vwdgroup:

excellence in financial solutions

# Annual Report 2009

# Key Figures at a Glance

INCOME STATEMENT

| | | 2009 | 2008 | 2007 |
|---|---|---|---|---|
| Sales | in € '000 | 79,232.5 | 73,357.3 | 65,105.4 |
| EBITDA | in € '000 | 9,750.1 | 10,892.3 | 7,172.6 |
| EBIT | in € '000 | 5,806.6 | 8,276.1 | 5,283.9 |
| Result from ordinary operations (EBT) | in € '000 | 4,889.0 | 7,611.7 | 5,352.5 |
| Result (EAT) | in € '000 | 3,125.3 | 4,439.5 | 2,268.7 |
| Earnings per share (undiluted) | in € | 0.098 | 0.139 | 0.062 |
| Earnings per share (diluted) | in € | 0.098 | 0.139 | 0.062 |

CASH FLOW STATEMENT

| | | 2009 | 2008 | 2007 |
|---|---|---|---|---|
| Net cash generated from operating activities | in € '000 | 4,505.4 | 5,315.3 | 4,843.3 |
| Net cash generated from investing activities | in € '000 | – 5,179.3 | – 13,605.3 | – 1,451.3 |

BALANCE SHEET

| | | 31,12,2009 | 31,12,2008 | 31,12,2007 |
|---|---|---|---|---|
| Total financial liabilities | in € '000 | 23,818.8 | 14,540.0 | 10,032.5 |
| Equity | in € '000 | 30,070.2 | 30,643.3 | 19,214.2 |
| Equity ratio | in % | 37.2 | 41.2 | 38.7 |
| Total Assets | in € '000 | 80,952.6 | 74,380.4 | 49,607.6 |

EMPLOYEES

| | | 2009 | 2008 | 2007 |
|---|---|---|---|---|
| Employees as of December 31, 2009 | | 428 | 385 | 337 |

KEY DATA ON THE VWD SHARE

| | |
|---|---|
| ISIN | DE0005204705 |
| Exchange symbol | vwd |
| Trading segment | General Standard, Frankfurt |
| Capital share | € 25,754,577 |
| Number of shares | 25,754,577 share |
| Market capitalization (12-30-2009) | € 78.6 million |
| Closing price (12-30-2009)* | € 3.05 |
| High / low in fiscal year* | € 4.20 / 2.87 |
| Designated sponsor | ICF Kursmakler |
| Coverage | SES Research, GSC Research, Dr Kalliwoda Research |

* Xetra

# Highlights 2009

## JANUARY

**vwd group and WirtschaftsBlatt form partnership**

In addition to becoming the exclusive marketer of fund listings and fund-linked products for WirtschaftsBlatt, the vwd group provides print marketing through its online fund platform "vwd fonds service [online]."

## JANUARY

**Company name changes in Belgium and the Netherlands**

Tijd Nederlands B.V., with offices in Amsterdam and Antwerp, becomes vwd group Netherlands B.V. and vwd group Belgium NV.

## FEBRUARY

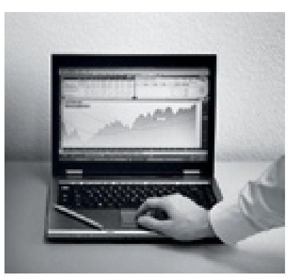
**Acquisition of majority stake in European Derivatives Group**

The vwd group acquires a 51 % stake in EDG AG. EDG's special know how about quantitative processes for evaluating structured investment products starts to become part of vwd's goup.

## MARCH

**vwd group awarded contract by DZ BANK**

vwd AG and DZ BANK AG sign agreement for the long-term supply of information and market-data. The sales volume for the 10 years' contract is about € 40 million.



## APRIL

**Information systems for private investors**

vwd group joins with Lenz + Partner and finanztreff.de to present the latest innovations in information systems to private investors. Lenz + Partner offers a new version of its stock-market software Tai-Pan, expanding the application's range of features. A popular finance portal among both finance professionals and private investors, finanztreff.de, becomes the first German stock-market portal to offer a separate section for exchange-traded commodities (ETC) that includes tool and search functions.

## MAY

**vwd group expands portfolio-management services**

The vwd group expands the "vwd portfolio manager" with a direct-order interface to Augsburger Aktienbank AG. The new function enables automatic conversion and forwarding of securities purchases and selling orders from the "vwd portfolio manager" to the Augsburger Aktienbank's order-management system.

## MAY

**Complete takeover of Switzerland-based PortfolioNet AG (today vwd group Switzerland AG)**

With the complete purchase of PortfolioNet AG and the company's subsidiary PC&S Portfolio Consulting & Services AG, the vwd group expands its market position in Switzerland.

## JULY

**Oldenburgische Landesbank AG turns to vwd**

Oldenburgische Landesbank AG concluded a comprehensive contract with the vwd group for the provision of market data and sales support. OLB is now using the newly launched "vwd market manager financials [web] 3.0."

## OCTOBER

**vwd takes over supply of NZZ's financial data needs**

Newspapers remain the primary source for information on securities. The vwd group provides the Neue Zürcher Zeitung (NZZ) with international financial-market data.

## NOVEMBER

**Fitch Solutions forms partnership with vwd group**

Fitch Solutions now also supplies the vwd group with share-price data for credit default swaps (CDS).

## DECEMBER

**vwd supplies funds information to the Süddeutsche newspaper**

As a result of this partnership, the "vwd fonds service" now reaches around 20 million readers of daily newspapers.

# Business Segments

The product and solution portfolio of vwd group is divided into three business segments. All services focus on providing single-source assistance throughout the securities-investment process to end investors, no matter whether they are private or institutional clients. In taking this approach, the vwd group is gaining a unique position as a strategic partner for retail, private banking and wealth management.

## Market Data Solutions

In the business segment "Market Data Solutions," the vwd group provides a multifaceted range of high-performance market-data systems, browser-based applications and portfolio-management and content solutions for more than 50,000 users. The business segment focuses on standardized solutions that accelerate and facilitate the use of data streams in global financial markets. Added to this are special services for more than 12,500 private customers.

**TARGET GROUPS**

- Banks
- Money managers and family offices
- Financial-service providers
- Investors
- Companies
- Private customers

**ADDED VALUE FOR THE CUSTOMER**

The services offered in the business segment "Market Data Solutions" create the foundation for sound investment decisions and more transparency and efficiency in the investment process.

## Technology Solutions

The business segment "Technology Solutions" offers information, technology and transaction solutions as well as consulting and outsourcing services for customer-specific requirements of the financial community. This includes the creation and hosting of professional websites for banks, online brokerages and media companies as well as the conception and provision of print-ready stock listings for about 70 publishing companies.

**TARGET GROUPS**

- Banks
- Brokers
- Financial-service providers
- Media companies

**ADDED VALUE FOR THE CUSTOMER**

The business segment "Technology Solutions" places a strong focus on individualized solutions that are tailored to customer needs.

## Specialised Marketing Solutions

The business segment "Specialised Marketing Solutions" offers target-group-specific publication and communication concepts in daily newspapers and business media. This includes special advertising formats for the products of issuers and the advertising industry as well as the dissemination of important financial and price information from financial-service providers by traditional print media, online options or teletext.

**TARGET GROUPS**

- Issuers
- Media companies
- Other businesses

**ADDED VALUE FOR THE CUSTOMER**

The model of the business segment "Specialised Marketing Solutions" facilitates the widest possible dissemination by combining heavy media coverage with minimum expense and waste coverage.

# Mission Statement

The vwd group has specialized in the securities business in the areas of retail and private banking as well as wealth and asset management. With custom-tailored information, communication and technology solutions, we contribute our share to increased transparency and sustainability in customer support. Thus, qualified decisions, that aim at securing and increasing assets, can be made.

By offering innovative solutions for financial-service providers, companies, the media and private consumers, we want to continuously increase our company's value and create long-term value for our clients, employees and shareholders. And we keep our promises. Professionalism and integrity distinguish our corporate culture.

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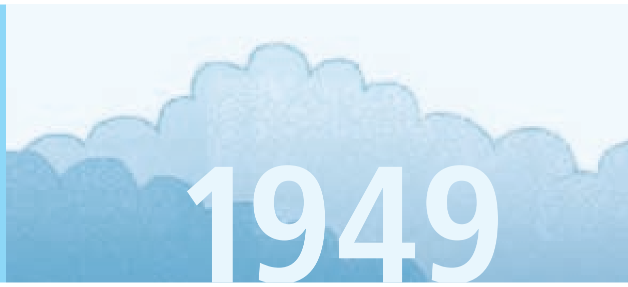
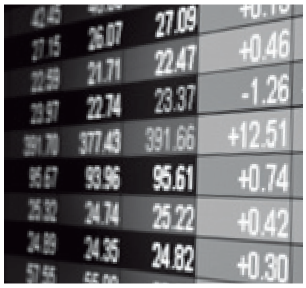
As leading supplier of services to the securities industry, vwd for over 60 years now makes its contribution to enable well-founded decisions and efficient flows within the investment process.









**FINANCIAL STATEMENTS**



**COVER**

# To our Stockholders

## Foreword by the Management Board

**DEAR STOCKHOLDERS**

a difficult year is behind us. The global economic and financial crisis created major challenges, but despite the worst crisis since the 1930s and the strongest economic decline in the history of post-war Germany, the vwd group succeeded in 2009 to maintain and expand its strong market position as a partner of the financial industry.

As leading European provider of custom-tailored information, communication and technology solutions for the strategic securities business, we succeeded during the past fiscal year, despite off all adversity, to again increase our sales numbers. The group's sales climbed by 8 % to € 79.2 million compared with € 73.4 million in the previous year. With this we succeeded, under the most difficult conditions, to once again reach a sales record.

Despite this overall positive development, the vwd group could not completely escape the grip of adverse global trends. Earnings before interest, taxes, depreciation and amortization (EBITDA) fell 10.5 % year on year, from € 10.9 million to € 9.8 million. As a result of tremendously changed business conditions, the company did not reach the record result achieved in 2008. For the first time, the market for financial products contracted and we the pull of this downturn. But thanks to our balanced business model our earnings were not hit more by changed market conditions.

Nonetheless, we suffered setbacks in cross-media publication and communication services as a result of the shrinking in the fund industry, including closure and consolidation of funds. Such sweeping changes had never occurred in previous crises. Similar changes also occurred in the certificate market, which has since come back strongly since reaching its bottom. During the current fiscal year, issuers are optimistic once again. Product innovations should also be ready to make a comeback.

The highlights of the past fiscal year include the complete acquisition of the provider of specialized portfolio services in Switzerland, PortfolioNet AG, Zurich. By acquiring a 100 % stake in PortfolioNet AG and its subsidiary, PC&S Portfolio Consulting & Services AG, we have fully established our market position in the financial center of Switzerland, which is evolving into a

THE MANAGEMENT BOARD
Edmund J. Keferstein,
Chairman of the
Management Board;
Spencer Bosse (left)

key market for the vwd group's innovative financial-market solutions. With the acquisition, we are also underscoring the increasing importance of business-process outsourcing in portfolio management. The complete takeover of PortfolioNet AG, which is now known as vwd group Switzerland AG, had an extremely positive impact on sales growth at the vwd group and made a significant contribution to net income as well.

Another highlight of the past fiscal year is the majority stake acquired in the EDG Group. With its quantitative analysis in the financial area, EDG offers a tool that promotes the fast comprehension of complex product structures. This includes ratings, risk assessments, indexes and the rating of structured and complex securities.

Calls for increased consumer protection for private investors grew louder in the wake of the latest financial crisis. As a result of the potentially higher liability risks the financial industry may face following any such changes, it will be necessary to create new solutions in the investment-advising process used by the retail banking sector. This is precisely the area where we have a unique opportunity to support the investment process by creating standards and, as a result, transparency and openness in order to help investors not only with their investment decisions, but also with the determination of their own risk-tolerance level. In a fair, transparent process, we help both sides make the best investment decision possible and pursue the process further.

It should also be noted that our investment in the EDG Group, with its ratings for financial instruments, made a positive contribution to the vwd group's sales and earnings for the first time.

The cooperative bank project with DZ BANK we designed and set up for almost 20 months was successfully integrated into business operations during the past fiscal year and will contribute significantly to the company's performance in the future. With Oldenburgische Landesbank, we gained another important banking project related to the provision of market data. This far-reaching contract was put together in a very short amount of time. We are also proud of the fact that the number of work stations capable of receiving the financial-market data provided by vwd has increased to around 50,000 despite the crisis. In addition to new customers, including St. Galler Kantonalbank, we were able to generate additional sales with our existing customers, including Augsburger Aktienbank.

We also extended our leading position as a provider of financial-market information to daily newspapers in Europe by establishing new business relationships with various European media companies, including "Neue Zürcher Zeitung," "Süddeutsche Zeitung" and "WirtschaftsBlatt" in Austria. For vwd, the broad geographic delivery of financial-market data for European newspapers creates the basis for increased transparency in the investment process.

In the business area of designing and building professional Web sites, we were able to extend our business relationship with DZ BANK in 2009 in addition to existing projects. Through the development of a derivate portal for DZ BANK, our client acquired one of the industry's most user friendly product portals and moved far ahead of its competitors in respective rankings.

In 2010, a number if new challenges will come our way. The company will have to adapt to limited growth opportunities. Nonetheless, we see ourselves continuously well positioned to overcome the challenges that will arise in the new fiscal year.

The long process of reducing loss carry-forwards from the merger has been completed, and vwd is now able to pay a dividend. To establish ourselves as a dividend-title the Management Board has decided to suggest to the General Meeting of Shareholders to pay a dividend already for 2009. Based on that first payment we want to establish continuous and clear dividend policies. We expect that this will generate a positive stimulus for the valuation of our stock.

Our special appreciation goes to our colleagues who accompanied us during the past fiscal year and who will support us this year. I am convinced that together we will be able to overcome all new challenges – especially since our position in the market has never been better.

Best regards,

**EDMUND J. KEFERSTEIN**
Chairman of the Management Board

# Report of the Supervisory Board

**KLAUS NIEDING**
Chairman of the Supervisory Board

**DEAR STOCKHOLDERS**

Against the backdrop of the global financial and economic crisis, vwd Vereinigte Wirtschaftsdienste AG (vwd AG) looks back on a challenging, but successful fiscal year. The strategic direction of the company that was set by the Management Board and coordinated by the Supervisory Board proved to be the correct one. The business model involving the three interlinked business segments of MDS, TS and SMS has performed well.

During the year under review, the Supervisory Board executed the duties laid down for it by law, the articles of association and business bylaws. During fiscal year 2009, we advised the company's top managers, monitored their work and made decisions about business matters requiring our approval. The Supervisory Board was continuously kept informed about business and financial matters, the workforce as well as the investment plans of vwd AG and the group. The basis of this information was detailed written and oral reports presented by the Management Board. The Management Board also coordinated the company's strategic direction with us. The Supervisory Board played a key role in every decision that was of critical importance to the company.

When the Supervisory Board was not in session, its Chairman remained in regular contact with the Chairman of the Management Board. Information was provided and discussions were held as part of a continuous dialogue conducted in personal conversations. These discussions also addressed the company's future development. As a result of the financial and economic crisis, we paid close attention to the current earnings situation, including the risk position and the risk-management system. The Management Board discussed the company's significant business actions in detail with the Supervisory Board. The proposals made by the Management Board were approved after being thoroughly reviewed and discussed.

**The focal points of the Supervisory Board's advisory work**
During the year under review, the Supervisory Board held six meetings in which all members of the Supervisory Board participated either in person or through telephone conference.

During the Supervisory Board meetings held on February 16, March 12, May 7, May 12, August 19 and November 9, 2009, the Supervisory Board primarily discussed the following issues:

- The annual financial statements and the consolidated financial statements as of December 31, 2008;
- The investment in the companies of the EDG Group;
- The approval of the agenda for the regular annual general meeting on May 7, 2009;
- The review and approval of the acquisition of the remaining 60 % of shares in PortfolioNet AG;
- A detailed discussion of business trends that was conducted on the basis of quarterly and semi-annual business figures;
- The status of ongoing projects;
- A discussion of changes in the financial industry and their impact on vwd AG and on the entire group as well as the business models of the individual companies;
- Consideration of the company's evolving business risks and the group's continued strategic development;
- Examination of company planning for fiscal year 2010 as well as changes in the German Corporate Governance Code, their resulting impact and necessary measures related to the company's own corporate governance.
- A review of the Management Board's remuneration system in terms of new legal regulations.

**Membership on the Supervisory Board**
The Supervisory Board service of Mr. Norbert Schwerber ended at the annual general meeting held on May 7, 2009. Dr. Rainer Marquart was elected by the annual general meeting as the new member. Dr. Marquart accepted the election.

**Corporate Governance**
During the past fiscal year, the Supervisory Board worked on the further development of the company's corporate governance principles. It also considered the amendments made to the "Germany Corporate Governance Code" in the version dated June 18, 2009. In accordance with code No. 3.100 of the "Germany Corporate Governance Code," both the Management Board and the Supervisory Board discuss corporate governance at vwd AG in the Corporate Governance Report contained on pages 12–13 of this annual report.

In January 2010, the Management Board and the Supervisory Board jointly issued a new statement of compliance in accordance with § 161 of the German Stock Corporation Act. This statement is continuously available on the company's home page. With a few exceptions, vwd AG complies with the code's recommendations and generally follows the suggestions.

**Annual financial statements, consolidated financial statements, audit**
The annual financial statements and the management report of vwd AG were prepared in accordance with the German Commercial Code and the German Stock Corporation Act. The consolidated financial statements and consolidated management report were complied on the basis of International Financial Reporting Standards (IFRS) pursuant to § 315 of the German Commercial Code.

The auditor, Stüttgen & Haeb AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, examined the annual financial statements of vwd Vereinigte Wirtschaftsdienste AG compiled by the Management Board, the management report, consolidated financial statements and the consolidated management report. The Supervisory Board issued the audit contract on the basis of a decision made by the annual general meeting on May 7, 2009. The auditing firm declared in advance to the chairman of the Supervisory Board that no conditions would inhibit its independence as auditor.

In its report, the auditor explained the auditing standards. It was determined that vwd AG complied with the German Commercial Code and the International Financial Reporting Standards. The annual financial statements, the consolidated financial statements, the management report and the consolidated management report all received unqualified audit certificates.

Documents concerning the annual financial statements and the audit were presented to the members of the Supervisory Board in a timely manner. The supporting material was thoroughly discussed in the presence of the auditor during the Supervisory Board meeting held on March 11, 2010. During this meeting, the auditor reported about the key findings of the audit and answered the questions posed by members of the Supervisory Board about specific points of the audit. After its own review, the Supervisory Board concluded it had no objections. It also shared the assessment about the future course of the company and group contained in the management report and the consolidated management report. For this reason, the board approved the results of the audit as well as the annual financial statements and the consolidated financial statements for fiscal year 2009. The Supervisory Board thereby endorsed the annual financial statements.

After conducting a careful review and weighing all of the arguments, we gave majority approval to the proposal for appropriation of profit. In taking this step, we endorsed the Management Board's intention to pursue clear dividend policies in the future and consider the proposed dividend to be appropriate.

Effective January 31, 2010, Management Board member Mr. Joachim Lauterbach left the company. Mr. Lauterbach had previously asked the Supervisory Board to prematurely terminate his contract. The Supervisory Board thanked him for his service and the considerable contribution he made to the company's development. It also wished him much success in his future entrepreneurial endeavors.

The Supervisory Board continues to believe that vwd AG is moving in a positive direction. This success can continue to be generated only through the strong commitment of all employees. We would like to express our deep gratitude to them and employee representatives of the vwd group for their personal dedication and their hard work. This expression of gratitude applies in particular to the Management Board members, not least because of the trusting working relationship they continuously provide.

Finally, we would also like to thank our customers, business partners and stockholders for the confidence they have placed in us.

Frankfurt/Main, March 11, 2010

The Supervisory Board

**KLAUS NIEDING**
Chairman of the Supervisory Board

# What is transparency?

There is no binding definition of transparency. Literally, transparency means "sheerness" (from the latin "transparens", "through" and "parere" to "show oneself"). Transparency enables people to gain clearness and clarity in order to unterstand processes and events, to be able to assess alternatives. In all areas of life, transparency plays a major role. The word transparency gains in importance in connection with mechanisms and decision-making processes in politics and economy.

# Corporate Governance Report

**At vwd Vereinigte Wirtschaftsdienste AG ("vwd AG"), corporate governance creates the necessary organizational framework for managing and controlling the company. It forms the basis for good, responsible, transparent and targeted company leadership whose objective is to create long-range value. vwd AG bases its actions on the German Corporate Governance Code (Code).**

During the past fiscal year, the Management Board and the Supervisory Board focused intensely on complying with the recommendations and suggestions contained in the code. One particular focal point of this work was the new requirements contained in the version of the code dated June 18, 2009. For fiscal year 2009, the Management Board and the Supervisory Board jointly issued a declaration of compliance pursuant to § 161 of the German Stock Corporation Act. In this statement, vwd AG declared that it was in compliance with most of the recommendations contained in the code and that it was voluntarily following a large number of the suggestions. The complete declaration can be found at the end of this report along with an explanation related to limitations. The latest declaration and the declarations issued in the past are also available at www.vwd.com.

## MANAGEMENT AND SUPERVISORY STRUCTURE

### Work procedures of the Management Board

Under the company's articles of association, the Management Board of vwd AG consists of one or more members who are appointed and dismissed by the Supervisory Board pursuant to the regulations of the German Stock Corporation Act. The Management Board has sole responsibility for running the company. During the year under review, it consisted of three members. The Management Board's work is governed by detailed business bylaws containing a variety of points subject to consent. Under the business bylaws and Management Board decisions, every member of the Management Board directs a specific area of responsibility assigned in an individual business allocation plan. The shared responsibility for the overall business management of the company is unaffected by the assignment of areas of responsibility.

### Oversight and consulting role of the Supervisory Board

The Supervisory Board has three members who are elected by the annual general meeting. The board oversees the company's managerial leadership and serves in an advisory capacity. Drawing on the findings of the auditor's report, the Supervisory Board approves the annual financial statements and the consolidated financial statements. Furthermore, the board appoints and dismisses the members of the Management Board. The work of the Supervisory Board is governed by its own business bylaws. The members of the Supervisory Board are required to disclose to the Supervisory Board any conflicts of interest, particularly those that could arise from consultation or executive responsibilities with customers, suppliers, lenders or miscellaneous business partners. In fiscal year 2009, no conflict of interest among members of the Supervisory Board of vwd AG occurred. Contracts covering consulting, services or employment that a member of the Supervisory Board concludes with the company require the consent of the Supervisory Board. At the moment, a consultant contract covering legal services is in force with Nieding + Barth Rechtsanwaltsaktiengesellschaft in Frankfurt/Main, Germany. The chairman of the Supervisory Board, Klaus Nieding, is an attorney and a member of the Management Board at Nieding + Barth Rechtsanwaltsaktiengesellschaft.

### The working relationship between the Management Board and Supervisory Board serves the company's interests

The Management Board and the Supervisory Board work continuously and closely in accordance with sound, responsible corporate governance. They also coordinate with each other in areas recommended by the German Corporate Governance Code. In its leadership of the company, the Management Board receives regular consultative support from the Supervisory Board. Both boards jointly determine the strategic direction of the vwd group. For critical company decisions, the Supervisory Board is consulted at an early stage. The Management Board and the Supervisory Board remain in close contact in a process that ensures a constant flow of information and continuous discussion. The Management Board regularly reports to the Supervisory Board about current business developments and key business events, particularly about those related to the reaching of company targets. The Management Board and the Supervisory Board jointly analyze any deviations from the company's fixed business targets and plans. They also examine the company's risk position, including the need to make modifications to the company's risk management.

**Stockholders and the annual general meeting**
The stockholders of vwd AG exercise their rights at the annual general meeting, including their voting rights. At the annual general meeting, they may cast their vote themselves, by proxy or by means of a designated representative of the company who is bound to vote as instructed. Items on the agenda at the annual general meeting generally include the presentation of the annual financial statements approved by the Supervisory Board and the approved consolidated financial statements, the election of stockholder representatives to the Supervisory Board, the resolution on the distribution of profit, the formal approval of the actions of members of the Management Board and Supervisory Board, the appointment of the auditor and amendments to the articles of association. On May 7, 2009, the annual general meeting of vwd AG was held in Frankfurt/Main. The annual general meeting gives us the opportunity to communicate directly with our stockholders. For this reason, we are very interested in having a large number of shareholders present. In the weeks leading up to the annual general meeting, all stockholders receive in-depth information about the past fiscal year from the annual report and the invitation to the annual general meeting. All documents and materials related to the annual general meeting are available on the company's home page.

## COMPENSATION REPORT

The remuneration report is contained in the group management report on pages 36–37 and is a component of the corporate governance report. Information about the current stock-option program is contained in the notes to this report on pages 94–95.

## DIRECTORS' DEALINGS

The members of the Management Board and the Supervisory Board as well as persons closely associated with them are required under § 15a of the German Securities Trading Act to disclose significant acquisitions or sales of shares in vwd AG. During the reporting period, the company received no such notifications.

## STOCK OWNERSHIP

As of December 31, 2009, the number of vwd AG shares in possession of all members of the Management Board and the Supervisory Board totaled more than 1 percent of the stock issued by the company. As a result, this ownership must be disclosed under No. 6.6 of the GCGC:

STOCK HOLDINGS OF VWD AG'S MANAGEMENT BOARD MEMBERS AS OF DECEMBER 31, 2009

| Name | Function | Number of shares | Share in % |
|---|---|---|---|
| Edmund J. Keferstein* | Management Board | 3,889,454 | 15.1 |
| Spencer Bosse | Management Board | 1,202,780 | 4.7 |
| Joachim Lauterbach | Management Board | 0 | 0 |
| **Total** | | **5,092,234** | **19.8** |

* Partly owned indirectly through EJK Investment und Beteiligungs GmbH & Co. KG, which he controls.

STOCK HOLDINGS OF VWD AG'S SUPERVISORY BOARD MEMBERS AS OF DECEMBER 31, 2009

| Name | Function | Number of shares | Share in % |
|---|---|---|---|
| Klaus Nieding | Supervisory Board | 0 | 0 |
| Pieter van Halem | Supervisory Board | 0 | 0 |
| Dr. Rainer Marquart | Supervisory Board | 0 | 0 |
| **Total** | | **0** | **0** |

## TRANSPARENCY

To provide the greatest possible transparency and equal opportunity for everyone, the financial communications of vwd AG is designed to quickly and equally inform all target groups. To ensure that all target groups are reached at the same time, vwd AG primarily uses the Internet to disseminate financial communications. Information that could have an impact on the price of the vwd share is always communicated in ad hoc releases. Furthermore, voting-rights announcements, securities transactions carried out by persons with managerial responsibilities that are subject to disclosure and other disclosure requirements laid down by the German Securities Trading Law are disseminated on the company's home page.

vwd AG compiles all company-relevant publications from the previous year in an annual document to provide a quick overview of critical company announcements. In a financial calendar on its home page, the company announces the dates of important recurring events, including the date of the annual general meeting and the publication of financial reports. Reporting about the condition of the company is carried out in regular interim statements, the half-year financial report and the annual financial report. As part of the company's release of its financial results, vwd AG conducts meetings with investors, financial analysts and journalists. Furthermore, the company presents itself during major conferences with investors and analysts. The documents used in such presentations are promptly made available on the company's homepage.

## RISK MANAGEMENT

In addition to the relevant regulations of stock-corporation and trade law, good corporate governance also requires a responsible approach to risks. The Management Board assures an appropriate risk-management and risk-monitoring system in the company. As part of our value-focused company management, risk management assures that risks are identified and analyzed at an early stage and that they are promptly addressed and eliminated. Furthermore, we regularly check the effectiveness of our internal monitoring mechanisms. Additional information about risk management is contained in the risk report on pages 37–39.

## ACCOUNTING AND AUDITING

The preparation of accounts at the vwd group is done in accordance with International Financial Reporting Standards (IFRS). The financial statements of vwd AG are prepared in accordance with the German Commercial Code. The selection of the auditor of the annual financial statements, the auditor of the consolidated annual financial statements as well as for the person to review the half-year financial statements is done by the annual general meeting on the basis of recommendations of the Supervisory Board. In response to this vote, the Supervisory Board issues the contract to the auditor.

The consolidated financial statements of vwd AG are published in an annual report that is distributed following the end of the fiscal year (December 31). The Supervisory Board is consulted at an early stage about the preparation of the annual financial statements and the consolidated financial statements, and approves them. The business results of the first half of the year (June 30) are published in a half-year report. Interim results are jointly discussed by the Management Board and the Supervisory Board before publication in the half-year financial report or interim statements.

## DECLARATION OF COMPLIANCE PURSUANT TO § 161 OF THE GERMAN STOCK CORPORATION ACT FOR FISCAL YEAR 2009

The Management Board and the Supervisory Board of vwd Vereinigte Wirtschaftsdienste AG declare that as of January 1, 2010, they were in compliance with the recommendations of the government commission German Corporate Governance Code in the version dated June 18, 2009, with the following exceptions:

1. The company will adjust the existing D&O insurance policy for the Management Board as of July 1, 2010, to meet legal requirements. The current D&O insurance policy for the Supervisory Board will also in the future not contain a deductible (code No. 3.8). In the company's opinion, a deductible is not conducive to improving responsible action by the Supervisory Board and the Management Board.

2. The Supervisory Board forms no committees (code No. 5.3). As a result of the company's clear organization and size and the three-member structure of the Supervisory Board, it is not necessary to form committees. The members of the Supervisory Board remain in close contact with one another and with the Management Board. This enables them to respond promptly and flexibly to business-related issues. The Supervisory Board will, if possible, be consulted at an early stage about the audit of the annual financial statements. This means that the formation of an audit committee is also not necessary.

3. The members of the Supervisory Board receive at this point only a fixed salary (code No. 5.4.6). In the company's opinion, participation by the Supervisory Board in the company's success is not a suitable way to promote responsible actions. The compensation paid to members of the Supervisory Board or the provided benefits for personally rendered services, particularly consultative and mediation services, are not reported in the corporate governance report. Rather, this information appears in the annex to the consolidated financial statements pursuant to IAS 24 (code No. 5.4.6).

The Management Board and the Supervisory Board declare that vwd Vereinigte Wirtschaftsdienste AG has complied with the recommendations of the government commission German Corporate Governance Code in the version dated June 18, 2009, since the issuance of the last declaration of compliance (February 2009) through December 31, 2009, with the following exceptions:

1. The D&O insurance policy obtained for the Management Board and the Supervisory Board contains no deductible (code No. 3.8). In the company's opinion, a deductible is not conducive to improving responsible action by the Supervisory Board and the Management Board.

2. The Supervisory Board has not formed any committees (code No. 5.3). As a result of the company's clear organization and size and the three-member structure of the Supervisory Board, it is not necessary to form committees.

3. The members of the Supervisory Board receive only a fixed salary (code No. 5.4.6). In the company's opinion, participation by the Supervisory Board in the company's success is not a suitable way to promote responsible actions. The compensation paid to members of the Supervisory Board or the provided benefits for personally rendered services, particularly consultative and mediation activities, were not reported in the corporate governance report. Rather, this information appears in the annex to the consolidated financial statements pursuant to IAS 24 (code No. 5.4.6).

4. In contrast to the recommendation of code No. 7.1.2, the half-year financial report 2009 was released for scheduling reasons in a one-time occurrence before it was discussed by the Supervisory Board. In the future, the reports will be again released only after they have been considered by the Supervisory Board.

Frankfurt/Main, January 2010

For the Supervisory Board of
vwd Vereinigte Wirtschaftsdienste AG

**KLAUS NIEDING**
Chairman of the Supervisory Board

For the Management Board of
vwd Vereinigte Wirtschaftsdienste AG

**EDMUND J. KEFERSTEIN**
Chairman of the Management Board

# 60 years vwd

## A Success Story

The vwd group celebrated its 60th anniversary in 2009. Six decades that rank amongst the most innovative eras in the history of global technology. During this time, we not only kept pace with technological changes, but we also played a major role in creating technological advances to the benefit of vwd clients and users. In the future, the vwd will continue to be a reliable and innovative partner, according to the company's philosophy.

### BEGINNINGS

Vereinigte Wirtschaftsdienste GmbH was established in Frankfurt/Main on February 24, 1949, as an independent provider of business information and a nonprofit organization. The founding companies were Deutscher Pressedienst (dpd), Deutsche Nachrichtenagentur (DENA; later known as dpa, Deutsche Presse-Agentur) and Deutscher Wirtschaftsdienst (DWD).

During the following years, vwd grew to become the main supplier of German business news, a role that presented the company with many new challenges.

The business world needed market-related news while at the same time a comprehensive quotation, stock, and market service had to be created. In addition, the domestic and international listings of stocks, foreign-currency and commodity-futures exchanges from Germany and abroad were to be collected and disseminated.

Good information pays off;
it is the best investment.

### PROGRESS

The use of computers changed the flow of information. The vwd shareholder Reuters started using one of the first computers, significantly accelerating the dissemination of news within its global network. Starting in mid-1973, vwd began using computers to transmit stock and mutual-fund prices from German stock markets to newspapers. Computers were now used to store prices for

**1951**

The mainframe UNIVAC was purchased by business customers.

**1957**

The first satellite, Russia's Sputnik 1, was shot into orbit.

**1963**

Rudolf Hell invented the first scanner that split color originals.

bonds, international stocks and commodities. As the capacity for data transfer and storage was still limited, stock-market symbols were introduced. They are still used today.

**VITAL TEST**

The departure of shareholder Reuters shook vwd's entire business model. As a result of the cancellation of the exclusive sales order for the products "Reuters Stockmaster" and "Reuters Monitor," vwd quickly lost 20 % in sales along with a major portion of its core customers from the banking sector. During this phase, only the very specialized daily newsletters and media customers sustained the company.

**CRITICAL JUNCTURE**

With Rolf Poppe at the management helmet, a crucial shareholder change took place in 1994. dpa, DWD and the newspaper publishers sold their shares to Dow Jones & Company Inc., Frankfurter Allgemeine Zeitung GmbH and the publishing group Handelsblatt GmbH. In addition, vwd concluded an agreement with

Within 60 years, vwd has grown from a simple news agency into a comprehensive service provider for the finance market.

Dow Jones on the delivery and exchange of news that was designed to secure vwd's information base over the long term.

Through a restructuring in 1994, the company intensified its market focus. The new management team of Michael Frank and Edmund Keferstein (starting in July 1996) propeled the evolution of vwd from a sole news agency into a service provider.

**1969**

Jürgen Dethloff and Helmut Gröttrup registered their patent for chip cards.

**1971**

Computer scientist Ray Tomlinson sent the first e-mail over Arpanet.

**1976**

Techie Steven Wozniak soldered together the first Apple computer.

## NEW DIRECTION

The passage into the new century also brought profound changes to the vwd group. The transition from a business and finance news agency into a comprehensive information service provider was carried out gradually.

Still in the 1990s, vwd had begun to develop its own real-time information systems based on Windows. In the years that followed, vwd acquired a range of German and international companies specializing in financial-market solutions, growing to become the largest independent supplier of financial-market data in Germany and one of the leading service-provider companies in the European financial industry.

vwd's product and solution portfolio was divided into three business segments, which offered standardized products, individualized customer solutions and services, and publication and communications concepts. As a result of their specialization, the business segments could not only could serve the individual customer needs, but also show the entire workflow.

The success factor lies in the ongoing refinement of the product portfolio in close cooperation with customers. vwd group's 15 locations in Germany, Belgium, France, the Netherlands and Switzerland guarantee the necessary and continued closeness to those markets.

Fifteen locations in Germany and throughout Europe ensure customer and market centricity.

That this strategy has put the vwd group on the road to success is pretty evident: In just under 60 years, sales have increased by a factor of more than 440!

**1979**

Sony launched the legendary Walkman "TPS-L 2".

**1981**

IBM developed the Personal Computer and began selling it.

**1995**

The Fraunhofer Institute developed a process for audio compression (MP3).

## CHALLENGES

Even if there are signs for a stabilizing economic environment, the market situation for financial information will remain difficult in 2010. A paradigm shift is necessary. In addition to regulation, transparency, clarity and standardization are crucial requirements to create a secure investment environment and restore investor confidence in the future.

We will make our contribution to bring more transparency to the investment process.

The vwd group will make its contribution. In addition to continuing to optimize existing products to suit market needs, the vwd group is developing tools and indicators to improve the usability of and access to relevant information about financial products for investors – no matter whether they are institutional or private – so they can use this as basis for investment decisions. The focal point of this work is risk assessment, an issue that often took a backseat to returns before the finance-market crisis started.

The medium-term objective of the vwd group is to establish an even closer relationship with its clients as an independent, fully integrated information-service provider – to their benefit. All solutions are designed to create an investment process that is more efficient and transparent and, as a result, more coherent and comprehensible.

The orientation toward market and customer needs has been a primary focus of the vwd group over the past 60 years. And this is exactly how the company will approach the challenges of the future: As a reliable and fair partner who supports more transparency in the global finance markets.

**2000**

Dov Moran invented the data flash drive device for the universal USB interface.

**2003**

Niklas Zennström and Janus Friis developed Skype.

**2007**

Microsoft's multimedia table surface was one of the technological highlights of the year.

# Financial Communications


## The vwd Share

### STOCK-MARKET COMEBACK

There has rarely been such an erratic year for stocks like fiscal year 2009. While the worst economic crisis since the 1950s caused far-reaching liquidity problems for many companies, stock markets began an astonishing come-back in March 2009.

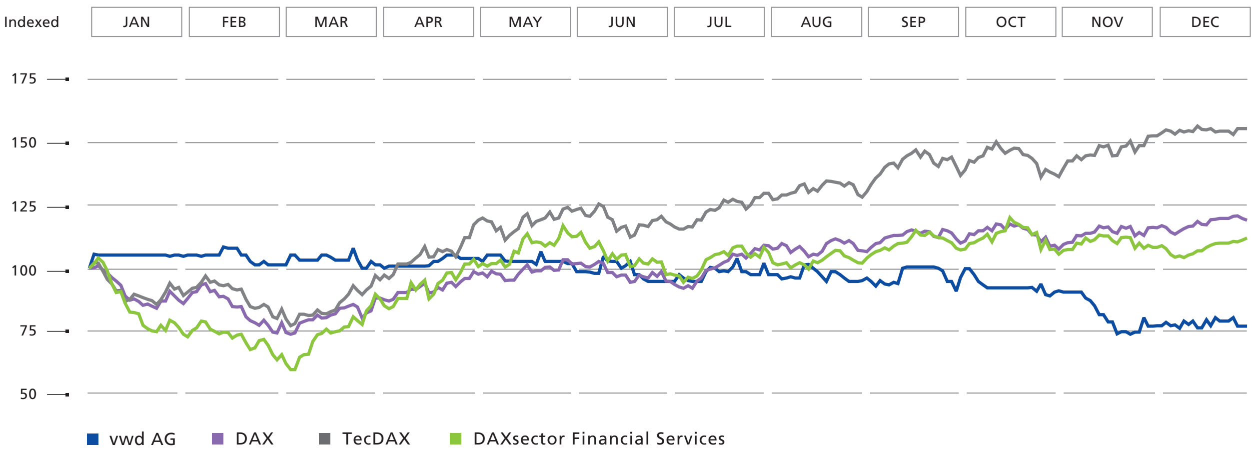
Even at the end of 2008, the worst year for stocks in decades, renowned analysts as well experts from banks, funds and research organizations had rarely disagreed so completely about the future direction of the Deutscher Aktienindex (DAX). These experts said the index would finish the year anywhere between 2,500 and 3,400 or up to 7,400. Germany's blue-chip index actually finished the past fiscal year at 5,957.43. This amounted to an increase of 24 percent compared with the previous year, when it closed at 4,810.20. The closely watched EuroStoxx 50 climbed during the year, rising from € 2,451.48.00 in 2008 to 2,968.49.

### LOW LIQUIDITY IMPACTS STOCK DEVELOPMENT

Like many small and mid-cap stocks, the vwd share was unable to profit from the recovery of global stock markets last year. While blue chips recovered from the deep losses of the previous year at reduced levels of liquidity, the vwd share had fallen 22.8 % by year's end. While the price was once again able to reach its high of € 4.20 (Xetra) at the beginning of the year, it dropped to € 2.87 (Xetra) as the year proceeded before settling at € 3.05 (Xetra). Just like previous years, the liquidity of the vwd share remained low in 2009. This is largely the result of a very stable stockholder structure. If the vwd share is viewed in the context of the entire two-year period of the financial crisis, it stood up very well in comparison to other small and mid-cap shares in spite of its drop. The company's capital share remains unchanged at € 25,754,577.00 and is divided into 25,754,577 no-par value bearer shares. At year's end, its market capitalization totalled € 78.6 million.

back content search < >

PERFORMANCE OF THE VWD SHARE 2009 (INDEX 100 = CLOSING PRICE ON DECEMBER 31, 2008)



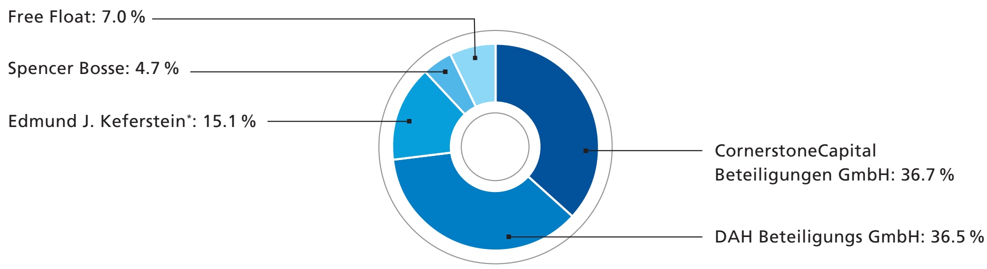

## DIALOGUE WITH THE CAPITAL MARKETS

We have adjusted our work for the company's investors to changes in international capital markets and optimized the dialogue with the capital markets. We further expanded our personal relationships with capital market players at analyst and investor conferences and we consider our contacts with private investors as a critically important component of our investor relations work. During the past year, we intensified this effort. On May 7, 2009, the regular annual general meeting was held in Frankfurt/Main and served as the central event for our stockholders. A total of 96.5 percent of capital entitled to voting rights was represented. All proposals submitted by administrative officials were approved by large majorities.

The most important capital-market topics of the past year included the performance of the vwd group amid the difficult conditions caused by the financial crisis and the implementation of the company's strategy. Furthermore, capital-market players were informed about the acquisition of the EDG Group and the complete takeover of vwd group Switzerland (formerly PortfolioNet AG).

At the investor-relations section on the company's home page, you will find additional information about the vwd share. This includes financial reports, interim statements, the financial calendar, presentations made at investor conferences, statements on the Corporate Governance Code, annual documents and up-to-date information on the stock price. If you would like to contact us, we look forward to receiving your e-mail at investorrelations@vwd.com.

STOCKHOLDER STRUCTURE AS OF DECEMBER 31, 2009




The graphic is based on the latest voting-rights announcements and includes the successful capital increase.
* In part indirectly through EJK Investment und Beteiligungs GmbH & Co.KG that Keferstein controls

# Why do we need more transparency?

We need product information for investors that is just as easy to understand as the information leaflet that comes with medications. Investors must be able to easily understand the key features of a capital-market investment.

**DR. CHRISTIAN GRUGEL,**
**GERMAN MINISTRY OF FOOD, AGRICULTURE AND CONSUMER PROTECTION**

# Group Management Report

## Business Development and Parameters

### OVERVIEW OF THE VWD GROUP

#### BUSINESS FIELDS

The vwd group (vwd) based in Frankfurt/Main is one of the leading European providers of tailored information, communication and technology solutions for the strategic securities business. The company contributes significantly to increased transparency and sustainability during the process of investor guidance. vwd also supplies leading players in international financial markets with financial-market data and customized, innovative software solutions.

vwd specializes in satisfying individual customer needs in asset management, retail banking, private banking and wealth management. Drawing on its state-of-the-art technology for financial-information systems, its portfolio-management systems, its outsourcing and its services in the marketing area, the vwd group comprehensively covers customer processes in this segment. As a result, the company is capable of providing support to the entire securities sales and management processes of a financial-services provider. The company's customers are leading international banks, industrial companies, financial-services providers, media, money managers and private individuals.

The product and solution portfolio of the vwd group consists of three business segments that reflect the company's expertise: First, standardized products ("Market Data Solutions" – MDS). Second, individual and innovative customer solutions and services ("Technology Solutions – TS"). Third, target group specific publication and marketing concepts ("Specialised Marketing Solutions" – SMS).

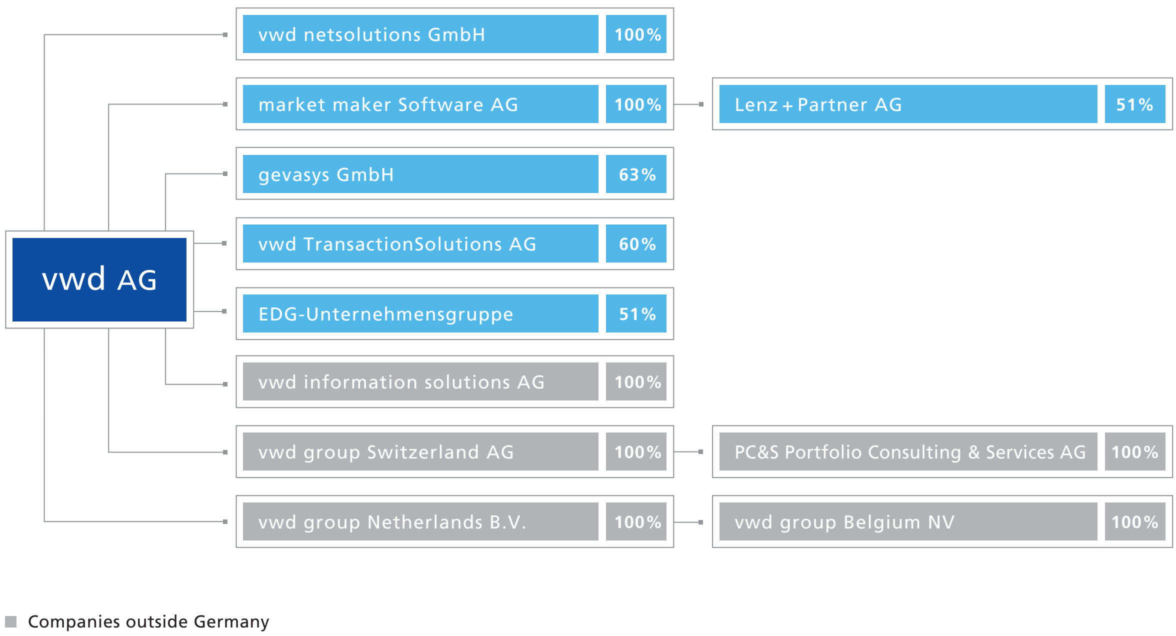
1. The business segment "Market Data Solutions" comprises of standardized solutions that are based on the comprehensive range of available financial-market data and are created to meet customers' individual needs. They make it possible to collate more than 3.6 million securities with customer data and to manage this information. This includes market-data systems, browser-based applications, and comprehensive portfolio-management solutions for banks, savings banks, money managers and companies.
2. The business segment "Technology Solutions" includes the process of customer-focused financial-market information in a cross-media manner and delivers it technologically as an outsourced process. As Europe's market leader in this segment, the vwd group provides a range of print-ready market data for about 350 daily newspapers, financial publications and television stations. Other products in this area are financial-analysis tools and mathematical financial libraries used to calculate financial products as well as the conception and introduction of professional online sites for banks, online brokers and media. The vwd group also handles the hosting for such complex applications as real-time trading systems in its own computing center.
3. The third business segment, "Specialised Marketing Solutions," provides daily newspapers and specialized business media with cross-media information-dissemination and marketing concepts customized for the specific target group. This includes special advertising formats for products from issuers and the advertising industry as well as the dissemination of financial and price information of financial-services providers and issuing houses through traditional print and multimedia outlets. As a new main pillar of the business field's activities, comprehensive, transparency-promoting key performance indicators and product-quality features are continuously calculated and are made available on various platforms to professional and private market players.

#### GROUP STRUCTURE

The vwd group consists of the stock-exchange listed company vwd Vereinigte Wirtschaftsdienste AG ("vwd AG") and its subsidiaries. Within Germany, operational business activities are primarily conducted by vwd AG and its domestic branches as well as by group companies. Outside Germany, the vwd group is represented in Belgium, the Netherlands and Switzerland.

In 2009, the group structure was expanded through the acquisition and purchase of additional stakes in existing companies. On February 11, 2009, a contract covering the acquisition of 51 % in the European Derivatives Group (EDG), a business group that increases the transparency and sustainability in the certificate market by providing ratings, training and professional-development programs, was signed. The acquisition was completed on May 8, 2009. On an individual basis, the vwd group holds a stake of 51 % each in EDG AG, headquartered in

GROUP STRUCTURE OF THE VWD GROUP




Schäftlarn, Germany; European Derivatives Group AG, based in St. Gallen, Switzerland, and European Derivatives Academy AG, headquartered in Frankfurt/Main.

As of May 8, 2009, the vwd group acquired the whole of PortfolioNet AG of Zurich, Switzerland. Already in October 2008, the group had obtained a 40 % stake in PortfolioNet AG, which took effect on December 29, 2008, and secured the right to acquire the remaining 60 % through a purchase option. As a result of the existing purchase option, which was exercisable on December 29, 2008, vwd gained control of PortfolioNet AG on December 29, 2008.

## COMPANY MANAGEMENT

Within the vwd group, all significant decisions are made by vwd AG as the parent company. As a German stock corporation, vwd AG is run by the governing bodies of the annual general meeting, Supervisory Board and Management Board, each of which has its own particular areas of responsibility. The annual general meeting makes fundamental decisions concerning the company, including the election of members to the Supervisory Board, amendments to the articles of association and the use of profits. The meeting also makes decisions regarding capital measures and other issues regulated by law.

The duty of the Supervisory Board is to regularly advise and monitor the Management Board's operation of the company. It participates directly in decisions that are of fundamental importance to the company. The Supervisory Board of vwd AG consists of three members who are generally elected to four-year terms. The members of the Supervisory Board are: Mr. Klaus Nieding, Chairman, Mr. Pieter van Halem and Dr. Rainer Marquart, who joined the body on May 7, 2009, after being elected on that day by the annual general meeting. He replaced Mr. Norbert Schwerber, who was a member of the Supervisory Board up until that day. The Management Board has autonomous responsibility for running the company. In fiscal year 2009, the Management Board of vwd AG consisted of three members: Mr. Edmund J. Keferstein, Chairman, Mr. Spencer Bosse and Mr. Joachim Lauterbach.

## COMPANY MANAGEMENT – OBJECTIVES AND STRATEGIES

The vwd group is one of the leading providers of information, communication and technology solutions for the securities industry in Europe. We support and assist the financial world in its efforts to reach investment, sales and marketing targets. This position is to be expanded in the future. As we work, our market environment is going through very dramatic change. Competition is intensifying, and the demands of our customers regarding products and services are rising. At the same time, political and regulatory requirements are becoming increasingly complex. Against the backdrop of increasing demands for more consumer protection and increased liability risks, we intend to profitably exploit the opportunities arising from this market environment.

The global financial and economic crisis has created some major challenges for us. Undoubtedly we will have to adjust ourselves to changed business conditions and increasing political pressure in the area of investment advice. In the process, the vwd group will create new, trend-setting solutions for its customers. We intend to further expand our solutions and services business. Of course, we will not focus on short-term targets, but on mid- and long-term objectives.

In those regional markets where it already has a competitive edge, the company plans to generate organic growth. Unlike its bigger competitors, the vwd group benefits from its flexibility as a mid-sized company, and can much better address the specific needs of regional markets and adjust its business activities accordingly.

Moving forward, we will continue to look for value increasing acquisitions in our target markets and will bolster the basis of long-range operating success by offering innovative technologies, an expanded service range and new products.

We focus on value-driven growth. To accomplish this, we have introduced a value-oriented management system and anchored our goal of long-range value growth in the company's management processes. Management is conducted through the use of various operational key performance indicators that make the strategic objectives clear in terms of growth and profitability. These include the sales figures of the individual business segments and company-related key profitability figures. One critical measure of profitability of the vwd group is earnings before interest, taxes, depreciation and amortization (EBITDA). In addition to individually agreed-upon objectives, EBITDA is also the benchmark for the performance-based pay of our managers and other employees not covered by collective-bargaining agreements. We also focus on earnings per share, which includes all operating and non-operating earnings components and reflects the company's overall performance. This key indicator is based on the company's performance and presents it in proportion to shares outstanding.

In addition to the management methods described here, the vwd group also disposes of planning and controlling processes designed to provide decision makers with information. The starting point of these processes is the company's strategic planning, which results in a multi-year blueprint. On a very concentrated level, the company uses this blueprint to determine future growth and profitability drivers.

## THE FISCAL YEAR

## BUSINESS AND REGULATORY ENVIRONMENT

As a result of the worst global financial crisis since the 1930s, 2009 stood under an extremely bad sign. The insolvencies of banks around the world that occurred in the fall of 2008 remained omnipresent in 2009. The risk of new bank crises could indeed be eased as the year proceeded by the support provided by central banks and governments. Nonetheless, gross domestic product (GDP) plummeted precipitously in all leading industrial countries. In the euro zone, gross domestic product contracted by 3.8 % last year, according to the leading economic-research and business institutes. During this past calendar year, the German economy experienced its worst contraction since the end of World War II.

In spite of a strong second half, in 2009 the shrinkage of Germany's real GDP was minus 5.0 %, five times worse than the contraction suffered in 1975 in wake of the international oil crisis. However, last year's economic performance was more or less expected since many financial-market experts and the German government had expected a drop of around 5 %.

While the worst economic crisis in decades created partly heavy liquidity problems for many companies, stock markets began to rise sharply in March 2009 following their dramatic dive in the previous year. Germany's leading index, the DAX, reached shortly before the end of the year a new record with 6,011 but finished 2009 slightly lower at 5,957. At a relatively low trading volume, this represented an increase of about 24 % compared with the previous year, when the index finished at 4,810.

Both the Dow Jones Industrial Average and the broader S&P 500 index were up by more than 20 % year on the last trading day of 2009. In October 2009, the Dow was also able to again surpass the psychologically important barrier of 10,000 points.

But not only stock markets moved upwards. Precious metals and commodities also climbed. The bond market also performed well, provided the right market and maturity were chosen. Selected long German government bonds were not among the winners. But demand was high for corporate bonds. They have established themselves as an asset class not only among institutional investors, but also increasingly among private individuals.

Is the worst recession in the history of the global financial world over now? Many financial and economic experts do indeed see light at the end of the tunnel. However, they warn about being too optimistic about the future. The worst of the crisis may have passed. But the crisis itself is not over or overcome – according to the consensus.

Of course, in this environment, the market for financial information faced enormous challenges. Competition intensified once again, particularly because the market for financial-market products contracted for the first time.

The call for further and, above all, stricter legal and regulatory rules for the financial-information sector grew louder and more constant. At the end of the year, the so-called adviser protocol was introduced: Credit institutions must create an adviser protocol following every investment-planning meeting with private customers. Furthermore, political leaders see an additional need to regulate the investment advice provided in financial sales.

These efforts will inevitably lead to fundamental changes in retail banking because the information and investment-planning systems will have to be modified in terms of content. The vwd group has specialized in precisely this aspect of the finance business and believes the company has excellent growth potential in this area.

## RESEARCH AND DEVELOPMENT

The development work conducted in fiscal year 2009 focused on the refinement of standard solutions and innovations in the areas of MDS and TS. For vwd market manager 3.0, for instance, nearly 70 % of the source code was renewed, and many new functions were integrated. More high-quality content was added to the vwd market manager as well. As a result of this, up to 3.7 million finance instruments can be made available. The vwd marktet manager [web] 3.0 was upgraded and received a new technological basis. One of the important features of this new Web technology includes the option for a person to configure his or her own work station. Other advantages are the reduced demands placed on the IT infrastructure, lower maintenance costs, fast availability and the easy integration of further vwd services. In fiscal year 2009, our in-house developed brokerage-middleware solution reached market maturity and was successfully implemented among the first customers. The core element of the new solution is a central trade function that is linked to all vwd products.

Also further developed was the finance portal finanztreff.de. A search function for exchange-traded commodities (ETCs) was added to it. EDG product ratings were also integrated into finanztreff.de. As a result of the integration of the technology segment at vwd netSolutions GmbH into vwd AG on January 1, 2010, the programming and operation of vwd web managers are now performed at the parent company. By taking this integration step, vwd AG underscored its efforts to perform developmental work even more efficiently also based on the fact that the largest part of the development work is still done by the group's affiliates and is thus decentrally organized. As of December 31, 2009, the group employed 97 people in software development.

## EMPLOYEES

As the vwd group has grown, so has its workforce. As of December 31, 2009, the vwd group had a total of 428 employees compared with 385 at the end of the previous year (excluding trainees in both cases).

The 23 employees of vwd group Switzerland (formerly PortfolioNet AG) and its subsidiary, PC&S Portfolio Consulting & Services AG, were included in the total for the first time. As a result of the acquisition of the EDG Group, nine employees joined the vwd group. New employees were also hired in 2009.

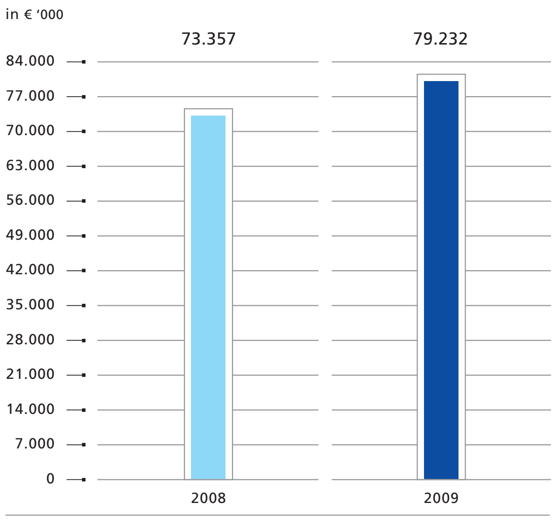
## BUSINESS DEVELOPMENT

In 2009 the vwd group succeeded once again to maintain and expand its strong market position as partner in the financial industry. In spite of the prevailing finance crisis, we succeeded in increasing our sales. We accomplished this even though our business was negatively impacted by the decline of financial products offered in these financial markets. In fiscal year 2009, sales totalled € 79.2 million (previous year: € 73.4 million), an increase of 8 %. While doing business under the most challenging conditions, we set a sales record once again. The cooperative bank project with DZ BANK, which we worked on for almost 20 months, started successfully in mid-2009 and had a positive impact as well. With the Oldenburgische Landesbank, we also succeeded in gaining another major banking project in the area of market-data delivery. The project was implemented within the shortest amount of time. Overall, we increased the number of work stations capable of receiving vwd financial-market data to more than 50,000.

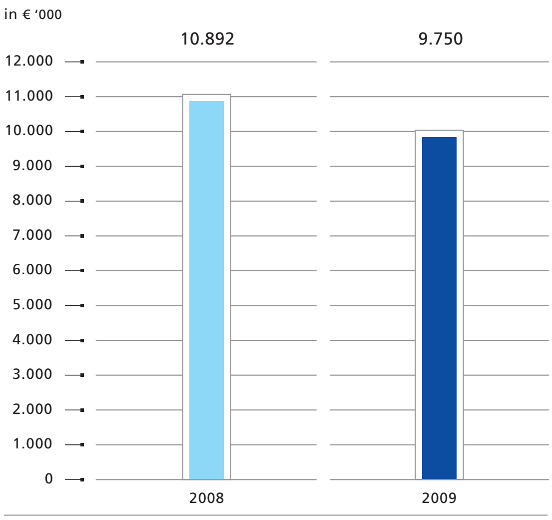
By establishing new business relationships with various European media companies, we further expanded our leading position as the supplier of financial-market information to Europe's daily newspapers. By gaining the "Neue Zürcher Zeitung" (NZZ) as a new client, we are now supplying information to the daily newspaper with the largest financial-market section in Europe. In our dissemination of fund information, we have gained the "Süddeutsche Zeitung" in Germany as well as the "WirtschaftsBlatt" and "KURIER" in Austria as new marketing partners.

We further expanded our very good position in the area of portfolio management systems. In addition to important new customers, including St. Galler Kantonalbank, we also generated additional sales increases with our

SALES




EBITDA



existing clients. For example, we expanded our business relationship with the Augsburger Aktienbank, among others.

In the area of concept and design of professional web sites, we expanded our business relationship with our customer DZ BANK. By developing www.eniteo.de, the derivative portal of DZ BANK, our customer gained one of the most user-friendly product portals available and moved far ahead of its competitors in respective rankings.

If it comes to earnings, the changed market conditions had a negative impact on us. The contraction process in the fund industry that resulted in both fund closures and mergers, thus we experienced setbacks in cross-media dissemination and communication services. Such major changes have never occurred during past crises. Similar developments also influenced the market for certificates, however this sector has already rallied tremendously from its lowest levels. Growth in the traditional B2B business with banks and savings banks was not able to completely offset the resulting drop in earnings. This decrease also resulted from the fact that our major project with DZ BANK will begin to have its full impact on earnings only in the coming years. The vwd group Switzerland performed extremely well, generating a large share of our sales growth and making a strong contribution to net income. For the first time, our investment in the EDG Group, which offers ratings for financial instruments, had a positive impact on sales and earnings.

Alltogether, our expectations for the operational business were confirmed. But we were surprised by how quickly areas of our business changed. It was our balanced business model that prevented us from being hit even harder by the difficult market conditions.

# Report on Earnings, Financial and Asset Position

## EARNINGS POSITION

As a result of the difficult business conditions, the vwd group was unable during the year under review to approach the record performance of fiscal year 2008. But the company did increase sales once again and continued to generate very positive income. At € 79.5 million (previous year: € 73.5 million), total sales generated by the vwd group in 2009 finished 8.2 % above the level from 2008.

With a contribution to sales totalling € 4.7 million, vwd group Switzerland was consolidated for the first time. The EDG Group, which was also consolidated for the first time, contributed to group income by producing sales of € 1.8 million as of May 8, 2009. As a result, the sales targets of the vwd group were reached.

In addition to sales, other operating income totalling € 2.9 million (previous year: € 2.2 million) was included in the vwd group's total income for the period. The other operating income resulted largely from the dissolution of provisions totalling € 1.3 million and the dissolution of liabilities of € 415.6 thousand.

### KEY GROUP FIGURES

| in € '000 | | 2009 | 2008 |
|---|---|---|---|
| Sales | | 79,232.5 | 73,357.3 |
| EBITDA | | 9,750.1 | 10,892.3 |
| EBITDA margin | in % | 12.3 | 14.8 |
| EBIT | | 5,806.6 | 8,276.1 |
| Profit after tax | | 3,125.3 | 4,439.5 |
| Earnings per share (undiluted) | in € | 0.098 | 0.139 |

# Why do we need more transparency?

We are working on the development of new tools to establish standardization and thus the necessary transparency in every investment process. Because transparency creates trust. And without trust the investment process cannot function.

EDMUND J. KEFERSTEIN, CHAIRMAN OF THE MANAGEMENT BOARD AT VWD AG

Earnings before interest, taxes and depreciation (EBITDA) fell by 10.5 % to € 9.8 million (previous year: € 10.9 million). The EBITDA margin was 12.3 % compared with 14.8 % in the previous year.

In the reporting period, depreciation, amortization and impairment of tangible and intangible assets totalling € 3.9 million (previous year: € 2.6 million) were carried out. Especially depreciation of intangible assets related to acquisitions completed in the past made a large contribution here. In this connection, the purchase-price allocation for vwd group Netherlands B.V., vwd group Switzerland and the EDG Group resulted in depreciation totalling € 1.5 million (previous year: € 482 thousand). Write-downs on industrial rights and similar rights amounted to € 0.9 million (previous year: € 1.4 million). This included write-downs on acquired customer bases of € 558.7 thousand (previous year: € 433.2 thousand), write-downs on technical equipment of € 1.1 million (previous year: € 798.0 thousand), write-downs on operating and office equipment of € 332.4 thousand (previous year: € 309.9 thousand) as well as write-downs on buildings on third-party land of € 113.2 thousand (previous year: € 51.0 thousand). The impairment test carried out led to the result that no write-downs for impairment had to be carried out.

For the year under review, earnings before interest and taxes (EBIT) totalled € 5.8 million (previous year: € 8.3 million). The EBIT margin fell to 7.3 % (previous year: 11.3 %).

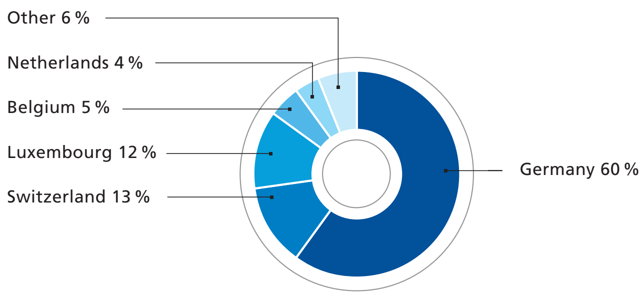
In 2009, overall material expenses, including transmission costs, information procurement, fees for downloading exchange data and other sales-related items, totalled € 27.2 million (previous year: € 24.3 million). The share of material expenses rose slightly to 34.3 % (previous year: 33.1 %). The rise resulted largely from the expansion of content offered as part of the cooperative bank project and the lower margins in the area of communication and publishing services.

The acquisition-driven rise in the company's workforce resulted in an increase in personnel expenses to € 32.0 million (previous year: € 27.2 million). As a result, the personnel-cost ratio rose from 37.1 % in 2008 to 40.3 % in 2009.

Other operating expenses climbed by € 169.0 thousand to € 13.5 million (previous year: € 13.3 million). The small rise resulted largely from the addition of vwd group Switzerland AG and the EDG Group to the consolidation group.

In fiscal year 2009, the financial result totalled € – 917.6 thousand (previous year: € – 664.2 thousand). This figure includes actual interest expenses of € 648.6 thousand, which were significantly lower than in 2008 due to the generally lower interest-rate level (previous year: € – 865.3 thousand). In connection with the current put option to acquire the remaining 49 % of the EDG Group, interest expenses of € 303.8 thousand were recognized, resulting in an overall rise in expenses.

SALES BY REGION IN % (2009)




| in € '000 | 2009 | 2008 |
|---|---|---|
| Germany | 47,186 | 45,710 |
| Luxembourg | 9,816 | 9,983 |
| Switzerland | 10,465 | 5,589 |
| Belgium | 3,930 | 3,442 |
| Netherlands | 3,114 | 2,871 |
| Great Britain | 922 | 1,771 |
| Other: | | |
| Austria | 1,544 | 1,085 |
| Ireland | 739 | 918 |
| France | 570 | 559 |
| Rest of Europe | 684 | 95 |
| Rest of World | 263 | 1,334 |
| | **79,233** | **73,357** |

In 2009, the vwd group generated net income after taxes and before minority interests of € 3.1 million (previous year: € 4.4 million). The share allocable to other shareholders amounted to € 612.6 thousand compared with € 1.0 million during the previous year. Return on equity was 10.4 % in fiscal year 2009 compared with 14.5 % in the previous year.

## SEGMENT REPORTING

### Market Data Solutions (MDS)

KEY FIGURES MDS

| in € '000 | 2009 | 2008 |
|---|---|---|
| Sales | 36,337 | 34,705 |
| EBITDA | 4,471 | 5,145 |
| EBIT | 3,295 | 4,169 |

Despite the difficult economic environment, sales in the MDS segment climbed by 4.7 % to € 36.3 million (previous year: € 34.7 million). The primary drivers of the increase were the successful implementation of the DZ BANK project and other bank-related activities.

During the reporting period, the segment's EBITDA decreased by € 674 thousand to € 4.5 million (previous year: € 5.1 million). The decrease in earnings resulted from increased material expenses associated with the implementation of the bank projects and the extension of support services as well as the expansion of the development team. The segment's EBIT fell by 20.9 % to € 3.3 million (previous year: € 4.2 million).

### Technology Solutions (TS)

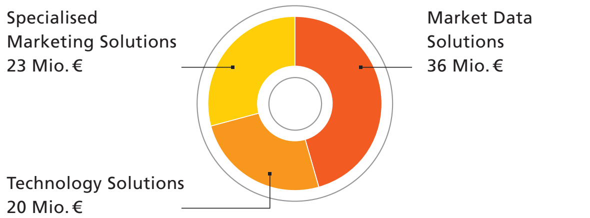
KEY FIGURES TS

| in € '000 | 2009 | 2008 |
|---|---|---|
| Sales | 19,888 | 15,980 |
| EBITDA | 2,599 | 1,895 |
| EBIT | 1,029 | 1,055 |

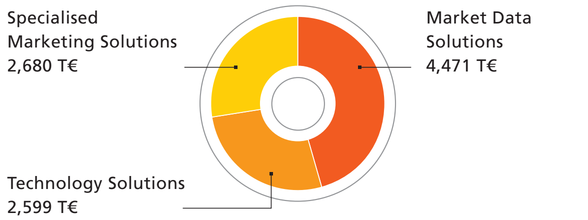
In the TS segment, the vwd group significantly boosted sales by 24.5 % to € 19.9 million (previous year: € 16.0 million). This increase was largely the result of the initial consolidation of vwd group Switzerland, whose services in the area of business-process outsourcing for portfolio management had a positive impact on sales. Furthermore, the cooperative banking project began to contribute to the segment's sales growth in mid-2009.

The segment's EBITDA rose by 37.2 % to € 2.6 million (previous year: € 1.9 million) and was thus significantly higher than sales. The increase resulted primarily from the initial consolidation of vwd group Switzerland. The segment's EBIT remains very positive despite a slight decrease of 2.5 % to € 1.0 million (previous year: € 1.1 million). A major reason for this development is depreciation, amortization and impairment of intangible assets totalling € 1.3 million identified during the purchase-price allocation for vwd group Switzerland and vwd group Netherlands B.V.

SALES BY SEGEMENT IN MILLION €




EBITDA BY SEGMENT IN THOUSAND €



### Specialised Marketing Solutions (SMS)

KEY FIGURES SMS

| in € '000 | 2009 | 2008 |
|---|---|---|
| Sales | 23,008 | 22,672 |
| EBITDA | 2,680 | 3,852 |
| EBIT | 1,483 | 3,052 |

The financial crisis had its biggest impact on the SMS segment. Sales did rise by 1.5 % to € 23.0 million as a result of the initial consolidation of the EDG Group (previous year: € 22.7 million). But the segment's EBITDA fel by 30.4 % to € 2.7 million (previous year: € 3.9 million). Sales generated particularly by the business with issuers of investment funds and certificates were much worse than was to be expected on the basis of experience from previous crises. The drop in the segment's earnings resulted from the dramatically changed market conditions for advertising-focused communication and publication services. The EDG Group that was consolidated as of May 8, 2009, had a positive impact on the sales and earnings of the SMS segment. Depreciation, amortization and impairment of intangible assets of € 288 thousand resulting from the purchase-price allocation for the EDG Group led to a 51.4 % drop in the segment's EBIT to € 1.5 million.

## FINANCIAL POSITION

### Financial management

Company financing has a high priority within the vwd group. The objective of financial management is to achieve a balance among the competing demands of profitability, liquidity, security and independence in terms of capital requirements and capital cover. Of particular importance is a balance between equity and debt. Financing is designed in such a way that an optimal balance between equity and debt-capital providers is assured. The capital employed in the company must generate a competitive return over the long run and earn the capital costs.

vwd places a high priority on solid growth financing. It gives equal ranking to achieving positive earnings and to continuously generating positive cash flows. In addition to liquidity planning, the solvency of vwd is assured by sufficient access to contractually arranged lines of credit. The company's financing and liquidity are analyzed and adjusted on the basis of continuous reviews and multi-year plans. The group's financial policies are based on long-standing, friendly business relationships with the credit institutes. This approach is designed to ensure that fresh capital can be quickly and efficiently obtained as a result of the good relationships with the banks.

### Financing

We meet our financing needs largely through stable cash inflows that we generate from our ongoing business activities. Due to our continously strong earnings position, we achieved a positive cash flow from our operating business activities totalling € 4.5 million (previous year: € 5.3 million) despite the drop in earnings recorded in fiscal year 2009.

We financed our stake in the EDG Group with a bank loan that was paid out to the vwd group at the end of 2008. The financing for the purchase of additional shares in vwd group Switzerland AG (formerly PortfolioNet AG) also came from bank loans and free cash flow. The borrowing of additional money increased long-term financial liabilities to € 10.5 million, versus € 9.3 million a year earlier. The loan agreements include covenants that require the vwd group to meet certain financial ratios and to take or desist from specific actions as well as customary rights of termination. The vwd group complied with all convents in the past fiscal year. As a result of the implementation of the company's growth strategy and increased financing volume, the gearing factor of the vwd group rose from 32.2 % to 44.2 %. One major reason for this increase being the liabilities of the put-option. In fiscal year 2009, a loan totalling € 645.9 thousand taken out in connection with the purchase of a piece of property and building was paid off ahead of schedule after the building was sold. Overall, noncurrent liabilities rose only slightly to € 18.5 million (previous year: € 18.2 million).

The vwd group can access operating lines of credit totalling € 12.9 million through its parent company, vwd AG. These lines of credit are partially used, subject to seasonal requirements, at the end of every fiscal year and are then cleared completely at the beginning of every fiscal year because of the very high liquidity flows. As of December 31, 2009, current financial short-term liabilities to banks totalled € 10.2 million (previous year: € 6.2 million). This increase resulted from the significantly lower utilization of existing operating lines of credit at the end of the previous year due to the early payout of the loan made to acquire shares in the EDG Group. As of January 31, 2010, the parent company's credit lines had been repaid in full, and a credit balance of € 4.7 million was posted.

At € 6.6 million (previous year: € 5.3 million), liabilities toward suppliers exceeded the total for 2008. The increase resulted from the expansion of the operating business, the complete takeover of vwd group Switzerland and the investment in the EDG Group. Other liabilities rose by € 4.1 million to € 11.9 million (previous year: € 7.8 million). This figure includes € 5.9 million for possible acquisition payments arising from the put option to obtain the remaining 49 % of shares in the EDG Group.

On the basis of new financial-mathematical calculations, the pension obligations of the vwd group have been reduced. This means that provisions for pensions and similar obligations totalling € 4.7 million (previous year: € 5.7 million) had to be created. Other provisions dropped to € 574 thousand (previous year: € 1.0 million). This resulted in particular from the dissolution of provisions for anticipated losses. Current provisions rose slightly to € 1.8 million (previous year: € 1.7 million). Current provisions were formed in anticipation of such actions as possible severance payments to employees, expected license fees and other provisions made within the context of normal business activities. As a result of the weak income situation and tax prepayments, tax liabilities fell by 63.7 % to € 673.6 thousand (previous year: € 1.9 million). Overall, current liabilities rose by 26.9 % to € 32.4 million (previous year: € 25.5 million).

Due to the company acquisitions carried out during the reporting year, particularly the treatment of the put option for EDG, the equity ratio fell from 41.2 % at the end of 2008 to 37.2 % as of December 31, 2009.

### CURRENT AND NONCURRENT LIABILITIES

| in € '000 | 2009 | 2008 |
|---|---|---|
| Financial liabilities | 20,709.2 | 15,424.1 |
| – thereof current | 10,181.5 | 6,160.0 |
| – thereof noncurrent | 10,527.7 | 9,264.1 |
| Trade payables | 6,591.9 | 5,344.2 |
| Advanced payments received | 1,093.9 | 2,616.9 |
| Tax liabilities | 673.6 | 1,854.5 |
| Other liabilities | 11,918.9 | 7,755.5 |
| Provisions | 7,109.5 | 8,382.8 |
| Miscellaneous | 2,785.5 | 2,359.3 |
| **Total** | **50,882.4** | **43,737.1** |

BALANCE-SHEET STRUCTURE

| in € '000 | 2009 | 2008 |
|---|---|---|
| Noncurrent assets | 63,683.9 | 55,804.2 |
| Current assets | 17,268.7 | 18,576.2 |
| **Total assets** | **80,952.6** | **74,380.4** |
| Equity and minority interests | 30,070.2 | 30,643.3 |
| Noncurrent liabilities | 18,521.1 | 18,226.7 |
| Current liabilities | 32,361.3 | 25,510.4 |
| **Total liabilities** | **80,952.6** | **74,380.4** |

## ASSET POSITION

Through the expansion of the operating business and the acquisitions made in 2009, the group's total assets rose by 8.8 % to € 81.0 million (previous year: € 74.4 million).

Acquisitions and share increases are reported in the balance-sheet item "other intangible assets" and "goodwill." On an individual basis, the acquisition of the EDG Group, at € 9.1 million, and the acquisition of the remaining 60 % of shares in vwd group Switzerland, at € 755.7 thousand, contributed to the increase of goodwill to € 46.5 million (previous year: € 36.6 million). Other intangible assets remained constant at € 10.8 million. During the fiscal year, the vwd group sold securities resulting from the take-over of vwd group Switzerland AG. As a result, other financial assets fell to € 427.3 thousand (previous year: € 900.7 thousand).

Total investments by the vwd group (excluding acquisitions and share increases) totalled € 4.5 million in 2009 (previous year: € 4.2 million). The investments were made to replace network technology, PCs and data-backup systems as well as office equipment and software solutions.

Noncurrent assets climbed by 14.1 % to € 63.7 million (previous year: € 55.8 million).

The acquisitions made in 2009 were financed through both bank loans and cash flow, leading to a decrease in cash and cash equivalents at year's end. As of December 31, 2009, cash and cash equivalents totalled € 9.3 million, 12.6 % percent below the level of the previous year (€ 10.6 million).

Lower receivables and changes in the recording of receivables at the end of the year led to an 18.1 % reduction in trade receivables to € 4.7 million (previous year: € 5.8 million).

Overall, current assets fell by 7.0 % to € 17.3 million (previous year: € 18.6 million).

## STATEMENT REGARDING THE GROUP'S CURRENT BUSINESS POSITION

The vwd group successfully managed the major challenges of fiscal year 2009. In a contracting economy battling the repercussions of a severe financial crisis, we were able to exploit business-expanding opportunities. The drop in earnings was primarily caused by changed market conditions and the reduction of financial-investment products being offered, trends that the vwd group could not escape from. Overall, the group's sales and earnings performance was in line with our expectations.

From the perspective available at the time that this management report was prepared in February 2010, the business situation of the vwd group had not changed markedly since 2009. Detailed information about the asset and financial position of the vwd group is contained in the notes to this report.

# Why do we need more transparency?

The more responsibility the business community assumes in dealings with consumers who generally need assistance in financial matters, the less government will have to.

ILSE AIGNER, GERMAN CONSUMER MINISTER

# Compensation Report

The compensation report details the basis of compensation for the Management Board and Supervisory Board of vwd AG as well as its structure and the amount. The remuneration system of vwd AG contains various compensation components for members of the Management Board and Supervisory Board.

## COMPENSATION OF THE MANAGEMENT BOARD

The remuneration of the Management Board at vwd AG is based on company size and company success. The current remuneration system ensures that members of the Management Board receive compensation that reflects their standing and responsibility. The overall structure of Management Board remuneration is determined by the Supervisory Board. The Management Board receives performance-based compensation consisting of a fixed base salary unrelated to company success and a performance-based variable component. Members of the Management Board also receive remuneration in kind as well as other benefits.

The vwd AG articles of association include the possibility of providing stock options to serve as a long-term incentive. In the past, option rights were issued only occasionally. The current remuneration system no longer includes this form of compensation. The criteria governing the appropriateness of remuneration for the Management Board are primarily each member's personal performance as well as the business and economic situation and the company's future opportunities. A commitment to provide remuneration in the event of the premature end to service on the Management Board as a result of a change of control is not regulated in the employment contracts of Management Board members.

The variable remuneration is linked to the obtainment of EBITDA minus minority interests per share (EBITDA/share) at the vwd group under IFRS. The variable-remuneration component is restricted by the setting of specific targets and upper limits. The use of these key figures ensures that the management bonus as a performance incentive remains in line with the management control figures used at the company.

The remuneration of Management Board members also includes a commitment to a one-time pension payment as well as allowances for private pension provisions. As remuneration in kind, each Management Board member receives a company car that reflects his or her standing in the company or compensation when the member's own personal car is used. In addition, every member is covered by an accident-insurance policy obtained from the vwd employee group insurance program during his or her period of service with the company. The company has also taken out D&O insurance for each member of the Management Board.

The members of the Management Board receive no compensation for the work they do at subsidiaries. No loans have been issued to members of the Management Board by vwd AG and group subsidiaries.

Details of the Management Board remuneration in fiscal year 2009 are listed individually in the following table.

In fiscal year 2009, the bonuses for all members of the Management Board fell by a total of about 28.9 %.

### COMPENSATION OF THE MANAGEMENT BOARD OF VWD AG FOR FISCAL YEAR 2009

in € '000

| | Base salary | | Bonus | | Fringe benefits | | Total | | Additions to pension provisions | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** |
| Edmund J. Keferstein | 300.0 | 300.0 | 124.1 | 163.0 | 29.8 | 29.8 | 453.9 | 492.8 | 8.4 | –3.1 |
| Spencer Bosse | 250.0 | 250.0 | 93.1 | 136.7 | 29.4 | 29.4 | 372.5 | 416.1 | 11.4 | –2.8 |
| Joachim Lauterbach | 250.0 | 230.0 | 93.1 | 136.7 | 18.1 | 18.1 | 361.2 | 384.8 | 5.5 | 3.2 |
| **Total** | **800.0** | **780.0** | **310.3** | **436.4** | **77.3** | **77.3** | **1,187.6** | **1,293.7** | **25.3** | **–2.7** |

### COMPENSATION OF THE SUPERVISORY BOARD

Remuneration of the Supervisory Board is determined by the Annual General Meeting and is governed by § 12 of the articles of association. In light of the neutral nature of their work and their lack of involvement in the operational business, the members of the Supervisory Board receive no performance-based compensation.

Every member of the Supervisory Board receives an annual salary of € 15,000.00. The chairman of the Supervisory Board receives twice this amount, and the vice chairman of the Supervisory Board receives 1.5 times this amount. In addition, each member of the Supervisory Board receives a payment of € 1,500 for each meeting that he or she attends. No loans have been issued to the members of the Supervisory Board.

The remuneration received by the Supervisory Board of vwd AG for fiscal year 2009 is shown on the following table:

COMPENSATION OF THE SUPERVISORY BOARD OF VWD AG FOR FISCAL YEAR 2009

| in € | Annual salary | Meeting compensation | Total 2009 | Total 2008 |
|---|---|---|---|---|
| Klaus Nieding, Chairman | 30,000 | 9,000 | 39,000 | 36,000 |
| Pieter van Halem, Vice Chairman | 22,500 | 9,000 | 31,500 | 28,500 |
| Dr. Rainer Marquart (as of May 7, 2009) | 9,708 | 6,000 | 15,708 | 0 |
| Norbert Schwerber (until May 7, 2009) | 5,292 | 3,000 | 8,292 | 21,000 |
| **Total** | **67,500** | **27,000** | **94,500** | **85,500** |

# Risk Report

### THE APPROACH TO RISKS

The implementation of the company's strategy is closely linked to the approach with risks. The risk policies of the vwd group are designed to secure the company's continuation as an ongoing concern and to increase the company's value. This requires the constant weighing of opportunities and risks. Clearly, manageable risks are taken in those areas where the company possesses a core expertises and income can be expected to be generated from these risks. Risks in other areas are avoided to the greatest extent possible.

### RISK MANAGEMENT SYSTEM

To ensure that the company takes only those risks that it can manage, the Management Board has introduced a risk management system. This risk management system allows the early recognition of unreasonable risks and their impact on the organization as well as the initiation of appropriate steps that make it possible to avoid the risks or reduce them to an acceptable level. Here, the vwd group uses  various controls and control systems. A special role play the company's processes and key indicators of the internal reporting system.

### MARKET ENVIRONMENT AND SECTOR RISKS

**Company-strategy risks**
The vwd group intends to further strengthen its market position in Europe through targeted acquisitions and to extend its business segments horizontally and/or vertically. Principally, the acquisition of a company and its integration represent a business risk. Company acquisitions at the vwd group are carried out on the basis of a predefined process. Risks arising from a company's integration into the group are closely monitored. Hereby, risks can also arise in connection with the integration of employees, processes, technologies and products.

**Legal risks**
Within its operational business, the vwd group is only to a limited extent involved in litigation. No lawsuits were filed against the company in 2009.

**Personnel risks**
In 2009, the vwd group recruited many new employees who have a wide range of expertise because many specialists were available as a result of the general economic situation. This creates additional flexibility that will enable the vwd group to react on a short-term basis to new

demands that may arise from a market that continues to consolidate and the company's strategic direction. The loss of know-how resulting from the departure of individual employees is very limited because this know-how is firmly anchored in the company.

**Information technology risks**
During the past fiscal year, the vwd group substantially expanded its measures and systems regarding information and data security. In the process, it reduced the IT risks arising from business processes between group companies and customers, suppliers and other business partners.

**Liability risks**
In instances where the vwd group is unable to contractually eliminate liability for defective software, customers could demand that the vwd group pay damages. In cases of malfunctions, the vwd group could also be required to make improvements at its own expense to the software that it produced. In individual cases, this may involve considerable investments of time and financial resources. Moreover, in certain circumstances, third parties may file claims pertaining to the accuracy of the financial-market information supplied through the company's systems. Although the vwd group generally procures financial-market information from a third party and excludes liability for data procured from a third party, the company nonetheless cannot rule out the possibility that in individual cases claims may be filed against the company regarding the accuracy of the information provided in which it has no recourse to the supplier of the information. In order to minimize these risks, the company has taken out appropriate insurance policies.

## FINANCIAL RISKS

In fiscal year 2009, the vwd group conducted no derivative finance businesses. The financial risks arising from financial instruments lie within the realm of the normal course of doing business (IAS 39.9).

**Currency risks**
Currency risks are created especially in those areas where receivables, debt, cash and cash equivalents and planned transactions are conducted or could be conducted in a different currency from the local one of the vwd group. The foreign-exchange risk of the vwd group is limited to the Swiss franc. Business is conducted in U.S. dollars only in exceptional cases. The resulting risks are negligible.

**Interest-rate risks**
The non current liabilities have variable interest rates that fell by more than two-thirds during the fiscal year. The vwd group has taken advantage from decreasing interest rates during this past fiscal year. The relevant indexes are continuously monitored, and the company may opt to fix interest rates at a favourable level upon signs of a sustained trend reversal.

**Liquidity risk**
To ensure unlimited solvency, the company must have sufficient liquidity available at all times. The management and monitoring of liquidity developments are performed by treasury management, an area overseen by the CFO. The group's subsidiaries are monitored in this process as well. No liquidity risk can be determined at the vwd group. In 2009, existing loans were reduced to the planned extent. The lines of credit are generally utilized seasonally, with utilization limited to a middle percentage share of existing credit lines.

**Price risks**
As part of information about market risks, IFRS 7 requires statements to be made about the impact that hypothetical changes in risk variables could have on the prices of financial instruments. Risk variables are particularly stock prices or indexes. As of December 31, 2009, the vwd group included no company that was categorized as held for sale.

**Counterparty risks**
Counterparty risks are risks arising from a financial loss created by non payment or a reduced credit rating among customers. This risk is addressed through a meticulous credit check and prepayment agreements with customers. The company also conducts strict receivables management, which monitors the prompt payment of our customer receivables.

**Country risk**
Country risk describes the risk that receivables from cross-border business and/or business in foreign currencies cannot be collected or cannot be collected on time as a result of political or economic related sovereign actions. This also includes transfer and conversion risks. Such risks do not exist in the area where the vwd group does business.

**Market risk**
The vwd group can purchase stock-price information for its customers from data providers or can be directly linked to stock exchanges. The vwd group prefers the direct-link strategy to gain more independence and to reduce the risk on the procurement market.

### GENERAL RISK POSITION

A wide variety of economic signals are being seen for fiscal year 2010. The financial position of individual banks and countries can trigger negative events around the world. Furthermore, the full impact of declining government revenues is not yet known. One possible result is that a spiral of falling stock prices and reduced credit ratings could be triggered and cause liquidity problems among the customers of the vwd group.

Should the economy move sideways for an extended period of time as forecast by some economic research institutions, some customers in the financial industry or publishing sector could be forced to rethink their business models and drop the services of the vwd group or to extensively reduce their use of them as a result of this action.

The risk faced by companies in the financial sector has risen compared with previous years and with this the risk of all companies who serve as suppliers. Thanks to its broad product range and its business model, the vwd group is only partially exposed to this risk so that potential negative trends in one area could be offset by positive developments in another area. The vwd group sees no risk that could endanger its ability to continue as a going concern.

# Additional Information

**Takeover-related disclosures pursuant to § 315, Paragraph 4 of the German Commercial Code**

The following information is required under takeover law pursuant to § 315, Paragraph 4 of the German Commercial Code.

- Composition of subscribed capital: vwd AG has share capital of € 25,754,577. It is divided into 25,754,577 no-par value bearer shares, each representing a notional interest in the share capital of € 1.00. The share capital has been fully paid in. Shares with special privileges granting controlling powers do not exist. Each share grants the same rights and counts for one vote at the annual general meeting.

- Shareholders with blocks of shares exceeding 10 % of share capital: There are three direct investments in the company that exceed 10 % of voting rights each. On the basis of the voting-rights disclosure provided to us and under consideration of the last capital increase, 36.7 % of voting rights are held by CornerstoneCapital Beteiligungen GmbH and 36.5 % by DAH Beteiligungs GmbH. A total of 15.1 % of voting rights is held by the Chairman of the Management Board, Mr. Edmund J. Keferstein, in part indirectly through EJK Investment und Beteiligungs GmbH & Co. KG that he controls.

- vwd AG holds 1,000 shares of its own stock. In accordance with § 71b of the German Stock Corporation Act, vwd AG is entitled to no rights resulting from these shares. An additional 9,398,196 shares are subject to a loss of rights pursuant to § 28 in conjunction with § 21 Paragraph 1 of the German Securities Trading Act.

- Appointment of Management Board members and amendments to the articles of association: The Supervisory Board appoints the Management Board members. Special rules governing the dismissal of the Management Board are not contained in the articles of association. The articles of association may be amended on the basis of legal regulations. The Supervisory Board is authorized to make amendments to the articles of association that apply only to formulation.

- Management Board authorization to issue and buy back shares: The annual general meeting of May 7, 2009, with the consent of the Supervisory Board, authorized the Management Board of vwd AG to raise the share capital by up to € 3,026,021.00 by issuing up to 3,026,021 new bearer shares until the end of the fifth year after registration of the amendments to the articles of association in the trade register (May 15, 2009) against cash capital contributions and/or non-cash capital contributions in one or several tranches, whereby shareholders' subscription rights may be excluded (authorized capital 2009).

- A resolution approved by the regular annual general meeting of September 12, 2007, authorized the Management Board of vwd AG to increase the company's share capital up to € 9,851,267 in one or more tranches on or before September 11, 2012, by issuing 9,851,267 new no-par value bearer shares in exchange for cash or non-cash contributions with the approval of the Supervisory Board. Subscription rights of existing stockholders can be excluded (authorized capital II).

- Pursuant to § 4 Paragraph 5 of the articles of association, the company's share capital is raised by a contingent capital increase up to a nominal € 220,000.00 through the issue of up to 220,000 new no-par value bearer shares. The contingent capital increase serves the redemption of stock options that the annual general meeting of May 10, 1999, decided to issue. The contingent capital increase is executed only insofar as the holders of stock options exercise their option rights.

- Through a decision made by the regular annual general meeting on May 7, 2009, the company was authorized to acquire stock in the company totalling up to 10 % of its capital stock on or before November 6, 2010. The authorization is subject to the approval of the Supervisory Board and can be exercised either partially or fully.

- Significant conditional agreements entered into by the company: If one or more legal entities together or one natural person acquires more than 50 % of vwd AG's capital, the existing permanent and seasonal operating lines of credit as well as buyer loans obtained from various banks may be terminated without notice. This provision also applies to the multi-year partnership agreement with DZ BANK.

**Disclosures related to the internal control and risk management system in terms of the accounting process pursuant to § 315 Paragraph 2 No. 5 of the German Commercial Code**

According to the preamble of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetzes), the internal control system encompasses the principles, processes and measures designed to ensure the effectiveness and efficiency of accounting, to ensure the correctness of accounting and to ensure compliance with applicable legal regulations. This also involves the activities of internal auditing, to the extent that they apply to accounting.

Like the internal control system itself, the accounting-related risk management system , which is part of the internal control system, comprises accounting-related control and monitoring processes, which particularly concern items of the financial statements pursuant to German commercial law that relate to the company's risk hedging.

**1. The fundamental features of the internal control and risk management system in terms of the accounting process**

The fundamental features of the internal control and risk management system used at the vwd group in terms of the (group) accounting process can be described in the following manner:

- The vwd group has a clear management and company structure.

- The functions of the affected areas in finance and accounting in terms of the accounting process as well as controlling are separated from one another. The areas of responsibility are clearly assigned.

- The finance systems in use are protected from unauthorized access through security measures applied in the data-processing area.

- Standard software is used to the greatest extent possible in the finance system.

- An adequate internal guideline oversight system (e.g., accounting regulations, travel-expense rules, etc.) has been established and is continuously modified.

- In terms of personnel, the departments and areas involved in the accounting process are well-staffed. The employees receive regular professional-development training.

- Bookkeeping data that are received or passed on are continuously checked to determine their completeness and accuracy. The four-eye principle is regularly employed in all accounting-relevant processes.

**2. Statement on the fundamental characteristics of the internal control and risk management system in terms of the accounting process**

The internal control and risk management system in terms of the accounting process, whose key features are described above, ensures that company information is always accurately reported, processed and recognized in connection with the company's balance sheet. The hiring of qualified personnel, the use of appropriate software and clear legal and company guidelines form the basis for a correct, uniform and continuous accounting process, in which mistakes are largely avoided and discovered if they do occur. The clear lines of responsibility and various control and checking mechanisms that were described above (particularly the plausibility checks and the four-eye principle) ensure accurate, responsible accounting. On an individual basis, this assures that business actions are reported, processed and documented in accordance with legal regulations, the principles of correct bookkeeping, international accounting standards as well as internal guidelines. Furthermore, this ensures that they are promptly and accurately recorded. At the same time, it can be assured that assets and debt in the financial statements and consolidated financial statements are uniformly and accurately recorded and evaluated throughout the group as well as that correct, reliable information is made available to interested parties.

# Supplementary Report

Mr. Joachim Lauterbach, the member of the Management Board responsible for sales at vwd AG, left the company on January 31, 2010. The responsibilities assumed by Mr. Lauterbach were transferred to the Chairman of the Management Board of vwd AG, Mr. Edmund J. Keferstein.

On February 11, 2010, vwd AG received voting-rights announcements from Hopp Beteiligungsgesellschaft mbH & Co. KG and Hopp Verwaltungs-GmbH pursuant to § 21 Paragraph 1 of the German Securities Trading Act. These statements were announced on February 16, 2010, by vwd AG pursuant to § 26 Paragraph 1 of the act.

On March 3, 2010, vwd AG received a voting-rights announcement from Mr. Daniel Hopp pursuant to § 21 Paragraph 1 of the German Securities Trading Act. This statement was announced on March 4, 2010, by vwd AG pursuant to § 26 Paragraph.1 of the act.

# Opportunities and Forecast Report

## MACROECONOMIC TRENDS

The economic challenges facing Germany, Europe and the rest of the world will remain considerable in 2010. Nonetheless, global economies have been able to bear the brunt of the worst economic downturn in the post-war era. The plunge experienced last year is indeed over, and signs are pointing toward recovery. Financial markets are trending upward again as well. But there will be no strong growth spurt in 2010, and the economic recovery will be one of small steps. Experts agree on one point: The recovery will be arduous and require patience.

Investors have already prepared for a turbulent year of 2010. It may be one of quite high volatility. The future of the global economy will be the key to future trends in interest rates, stock prices, exchange rates and the cost of raw materials. For spring, only a moderate rise in economic growth is expected. For the entire year of 2010, forecasts for the gross domestic product (GDP) in Germany range from 1.2 % to a maximum of 2.5 %. Nonetheless, the EU Commission assumes that Germany will be the "economic locomotive" in Europe for 2010 and expects German GDP to rise by 1.2 %. But for the entire European Union, economic growth is expected to be only 0.7 %.

Last year, many demands for regulating the financial industry were heard, but they have led to few concrete results. While some people have warned of overregulation of financial markets, suggestions like those urging that investors receive a consumer leaflet similar to the ones contained in medications has gained support in Germany. For instance, the association for the European investment management industry backs its introduction and points to the need for comparable rules for all financial products. Rating agencies in Germany must also expect to face stiff fines if they violate new EU rules. In the United States, President Barack Obama is planning the biggest reform of stock-market and bank oversight since the 1930s.

## OPPORTUNITIES REPORT

The product portfolio of the vwd group optimally meets the present and future needs of the sector of financial-market information. Thanks to our strong position in the German-speaking region and our progressive European expansion, we think we have good opportunities to gain additional market share in future years. The vwd group works to recognize and take advantage of new opportunities in the sub-markets it has defined. Opportunities that arise from the operational business will be directly used by the company's individual business segments.

Despite the continuing economic and financial crisis, the vwd group has identified midrange growth opportunities. We see important trends from which we will profit in the future. As a full-service provider with a business model that can be applied across Europe, we employ a coherent approach to business, one that will enable us to generate exceptional economies of scale in the future. Using its companies in Belgium, the Netherlands and Switzerland, the vwd group will increasingly market its company products locally and tap cross-selling potential.

We see exceptional opportunities for the business segments MDS und TS that will arise from continuing pressure on banks to optimize their cost structures. In specific terms, we expect substitution effects in the area of market-data provision among banks. In this area, we see the possibility of being able to replace the expensive products of our competitors with our high-end market-data solutions. Furthermore, the vwd group can use its outsourcing services to help banks increase efficiency. We expect to have significant opportunities for growth here.

Business-process outsourcing in the area of portfolio management also offers new potential. Thanks to our new group company PC&S Portfolio Consulting & Services AG in Switzerland, we have gained solid know-how in this area, and we intend to market this know-how in the near future in Germany.

We believe that the continuing calls for strengthened consumer protection and an increasing liability problem in investment advising will create a new trend in retail banking. We also assume that we can draw on our experience in retail banking to help with the introduction of new rules, ensuring that this process is carried out quickly and cost efficiently. At the moment, the company is busy developing tools that will create the standardization and, as a result, the necessary transparency for the investment process. With its approach on the dynamic risk and risk classification of financial-market projects, the vwd group can assure more security in the investment process. In the future, we will be able to supply investment advisers in banks with our own supporting financial-market information through our direct touch points. In taking this step, we will create the foundation for new sustainable growth in retail banking.

By expanding our publication and communication services for additional financial products, the company will also strengthen its SMS business segment. But this area is being confronted by extremely negative developments because the number of remaining products has fallen and many market players are cutting back their communication and marketing activities. As a result of the subscriber model, these negative factors from 2009 will continue to linger in 2010.

With our decades-long presence in the market for financial-market information and the high name recognition of the vwd brand, the company has gained a leading market position. The group may not be able to act as a global partner yet. But we are that much more of a European and regional specialist in the markets we serve. Here, the company intends to test and take advantage of all opportunities.

## OUTLOOK – STATEMENT ON PROBABLE DEVELOPEMENTS

Given the macroeconomic situation, we expect 2010 to be another very difficult year. The weak economic outlook does not give rise to hopes for any sustainable improvement in relevant sales markets. This is particularly true for the company's marketing and communication services. Even if a bottom may have been reached in this area in 2009, future demand continues to be characterized by uncertainties that are difficult to foresee.

A major part of the company's efforts will be directed at tapping synergy potential created by the acquisition of new investments. Lower costs are expected to be achieved in information procurement and operating costs. For fiscal year 2010, the vwd group does believe that it is well positioned, but expects that the overall growth opportunities of the three business segments will be limited. This applies to both sales and earnings.

On the basis of an improved macroeconomic situation, we expect to have much more room for growth in fiscal year 2011. The vwd group believes it is extremely well positioned for the period that follows the economic crisis.

## RESERVATIONS REGARDING FUTURE-ORIENTED STATEMENTS

The management report contains future-oriented statements that reflect the current opinions, expectations and assumptions of the vwd group and are based on information available to the company at the time the management report was compiled. Future-oriented statements offer no guarantee that future results or developments will actually arise and are therefore subject to risks and uncertainty of outcome. The future results and developments of the vwd group can deviate considerably from the expectations and assumptions formulated in this document because of a number of factors. Changes in the general economic situation, new regulatory parameters, the competitive situation and the development of the financial markets in particular may have an effect.

Frankfurt/Main, March 4, 2010

**EDMUND J. KEFERSTEIN**
Chairman of the
Management Board

**SPENCER BOSSE**
Member of the
Management Board

# Financial Statements 2009

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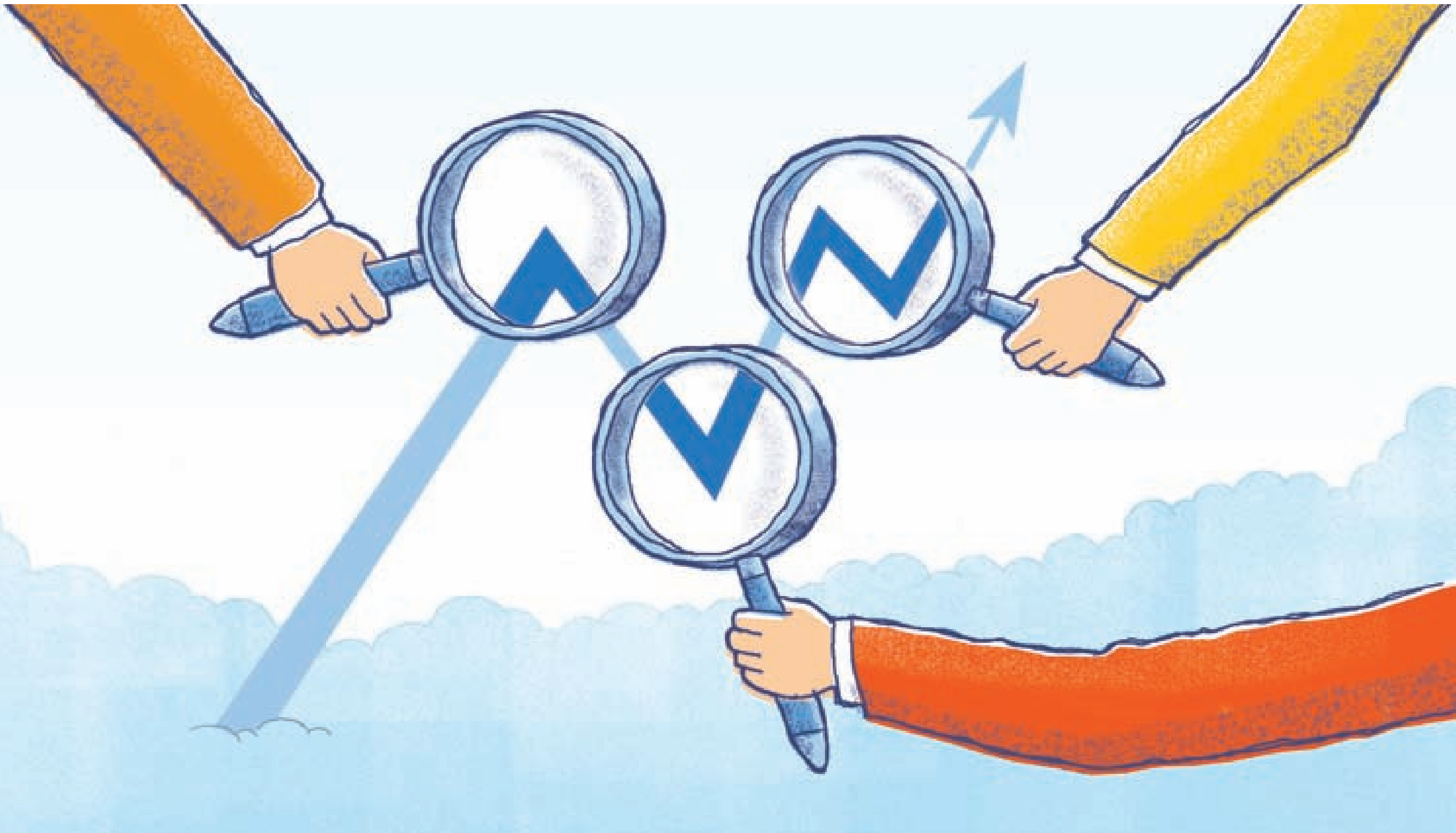

# Consolidated Balance Sheet

## AS OF DECEMBER 31, 2009

### ASSETS

| in € '000 | notes | | 2009 | | 2008 |
|---|---|---|---|---|---|
| **A. Noncurrent assets** | | | | | |
| I. Intangible assets | 5. | | | | |
| 1. Development costs | | 437.3 | | 151.1 | |
| 2. Other intangible assets | | 10,777.2 | | 10,845.5 | |
| 3. Goodwill | | 46,501.4 | | 36,646.9 | |
| | | | **57,715.9** | | **47,643.5** |
| | | | | | |
| II. Tangible assets | 6. | | | | |
| 1. Land and buildings on third-party land | | 385.7 | | 1,524.6 | |
| 2. Technical equipment and machinery | | 3,289.5 | | 3,473.3 | |
| 3. Other equipment, operating and office equipment | | 880.7 | | 851.4 | |
| | | | **4,555.9** | | **5,849.3** |
| | | | | | |
| III. Investment property | 7. | | 0.0 | | 534.8 |
| IV. Other financial assets | 8. | | 427.3 | | 900.7 |
| V. Deferred tax assets | 32. | | 984.8 | | 875.9 |
| | | | **63,683.9** | | **55,804.2** |
| **B. Current assets** | | | | | |
| I. Inventories | 9. | | 32.1 | | 34.4 |
| II. Trade receivables | 10. | | 4,749.7 | | 5,796.7 |
| III. Orders with an asset-side balance | 11. | | 239.8 | | 80.0 |
| IV. Other receivables | 12. | | 2,954.0 | | 2,032.9 |
| V. Cash and cash equivalents | | | 9,293.1 | | 10,632.2 |
| | | | **17,268.7** | | **18,576.2** |
| | | | **80,952.6** | | **74,380.4** |

## LIABILITIES

| in € '000 | notes | 2009 | 2008 |
|---|---|---|---|
| **A. Equity** | 13. | | |
| I. Subscribed capital | | 25,754.6 | 25,754.6 |
| II. Capital reserves | | – 13,375.8 | – 13,375.8 |
| III. Profit carried forward including retained earnings | | 12,745.7 | 9,321.0 |
| IV. Cumulative result | | 538.4 | – 852.9 |
| V. Group net income | | 2,512.7 | 3,424.7 |
| | | **28,175.6** | **24,271.6** |
| VI. Minority interests | | 1,894.6 | 6,371.7 |
| | | **30,070.2** | **30,643.3** |
| **B. Noncurrent liabilities** | | | |
| 1. Provisions for pensions and similar commitments | 14. | 4,702.5 | 5,681.4 |
| 2. Long-term provisions | 15. | 573.5 | 1,008.6 |
| 3. Financial liabilities | 16. | 10,527.7 | 9,264.1 |
| 4. Deferred tax liabilities | 32. | 2,717.5 | 2,272.7 |
| | | **18,521.1** | **18,226.7** |
| **C. Current liabilities** | | | |
| I. Other current provisions | 17. | 1,833.5 | 1,692.8 |
| II. Financial liabilities | 16. | 10,181.5 | 6,160.0 |
| III. Trade payables | 18. | 6,591.9 | 5,344.2 |
| IV. Obligations from production orders | 11. | 68.0 | 86.6 |
| V. Advance payments received | 19. | 1,093.9 | 2,616.9 |
| VI. Tax liabilities | 20. | 673.6 | 1,854.5 |
| VII. Other liabilities | 21. | 11,918.9 | 7,755.5 |
| | | **32,361.3** | **25,510.4** |
| | | **80,952.6** | **74,380.4** |

# Consolidated Income Statement

## FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2009

| in € '000 | notes | 2009 | 2008 |
|---|---|---|---|
| 1. Sales | 24. | 79,232.5 | 73,357.3 |
| 2. Change in inventory | | – 5.0 | 0.0 |
| 3. Other internally produced and capitalized assets | 25. | 315.1 | 151.1 |
| 4. Other operating income | 26. | 2,856.0 | 2,232.5 |
| 5. Cost of materials | 27. | 27,208.5 | 24,317.5 |
| 6. Personnel expenses | 28. | 31,988.7 | 27,248.7 |
| 7. Other operating expenses | 29. | 13,451.3 | 13,282.4 |
| **EBITDA** | | **9,750.1** | **10,892.3** |
| | | | |
| 8. Amortization, depreciation and impairment of intangible and tangible assets and investment property | 30. | 3,943.5 | 2,616.2 |
| **EBIT** | | **5,806.6** | **8,276.1** |
| | | | |
| 9. Other interest and similar income | | 45.8 | 201.1 |
| 10. Depreciation of financial assets and securities | | 11.0 | 0.0 |
| 11. Interest and similar expenses | | 648.6 | 865.3 |
| 12. Interest and similar expenses in context of the put option | | 303.8 | 0.0 |
| **Financial result** | 31. | **– 917.6** | **– 664.2** |
| | | | |
| **13. Result from ordinary operations** | | **4,889.0** | **7,611.7** |
| 14. Income taxes | | 2,045.4 | 2,649.7 |
| 15. Deferred taxes | | – 324.5 | 511.7 |
| 16. Others taxes | | 42.8 | 10.8 |
| **Tax result** | 32. | **1,763.7** | **3,172.2** |
| | | | |
| **17. Result** | | **3,125.3** | **4,439.5** |
| thereof allocable to other shareholders | 33. | 612.6 | 1,014.7 |
| thereof allocable to other shareholders | | 2,512.7 | 3,424.7 |
| | | | |
| **18. Earnings per share in €** | | | |
| undiluted | 34. | 0.098 | 0.139 |
| diluted | | 0.098 | 0.139 |

# Consolidated Cash Flow Statement

## FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2009

| in € '000 | 2009 | 2008 |
|---|---|---|
| Net income | 3,125.4 | 4,439.5 |
| Depreciation, amortization and impairment of tangible and intangible assets (+) | 3,967.5 | 2,616.2 |
| Depreciation, amortization and impairment of other financial assets | 11.0 | 0.0 |
| Change in pension provisions (increase + / decrease –) | – 978.9 | 1,310.4 |
| Gains (–) / losses (+) from the disposal of assets | 134.9 | 27.6 |
| **Gross cash flow** | **6,259.9** | **8,393.8** |
| | | |
| Increase (–) / decrease (+) in inventories | 7.3 | 7.3 |
| Increase (–) / decrease (+) in trade receivables | 1,509.7 | 79.7 |
| Increase (–) / decrease (+) in trade payables | 1,152.0 | – 2,011.4 |
| Change in other net assets / other noncash items (– / +) | – 4,423.5 | – 1,154.1 |
| **Net cash generated from operating activities (net cash flow)** | **4,505.4** | **5,315.3** |
| | | |
| Payments for tangible and intangible assets (–) | – 2,153.5 | – 4,015.0 |
| Payments for development costs (–) | – 315.2 | – 151.1 |
| Payments for financial assets (–) | – 10.8 | – 27.8 |
| Change in assets from currency translation | – 5.2 | – 9.6 |
| Proceeds from the disposal of tangible and other assets (+) | 2,646.7 | 0.0 |
| Payments for changes in consolidation group (–) | – 5,341.3 | – 9,401.7 |
| **Net cash generated from investing activities (total)** | **– 5,179.3** | **– 13,605.3** |
| | | |
| Payments for the repayment of liabilities to minority shareholders (–) | – 5,404.6 | – 310.0 |
| Payments to miniority shareholders (–) | – 1,000.7 | – 567.3 |
| Payments to shareholders of vwd GmbH (–) (dividend payments) | 0.0 | 0.0 |
| Payments in connection with the increase in capital | 0.0 | – 32.7 |
| Payments to service debt (+) | 4,000.0 | 11,100.0 |
| Payments for servicing financial liabilities | – 2,736.4 | – 565.9 |
| **Net cash generated from financing activities (total)** | **– 5,141.7** | **9,624.1** |
| Change in equity from currency translation | 0.0 | 0.0 |
| | | |
| **Net change in cash and cash equivalents (total)** | **– 5,815.6** | **1,334.1** |
| Cash and cash equivalents on January 1 | 6,578.3 | 367.1 |
| Changes in consolidation group | 455.0 | 4,877.2 |
| **Cash and cash equivalents on December 31** | **1,217.7** | **6,578.3** |

# Consolidated Statement of Changes in Equity*

## EQUITY OF SHAREHOLDERS OF THE PARENT COMPANY

| in € '000 | Paid-up capital | | Generated consolidated equity | | | |
|---|---|---|---|---|---|---|
| | Subscribed capital | Capital reserves | Earnings reserves including retained earnings | Treasury stock | Total earnings reserves | Consolidated net income |
| **Balance as of December 31, 2007** | **24,624.6** | **– 17,670.1** | **7,795.3** | **– 4.5** | **7,790.8** | **1,520.2** |
| Retroactive adjustments | | | 10.0 | | 10.0 | |
| **Balance as of January 1, 2008** | **24,624.6** | **– 17,670.1** | **7,805.3** | **– 4.5** | **7,800.8** | **1,520.2** |
| Other | | | | | | |
| Profit carried forward | | | 1,520.2 | | 1,520.2 | – 1,520.2 |
| Dividend payments | | | | | | |
| Increase in capital | 1,130.0 | 4,294.3 | – 0.5 | 0.5 | 0.0 | |
| Acquisition of minority interests | | | | | | |
| **Recognized income and earnings** | | | | | | **3,424.7** |
| **Balance as of December 31, 2008** | **25,754.6** | **– 13,375.8** | **9,325.0** | **– 4.0** | **9,321.0** | **3,424.7** |
| | | | | | | |
| **Balance as of January 1, 2009** | **25,754.6** | **– 13,375.8** | **9,325.0** | **– 4.0** | **9,321.0** | **3,424.7** |
| Profit carried forward | | | 3,424.7 | | 3,424.7 | – 3,424.7 |
| Dividend payments | | | | | | |
| Acquisition of minority/new interests | | | | | | |
| **Recognized income and earnings** | | | | | | **2,512.7** |
| **Balance as of December 31, 2009** | **25,754.6** | **– 13,375.8** | **12,749.7** | **– 4.0** | **12,745.7** | **2,512.7** |

* Presentation adjusted due to initial adoption of new IFRS

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| | Cumulative other net income | | | | Total | | |
|---|---|---|---|---|---|---|---|
| | Currency translation of foreign subsidiaries | Actuarial gains / losses | Deferred taxes | Total cumulative other net income | Equity allocable to shareholders of vwd group | Minority interests | **Total consolidated equity** |
| | **– 32.4** | **460.5** | **– 146.9** | **281.2** | **16,546.7** | **2,849.0** | **19,395.7** |
| | – 31.8 | – 159.7 | | – 191.5 | – 181.5 | 0.0 | – 181.5 |
| | **– 64.2** | **300.8** | **– 146.9** | **89.7** | **16,365.2** | **2,849.0** | **19,214.2** |
| | | | | | | – 35.9 | – 35.9 |
| | | | | | 0.0 | 0.0 | 0.0 |
| | | | | | 0.0 | – 567.3 | – 567.3 |
| | | | | | 5,424.3 | | 5,424.3 |
| | | | | | 0.0 | 3,111.2 | 3,111.2 |
| | **86.1** | **– 908.3** | **– 120.4** | **– 942.6** | **2,482.1** | **1,014.7** | **3,496.8** |
| | **21.9** | **– 607.5** | **– 267.3** | **– 852.9** | **24,271.6** | **6,371.7** | **30,643.3** |
| | | | | | | | |
| | **21.9** | **– 607.5** | **– 267.3** | **– 852.9** | **24,271.6** | **6,371.7** | **30,643.3** |
| | | | | | 0.0 | 0.0 | 0.0 |
| | | | | | 0.0 | – 1,000.7 | – 1,000.7 |
| | | | | | 0.0 | – 4,089.0 | – 4,089.0 |
| | **93.1** | **1,271.7** | **26.6** | **1,391.4** | **3,904.1** | **612.6** | **4,516.7** |
| | **115.0** | **664.2** | **– 240.7** | **538.4** | **28,175.7** | **1,894.6** | **30,070.2** |

# Consolidated Statement of Comprehensive Income

## AS OF DECEMBER 31, 2009

| in € ‘000 | 2009 | 2008 |
|---|---|---|
| **Profit after taxes** | **3,125.3** | **4,439.5** |
| – thereof allocable to other shareholders | 612.6 | 1,014.7 |
| – thereof allocable to vwd group shareholders | 2,512.7 | 3,424.7 |
| | | |
| – Changes in actuarial gains (+) / losses (–) from defined benefit obligations and similar commitments recognized in equity | 1,271.7 | – 908.3 |
| – Income taxes | 26.6 | – 120.5 |
| **Changes in recognized outside profit or loss (actuarial gains [+] / losses [–])** | **1,298.3** | **– 1,028.8** |
| | | |
| – Changes in currency translation adjustment items of foreign subsidiaries | 93.1 | 86.1 |
| – recognized in profit or loss | 0.0 | 0.0 |
| **Changes recognized outside profit or loss (currency translation)** | **93.1** | **86.1** |
| | | |
| **Total direct changes recognized in equity** | **1,391.4** | **– 942.7** |
| – thereof allocable to noncontrolling interest | 0.0 | 0.0 |
| – thereof allocable to vwd group shareholders | 1,391.4 | – 942.7 |
| | | |
| **Total comprehensive income** | **4,516.7** | **3,496.8** |
| – thereof allocable to noncontrolling interest | 612.6 | 1,014.7 |
| – thereof allocable to vwd group shareholders | 3,904.1 | 2,482.1 |

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

vwd Vereinigte Wirtschaftsdienste AG ("vwd" or the "company") is a stock corporation under German law. It is the parent company of the vwd group (the "group"). vwd is listed in the Regulated Market (Geregelter Markt) of the Frankfurt Stock Exchange.

vwd is headquartered in Frankfurt/Main, Germany, Tilsiter Straße 1. It is entered into the Commercial Register in Frankfurt/Main under HRB 81011.

vwd offers customized information, communication and technology solutions for the securities business. vwd specializes in fulfilling customer-specific requirements in the areas of asset management, retail banking, private banking and wealth management, and has established itself as one of the leading providers in Europe. vwd focuses on innovative solutions for financial service providers, investors and the media. The company's most well-known brands are "finanztreff.de," "vwd fonds service," "vwd market manager," "vwd portfolio manager," "TradeLink" and "Tai-Pan."

The Board of Management is scheduled to approve the release of the consolidated financial statements for fiscal year 2009 on March 25, 2010. The Supervisory Board is scheduled to approve the consolidated financial statements in its meeting on March 11, 2010.

The consolidated financial statements and group management report prepared as of December 31, 2009, will be published in the electronic Federal Gazette in accordance with § 325 of the German Commercial Code (HGB).

### 1. GENERAL INFORMATION

vwd's consolidated financial statements were prepared in accordance with § 315a of the German Commercial Code (HGB) and the regulations of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, Great Britain, valid as of the reporting date and accepted by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements are based on the historical cost principle except for certain items such as financial assets available for sale, which are reported at fair value. The annual financial statements of the companies included in the consolidated financial statements are prepared in accordance with uniform accounting and measurement principles. Carrying amounts based on tax regulations are not included in the consolidated financial statements. The reporting date of the individual financial statements for all companies included in the consolidated statements is the same as the reporting date for the consolidated financial statements (December 31, 2009).

The consolidated financial statements were prepared in euros. All amounts are stated in thousands of euros (€ '000) unless otherwise indicated.

The presentation in the financial statements and management report includes rounding differences resulting from the presentation in € thousand.

The income statement has been prepared in accordance with the total cost method.

Certain items in the income statement and the balance sheet have been combined to improve clarity of presentation. These items are explained separately in the notes.

The balance sheet is structured according to maturity. Assets and liabilities are classified as current assets or liabilities when they are due within one year. Accordingly, assets and liabilities with a remaining term to maturity of more than one year are classified as non-current. Trade receivables and trade payables as well as inventories are generally shown as current assets or liabilities. Deferred tax assets and liabilities are generally classified as non-current items.

Minority interests are reported as a component of equity.

The preparation of the consolidated financial statements in line with IFRS was based on a number of assumptions and estimates that had an effect on the value and presentation of the reported assets, liabilities, income and expenses as well as contingent assets and liabilities during the reporting period. Although the company's management has made these assumptions and estimates to the best of its knowledge based on current events and measures, the actual values may deviate from the assumptions and estimates.

## 2. EFFECTS OF NEW ACCOUNTING PRINCIPLES

**Accounting standards, interpretations and amendments of accounting standards and interpretations applied for the first time during the reporting year**

The following interpretations or amendments to accounting standards and interpretations of the International Accounting Standards Board (IASB), which have a material impact on the presentation of the asset, financial, earnings and cash-flow position, were adopted for the first time by the vwd group during the reporting year:

- IAS 1 "Presentation of Financial Statements"
- IFRS 8 "Operating Segments"
- IFRS 3 "Business Combinations"
- IFRS 7 "Financial Instruments: Disclosures"

In September 2007, the IASB published IAS 1 "Presentation of Financial Statements (revised 2007)." The revised IAS 1 replaces IAS 1 "Presentation of Financial Statements (revised 2003)" in the version of 2005. The revision is designed to improve the analysis and comparability of annual financial statements from the user's perspective. IAS 1 regulates the principles guiding the presentation and structure of financial statements. It also includes minimum requirements regarding the contents of financial statements. The new standard is mandatory for fiscal years starting on or after January 1, 2009. vwd has retroactively adapted the presentation of its asset, financial and earnings position in line with IAS 1.

In November 2006, the IASB published the International Financial Reporting Standard (IFRS) 8 "Operating Segments." IFRS 8 regulates the principles governing the disclosure of information on a company's operating segments. IFRS 8 replaces the International Accounting Standard (IAS) 14 "Segment Reporting." IFRS 8 requires companies to report financial and descriptive information on their reportable segments. Reportable segments are defined as operating segments or groups of operating segments that meet certain criteria. Operating segments represent the components of a company on which separate financial information is available and reviewed regularly by the chief operating decision maker to determine the allocation of resources and assess the performance strength. In general, financial information is presented on the same basis as that used for internal reporting purposes, which determine the assessment of operating segments' performance and resource allocation to the operating segments. IFRS 8 differs from IAS 14 in terms of its "management approach" to identifying and assessing reportable operating segments. IFRS 8 requires the presentation of comparative figures. In November 2007, the European Commission adopted IFRS 8 into European law. Application of the standard is mandatory for fiscal years starting on or after January 1, 2009. The adoption of IFRS 8 was effected retroactively at vwd.

In January 2008, the IASB published the revised Standards IFRS 3 “Business Combinations” (IFRS 3 (2008)) and IAS 27 “Consolidated and Separate Financial Statements” (IAS 27 (2008)), which the EU adopted into European law in fiscal year 2009. Application of the revised standards is mandatory for fiscal years starting on or after July 1, 2009. IFRS 3 (2008) newly regulates the application of the purchase method in business combinations. Material revisions concern the measurement of minority interests, the recognition of successive corporate acquisitions and the treatment of contingent purchase price components and other costs of purchase. Under the revised standard, minority interests can be recognized at fair value (full goodwill method) or at pro-rata fair value of identifiable net assets. In case of successive corporate acquisitions, shares held at the time of the change in control are re-measured through profit or loss. In the future, an adaptation of contingent purchase price components that are shown as liabilities at the time of the acquisition must be recognized through profit or loss. Other costs of purchase are recognized in expenses at the time they are incurred. Material amendments to IAS 27 (2008) concern the recognition of transactions in which a company retains control, and transactions in which control is lost. Transactions not resulting in a loss of control must be recognized as equity capital transactions without an effect on income. Remaining shares must be recognized at their fair value at the time of the loss of control. Under the revised standard, a presentation of negative balances is permissible in the case of minority interests, which provides for an unlimited future inclusion of proportionate investment losses. vwd did not opt for a premature adoption of IFRS 3 (2008) to business combinations in the first half of 2009.

In March 2009, the IASB published improvements to the notes on financial instruments (amendment of IFRS 7 “Financial Instruments: Notes“) to extend reporting on the fair value measurement of financial instruments. This amendment concerns the introduction of a three-tier fair-value hierarchy for reporting purposes. It differentiates the fair values in terms of the significance of input parameters factored into the assessment and shows to what extent observable market data may be used to determine the fair value. In addition, disclosures related to liquidity risks are to be improved by presenting the size of liabilities included in an overview of maturities. vwd opted for a premature application of the revised IFRS 7 in the financial statements for fiscal year 2009.

All interpretations or revised interpretations of the IASB that are listed in the following table and applied for the first time in fiscal year 2009 had no or no material impact on the presentation of the asset, financial, earnings and cash-flow position of the vwd group.

| Interpretation | Date of publication by IASB | Title |
|---|---|---|
| IFRIC 13 | June 28, 2007 | Customer Loyalty Programmes |
| IFRS 2 | January 17, 2008 | Share-Based Payment |
| IAS 32 | February 14, 2008 | Financial Instruments: Presentation |
| IFRS 1,IAS 27 | May 22, 2008 | First-time Adoption of International Financial Reporting Standards/ Consolidated and Separate Financial Statements |
| IFRIC 15 | July 3, 2008 | Agreements for the Construction of Real Estate |
| IFRIC 16 | July 3, 2008 | Hedges of a Net Investment in a Foreign Operation |
| IFRIC 18 | January 29, 2009 | Transfer of Assets from Customers |
| IFRIC 9/IAS 39 | March 12, 2009 | Reassessment of Embedded Derivatives/ Financial Instruments: Recognition and Measurement |

The IASB has published a series of other interpretations. The recently implemented and not yet implemented accounting interpretations do not have a material impact on the consolidated financial statements of the vwd group.

vwd prepares its consolidated financial statements in accordance with IFRS. Knowledge of the accounting principles presented in no. 4 of the consolidated financial statements is required to understand our presentation of the asset, financial and earnings position. In certain cases, it is necessary to apply accounting principles using estimates and premises. These involve complex and subjective assessments as well as estimates based on events that are by their very nature uncertain and subject to change. Estimate and premises sensitive accounting principles can change over time and have a material impact on the company's asset, financial and earnings position. In addition, they may include assumptions made by the company that could have differed for equally good reasons during the reporting period. The company's management points out that future events frequently deviate from forecasts and that estimates frequently must be adjusted.

### 3. CONSOLIDATION GROUP

The consolidated financial statements comprise the financial statements of vwd Vereinigte Wirtschaftsdienste AG and all associated companies in which vwd directly or indirectly holds a majority of the voting rights (subsidiaries). Subsidiaries are fully consolidated from the date of acquisition, that is, the date at which the group assumes control of the subsidiary.

Aside from vwd, the consolidated financial statements cover 13 fully consolidated domestic and foreign subsidiaries.

The number of fully consolidated group companies changed as follows between December 31, 2008, and December 31, 2009:

| in € '000 | 2009 | 2008 |
|---|---|---|
| As of January 1 | 10 | 6 |
| Newly acquired / consolidated companies | 3 | 4 |
| December 31 | 13 | 10 |

A list of direct equity interests of vwd is shown below. A complete list of stockholdings pursuant to § 285 No. 11 and § 313 Section 2 and Section 3 of the German Commercial Code (HGB) is published in the electronic Federal Gazette.

| Company | 2009 in % | 2008 in % |
|---|---|---|
| vwd information solutions AG, Zurich / Switzerland | 100.00 | 100.00 |
| vwd NetSolutions GmbH, Berlin | 100.00 | 100.00 |
| GeVaSyS Gesellschaft für verteilte Anwendungssysteme mbH, Herzogenrath | 63.25 | 63.25 |
| market maker Software AG, Kaiserslautern | 100.00 | 100.00 |
| vwd TransactionSolutions AG, Frankfurt / Main | 60.00 | 60.00 |
| vwd group Netherlands B. V., Amsterdam / Netherlands | 100.00 | 100.00 |
| vwd group Switzerland AG (formerly PortfolioNet AG), Zurich / Switzerland | 100.00 | 40.00 |
| European Derivatives Group AG, Schäftlarn | 51.00 | 0.00 |
| European Derivatives Academy AG, Frankfurt / Main | 51.00 | 0.00 |
| European Derivatives Group AG, St. Gallen / Switzerland | 51.00 | 0.00 |

Stakes in additional companies are held via subsidiaries. market maker Software AG, Kaiserslautern, holds interests amounting to 51.29 % in Lenz+Partner AG, Dortmund / Germany. One hundred % of the shares in vwd group Belgium NV, Brussels / Belgium, are held via vwd group Netherlands B.V. vwd group Switzerland AG, Zurich / Switzerland, holds 100 % in PC&S Portfolio Consulting & Services AG, Zurich / Switzerland.

**Acquisitions in fiscal year 2009**

Effective May 8, 2009, vwd acquired 51 % of the respective shares in EDG AG, Schäftlarn, the European Derivatives Group AG, St. Gallen/Switzerland, and the European Derivatives Academy AG, Frankfurt/Main (subsequently referred to as "EDG Group of companies" or "EDG Group") and thereby assumed control over these companies. The EDG Group was included in vwd's consolidated financial statements as of the date of purchase.

The companies' business activities are focused on the provision of transparency-enhancing solutions and training services in the area of structured financial products based on capital-market research knowledge. EDG AG and the European Derivatives Group AG specialize in quantitative financial analyses that allow investors to quickly grasp complex product structures. Services include product and risk assessments as well as the calculation of key figures and sensitivities. European Derivatives Academy AG has developed a training, methodological and test concept based on software applications that is geared specifically toward financial and investment advisers in the area of private banking/wealth management as well as institutional investors.

The purchase price for the respectively acquired 51 % of shares totaled € 5,304.0 thousand. It was paid in full in fiscal year 2009. In addition, other costs of purchase of € 37.5 thousand arose during the reporting year. Depending on the economic development of the EDG Group in fiscal year 2011, the purchase price may increase by a variable component. At present, vwd does not anticipate the payment of such an additional variable purchase price component to the sellers.

vwd has the right (call option) to acquire the respectively remaining 49 % of shares in the companies of the EDG Group (optional shares). vwd may exercise this call option during the period from January 1, 2012, to December 31, 2012. The purchase price of these optional shares to be paid by vwd upon exercise of this option is based on the adjusted EBIT of the companies of the EDG Group in fiscal years 2011 to 2013. The purchase price must be paid in cash and in vwd shares from a non-cash capital increase at a ratio of 20 % to 80 %.

In return, vwd has granted the other shareholders of the EDG Group companies the right to sell their respectively remaining shares totalling 49 % to vwd (put option). The exercise period for the put option corresponds to that of vwd's call option. The purchase price to be paid by vwd upon the exercise of this put option is based on the adjusted EBIT of the companies in fiscal years 2011 to 2013. At present, vwd expects the purchase price for the optional shares to amount to € 5,561.2 thousand upon exercise of this option. The purchase price must be paid in cash and in vwd shares from a non-cash capital increase at a ratio of 20 % to 80 %. The issued shares will be valued at the average listed price on the Frankfurt Stock Exchange during the three months prior to the exercise of this option, unless an appraisal produces a different exchange ratio.

Under IFRS, the put option granted to the other shareholders results in the obligation to recognize the full net present value of the potential purchase price of the optional shares under liabilities. vwd treats this liability as a contingent purchase price liability pursuant to IFRS 3.32. The business combination is thus presented as though vwd had acquired 100 % of the shares in the EDG Group companies on May 8, 2009. A minority interest is not recognized. Corresponding to the presentation of legal minority interests in debt capital, vwd shows the income share in the EDG Group companies allocable to these minority interests as interest expenses in the income statement.

As 80 % of the purchase price for the optional shares is to be paid in shares, their acquisition will merely cause cash outflows amounting to the cash component (20 %) at vwd. Equity in the IFRS consolidated financial statements will increase to the extent that vwd fulfills its purchase obligation through the provision of own shares (80 %).

The allocation of the acquisition costs from the business combination to the acquired assets and liabilities as well as contingent liabilities (purchase price allocation according to IFRS 3 [2004]) produced the following result:

PURCHASE PRICE ALLOCATION FOR EDG GROUP

| in € '000 | Carrying amount before acquisition | Fair value |
|---|---|---|
| **Non-current assets** | **27** | **11,269** |
| Intangible assets | 4 | 11,248 |
| Tangible assets | 23 | 23 |
| **Current assets** | **480** | **480** |
| **Cash and cash equivalents** | **455** | **455** |
| **Total assets** | **962** | **12,206** |
| | | |
| **Non-current liabilities (deferred tax liabilities)** | | **686** |
| **Current liabilities** | **617** | **617** |
| Trade payables | 33 | 33 |
| Other liabilities | 584 | 584 |
| **Total liabilities** | **617** | **1,303** |
| Acquired net assets | | 10,903 |
| ./. call option obligation | | – 5,561 |
| Purchase price incl. other cost of purchase | | 5,342 |
| – Cash and cash equivalents received | | – 455 |
| **= Cash outflow** | | **4,887** |

Differences between the expected total purchase price of the shares in the EDG Group companies and the fair values of the identified acquired assets as well as acquired liabilities and contingent liabilities amount to € 9,083.6 thousand. They are shown as goodwill.

Acquired goodwill results from the superior market position and future expectations as well as the employees' expertise. The EDG Group generated sales of € 2,499.3 thousand and net income for the year of € 512.9 thousand in the period from January 1, 2009, to December 31, 2009. If the acquisition of the EDG Group had become effective on the first day of fiscal year 2009, group sales would have totaled € 79,972.7 thousand and net income for the year € 3,291.3 thousand. Sales of the EDG Group attributable to the period after the acquisition date, which are included in the consolidated income statement for 2009, amount to € 1,759.1 thousand, with the respective income share totalling € 347.0 thousand.

Effective May 7, 2009, vwd fully acquired PortfolioNet AG, Zurich/Switzerland. The company had acquired 40 % of the shares in PortfolioNet AG as early as October 2008, with effect from December 29, 2008, and secured the remaining 60 % of the shares through a call option. Due to the existing call option, which could be exercised from December 29, 2008, vwd already assumed control of PortfolioNet AG on December 29, 2008. As a result, the transaction was already shown as a business combination in accordance with IFRS 3 at the time, with the sub-group being fully consolidated.

A purchase price of € 5,379.6 thousand (CHF 8.1 million) was paid for the 60 % share package. Other costs of purchase totaled € 25.0 thousand.

Differences from the acquisition of PortfolioNet AG in the amount of € 631.2 thousand, which were shown under liabilities as of December 31, 2008, were offset against the goodwill resulting from the acquisition. This can be broken down as follows:

| in € '000 | |
|---|---|
| Goodwill from 2009 tranche | 1,311.0 |
| Negative differences from 2008 | 631.2 |
| Goodwill | 679.8 |

## 4. BASIC PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.1. CONSOLIDATION METHODS

Acquisition accounting is carried out in accordance with IAS 27 (Consolidated and Separate Financial Statements) in combination with IFRS 3 (Business Combinations) by offsetting the carrying amounts of the investment against the revalued equity of the subsidiaries as of their acquisition date. Assets, liabilities and contingent liabilities are shown at fair value. Any remaining differences are shown as goodwill. Any identified hidden reserves and liabilities are subsequently adjusted in accordance with the treatment applicable to the corresponding assets and liabilities.

Intra-group profits and losses, sales, expenses and income as well as receivables and payables existing between consolidated companies are eliminated.

Intra-group deliveries of goods and services are effected on the basis of both market prices and transfer prices.

The effects of income taxes are taken into account in the consolidation entries, and deferred taxes are recognized accordingly.

### 4.2. CURRENCY TRANSLATION

In the group companies' separate financial statements, all receivables and liabilities in foreign currency are translated at the exchange rate prevailing at the reporting date (closing rate), regardless of whether they are subject to currency hedges or not.

The financial statements of foreign group companies are translated into euros using the functional currency concept in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency of vwd information services AG, Zurich/Switzerland, and the subgroup PortfolioNet AG is their national currency (CHF) since the companies conduct their business activities mainly in the local currency.

Assets and liabilities of the foreign companies existing at the beginning and end of the fiscal year are translated at the relevant closing rate. Any changes during the year, as well as expenses and income, are translated into euros at annual average exchange rates. Equity components are translated at historical rates applicable at the time of addition from the group's perspective.

Any differences resulting from the currency translation at closing rates are shown directly in equity, and disclosed in the tables to the notes as "currency translation differences."

Goodwill resulting from the acquisition of the Swiss companies was translated at the exchange rate that prevailed on the reporting date, December 31, 2009.

The EUR/CHF closing rate changed as follows:

| in €/CHF | Reporting date rate | | Average rate | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Switzerland | 1.4836 | 1.4850 | 1.50988 | 1.5870 |

## 4.3. SIGNIFICANT ACCOUNTING AND MEASUREMENT PRINCIPLES

**Intangible assets**

Intangible assets mainly consist of goodwill, acquired customer bases and acquired software. Acquired intangible assets are recognized at cost of purchase.

In accordance with IFRS, intangible assets with finite useful lives are amortized to reflect the asset's estimated residual value. In addition, the assets are tested for impairment in special circumstances within the meaning of IAS 36, and, if necessary, are written down for impairment.

The acquired software has a useful life of three to five years.

Pursuant to IAS 38, internally produced software must also be capitalized. Internally produced software may be intended for distribution to third parties or intragroup usage. If the conditions for capitalization are not met, the expenses are recognized in the income statement in the period in which they are incurred. The necessary preconditions for the capitalization of internally produced software were met in the case of two projects in fiscal year 2009. Development costs for the Brokerage Middleware project and the vwd market manager 3.0 are capitalized as far as the costs can be clearly allocated and both the technical feasibility and successful utilization are assured. The capitalized development costs comprise all costs that are directly allocable to the development process. Capitalized development costs are written down over a useful life of several years in accordance with group specifications on a scheduled basis starting on the date of production launch.

Intangible assets that were acquired within the scope of business combinations and do not meet the criteria of separate recognition are reported as goodwill and are tested for impairment once a year and, if applicable, written down by means of a non-scheduled write-down.

Within the group, impairment tests of goodwill and intangible assets with an indefinite useful life principally apply the value in use based on current management plans. The planning premises are adjusted to reflect currently available information. In the process, appropriate assumptions on macroeconomic trends and historic developments are considered. The determination of cash flows is principally based on the anticipated growth rates in the relevant markets.

**Tangible assets**

Tangible assets are carried at cost less depreciation and, if applicable, impairment losses. Investment grants are generally offset against purchase or production costs. Tangible assets are depreciated pro-rata temporis over the expected useful life using the straight-line method.

Scheduled depreciation is based largely on the following useful lives:

| | Useful life |
|---|---|
| Fixtures/buildings | 10 years |
| Technical equipment | 5 years |
| Other equipment, operating and business equipment | 3 to 10 years |

Non-scheduled write-downs for impairment on tangible assets are recognized in accordance with IAS 36 if the carrying amount exceeds the value in use or the recoverable amount of the respective asset. The assets are written back if the reasons for an impairment loss recognized in prior years no longer apply.

If tangible assets are sold, shut down or scrapped, the income or loss from the difference between the net sale proceeds and the remaining carrying amount is recorded under other operating income and expenses.

In case of operating leases, the lease payments are recognized as an expense in the income statement.

**Financial instruments / financial liabilities**
A financial instrument is a contract that simultaneously leads to the generation of a financial asset at one company and a financial liability or equity instrument at another company. Financial assets comprise, in particular, cash and cash equivalents, trade receivables as well as other loans and receivables originated by the company, financial investments held to maturity and primary as well as derivative financial assets held for trading. Financial liabilities regularly result in a restitution entitlement in cash or another financial asset. This includes, in particular, bonds and other securitized liabilities, trade liabilities, liabilities to banks, liabilities from finance lease, note loans and derivative financial liabilities.

Financial instruments are principally recognized when vwd becomes the contractual party of the financial instrument's regulations. In standard market purchases or sales (purchases and sales under a contract whose conditions require the provision of the asset within a period that is usually determined by the regulations or conventions of the respective market), the settlement date, i.e., the day on which the asset is provided to or by vwd, is relevant for the first-time recognition in the balance sheet. Financial assets and financial liabilities are not offset against each other.

Financial assets are recognized at fair value for the first recognition period. Direct purchase costs are considered for all financial assets that are subsequently recognized at fair value without an effect on income. The fair values reported in the balance sheet generally correspond to the market prices of financial assets.

Cash and cash equivalents, which include cash accounts and short-term bank balances, have a remaining term of up to three months upon addition and are recognized at amortized cost.

**Trade receivables** and other current receivables are – if applicable, by means of the effective interest method – recognized at their initial carrying amount less impairment. The impairment, which is carried out as bad-debt allowances and lump-sum bad-debt allowances, sufficiently reflects the anticipated default risk. Concrete defaults entail the derecognition of the relevant receivables.
In the context of bad-debt allowances, financial assets subject to potential impairment are grouped by corresponding default risk characteristics and jointly tested for impairment and, if applicable, depreciated.

Impairments of trade receivables are partially effected on the basis of impairment accounts. The decision whether a default risk is to be considered by means of an impairment account or a direct depreciation of the receivable depends on the extent to which the risk situation can be assessed reliably.

To date, vwd has not made use of the option to qualify financial assets as financial assets recognized at fair value through profit or loss in the first recognition period.

Financial liabilities are recognized at fair value in the first recognition period (cost of purchase pursuant to IAS 39.43). The transaction costs directly attributable to the purchase are also recognized for all liabilities that are subsequently not recognized at fair value through profit or loss.

**Trade payables** and other primary financial liabilities are principally recognized at amortized cost using the effective interest method.

**Long-term commissioned production**
Long-term production orders were recognized based on the percentage-of-completion method (PoC method). In the process, the recognizable degree of completion per order depends on the ratio of incurred costs and estimated total costs (cost-to-cost method). If the result of a production order cannot be reliably estimated, revenues will be recognized only to the amount of incurred order costs (zero-profit method). The disclosure of orders was effected under receivables or liabilities from percentage-of-completion. To the extent that the cumulative work performed (incurred order costs and recognized income) exceeds the advance payments in individual cases, the production orders are capitalized under receivables from percentage of completion. If a negative balance remains after deduction of advance payments, recognition is effected under liabilities from percentage of completion. Anticipated order losses are covered by provisions. They are determined in consideration of identifiable risks.

**Treasury shares**
Treasury shares are carried at cost and are deducted directly from equity. In accordance with the option provided by IAS 32.34, the group opted against disclosure in the balance sheet.

**Deferred taxes**
Deferred taxes are determined in accordance with IAS 12, according to which future tax assets and liabilities are recognized for temporary differences between the carrying amounts in the tax accounts (tax base) and the carrying amounts in the IFRS consolidated financial statements (temporary concept). Anticipated tax savings from the use of tax loss carry-forwards expected to be recoverable in future periods are capitalized.

The calculation is based on the respective national tax rates anticipated at the realization date. These are principally based on the legal regulations that apply or have been adopted at the reporting date.

**Inventories**
In accordance with IAS 2 (Inventories), inventories include assets that are held for sale in the ordinary course of business (finished goods and merchandise) and assets that are in the process of production for such a sale.

Inventories are measured at the lower of cost and net realizable value, i.e., the estimated selling price to be realized in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Purchase costs include all costs that contribute to bringing inventories to their present location and condition.

**Pensions and similar commitments**
Provisions for pensions and similar commitments include the group’s provisioning commitments for defined benefit plans. The provision is calculated using the projected unit credit method in accordance with IAS 19. The company does not recognize actuarial gains or losses from defined-benefit plans as income or expense if such gains or losses are within a range of 10 % of the present value of the defined benefit obligations in accordance with the corridor method pursu-

ant to IAS 19.92. Instead, actuarial gains and losses are recognized outside the net income or loss for the period in which they arise in accordance with IAS 19.93 A.

**Tax liabilities**
Tax liabilities include obligations resulting from current income taxes. Deferred taxes are shown in separate items of the balance sheet and the income statement.

**Other provisions**
In accordance with IAS 37, provisions are formed to the extent that current commitments from past events exist toward third parties that are likely to lead to a future outflow of resources and whose size can be reliably estimated. Provisions that do not entail an outflow of resources in the following year are carried at the settlement amount, which is discounted to the reporting date using market rates of interest. The settlement amount also takes into account anticipated future cost increases.

Provisions may not be offset against claims to recourse.

If a change in estimates results in a reduction of the amount of the obligation, the provision is reversed proportionately and the income recognized in other operating income.

**Sales**
Sales – after taxes and revenue reductions – are realized at the time of risk transfer or service provision and upon sufficient likelihood that the economic benefit resulting from the transaction will be realized.

Sales and expenses from production orders are recognized using the percentage-of-completion method, whereby sales are shown in accordance with their degree of completion. The degree of completion results from the ratio of order costs incurred by the reporting date and total estimated order costs by the reporting date.

Sales are realized for the most part in the business areas “Market Data Solutions,” “Technology Solutions” and “Specialised Marketing Services” within the scope of monthly recurring revenues in accordance with IAS 18. In return for a monthly fee, either the financial market data or a complete solution of financial market data and associated software are provided. The same pricing model is used for the provision of data for market pages, for which the media concerned pay a monthly fee to vwd. One-time revenues from project work relate to integration and customization services as well as advertising orders, and lead to non-recurring revenues. Also against payment of a monthly fee, important price and financial data from issuers of derivative products and fund management firms are distributed as well. These are calculated in-house for the ratings of certificates.

Sales of vwd TransactionSolutions AG are also included in non-recurring sales.

In accordance with IAS 18, maintenance revenues are recognized pro-rata temporis over the contract term. Consulting and coaching service revenues are realized upon rendering of the service.

In accordance with IAS 18, fees for granted software licenses with a limited term are recognized pro rata temporis over the contract term.

If a sale largely depends on the successful implementation of a software license at the customer’s site, revenue is recognized on the basis of the progress of implementation in accordance with the percentage-of-completion method.

Sales are reported net of trade discounts, customer bonuses and rebates.

**Other internally produced and capitalized assets**
This item includes the capitalized development work shown under intangible assets. It concerns personnel expenses as well as pro-rata overhead costs.

**Research and development costs**
vwd invests part of its financial resources in development activities. This is necessary to maintain the company's future competitiveness in the technology-intensive markets in which it operates.

For accounting purposes, development expenses are defined as costs incurred in connection with the application of research findings or expertise in production, production procedures, services or products before the start of commercial production or use. In accordance with IAS 38 (Intangible Assets), research costs may not be capitalized, while development costs may be capitalized only if certain clearly defined requirements are fulfilled. Accordingly, development costs must be capitalized when the development activities are reasonably expected to result in a future inflow of cash, the amount of which will cover not just the normal costs but also the corresponding development costs. Since the requirements for a capitalization of development costs applied to two projects during fiscal year 2009, these development costs were capitalized. The other development costs were again recognized as expenses.

**Estimates**
The preparation of the consolidated financial statements requires the use of assumptions and estimates for the measurement of certain balance-sheet items and for the reported amounts of income and expenses. Such assumptions and estimates primarily relate to the recognition and measurement of provisions, impairment tests for capitalized goodwill and the recoverability of future tax benefits. Deviations are recognized in profit or loss once new information becomes available. The company's estimates are based on historic experience and other assumptions that are considered appropriate in the particular circumstances.

Accounting and measurement principles of particular importance are those that have a significant impact on the presentation of the financial, asset, earnings and cash-flow position of the vwd group and that require a difficult, subjective and complex assessment of circumstances, which often are inherently uncertain and may change in subsequent reporting periods. This means that their impact is difficult to gauge.

### 4.4. CASH FLOW STATEMENT

The cash flow statement shows the changes that have occurred in the cash and cash equivalents of the vwd group during the reporting year in the form of cash inflows and outflows. The effects of acquisitions, divestments and other changes in the consolidation group are eliminated. In accordance with IAS 7 (Cash Flow Statements), the consolidated cash flow statement distinguishes between changes in cash levels from operating, investing and financing activities. The cash and cash equivalents reported in the cash flow statement comprise cash on hand and bank deposits less short-term bank liabilities.

The cash flow statement presents the changes of cash and cash equivalents between two reporting dates. As of December 31, 2009, cash and cash equivalents included inflows from operating activities. Principally, the cash flow statement must therefore include any cash inflows and outflows. The items corresponding to the cash flow from operating activities (net cash flow) are reported in detail in the balance sheet and the income statement for continuing operations. Net income for the year, which is the basis for the cash flow statement, is reported in the income statement for continuing operations.

### 4.5. PURCHASE PRICE ALLOCATION AND IMPAIRMENT TESTS

Goodwill, including from capital consolidation, is tested for impairment once a year or more frequently if changes in circumstances indicate a possible impairment (IAS 36).

For the purpose of the impairment test, vwd has allocated the acquired goodwill with a cumulative carrying amount of € 46,501.4 thousand (previous year: € 36,646.9 thousand) to cash-generating units. The fully consolidated subsidiaries including their subsidiaries with the exception of the EDG Group and the group's parent company were defined as cash-generating units. The companies of the EDG Group were subsumed into one cash-generating unit. The carrying amount of the goodwill allocated to the parent company amounted to € 21,144.9 thousand (previous year: € 20,940.5 thousand). The increase in goodwill at vwd AG concerns the other cash-generating units with goodwill of between € 485.7 thousand and € 9,096.6 thousand.

As a result of the merger of the technical unit of vwd netsolutions GmbH into vwd AG, effective January 1, 2009, 25 % of the goodwill of vwd netsolutions GmbH was transferred to vwd AG.

In the context of the annual goodwill impairment test, the carrying amounts of the cash-generating units including allocable goodwill were netted against the recoverable amount as of December 31, 2009. In cases where the cash generating unit's carrying amount is higher than its recoverable amount, a depreciation loss corresponding to the size of the difference applies. No grounds for impairment existed in 2009.

The recoverable amount is determined on the basis of value in use. The determination of value in use is based on the present value of future payments anticipated as a result of continued usage by the business unit. Payment forecasts are based on current planning of the vwd group for the years 2010 to 2012. In the case of the EDG Group, vwd group Switzerland AG and vwd group Netherlands, plans were extrapolated over two, three and three years respectively as their asset, financial and earnings position does not reach the so-called equilibrium state in the final planning year of 2012. Cash flows of the EDG Group from 2015 have been extrapolated on the basis of a steady growth rate of 1.0 % p.a. At vwd group Switzerland AG and vwd group Netherlands B.V., cash flows from 2016 have been extrapolated in this manner. The same approach was applied to the cash-flow extrapolation for all business units of the vwd group from 2013.

The planning of the vwd group is based on the assumption that the company can generate earnings growth over the medium term despite the persistent financial-market crisis. vwd expects current discussions over better consumer protection and liability issues to provide additional momentum in its solution business. However, growth prospects for fiscal year 2010 are considered limited because this year is regarded as the transition year between the financial crisis and the institution of a new financial-market order. Potential business losses, however, are expected to be offset by efforts to exploit synergy potential and cut costs this year. In view of the difficult overall parameters, vwd only projects limited sales growth and weaker earnings for 2010. The vwd group plans to accelerate its growth again from 2011 at the latest by continually expanding its business through product developments and successive business expansion in its defined core markets. Higher growth rates are projected if the financial markets have returned to normality in 2012.

Thanks to the group's long-term data supplier contracts, deviations between planned and actual figures have been small in the past, in particular when adjusted for unforeseeable or plannable special effects.

Capital costs are calculated as the weighted average of equity and debt costs, whereby the respective shares in total capital are decisive. The applied debt capital costs represent the company's long-term financing conditions. Both components are derived from capital-market information. To take account of the divergent risk-return profiles of the group companies, individual capital costs after income taxes are calculated for the individual cash-generating units. In the determination of the parent company's use value, the anticipated cash flows were discounted at rates between 6.17 % (payments in 2010) and 6.45 % (payments in 2012). Payments from 2014 were discounted at 6.14 % (previous year: interest rates of 7.12 % to 7.53 %).

### 4.6. SEGMENT REPORTING

Application of IFRS 8 "Reporting Segments" is mandatory as of fiscal year 2009. As a result, individual financial statement data must be presented separately by segments and regions (segment reporting). A division based on internal reporting structures is supposed to provide for a reliable assessment of the group's risks and earnings. The segmentation is supposed to render the earnings strength and business prospects of the group's individual activities transparent.

## NOTES TO THE BALANCE SHEET

### 5. INTANGIBLE ASSETS

Intangible assets can be broken down as follows:

in € '000

| | Development costs | Other intangible assets | Goodwill | Total intangible assets |
|---|---|---|---|---|
| Cost of purchase and production | | | | |
| **Balance as of January 1, 2009** | **151.1** | **14,320.2** | **36,646.9** | **51,118.2** |
| Currency translation differences | 0.0 | 11.8 | 91.0 | 102.9 |
| Additions | 315.2 | 537.7 | 9,763.4 | 10,616.3 |
| Disposals | 1.6 | 178.4 | 0.0 | 180.0 |
| Changes in consolidation group | 0.0 | 2,164.0 | 0.0 | 2,164.0 |
| Transfers | 0.0 | – 206.6 | 0.0 | – 206.6 |
| **Balance as of December 31, 2009** | **464.6** | **16,648.7** | **46,501.4** | **63,614.7** |
| | | | | |
| Depreciation / amortization | | | | |
| **Balance as of January 1, 2009** | **0.0** | **3,474.6** | **0.0** | **3,474.6** |
| Correction as of January 1, 2009 | 0.0 | – 6.2 | 0.0 | – 6.2 |
| Additions | 27.3 | 2,423.1 | 0.0 | 2,450.4 |
| Disposals | 0.0 | 21.6 | 0.0 | 21.6 |
| Transfers | 0.0 | 1.5 | 0.0 | 1.5 |
| **Balance as of December 31, 2009** | **27.3** | **5,871.5** | **0.0** | **5,898.9** |
| | | | | |
| **Carrying amounts as of December 31, 2009** | **437.3** | **10,777.2** | **46,501.4** | **57,715.9** |
| **Carrying amounts as of January 1, 2009** | **151.1** | **10,845.5** | **36,646.9** | **47,643.6** |

As of December 31, 2009, net differences from currency translation totalled € 95.9 thousand (previous year: € 153.6 thousand). The difference of € 7.0 thousand derives from the different closing rates in the context of the purchase price allocation of the EDG Group affecting the measurement of additions in the overview of fixed assets.

Changes in goodwill result mostly from the acquisition of the EDG Group and vwd group Switzerland AG (formerly PortfolioNet AG). Impairment tests for fiscal years 2009 and 2008 did not require any impairment of recognized goodwill. The useful life of other intangible assets is limited.

As in the previous year, there are no restrictions to title or right of use with respect to intangible assets.

The intangible assets identified in the context of the purchase price allocation of the EDG Group have been written down over a term of five years since May 1, 2009. They totalled € 288.0 thousand in 2009.

## 6. TANGIBLE ASSETS

Tangible assets can be broken down as follows:

| in € '000 | Land and buildings on third-party ground | Technical equipment and machinery | Other equipment, operating and office equipment | Total tangible assets |
|---|---|---|---|---|
| Cost of purchase and production | | | | |
| **Balance as of January 1, 2009** | **1,669.6** | **5,614.8** | **1,955.4** | **9,239.7** |
| Currency translation differences | 0.2 | 0.2 | 0.0 | 0.4 |
| Additions | 156.0 | 1,120.7 | 339.1 | 1,615.8 |
| Disposals | 1,288.5 | 500.8 | 6.8 | 1,796.1 |
| Changes in consolidation group | 0.0 | 0.0 | 23.2 | 23.2 |
| Transfers | 0.0 | 206.6 | 0.0 | 206.6 |
| **Balance as of December 31, 2009** | **537.2** | **6,441.5** | **2,311.0** | **9,289.7** |
| Depreciation / amortization | | | | |
| **Balance as of January 1, 2009** | **145.0** | **2,141.5** | **1,104.0** | **3,390.5** |
| Additions | 113.2 | 1,061.2 | 332.4 | 1,506.8 |
| Currency translation differences | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposals | 106.7 | 49.2 | 6.2 | 162.1 |
| Transfers | 0.0 | – 1.5 | 0.0 | – 1.5 |
| **Balance as of December 31, 2009** | **151.5** | **3,151.9** | **1,430.3** | **4,733.7** |
| **Carrying amounts as of December 31, 2009** | **385.7** | **3,289.5** | **880.7** | **4,555.9** |
| **Carrying amounts as of January 1, 2009** | **1,524.6** | **3,473.3** | **851.4** | **5,849.2** |

The sale of the property of Lenz+Partner AG, effective November 3, 2009, resulted in a reduction of tangible assets by € 1,181.8 thousand. The sale generated proceeds of € 1,142.4 thousand, which resulted in a capital loss of € 39.4 thousand on the portion held under tangible assets. Total proceeds from the sale including the portion held under financial investments amounted to € 1,650.0 thousand.

Technical equipment mainly relates to central production systems used for the distribution of data.

Other equipment, operating and office equipment include IT equipment at the company's data center, trade fair booths as well as furniture and hardware for the company's administrative offices.

Leasehold improvements are depreciated over a contractual term of 10 years. Low-value assets are written down over a useful life of five years starting in the year of purchase, retroactively from January 1.

As in the previous year, no non-scheduled write-downs were effected during the reporting year.

As of December 31, 2009, net currency translation differences amounted to € 0.4 thousand (previous year: € 11.8 thousand).

Tangible assets were not subject to limitations to the disposal of assets in the form of mortgages (previous year: € 1,232.9 thousand).

Purchase obligations for tangible assets in the amount of € 88.4 thousand were made as of December 31, 2009.

The group has no finance lease obligations within the meaning of IAS 17. Rather, the existing lease agreements can be classified as operating leases in accordance with IAS 17.33. The minimum lease payments have the following terms to maturity:

| in € '000 | |
|---|---|
| Up to one year | 431.3 |
| Between one and five years | 417.7 |
| More than five years | 0.0 |

These lease contracts primarily involve car-leasing contracts.

### 7. INVESTMENT PROPERTIES

Investment properties comprise the rented part of the property of Lenz+Partner AG and were sold on November 3, 2009.

The allocation of owner-occupied use and third-party use up to the sale of the property was based on the respective utilization in square meters. Rental income in 2009 amounted to € 26.9 thousand (previous year: € 41.0 thousand). The corresponding management costs total € 5.4 thousand (previous year: € 8.2 thousand). The sale resulted in a capital loss of € 16.9 thousand on the share held under financial investments.

The changes are as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Balance as of January 1 | 534.8 | 547.2 |
| Depreciation | 10.3 | 12.4 |
| Disposal | 524.5 | 0.0 |
| Balance as of December 31 | 0.0 | 534.8 |

### 8. OTHER FINANCIAL ASSETS

The other financial assets item includes pension plan reinsurance for the financing of pension benefits that do not fulfill the criteria of IAS 19.7 and are therefore classified as a separately measured asset as well as securities assets of PC&S AG, Zurich.

Pension plan reinsurance developed as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Balance as of January 1 | 383.1 | 355.3 |
| Additions | 10.0 | 27.8 |
| Balance as of December 31 | 393.1 | 383.1 |

The measurement was carried out at amortized cost corresponding to the fair value. Income of € 4.3 thousand (previous year: € 4.3 thousand) was realized during the reporting year.

Securities assets in the amount of € 34.2 thousand (previous year: € 517.6 thousand) comprise financial instruments held to maturity that were recognized at amortized cost as of December 31, 2009. In the previous year, securities assets concerned several categories.

| in € '000 | 2009 | 2008 |
|---|---|---|
| Financial instruments held to maturity | 34.2 | 51.0 |
| Available-for-sale financial instruments | 0 | 465.0 |
| Cash balance in the securities deposit | 0 | 1.6 |

Securities assets changed as follows:

| in € '000<br>Securities assets | 2009 | 2008 |
|---|---|---|
| Cost of purchase and production | | |
| **Balance as of January** | **517.6** | **0.0** |
| Currency translation differences | 0.5 | 0.0 |
| Additions | 0.0 | 517.6 |
| Disposals | 438.9 | 0.0 |
| **Balance as of December 31** | **34.2** | **517.6** |
| | | |
| Depreciation / amortization | | |
| **Balance as of January 1** | **0.0** | **0.0** |
| Additions | 11.0 | 0.0 |
| Disposals | 11.0 | 0.0 |
| **Balance as of December 31** | **0.0** | **0.0** |
| | | |
| **Carrying amount as of December 31** | **34.2** | **517.6** |

## 9. INVENTORIES

Finished goods totalling € 32.1 thousand (previous year: € 34.4 thousand) primarily concern database licenses (clients) and other equipment. Measurement was carried out at cost.

## 10. TRADE RECEIVABLES

All trade receivables of € 4,749.7 thousand (previous year: € 5,796.7 thousand) are due within one year.

| in € '000 | | | thereof not impaired as of the closing date and due within the following periods | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount 12/31/2009 | thereof neither impaired nor overdue as of the closing date | less than 30 days | between 31 and 60 days | between 61 and 90 days | between 91 and 180 days | between 181 and 360 days | more than 360 days |
| Trade receivables | 4,749.7 | 1,535.6 | 1,450.2 | 206.6 | 129.4 | 166.0 | 126.3 | 268.4 |
| | Carrying amount 12/31/2009 | | | | | | | |
| Trade receivables | 5,796.7 | 1,143.1 | 2,037.5 | 376.1 | 236.5 | 104.8 | 366.2 | 1.8 |

The column of numbers for trade receivables that were neither impaired nor overdue as of the reporting date and for the trade receivables due during the listed time bands is not additive to carrying amount. The difference concerns the carrying amount of the receivables that were written down.

With respect to the stock of trade receivables that were neither impaired nor in default, there were no indications as of the reporting date that the debtors will not service their payment obligations.

Bad-debt allowances on trade receivables changed as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Status of bad-debt allowances as of December 31 of previous year | 403.4 | 218.5 |
| Price differences | 0.0 | 3.8 |
| Changes in consolidation group | 0.0 | 20.6 |
| Status of bad-debt allowances as of January 1 | 403.4 | 242.9 |
| Additions (expenses on bad-debt allowances) | 299.1 | 347.9 |
| Utilization | – 8.9 | – 47.2 |
| Dissolution | – 227.6 | – 140.2 |
| Status of bad-debt allowances as of December 31 | 466.0 | 403.4 |

The following table shows the expenses for the full derecognition of trade receivables and income from incoming payments on derecognized trade receivables:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Expenses for the full derecognition of receivables | 116.3 | 125.8 |
| Income from incoming payments on derecognized receivables | 33.1 | 17.9 |

All expenses and income from bad-debt allowances and the derecognition of trade receivables are shown under administrative expenses.

### 11. PRODUCTION ORDERS WITH AN ASSET-SIDE BALANCE / OBLIGATIONS FROM PRODUCTION ORDERS

Two projects that were started in 2008 were recognized during the first half of 2009. Sales of € 42.9 thousand realized pursuant to IFRS at order costs of € 22.1 thousand were reported in current sales as of June 30, 2009. Sales of € 220.1 thousand were realized for projects started during the first half of 2009 and reported under sales. These sales were netted against order costs totalling € 210.3 thousand. In the half-year financial statements 2009, sales of € 170.9 thousand were reported for these projects based on the PoC method.

A project started in 2008 was completed in the second half of 2009; sales totalling € 114.5 thousand were realized in 2008.

As of December 31, 2009, production orders in the amount of € 239.8 thousand (previous year: € 80.0 thousand) were reported under assets. Production orders of € 68.0 thousand (previous year: € 86.6 thousand) reported under liabilities concern advance payments received from customers. The following break-up shows the proportionate sales amounts and associated costs:

in € '000

| | 2009 | 2008 |
|---|---|---|
| Sales from POC | 439.1 | 381.1 |
| Order costs incurred | 197.6 | 148.3 |
| Income from POC | 241.5 | 232.8 |

Revenues were determined using the cost-to-cost method. The percentage of completion of the projects capitalized as of December 31, 2009, was determined using the "labor hours method."

## 12. OTHER RECEIVABLES

Other receivables totalling € 2,954.0 thousand (previous year: € 2,032.9 thousand) include primarily tax receivables of € 2,027.7 thousand (previous year: € 1,248.2 thousand), deferred income of € 608.1 thousand (previous year: € 614.0 thousand) as well as creditors on the debit side. They are all due within one year. As of the reporting date, there were no indications that the debtors would not service their payment obligations.

## 13. EQUITY

### 13.1. SUBSCRIBED CAPITAL

As of December 31, 2009, the company's subscribed capital totalled € 25,754,577.00 (previous year: € 25,754.6 thousand). The share capital is divided into 25,754,577 no-par-value common bearer shares with a calculatory share of share capital of € 1.00 each.

### 13.2. AUTHORIZED CAPITAL AND CONTINGENT CAPITAL

The following authorized capital existed as of December 31, 2009:

**Authorized capital I – 2009**
The annual general meeting of May 7, 2009, authorized the Management Board of vwd AG to raise the share capital, with the consent of the Supervisory Board, by up to € 3,026,021.00 by issuing up to 3,026,021 new bearer shares until the end of the fifth year after registration of the amendments to the articles of association in the trade register (May 15, 2009) against cash capital contributions and/or non-cash capital contributions in one or several tranches, whereby shareholders' subscription rights may be excluded (authorized capital 2009).

In addition, the Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of capital increases from authorized capital 2009 and their implementation.

**Authorized capital II – 2007**
By resolution of the extraordinary general shareholders' meeting on September 12, 2007, the Management Board of the new vwd AG was authorized, with the consent of the Supervisory Board, to increase the company's share capital on or before September 11, 2012, by issuing 9,851,267 new no-par value common bearer shares in exchange for cash and/or non-cash contributions in one or several tranches for a maximum of € 9,851,267. The Management Board was further authorized, with the consent of the Supervisory Board, to exclude the statutory subscription rights of shareholders ("authorized capital II").

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation, in particular the rights attached to shares and the conditions of issuing shares.

**Contingent capital II – 1999**

In accordance with § 4 Section 5 of the articles of association, the company's share capital is raised by a contingent capital increase up to a nominal € 220,000.00 through the issue of up to 220,000 new non-par bearer shares. The contingent capital increase serves for the redemption of stock options that the annual general meeting held on May 10, 1999 decided to issue. The contingent capital increase is executed only insofar as the holders of stock options exercise their option rights.

### 13.3. CAPITAL RESERVE

As of December 31, 2009, the capital reserve amounted to € – 13,375.8 thousand (previous year: € – 13,375.8 thousand).

The negative capital reserve is connected to the corporate action carried out in fiscal year 2007. A capital increase from authorized capital was implemented in 2008, which raised the capital reserve by € 4,294.3 thousand.

### 13.4. RESERVES RETAINED FROM EARNINGS

| in € '000 | 2009 | 2008 |
|---|---|---|
| Profit carried forward | 12,745.4 | 9,321.0 |

### 13.5. CUMULATIVE OTHER EARNINGS

| in € '000 | 2009 | 2008 |
|---|---|---|
| Cumulative other earnings | 538.4 | – 852.9 |

### 13.6 NET INCOME FOR THE YEAR

| in € '000 | 2009 | 2008 |
|---|---|---|
| Consolidated net income for the year | 2,512.7 | 3,424.7 |

### PROPOSAL FOR EARNINGS APPROPRIATION

vwd AG will propose to the annual general meeting to pay a dividend of € 0.04 per share from vwd AG's balance-sheet profit under German commercial law of € 1,173,198.42 . This corresponds to a disbursement of € 1,030,143.08 in consideration of treasury stock. Furthermore, the Management and Supervisory Boards propose to carry forward to remaining balance-sheet profit of € 143,055.34 to the new account.

### 13.7. TREASURY STOCK

As of December 31, 2009, the group's treasury stock pursuant to § 160 Section 1 No. 2 German Stock Corporation Act (AktG) totaled 1,000 shares (previous year: 1,000 shares). The shares were repurchased in the context of a stock repurchase program that ran until October 28, 2006.

The annual general meeting of May 7, 2009, authorized the company to acquire treasury stock up to 10 % of the company's share capital by November 6, 2010. The authorization may be exercised in one or several tranches by the Management Board with the consent of the Supervisory Board in consideration of a number of limitations. In the process, the stocks may be acquired by the company itself or by a third party on behalf of the company. The stocks acquired on the basis of the new authorization together with treasury stock already acquired and still held by the company may not exceed 10 % of the share capital.

The company did not purchase any treasury stock in fiscal year 2009.

No stock repurchase program currently applies.

No other treasury stock was acquired in fiscal year 2009.

The share of treasury stock in share capital amounts to € 1,000.00. As of the reporting date, the treasury stock was netted against the group's equity in the amount of € 3,050.00.

### 13.8. MINORITY INTERESTS

The individual components of equity and their development in fiscal years 2009 and 2008 are as follows:

in € '000

| | 2009 | 2008 |
|---|---|---|
| **Balance as of January** | **6,371.7** | **2,849.0** |
| Changes in consolidation group | 0.0 | 4,361.9 |
| Disposals from purchases of additional shares within the group | – 4,089.0 | – 1,250.7 |
| Result | 612.6 | 1,014.7 |
| Dividend | – 1,000.7 | – 567.3 |
| Other | 0.0 | – 35.9 |
| **Balance as of December 31** | **1,894.6** | **6,371.7** |

### 13.9. CAPITAL MANAGEMENT

The key goals of group capital management include the protection of the company as a going concern, the maximization of shareholder value and maintenance of an optimal capital structure.

The capital structure is monitored and, if necessary, adapted in consideration of changes in economic parameters. A balanced dividend policy, the issuance of new shares, the take-up of new liabilities and debt redemptions through asset disposals may be used to maintain or adjust the capital structure.

To maintain an optimal capital structure, the group determines the size of capital in relation to risk. The management and, where necessary, adjustment of the capital structure is effected in consideration of changes in economic parameters. To maintain or adjust the capital structure, the group pursues a balanced dividend policy and considers the issuance of new shares, the raising of liabilities and the divestment of assets to reduce its debt.

The capital structure is monitored based on the degree of indebtedness (gearing). Gearing is calculated from the ratio of net debt to total capital. Net financial debt comprises all financial liabilities (liabilities to banks, trade payables as well as other liabilities) less cash and cash equivalents. Total capital consists of equity plus net financial debt.

The group pursues a strategy of minimizing its gearing in order to ensure its continued access to debt capital at a reasonable cost by protecting its solid credit rating.

| in € '000 | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Financial liabilities | 41,055.4 | 33,081.8 |
| ·/· cash and cash equivalents | 17,236.6 | 18,541.8 |
| = net financial debt | 23,818.8 | 14,540.0 |
| + equity | 30,070.2 | 30,643.3 |
| = total capital | 53,889.0 | 45,183.4 |
| Gearing | 44.2 % | 32.2 % |

The increase in the gearing factor is attributable to the recognition of the put option at 60 % and to a higher financing volume in the context of the company's growth strategy, at 40 %.

### 14. PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

The group pays into a company pension plan. The benefits are granted in accordance with legal, financial and economic parameters. New employees in Germany are not eligible for the company pension plan.

Provisions for pensions and similar commitments can be broken down as follows:

| in € '000 | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Defined-benefit plans | 3,986.8 | 5,059.4 |
| Similar commitments | 715.8 | 622.0 |
| **Total** | **4,702.5** | **5,681.4** |

The group has implemented a defined-benefit company pension plan pursuant to IAS 19.7 and IAS 24–28. The measurement method used is the projected unit credit method. The defined-benefit obligation is regularly calculated by an independent external expert.

At vwd Vereinigte Wirtschaftsdienste AG, the company pension plan is structured as follows:

A one-time capital allowance for old-age provisioning is granted at age 65 or upon retirement from the company under the flexible retirement threshold. The capital allowance depends on the employee's tenure and monthly salary. This regulation does not apply to employees who joined the group after January 1, 2006. This pension plan is not covered by pension plan reinsurance.

As a result of the merger in fiscal year 2007, pension commitments of the former b.i.s. AG and Fides Information Services GmbH are integrated at vwd AG. The company pension plans of these companies are structured as follows.

On September 29, 1998, a former employee of b.i.s. AG obtained four identical fixed-benefit commitments. The commitments include retirement capital due at age 65, and surviving dependants' capital, which is due in the event of death before reaching age 65. The commitments are immediately contractually non-lapsable in the amount of the benefits acquired until retirement. The commitments are covered by reinsurance.

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The employees of former Fides Information Services GmbH, Frankfurt/Main, hold entitlements to a retirement pension starting at the age of 66, a disability pension in the case of invalidity and a surviving dependants' pension in the event of death of the holder of the pension commitments. The commitments are based on salary level and tenure, and are not covered by plan assets.

market maker Software AG has granted a benefit pledge to a Management Board member that will provide retirement capital due at the age of 65 and a disability pension for the duration of the disability. The commitment is covered by reinsurance.

The employees of vwd information solutions AG, Zurich, participate in two legally independent personnel pension foundations that provide a retirement pension upon retirement age, in some cases a disability pension in the event of disability and a surviving dependants' benefit in the event of death. The benefits depend on the salary level. The employer and the employee contribute to the foundation's savings deposit. The employer assumes the risk contributions.

The employees of vwd group Belgium NV hold entitlements to a retirement pension upon the age of 65 and a surviving dependants' capital in the event of death before retirement from the company. The commitments are based on the salary level and the tenure, and are covered by reinsurance.

Actuarial assumptions:

| in % | Germany | | International | |
|---|---|---|---|---|
| | 12/31/2009 | 12/31/2008 | 12/31/2009 | 12/31/2008 |
| Discount rate | 5.5 | 5.75 | 3.5 / 5.5 | 3.15 / 5.75 |
| Salary increases | 1.8 | 1.8 | 2.0 / 3.5 | 1.8 / 3.5 |
| Pension increases | 1.5 | 1.5 | 1.0 | 1.5 |
| Fluctuation | 2.5 | 2.5 | 1.0 – 2.0 | 1.0 – 3.0 |

The basic interest rate used to determine the actuarial present of pension commitments is the closing day market rate of interest of investment-grade bonds with a maturity corresponding to the term of the pension commitments.

The group immediately records all actuarial gains or losses from defined-benefit plans outside the income statement in the group's statement of recognized income and expense. Gains recorded in the group's statement of recognized income and expense for 2009 amounted to € 1,298.3 thousand (previous year: € – 1,028.8 thousand) after deduction of deferred taxes.

Actuarial reviews of defined-benefit plans are compiled for each reporting period. Actuarial assumptions with regard to employee turnover and mortality are based on empirical data, with the latter being based on the mortality tables of Klaus Heubeck in the version from 2005 ("Richttafeln 2005 G" – license Heubeck Richttafeln-GmbH).

The defined-benefit plans developed as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| **Defined benefit plans** | | |
| **Balance as of January 1** | **9,265.5** | **11,437.6** |
| vwd information solutions AG (disposals) | 0.0 | – 2,712.3 |
| Change in consolidation group | 0.0 | 444.1 |
| | 9,265.5 | 9,169.4 |
| Interest expenses | 377.3 | 361.1 |
| Service costs | 387.4 | 265.8 |
| Contributions from plan participants | 104.2 | 91.8 |
| Pension payments | – 337.9 | – 586.4 |
| Currency translation | 5.8 | 0.0 |
| | 9,802.3 | 9,301.7 |
| Actuarial gains and losses | – 773.0 | – 36.4 |
| **Balance as of December 31** | **9,029.3** | **9,265.3** |
| | | |
| **Changes in plan assets** | | |
| **Plan assets as of January 1** | **4,225.3** | **7,798.8** |
| vwd information solutions AG (disposals) | 0.0 | – 2,800.4 |
| Change in consolidation group | 0.0 | 172.7 |
| Plan reductions | – 157.7 | – 398.7 |
| | 4,067.6 | 4,772.4 |
| Expected income / expenses on plan assets | 188.8 | 161.6 |
| Asset ceiling | – 19.4 | 4.4 |
| Actuarial gains and losses (–) | 498.7 | – 951.4 |
| Fund endowments / contributions | 198.4 | 126.5 |
| Contributions from plan participants | 104.2 | 92.4 |
| Currency translation | 4.2 | 0.0 |
| **Balance as of December 31** | **5,042.5** | **4,205.9** |
| | | |
| Liability for defined benefit plans | 9,029.3 | 9,265.3 |
| less plan assets | – 5,042.6 | – 4,205.9 |
| **Balance as of December 31** | **3,986.8** | **5,059.4** |

Plan assets concern in particular the funding of commitments in Switzerland via two collective foundations. Expected income from plan assets amounted to € 188.8 thousand (previous year: € 161.6 thousand). vwd does not anticipate future economic benefits from plan assets. For a commitment to a retired employee of vwd, the asset (€ 48.3 thousand [previous year: € 44.6 thousand]) was capped to the upper limit of the commitment (€ 19.4 thousand). The expected return on plan assets amounted to 4.35 %.

It can be broken down as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Stocks | 20.0 | 17.6 |
| Debt capital instruments | 45.0 | 53.3 |
| Real estate | 15.0 | 14.3 |
| Cash | 3.0 | 7.6 |
| Other | 17.0 | 7.2 |

The present value of pension commitments not covered by plan assets amounted to € 3,986.8 thousand (previous year: € 5,059.4 thousand). In the context of the recognition of defined-benefit pension plans, interest and service costs are recognized in operating income under personnel expenses.

Expenses for defined-benefit plans can be broken down as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Current service costs | 387.4 | 265.8 |
| Interest expenses | 377.3 | 361.1 |
| Anticipated expenses on plan assets | – 188.8 | – 161.6 |
| | **575.9** | **465.3** |

Pension expenses relate to employees in Germany and Switzerland as well as Belgium and the Netherlands. They are recognized under personnel expenses.

The financing status for fiscal years 2005 to 2009 (DBO less plan assets) is as follows:

- 2005 € 3,352.3 thousand
- 2006 € 3,622.9 thousand
- 2007 € 3,835.3 thousand
- 2008 € 5,059.4 thousand
- 2009 € 3,986.8 thousand

Experience-based adjustments amount to:

- 2006 € – 140.3 thousand
- 2007 € 796.5 thousand
- 2008 € – 121.7 thousand
- 2009 € – 199.6 thousand

Similar commitments include anniversary benefits as well as provisions for partial retirement obligations, which were calculated based on an interest rate of 5.5 %.

## 15. OTHER LONG-TERM PROVISIONS

The other long-term provisions can be broken down as follows:

| in € '000 | As of 1/1/2009 | Utilization | Foreign currency | Dissolution | Consoli-dation group | Discounting | As of 12/31/2009 |
|---|---|---|---|---|---|---|---|
| Cost of production | 601.2 | 0.0 | 0.0 | 208.6 | 0.0 | 109.4 | 502.0 |
| Reinstatement obligations | 59.3 | 0.0 | 0.0 | 0.0 | 0.0 | 12.1 | 71.4 |
| Onerous contracts provisions | 348.2 | 0.0 | 0.3 | 348.5 | 0.0 | 0.0 | 0.0 |
| | **1,008.7** | **0.0** | **0.3** | **557.1** | **0.0** | **121.5** | **573.4** |

The discounting was effected at an interest rate of 4.65 % and 5.25 % (previous year: 5.25 %). The changed interest rate entailed expenses of € 35.1 thousand, which are shown under financial result.

Cost of production relates to fees for the provision of master data in the area of real-time products.

## 16. FINANCIAL LIABILITIES

Financial liabilities to banks have the following terms:

| in € '000 | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Up to one year | 10,181.5 | 6,160.0 |
| Up to five years | 8,424.6 | 6,769.1 |
| More than five years | 2,103.1 | 2,495.0 |
| Total more than one year | 10,527.7 | 9,264.1 |
| **Total** | **20,709.2** | **15,424.1** |

As of December 31, 2009, non-current financial liabilities comprised liabilities to banks.

Financial liabilities are recorded in currencies in which the company operates. As of December 31, 2009, the financial liabilities are denominated in euros.

To finance its acquisitions planned for 2009, vwd took out acquirer loans with terms ending in 2015. The interest rates on these loans are based on 3-month Euribor plus premiums of 2.0 % to 2.5 %.

In fiscal year 2009, a loan of € 733.1 thousand, which the company took out in connection with a land and commercial building purchase, was repaid prematurely as part of the sale of the building.

As of December 31, 2009, loan liabilities to banks amounted to € 20,709.2 thousand.

To guarantee the vwd group's solvency and financial flexibility at all times, a liquidity reserve in the form of a credit line is held. To this end, vwd has concluded operating lines of credit with two banks including

- a permanent operating line of credit of € 6 million,
- a permanent operating line of credit of € 0.9 million and
- seasonal operating lines of credit of € 6.0 million, which can be drawn once a year between August 1 and January 31 of the following year.

At the moment, the company pays a provision fee on unused lines of credit. The interest rate for drawn credit lines is based on EONIA plus a premium. As of December 31, 2009, utilization of this short-term credit line amounted to € 8,075.4 thousand (previous year: € 3,951.1 thousand).

Liabilities to banks of fiscal years 2009 and 2008 with a remaining term of up to one year are shown under short-term financial liabilities.

The following tables show the contractually agreed (undiscounted) interest and redemption payments of primary financial liabilities:

| in € '000 | Carrying amount 12/31/2009 | Fixed interest | Variable interest | Redemption |
|---|---|---|---|---|
| **Cash flows 2010** | | | | |
| Primary financial liabilities | | | | |
| – Liabilities to banks | 20,709.2 | 0.0 | 531.8 | 10,181.5 |
| – Other interest-bearing liabilities | 0.0 | 0.0 | 0.0 | 0.0 |
| – Other non-interest-bearing liabilities | 20,346.3 | | | 20,346.3 |
| **Cash flows 2011** | | | | |
| Primary financial liabilities | | | | |
| – Liabilities to banks | 10,527.7 | 0.0 | 608.6 | 2,106.1 |
| **Cash flows 2012** | | | | |
| Primary financial liabilities | | | | |
| – Liabilities to banks | 8,421.6 | 0.0 | 476.9 | 2,106.1 |
| **Cash flows 2013** | | | | |
| Primary financial liabilities | | | | |
| – Liabilities to banks | 6,315.4 | 0.0 | 345.2 | 2,106.1 |
| **Cash flows 2014** | | | | |
| Primary financial liabilities | | | | |
| – Liabilities to banks | 4,209.3 | 0.0 | 213.6 | 2,106.1 |
| **Cash flows 2015** | | | | |
| Primary financial liabilities | | | | |
| – Liabilities to banks | 2,103.3 | 0.0 | 74.1 | 2,103.3 |

All instruments held on December 31, 2009, and for which payments had already been agreed on contractually are included. No planning figures for future new liabilities are included. The variable interest payments from financial liabilities were determined based on the interest rates last fixed before December 31, 2009. Financial liabilities that are redeemable at any time are always assigned to the earliest time band.

No group assets were pledged as collateral for financial liabilities.

### 17. OTHER SHORT-TERM PROVISIONS

The other short-term provisions can be broken down as follows:

| in € '000 | As of 1/1/2009 | Change in consolida-tion group | Utilization | Dissolution | Addition | Transfer | As of 12/31/2009 |
|---|---|---|---|---|---|---|---|
| Cost of production | 253.2 | 0,0 | 0.0 | 253.2 | 550.0 | 0.0 | 550.0 |
| Personnel | 880.6 | 0,0 | 247.1 | 513.4 | 603.7 | 0.0 | 723.8 |
| Damage claims | 1.5 | 0,0 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 |
| Interest on additional tax claims | 288.9 | 0,0 | 285.6 | 3.2 | 0.0 | 0.0 | 0.0 |
| Miscellaneous | 268.6 | 125.5 | 12.2 | 0.0 | 301.3 | – 123.5 | 559.7 |
| | **1,692.8** | **125.5** | **544.9** | **771.3** | **1,455.0** | **– 123.5** | **1,833.5** |

Personnel provisions related mainly to severance payments

### 18. TRADE PAYABLES

Trade payables toward third parties amounted to € 6,591.9 thousand (previous year: € 5,344.2 thousand) and are all due within one year.

### 19. ADVANCE PAYMENTS RECEIVED

This item includes cash funds received in advance that total € 1,093.9 thousand (previous year: € 2,616.9 thousand). Invoices relating to services for various products refer to the period beginning after December 31, 2009, with a term of up to one year.

### 20. TAX LIABILITIES

Tax liabilities in fiscal 2009 (€ 673.6 thousand) and in the previous year (€ 1,854.5 thousand) relate to group companies' expenses for income taxes due in the following year.

### 21. OTHER LIABILITIES

Other liabilities are carried at their nominal value or the lower repayable amount, and are due within one year. They can be broken down as follows:

| in € '000 | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Tax liabilities (sales tax, income tax) | 709.3 | 665.1 |
| Deferred income | 1,681.0 | 2,386.3 |
| Social security liabilities | 1.0 | 1.0 |
| Liabilities from put option | 5,695.6 | 0.0 |
| Miscellaneous | 3,832.0 | 4,703.2 |
| | **11,918.9** | **7,755.6** |

Other liabilities include for the most part liabilities to employees (2009: € 3,076.5 thousand; 2008: € 3,235.1 thousand), such as annual bonuses, outstanding vacation entitlements, overtime and commissions. In addition, this item comprises the pro-rata net income of minority shareholders of the EDG Group totalling € 169.3 thousand. It is shown in the income statement in no. 31 (interest expenses) in connection with the put option.

## 22. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

### Carrying amounts, reported amounts and fair values by measurement categories

FISCAL YEAR 2009

in € '000

| | Measurement category pursuant to IAS 39 | Carrying amount 12/31/2009 | Reported amount pursuant to IAS 39 | | |
|---|---|---|---|---|---|
| | | | Amortized cost | Held to maturity | Available for sale |
| **ASSETS** | | | | | |
| Cash and cash equivalents | LaR | 9,293.1 | 9,293.1 | | |
| Trade receivables | LaR | 4,749.7 | 4,749.7 | | |
| Other receivables | LaR / na. | 2,954.0 | 2,954.0 | | |
| Other financial assets | HtM | 34.2 | | 34.2 | |
| Other financial assets | na | 393.1 | 393.1 | | |
| **LIABILITIES** | | | | | |
| Trade payables | FLAC | 6,591.9 | 6,591.9 | | |
| Liabilities to banks | FLAC | 20,709.2 | 20,709.2 | | |
| Other interest-bearing liabilities | FLAC | 0.0 | | | |
| Other non-interest-bearing liabilities | FLAC | 13,686.4 | 13,686.4 | | |

FISCAL YEAR 2008

in € '000

| | Measurement category pursuant to IAS 39 | Carrying amount 12/31/2008 | Reported amount pursuant to IAS 39 | | |
|---|---|---|---|---|---|
| | | | Amortized cost | Held to maturity | Available for sale |
| **ASSETS** | | | | | |
| Cash and cash equivalents | LaR | 10,632.3 | 10,632.3 | | |
| Trade receivables | LaR | 5,796.7 | 5,796.7 | | |
| Other receivables | LaR / na. | 2,032.9 | 2,032.9 | | |
| Other financial assets | LaR / na. | 900.7 | 384.7 | 51.0 | 465.0 |
| **LIABILITIES** | | | | | |
| Trade payables | FLAC | 5,344.2 | 5,344.2 | | |
| Liabilities to banks | FLAC | 15,424.2 | 15,424.1 | | |
| Other interest-bearing liabilities | FLAC | 0.0 | 0.0 | | |
| Other non-interest-bearing liabilities | FLAC | 12,226.9 | 12,226.9 | | |

Thereof aggregated by measurement categories pursuant to IAS 39:

- Loans and Receivables (LaR)
- Financial Liabilities Measured at Amortised Cost (FLAC)
- Held to Maturity (HtM)

Cash and cash equivalents, trade receivables and other receivables have mostly short remaining terms. As a result, their carrying amounts approximately correspond to their fair values as of the reporting date.

The pension plan reinsurance reported under other financial assets was also measured at amortized cost, which corresponds to the fair value of the plan assets.

Trade liabilities and other liabilities regularly have short remaining terms. The recognized amounts approximate the fair value.

**Net results by measurement categories**

| in € '000 | From subsequent measurement | | Net result | |
|---|---|---|---|---|
| | from interest | from disposal | 2009 | 2008 |
| Financial Liabilities Measured at Amortised Cost | 531.8 | – 415.6 | 116.2 | 218.8 |

The net result is shown both under other operating income, other operating expenses and interest expenses and income. In the previous year, the item included interest expenses and income from other financial assets.

### 23. CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

No contingencies were recorded as of December 31, 2009.

Other financial obligations exist in addition to reserves and liabilities, and result mostly from leasing agreements and long-term rental contracts.

The minimum amount of undiscounted future lease payments (operating leases) amounted to € 849.0 thousand (previous year: € 555.2 thousand). The respective payment obligations have the following maturities:

| Maturity in year / in € '000 | 12/31/2009 |
|---|---|
| 2010 | 431.3 |
| 2011 to 2014 | 417.7 |
| 2015 and later | 0.0 |
| | **849.0** |

| Maturity in year / in € '000 | 12/31/2008 |
|---|---|
| 2009 | 282.0 |
| 2010 to 2013 | 273.2 |
| 2014 and later | 0.0 |
| | **555.2** |

Car-leasing agreements were concluded for the most part. Options for rental-contract extensions or purchase options do not apply. The leasing agreements for office equipment, e.g., copying machines, include an annual extension option.

Rental payments of € 415.8 thousand (previous year: € 300.2 thousand) arose from operating-lease obligations in fiscal year 2009.

In addition, there are other financial liabilities from rental contracts whose maturity structure can be broken down as follows in comparison to the previous year:

| Maturity in year / in € '000 | 12/31/2009 |
|---|---|
| 2010 | 2,196.8 |
| 2011 to 2014 | 7,323.2 |
| 2015 and later | 1,739.4 |
| | **11,259.4** |

| Maturity in year / in € '000 | 12/31/2008 |
|---|---|
| 2009 | 1,885.3 |
| 2010 bis 2013 | 7,461.0 |
| 2014 and later | 1,691.1 |
| | **11,037.4** |

A sublease resulted in income of € 33.8 thousand in the reporting year. No income is anticipated for 2010.

Obligations from already concluded contracts for initiated or planned investment plans (sourcing commitments) amounted to € 88.4 thousand.

## NOTES TO THE CONSOLIDATED INCOME STATEMENT

Expenses are recorded in the consolidated income statement using the total cost method.

### 24. SALES

Sales are generated primarily from listing services, data sales, terminal products and advertising. Sales increased by € 5,875.2 thousand, or 8.0 %, to € 79,232.5 thousand compared to 2008. Changes in the consolidation group relating to vwd group Switzerland and to the EDG Group resulted in € 6.8 million higher sales in fiscal year 2009 (vwd group Switzerland: € 4.7 million, EDG Group: € 1.8 million).

The segment report shows the breakdown of sales by business areas.

### 25. OTHER CAPITALIZED, INTERNALLY GENERATED ASSETS

The criteria for the capitalization of internally generated software were fulfilled. A total € 315.1 thousand was capitalized (previous year: € 151.1 thousand).

### 26. OTHER OPERATING INCOME

Other operating income includes € 415.6 thousand from the derecognition of liabilities (previous year: € 713.8 thousand) and € 1,259.9 thousand in income from the reversal of provision (previous year: € 744.9 thousand).

## 27. COST OF MATERIALS

The cost of services purchased includes primarily license costs and fees for downloading exchange data (revenue based items).

## 28. PERSONNEL EXPENSES

Personnel expenses can be broken down as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Wages and salaries | 27,447.9 | 23,333.1 |
| Social security, post-employmentand other employee benefit costs | 4,540.8 | 3,915.6 |
| | **31,988.7** | **27,248.7** |

Expenses for pensions amounted to € 575.9 thousand (previous year: € 465.3 thousand).

## 29. OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Rental expenses | 3,215.1 | 2,932.3 |
| Services | 2,040.1 | 2,413.5 |
| Advertising / marketing | 1,217.8 | 1,031.3 |
| Miscellaneous | 6,978.3 | 6,905.3 |
| | **13,451.3** | **13,282.4** |

The "miscellaneous" expense item also comprises travel costs as well as other costs such as maintenance or repair costs.

## 30. DEPRECIATION ON INTANGIBLE AND TANGIBLE ASSETS AND INVESTMENT PROPERTIES

Depreciation, amortization and impairment can be broken down as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Intangible assets | 2,429.8 | 1,447.1 |
| Tangible assets | 1,503.3 | 1,156.7 |
| Investment properties | 10.3 | 12.4 |
| | **3,943.4** | **2,616.2** |

As in the previous year, no write-downs for impairment were carried out in fiscal year 2009.

### 31. FINANCIAL RESULT

In fiscal year 2009, the financial result amounted to € – 917.6 thousand (previous year: € – 664.2 thousand) and includes € 648.6 thousand in interest and similar expenses (previous year: € – 865.3 thousand) and € 45.8 thousand in financial income (previous year: € 201.1 thousand). Details on the individual components of the financial result are shown as follows.

| in € '000 | 2009 | 2008 |
|---|---|---|
| Interest and similar income | 45.8 | 201.1 |
| Interest and similar expenses | – 648.6 | – 865.3 |
| Write-downs of non-current financial assets and current securities | – 11.0 | 0.0 |
| Interest and similar expenses related to the put option | – 303.8 | 0.0 |
| Rounding differences | 0.0 | 0.0 |
| | **– 917.6** | **– 664.2** |

Thereof from financial instruments of the measurement category pursuant to IAS 39:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Loans and receivables | 0.0 | 0.0 |
| Financial liabilities measured at amortized cost | 531.8 | 495.0 |

Interest expenses result, among other things, from the use of loans at vwd AG to finance the acquisition of shares in associated companies in fiscal year 2009.

### 32. TAX RESULT

The average trade tax rate for the companies included in the vwd group amounted to 15.825 % (previous year: 15.925 %). As in the previous year, the solidarity surcharge amounted to 5.5 %. As of December 31, 2009, the deferred tax rates of domestic companies were measured at an aggregate tax rate including solidarity surcharge of 31.75 % (previous year: 31.75 %).

Tax expenses in the income statement can be broken down as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Current taxes | 2,045.4 | 2,649.7 |
| Deferred tax income | – 604.7 | – 287.5 |
| Deferred tax liabilities | 280.2 | 799.2 |
| | 1,720.9 | 3,161.4 |
| Other taxes | 42.8 | 10.8 |
| **Total** | **1,763.7** | **3,172.2** |

As in the previous year, the country-specific income tax rates that applied to foreign subsidiaries ranged from 16.53 % to 34.0 %.

In fiscal year 2009, actual income tax relating to other periods amounted to € 42.8 thousand.

The tax expenses of vwd AG were determined without consideration of corporate income and trade tax loss carry-forwards of the former b.i.s. AG as these may have ceased to exist in the context of the merger of vwd GmbH into b.i.s. AG pursuant to § 8 Section 4 of the German Corporate Tax Act (KStG) and § 10a of the German Trade Tax Act (GewStG).

Expected tax expenses deviated from actual tax expenses as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| **Income for the year before tax** | **4,846.2** | **7,600.9** |
| Expected tax expenses (+)/income (–) | 1,538.7 | 2,413.3 |
| Tax effects resulting from differences in the tax base | | |
| Tax rate differences | | |
| – effects of changes in tax rates | 0.0 | 0.0 |
| – different trade tax assessment rates | 36.5 | 55.8 |
| – tax-exempt income/other deductions | 105.4 | – 80.7 |
| – differences in foreign tax rates | 0.5 | 73.2 |
| Tax effects from non-deductible expenses | – 21.4 | 742.7 |
| Tax effects from recognition and measurement of deferred taxes | 18.4 | – 40.0 |
| Effects attributable to other reporting periods | | |
| – Additional taxes due to audit/tax assessment | 42.8 | – 2.9 |
| **Actual tax expenses (+)/-income (–)** | **1,720.9** | **3,161.4** |

Tax effects from non-deductible expenses included the tax effects of losses at vwd information solutions AG totalling € 268.3 thousand. As of December 31, 2009, unutilized tax loss carry-forwards for which no deferred taxes were formed amounted to € 11,196.2 thousand.

The company's deferred taxes related to the following items:

| in € '000 | 12/31/2009 | | 12/31/2008 | |
|---|---|---|---|---|
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Non-current assets | 769.8 | 2,328.3 | 644.2 | 1,875.5 |
| Current assets | 0.0 | 139.4 | 0.0 | 121.0 |
| Equity | 9.0 | 249.7 | 8.9 | 276.2 |
| Pension provisions | 194.2 | 0.0 | 31.2 | 0.0 |
| Other provisions | 11.8 | 0.0 | 191.6 | 0.0 |
| | **984.8** | **2,717.4** | **875.9** | **2,272.7** |

Deferred tax assets were recognized only to the extent that a realization of the respective benefit was likely. No bad-debt allowances were formed because utilization is considered likely based on short-term business expectations.

Deferred tax assets and liabilities resulting from temporal differences are not offset even if they concern the same tax authority.

### 33. PROFITS / LOSSES ALLOCABLE TO MINORITIES

Profits amounted to € 612.6 thousand (previous year: € 1,014.7 thousand).

### 34. EARNINGS PER SHARE

In accordance with IAS 33 (Earnings per Share), earnings per share are calculated by dividing the net income by the weighted average number of shares.

Stock options were not factored into the calculation because the common stock's average price for 2009 is below the exercise price for the option so that undiluted earnings per share correspond to diluted earnings per share. All business areas represent continuing operations.

Additional explanations on the stock options can be found in note 41.

in € '000

| | 2009 | 2008 |
|---|---|---|
| Net income (€ '000) | 3,125.3 | 4,439.5 |
| Net income allocable to minorities (€ '000) | 612.6 | 1,014.7 |
| Net income allocable to shareholders of vwd (€ '000) | 2,512.7 | 3,424.7 |
| Weighted average number of issued common shares (shares) | 25,754,577 | 24,683,399 |
| **Undiluted earnings per share (€)** | **0.098** | **0.139** |

No dilution effects occurred during the reporting period. The stock option program was not rated as a dilutive effect due to the very high exercise price compared with the current stock price.

Authorized capital also represented no dilutive effect for the fiscal year.

### 35. REPORTING ON FINANCIAL INSTRUMENTS

Notes on the types and size of risks from financial instruments pursuant to IFRS 7 are included in the risk report in the group management report. The information provided there is part of the consolidated financial statements and is referred to here.

### 36. SEGMENT REPORTING

Our internal reporting provides for a differentiated presentation of business activities. The group's reporting structure is based on the three market-oriented business areas whose task is to offer vwd customers optimal subject-matter- and target-group-specific solutions drawing from vwd's full product and service offering. They are:

- **Market Data Solutions (MDS)**
  In its MDS segment, vwd provides a multi-faceted range of market-data systems, browser-based applications, portfolio management solutions and content solutions. The focus is on standardized software solutions with individual configurations that are integrated into customers' infrastructures.

- **Technology Solutions (TS)**
  The TS segment provides technology and transaction solutions as well as consulting and outsourcing services. In addition, vwd handles the design and building as well as the hosting of professional Internet platforms. The provision of market data listings for print media and financial portals is also done by this segment. Customer-specific solutions that are largely developed individually and integrated into customers' existing infrastructure are a key feature of this segment.

- **Specialised Marketing Solutions (SMS)**
  The SMS segment offers customized cross-media publication and communication concepts. The focus here is on special advertising formats for products of issuers of derivative products and fund management firms as well as the distribution of key financial and price data from financial services providers and securities underwriters. vwd's own online portal "finanztreff.de" is also operated by the SMS segment.

Starting in fiscal year 2009, vwd AG applied IFRS 8 for the first time. In addition, reporting as of December 31, 2009, was expanded by a reconciliation to the consolidated income statement. The relevant segment data as of December 31, 2008, have been adjusted for the purpose of comparability.

The changes in the consolidation group in fiscal year 2009 resulted in the following changes compared to reporting as of December 31, 2008:

- The portfolio services business of the PortfolioNet AG sub-group was integrated into the Technology Solutions (TS) segment.
- The Specialised Marketing Solutions (SMS) segment comprises the newly added group companies EDG AG, Schäftlarn; EDA AG, Frankfurt/Main; and EDG AG, St. Gallen. This results in an extension of the SMS segment by certificate rating.

## Segment information by business areas

FISCAL YEAR 2009

| in € '000 | MDS | TS | SMS | Total | Recon-ciliation | vwd group |
|---|---|---|---|---|---|---|
| External sales | 36,337 | 19,888 | 23,008 | 79,233 | 0 | 79,233 |
| Inter-segment sales | 192 | 1,176 | 0 | 1,368 | 1,368 | 0 |
| Segment sales (gross) | 36,529 | 21,064 | 23,008 | 80,601 | 1,368 | 79,233 |
| Change in inventory | 0 | 0 | – 5 | – 5 | 0 | – 5 |
| Other capitalized internally generated assets | 69 | 246 | 0 | 315 | 0 | 315 |
| Other operating income | 1,498 | 973 | 385 | 2,856 | 0 | 2,856 |
| Total segment sales | 38,096 | 22,283 | 23,388 | 83,767 | 1,368 | 82,399 |
| Cost of materials | 15,796 | 4,105 | 8,676 | 28,577 | 1,368 | 27,209 |
| Personnel expenses | 12,222 | 11,738 | 8,029 | 31,989 | 0 | 31,989 |
| Other operating expenses | 5,607 | 3,841 | 4,003 | 13,451 | 0 | 13,451 |
| **EBITDA** | **4,471** | **2,599** | **2,680** | **9,750** | **0** | **9,750** |
| Depreciation/amortization | 1,176 | 1,570 | 1,197 | 3,943 | 0 | 3,943 |
| – thereof depreciation from ppa | 335 | 925 | 288 | 1,548 | 0 | 1,548 |
| **EBIT** | **3,295** | **1,029** | **1,483** | **5,807** | **0** | **5,807** |
| Other interest and similar income | 14 | 13 | 19 | 46 | 0 | 46 |
| Depreciation of financial assets and securities | 0 | 11 | 0 | 11 | 0 | 11 |
| Interest and similar expenses | 217 | 92 | 340 | 649 | 0 | 649 |
| Interest and similar expenses related to the put option | 0 | 0 | 304 | 304 | 0 | 304 |
| **EBT** | **3,092** | **939** | **858** | **4,889** | **0** | **4,889** |
| | | | | | | |
| Goodwill | 19,379 | 8,321 | 18,801 | 0 | 0 | 46,501 |

FISCAL YEAR 2008

in € '000

| | MDS | TS | SMS | Total | Reconciliation | vwd group |
|---|---|---|---|---|---|---|
| External sales | 34,705 | 15,980 | 22,672 | 73,357 | 0 | 73,357 |
| Inter-segment sales | 200 | 1,080 | 1,025 | 2,305 | 2,305 | 0 |
| Segment sales (gross) | 34,905 | 17,060 | 23,697 | 75,662 | 2,305 | 73,357 |
| Change in inventory | 0 | 0 | 0 | 0 | 0 | 0 |
| Other capitalized internally generated assets | 76 | 75 | 0 | 151 | 0 | 151 |
| Other operating income | 1,340 | 792 | 101 | 2,233 | 0 | 2,233 |
| Total segment sales | 36,321 | 17,927 | 23,798 | 78,046 | 2,305 | 75,741 |
| Cost of material | 13,549 | 4,549 | 8,525 | 26,623 | 2,305 | 24,318 |
| Personnel expenses | 11,339 | 7,973 | 7,937 | 27,249 | 0 | 27,249 |
| Other operating expenses | 6,288 | 3,510 | 3,484 | 13,282 | 0 | 13,282 |
| **EBITDA** | **5,145** | **1,895** | **3,852** | **10,892** | **0** | **10,892** |
| Depreciation / amortization | 976 | 840 | 800 | 2,616 | 0 | 2,616 |
| – thereof depreciation from ppa | 323 | 159 | 0 | 482 | 0 | 482 |
| **EBIT** | **4,169** | **1,055** | **3,052** | **8,276** | **0** | **8,276** |
| Other interest and similar income | 69 | 103 | 29 | 201 | 0 | 201 |
| Depreciation on financial assets and securities | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and similar expenses | 289 | 124 | 452 | 865 | 0 | 865 |
| Interest and similar expenses related to the put option | 0 | 0 | 0 | 0 | 0 | 0 |
| **EBT** | **3,949** | **1,034** | **2,629** | **7,612** | **0** | **7,612** |
| | | | | | | |
| Goodwill | 19,378 | 7,565 | 9,704 | 0 | 0 | 36,647 |

Segment information by region (in alphabetical order)

SALES BY LOCATION OF CUSTOMERS

in € '000

| | 2009 | 2008 |
|---|---|---|
| Austria | 1,544 | 1,085 |
| Belgium | 3,930 | 3,442 |
| France | 570 | 559 |
| Germany | 47,186 | 45,710 |
| Ireland | 739 | 918 |
| Luxembourg | 9,816 | 9,983 |
| Netherlands | 3,114 | 2,871 |
| Switzerland | 10,465 | 5,589 |
| UK | 922 | 1,771 |
| Rest of Europe | 684 | 95 |
| Rest of World | 263 | 1,334 |
| | **79,233** | **73,357** |

Sales with third parties are shown for the region in which the sales are realized.

Inter-segment sales concerned Germany, Switzerland, Belgium and the Netherlands.

Transactions between segments are based on an intragroup cost rate of € 650.00 per man day. If costs are recharged to external customers, the primary segment receives 80 % of the sales.

NON-CURRENT ASSETS BY REGION

| in € '000 | 2009 | 2008 |
|---|---|---|
| Germany | 46,255 | 30,095 |
| Switzerland | 9,318 | 7,842 |
| Netherlands | 6,445 | 6,570 |
| Belgium | 254 | 520 |
| | **62,272** | **54,028** |

## 37. NOTES TO THE CASH FLOW STATEMENT

In accordance with IAS 7, the cash flow statement presents changes in cash flows resulting from cash inflows and outflows from current operating, investing and financing activities for fiscal years 2009 and 2008. The cash flows were determined based on the vwd group accounts using the indirect method. Cash in the cash flow statement includes all liquid assets shown in the balance sheet, i.e., cash on hand, checks and bank deposits that can be withdrawn within three months. The cash and cash equivalents are not subject to any restrictions.

Cash flow from operating activities is derived indirectly from the operating result. This indirect calculation involves adjusting the changes in balance-sheet items related to operating activities to reflect effects from currency translation and changes in the consolidation group.

Net cash generated from operating activities:

In the reporting year, cash inflows from operating activities amounted to € 4,504.4 thousand (previous year: € 5,315.3 thousand). The change from the positive result plus the non-cash write-downs and the change in pension provisions (= positive gross cash flow) are offset by cash outflows from changes in other net assets/other non-cash transactions.

Gross cash flow includes interest received in the amount of € 45.8 thousand (previous year: € 201.1 thousand). Income tax payments amounted to € 2,332.8 thousand (previous year: € 3,161.4 thousand).

Net cash used in investing activities:

Cash outflows from investing activities amounted to € 5,179.3 thousand (previous year: € 13,605.3 thousand) and were attributable to changes in the consolidation group and the acquisition of intangible and tangible assets.

Net cash used in financing activities:

Cash inflows from financing activities of € – 5,141.7 thousand (previous year: € 9,624.1 thousand) resulted mainly from the assumption of loans.

As of December 31, 2009, cash and cash equivalents consist of cash on hand, bank deposits and liabilities to banks that were repaid in the first quarter of 2010, and could be broken down as follows as of December 31, 2009:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Cash on hand, bank deposits | 9,293.1 | 10,632.3 |
| Current liabilities to banks | – 8,075.4 | – 4,054.0 |
| | **1,217.7** | **6,578.3** |

The cash and cash equivalents were not subject to any restrictions.

vwd has unutilized credit lines totalling € 4,824.6 thousand.

## OTHER NOTES

### 38. RELATED-PARTY TRANSACTIONS

Related parties within the meaning of IAS 24 generally include members of the Management and Supervisory Boards, shareholders and affiliated companies. Business transactions between the company and its subsidiaries, which classify as related companies, have been eliminated by the consolidation and will not be explained in these notes.

By contractual agreement of October 15, 2004, a legal consulting contract was concluded with Nieding + Barth Rechtsanwaltsaktiengesellschaft, Frankfurt/Main. Supervisory Board Chairman Klaus Nieding is both a shareholder and Management Board member of the law firm Nieding + Barth Rechtsanwaltsaktiengesellschaft. In 2009, compensation from legal consulting work amounted to € 162.6 thousand. As of December 31, 2009, unpaid invoices totalling € 28.0 thousand were considered in other provisions.

The compensation of key group executives that must be disclosed pursuant to IAS 24 comprises the compensation of the Management and Supervisory Boards. They were compensated as follows:

| in € '000 | 2009 | 2008 |
|---|---|---|
| Management Board | 1,187.6 | 1,293.8 |
| Supervisory Board | 94.5 | 85.5 |
| | **1,282.1** | **1,379.3** |

Management Board member remuneration included € 310.3 thousand (previous year: € 436.5 thousand) in variable remuneration components. In addition, the Management Board members Keferstein, Bosse and Lauterbach are entitled to company pensions consisting of a lump-sum payment upon reaching the retirement age. As of December 31, 2009, commitments from these entitlements amounted to € 185.9 thousand (previous year: € 160.6 thousand).

As in the previous year, no loans or advance payments had been granted to Management or Supervisory Board members as of December 31, 2009. Also as in the previous year, no contingencies were entered in favor of the Management and Supervisory Boards.

Among the Management Board members, Mr. Keferstein and Mr. Bosse held the following number of shares in vwd AG as of December 31, 2009:

| in € '000 | Number of shares | in % of subscribed capital |
|---|---|---|
| Mr. Keferstein | 3,889,454 | 15.10 |
| Mr. Bosse | 1,202,780 | 4.67 |

Mr. Keferstein holds a portion of his shares indirectly via EJK Investment und Beteiligungs GmbH & Co. KG, which he controls.

The Management Board members receive no compensation for the fulfillment of their duties at subsidiaries.

Additional information on individual compensation and other details regarding the remuneration of members of the Management and Supervisory Boards can be found in the remuneration report in the group management report.

### 39. NOTES PURSUANT TO § 26 SECTION 1 AND § 26A OF THE GERMAN SECURITIES TRADING ACT (WPHG)

Due to the incorrect identification of VV Beteiligungen AG as VV Beteiligungen GmbH, a correction of notifications pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) from October 2 and 30, 2007, as well as from November 06, 2007 was issued on July 8, 2009. The last notification from March 14, 2008, did not have to be corrected.

### 40. AUDITOR'S FEES

For the services rendered by the auditor of the vwd group, Stüttgen & Haeb AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, on behalf of vwd AG and its domestic subsidiaries, audit fees of € 213.0 thousand (previous year: € 328.6 thousand) and other auditing service fees of € 129.8 thousand (previous year: € 238.6 thousand), including expenses of € 116.0 thousand, were recognized. The company's foreign subsidiaries are audited by different auditors.

Expenses for the audit of subsidiaries:

| in € '000 | | 2009 | 2008 |
|---|---|---|---|
| Subsidiary | Auditor | | |
| vwd information solutions AG | REFIDAR MOORE STEPHENS, Zurich | 34.7 | 27.7 |
| vwd group Netherlands B.V. and vwd group Belgium NV | Meeuwsen Ten Hoopen Accountants B.V., Lelystad | 48.2 | 16.6 |

Expenses for other auditing services provided to subsidiaries:

| in € '000 | | 2009 | 2008 |
|---|---|---|---|
| Subsidiary | Auditor | | |
| vwd information solutions AG | REFIDAR MOORE STEPHENS, Zurich | 5.8 | 0.0 |
| vwd group Netherlands B.V. and vwd group Belgium NV | Meeuwsen Ten Hoopen Accountants B.V., Lelystad | 6.6 | 0.0 |

In addition, the following tax-consulting expenses were incurred by subsidiaries of the vwd group:

| in € '000 | | 2009 | 2008 |
|---|---|---|---|
| Subsidiary | Auditor | | |
| vwd information solutions AG | REFIDAR MOORE STEPHENS, Zürich | 5.4 | 0.0 |
| vwd group Netherlands B.V. and vwd group Belgium NV | Meeuwsen Ten Hoopen Accountants B.V., Lelystad | 27.6 | 0.0 |

## 41. EMPLOYEES

In fiscal year 2009, the group employed an average of 430 (previous year: 380) employees.

## 42. STOCK OPTION PROGRAM

A stock option plan was adopted by resolution of the extraordinary general meeting of b.i.s. AG on May 10, 1999. Under this stock option plan, the company was authorized to grant up to 220,000 stock options to members of the Management Board, executives and employees of the company or of associated companies. Management Board resolutions related to the exercise of this authorization are subject to the approval of the Supervisory Board. Of the stock options, 50 % are allocated to members of the Management Board, 30 % to executives and 20 % to employees. The option rights issued under this stock option plan can generally be exercised within 10 years of their issue date.

By exercise of the option right, no-par value shares of the company can in principle and subject to possible adjustments from corporate actions or a restructuring of the company be drawn at a ratio of 1:1 against payment of the strike price. The strike price corresponds to the current market price of the company's shares resulting from the last sales of shares to third parties known to the company or prices paid for company stock under the last capital increase. After an initial listing of the company's shares on a stock exchange, the strike price results from the median value of the closing values for one company share on the Frankfurt Stock Exchange during the last five trading days prior to the issue of the option. The general shareholders' meeting can resolve to lower the strike price.

The Management Board, in agreement with the Supervisory Board, can decide whether the shares needed to fulfill the exercised option rights will be made available from the contingent capital created for this particular purpose by the general meeting of May 10, 1999, or from the stock buy-back program resolved by the general meeting on May 7, 2009. Alternatively, persons entitled to options can be granted cash compensation. The Management and Supervisory Boards' decision must consider the interests of the shareholders and the company.

As a matter of principle, those entitled to receive options may exercise their option rights no earlier than two years, and no later than three years, after issuance (holding period), provided that the company's stock price has exceeded the strike price by at least 10 % on five consecutive trading days during one month before the exercise of the option rights.

The option rights may be cancelled within a period of up to three years from the grant date. The option rights issued to the individual option holders may vest no earlier than after two years from the grant date.

The stock options of the former b.i.s. AG developed as follows:

| in € '000 | Nominal value of options | |
|---|---|---|
| | 2009 | 2008 |
| Balance at beginning of year | 54.1 | 54.1 |
| Expired (cancelled) | 0.0 | 0.0 |
| Granted | 0.0 | 0.0 |
| Exercised | 0.0 | 0.0 |
| Outstanding at year-end | 54.1 | 54.1 |
| Exercisable at year-end | 0.0 | 0.0 |
| Options not issued (still available for Management Board members and employees) | 0.0 | 0.0 |

The following figures were identical for the fiscal year and the previous year:

OUTSTANDING STOCK OPTIONS

| | Number of outstanding options | Average exercise price |
|---|---|---|
| Exercise price in € | Options | € |
| 17.65 – 34.66 | 52,933 | 28.93 |
| 55.62 – 57.84 | 1,200 | 56.18 |

The maturity of the issued options is 10 years.

## 43. NOTES ON THRESHOLD VALUES PURSUANT TO § 160 SECTION 1 NO. 8 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

As of the closing date, the company had been notified of the following stake holdings pursuant to §§ 21 Section 1, 22 Section 1 of the German Securities Trading Act (WpHG):

| Person/entity obliged to report | Registered office | Share of voting rights in % | Type of investment | Date when threshold was reached |
|---|---|---|---|---|
| Reductions below threshold values | | | | |
| Herr Edmund J. Keferstein | Germany | 16.57 | a.) | July 23, 2007 |
| Herr Spencer Bosse | Germany | 4.87 | a.) | July 23, 2007 |
| CornerstoneCapital Beteiligungen GmbH | Frankfurt, Germany | 38.40 | a.) | March 12, 2008 |
| CornerstoneCapital AG | Frankfurt, Germany | 38.40 | b.) | March 12, 2008 |
| Deutsche Balaton AG | Heidelberg, Germany | 38.40 | b.) | March 12, 2008 |
| VV Beteiligungen AG | Heidelberg, Germany | 38.40 | b.) | March 12, 2008 |
| DELPHI Unternehmensberatung GmbH | Heidelberg, Germany | 38.40 | b.) | March 12, 2008 |
| Herr Wilhelm Konrad Thomas Zours | Germany | 38.40 | b.) | March 12, 2008 |
| DAH Beteiligungs GmbH | Mannheim, Germany | 38.17 | a.) | March 12, 2008 |
| Herr Daniel Hopp | Germany | 38.17 | b.) | March 12, 2008 |
| Hopp Verwaltungs-GmbH | Mannheim, Germany | 38.17 | b.) | March 12, 2008 |
| Hopp Beteiligungsgesellschaft mbH & Co. KG | Mannheim, Germany | 38.17 | b.) | March 12, 2008 |

a.) directly held share of voting rights.
b.) allocated share of voting rights, non-additive.

## 44. EXECUTIVE BODIES

### SUPERVISORY BOARD

**Klaus Nieding (Chairman)**
attorney, Meddersheim

**Pieter van Halem (Deputy Chairman)**
business manager, Kronberg

**Norbert Schwerber**
auditor, Rödermark
(until May 7, 2009)

**Dr. Rainer Marquart**
chemist, Mannheim
(from May 7, 2009)

### SUPERVISORY BOARD MEMBERS ALSO HOLD SUPERVISORY BOARD POSITIONS IN OTHER COMPANIES:

**Klaus Nieding**
- none

**Pieter van Halem**
- Datamars S. A., Bedano-Lugano/Switzerland (member of the Advisory Board)
- Integrata AG, Stuttgart

**Dr. Rainer Marquart, (from May 7, 2009)**
- Bankhaus Dr. Masel AG, Berlin
- Equinet AG, Frankfurt/Main
- Ice Age Ice AG, Maintal
- 3-pod AG, Mannheim
- Silicon Sensor International AG, Berlin

**Norbert Schwerber (until May 7, 2009)**
- Cosmetic Service AG, Eppertshausen
- Nieding + Barth Rechtsanwaltsaktiengesellschaft, Frankfurt/Main (Chairman)
- Systaic AG, Düsseldorf (Chairman)
- VEDACON AG, Montabaur (Chairman)
- Wunschkind Holding AG, Wiesbaden (Chairman)

### MANAGEMENT BOARD

**Edmund J. Keferstein (Chairman)**
business manager, Kronberg

**Spencer Bosse**
industrial manager, Dietzenbach

**Joachim Lauterbach**
business manager, Eschborn
(left the Board on January 31, 2010)

### MANAGEMENT BOARD MEMBERS ALSO HOLD SUPERVISORY BOARD POSITIONS IN OTHER COMPANIES:

**Edmund J. Keferstein**
- vwd informations solutions AG (President of the Advisory Board), Zurich
- market maker Software AG (Chairman), Kaiserslautern
- vwd TransactionSolutions AG (Chairman), Frankfurt/Main
- vwd group Switzerland AG (formerly PortfolioNet AG) (President of the Advisory Board), Zurich
- PC&S Portfolio Consulting & Services AG (President of the Advisory Board), Zurich
- EDG AG (Chairman), Schäftlarn (from May 2009)
- European Derivaties Academy AG (EDA) (Chairman), Frankfurt/Main (from May 2009)
- European Derivatives Group AG (President of the Advisory Board), St. Gallen (from June 2009)

**Spencer Bosse**
- market maker Software AG, Kaiserslautern
- vwd TransactionSolutions AG, Frankfurt/Main
- vwd group Switzerland AG (formerly PortfolioNet AG), Zurich (from December 2009)

**Joachim Lauterbach**
- BY LAUTERBACH GmbH, Unterföhring (until July 2009)

## 45. EVENTS AFTER THE REPORTING DATE

The Management Board member Joachim Lauterbach gave up his Management Board position on January 29, 2010, with effect from January 31, 2010 and left the company.

On February 11, 2010, vwd AG received voting rights notifications pursuant to § 21 Section1 of the German Securities Trading Act (WpHG) from Hopp Beteiligungsgesellschaft mbH & Co. KG as well as Hopp Verwaltungs-GmbH, which vwd AG published pursuant to § 26 Section 1 WpHG on February 16, 2010.

## 46. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO § 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) BY THE MANAGEMENT AND SUPERVISORY BOARD OF VWD VEREINIGTE WIRTSCHAFTSDIENSTE AG

The Management and Supervisory Boards in January 2010 issued the following statement on the declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG):

“The Management and Supervisory Boards declare that vwd Vereinigte Wirtschaftsdienste AG complied only conditionally with the recommendations of the Government Commission German Corporate Governance Code in its version of June 18, 2009, since issuance of the last declaration of compliance (February 2009) until December 31, 2009, and will comply only conditionally from January 1, 2010.”

Deviations are and were explained in the declaration.

The declaration was made permanently available to the company’s shareholders.

Frankfurt/Main, March 4, 2010

**EDMUND J. KEFERSTEIN**
Chairman of the Management Board

**SPENCER BOSSE**
Member of the Management Board

# Responsibility Statement

## RESPONSIBILITY STATEMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT FOR THE FISCAL YEAR

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Frankfurt/Main, March 4, 2010

vwd Vereinigte Wirtschaftsdienste AG

**EDMUND J. KEFERSTEIN**
Chairman of the Management Board

**SPENCER BOSSE**
Member of the Management Board

# Auditor's Report

We have audited the consolidated financial statements prepared by vwd Vereinigte Wirtschaftsdienste AG, comprising the statement of financial position, the income statement and statement of comprehensive income, statement of cash flows, statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Section 1 of the German Commercial Coed (HGB) and supplementary provisions of the articles of incorporation are the responsibility of the parent company's Board of Management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit in a way that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report can be detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the company's Board of Management, as well as an evaluation of the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Section 1 HGB and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, March 5, 2010

STÜTTGEN & HAEB AG
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

**WOLFGANG ALFTER**
Wirtschaftsprüfer
(German Public Auditor)

**BERND LENZEN**
Wirtschaftsprüfer
(German Public Auditor)

The use of the above auditor's opinion other than in this audit report requires our prior approval. The publication or distribution of the financial statements and/or group management report in a version which deviates from the certified one (including the translation into other languages) requires our opinion as well, to the extent that our auditor's opinion is quoted or reference is made to our audit. In this regard we make reference to § 328 of the German Commercial Code (HGB).

# Index

# Financial Calendar

| | |
|---|---|
| March 25, 2010 | Publication of Annual Report 2009 |
| May 3–5, 2010 | Entry & General Standard Conference 2010 |
| May 6, 2010 | Annual General Meeting |
| May 12, 2010 | Interim financial statement QI 2010 |
| August 12, 2010 | Publication of half-year financial report 2010 |
| August 12–September 1, 2010 | SCC Small Cap Conference |
| November 11, 2010 | Interim financial statement QIII 2010 |
| November 22–24, 2010 | German Equity Forum |


IMPRINT

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