 TEUR
Operating result I by operating divisions*		
Call Center & Communication Services	1,128	521
Electronic Payment & Risk Management	6,463	1,058
Others	0	250
	7,591	1,829
Consolidations	490	0
	8,081	1,829
	Q1 2006 TEUR	Q1 2005 TEUR
Operating result II by operating divisions Bereichen (EBIT)		
Call Center & Communication Services	(169)	64
Electronic Payment & Risk Management	4,006	431
Others	0	(7)
	3,837	488
Consolidations	(25)	(49)
	3,812	439

* Revenues, inventory changes and other own work capitalized minus cost of material.

	03/31/2006 TEUR	12/31/2005 TEUR
Regional non-current assets		
Germany	71,694	57,304
United Kingdom	57	92
Others	3,784	3,776
	75,535	61,172
Consolidations	(9,334)	(164)
	66,201	61,008
Deferred tax assets were not taken into account in the process.		
	Q1 2006 TEUR	Q1 2005 TEUR
Depreciation of intangible assets		
Germany	* 95	25
United Kingdom	0	0
Others	99	0
	194	25
Depreciation arising from consolidation	24	25
	218	50
Depreciation of intangible assets		
Germany	69	24
United Kingdom	6	7
Others	0	0
	75	31
Depreciation arising from consolidation		0
	75	31
Depreciation of financial assets		
Germany	0	0
United Kingdom	0	0
Others	0	0
	0	0
Depreciation arising from consolidation		0
	0	0
Total depreciation and amortisation	293	81

* incl. Goodwill amortisation (TEUR 54) which is shown in the financial results (financial costs).

	Q1 2006 TEUR	Q1 2005 TEUR
Investments in intangible assets		
Germany	163	0
United Kingdom	0	0
Others	107	0
	270	0
Investments from consolidation	* 6,631	0
	6,901	0
Investments in tangible assets		
Germany	8	1
United Kingdom	0	0
Others	0	0
	8	1
Investments from consolidation		
	8	1
Investments in financial assets		
Germany	452	0
United Kingdom	0	0
Others	0	0
	452	0
Investments from consolidation		
	452	0
Total Investments	7,361	** 1

* hereof goodwill from initial consolidation of Wire Card Bank AG (TEUR 6,631)

** Non-cash investments which are 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 (including TEUR 889 in goodwill); TEUR 445 in tangible assets and TEUR 7,278 in financial assets, which were eliminated as a result of the first-time consolidation of the non-cash capital contribution. All these investments would have been assignable to the region of Germany.

	03/31/2006 TEUR	12/31/2005 TEUR
Regional segment liabilities		
Germany		
1. Provisions	1,792	1,247
2. Other liabilities		
a) Non-current liabilities	442	401
b) Current liabilities		
b1) Trade payables	40,201	33,792
b2) Current financial activities	2,693	6,188
b3) Other current liabilities	35,329	15,033
3. Tax liabilities	0	136
	80,457	56,797
United Kingdom		
1. Provisions	5	5
2. Other liabilities		
a) Non-current liabilities	0	0
b) Current liabilities		
b1) Trade payables	61	85
b2) Current financial activities	0	0
b3) Other current liabilities	162	44
3. Tax liabilities	0	0
	228	134
Others		
1. Provisions	318	318
2. Other liabilities		
a) Non-current liabilities	0	0
b) Current liabilities		
b1) Trade payables	189	280
b2) Current financial activities	0	0
b3) Other current liabilities	3,898	3,875
3. Tax liabilities	0	0
	4,405	4,473
	85,090	61,404
Consolidations	(43,645)	(25,405)
Total regional segment liabilities	41,445	35,999

	03/31/2006 TEUR	12/31/2005 TEUR
Segment liabilities by operational divisions		
Call Center & Communication Services		
1. Provisions	859	300
2. Other liabilities		
a) Non-current liabilities	62	401
b) Current liabilities		
b1) Trade payables	7,506	8,460
b2) Current financial activities	0	0
b3) Other current liabilities	653	351
3. Tax liabilities	0	0
	9,080	9,512
Electronic Payment & Risk Management		
1. Provisions	1,256	1,270
2. Other liabilities		
a) Non-current liabilities	380	0
b) Current liabilities		
b1) Trade payables	32,945	25,697
b2) Current financial activities	2,693	6,188
b3) Other current liabilities	38,736	18,601
3. Tax liabilities	0	136
	76,010	51,892
Others		
1. Provisions	0	0
2. Other liabilities		
a) Non-current liabilities	0	0
b) Current liabilities		
b1) Trade payables	0	0
b2) Current financial activities	0	0
b3) Other current liabilities	0	0
3. Tax liabilities	0	0
	0	0
	85,090	61,404
Consolidations	(43,645)	(25,405)
Total segment liabilities by operational divisions	41,445	35,999

Employees

As at March 31, 2006, the Group workforce including the Board of Management comprised 356 employees. 166 of whom were employed part-time.

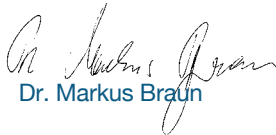
These were engaged in the following functions:

	31.03.2006
Board of Management	3
Distribution	50
Administration	40
Customer Service	215
Research and Development	48
Total	* 356

* of whom 166 were part-time employees

Berlin, May 2006

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Impressum

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Text

Wire Card AG

Translation

The German wording of the Interim Report for the first quarter 2006 is the final and binding version.

Financial calendar

Please visit our website -

Here you find all the news and events at the Investor Relations-section.

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