vwdgroup:

excellence in financial solutions

ANNUAL REPORT 2011*

*amended

IMPRINT

vwd Vereinigte Wirtschaftsdienste AG
Tilsiter Straße 1
D-60487 Frankfurt am Main
Phone: +49 69 50 701-0
Fax: +49 69 50 701-114
E-mail: info@vwd.com
www.vwd.com

Investor Relations
Phone: +49 69 50 701-270
Fax: +49 69 50 701-114
E-mail: investorrelations@vwd.com

Concept and design
Konzept Verlagsgesellschaft mbH,
Frankfurt am Main

ANNUAL REPORT 2011*

*amended




MISSION STATEMENT

The vwd group specializes in the securities business for retail and private banking as well as wealth and asset management. With tailored information, marketing, communications, obligatory disclosure and technology solutions, we do our part in Europe to create more transparency, sustainability and sales success in customer consultation. This enables people to make qualified decisions that secure and grow their assets as well as make our partners successful.

With innovative solutions designed for financial service providers, companies, the media and private customers, we strive to continuously increase our company’s value as well as create long-range value for our customers, employees and stockholders. And we keep our promises. Our company culture is one of professionalism and integrity.

OUR TARGET GROUPS:
FINANCIAL INSTITUTIONS AND FINANCIAL SERVICE PROVIDERS

Our range of products and services provides **financial institutions and financial service providers** with efficient access to financial markets. As professional users of our solutions, they profit from our carefully aligned products and services: from analysis, consultation and reporting to trading, marketing and sale of financial products – always while complying with regulatory requirements.

vwd market manager
The well conceived market data system supplies financial market and stock market information in real time. It is specially designed to meet the multifaceted needs of all market players involved in the professional analysis of liquid assets.

vwd portfolio manager
A comprehensive portfolio management system with practical functions for advisory, administration and asset management that can be flexibly adjusted to meet the individual needs of private banking and wealth management.

vwd funds service
The ideal communication solution for the publication of mutual fund information in all media: print, online, videotext and mobile devices. No matter whether the information involves obligatory disclosures, the dissemination of legal documents like the Key Investor Information Document (KIID) or advertising material. One service – that reaches millions of people in a targeted manner.

The products listed here are just a few examples of the range of products and services provided by the vwd group. We would be happy to personally talk with you about our complete range. You can contact us by e-mail or call us at: +49 69 5 07 01-1 70.

OUR TARGET GROUPS:
COMPANIES

Our solutions are designed to maintain a close link to the existing IT infrastructures and processes of **companies** in all industries. Targeted and tailored information is individually processed in existing systems. The modular composition of data packages and the variety of interfaces and data formats ensure fast, customer specific integration.

vwd data manager
The simple way to access global market data. Price, master and fundamental data are provided where they are actually needed, in the exact form and to the necessary extent.

vwd data analytics XL
The independent instrument for compiling, evaluating and visualizing real-time financial market information in Microsoft Excel – customized to meet individual needs.

The products listed here are just a few examples of the range of products and services provided by the vwd group. We would be happy to personally talk with you about our complete range. You can contact us by e-mail or call us at: +49 69 5 07 01-170.

OUR TARGET GROUPS:
MEDIA

With minimum effort, we produce high quality content for **print and online media** and increase the benefits for users and readers in the process. Our services range from the provision of content to the complete preparation and provision of the required information. Our range of products and services is rounded out by our attractive advertising and marketing concepts as well as by the opportunity to generate additional income.

vwd max value
The attention grabbing and targeted special advertising forms for print media provide low-cost, effective support in the marketing of financial market topics.

moneyspecial.de
The professional and user friendly presentation of financial and stock information prepared by vwd editorial employees to complement the business and financial content on media Web sites. This is the ideal environment for positioning capital-market-centric companies.

vwd quote service media
The reliable provision of print ready stock market listings for leading publishing companies in Germany, Belgium, France, the Netherlands and Switzerland. The use of individual layouts conserves internal resources.

The products listed here are just a few examples of the range of products and services provided by the vwd group. We would be happy to personally talk with you about our complete range. You can contact us by e-mail or call us at: +49 69 5 07 01-170.

OUR TARGET GROUPS:
PRIVATE CUSTOMERS

From **private investors** with little background knowledge to skilled investing professionals. As a provider of financial market information and applications, we are committed to transparency on behalf of the investor and provide autonomous access to financial markets. This enables investment decisions to be made, evaluated and followed on the basis of neutral facts. We have a unique position regarding the evaluation and user friendly presentation of the risks of securities throughout their life cycle.

finanztreff.de and the new finanztreff.de app

The independent financial portal www.finanztreff.de supplies all important stock market and financial information. Innovative analysis tools, free watchlist and portfolio functions help people make their investment decisions. This information is now provided by a free app bearing the same name.

Tai-Pan

This powerful stock market software provides strong support to demanding private investors as they professionally analyze and manage securities.

EDG certificate rating

The rating of EDG facilitates the targeted selection of quality products that suit investors' individual risk appetites and enables them to constantly monitor the risks of their capital using simple key metrics.

The products listed here are just a few examples of the range of products and services provided by the vwd group. We would be happy to personally talk with you about our complete range. You can contact us by e-mail or call us at: +49 69 5 07 01-170.

TABLE OF CONTENTS

Stockholders

Amended group management report

Amended Consolidated financial statement 2011

FOREWORD BY THE MANAGEMENT BOARD

Dear Stockholders, Customers, Business Partners, Colleagues

The structural changes in European financial markets that were triggered by the financial and economic crisis in 2009 continued to have an impact in fiscal 2011. Stricter transparency requirements and increased investor protection were the focus of efforts to induce change. In addition, liability risks in sales of financial products rose, and Basel III once again tightened equity requirements for banks. As a result of these changes, the requirements on the financial sector markedly increased, restricting the maneuvering room of the sector. In light of this situation, efficient, European-wide solutions in the area of financial market information are a key precondition of future business success.

We at vwd group recognized this early on. Thanks to our technological know-how and the widespread availability of our systems, we have established ourselves as a skilled and strong partner of the financial industry in Europe. We systematically expanded this exceptional market position during the reporting year. In an environment shaped by tough competition, intense cost pressure and accelerated market consolidation, we used our financial strength to systematically expand our strategic business base.

In this process, the agreement with Il Sole 24 Ore S.p.A., publisher of the leading Italian business and financial newspaper "Il Sole 24 Ore," is of key significance. Thanks to this newspaper, the company expanded its business activities involving real-time financial information in recent years and became a major provider in the Italian market. In the initial phase of our relationship, we are acting as an outsourcing partner and providing various technical services. We invested nearly € 3 million of our own resources in equipment required to do this. In a second phase, the clients of Il Sole 24 Ore will be able to join our product world. This partnership marks a milestone in our expansation strategy within Europe.

In addition to our regional expansion activities, we refined our technological base. In mid-2011, we launched "vwd funds agent," the first iPhone™ app for more than 3,800 quality funds approved for sale in Germany by more than 100 mutual funds. This innovative mobile information platform is a strategic expansion of our "vwd funds service," a solution that facilitates the publication of funds information in daily newspapers, magazines, teletext and on the Internet in more than 120 online portals and directly at the work stations of more than 50,000 financial advisers. With "vwd funds agent," we are targeting all private investors interested in investment funds as a way of saving for their retirement or building assets. In the future, we will offer other apps for various vwd products and for customer-specific solutions for smartphones and tablet computers used by customers in the financial and media industries.

The success of “vwd market manager” demonstrates the potential such innovative technological solutions hold. This software program provides customers with market data content from stock exchanges and financial wire services as well as fundamental data. In addition to predefined windows, users can customize the tool’s user interface. Thanks to its intuitive navigation, our customers can achieve a level of flexibility in the presentation of information to support asset managers, in particular, in their work. “vwd market manager” is particularly successful in the Netherlands where it was introduced in mid-2010. During the reporting year, additional asset management companies signed up for our system, including Fintessa Vermogensbeheer, Groenstate Vermogensbeheer, Castanje Vermogensbeheer, Wierda en Partners Vermogensbeheer and Helliot Vermogensbeheer. As a result, we were able to further bolster our position in an important market.

Together with Deutsche WertpapierService Bank AG and WM Datenservice, we have developed a comprehensive service for product information leaflets for investment advice. With these leaflets, financial institutions are to give consumers an overview of the key features, opportunities and risks of individual investment options. This new service enables banks and savings institutions to comply with legal regulations that come into effect on July 1, 2011.

All of these successes helped vwd take a pronounced step toward regaining its former operative strength in fiscal year 2011. Following the crisis-induced weak performance of 2010, we could build on our past growth years. With sales totaling € 80.9 million, we exceeded the sales threshold of € 80 million for the first time in company history. Earnings before interest, taxes, depreciation and amortization (EBITDA) were 21,6 % higher than the previous year’s total and fully met our expectations. The reported loss is solely the result of the remeasurement of the put-option agreement related to the EDG business group. Without this effect, net income would have doubled. Because precautionary steps related to the remeasurement resulted in the loss, we will propose at the Annual General Meeting to forgo dividend payouts in 2011 and carry forward the balance sheet profit to the new account.

Stockholders, the real strength of vwd group is evident in its cash flow from operating activities. In 2011, cash flow increased by € 7 million to more than € 13 million. This gives us the flexibility to implement our strategies for generating long-range, profitable growth in the market for financial information. Without the commitment and hard work of our employees, our business success would not have been possible. We would like to take this opportunity to express our sincere gratitude for their efforts. We would also like to thank our customers and partners for the trust they placed in us once again last year. To support your business as best we can, we will continue to meticulously refine our forward-looking technologies.

Best regards,

SPENCER BOSSE
Management Board member

DR. ANDREAS DAHMEN
Management Board member

REPORT OF THE SUPERVISORY BOARD

Dear stockholders,

The year of 2011 marked the vwd group's return to profitable growth, the direct result of the company's entry into the Italian market. The vwd group now has its own companies in five European countries, a fact that has enabled it to further expand its position as one of the leading providers of financial-information systems and solutions. The strong position of the vwd group is particularly remarkable when viewed in the context of the worsening financial and sovereign-debt crisis.

During fiscal year 2011, the Supervisory Board executed the duties laid down for it by law, the Articles of Association and business bylaws in a careful, comprehensive manner. We monitored the Management Board in its work to lead the company and advised it about strategic matters. The basis of the Supervisory Board's work was formed by meetings as well as written and oral reports from the Management Board. In fiscal year 2011, the Supervisory Board held four regularly scheduled meetings and five extraordinary meetings. All members of the Supervisory Board attended the regular Annual General Meeting on May 5, 2011.

Work with the Management Board

During the entire reporting year, the Management Board and the Supervisory Board remained in constant and close contact, ensuring that information was continuously provided and discussions were held. The Management Board carried out its responsibility to provide information in a complete and timely manner. It regularly reported to us in written and oral form about key issues involving the company and Group business operations. The reporting included information about financial and company planning, including the risk position, risk management and all businesses of material importance. The quarterly reporting included information about sales and earnings of the entire vwd group and its individual business segments. When the Supervisory Board was not in session, I remained in regular contact with the Management Board to ensure that the Supervisory Board was kept up to date about the latest business developments and critical issues.

Meetings of the Supervisory Board in fiscal year 2011

The Supervisory Board held nine meetings in fiscal year 2011. The board's decisions were made during these meetings. One decision was made by means of a circular memorandum. In all regularly scheduled meetings, we examined macroeconomic conditions and the latest business developments involving vwd AG and the vwd group. Working with the Management Board, we held discussions regarding the company's future development and its strategic positioning. During its meetings, the Supervisory Board also held discussions on the following issues and, as required, made decisions:

During an extraordinary Supervisory Board meeting held on January 20, 2011, we primarily addressed matters regarding the Management Board.

During our meeting on March 16, 2011, our discussions centered on the annual and consolidated financial statements for 2010, including the risk report and the corporate governance report. Furthermore, the Supervisory Board passed proposals concerning the agenda of the Annual General Meeting scheduled for May 5, 2011. We also examined the company's organizational structure and were updated about the status of ongoing projects.

On April 12, 2011, matters regarding the Management Board were discussed in another extraordinary Supervisory Board meeting.

The focus of our meeting on May 30, 2011, was the company's performance in the first quarter of 2011, the outlook for the entire year of 2011 and further planning. During this meeting, the Management Board informed us about the earnings position of the individual business segments and the general situation of the sector. In the process, a detailed discussion was held about changes in the financial industry and the possible impact these changes could have on the vwd business model. Afterward, the Supervisory Board was brought up to date on ongoing projects.

During the Supervisory Board meeting held on September 13, 2011, we examined the business results from the first half of the year. At the meeting, the Management Board presented the interim consolidated financial statements, which had been reviewed by the auditing firm Stüttgen & Haeb Wirtschaftsprüfungsgesellschaft. As a result of the structural changes in international financial markets that were triggered by the financial and economic crisis, the Management Board and we reevaluated the commercial risks facing the company and group in the wake of these trends. In terms of risk management, we decided to hedge the low interest rate level for a portion of current long-term loans with interest rate swaps. In addition, we discussed the strategic direction of the company.

In extraordinary Supervisory Board meetings held on September 29, 2011, and October 24, 2011, we primarily discussed matters regarding the Management Board.

Subjects discussed during the Supervisory Board meeting on November 21, 2011, were business performance in the third quarter of 2011 and financial planning for fiscal year 2012. The Management Board also presented the results of the latest risk analysis at the vwd group. Current corporate-governance issues were also discussed. The acquisition of the remaining shares in the EDG Group was also addressed during this Supervisory Board meeting.

The Supervisory Board's last meeting of the year was an extraordinary session held on December 19, 2011. Topics on the agenda were changes in the business allocation plan and the next steps to be taken regarding the acquisition of the remaining shares in the EDG Group.

Changes on the Supervisory Board

During the Annual General Meeting held on May 5, 2011, Mr. Henning von Issendorff was elected to the Supervisory Board after being nominated by stockholder Dietmar Hopp. Mr. Ernesto A. M. Mancosu left the Supervisory Board after his court-approved appointment expired at the end of the Annual General Meeting on May 5, 2011. The Supervisory Board expresses its gratitude to Mr. Mancosu for his energetic commitment to the company during his term on the Supervisory Board.

Changes on the Management Board

On December 22, 2010, the Supervisory Board appointed Dr. Andreas Dahmen to become Chief Financial Officer effective January 1, 2011. Dr. Dahmen is a highly respected financial and controlling expert. As a specialist for process and organization development, he has an excellent understanding of the financial integration of companies, particularly in the IT industry. On October 24, 2011, the Supervisory Board of vwd Vereinigte Wirtschaftsdienste AG decided by mutual agreement with Mr. Edmund J. Keferstein not to extend the Management Board contract of Mr. Edmund J. Keferstein. On December 29, 2011, Mr. Keferstein resigned from his position as Chairman and a member of the Management Board. The Supervisory Board expresses its gratitude to Mr. Keferstein for his long years of service to the company. During the Supervisory

Board meeting on October 24, 2011, the Management Board contract of Mr. Spencer Bosse was extended ahead of schedule. In addition, the Management Board responsibilities of Dr. Andreas Dahmen were expanded. Both members of the Management Board have jointly assumed the responsibilities of Mr. Keferstein and represent the company in public as board members of equal rank.

Risk management

During the entire fiscal year, the Supervisory Board continuously weighed questions regarding risk management. The focal points of these discussions were ways to refine the risk-management system and the reporting of major individual risks. No inventory risks were identified. During his audit, the auditor also examined the structure and functions of the risk-management system. The review identified no problems. We also believe that the risk-management system complies with legal requirements and can recognize developments that could endanger the company's continued existence as an ongoing concern.

Corporate governance

During fiscal year 2011, we also addressed corporate-governance questions. The Government Commission of the German Corporate Governance Code saw no need in 2011 to amend the code. In January 2012, we approved the annual declaration of compliance pursuant to § 161 of the German Stock Corporation Act regarding the German Corporate Governance Codex. This statement is available on the company's home page. With a few exceptions, vwd AG complies with the code's recommendations and applies most of them. Jointly with the Management Board, the Supervisory Board reported about the implementation of the code in individual areas in the corporate governance report. The declaration regarding company management that was issued pursuant to § 289a of the German Commercial Code contains the same information as the corporate governance report. The Supervisory Board reviewed both the corporate governance report and the declaration, and approved them within the context of the management report. The conclusion of contracts with Supervisory Board members and Management Board members that require the approval of the Supervisory Board received the necessary consent in fiscal year 2011.

Annual financial statements, consolidated financial statements, audit for fiscal year 2011

The Supervisory Board issued the audit contract on the basis of a decision made by the Annual General Meeting on May 5, 2011. The auditing firm declared in advance to the chairman of the Supervisory Board that no conditions would inhibit its independence as auditor.

During its meeting on March 14, 2012, the Supervisory Board primarily addressed matters related to the general accounting practices and Group accounting practices of vwd AG for fiscal year 2011, based on the audit conducted by the auditor, Stüttgen & Haeb AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, and to the application of the balance sheet profit produced in fiscal year 2011 by vwd AG. The auditor attended the meeting and provided in-depth information about the audit and the preliminary findings of this review. These results were extensively discussed by the Supervisory Board in a process that also involved the answering of questions by the auditor. Major topics of discussion were the measurement of the put-option agreement that applies to the acquisition of 49 % of shares in the EDG Group on the basis of an appraisal of the put-option agreement by PwC Wirtschaftsprüfungsgesellschaft and the amount of bonuses for members of the Management Board at EDG AG, Schäftlarn.

Both the annual financial statements and management report as well as the consolidated annual financial statements and the group management report received a qualified audit opinion as a result of the measurement of the put-option agreement that applies to the acquisition of 49 % of shares in the EDG Group by PwC Wirtschaftsprüfungsgesellschaft because the auditor could not agree with the results of this measurement. The audit opinion for the consolidated annual financial statements was also issued under the condition that an obligation contained in other liabilities regarding bonus payments to members of the Management Board of EDG AG, Schäftlarn, should be approved by the Supervisory Board of EDG AG, Schäftlarn, to the extent of € 400,000.00 contained in the consolidated annual financial statements.

Following another review, the Supervisory Board approved the annual financial statements on April 27, 2012, in a circular memorandum procedure. The consolidated annual financial statements could not be approved initially by the Supervisory Board because of the delay in the issuance of the auditor's opinion. In response, the Management Board of vwd Vereinigte Wirtschaftsdienste AG amended both the consolidated annual financial statements and the group management report. The change involved the remeasurement of a provision for bonus payments to which the Management Board of the subsidiary EDG, Schäftlarn, is entitled. In the course of this remeasurement, the amount of € 40 thousand recognized in the individual financial statements of EDG AG was also reported in the consolidated financial statements. The supplementary audit conducted by the auditor following this change eliminated the condition that had delayed the issuance of the auditor's opinion. After reviewing the changes made by the Management Board, the Supervisory Board approved the consolidated annual financial statements on July 11, 2012.

Stüttgen & Haeb AG Wirtschaftsprüfungsgesellschaft also reviewed the report prepared by the Management Board pursuant to § 312 of the Stock Corporation Act on relations with allied companies (dependent company report) and issued the following audit opinion: "Following completion of our obligatory audit, we confirm that 1. the factual information contained in the report is accurate and that 2. the company's compensation with respect to the legal transactions listed in the report was not inappropriately high." The Supervisory Board also reviewed the dependent company report. It expressed its agreement with the findings of the auditor and raised no objections to the declaration by the Management Board pursuant to § 312 Paragraph 3 of the Stock Corporation Act.

As a result of the negative annual result of vwd AG, we do not consider the payment of a dividend to be appropriate. We concur with the position of the Management Board in this regard.

The Supervisory Board would like to express its deep gratitude to the members of the Management Board, the Managing Directors of the subsidiaries and all employees for their personal dedication and hard work in fiscal year 2011. We would also like to thank our customers and business partners who also contributed to the company's success.

Frankfurt am Main, July 11, 2012
The Supervisory Board

KLAUS NIEDING
Chairman of the Supervisory Board

CORPORATE GOVERNANCE REPORT

Corporate governance that is understood as the management and control of the company in a responsible, transparent manner and is geared toward creating long-range company value has been an integral component of our company's culture for many years. It will continue to have this status in the future as well. Because vwd is one of the leading European providers of tailored information, communication and technology solutions for the financial sector, we are committed to national and international principles and values of good and successful corporate governance. These principles also apply to the management and supervisory organs as well as to all employees at vwd. We do not perceive corporate governance as a rigid system of rules and regulations. Instead, we view it as a process in which values and basic concepts evolve according to the changing requirements of the markets.

This report describes the basis of the management and supervisory structure, the principles of corporate governance and the essential rights of the shareholders of vwd AG. It was prepared in accordance with the recommendations of the German Corporate Governance Code and contains all necessary information and explanations pursuant to § 289a 4 of the German Commercial Code. The Management Board and the Supervisory Board could once again issue a statement declaring that vwd AG was in compliance with most of the recommendations contained in the German Corporate Governance Code in the past and would continue to comply with most of the recommendations in the future.

Management Board – management function

The Management Board has sole responsibility for running the company with the objective of increasing company value over the long term and achieving the company's set targets.

Under § 6 Paragraph 1 of 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. During the year under review until the preparation of this report, it consisted of two members. The Management Board's work is governed by prevailing legal provisions as well as 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. The members of the Management Board work closely together and continuously inform each other about the key measures and processes in their respective areas of responsibility. Management Board meetings are held on a regular basis and can be called by each member of the Management Board.

In addition to his position at vwd AG, Management Board member Dr. Andreas Dahmen also serves as managing partner at Integrata AG in Stuttgart, Germany, and GHK Management Consulting GmbH, Offenbach, Germany. In fiscal year 2011, transactions with both companies were concluded at ordinary market terms and conditions. These transactions were concluded with the approval of the Supervisory Board. For details, please refer to the information about related party disclosures in the annual financial statements and consolidated financial statements of vwd AG.

Supervisory Board – oversight and advisory function

The Supervisory Board oversees the company's managerial leadership and serves the Management Board in an advisory capacity. Under § 8 Paragraph 1 of the company's Articles of Association, the Supervisory Board consists of three members who are elected by the Annual General Meeting. The Supervisory Board is directly involved in decisions of fundamental importance to the company. The work of the Supervisory Board is governed by its own business bylaws. The board appoints and dismisses the members of the Management Board. Drawing on the findings of the auditor's report, the Supervisory Board approves the annual financial statements and the consolidated financial statements. The Supervisory Board adopts its resolutions by majority of the votes cast. In the event of a tie, the chairman of the Supervisory Board casts the deciding vote.

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. At the moment, a consultant contract covering legal services is in force with Nieding + Barth Rechtsanwaltsaktiengesellschaft in Frankfurt am Main, Germany. The chairman of the Supervisory Board, Klaus Nieding, is an attorney, a member of the Management Board and shareholder at Nieding + Barth Rechtsanwaltsaktiengesellschaft. Furthermore, a contract covering consultation services involving M&A transactions has been concluded with Supervisory Board member Ernesto A.M. Mancosu. All consulting as well as other service and work contracts of Supervisory Board members were approved by the Supervisory Board. In fiscal year 2011, no conflicts of interest among members of the Supervisory Board of vwd AG occurred. For details, please refer to the information about related party disclosures in the annual financial statements and consolidated financial statements of vwd AG.

Working relationship between the Management and Supervisory boards

The Management Board, which is responsible for managing the operational business of the company, and the Supervisory Board work closely together in accordance with sound, responsible corporate governance for the collective good of the company.

In accordance with good corporate governance, the Management Board regularly reports to the Supervisory Board in a timely and comprehensive manner about all aspects of business policies relevant to the company, business plans, profitability and the company's business development as well as about the company's risk position and risk management. Both boards jointly determine the strategic direction of vwd AG and the Group.

In the bylaws of the Management Board that were approved by the Supervisory Board, points subject to consent were defined for business decisions of fundamental significance. These include decisions or measures that fundamentally alter the company's earnings, financial or asset position. For such decisions of relevance to the company, the Supervisory Board is consulted at an early stage. The Management Board respects these points subject to consent as well as the decision making authority of the company's Annual General Meeting. You can find additional information about the working relationship of the Management Board and the Supervisory Board as well as about the Supervisory Board's work and its decisions in the 2011 reporting year in the Supervisory Board report contained in the annual report.

Information On The Remuneration System

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

The remuneration report contains complete information about the compensation of the members of the Management Board and the Supervisory Board as required by law. It is an integral part of the audited group management report as well as a component of this corporate governance report.

Disclosure of Directors' dealings Pursuant to § 15a WPHG

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, three transactions were disclosed to the company, which immediately announced these dealings. The details of these transactions are contained in the following table:

Date	Location (stock exchange)	Issuer	Disclosing entity	Information about disclosing entity	Transaction subject to disclosure
May 12, 2011	Xetra	vwd Vereinigte Wirtschafts-dienste AG	Edmund J. Keferstein*	Member of the Management Board	Sale, 5,850 shares, price: EUR 2.6102, total volume: EUR 15,270.00
December 29, 2011	Off-exchange	vwd Vereinigte Wirtschafts-dienste AG	Apollos GmbH	Legal entity with close relationship to Supervisory Board member Pieter van Halem	Sale, 34,377 shares, price: EUR 2.03; total volume: EUR 69,785.31
December 29, 2011	Off-exchange	vwd Vereinigte Wirtschafts-dienste AG	Apollos GmbH	Legal entity with close relationship to Supervisory Board member Pieter van Halem	Purchase, 34,377 put options, price: EUR 0.06, total volume: EUR 2,062.62

* Member of the Management Board until December 29, 2011.

Stock ownership

As of December 31, 2011, 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 German Corporate Governance Code:

Stock Holdings of Management Board Members as of December 31, 2011

Name	Function	Number of shares	Share in %	Other financial instruments
Spencer Bosse	Management Board	1,202,780	4.7	
Dr. Andreas Dahmen	Management Board	200	0	
Total		1,202,980	4.7	

Stock Holdings of Supervisory Board Members as of December 31, 2011

Name	Function	Number of shares	Shares in %	Other financial instruments
Klaus Nieding	Supervisory Board	0	0	
Pieter van Halem*	Supervisory Board	33,744	0.13	33,744 put options
Henning von Issendorff**	Supervisory Board	0	0	
Total		33,744	0.13	33,744

* through Apollos GmbH
** from May 5, 2011

Detailed Reporting

The communication activities of vwd AG are committed to ensuring the greatest possible transparency and confidence in the company. For this reason, all shareholders, customers, employees and the public receive timely, equitable information about developments at the group as well as its management and supervisory structure. Shareholders of vwd AG can use the company's home page to gain detailed up-to-date information about our company as well as current and past company data. On this website, vwd AG publishes its entire financial reporting. In a financial calendar on its home page, we announce 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 report. As part of the company's release of its financial results, vwd AG conducts meetings with investors, financial analysts and journalists. The company also makes presentations about itself at important investor and analyst conferences. 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 (directors' dealings) and other disclosure requirements laid down by the German Securities Trading Law are disseminated through far reaching means of communication.

Our Stockholders' Rights

Our shareholders can exercise their information and voting rights at the Annual General Meeting. Here, 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. All documents and materials related to the Annual General Meeting are available to each shareholder on our Web site at www.vwd.com/hauptversammlung.

Accounting and Auditing

We regularly inform our shareholders and the public about the earnings, financial and asset position of vwd AG in financial reports. 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 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. Stüttgen & Haeb Wirtschaftsprüfungsgesellschaft, Düsseldorf, was selected by the Annual Germany Meeting of vwd AG in May 2011 to audit the annual financial statements and the consolidated annual financial statements as well as to review the half year financial statements. In addition to the accounts for the entire year, the vwd AG prepares a half year financial statement that is published in the half year financial report. Moreover, the results of the first and third quarters are published in interim statements. Before the financial results are published, the business results are discussed as a rule with the Supervisory Board.

Principles of corporate governance

For vwd AG, pursuing economic, environmental and social activities in a sustainable manner is an essential component of its corporate culture. This also includes integrity in dealing with employees, business partners, stockholders and the public. As a service provider company, vwd AG relies on impeccable conduct to gain and maintain the trust of customers and business partners. We aim to conduct business in an honest, credible and dependable manner and act accordingly. For this reason, vwd AG views compliance as the adherence to laws, statues and the Articles of Association as well as the adherence to internal rules. The responsible management of business risks is also an integral component of corporate governance. Company specific reporting and control systems that facilitate the identification, assessment and management of risks are available to the Management Board and the management team of vwd AG. Risk management assures that risks are identified and analyzed at an early stage and that they are promptly counteracted. The effectiveness of our internal monitoring mechanisms is reviewed on a regular basis and adapted to reflect changing business parameters. Additional information about risk management is contained in the risk report as well as in the report about the internal risk management system and about the internal control system in relation to the accounting processes.

Recommendations of the German corporate goverance code

In the reporting year, the Management Board and Supervisory Board once again addressed their fulfillment of the recommendations and suggestions contained in the code. As a result, the below declaration of compliance was issued in January 2012. Like earlier declarations, it is also available on the home page of vwd AG.

Declaration of compliance pursuant to § 161 of the German stock corporation act for fiscal year 2011

The Management Board and the Supervisory Board of vwd Vereinigte Wirtschaftsdienste AG declare that they will be in future compliance with the recommendations of the Government Commission of the German Corporate Governance Code in the unamended version dated May 26, 2010, with the following exceptions:

1. The company's shareholders do not have the option of exercising their personal rights at the Annual General Meeting by absentee ballot (code No. 2.3). The company's Articles of Association make no provision for absentee ballots. In order to keep the costs associated with organizing and conducting the Annual General Meeting as low as possible, no consideration is being given by the Annual General Meeting at this time to the possibility of proposing an amendment to the Articles of Association that would permit the use of absentee ballots.

2. The current D&O insurance policy for the Supervisory Board will continue to contain no deductible (code No. 3.8). In the company's opinion, a deductable is not conducive to improving responsible action by the Supervisory Board.

3. The Supervisory Board forms no committees (code No. 5.3). As a result of the company's clear organization 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 be consulted at an early stage about the audit of the annual financial statements – as far as possible. This means that the formation of an audit committee is also not necessary.

4. Effective December 29, 2011, the Management Board had no chairman (code No. 4.2.1). The position of Chairman of the Management Board was not to be filled after the chairman stepped down. The Supervisory Board is of the opinion that the appointment of a chairman or spokesperson for a Management Board of only two members is not necessary.

5. The Supervisory Board has no concrete objectives regarding its composition (code No. 5.4.1). With a Supervisory Board consisting of only three members, there is little leeway for diversified composition. In the future, the Supervisory Board will consider the diversity aspect in its composition to the greatest extent possible.

6. The members of the Supervisory Board receive only a base 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 remuneration 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 (code No.5.4.6). Rather, this information appears in the notes to the consolidated financial statements pursuant to IAS 24.

The Management Board and the Supervisory Board declare that vwd Vereinigte Wirtschaftsdienste AG has complied with the recommendations of the Government Commission of the German Corporate Governance Code in the unamended version dated May 26, 2010, since the issuance of the last declaration of compliance (in January 2011) through December 31, 2011, with the following exceptions:

1. The company's shareholders do not have the opinion of exercising their personal rights at the Annual General Meeting by absentee ballot (code No.2.3). The company's Articles of Association make no provision for absentee ballots. In order to keep the costs associated with organizing and conducting the Annual General Meeting as low as possible, no consideration is being given by the Annual General meeting at this time to the possibility of proposing an amendment to the Articles of Association that would permit the use of absentee ballots.

2. Pursuant to legal requirements (code No. 3.8), the current D&O insurance policy for the Management Board contains a deductible. The current D&O insurance policy for 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.

3. Until further notice, the Management Board will not have a chairman (code No. 4.2.1). The Supervisory Board is of the opinion that the appointment of a chairman or spokesperson for a Management Board of only two members is not necessary.

4. The Supervisory Board forms no committees (code No. 5.3). As a result of the company's clear organization and the three member structure of the Supervisory Board, it is not necessary to form committees.

5. A Supervisory Board of only three members provides very little leeway for diversified composition. For this reason, the Supervisory Board has no concrete objectives regarding its composition (code No.5.4.1).

6. The members of the Supervisory Board receive only a base 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 remuneration paid to members of the Supervisory Board or the provided benefits for personally rendered services, particularly consultative and mediation services, were not reported in the corporate governance report (code No. 5.4.6). Rather, this information appears in the notes to the consolidated financial statements pursuant to IAS 24.

7. In deviation with code No. 7.1.2., the interim statements and the half year financial reports were published in fiscal year 2011 before consultation with the Supervisory Board due to scheduling conflicts. In the future, interim statements and financial reports will only be published following consultation with the Supervisory Board.

Frankfurt am Main, January 2012

KLAUS NIEDING
Chairman of the Supervisory Board

SPENCER BOSSE
Management Board member

DR. ANDREAS DAHMEN
Management Board member

THE VWD SHARE

International stock market rocked by the crisis of 2011

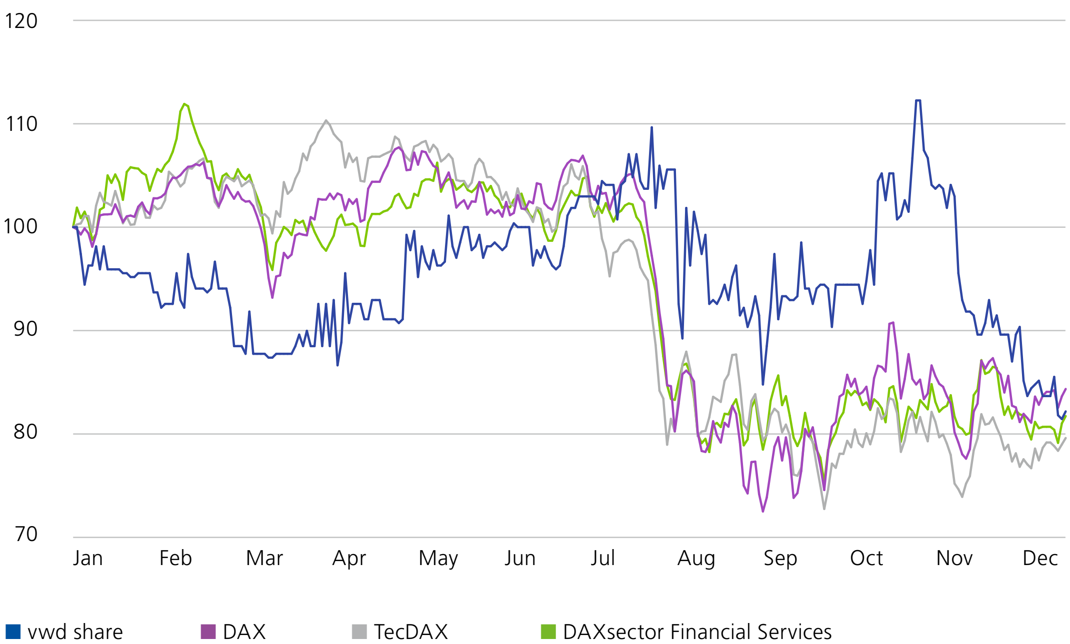
For stocks, 2011 was a year shaped by several unusual factors. Up until the halfway point of the period, international stock markets largely remained stable, having settled above the level at which they closed out the previous year. This stability was only upset in March, when unrest in the Arab world and the earthquake in Japan that was followed by a tsunami and the nuclear disaster at Fukushima triggered a temporary price correction, one that was stronger only in Asia. A shock for U.S. stocks came in July with the pending default of the U.S. government. By August, the crisis scenario was moving closer and closer to Europe, where the intensifying sovereign debt problems of leading euro countries caused a wave of uncertainty. Stock prices plunged on the affected markets and remained at a very low level during the extremely volatile period that continued for the rest of the year.

In this environment, the DAX finished the year at 5,898, a drop of 14.7 percent compared with its close for the previous year. The small caps in the German stock market plunged even more steeply. The EuroStoxx shed 17.1 percent compared with its close in 2010 and ended the year at 2,316.55. On the other hand, the United States was able to profit from the euro crisis. During the year, the Dow Jones Industrial Average rose 5.5 percent to 12,217.56.

vwd share followed the overall market

Like other German small caps, the vwd share lost a large portion of its value during the year under review. Having closed 2010 at a price of € 2.94, the stock came under pressure at the start of the new year. The stock rebounded sharply after the company announced its audited financial results and positive guidance for 2011 on March 24. Powered by this momentum, the share reached its high for the year on August 5 at € 3.10. Afterward, it became caught in the downward spiral on European stock markets that was triggered by the worsening sovereign debt crisis. The last months of the year were characterized by extreme volatility. On December 15, the stock's price hit its low for the year at € 2.34 and ended 2011 at € 2.44, a loss of 17.0 percent since the final trading day in 2010.

Performance of the vwd share in 2011 (index: 100 = close as of December 31, 2010)



The share capital of vwd AG remained unchanged on the reporting date of December 31, 2011, at € 25,754,577 and is divided into 25,754,577 shares. The company's market capitalization totaled € 62.8 million. The company continues to hold 1,000 shares of its own stock. In accordance with § 71b of the German Stock Corporation Act, the company is entitled to no rights resulting from these shares. A total of 1.33 million vwd shares were traded on all German stock exchanges. Analysts generally rate the share as a "buy" and "hold".

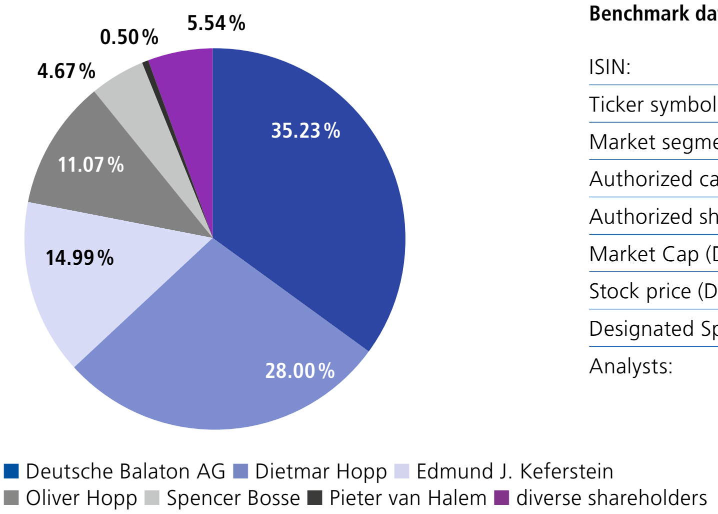
On May 5, 2011, the Annual General Meeting of vwd AG endorsed the proposal of the Supervisory Board to carry forward the entire balance sheet profit from 2010. In fiscal year 2011, the annual financial statements indicated a small loss in contrast to the good operating net income. As a result, administrative officials will recommend to the Annual General Meeting that the entire balance sheet profit be carried forward.

Four principal shareholders

From January 1 to April 6, 2011, the shares held by DAH Beteiligungs GmbH were subject to a loss of rights pursuant to § 59 of the German Securities Acquisition and Takeover Act. As a result of this loss of rights, a shift in the majority ownership of vwd AG occurred. During this period, CornerstoneCapital Beteiligungen GmbH held a majority of voting rights, and vwd AG became a controlled undertaking. On April 6, 2011, DAH Beteiligungs GmbH divested its holdings in vwd AG. At this time, all rights connected to the restricted shares were reinstated, and the control of vwd AG by CornerstoneCapital Beteiligungen GmbH expired. Since this date, vwd AG has no longer been considered to be a dependent company under the provisions of § 17 Paragraph 1 of the German Stock Corporation Act.

Based on voting rights disclosures and public information available to the company, vwd AG has four investors who each control more than 10 percent of voting rights. According to this information, Deutsche Balaton AG, which assumed the stock package of its subsidiary CornerstoneCapital Beteiligungen GmbH, held 35.23 % of voting on the reporting date, Dietmar Hopp 28.00 %, Edmund J. Keferstein 15.10 % and Oliver Hopp 11.07 %. In addition, the company reported that Management Board member Spencer Bosse held 4.67 % of voting rights and Supervisory Board member Pieter van Halem 0.50 %. The free float at the end of 2011 was 5.43 %.

Shareholder structure as of March 15, 2012



Benchmark data:

ISIN:	DE0005204705
Ticker symbol:	VWD
Market segment:	General Standard
Authorized capital:	25,754,577 EUR
Authorized shares:	25,754,577 shares
Market Cap (Dec 30, 2011):	62.8 Mio. EUR
Stock price (Dec 30, 2011)	2.44 EUR
Designated Sponsor:	Close Brothers Seydler
Analysts:	MM Warburg, Dr. Kalliwoda, Close Brothers Seydler

Intense and open dialogue with the capital market

During the past fiscal year, an intense and open dialogue with the capital market was the focus of our investor relations work. In this connection, the Management Board further expanded its personal contacts with the capital market players by holding conferences for analysts and investors. Major events attended during the reporting year include the Entry & General Standard Conference organized by Deutsche Börse and the German Equity Forum held by Deutsche Börse and the KfW banking group. An additional focus was cultivating our relationship with our private stockholders.

The Internet remains our most important information platform. At www.vwd.com, we release all information relevant to vwd AG in a timely fashion. In the Investor Relations section, interested investors will find all key information they need, including 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.

Amended group management report

BUSINESS DEVELOPMENT AND PARAMETERS

Survey of business activity

The vwd group, based in Frankfurt am Main, Germany, is one of the leading European providers of tailored information, communications and technology solutions for the strategic securities business. As a result of its expertise, the Group is capable of supporting the entire securities business and management process of its clients, from issuance, distribution, analysis and investment to advisory services and administration. The vwd group makes an important contribution to the investor advisory process by supplying leading players in international financial markets with data and innovative software solutions. In doing so, the vwd group substantially increases the transparency and sustainability of the investment process. The company is a full service provider in asset management, retail banking, private banking and wealth management. It specializes in serving the individual needs of customers in these areas. Through its technologically cutting-edge financial information systems, its portfolio management systems, its outsourcing and its marketing services, the company provides comprehensive assistance to customer processes in these segments.

The vwd group's product and solution portfolio is divided into three business segments, all of which reflect the company's expertise: standardized products ("Market Data Solutions" – MDS), individual and innovative customer solutions and services ("Technology Solutions" – TS) and, finally, target-group-specific publication, marketing and classification concepts ("Specialised Market Solutions" – SMS).

1. The "Market Data Solutions" segment provides standardized solutions based on a comprehensive range of available financial market data and develops them to serve customers' individual needs. These solutions facilitate the consolidation of more than 4 million securities with customer data and their administration. This includes market data systems, browser based applications and comprehensive portfolio management solutions for banks, savings banks, asset managers and companies.

2. The "Technology Solutions" segment processes customer specific financial market information across various media and offers it as a technology based outsourcing process, among other offerings. As the European market leader in this area, the vwd group provides a range of market data to about 350 daily newspapers, financial publications and television stations. Other products in this area include financial analysis tools, mathematical finance libraries for calculating financial products as well as the conception and implementation of professional Web sites for banks, online brokers and media. The vwd group also hosts such complex applications as real time trading systems in its own computing center.

3. The "Specialised Market Solutions" segment provides issuers of securities with cross-media publication and marketing concepts tailored to particular target groups. These services include special advertising formats for the products of issuers and the advertising industry as well as the dissemination of important financial and price information of financial service providers and issuing houses through traditional print media and multi-media options. As part of a new business pillar in the segment, comprehensive, transparency promoting risk indicators and product quality characteristics are continuously calculated and provided to professional and private market players through various platforms.

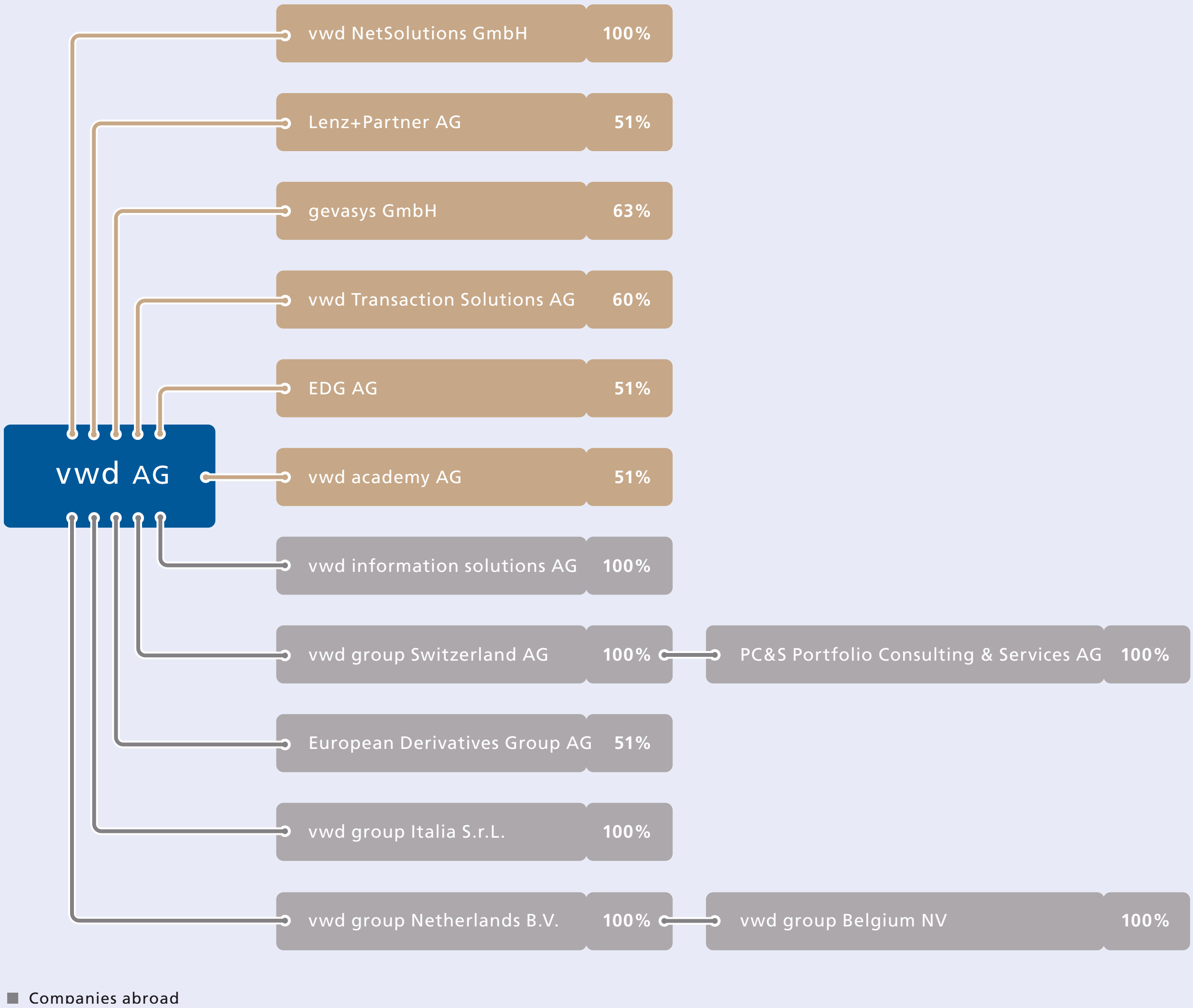
Group structure

The operational business of the vwd group is carried out by the listed vwd Vereinigte Wirtschaftsdienste AG ("vwd AG") with offices throughout Germany and its subsidiaries. Outside Germany, the group is represented by companies in Belgium, Italy, the Netherlands and Switzerland. In recent years, the Group's structure has been constantly expanded through acquisitions.

During the first half of 2011, market maker Software AG was integrated into vwd AG. market maker Software AG was the center of expertise for professional portfolio management and server based financial market data solutions within the vwd group. The merger represents a major step in the optimization of the group's structure. As part of this move, the critically important development unit in Kaiserslautern, Germany, could be more closely integrated into the parent company.

By establishing a subsidiary in Italy, the vwd group moved forward with its Europeanization strategy. The operating business being set up in Italy is being overseen by vwd group Italia.

Group structure:



Group management

All key decisions affecting the Group are made by vwd AG, which is run by its Management Board. Until December 29, 2011, the Management Board of vwd AG consisted of three members: Mr. Edmund J. Keferstein, Chairman of the Management Board, Mr. Spencer Bosse and Dr. Andreas Dahmen. Dr. Dahmen joined the Management Board of vwd AG on January 1, 2011.

On December 29, 2011, Mr. Edmund J. Keferstein resigned from his board position effective immediately. His position on the board was not filled. Instead, the two remaining board members assumed Mr. Keferstein's responsibilities and represent the company in public as board members of equal rank.

The Management Board's work is monitored and assisted by the Supervisory Board. The Supervisory Board consists of Chairman Klaus Nieding and Vice Chairman Pieter van Halem. On May 5, 2011, Mr. Henning von Issendorff (a financial expert) was elected to the Supervisory Board by the Annual General Meeting. He replaced Mr. Ernesto A. M. Mancosu, who had been appointed by court order until the Annual General Meeting was held.

Objectives

As the largest provider of financial information in Germany, the vwd group plays a major role in the functional capability of capital markets. The company makes it possible for the information generated by capital markets to be processed and disseminated to customer advisers in savings banks and cooperative banks, asset managers in banks, company treasurers and private investors. One declared objective of the vwd group is to continue to increase the depth of its information and the networking of its services in order to provide even more transparency to capital markets. After all, it is only when true transparency about the risks and opportunities of financial products is available that investors can make the right individual decisions about their actions. The vwd group is living up to this commitment by offering new innovative product solutions and, as a result, can do much to restore and strengthen confidence in financial markets. The interests of stockholders, employees, customers and business partners of the vwd group are given just as high a priority as the sustainable enhancement of company value.

Growth strategy

The vwd group is well positioned in its submarkets. We intend to further expand the company's solid market position and thereby leverage the call heard over the past five years for more consumer protection and liability in the investment advising process. We identified these changes at a very early stage, took the appropriate steps and created new growth drivers for our company at the same time. The important focal points of our strategic development are new markets. We have tapped the potential of these markets by implementing our business model. Another focal point is the systematic expansion of our product range that is used to support a standardized investment process. As a result, we are in an unusually interesting and unique competitive position.

As a result of our past acquisitions, we can leverage high internal cost synergies. This, in turn, has a positive impact on our cost structures. In sales, we will increasingly concentrate on effectively tapping cross-selling potential. By taking this approach, we will develop trend setting solutions for our customers. The regulation of financial markets is an important trend that is fueling the vwd group's business throughout Europe and facilitating further organic growth. We have not ruled the possibility of making additional acquisitions. Once favorable opportunities appear in this regard, we will closely examine them on the basis of our exceptionally solid financial position.

Company management

To bolster the company's long-term capital appreciation, the vwd group employs a value oriented management system. In the process, we use controlling tools that are constantly being refined. This is a standardized system that encompasses all of the company's businesses and segments. The comprehensive management system employed by the group takes both income and risk parameters into consideration with the aim of separating positive and negative options. The top priority is the transparent and consistent formulation of goals, alternatives and forecasts. Regular analyses are conducted within the framework of a systematic planning, management and control cycle to review the financial projections. In addition to detailed one year and rolling multi-year plans, the standardized control processes include calculating regular financial forecasts of the annual result throughout the year. A key measure of profitability at the vwd group is earnings before interest, taxes and depreciation and amortization (EBITDA).

Business development

Ignoring the negative impact that Europe's sovereign debt crisis was having on many countries, the German economy pressed forward with its expansion in 2011. Thanks in particular to a strong first half of the year, real gross domestic product climbed by 3.0 % during the year following a 3.7 % increase in the previous year, according to preliminary figures released by the German Statistical Office. As a result, the economy exceeded the level achieved before the crisis year of 2009, when economic output plunged 5.1 %. Exports remained the driving force behind this strong growth. Other strong gains were produced by investments in construction and equipment. Private consumption proved to be robust as well. The good economic situation had a positive effect on the job market. The German Statistical Office reported that 41.04 million people held jobs. It was the first time that the labor force had broken the 41 million barrier.

Thanks to the good economic performance, the German government's budget deficit fell to 1 % of GDP. A year earlier, it was much higher at 3.3 %. Only Estonia and Luxembourg had better rates, according to estimates by the EU Commission. Finland had the same deficit figure as Germany. For the remaining members of the euro zone, deficits of 3 % and more were forecast. An annual deficit ratio of 4.1 % was projected for all euro countries.

Economists say the euro zone is increasingly becoming a heterogeneous economic region. While the export driven economies of central and northern Europe continue to profit from the strong demand of China and other emerging countries, the structurally weak countries of southern Europe are being significantly affected by their governments' strict budget-cutting efforts. Overall, economic experts forecast growth of 2.2 % in the currency union for 2011.

Market

The euro zone's sovereign debt crisis and economic concerns arising from it shaped events on international stock markets during the year. In an extremely volatile environment, the DAX moved in a range between 4,966 points and 7,600 points in 2011. Markets remained largely stable in the first half of the year, despite the unrest in northern Africa and the natural and nuclear disasters in Japan. During this period, the DAX jumped by 6.8 % to 7,376. In the second half of the year, though, the intensifying sovereign debt crisis affecting the periphery members of the euro zone and the discussion about increasing numbers of rescue packages for battered euro countries weighed on financial markets. The markets regained their balance somewhat only after ECB increased liquidity. The DAX ended the trading year at 5,898, a drop of about 15 % since the end of the previous year.

During the reporting year, interest rates in Germany were at historic lows. Against this backdrop, the German government was able to obtain refinancing at particularly favorable conditions as a result of its high creditworthiness. The structural changes in international financial markets triggered by the financial and economic crisis in 2009 continued to have an impact during the reporting year. With Basel III, the equity requirements for banks were tightened once again. By increasing tier 1 capital, the maneuvering room of banks was restricted.

The performance of technical suppliers of financial market information was drawn into the downward spiral of the stock markets. Markets are indeed approaching pre-crisis levels again. But the trend has become much more selective. Bigger opportunities are increasingly emerging in the area of information that supports financial markets. As a result of new national and European regulations, issuers of financial products must increasingly invest in new solutions. The greatest need involves solutions that guarantee increased consumer protection and reduce the liability risks in sales of financial products.

One such change is the Key Investment Information Document (KIID). The KIID is designed to increase issuer transparency by presenting financial products in a clear and standard manner. It will replace the simplified prospectus offered by mutual fund companies. The structure and content of the KIID are defined by European securities regulators and the EU Commission. As of July 1, 2011, the introduction of the KIID for mutual funds into national law was required. As a result of the new legal requirements, the willingness of the financial industry to invest in new solutions has risen. Nonetheless, budgets are being used in a very selective manner. Major projects to optimize the sales infrastructure and value chains remain the exception.

At the moment, the possibility of introducing a financial transaction tax is being discussed on the European level. All transactions involving currencies, stocks, fixed rate securities, raw materials and derivatives on financial markets would be subject to the tax. The transaction tax would be designed to lessen the appeal of short term speculation as a way of reducing the risk of future crises. The specific impact of the tax remains disputed. Its effect on the financial industry and its service providers is unforeseeable.

Competition

High market entry barriers created by access to technological know-how, system availability, company size and the necessary capital strength mean that the market in general is very closed and the overall number of competitors is limited. The work involved in setting up links to global stock markets and non-exchange data sources as well as their maintenance become worthwhile only once a critical size has been reached. And the vwd group has achieved this size. The use of aggregated data in special applications requires extensive software related application and integration know-how, expertise that vwd has built up over a number of years.

In an increasingly competitive national and international market environment, the data, rights and technology platform has become an important factor. This competitive environment is dominated by the two global providers Thomson Reuters and Bloomberg, which generate the biggest share of sales in the business of market data provision. Both providers primarily focus on the area of investment banking, where vwd has consciously decided to do only a limited amount of business. A few international providers whose sales volumes are much lower than that of the market leader also exist.

But there is no comparable competitor in terms of the vwd group's size in Europe. One reason for this is that vwd has specialized in certain submarkets within the overall market. vwd AG serves its relevant target markets with a clearly defined product range. Some of these markets have national companies with which vwd competes. But these companies are facing ever increasing cost pressure that is fueling an ongoing market consolidation process. In 2011, the vwd group entered the Italian market as the outsourcing partner of the financial information business of Il Sole 24 Ore. As a result, the vwd group is playing an active role in the consolidation process and is further expanding its market position in Europe.

Research and development

The objective of the vwd group is to meet its customers' requirements and needs by always delivering the best possible solutions. This commitment and the constantly changing conditions resulting from new laws and regulations on the national and European levels require us to invest a considerable amount of our personnel and financial resources in the development of new solutions. To be able to always offer the best solutions to our customers, the company's product portfolio is constantly upgraded. Technological advances have a far reaching impact on our developmental work.

During fiscal year 2011, we reacted at an early stage to new legal requirements by introducing a fact sheet for financial products and the Key Investment Information Document for mutual funds (KIID). As a result of the prompt development of these new products, we made a major contribution to adding further legal certainty to the advisory process used for financial investments.

The ongoing trend towards more mobility has generated increased demand for our premium products that are delivered to mobile devices. We analyzed which applications our customers want on their end devices and then put together a list of priorities. We started with an iPhone™ app that offers comprehensive mutual fund data. In the future, we will steadily develop new applications related to our entire range of products.

During the reporting year, we focused a portion of our development work on the extensive expansion of the stock information section of the financial portal finanztreff.de. In addition to new fundamental metrics, including profitability and liquidity analysis of companies, the financial portal now offers a variety of technical indicators.

Our model "vwd data analytics," our own add-in for Microsoft Excel that enables financial information to be processed on a customized basis, was enhanced through the addition of new functions. Additional content was also added to our premium product for real time data delivery, the "vwd market manager." Both products were relaunched in the second half of 2011.

We also upgraded our premium product for portfolio management, the "vwd portfolio manager." The core service of the new version will be a new function that can be used to evaluate the risk of a portfolio. The market introduction of version 5.0 was scheduled for April 2012.

With Trade Pal, we have developed a Web interface with trading functions linked to various brokers. This new trading solution is available online at any time and from any place. It is based on our newly developed brokerage middleware.

In the reporting year, "vwd data manager connect" was prepared for market introduction. "vwd data manager connect" is a software solution with a universal interface that can be used to obtain the latest stock prices, key performance data, fundamental information, corporate actions, news feeds, historical time series, tick data, company information and profit forecasts.

In other work, the vwd group committed research funds to a permissions system. The system is critically important to the vwd group's operating procedures because it will guarantee the best possible transparency regarding the use of the data of our suppliers.

A total of € 732.5 thousand was committed to the development of new solutions. As of December 31, 2011, 103 employees at the company were involved in software development (previous year: 102 employees).

Employees

As of December 31, 2010, the vwd group had 463 employees compared with 440 employees at the end of the previous year (excluding interns in both cases). The increase resulted largely from the establishment of the company's business in Italy.

Business development

In spite of the worsening financial crisis, we succeeded in expanding our operational business and increasing sales and earnings.

A strong factor in our good performance was our new business in Italy. By entering this market, we took another step in the further Europeanization of our company. The entry into the Italian market was accomplished as part of a partnership with Il Sole 24 Ore S.p.A., the publisher of the leading Italian business and financial newspaper "Il Sole 24 Ore." Thanks to the exceptional position of "Il Sole 24 Ore," the company has evolved into the leading local provider of real-time financial information. The business unit works with more than 750 customers, including leading Italian banks, and generates sales of more than € 8 million. Given the increasing internationalization of this business and its concentration on core publishing activities, "Il Sole 24 Ore" decided to jointly operate this business with the vwd group in the future. In an initial step, we are acting as an outsourcing partner to provide various technical services through our newly established subsidiary, vwd group Italia S.r.L. The customers of "Il Sole 24 Ore" will be given an opportunity to switch to our products.

The market for online advertising, an area that is particularly critical to our financial portal finanztreff.de, generated growth. In addition to the willingness of the advertising industry to invest in more online advertising, the increased appeal of finanztreff.de produced additional advertising income. One key part of the portal's evolution is the expansion of the stocks section, a change that enhanced the value of the entire site and that enables the advertising industry to more effectively reach financially focused users through the use of more targeted online advertising.

Our trading solutions experienced all of the ups and downs that occurred in capital markets in 2011. In the first half of the year, the number of transactions conducted via Tradelink, our platform for over-the-counter trading of financial products, was well above the level produced in the previous year as a result of the higher volatility. Due to financial markets' weakness in the second half of the year, considerably fewer transactions were conducted than in the same period of the previous year.

We also were able to further expand our working relationships with our present customers. In one reflection of this, the current long-term contract to supply information and market data to DZ BANK was expanded to include new product solutions. In 2011, the vwd group received an extensive contract to develop a new communications portal and to highlight DZ BANK's issues in the GIS advisory products. In 2011, vwd AG also expanded the derivate portal of DZ BANK, eniteo.de. The enhanced portal was very well received in the media and was called one of the best portals for certificate investors. In a joint project carried out by DZ BANK, FIDUCIA AG and the vwd group, a professional trading platform for private customers of savings banks and cooperative banks was developed. This platform is to be rolled out in 2012. We also received smaller development projects from DZ BANK.

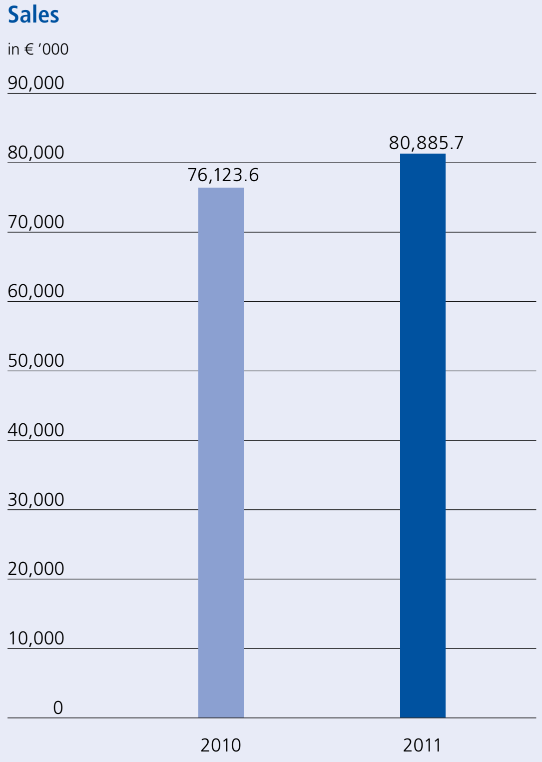
By acquiring a majority stake in the EDG group, we took a crucial step in 2009 that enabled us to address the growing importance of information related to financial markets. The exceptional business with ratings for certificates and with the dynamic value-at-risk measurement for more than 300,000 securities in the reporting year demonstrated that the vwd group gained a new growth area through the acquisition of EDG. In 2011, Vontobel became another key issuer of structured products and the largest provider of certificates in Switzerland to select our classification services. As a result, the range of independent certificates rated in accordance with objective criteria rose once more. This confirms the high acceptance of the EDG ratings. Particularly as a result of additional consumer protection and the increased transparency regarding the risks of financial products, it can be assumed that the classification services of the vwd group will produce above average growth.

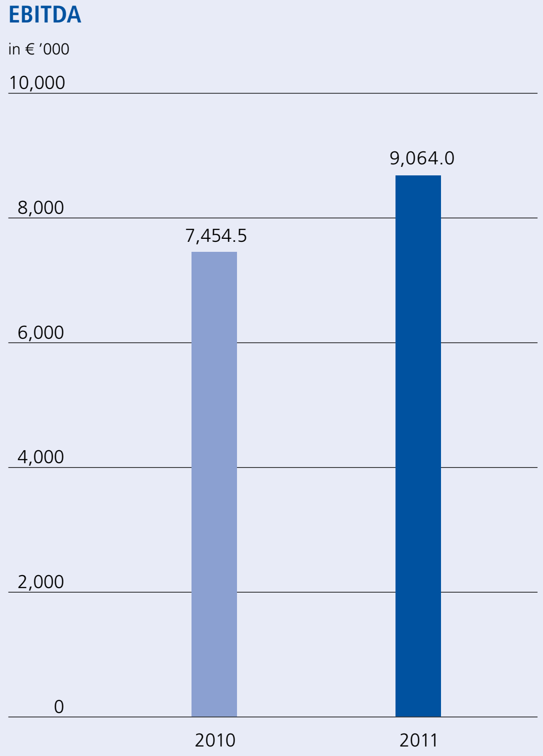
We have extended our long relationship with the German television news channel "n-tv" and further expanded it into certain areas. vwd provides the news station with all of its price data, including the prices for the news crawler, teletext, graphics and installation of the market data system "vwd market manager" in n-tv newsrooms. After signing a cooperation agreement, the vwd group now operates the entire online financial platform at "n-tv" and teleborse.de, the investor portal of "n-tv." By expanding this relationship, the vwd group underscores its expert role as a holistic provider of financial-information systems to the media.

Once again, we demonstrated our ability to turn new regulatory requirements into customized solutions for our customers. As a result of the German Investor Protection and Functional Improvement Act, securities firms are required to provide their clients with financial fact sheets during meetings in which the purchase of particular securities is recommended. These fact sheets are designed to describe the investment profile of the security and the potential risks associated with it. The desire of lawmakers to facilitate the presentation of standard information was addressed through the new fact-sheet service developed by the vwd group in close cooperation with dwpbank and WM Datenservice. This service provided the market with a uniform standard for the fact sheets.
Our business with private customers remained relatively constant in 2011. With refinements to the current product range and with the newly developed "vwd Tai-Pan," significant steps were taken to promote customer loyalty and gain new customers.

The expectations for the operating business in 2011 were confirmed.

REPORT ON THE EARNINGS, FINANCE AND ASSET SITUATION





Analysis of the earnings situation

As in previous years, a large share of sales in 2011 was produced on the basis of long-term contracts. In addition to long-range customer relationships, one-time sales were generated through licensing fees and individual developments. Overall, though, we were unable to achieve one-time sales equal to the previous year's level even though numerous projects were concluded.

During the previous fiscal year, sales rose by 6.3 % to € 80,885.7 thousand (previous year: € 76,123.6).

In 2011, the vwd group also invested in the development of proprietary software. The company's internal resources were drawn on here and totaled € 732.5 thousand (previous year: € 202.4 thousand).

In addition to sales, other operating income of € 3,678.8 thousand (previous year: € 3,002.6 thousand) flowed into the total income of the vwd group. The other operating income primarily consisted of the dissolution of provisions totaling € 623.3 thousand (previous year: € 595.6 thousand), the dissolution of liabilities totaling € 821.4 thousand (previous year: € 891.3 thousand) and income from pension plans totaling € 633.0 thousand.

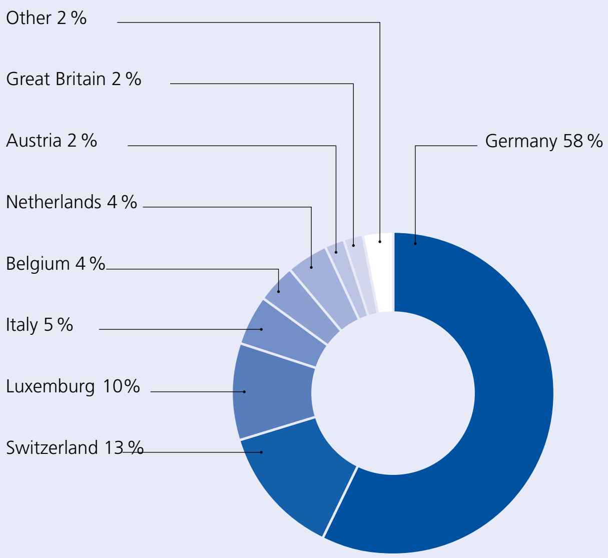
Overall, the vwd group generated total sales of € 84,629.1 thousand (previous year: € 79,328.6 thousand) with products and services related to the generation, processing, evaluation and use of financial information.

As a result of the higher sales, material expenses rose. Expenses for transmission costs, information procurement, fees for downloading exchange data and other sales related items increased slightly by 3.0 % to € 27,651.3 thousand (previous year: € 26,842.0 thousand). The share of material expenses fell to 34.2 % (previous year: 35.3 %). The decrease primarily resulted from consolidation and optimization effects in data procurement within the vwd group.

The hiring of employees to set up our business in Italy drove up personnel expenses. Overall, personnel expenses rose by 5.4 % to € 34,631.0 thousand (previous year: € 32,845.6 thousand). The personnel-cost ratio decreased slightly to 42.8 % compared with 43.1 % in 2010.

Other operating expenses climbed by 14.5 % to € 13,951.0 thousand (previous year: € 12,186.4 thousand). These expenses included rent and advertising as well as the costs of the stock exchange listing, expenses for the Annual General Meeting

Sales by Regions 2011



in T€	2011	2010
Germany	46,590	46,362
Switzerland	10,765	10,233
Luxemburg	7,727	8,864
Italy	4,097	0
Belgium	3,353	3,629
Netherlands	3,527	2,874
Austria	1,402	1,969
Great Britain	1,223	497
Other:		
France	529	547
Ireland	441	513
remaining Europe	601	548
remaining World	631	88
	80,886	76,124

and investor relations, the auditor's fee along with expenses for market analysis and consulting services related to the creation of our business in Italy and the review of potential acquisitions.

Earnings before interest, taxes, depreciation and amortization (EBITDA) climbed by 21.6 % to € 9,063.7 thousand (previous year: € 7,454.5 thousand). The EBITDA margin was 11.2 %, well above the previous year's level of 9.8 %.

Key Group figures

in € '000	2011	2010
Sales	80,885.7	76,123.6
EBITDA	9,063.7	7,454.6
EBITDA margin in %	11.2	9.8
EBIT	4,016.7	3,138.1
Profit after tax (Group profit)	-2,155.1	1,203.6
Earnings per share (undiluted) in €	-0.102	0.024

During the period under review, depreciation, amortization and impairment of intangible and tangible assets totaled € 5,047.0 thousand (previous year: € 4,316.5 thousand). Depreciation, amortization and impairment of intangible assets related to past acquisitions played a large role here. As a result, the purchase price allocation for companies acquired in the past and for assets obtained in Italy resulted in write-downs totaling € 2,026.4 thousand (previous year: € 1,868.5 thousand). Write-downs on commercial rights and similar rights amounted to € 2,868.6 thousand (previous year: € 2,723.6 thousand), including write-downs on acquired customer bases of € 673.7 thousand (previous year: € 588.2 thousand). Write-downs on technical equipment amounted to € 1,179.1 thousand (previous year: € 1,129.2 thousand), write-downs on operating and office equipment totaled € 336.8 thousand (previous year: € 376.9 thousand), and write-downs on buildings on third-party land were € 140.8 thousand (previous year: € 130.7 thousand).

The goodwill impairment test led to the result that an impairment totaling € 418.00 thousand had to be taken for the investment in Italy.

In fiscal year 2011, earnings before interest and taxes (EBIT) rose to € 4,016.7 thousand (previous year: € 3,138.1 thousand), an increase of 28.0 %. As a result, the EBIT margin increased to 4.9 % (previous year: 4.1 %).

During the fiscal year, the financial result was € -5,225.3 thousand (previous year: € -1,217.0 thousand). This figure includes actual interest expenses of € 609.7 thousand (previous year: € 542.6 thousand). This figure was slightly higher than the previous year in part because of a short-term rise in interest rates. As a result of the announced figures of the EDG business group for fiscal year 2011, the vwd group remeasured the put option agreement in consideration of the statements made in note 3.2 at € 9,540.0 thousand (previous year: € 5.944,0 T€). We note that neither prejudice nor acknowledgement is associated with this remeasurement and that the actual purchase price for the acquisition of 49 % of shares in the EDG business group may be considerably less than this total. But it could also be higher.

The remeasurement of the put option caused recognized interest expenses to rise to € 4,682.4 thousand (previous year: € 695.7 thousand). As a result of the overall improved liquidity situation, interest income and similar income increased to € 66.8 thousand (previous year: € 21.9 thousand).

As a result of the remeasurement of the put option, the vwd group reported a consolidated loss after taxes and before minority interests of € -2,155.1 thousand (previous year: consolidated profit € 1,203.6 thousand). Excluding the put option, the vwd group would have reported a consolidated profit of € 2,527.3 thousand. The share allocable to other shareholders amounted to € 482.2 thousand compared with € 587.8 thousand the previous year. The share allocable to the vwd group totaled € -2,637.3 thousand (previous year: € 615.8 thousand).

As a result of the remeasurement of the put option, return on equity was -8.5 % during the year under review compared with 2.1 % in the previous year. Excluding the effect of the put option, return on equity would have been 9.9 %.

Earnings per share

Earnings per share amounted to € -0.10 compared with the previous year's total of € 0.02. The negative result was solely the result of the remeasurement of the put option. Adjusted for the fictional interest expenses associated with the put option, earnings per share would have totaled € 0.08, a figure higher than the previous year's total.

Dividend

As a result of the loss experienced by vwd AG under German Commercial Code, the Management Board will propose to the Annual General Meeting that no dividend should be paid for 2011 and that the balance sheet profit of vwd AG be carried forward to the new account.

.

SEGMENT REPORTING

Market Data Solutions (MDS)

Key figures MDS

in € '000	2011	2010
Sales	39,726.9	35,410.2
EBITDA	4,707.0	3,824.1
EBIT	2,829.5	2,578.8

In the MDS segment, sales with market data systems, browser based applications and portfolio management solutions climbed by 12.2 % to € 39,726.9 thousand (previous year: € 35,410.2 thousand). This growth in the segment's sales was fueled by the new business activities in Italy, which are primarily attributed to the MDS segment. Business with the "vwd market manager financials" in the Netherlands, Belgium and Germany also did well. In market data provision, the system changeovers from Infoscreen to "vwd market manager financials" resulted in a slight decrease in sales in Switzerland. In Germany, by contrast, the vwd group produced significantly higher sales in the areas of market data supply and portfolio management systems than it did in the previous year. The strong performance in the license business was that much more pleasing given the fact that one-time revenues from the project business remained at the previous year's low level. The business with private customers lagged slightly behind the previous year's level. In the "vwd document manager," we have very successfully developed a solution capable of creating the fact sheet for financial products required by the German government and have already signed the first contracts for it. The new activities in Italy were the key reason behind the rise of material and personnel costs as well as other operating expenses. The segment's EBITDA rose by 23.1 % to € 4,707.0 thousand (previous year: € 3,824.1 thousand).

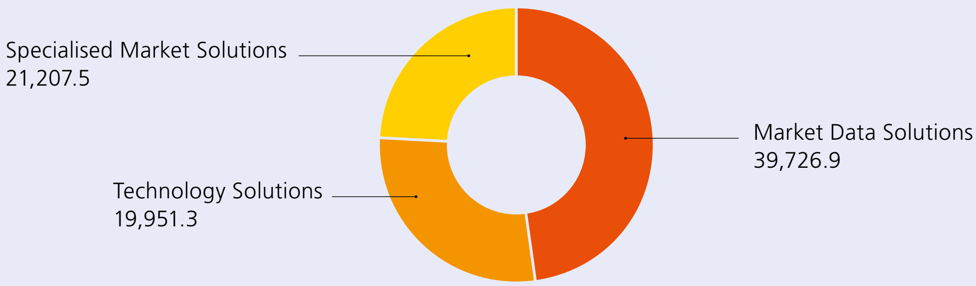
In the segment, depreciation, amortization and impairment of intangible assets totaling € 335.0 thousand (previous year: € 335.0 thousand) were effected as a result of the purchase price allocation that is to be performed. Overall, the segment's EBIT rose by 9.7 % to € 2,829.5 thousand (previous year: € 2,578.8 thousand). The MDS segment is the group's biggest sales producer and most profitable unit.

Technology Solutions (TS)

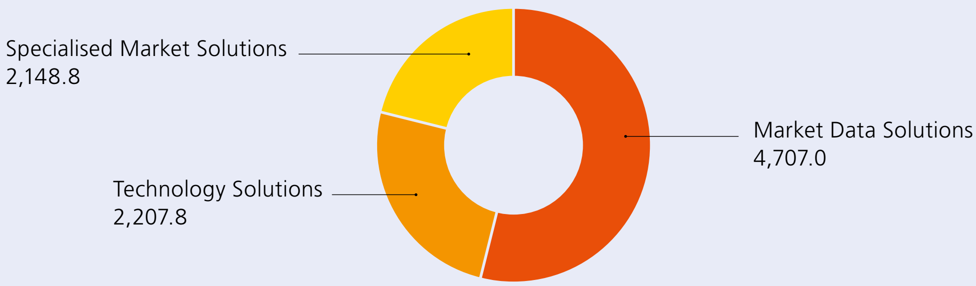
Key figures TS

in € '000	2011	2010
Sales	19,951.3	18,514.9
EBITDA	2,207.8	2,211.5
EBIT	90.3	415.0

Sales by Segments in € '000



EBITDA by Segments in € '000



With new technological solutions for the investment counseling process and Internet based services for the financial industry, the TS segment at the vwd group boosted its sales by 7.8 % to € 19,951.3 thousand (previous year: € 18,514.9 thousand). The increased sales figures reflect continuing stability in the group's business with current customers and an increase in one-time revenues from the project business. By contrast, income from the transaction business slipped slightly. Despite the gains produced in segment sales, EBITDA remained near the previous year's level at € 2,207.8 thousand (previous year: € 2,211.5 thousand). The key reason for this was higher material and personnel expenses attributable to the segment.

The acquisitions made in the past were largely included in the TS segment. While the strong market position in this segment is a particularly positive development, the segment is especially affected by depreciation, amortization and impairment of intangible assets as a result of the purchase price allocation to be performed. The segment's EBIT decreased by 78.2 % to € 90.3 thousand compared with € 415.0 thousand in the previous year. Adjusted for depreciation, amortization and impairment related to the purchase-price allocation, EBIT totaled € 1,200.1 thousand (previous year: € 1,411.3 thousand).

Specialised Market Solutions (SMS)

Key figures SMS

in € '000	2011	2010
Sales	21,207.5	22,198.5
EBITDA	2,148.8	1,420.0
EBIT	1,096.8	144.0

Increased sales in the area of certificate ratings and higher advertising revenue generated by the financial portal finanztreff.de were unable to prevent the declining business in listing services from causing a sales drop of -4.7 % to € 21,207.5 thousand in the SMS segment (previous year: € 22,198.5 thousand). Conditions in the area of publication and communication services have now stabilized. As a result, it can be assumed that further decreases in sales will not occur. In light of the sales decrease, we lowered material expenses and other operating expenses. The segment's higher personnel costs had a negative impact.

As a result of the high demand for ratings of certificates and the value-at-risk measurement of financial instruments, EBITDA jumped by 51.3 % to € 2,148.8 thousand (previous year: € 1,420.0 thousand).

Depreciation, amortization and impairment on immaterial assets resulting from the purchase-price allocation to be performed for the EDG business group totaled € 453.0 thousand. The segment's EBIT climbed to € 1,096.8 thousand (previous year: € 144.0 thousand). Adjusted for the purchase price allocation that is to be performed, EBIT totaled € 1,549.9 thousand (previous year: € 583.2 thousand).

ANALYSIS OF THE FINANCIAL POSITION

Financial management

Company financing has a high priority at 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. Particular importance is attached to having a balanced relationship 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 gives an equal priority to achieving positive earnings and to continuously generating positive cash flows. In addition to liquidity planning, the solvency of the vwd group is assured by sufficient access to contractually arranged lines of credit. As a counterweight to address fluctuations in interest rates and as a step to ensure low interest rate conditions, the vwd group occasionally secures long-term loans through interest hedges. 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-range, cooperative business relationships with credit institutes. This approach is designed to ensure that fresh capital can be quickly and efficiently obtained as a result of good relationships with banks.

Financing

The systematic repayment of long-term loans and a significant rise in cash and cash equivalents demonstrate that the vwd group is solidly financed and can meet its financial obligations at any time. In 2011, the operating business continued to improve its performance and guaranteed stable cash flows. In fiscal year 2011, our operating business activities generated positive cash flows totaling € 13,024.9 thousand (previous year: € 7,264.5 thousand). The vwd group was able to meet a large share of its financing needs with this money. Loan agreements reached in the past include covenants that require the vwd group to meet certain financial metrics and to take or desist from specific actions. The vwd group complied with all covenants in the past fiscal year. Non-current liabilities fell by 25 % from € 8,421.5 thousand to € 6,315.4 thousand. By reducing its financial liabilities, the company gained additional leeway to make future acquisitions.

The vwd group can access operating lines of credit totaling € 17,900.0 thousand through its parent company, vwd AG. During the previous year, the loan framework was increased by € 3,000.0 thousand, a step that expanded the financial freedom of the vwd group. The 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. On December 31, 2011, vwd AG had used lines of credit totaling € 3,998.4 thousand (previous year: € 5,012.6 thousand), subject to seasonal requirements. On January 31, 2012, the lines of credit had been repaid and a credit balance of € 12,479.7 thousand was posted (previous year: € 8,538.1 thousand). The reduced use of operating lines of credit resulted from improved internal financing and the non-payment of a dividend by vwd AG. On December 31, 2011, liabilities to credit institutions with a term of less than one year totaled € 6,105.6 thousand (previous year: € 7,118.7 thousand).

Current and non-current liabilities

in € '000	2011	2010
Financial liabilities	12,421.0	15,540.3
thereof current	6,105.6	7,118.7
thereof non-current	6,315.4	8,421.6
Trade payables	11,411.4	6,202.3
Payments received	2,505.2	1,273.8
Tax liabilities	963.8	602.0
Other liabilities	18,779.8	12,453.8
Provisions (total)	9,972.7	9,806.8
Miscellaneous	3,221.6	2,545.9
Total	59,275.5	48,424.9

Outstanding supplier invoices totaling € 4,401.5 thousand (previous year: € 1,418.9 thousand) and outstanding invoices totaling € 6,859.2 thousand (previous year: € 4,854.8 thousand) caused trade payables to rise to € 11,411.4 thousand (previous year: € 6,202.3 thousand).

Payments received from customers jumped by 96.7 % to € 2,505.2 thousand (previous year: € 1,273.8 thousand) and are a direct indicator of business expected to be generated in 2012.

Other liabilities rose by 50.8 % to € 18,779.8 thousand (previous year: € 12,453.8 thousand). This figure includes possible acquisition payments related to the put option to obtain the remaining 49 % of shares in the EDG business group (see notes, no. 3.2) and minority interests in net income for 2011 under local accounting rules (local gaap). In fiscal year 2011, the establishment of the business in Italy was financed. This resulted in payment obligations related to the partnership agreement with Il Sole 24 Ore totaling € 971.7 thousand that are included in other liabilities.

Provisions

Other long-term provisions fell by 28.9 % to € 579.5 thousand (previous year: € 814.9 thousand).

Current provisions rose by 22.0 % to € 2,523.3 thousand (previous year: € 2,069.1 thousand). Current provisions were formed in anticipation of such actions as possible compensation payments to employees, expected license fees and other provisions made within the context of normal business activities.

As a result of the improved income situation, tax liabilities climbed by 60.1 % to € 963.8 thousand (previous year: € 602.0 thousand).

Balance sheet structure

in € '000	2011	2010
Non-current assets	66,504.3	63,559.3
Current assets	20,043.7	14,372.3
Total assets	86,548.0	77,931.6
Equity and minority interests	27,272.5	29,506.8
Non-current liabilities	16,737.2	18,631.6
Current liabilities	42,538.3	29,793.2
Total liabilities	86,548.0	77,931.6

As a result of special effects related to the remeasurement of the put option agreement to acquire the remaining shares in EDG (see notes, no. 3.2) as well as the rise in trade payables, current liabilities climbed by 42.8 % to € 42,538.3 thousand (previous year: € 29,793.2 thousand).

Due to the increase of current liabilities, the equity ratio fell from 37.9 % to 31.5 %. The decrease in the equity ratio is solely the result of the remeasurement of the put option agreement, which required a negative group result to be reported.

Analysis of the asset position

As a result of the expansion of the operating business and the rise in current liabilities, the group's total assets increased by 11.1 % to € 86,548.0 thousand (previous year: € 77,931.6 thousand).

The balance sheet items "other intangible assets" and "goodwill" include, in particular, acquisitions and the addition to the company's holdings undertaken in the past. Goodwill rose slightly by 1.0 %

to € 47,358.6 thousand (previous year: € 46,897.6 thousand). This increase resulted primarily from the company's entry into the Italian market and currency effects.

Other intangible assets rose by 7.0 % to € 10,285.9 thousand (previous year: € 9,615.4 thousand) as a result of the acquisition in Italy and the capitalization of internally produced software.
During the past fiscal year, the vwd group's capital expenditures totaled € 2,940.7 thousand (previous year: € 2,194.2 thousand). The investments were used to replace network technology, PCs and data-backup systems as well as for office equipment and software solutions.

Non-current assets rose by 4.6 % to € 66,504.3 thousand (previous year: € 63,559.3 thousand).

As of the reporting date, cash and cash equivalents had risen by 53.5 % to € 11,769.9 thousand (previous year: € 7,665.6 thousand). The increase was due to the improved financial position and the non-payment of a dividend.

The vwd group's receivables increased by 26.8 % to € 5,149.4 thousand (previous year: € 4,059.5 thousand). The increase resulted largely from the expansion of our business.

Current assets climbed by 39.5 % to € 20,043.7 thousand (previous year: € 14,372.3 thousand).
Additional information about the vwd group's earnings, financial and asset position can be found in the notes to this report.

Statement regarding the company's business position

During fiscal year 2011, the vwd group further expanded its position as one of the leading service providers of information, communication and technology solutions for the securities business. The company's new business in Italy was particularly responsible for this growth. On the other hand, the vwd group, like its competitors, was unable to profit from the changes occurring in the financial industry. It has yet to be determined how the customers of the vwd group will position themselves in this altered market environment and which business models will be applied in the future. Our expectations about sales were met, and we even exceeded our target for earnings before interest, taxes, depreciation, and amortization (EBITDA). But the accounting rules that apply to the vwd group under IFRS resulted in a total of net income that we believe does not reflect the performance of the vwd group. This particularly applies to the recognition on the balance sheet of the remeasurement of the put option to acquire the remaining shares in the EDG business group (see notes, no. 3.2). Two particularly positive aspects of the vwd group are its stable financial situation and its very high level of liquidity, which has risen above the previous year's total

On the basis of information available as the Group Management Report was being prepared, the business position of vwd AG is average in comparison with fiscal year 2011.

REMUNERATION REPORT FOR FISCAL YEAR 2011

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

Remuneration of the Management Board

The remuneration of the Management Board at vwd AG is based on company size and business success. The current remuneration system ensures that members of the Management Board receive compensation that reflects their position and level of responsibility. The overall structure of Management Board remuneration and adjustments to new legal regulations are determined and regularly reviewed by the Supervisory Board. The Management Board receives non-performance-based compensation consisting of a monthly component (fixed base salary) 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 individual performance, 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

Remuneration of the Management Board in fiscal year 2011

in € '000	Base salary		Bonus		Fringe benefits*		Total		Additions to pension provisions	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Spencer Bosse	250.0	250.0	0	0	29.4	29.4	279.4	279.4	4.9	21.9
Dr. Andreas Dahmen	120.8	0	0	0	53.1	0	173.9	0	0	0
Edmund J. Keferstein	300.0	300.0	0	0	29.8	29.8	329.8	329.8	3.8	21.1
Joachim Lauterbach	0	20.8	0	0	0	116.3*	0	137.1	0	-12.0
Total	670.8	570.8	0	0	112.3	175.6	783.1	746.3	8.7	31.0

*includes compensation for non-competition clause

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 this key metric 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 vehicle 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 with a deductible 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. In anticipation of a possible bonus payment, one member of the Management Board was granted an advance payment of € 100.0 thousand. Due to the company's inability to reach certain targets, vwd AG is entitled to a repayment by this Management Board member.

Members of the Management Board received no variable compensation for fiscal year 2011.

Details of the Management Board remuneration at vwd AG in fiscal year 2011 are listed individually in the above table.

On December 22, 2010, the Supervisory Board appointed Dr. Andreas Dahmen to become CFO on January 1, 2011.

On October 24, 2011, the Supervisory Board of vwd AG decided in mutual agreement with Mr. Edmund J. Keferstein not to extend the Management Board

Remuneration of the Supervisory Board in fiscal year 2011

in € '000	Annual Salary	Meeting compensation	Total 2011	Total 2010
Klaus Nieding, Chairman	30.0	15.0	45.0	35.2
Pieter van Halem, Vice Chairman	22.5	15.0	37.5	29.0
Henning von Issendorff (as of May 5, 2011)	9.8	9.0	18.8	0
Ernesto A. M. Mancosu (from May 6, 2010, to May 5, 2011)	5.2	6.0	11.2	18.9
Dr. Rainer Marquardt (from May 7, 2009 to March 26, 2010)	0	0	0	3.3
Total	67.5	45.0	112.5	86.4

contract of Mr. Edmund J. Keferstein. As of this point in time, Mr. Keferstein was no longer employed by the company, but continued to receive full compensation for the remainder of his contract. This compensation is reported in the consolidated financial statements as € 188.9 thousand. On December 29, 2011, Mr. Keferstein resigned from his positions as Chairman of the Management Board and a member of the Management Board effective immediately in observance of the rights contained in his employment contract.

During the Supervisory Board's meeting, the Management Board contract of Mr. Spencer Bosse was extended ahead of schedule. In addition, the Management Board responsibilities of Dr. Andreas Dahmen were expanded. Both members of the Management Board have assumed Mr. Keferstein's responsibilities and appear in public as members of equal rank.

The fringe benefits received by Dr. Dahmen included a signing fee of € 45.0 thousand. For extending his contract, Mr. Bosse received a one time payment of € 75.0 thousand that has not yet been reported in fringe benefits.

OPPORTUNITY AND RISK REPORT

Approach to risks – our principles

As a company that does business throughout Europe, we face a number of risks as we conduct our extensive activities. Our commercial actions are primarily designed to secure the company's continuation as an ongoing concern and to increase the company's value. The risk policies employed by the vwd group are aimed at ensuring that the group's goals, particularly its financial, operating and strategic goals, can be achieved as planned. This requires the company to constantly weigh opportunities and risks. The vwd group continuously works in a systematic manner to recognize and seize opportunities at an early stage in order to sustainably maximize profits and to simultaneously increase the company's value over the long term. As described below, the vwd group consciously relies in this process on the commitment and know-how of all employees and managers to complement the Management Board's information systems. We realize that we must take certain risks in order to be able to exploit opportunities in the best possible way. For this reason, the risks associated with these opportunities must be identified and evaluated. To be able to optimally seize these opportunities, business risks are consciously and actively managed. Reasonable and manageable risks are taken only in those areas where the company has core expertise and income can be expected to be generated from these risks. Risks in other areas are avoided to the greatest extent possible and reduced by taking appropriate risk management measures.

Risk management system – increased complexity results in changes

The risk management system employed by the vwd group was developed in order to recognize operating, financial and strategic risks as well as their impact on the organization at an early stage. In addition, it is designed to ensure the observance of compliance rules. Inappropriate risks should be eliminated by taking appropriate steps, enabling all risks to be lowered to an acceptable level. The company employs various controls and control systems. A particularly high priority is given to companywide processes and key performance indicators used by internal reporting. In fiscal year 2011, we substantially refined our risk management system.

Following a development phase, a "bottom-up" risk assessment process from the perspective of operations management was introduced to complement the current risk management system. The process is described in "Risk Management in the vwd group," a set of operating company guidelines that supplements the current risk manual. Every three and six months, the heads of business areas and departments as well as the managing directors of subsidiaries are asked to fill out a questionnaire in which they identify the risks that they think the vwd group faces. At the same time, they can outline risk reducing and management steps. In the process, the survey on the primary identification of company risks consciously focuses on the perspective of operations management and asks questions regarding action and budget needs that the manager sees in terms of possible risk groups listed individually in the questionaire. A specification of risks based on probability of occurrence and an estimation of possible negative impact are done only during the description of the individual risks because experience has shown that various professional groups and managers tend to judge the probability of risk occurrence much differently. The system employs five risk grades, each with different degrees of escalation and reporting. In a second step, they are subjected to a risk classification from the perspective of the financial statements under German Accounting Standard 5. In terms of the financial statements, risk stage 2 "increased monitoring need, mid-range support as part of normal management" represents a medium risk that could have a noticeable impact on the financial statements. Risk stage 3 "acute need for action that justifies a special budget" requires an ad-hoc report to be sent to the risk coordinator of the group and represents, in balance sheet terms, a significant risk that could have a strong impact on the company's financial statements or could result in a significant reduction of company value. Risk stage 4 "immediate action required by the Management Board of vwd AG" is a grave risk that could result in a loss for the year and dramatically reduce the company's value.

The survey addresses more than 150 risk areas covering the entire spectrum of market conditions and the business activities of the vwd group. They start with market changes arising from the state of the economy and altered financing and capital market conditions that pose a risk to core business areas as a result of new technologies, revised governmental requirements and different customer behavior. They also cover accounting and controlling; the management and organizational structure; personnel risks; production risks, including product development and project execution; information technology and business continuity; sales and customers; legal risks, including data security; compliance and criminal threats; environmental threat potential; and particular image risks.

As part of the continuous ad-hoc reporting about individual risk results, managers and all employees of the vwd group can also use the previous risk database that includes an e-mail-connected communications channel.

Following a kickoff workshop in October 2011, the initial group wide risk review in this form was completed in December 2011. The results of this review have been incorporated into the following description of the risk situation at the vwd group.

By improving its previous process, the vwd group is efficiently addressing the increased complexity of its activities.

Internal control and the risk management system for group accounting and accounting at the vwd group

The internal control and risk management system for accounting is a component of the group wide risk management system of the vwd group. It covers the organization, control and monitoring structures that we use to ensure that company information is collected, processed and acknowledged as well as is incorporated into the IFRS consolidated financial statements and the individual financial statements of the vwd group pursuant to the German Commercial Code.

Furthermore, we take steps to ensure that our accounting system complies with relevant laws and standards. Legal changes, new accounting standards and other relevant publications regarding accounting principles, the disregard of which would pose a risk to the correctness of our accounting, are analyzed by us at an early stage and, if necessary, incorporated into the accounting process. We have created guidelines for company wide rules, including balance sheet and travel cost guidelines. Our employees receive regular training to ensure that they are kept up to date on the continuous changes made in accounting.

The internal control and risk management system for accounting provides for both preventive and retroactive checks. The functions finance and accounting and controlling, which are both deeply involved in the accounting process, are kept separate from each other. A clear management and control structure prevents the existing control system from being circumvented. The four eye principle is regularly employed in all accounting relevant processes. In its accounting work, vwd uses IT supported systems that, to the greatest extent possible, are based on standard software. The financial systems in use are protected from data loss and unauthorized access by deterrent measures.

The internal control system for accounting, in which errors are generally avoided and discovered when they do occur, assures that the company's financial reporting is accurate and serves as the basis for the preparation of balance sheets for external purposes. 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 and national 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.

General risk position

Economic, political and regulatory risks

In 2011, the emerging sovereign debt crisis in the United States and the European Union, combined with the discussion about structural, short-term and mid-range restructuring and emergency support measures, created increasing uncertainty regarding forecasts about economic opportunities in general and about the financial industry in particular. Given the pressure to consolidate government budgets, it can be assumed that economic growth will slow. In addition, both short and mid-range interventions increase the volatility of financial markets, a phenomenon that is already making its presence felt as a result of uncertainty about the future.

This could possibly trigger a plunge in stock prices and credit ratings that could create problems for vwd customers. Should the economy enter a long phase of contraction or stagnation, some customers in the financial or publishing industry could be forced to rethink their business models and to drop or cut back on the services provided by the vwd group.

It is already evident that the uncertainty described above will result in far reaching changes in regulatory conditions faced by the financial industry with the aim of increasing the transparency requirements for products, transactions and prices, particularly in terms of non-regulated markets, trading platforms and OTC transactions, as well as toughened client-information and advising standards.

As a result, the risks faced by companies in the financial industry have risen in recent years. This has also increased the risks faced by all companies that act as suppliers to this industry. Thanks to its extensive product range and its business model, the vwd group has only limited exposure to these risks because potential negative impacts in one area can be possibly offset by another area.

vwd AG sees no risks that could endanger the company or the group as ongoing concerns.

Increased market opportunities and challenges
The uncertainty and changes described above also create tremendous opportunities for the vwd group. Systematically recognizing and exploiting these opportunities – while avoiding unnecessary risks – are key aspects of the sustainable growth of the vwd group. For this reason, the vwd group will more closely link opportunity and risk management in the future. To us, opportunities reflect internal and external potential that can have a positive impact on the company. Our opportunity management is closely aligned with our company strategy. To facilitate successful opportunity management, we closely analyze markets that are relevant to us and monitor our competitors.

More than ever before, both investors and product and service providers in the financial industry will focus on improved information, service and risk-management support. In doing so, they will draw on every option offered by today's information and communication technologies. The integration of markets in Europe and the pressure of customers to lower costs through economies of scale will require providers that have emerged as leaders in their national markets to prove themselves across Europe. Intensified price volatility and suddenly rising transaction figures will make it necessary to improve IT resources being employed and create new demands on the quality and reliability of data suppliers as well as safeguards against the failure of providers, data supplies and companies' own systems.

The vwd group has a solid market position and, thanks to the acquisitions it has made in Germany and the European Union, has gained the critical size needed to cope with these changes.

Change management – and operating challenges
The intense external growth produced in recent years, a development that also included an expansion of the company's range of products and services, has resulted in the need and opportunity to internally strengthen the group in terms of corporate governance and human resources issues, of the exploitation of economies of scale and of group and Europe-wide management of the product and service range in consideration of product-specific calculations of costs and profits.

The individual risks included in the company's risk review reflect the change management challenges associated with the transition from a leading national provider of financial market data to a European provider of customer-centric, market data linked solutions for institutional and private use.

Individual risks
The following statements can be made regarding individual risks. In these statements, we deliberately focus on the respective risk factors and less on the opportunities associated with these risks, as well as our risk minimization strategies.

Financial risks
In fiscal year 2011, vwd AG conducted derivative finance businesses to hedge existing underlying business transactions. The financial risks arising from financial instruments lie within the realm of the normal course of doing business.

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 vwd group. The foreign currency risk of the vwd group is limited to the Swiss franc. Despite the strong rise of the Swiss franc against the euro, we

believe the resulting currency risks are manageable. Business conducted in U.S. dollars has increased, which means that the risks related to euro-dollar exchange rate fluctuations must be more closely monitored. To reduce these currency risks, we are considering conducting currency swaps in the future.

Interest rate risks
Non-current liabilities have variable interest rates. Our regular interest rate analyses have prompted us to secure the current low interest rates on a long-range basis. For this reason, we concluded interest rate hedges involving payer swaps for a portion of non-current liabilities. For details, please refer to the notes to the consolidated financial statements.

Liquidity risks
To ensure its long-range solvency, a company must have sufficient liquidity available to it at all times. The management and monitoring of the company's liquidity situation are carried out as part of a daily evaluation of financial accounting. The responsibility for this analysis is assigned to the company's CFO.

The group's subsidiaries are incorporated into this process. No liquidity risk has been identified for the company. In 2011, current loans were paid back to the planned extent. Generally, lines of credit were used seasonally, with utilization limited to a middle percentage share of the entire loan framework. The use of credit lines was also reduced compared with the previous year. Nonetheless, the leeway for using seasonal lines of credit was expanded to give the vwd group greater flexibility. The liquidity situation was also positively affected by the related decrease in interest expenses.

Counterparty risks
Counterparty risks are those risks arising from a financial loss created by a 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 risks
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. The business conducted by the vwd group is primarily done in the European Economic Area (EEA). All investment companies are located in the EEA. As a result, we can identify no significant country risks. This is also the case for those members of the European Union and the European currency system that have become the focus of public debate regarding changes in the currency system or the role of private investors as part of worst case assumptions. Sales generated by the vwd group with companies in Greece make up a small share of total sales.

Market risks
Should our current customers decide to use fewer information, communication and technology solutions, this could have a negative impact on our finance and earnings position or on our cash flow. Given the increased competition in our business and the consolidation of the financial information industry, the risk of a reduced market share cannot be ruled out. But we do not assume that entire market that is relevant to the vwd group will contract. Experience in relevant submarkets serves as an indication that decreases in individual market segments can be offset by growth in new or other markets.

Risks related to the business strategy
Demand for our new solutions related to the advisory and sales process in the securities business may not develop as planned. Uncertainties could arise in particular because of the current changes within the financial industry, the lack of demand or the lack of acceptance on the part of our customers.

The vwd group has strengthened its market position in Europe by making targeted acquisitions and is now working to fully tap the potential created by these takeovers. As a rule, each acquisition of a company and its integration create a consolidation need. During such consolidation phases, risks can arise in relation to the integration of employees, processes, technologies, products and the management of group companies.

Legal risks
As a result of the vwd group's range of products and services, legal risks associated with the failure of IT systems or the lack of data quality cannot be completely ruled out despite all operational care and safeguards created as part of contract preparation. Because suitable steps have been taken, such risks have been reduced to such an extent that no significant damage claims are expected to occur.

The vwd group is involved in litigation only to a limited extent in the course of its business operations. No lawsuits were filed against the company in 2011.

vwd AG is challenging obligations from possible put options in connection with the potential acquisition of 49 % of shares in the EDG business group both in terms of grounds and size. Invalidation could occur as a result of such instances as the possible nullification of the basic agreement, the nullification of the option agreement, a possible cancellation for cause, an exercise carried out even though contractual requirements governing the exercise were not fulfilled or the nullification of the exercise due to claims for an option price potentially not warranted by the contract. It cannot be ruled out that vwd AG will become involved in a legal dispute over this issue (see notes, no. 3.2).

Should negotiations aimed at reaching an understanding with the minority shareholders of EDG AG not continue and the contracts be declared null and void in a legal hearing that cannot be ruled out, this could also result in a loss of control and, thus, the deconsolidation of the EDG Group. A deconsolidation of the EDG Group would result in lower sales and expenditures as well as reduced EBITDA und net income. In addition, non-recurring income would be created at the time of the deconsolidation. We expressly stress that no lawsuit has been filed. Rather, further discussions are being planned with the aim of reaching a positive solution for both sides.

Personnel risks
Employee turnover at the vwd group is small. Nonetheless, recruiting qualified employees is a constant challenge. This is particularly true for the long-term employment of those employees who have special areas of expertise. In light of the growing shortage of specialists, knowledge based companies like the vwd group face serious challenges. By offering professional growth opportunities, information transfer, team building, flexible working conditions and performance based pay, the vwd group can offset these risks, but cannot completely eliminate them. Given the speed of technological change and the modification and development pressure resulting from it, our employees face higher demands that are not easy to address.

IT risks
The heart of our business activities is a smooth running, secure IT infrastructure. Given the increased transaction volume and price volatility that occurred in 2011 as well as the higher demands placed on our products and services by customers and regulators, our IT systems are subject to increased risk potential. We continuously monitor our information technologies in order to conduct IT supported business process in the most secure way possible. When necessary, the systems are upgraded and even more effectively protected. In 2011, we took extensive steps designed to further improve our information security management and to further expand systems for information and data security as well as business continuity. As a result, the IT risks arising from business processes among subsidiaries as well as with customers, suppliers and other business partners could be kept at an acceptable level. Given the company's extreme peak performance periods, additional steps are being planned to increase IT security and system availability.

Working with the company's data-protection officer, we ensure that personal data used in information processing are handled in accordance with the regulations contained in the German Data Protection Act.

Procurement risks
The vwd group depends on the constant delivery of price and transaction data from stock markets, trading systems and other non-market suppliers of data. For this purpose, the vwd group either purchases price data from data suppliers or directly links individual stock markets and trading systems to its content management systems. The vwd group employs a strategy of direct link to achieve a more independent position and to reduce the risk emanating from the procurement market. In addition, the vwd group is increasingly drawing on self-produced financial market related key performance indicators and information by offering new products, including the value-at-risk measurements of its EDG subsidiary.

Communication and information risks
The vwd group is subject to the risk that details about its future strategy, technological knowledge, confidential information about product development and personal data could be illegally released to the public. This could result in damage to vwd. To ensure that confidential reports and information are not released without authorization, we have worked with the company's data protection officer to introduce various risk-reducing steps. These steps include such binding company wide security guidelines as password rules and personal pledges to the German Data Protection Act.

ADDITIONAL INFORMATION

Takeover related disclosures pursuant to § 289 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.

End of dependent relationship pursuant to § 17 Paragraph 1 of the German Stock Corporation Act:
During the year under review, a loss of rights occurred for the shares of DAH Beteiligungs GmbH for the period between January 1, 2011, and April 6, 2011. As a result of this loss of rights, a change in the majority ownership of vwd AG occurred. During this period, CornerstoneCapital Beteiligungen GmbH held a majority of voting rights, a development that turned vwd AG into a dependent company. As of April 6, 2011, DAH Beteiligungs GmbH is no longer a shareholder of vwd AG. As of this date, the rights of all blocked shares were reinstated. This ended the control of vwd AG by CornerstoneCapital Beteiligungen GmbH. As a result, vwd AG is no longer a dependent company under the provisions of § 17 Paragraph 1 of the German Stock Corporation Act.

Shareholders with share packages containing more than 10 % voting rights:
There are four direct investments in the company that exceed 10 % of voting rights each, according to the latest voting rights disclosure and public information. Deutsche Balaton AG, Mr. Dietmar Hopp, Mr. Edmund J. Keferstein and Mr. Oliver Hopp each have own more than 10 % of voting rights.

Own stock:
As of December 31, 2011, vwd AG held 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.

Appointment and dismissal of Management Board members and amendments to the Articles of Association:
The appointment and dismissal of Management Board members are carried out in accordance with §§ 84 and 85 of the Stock Corporation Act. 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 (§§ 133 and 179 of the Stock Corporation Act). The Supervisory Board is authorized under the Articles of Association to make amendments to those articles that apply only to formulation.

Management Board authorization to issue and buy back shares:
The Annual General Meeting of May 7, 2009, authorized the Management Board to raise the share capital, with the consent of the Supervisory Board, by up to € 3,026,021.00 until the end of the fifth year after 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 I 2009).

A resolution approved by the extraordinary Annual General Meeting of September 12, 2007, authorized the Management Board of vwd AG to increase the company's share capital up to € 9,851,267.00 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 Annual General Meeting on May 6, 2010, the company was authorized to acquire stock in the company totaling up to 10 % of its capital stock by June 30, 2012. 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 stock, 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.

Corporate Governance Report 2011 and statement on company management:
The statement of the Management Board and Supervisory Board pursuant to code number 3.10 of the German Corporate Governance Code as well as pursuant to § 289a of the German Commercial Code about management of the company is available on the company's home page, www.vwd.com, under the section> Investor Relations > Corporate Governance > Company Statement.

SUPPLEMENTARY REPORT

On February 29, 2012, vwd AG received a letter from Mr. Phillip Henrich, a member of the Management Board of EDG AG, Schäftlarn. In this communication, Mr. Henrich makes reference to a contract dated February 11, 2009 (hereinafter the "option agreement"). The intent of the letter is to exercise a put option contained in the "option agreement" dated February 11, 2009. As a consequence, the members of the stockholder group intend to provide 49 % of the shares they hold in EDG AG, Schäftlarn, and 49 % of the shares they hold in European Derivatives Group AG, Switzerland, to vwd Vereinigte Wirtschaftsdienste AG. As a result, vwd AG would become the sole shareholder of both companies. In return for the shares of both EDG companies, the "option agreement" includes a cash component and the issuance of shares in vwd AG. The regulations, preconditions and requirements of the "option agreement" as well as the letter received on February 29, 2012, from Mr. Henrich are currently being carefully examined.

On March 14, 2012, vwd AG issued an ad-hoc release in which it stated that the price of 49 % of the shares in the EDG business group could possibly exceed the previously assumed total of € 6,168 thousand. The company reached this conclusion following a preliminary, non-binding remeasurement of the put option agreement regarding the acquisition of a 49 % stake in the EDG business group. The results of the EDG business group announced thus far for fiscal year 2011 prompted vwd AG to remeasure the value of the put option agreement at € 9,540 thousand and recognize this sum in the consolidated financial statements despite many legal questions regarding the legitimacy of this claim and the agreement's final value. vwd AG notes that neither prejudice nor acknowledgement is associated with this remeasurement and that the actual purchase price may be considerably less than this total. But it could also be higher.

OPPORTUNITIES AND FORECAST REPORT

Macroeconomic Trends
As a result of the increasing slowdown in the global economy in the second half of 2011, economic experts have steadily lowered their growth forecasts for 2012. The OECD forecasts that GDP growth in Germany will total only 0.6 %, a significant drop from the previous year. The main reason for this reduction is the expectation that exports may slow considerably. Particularly in the countries of the euro zone, budget consolidation efforts may contribute to this decline. Demand from key emerging markets should act as a brace as their growth is expected to decrease only slightly. The United States should remain at the subdued level of the previous year. Overall, the global economy is facing a large number of risks. For this reason, the forecasts issued by economic experts have a high degree uncertainty attached to them.

OUTLOOK – Statement on probable Developments

Vwd AG was able to hold its own during the financial crisis. We believe that we have reached the bottom and will produce stronger organic growth over the midterm. But the company's future business performance will depend heavily on the direction taken by international financial markets. Faced with numerous regulatory and economic changes, our customers will be forced to review their business models and optimize their business processes. Should our customers become increasingly interested once again in making investments, this would have a very positive effect on our business. In general, we initially expect moderate growth.

For 2012, we expect that consolidated sales will total between € 87.0 million and € 96.0 million and that EBITDA will amount to between € 9.6 million and € 10.5 million. At our segments, we expect MDS to produce sales of between € 42.8 million and € 47.1 million, TS to generate sales of between € 21.5 million and € 23.7 million and SMS to record sales of € 22.8 million to € 25.2 million. Under our guidance, EBITDA should total between € 4.9 million and € 5.5 million in the MDS segment, between € 2.3 million and € 2.6 million in the TS segment and between € 2.3 million and € 2.5 million in the SMS segment.
For 2013, we foresee significant changes in the market that will create numerous opportunities to produce further growth. But the requirement for increased sales and earnings will be a long-term recovery of the financial industry and an increased willingness to invest. In 2013, we expect group sales of between € 95.2 million and € 105.0 million and EBITDA of between € 11.7 million and € 12.9 million. At our segments, we expect MDS to produce sales of € 46.8 million to € 51.6 million, TS to generate sales of € 23.5 million to € 25.9 million and SMS to generate sales of between € 25.0 million and € 27.5 million. In 2013, EBITDA should total between € 6.1 million and € 6.8 million in the MDS segment, € 2.8 million and € 3.1 million in the TS segment and € 2.8 million to € 3.1 million in the SMS segment.

Reservations regarding Forward Looking Statements

The Group Management Report contains forward-looking statements that reflect our current opinions, expectations and assumptions and are based on information available at the time that this report was compiled. Forward looking statements do not serve as a guarantee that future events and developments will in fact occur. Rather, they are subject to risks and uncertainties. The future results and performance of the vwd group could differ significantly from the expectations and assumptions formulated here as a result of various factors. These factors could include changes in the macroeconomic situation, new legal regulations, the competitive situation and developments in financial markets.

DEPENDENCY REPORT

Concluding Statement

The Management Board of vwd AG declares that no reportable transaction was concluded with the majority stockholder known to the company or with a company allied with him during the state of the dependency. Furthermore, no reportable measures were undertaken or eschewed at the insistence or in the interest of one of these companies during the state of dependency.

Frankfurt am Main, April 23, 2012 / July 9, 2012

SPENCER BOSSE
Management Board member

DR. ANDREAS DAHMEN
Management Board member

AMENDED CONSOLIDATED FINANCIAL STATEMENT 2011

Content

AMENDED CONSOLIDATED BALANCE SHEET

As of December 31, 2011

Assets

in € '000	notes	12/31/2011	12/31/2010
A. Noncurrent assets			
I. Intangible assets	5.		
1. Development costs		1,142.7	542.0
2. Other intangible assets		10,285.9	9,615.4
3. Goodwill		47,358.6	46,897.6
		58,787.2	**57,055.0**
II. Tangible assets	6.		
1. Land and buildings on third party land		338.8	480.5
2. Technical equipment and machinery		3,127.0	2,991.6
3. Other equipment, operating and office equipment		805.3	893.8
4. Advance payments		7.4	0.0
		4,278.5	**4,365.9**
III. Other financial assets	7.	448.3	426.2
IV. Deferred tax assets	32.	2,990.3	1,712.2
		66,504.3	**63,559.3**
B. Current assets			
I. Inventories	8.	18.3	19.7
II. Trade receivables	9.	5,149.4	4,059.5
III. Orders with an asset side balance	10.	92.2	45.1
IV. Tax receivables	11.	580.1	1,538.7
V. Other receivables	12.	2,433.8	1,043.7
VI. Cash and cash equivalents		11,769.9	7,665.6
		20,043.7	**14,372.3**
		86,548.0	**77,931.6**

Liabilities

in € '000	notes	12/31/2011	12/31/2010
A. Equity	13.		
I. Subscribed capital		25,754.6	25,754.6
II. Capital reserves		-13,375.8	-13,375.8
III. Earnings reserves including retained earnings		14,580.2	13,964.3
IV. Cumulative other result		1,110.4	637.0
V. Group net loss/net income		-2,637.3	615.8
		25,432.1	**27,595.9**
VI. Minority interests		1,840.4	1,910.9
		27,272.5	**29,506.8**
B. Noncurrent liabilities			
I. Provisions for pensions and similar commitments	14.	6,870.0	6,922.8
II. Other long-term provisions	15.	579.5	814.9
III. Financial liabilities	16.	6,315.4	8,421.6
IV. Deferred tax liabilities	32.	2,972.3	2,472.4
		16,737.2	**18,631.6**
C. Current liabilities			
I. Other current provisions	17.	2,523.3	2,069.1
II. Financial liabilities	16.	6,105.6	7,118.7
III. Trade payables	18.	11,411.4	6,202.3
IV. Obligations from production orders	10.	249.2	73.5
V. Advance payments received	19.	2,505.2	1,273.8
VI. Tax liabilities	20.	963.8	602.0
VII. Other liabilities	21.	18,779.8	12,453.8
		42,538.3	**29,793.2**
		86,548.0	**77,931.6**

AMENDED CONSOLIDATED INCOME STATEMENT

For the period from January 1 to December 31, 2011

in € '000		notes	2011	2010
1.	Sales	24.	80,885.7	76,123.6
2.	Other internally produced and capitalized assets	25.	732.5	202.4
3.	Other operating income	26.	3,678.8	3,002.6
4.	Cost of materials	27.	27,651.3	26,842.0
5.	Personnel expenses	28.	34,631.0	32,845.6
6.	Other operating expenses	29.	13,951.0	12,186.4
	EBITDA		**9,063.7**	**7,454.6**
7.	Amortization, depreciation and impairment of intangible and tangible assets and investment property	30.	5,047.0	4,316.5
	EBIT		**4,016.7**	**3,138.1**
8.	Result of associated companies		0.0	0.0
9.	Other interest and similar income		66.8	21.9
10.	Depreciation of financial assets		0.0	0.5
11.	Interest and similar expenses		609.7	542.6
12.	Interest and similar expenses in the context of the put option		4,682.4	695.7
	Financial result	31.	**-5,225.3**	**-1,217.0**
13.	**Result from ordinary operations**		**-1,208.6**	**1,921.1**
14.	Income taxes		1,735.9	1,411.0
15.	Deferred taxes		-790.2	-769.7
16.	Other taxes		0.8	76.2
	Tax result	32.	**946.5**	**717.5**
17.	**Result**		**-2,155.1**	**1,203.5**
	thereof allocable to other shareholders	33.	482.2	587.8
	thereof allocable to the vwd group		-2,637.3	615.8
18.	**Earnings per share in €**			
	undiluted	34.	-0.102	0.024
	diluted		-0.102	0.024

AMENDED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1 to December 31, 2011

in € '000	2011	2010
Profit	**-2,155.1**	**1,203.6**
– thereof allocable to other shareholders	482.2	587.8
– thereof allocable to vwd group shareholders	-2,637.3	615.8
– Changes in the fair value of derivatives used for hedging purposes	-59.6	0.0
– Income taxes	18.9	0.0
– Changes in the fair value of derivatives used for hedging purposes after income taxes	**-40.7**	**0.0**
– Changes in actuarial gains (+)/ losses (-) from defined benefit obligations and similar commitments	314.2	-1,613.6
– Income taxes	-41.3	63.0
– Changes in actuarial gains (+)/ losses (-) from defined benefit obligations and similar commitments after income taxes	**272.9**	**-1,550.6**
– Changes in currency translation adjustment items of foreign subsidiaries	241.1	1,663.6
– recognized in profit or loss	0.0	0.0
Changes recognized outside profit or loss (currency translation)	**241.1**	**1,663.6**
Total direct changes recognized in equity	**473.3**	**113.0**
– thereof allocable to noncontrolling interest	0.0	0.0
– thereof allocable to vwd group shareholders	473.3	113.0
Total comprehensive income	**-1,681.8**	**1,316.6**
– thereof allocable to noncontrolling interest	482.2	587.8
– thereof allocable to vwd group shareholders	-2,164.0	728.8

AMENDED CONSOLIDATED STATEMENT CHANGES IN EQUITY

	Paid up capital		Generated consolidated capital			
	Subscribed capital	Capital reserves	Earnings reserves including retained earnings	Treasury stock	Total earnings reserves	Consolidated net income
Balance as of January 1, 2010	**25,754.6**	**-13,375.8**	**12,485.7**	**-4.0**	**12,481.7**	**2,512.7**
Profit carried forward			2,512.7		2,512.7	-2,512.7
Dividend payments			-1,030.1		-1,030.1	
Acquisition of minority interests/newly created minority interests						
Recognized income and earnings						615.8
Balance as of December 31, 2010	**25,754.6**	**-13,375.8**	**13,968.3**	**-4.0**	**13,964.3**	**615.8**
Balance as of January 1, 2011	**25,754.6**	**-13,375.8**	**13,968.3**	**-4.0**	**13,964.3**	**615.8**
Profit carried forward			615.8		615.8	-615.8
Dividend payments			0.0		0.0	
Acquisition of minority interests/ newly created minority interests						
Recognized income and earnings						-2,637.3
Balance as of December 31, 2011	**25,754.6**	**-13,375.8**	**14,584.2**	**-4.0**	**14,580.2**	**-2,637.3**

Cumulative other net income					Total			
Currency translation of foreign subsidiaries	Actuarial gains/losses	Deferred taxes	Derivative financial instruments gains (+)/ losses (-)	Deferred taxes	Total cumulative other net income	Equity allocable to shareholders of vwd group	Minority interests	
100.7	**664.2**	**-240.7**			**524.1**	**27,897.3**	**1,894.6**	**29,791.9**
						0.0	0.0	0.0
						-1,030.1	-571.6	-1,601.8
						0.0	0.0	0.0
1,663.6	-1,613.6	63.0			113.0	728.8	587.8	1,316.6
1,764.3	**-949.4**	**-177.7**	**0.0**	**0.0**	**637.0**	**27,595.9**	**1,910.9**	**29,506.8**
1,764.3	**-949.4**	**-177.7**	**0.0**	**0.0**	**637.0**	**27,595.9**	**1,910.9**	**29,506.8**
							0.0	0.0
							-552.7	-552.7
							0.0	0.0
241.1	314.2	-41.3	-59.6	18.9	473.4	-2,163.8	482.2	-1,681.6
2,005.4	**-635.2**	**-219.0**	**-59.6**	**18.9**	**1,110.4**	**25,432.1**	**1,840.4**	**27,272.5**

AMENDED CONSOLIDATED CASH FLOW STATEMENT

For the period from January 1 to December 31, 2011

in € '000	2011	2010
Net loss / net income	-2,155.1	1,203.5
Depreciation, amortization and impairment of tangible and intangible assets (+)	5,047.0	4,438.6
Depreciation, amortization and impairment of other financial assets	0.0	0.5
Change in pension provisions (increase + / decrease -)	-831.9	2,038.7
Gains (-) / losses (+) from the disposal of assets	-0.4	17.8
Gross cash flow	**2,059.6**	**7,699.1**
Increase (-) / decrease (+) in inventories	1.4	12.4
Increase (-) / decrease (+) in trade receivables	-1,089.9	690.2
Increase (-) / decrease (+) in trade payables	5,166.3	-389.6
Change in other net assets / Other noncash items (-/+)	6,887.5	-747.6
Net cash generated from operating activities (net cash flow)	**13,024.9**	**7,264.5**
Payments for tangible and intangible assets (-)	-2,186.1	-1,967.2
Payments for development costs (-)	-732.5	-202.4
Payments for financial assets (-)	-22.1	-9.7
Change in assets from currency translation	0.0	0.0
Proceeds from the disposal of tangible and other assets (+)	2.2	57.9
Payments for changes in consolidation group (-)	-2,310.3	0.0
Net cash generated from investing activities (total)	**-5,248.8**	**-2,121.4**
Payments for the repayment of liabilities to minority shareholders (-)	0.0	0.0
Payments to minority shareholders (-)	-552.7	-571.6
Payments to shareholders of vwd AG (-) (dividend payments)	0.0	-1,030.1
Payments to service debt (+)	0.0	0.0
Payments for servicing financial liabilities (-)	-2,106.1	-2,106.1
Net cash generated from financing activities (total)	**-2,658.8**	**-3,707.8**
Changes from currency translation	0.0	0.0
Net change in cash and cash equivalents (total)	**5,117.4**	**1,435.3**
Cash and cash equivalents on January 1	2,653.0	1,217.7
Changes in consolidation group	0.0	0.0
Cash and cash equivalents on December 31	**7,770.4**	**2,653.0**

AMENDED NOTES

Amendments to the consolidated financial statements for fiscal year 2011

The Management Board of vwd Vereinigte Wirtschaftsdienste AG has amended the consolidated financial statements dated December 31, 2011, and the Group management report for fiscal year 2011. The amendments affect the remeasurement of a provision for Management Board bonuses at the subsidiary EDG AG, Schäftlarn. In the course of this remeasurement, the amount of € 40 thousand recognized in the individual financial statements of EDG AG was reported in the consolidated financial statements.

These amendments resulted in adjustments to Group net income, tax liabilities, other liabilities, interest-rate, personnel and tax expenses, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated statement of comprehensive income. The corresponding information contained in the Group management report and the notes to the consolidated financial statements was also amended.

The amended consolidated financial statements for fiscal year 2011 underwent a supplementary audit pursuant to § 316, Paragraph 3 of the German Commercial Code.

1. General information

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

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

The company 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 services providers, investors and the media. The company’s most well known brands are “finanztreff.de,” “vwd fonds service,” “vwd market manager,” “vwd portfolio manager,” “PortfolioNet,” “TradeLink” and “Tai-Pan.”

The Management Board released the initial version of the consolidated financial statements for fiscal year 2011 on April 27, 2012. The Management Board is expected to release the amended consolidated financial statements for fiscal year 2011 on July 12, 2012. The Supervisory Board is expected to approve the consolidated financial statements on July 11.

The consolidated financial statements and group management report prepared as of December 31, 2011, will be published in the electronic Federal Gazette in accordance with § 325 of the German Commercial Code (HGB).

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).

vwd’s consolidated financial statements are based on the historical cost principle except for certain items 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 financial statements is the same as the reporting date for the consolidated financial statements (December 31, 2011).

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 assets or liabilities. 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, contingent receivables and liabilities as of the respective closing dates as well as on the value of income and expenses 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 results may deviate from the assumptions and estimates.

2. Effects of new accounting principles

Accounting principles applied for the first time in 2011

Amendment to **IAS 1** "Presentation of Financial Statements" in the context of annual improvements to IFRS IAS 1.106d requires an entity to present a statement of changes in equity showing reconciliations of all components of total comprehensive income at the beginning and the end of the period. Following the improvement, this may be presented in the notes. The first time adoption of this improvement had no impact on the presentation of the consolidated financial statements as vwd group, as in the previous year, presents a reconciliation statement as part of the statement of changes in equity.

Amendment to **IAS 24** "Related Party Disclosures"
The amendment clarifies the definition of related parties.

Amendment to **IFRS 7** "Financial Instruments: Disclosures"
The amendment enhances disclosures of transfers of financial assets in which the transferring entity maintains a continuing involvement with the transferred assets; additional disclosures are required if an unusually high amount is transferred at the end of a reporting period.

International Financial Reporting Interpretations Committee **(IFRIC) 14 IAS 19** – "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" clarifies the recognition of voluntary prepaid contributions made by an entity to fulfill its funding requirements. The amendment enables entities to measure the economic benefits from such prepaid contributions as an asset. The interpretation applies to fiscal years starting after December 31, 2010.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" clarifies, in particular, that the equity instruments issued to settle financial liabilities are regarded as "consideration paid" in accordance with IAS 39.41. As a matter of principle, the issued equity instruments are recognized at fair value. Any differences between the fair value of the equity instruments issued and the carrying amount of the extinguished financial liability are recognized in profit or loss. The interpretation applies to fiscal years starting after June 30, 2010.

Improvements to IFRSs (2010)
The standard comprises various smaller amendments to existing standards resulting from a cycle of annual improvements to IFRSs.

The amended standards had no material impact on vwd's consolidated financial statements.

Accounting standards that have not been adopted early

IAS 1 "Presentation of Components of Other Comprehensive Income"
Effective date: July 1, 2012
The amendment requires entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently.

IAS 12 "Income Taxes"
Effective date: January 1, 2012
IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. For investment properties measured at fair value pursuant to IAS 40, this amendment introduces a presumption that recovery of the carrying amount will normally be through sale.

This amendment is of no relevance to the vwd group at this time.

IAS 19 "Employee Benefits"
Effective date: January 1, 2013
The amended standard eliminates the corridor approach and requires that actuarial gains and losses are recognized in other comprehensive income. These amendments will have no impact on the company as vwd does not make use of the corridor approach pursuant to IAS 19.92 and already recognizes actuarial gains and losses in other comprehensive income pursuant to IAS 19.93a.
In addition, expected returns on plan assets and interest expenses will be replaced by a uniform net interest component. In the future, past service costs will be recognized fully in profit or loss during the period in which the respective plan changes were effected. Disclosure requirements concerning benefits related to the termination of employment contracts have been amended.

IAS 28 "Investments in Associates and Joint Ventures"
Effective date: January 1, 2013
The amendments comprise subsequent amendments from the new IFRS 10, IFRS 11 and IFRS 12 and expand the application scope of IAS 28 to joint ventures accounting.

IFRS 9 "Financial Instruments"
Effective date: January 1, 2013
The standard introduces new requirements governing the classification and measurement of financial assets and liabilities.
IAS 39 will be replaced by IFRS 9.

IFRS 10 "Consolidated Financial Statements"
Effective date: January 1, 2013
The standard replaces the previous regulations of IAS 27 and SIC 12 on control and consolidation and introduces a uniform consolidation model. In addition, the standard provides guidelines on the interpretation of the control concept in case of doubt.

IFRS 11 "Joint Arrangements"
Effective date: January 1, 2013
The new standard replaces the previous IAS 31 on joint ventures and introduces a revised terminology and classification of companies as joint ventures. IFRS 11 classifies joint arrangements into two groups: joint operations and joint ventures. A joint operation is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
A joint venturer recognizes its interest in a joint venture as an investment and shall account for that investment using the equity method. Proportionate consolidation is no longer permitted in these cases.

IFRS 12 "Disclosure of Interests in Other Entities"
Effective date: January 1, 2013
IFRS 12 replaces disclosure requirements from IAS 27. Under the new standard, detailed information must be provided on an entity's subsidiaries, associates, joint arrangements, joint ventures, consolidated special

purpose entities, which enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities and the effects of those interests on its financial position.

IFRS 13 "Fair Value Measurement"
Effective date: January 1, 2013
The standard sets out a uniform framework for measuring fair value. In addition, it requires additional disclosures about fair value measurement.
IFRS 13 describes a three level fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

New standards or amendments to existing standards are typically not applied before their effective date even where this is permitted by individual standards.

Other additional standards and interpretations have been adopted which had no material impact on vwd's consolidated financial statements from today's perspective.

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 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 by December 31, 2011:

	2011
As of January 1	13
Companies merged into vwd AG	1
Newly established companies	1
As of December 31	13

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 submitted to the electronic Federal Gazette.

Company	2011 in %	2010 in %
vwd information solutions AG, Zurich/Switzerland	100	100
vwd NetSolutions GmbH, Berlin	100	100
GeVaSyS Gesellschaft für verteilte Anwendungssysteme mbH, Herzogenrath	63.25	63.25
vwd group Italia S.r.L., Pero/Milan, Italy	100	0
vwd TransactionSolutions AG, Frankfurt/Main	60	60
vwd group Netherlands B.V., Amsterdam/Netherlands	100	100
vwd group Switzerland AG, Zurich/Switzerland	100	100
European Derivatives Group AG, Schäftlarn	51	51
vwd group academy AG, Frankfurt/Main	51	51
European Derivatives Group AG, St. Gallen/Switzerland	51	51
Lenz + Partner AG, Dortmund	51.29	indirect

100 % of the shares in vwd group Belgium NV, Brussels/Belgium, are held via vwd group Netherlands B.V., Amsterdam/Netherlands. vwd group Switzerland AG, Zurich/Switzerland, holds 100 % in PC&S Portfolio Consulting & Services AG, Zurich/Switzerland.

As of December 31, 2010, market maker Software AG, Kaiserslautern, was retroactively merged into vwd AG as the acquiring legal entity. The merger was entered into the Commercial Register on April 5, 2011. As a result of the merger of market maker Software AG, vwd AG's indirect interest in Lenz + Partner AG became a direct interest of vwd AG.

3.1. Acquisitions in fiscal year 2011

Effective April 20, 2011, vwd group Italia S.r.L., Pero/Milan, was established as a fully owned subsidiary of vwd AG. In the future, vwd group's Italian operations will be managed by this national subsidiary. To this end, vwd group Italia S.r.L. (acquirer) acquired the "RFID business" operations from Il Sole 24 Ore S.p.A. on July 1, 2011 (acquisition date). The acquisition was completed in fiscal year 2011.

Il Sole is the parent company of the Sole 24 ORE Group. It is the publisher of Italy's leading business and financial newspaper, Il Sole 24 Ore, as well as of a wide range of magazines. Il Sole's operating activities also include a business segment that collects, organizes and analyzes real time financial data, the so-called RFID business.

With the acquisition of the RFID business, the vwd group has expanded its business activities in the Italian market.

The transferred consideration of € 2,460.9 thousand consists of cash and cash equivalents of which € 2,310.3 thousand became cash effective in fiscal year 2011.

The acquired assets and liabilities can be broken down as follows:

Purchase price allocation for the RFID business

in € '000	Carrying amount before acquisition	Purchase price allocation	Fair value
Intangible assets	801.5	1,508.0	2,309.5
Tangible assets	448.5	0.0	448.5
Deferred taxes	0.0	34.2	34.2
Total assets	1,250.0	1,542.2	2,792.2
Non-current liabilities	732.5	46.6	779.1
Current liabilities	307.3	0.0	307.3
Total liabilities	1,039.8	46.6	1,086.4
Net assets	210.2	1,495.6	1,705.8
Transferred consideration		2,460.9	
Goodwill		755.1	755.1

Goodwill related to the acquisition results from the acquisition of a qualified workforce and the expected synergies with vwd group's operations. The transaction results in tax deductible goodwill of € 3,000 thousand.

Since its inclusion in the vwd group, the acquired RFID business has contributed € 4,118.9 thousand to group sales and € 390.6 thousand to group earnings. If the acquisition had become effective on January 1, 2011, the RFID business would have contributed € 8,837.9 thousand to group sales and about € 840.0 thousand to group earnings. In the context of the acquisition of the RFID business, Il Sole 24 granted vwd group Italia a right to the discounted purchase of advertising services. As of the acquisition date, this right was recognized under intangible assets at a fair value of € 550 thousand.

Il Sole 24 has granted vwd Italia an EBIT guarantee for the RFID business in fiscal years 2011 and 2012. If the specified target is not reached, vwd will receive a compensation payment covering the shortfall. As of the acquisition date, vwd Italia recognized financial assets of € 125.4 thousand from this contingent consideration based on the guidance for the RFID business. The EBIT guarantee does not lead to any payment obligations on the part of vwd.

Following the sharp decline in sales at the end of 2011, vwd had an entitlement of € 795 thousand for fiscal year 2011 from the EBIT guarantee. Based on the revised guidance, the company expects to receive compensation payments in the amount of € 241 thousand from the EBIT guarantee for fiscal year 2012.

An impairment test of the recognized goodwill resulted in an impairment test of the identified cash-generating unit. As part of this impairment test, goodwill was written down by € 418.0 thousand because the business environment has deteriorated and planned synergies have not materialized.

3.2. Additional acquisition of 49 % in the EDG Group

In fiscal year 2009, the sellers of the EDG Group and vwd AG concluded put and call options related to the remaining 49 % of shares in the EDG Group. These may be exercised in 2012. On February 29, 2012, the sellers exercised this exercise right in relation to EDG AG and EDG Switzerland. vwd AG is currently examining whether this exercise was legally effective. Ineffectiveness could result, for example, from the basic agreement, the option agreement, a cancellation for cause, an exercise without fulfillment of the contractual exercise requirements or from a deficit in the exercise itself due to claims for an option price potentially not warranted by the contract. In case of effectiveness, the payable exercise price is variable and based on contractually fixed, so-called normalized, average results of the EDG Group for 2011 as well as planning/forecast figures for 2012 and 2013. As the planning figures for the EDG Group for the years after 2012 had not been finally adopted or presented in the form required by the option agreement at the time of the publication of the consolidated financial statements of vwd AG, the measurement of the obligation conducted under the assumption that the agreements are legally effective is essentially based on the results of the EDG Group for 2011, which vwd AG used as the best possible estimate of the company's future financial performance. Despite the diverging legal opinions on various issues related to the option agreement, vwd AG has come to the conclusion that, based on an appropriate assessment of the legal and commercial aspects as well as actual factors, an obligation from the put option is currently regarded as largely probable. As of December 31, 2011, and based on the aforementioned premises, vwd AG remeasured this possible obligation from the put options at € 9,540 thousand (2010: € 5,944 thousand) and recognized it in its balance sheet under other financial liabilities. vwd AG clarifies that this does not reflect a prejudice or acknowledgment of the effectiveness of the agreements or the size of the obligation.

4. Basic principles of the consolidated financial statements

4.1. Consolidation methods

Capital consolidation is carried out in accordance with IAS 27 "Consolidated and Separate Financial Statements pursuant to IFRS" in conjunction with IFRS 3 "Business Combinations" by offsetting the carrying amounts of the investment against the revalued equity of the subsidiary 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).

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, and the subgroup vwd group Switzerland, Zurich, as well as European Derivatives Group AG, St. Gallen, 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. 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 separately in the statement of changes in equity 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, 2011.

The €/CHF closing rate changed as follows:

in € / CHF	Reporting date rate		Average rate	
	2011	2010	2011	2010
Switzerland	1.2156	1.2504	1.23398	1.38225

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 intra-group 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. Capitalized development costs comprise all costs 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 following completion.

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 impaired, 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 scheduled depreciation and, if applicable, non-scheduled write-downs for impairment. 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 directly recognized as an expense in the income statement.

Financial assets / 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, 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 leases, 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 provisions 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 are 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 is 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 shown openly in the statement of changes in equity as a deduction from reserves retained from earnings. In accordance with the option provided by IAS 32.34, the group opted against disclosure in the balance sheet.

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 and the carrying amounts in the IFRS consolidated financial statements (temporary concept).

In addition, deferred taxes from loss carry forwards expected to be recoverable in future periods are recognized. 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.

Income taxes include taxes on taxable income levied in individual countries as well as changes in deferred taxes. Income taxes shown are recognized in the anticipated amounts due based on the legal regulations that apply or have been adopted at the reporting date.

Other taxes, such as asset based taxes or electricity and energy taxes, are included in the respective functional costs.

Deferred tax assets on deductible temporary differences, tax credits and tax loss carry forwards are capitalized insofar as a relevant taxable event is likely to occur in the future and the loss carry forwards are expected to be recoverable. Deferred tax liabilities are created for temporary differences to be taxed in the future. The calculation is based on the tax rates expected to apply in the different countries at the time of realization. These are generally based on the legal regulations that apply or have been adopted at the reporting date.

The effects of changes in tax rates or tax laws on deferred tax assets and liabilities are generally considered in the period in which the material legislative process is concluded and are generally effected through profit or loss. Deferred taxes that were previously shown in other comprehensive income (OCI) are recognized in equity. Where gains and losses are recognized in equity, this also applies to the associated deferred tax assets or liabilities.

Assessments of the recoverability of deferred tax assets resulting from temporary differences and loss carry forwards are subject to company specific forecasts, including forecasts regarding the future development of the respective group company.

Tax provisions based on appropriate estimates are created for commitments to national tax authorities whose size and likelihood of occurrence cannot safely be anticipated. In the process, such factors as the experience of previous corporate audits and different interpretations of the applicable legal regulations between the taxpayer and the tax authority will be considered.

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). 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 in accordance with the corridor method pursuant 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 19.93A.

Other provisions
In accordance with IAS 37, provisions are formed for 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 are not 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 partly in the business areas "Market Data Solutions," "Technology Solutions" and "Specialised Market 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. 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 Transaction Solutions 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 the 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.

Research and development costs
vwd invests part of its financial resources in the development of software solutions. 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 five projects during fiscal year 2011, these development costs were capitalized. Development costs recognized as expenses amounted to € 436.6 thousand in fiscal year 2011, with own development costs accounting for € 93.3 thousand of this total.

Key discretionary judgments, estimates and changes in estimates
The preparation of the financial statements included in the IFRS consolidated financial statements partly requires the use of estimates which affect the reported amounts of assets and liabilities, contingent liabilities and receivables, income and expenses during the reporting period as well as other items included in the consolidated financial statements. Actual amounts may deviate from these estimates.

Key discretionary judgments and estimates concern the following circumstances:
In the measurement of pension commitments, vwd uses actuarial calculations to assess the impact of future developments on the expenses and gains as well as the obligations and entitlements associated with these plans. These calculations are based on assumptions regarding the discounting rate and future salary and

pension increases. With respect to the actuarial interest rate used to discount the benefits due after the termination of the employment relationship, vwd uses the interest rates of AA rated corporate bonds as guidance. As of December 31, 2011, the present value of defined benefit pension obligations and similar commitments amounted to € 6,870.0 thousand (previous year: € 6,922.8 thousand). The pension obligations are explained in more detail in note no. 14.

Impairments are formed for trade receivables. Impairments are based on fixed percentage rates of the respective receivables, which can be broken down as follows:

- 30 % of the net receivable for customers who have received three dunning letters
- 50 % of the net receivable upon transfer to a debt collection service
- 100 % of the net receivable upon the start of insolvency proceedings

In fiscal year 2009, the sellers of the EDG Group and vwd AG concluded put and call options in relation to the remaining 49 % stakeholding in the EDG Group. Under the contract terms, these may be exercised in 2012. On February 29, 2012, the sellers announced the exercise of said put options in relation to EDG AG and EDG Switzerland. vwd AG is currently examining whether this exercise was legally effective (see no. 3.2).

As of December 31, 2011, vwd has adjusted its estimates of the obligations from the put option. The effect (€ 3,596 thousand) is shown under interest and similar expenses in connection with the put option.

Assuming the contracts' legal effectiveness in the context of a legal and commercial assessment, the obligations from the put option were calculated based essentially on the results of the EDG Group for 2011 and the assumption that these figures represent the best possible estimate of the company's financial performance in subsequent years. Please note that this remeasurement represents neither a prejudice nor an acknowledgment and that the purchase price for the acquisition of 49 % of the shares in the EDG Group may be significantly lower or higher.

Earnings distributions to holders of shares that have not yet been legally transferred are recognized as interest and similar expenses related to the put option. In the reporting year, such earnings distributions resulted in expenses of € 1,086.6 thousand (previous year: € 446.8 thousand).

The calculation of the value in use of the cash generating units in connection with the goodwill impairment tests in accordance with IAS 36 is based on the planning of the vwd group for the years 2012 to 2014. The planning calculations were based on the following key assumptions

Despite intensified competition, we aim for continuous growth in the "Market Data Solutions" segment, which should essentially result from product developments and above average growth of our international business. For 2012, we project sales of between € 42.8 million and € 47.1 million, with EBITDA expected to reach € 4.9 million to € 5.5 million. We project sales of € 46.8 million to € 51.6 million and EBITDA of € 6.1 million to € 6.7 million for 2013.

In the "Technology Solutions" segment, we see growth opportunities in the area of business process outsourcing for portfolio management and through the continued development of our consultancy solutions. For 2012 we project sales of between € 21.5 million and € 23.7 million and EBITDA of € 2.3 million to € 2.6 million. In 2013, sales are expected to reach € 23.5 million to € 25.9 million, with EBITDA at € 2.8 million to € 3.1 million.

In the "Specialised Market Solutions" segment, we expect to generate growth from tightened regulatory requirements, the expansion of web activities and the establishment of the vwd Equity Service, in particular. Our sales forecast for 2012 ranges between € 22.8 million and € 25.2 million, EBITDA is projected to reach € 2.3 million to € 2.5 million. For 2013 we anticipate sales of € 25.0 million to € 27.5 million and EBITDA of € 2.8 million to € 3.1 million.

All in all, we project preliminary sales of € 87.0 million to € 96.0 million in 2012, with EBITDA expected to reach € 9.6 million to € 10.5 million. Our plans for 2013 foresee sales of between € 95.2 million and € 105.0 million and EBITDA of € 11.7 million to € 12.9 million.

Intangible assets with a limited useful life require estimates regarding write-down methods. The determination of the useful life is based on experience.

The choice of method may have to be adjusted due to changed economic parameters. This can have a significant impact on the size of write-downs. At vwd, this essentially concerns customer relationships and software. Uncertainties concern the interpretation of complex tax law regulations as well as the size and timing of taxable events. vwd forms provisions for possible effects of periodic tax examinations based on reasonable estimates.

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, 2011, 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.

No cash and cash equivalents were acquired in connection with the acquisition of the RFID business of Il Sole 24 Ore in Italy.

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 € 47,358.6 thousand (previous year: € 46,897.6 thousand) to cash generating units (CGUs). With the exception of the EDG Group, the fully consolidated subsidiaries including their subsidiaries and the group’s parent company were defined as CGUs. 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 € 26,874.3 thousand (previous year: € 21,144.9 thousand). Goodwill of € 337.1 thousand to € 9,289.3 thousand was allocated to the other CGUs.

The increase in goodwill allocable to the CGU vwd from € 21,144.9 thousand to € 26,874.3 thousand is the result of the merger of market maker Software AG into vwd AG. As a result of the merger, the former CGU market maker has become part of the CGU vwd.

The intangible assets acquired in Italy in the context of a business acquisition pursuant to IFRS 3, which do not fulfill the criteria for separate disclosure, were recognized as goodwill in the amount of € 755.1 thousand as of the purchase date. As of December 31, 2011, an impairment of € 418.0 thousand was conducted in the context of an impairment test conducted in accordance with IAS 36.

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, 2011. 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. Apart from the impairment of the CGU in Italy, no grounds for impairment existed in fiscal year 2010.

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 2012 to 2014. Cash flows beyond the detailed planning phase have been extrapolated on the basis of a steady growth rate of

1.0 % p.a. Thanks mostly 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 value in use, the anticipated cash flows were discounted at interest rates before corporate taxes of between 7.91 % (cash flows from 2012 to 2014) and 6.91 % (cash flows from 2015).

4.6. Segment reporting

In accordance with IFRS 8 "Reporting Segments", the company presents individual financial statement data separately by segments and regions. As in the previous year, the division is based on internal reporting structures. This provides 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, 2011	647.5	18,365.3	46,897.6	65,910.4
Currency translation differences	0.0	199.5	123.9	323.4
Additions	0,0	2.309,2	755,1	3.064,3
changes in consolidation group	0.0	2,309.2	755.1	3,064.3
Additions	732.5	1,088.0	0.0	1,820.5
Disposals	0.0	0.6	0.0	0.6
Transfers	0.0	0.0	0.0	0.0
Balance as of December 31, 2011	1,380.0	21,961.4	47,776.6	71,118.0
Depreciation/amortization				
Balance as of January 1, 2011	105.5	8,749.9	0.0	8,855.4
Additions	131.8	2,868.6	418.0	3,418.3
Currency translation differences	0.0	57.7	0.0	57.7
Disposals	0.0	0.6	0.0	0.6
Transfers	0.0	0.0	0.0	0.0
Balance as of December 31, 2011	237.2	11,675.6	418.0	12,330.8
Carrying amounts as of December 31, 2011	1,142.8	10,285.8	47,358.6	58,787.2
Carrying amounts as of January 1, 2011	542.0	9,615.4	46,897.6	57,055.0

As of December 31, 2011, net differences from currency translation totaled € 265.7 thousand (previous year: € 1,621.5 thousand).

As of December 31, 2011, purchase obligations for intangible assets amounted to € 93.8 thousand.

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

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	Advance payments	Total tangible assets
Cost of purchase and production					
Balance as of January 1, 2011	774.9	7,234.4	2,651.5	0.0	10,660.8
Currency translation differences	10.8	15.7	5.2	0.0	31.7
Additions changes in consolidation group	0.0	448.5	0.0	0.0	448.5
Additions	0.0	860.6	237.2	7.4	1,105.2
Disposals	7.1	35.1	13.6	0.0	55.8
Transfers	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2011	778.6	8,524.1	2,880.3	7.4	12,190.4
Depreciation/amortization					
Balance as of January 1, 2011	294.4	4,242.8	1,757.7	0.0	6,294.9
Additions	140.8	1,179.1	328.2	0.0	1,648.1
Currency translation differences	4.6	9.1	2.1	0.0	15.8
Disposals	0.0	33.9	12.9	0.0	46.8
Transfers	0.0	0.0	0.0	0.0	0.0
Write-backs	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2011	439.8	5,397.1	2,075.1	0.0	7,912.0
Carrying amounts as of December 31, 2011	338.8	3,127.0	805.2	7.4	4,278.4
Carrying amounts as of January 1, 2011	480.5	2,991.6	893.8	0.0	4,365.9

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 or over the remaining term of the rental contract.

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, 2011, net differences from currency translation amounted to € 15.9 thousand (previous year: € 116.7 thousand). Tangible assets are not subject to limitations to the disposal of assets in the form of mortgages. Purchase obligations for tangible assets amounted to € 158.8 thousand (previous year: € 99.5 thousand) as of December 31, 2011. 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:

Up to one year	€ 437.9 thousand
Between one and five years	€ 361.7 thousand
More than five years	€ 0.0 thousand

7. Other financial assets

The other financial assets item also 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.

Pension plan reinsurance developed as follows:

in € '000	2011	2010
Balance as of January 1	426.2	393.1
Additions	22.1	33.1
Balance as of January 31	448.3	426.2

The measurement was carried out at amortized cost corresponding to the fair value. Gains of € 12.4 thousand (previous year: € 23.4 thousand) were realized during the reporting year.

Securities assets changed as follows:

in € '000	2011	2010
Balance as of January 1	0.0	34.2
Currency translation differences	0.0	6.4
Disposals	0.0	40.5
Balance as of December 31	0.0	0.0
Depreciation/amortization		
Balance as of January 1	0.0	0.0
Additions	0.0	0.5
Disposals	0.0	0.5
Balance as of December 31	0.0	0.0
Carrying amounts as of December 31	0.0	0.0

8. Inventories

Finished goods totaling € 18.3 thousand (previous year: € 19.7 thousand) primarily concern database licenses (clients) and other equipment. Measurement was carried at cost.

9. Trade receivables

All trade receivables of € 5,149.4 thousand (previous year: € 4,059.5 thousand) are due within one year.

			thereof not impaired as of the closing date and due within the following periods					
Carrying amount 12/31/2011		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	5.149,4	933,3	1.739,0	355,5	735,7	123,4	77,3	120,1
Carrying amount	31.12.2010							
Trade receivables	4.059,5	752,0	1.879,9	286,5	121,7	98,6	42,8	74,7

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	2011	2010
Status of bad debt allowances as of December 31 of previous year	383.1	466.0
Price differences	0.2	9.9
Status of bad debt allowances as of January 1	383.3	475.9
Additions (expenses on bad debt allowances)	169.5	260.8
Utilization	-41.0	-14.6
Dissolution	-96.1	-339.0
Differences from rounding	-0.1	0.0
Status of bad debt allowances as of December 31	415.6	383.1

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

in € '000	2011	2010
Expenses for the full derecognition of receivables	83.2	47.7
Income from incoming payments on derecognized receivables	2.5	6.9

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

Production orders with an asset side balance/obligations from production orders

Two projects that were started in 2010 were completed during the first half of 2011. Another project from 2010 was completed during the third quarter of 2011. Sales of € 342.8 thousand realized pursuant to IFRS at order costs of € 333.1 thousand were reported in current sales.

The following break-up shows the proportionate sales amounts and associated costs:

in € '000	2011	2010
Sales from PoC	342.8	599.2
Order costs incurred	333.1	378.3
Income from PoC	9.7	220.9

Revenues were determined using the cost-to-cost method. The percentage of completion of the projects capitalized as of December 31, 2011, was determined using the labor hours method. The zero profit method was used for individual projects.

11. Tax receivables

Tax receivables amount to € 580.1 thousand (previous year: € 1,538.7 thousand).

12. Other receivables

Other receivables totaling € 2,433.8 thousand (previous year: € 1,043.7 thousand) include deferred income of € 1,016.5 thousand (previous year: € 729.0 thousand), an EBIT guarantee granted in the amount of € 1,035.4 thousand (previous year: € 0.0 thousand) as well as creditors on the debt 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, 2011, the company's subscribed capital totaled € 25,754.6 thousand (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, 2011:

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 commercial 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 I – 2007

By resolution of the extraordinary general shareholders' meeting on September 12, 2007, the Management Board of 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 up to 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 € 9,851,267.00. The statutory subscription rights of shareholders may be excluded ("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.

Bedingtes Kapital 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 no-par-value 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, 2011, 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.

13.4. Reserves retained from earnings

in € '000	2011	2010
Profit carried forward	14,580.2	13,964.3

13.5. Cumulative other earnings

in € '000	2011	2010
Cumulative other earnings	1,110.4	637.0

13.6. Earnings after taxes

in € '000	2011	2010
Consolidated net income/loss for the year	-2,155.1	1,203.6

13.7. Dividend

Following the proposal of the Supervisory Board, the annual general meeting on May 5, 2011, resolved to carry forward the full balance sheet profit for fiscal year 2010 in the amount of € 2,780,673.39 to the new account. As noted by the notary, several shareholders objected to the resolution on earnings appropriation.

The lost voting rights of 10,060,775 shares were restored so that all 25,754,577 shares carried voting rights.

Proposal for earnings appropriation

vwd AG closed fiscal year 2011 with a consolidated net loss of € -906.8 thousand (previous year: consolidated net income of € 2,637.6 thousand). Due to the consolidated net loss, the existing balance sheet profit calculated in accordance with the German Commercial Code fell to € 1,873.9 thousand (previous year: € 2,780.7 thousand). The Management Board proposes to the annual meeting to carry forward the balance sheet profit to the new account.

13.8. Treasury stock

As of December 31, 2011, the group's treasury stock pursuant to § 160 Section 1 No. 2 of the 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 on May 6, 2010, authorized the company to acquire treasury stock up to 10 % of the company's share capital by June 30, 2012. 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 2011. No stock repurchase program currently applies. 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 € 4.0 thousand.

13.9. Minority interests

The individual components of equity and their development in fiscal years 2010 and 2011 are as follows:

in € '000	2011	2010
Balance as of January 1	1,910.9	1,894.6
Result	482.2	587.8
Dividend	-552.7	-571.6
Balance as of December 31	1,840.4	1,910.9

13.10. 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.

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, 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	12/31/2011	12/31/2010
Financial liabilities	46,081.2	36,072.2
÷ cash and cash equivalents	20,025.4	14,352.5
Net financial debt	26,055.8	21,719.7
+ equity	27,272.5	29,506.8
= total capital	53,328.3	51,226.5
Gearing	48.86 %	42.40 %

The increase in the gearing ratio is due to extraordinary effects in connection with the put option.

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 no longer eligible for the company pension plan.

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

in € '000	12/31/2011	12/31/2010
Defined benefit plans	5,132.6	5,968.3
Similar commitments	1,737.4	954.5
Total	6,870.0	6,922.8

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 (DBO) is regularly calculated by an independent external expert.

At the vwd group, 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 mergers in fiscal year 2007, pension commitments of the former b.i.s. AG and Fides Information Services GmbH are still integrated at vwd AG. The company pension plans of these companies are structured as follows:

On September 29, 1998, a former Management Board member 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.

The employees of former Fides Information Services GmbH hold entitlements to a retirement pension starting at the age of 65, 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 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 pension reinsurance. In the course of the merger of market maker Software AG into vwd AG, this obligation was transferred to vwd AG after the close of business on December 31, 2010. In accordance with IAS 19.104A, this obligation was offset against the corresponding reinsurance in disclosures for the reporting year.

Until 2010, the employees of vwd information solutions AG, Zurich, participated 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.

In the course of measures taken to ensure the equal treatment of employees of vwd information solutions AG and employees of PC&S Portfolio Consulting & Services AG with respect to employer and employee contributions as well as benefits and pensions, the company switched pension funds during 2011. The fact that the benefits of the current pension fund are markedly lower than those of the previous pension fund has resulted in a gain from plan changes with a positive effect of € 642.4 thousand on earnings and pension obligations, respectively. Plan cutbacks in the amount of € 35.4 thousand were effected at Portfolio Consulting & Services AG.

Benefits are salary based. Employers and employees make contributions to the fund's savings deposit. The employer assumes the risk contributions. The same applies to PC&S Portfolio Consulting & Services AG, Zurich.

The pension obligations of European Derivatives Group AG, St. Gallen, have expired as they concerned an employee who left the company during the reporting year. A compensation payment of € 10.3 thousand was made.

The company assumed pension provisions (provisions for severance payments) for employees in the context of the acquisition of the RFID business of Il Sole 24 Ore S.p.A., which must be measured in accordance with IAS 19. Based on an expert opinion dated December 31, 2011, these provisions amount to € 709.0 thousand.

The personnel pension foundation is a legal entity whose financial position may be assessed exclusively through an actuarial balance sheet. The calculation of the commitments from company pension plans pursuant to IAS 19 is carried out for the purpose of consolidation accounting and thus only concerns the company and not the personnel pension foundation.

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

The pension plan of vwd group Netherlands B.V. is recognized as a defined contribution plan in accordance with IAS 19.30a because of insufficient information available for the defined benefit plan on the part of the insurer. A contribution in the amount of € 79.2 thousand was paid out for 2011.

Actuarial assumptions:

in %	Germany		International	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Discount rate	5	4.5	2.25 / 5	2.75 / 4.5
Salary increases	2	1.8	2 / 2.4	2
Pension increases	1.5	1.5	0.0	1.5
Fluctuation	2.5	2.5	2.0	1.0 – 2.0
Expected return			2.5 / 4.45	4.35 / 2.75 / 2.5

The assumptions regarding the fluctuation of PC&S Portfolio Consulting & Services AG, Zurich, and vwd information solutions AG, Zurich, are based on the Federal Law on Company Pensions (BVG) 2010.

The basic interest rate used to determine the actuarial present value 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 statement of comprehensive income. Gains recorded in the group's statement of comprehensive income for 2011 amounted to € 272.9 thousand (previous year: € -1,550.6 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	2011	2010
Defined benefit plans		
Balance as of January 1	16,114.1	9,029.2
IAS 8	0.0	3,354.5
Interest expenses	508.2	459.5
Service costs	112.3	102.1
Plan reductions	-689.3	0.0
Actual benefit payments	164.7	0.0
Contribution from plan participants	674.6	693.4
Pension payments	1,076.7	128.4
Currency translation	212.2	1,007.6
	15,690.8	14,518.0
Actuarial gains and losses	-477.6	1,596.1
Balance as of December 31	**15,213.2**	**16,114.1**
Changes in plan assets		
Plan assets as of January 1	10,145.8	5,042.5
IAS 8	0.0	3,172.9
Plan reductions	-1,076.0	53.3
Expected expenses on plan assets	386.7	342.0
Actuarial gains / losses	-163.4	-17.5
Fund endowments/contributions	-18.8	-23.2
Contributions from plan participants	674.6	693.4
Currency translations	142.0	882.3
Disposals	-10.2	0.0
Balance as of December 31	**10.080.7**	**10.145.8**
Liability for defined benefit plans	15.213.2	16.114.1
Less plan assets	10.080.7	10.145.8
Balance as of December 31	5.132.5	5.968.3

Plan assets concern, in particular, the funding of commitments in Switzerland via a collective foundation. The resulting gains are recognized under other operating income. Expected income from plan assets amounted to € 386.7 thousand (previous year: € 342.0 thousand). vwd does not anticipate future economic benefits from plan assets. The expected return on plan assets amounts to 2.5 % to 4.45 % (previous year: 2.5 % to 4.35 %).

It can be broken down as follows:

in € '000	2011	2010
Stocks	1.0	20.0
Debt capital instruments	0.0	55.0
Real estate	11.0	15.0
Cash	0.0	3.0
Mortgages	7.0	0.0
Other	4.0	7.0
Debt capital instruments/cash	77.0	0.0

Plan assets in 2011 are invested in equal shares on behalf of PC&S Portfolio Consulting & Services AG and vwd information solutions AG. The present value of pension commitments not covered by plan assets amounted to € 5,132.5 thousand (previous year: € 5,968.3 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	2011	2010
Current service costs	112.3	102.1
Interest expenses	508.2	459.5
Anticipated expenses on plan assets	-386.7	-342.0
	233.8	**219.7**

Pension expenses relate to employees in Germany and Switzerland as well as Belgium.

They are recognized under personnel expenses.

The financing status for fiscal years 2005 to 2011 (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 (adjusted: € 4,168.3 thousand)
2010	€ 5,968.3 thousand
2011	€ 5,132.6 thousand

Experience based adjustments (commitment (-)/entitlement (+)) amount to:

2006	€ -140.3 thousand
2007	€ 796.5 thousand
2008	€ -121.7 thousand
2009	€ -199.6 thousand
2010	€ -610.2 thousand
2011	€ 233.1 thousand

Similar commitments include anniversary benefits as well as provisions for partial retirement obligations, which were calculated based on an interest rate of 3.5 % and 4.8 %, respectively.

15. Other long-term provisions

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

in € '000	As of 12/31/2010	Utilization	Foreign currency	Dissolution	Addition	Accrual	As of 12/31/2011
Cost of production	254.4	0.0	0.0	176.4	0.0	12.0	90.1
Reinstatement obligations	100.4	0.0	2.9	0.0	0.0	17.2	120.5
Onerous contract provisions	460.0	110.8	0.0	0.0	0.0	19.7	368.9
	814.9	**110.8**	**2.9**	**176.4**	**0.0**	**48.9**	**579.5**

Accruals were effected at an interest rate of 3.82 % and 4.24 % (previous year: 4.5 % and 4.65 %).

Expenses on accruals totaling € 48.9 thousand include both the change from the discounting over time as well as the changed interest rate.

Cost of production relates to fees for the provision of master data in the area of real-time products. As a result of statutory limitation, the production cost provisions in the amount of € 176.4 thousand were dissolved.

An onerous contract provision was formed for vacant office space in fiscal year 2010 of which € 110.8 thousand was utilized.

The other long-term provisions are likely to be utilized in fiscal years 2012 to 2015.

16. Financial liabilities

Financial liabilities to banks have the following terms

in € '000	12/31/2011	12/31/2010
Up to one year	6,105.6	7,118.7
Up to five years	6,315.4	8,421.6
More than five years	0.0	0.0
Total more than one year	6,315.4	8,421.6
Total	**12,421.0**	**15,540.3**

As of December 31, 2011, non-current financial liabilities comprised liabilities to banks. Financial liabilities are recorded in currencies in which the company operates. As of December 31, 2011, the financial liabilities are denominated in €.

As of December 31, 2011, loan liabilities to banks amounted to € 12,421.0 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 three banks including

- a permanent operating line of credit of € 6.0 million,
- a permanent operating line of credit of € 2.0 million,
- a permanent operating line of credit of € 0.9 million and
- seasonal operating lines of credit of € 9.0 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 and Euribor plus a premium and on a variable interest rate. As of December 31, 2011, utilization of this short-term credit line amounted to € 3,999.5 thousand (previous year: € 5,012.6 thousand). Under a blank assignment as of August 8/28, 2006, and its extension as of November 9, 2009, vwd AG transferred all trade receivables to DZ Bank as collateral for loans taken out from DZ Bank. Liabilities to banks of fiscal years 2012 and 2013 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 of vwd:

in € '000	Carrying amount 12/31/2011	Fixed interest*	Variable interest	Redemption
Cash flows 2012				
Primary financial liabilities				
– Liabilities to banks	12,421.0	197.6	111.7	6,105.6
– Other interest bearing liabilities	0.0	0.0	0.0	0.0
– Other non-interest bearing liabilities	39,579.2	–	–	39,579.2
Cash flows 2013				
Primary financial liabilities				
– Liabilities to banks	6,315.4	136.4	83.8	2,106.1
Cash flows 2014				
Primary financial liabilities				
– Liabilities to banks	4,209.3	84.3	51.9	2,106.1
Cash flows 2015				
Primary financial liabilities				
– Liabilities to banks	2,103.2	29.0	18.3	2,103.2
Cash flows 2016				
Primary financial liabilities				
– Liabilities to banks	0.0	0.0	0.0	0.0

* From 2012, use of derivative interest hedging instruments

All instruments held on December 31, 2011, 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, 2011. 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 12/31/2010	Change in consolidation group	Utilization	Foreign currency	Dissolution	Addition	As of 12/31/2011
Cost of production	315.2	0.0	180.0	0.0	0.0	36.0	171.2
Personnel	1,337.5	83.2	268.3	0.0	436.6	1,267.8	1,983.6
Other	416.4	0.0	273.6	1.0	10.3	235.1	368.5
	2,069.1	**83.2**	**721.9**	**1.0**	**446.9**	**1,538.9**	**2,523.3**

Additions to personnel provisions are due, among other things, to provisions for severance payments and on-call duties as well as potential compensation payments to employees.

18. Trade payables

Trade payables toward third parties amounted to € 11,411.4 thousand (previous year: € 6,202.3 thousand) and are all due within one year.

19. Advance payments received

This item includes cash funds received in advance that total € 2,505.2 thousand (previous year: € 1,273.8 thousand). Invoices relating to services for various products refer to the period beginning after December 31, 2011, with a term of up to one year.

20. Tax liabilities

Tax liabilities of € 866.5 thousand in fiscal year 2011 and of € 963.8 thousand in fiscal year 2010 relate to group companies' expenses for income taxes due in the following year.

21. Other liabilities

With the exception of the liabilities from the put option, 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	12/31/2011	12/31/.2010
Tax liabilities (sales tax, income tax)	773.0	620.7
Deferred income	2,162.0	1,866.3
Social security liabilities	0.0	0.0
Liabilities resulting from put option	9,540.3	5,944.5
Other	6,304.5	4,022.3
	18,779.8	**12,453.8**

Other liabilities include for the most part liabilities from the put option (see also no. 3.2). Other liabilities essentially include liabilities to employees (€ 3,428.7 thousand, previous year: € 3,157.0 thousand), such as annual bonuses, outstanding vacation entitlements, compensation charges for non-employment of the severely disabled ("Schwerbehindertenabgabe"), contributions to occupational cooperatives as well as overtime and commissions. In addition, this item comprises the pro-rata net income of minority shareholders of the EDG Group totaling € 1,086.6 thousand (previous year: € 446.8 thousand); it is shown in the income statement in no. 31 (interest and similar 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 2011

in € '000	Measurement category pursuant to IAS 39	Carrying amount 12/31/2011	Amortized cost	Fair value outside of profit or loss	Fair value through profit or loss	Held to maturity	Available for sale
ASSETS							
Cash and cash equivalents	LaR	11,769.9	11,769.9				
Trade receivables	LaR	5,149.4	5,149.4				
Tax receivables	LaR / na.	580.1	580.1				
Other receivables	LaR / na.	1,398.4	1,398.4				
Other receivables	FVTPL	1,035.4		125.4*	910.0*		
Other financial assets	HtM	0.0	0.0				
Other financial assets	na.	448.3	448.3				
LIABILITIES							
Trade payables	FLAC	11,411.4	11,411.4				
Liabilities to banks	FLAC	12,421.0	12,421.0				
Other interest bearing liabilities	FLAC	0.0	0.0				
Other non-interest bearing liabilities	FLAC	22,189.2	22,189.2				
Balance sheet hedging derivatives	na.	59.6		59.6			

*see also no. 3.1. Acquisitions in fiscal year 2011

FISCAL YEAR 2010

in € '000			Reported amount pursuant to IAS 39		
	Measurement category pursuant to IAS 39	Carrying amount 12/31/2010	Amortized cost	Held to maturity	Available for sale
ASSETS					
Cash and cash equivalents	LaR	7,665.6	7,665.6		
Trade receivables	LaR	4,059.5	4,059.5		
Tax receivables	LaR / na.	1,538.7	1,538.7		
Other receivables	LaR / na.	1,043.7	1,043.7		
Other financial assets	HtM	0.0	0.0		
Other financial assets	na.	426.2	426.2		
LIABILITIES					
Trade payables	FLAC	6,202.3	6,202.3		
Liabilities to banks	FLAC	15,540.3	15,540.3		
Other interest bearing liabilities	FLAC	0.0	0.0		
Other non-interest bearing liabilities	FLAC	14,329.6	14,329.6		

Thereof aggregated by measurement categories pursuant to IAS 39:

- Loans and receivables (LaR)
- Financial liabilities measured at amortized cost (FLAC)
- Held to maturity (HtM)
- Financial Assets designated as at fair value through profit or loss (FVTPL)

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.

Fair value is measured pursuant to IFRS 7.27A based on the following hierarchical classification:

€ '000	12/31/2011				12/31/2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
EBIT guarantee			1,035.4	1,035.4				
Liabilities								
Balance sheet hedging derivatives		59.6		59.6				

In addition, pursuant to IFRS 7.27B c), a reconciliation from the opening to the closing balance sheet must be presented for all financial assets and liabilities classified as level 3:

€ '000	As of 1/1/2011	Acquisitions incl. additions	Sales incl. disposals	Settlement	Gains / losses in P&L	Reclassification to level 3	Reclassification from level 3	Gains / losses in OCI	Balance as of 12/31/2011
EBIT guarantee	0.0	125.4	0.0	0.0	910.0	0.0	0.0	0.0	1,035.4
Total	0.0	125.4	0.0	0.0	910.0	0.0	0.0	0.0	1,035.4

Net results by measurement categories

in € '000	From interest and dividends through profit or loss	From subsequent measurement through profit or loss		From subsequent measurement outside of profit or loss (OCI)	Net result	
		At fair value	From disposal	At fair value	2011	2010
Financial liabilities measured at amortized cost (FLAC)	353.3	0.0	-821.4	0.0	-468.1	-506.2
Balance sheet hedging derivatives (na.)	1.6	0.0	0.0	59.6	61.2	0.0
Financial assets designated as at fair value through profit or loss (FVTPL)	0.0	-910.0	0.0	0.0	-910.0	0.0
	354.9	**-910.0**	**-821.4**	**59.6**	**-1,316.9**	**-506.2**

The net result is shown both under other operating income, other operating expenses, interest expenses and income as well as OCI. In the previous year, the item included interest expenses as well as income from the dissolution of current liabilities. Financial assets designated as at fair value through profit or loss (FVTPL) result from the acquisition of the RFID business in 2011 (see also no. 3.1).

23. Contingencies and other financial obligations

No contingencies were recorded as of December 31, 2011.

Other financial obligations exist in addition to reserves and liabilities. These result mostly from leasing agreements and long-term rental contracts. The minimum amount of undiscounted future lease payments (operating leases) amounted to € 799.6 thousand (previous year: € 1,057.3 thousand). The respective payment obligations have the following maturities:

Maturity in year/in € '000	12/31/2011
2012	437.9
2013 to 2016	361.7
2017 and later	0.0
	799.6

Maturity in year/in € '000	12/31/2010
2011	488.0
2012 to 2015	569.3
2016 and later	0.0
	1,057.3

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 € 487.5 thousand (previous year: € 569.4 thousand) arose from operating lease obligations in fiscal year 2011. 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	12/31/2011
2012	2,009.6
2013 to 2016	4.872.2
2017 and later	0.0
	6,881.8

Maturity in year/in € '000	12/31/2010
2011	1,920.9
2012 to 2015	5,263.4
2016 and later	825.0
	8,009.3

No income from subleases was generated during the reporting year. No income is anticipated for 2012 either.

Obligations from already concluded contracts for initiated or planned investment plans (sourcing commitments) amounted to € 590.8 thousand (previous year: € 429.5 thousand). In addition, agreements with an indefinite term and annual obligations of € 4,294.9 thousand are not explained in detail.

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 rose by € 4,762.1 thousand or 6.3% from € 76,123.6 thousand to € 80,885.7 thousand. 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 € 732.5 thousand was capitalized (previous year: € 202.4 thousand).

26. Other operating income

Other operating income includes € 821.4 thousand from the derecognition of liabilities (previous year: € 891.3 thousand), € 623.3 thousand in income from the reversal of provisions (previous year: € 595.6 thousand) and € 633.0 thousand in income from pension plan assets at vwd information solutions AG. Deviations from the development of defined benefit plans shown under no. 14 result from the use of closing date or average prices.

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	2011	2010
Wages and salaries	29,747.3	28,154.3
Social security, post-employment and other employee benefit costs	4,883.5	4,691.3
	34,630.8	**32,845.6**

Expenses for pensions amounted to € 233.8 thousand (previous year: € 219.7 thousand). In addition, this item also includes income from reimbursement of € 12.4 thousand. Social security, post-employment and other employee benefit costs also include expenses of € 79.2 thousand (previous year: 64.0 thousand), for a defined benefit plan that is treated like a defined contribution plan.

29. Other operating expenses

Other operating expenses can be broken down as follows:

in € '000	2011	2010
Rental expenses	3,168.9	3,539.4
Services	1,211.0	1,161.1
Advertising/marketing	1,182.9	1,052.8
Miscellaneous	8,388.2	6,433.1
	13,951.0	**12,186.4**

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

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

in € '000	2011	2010
Intangible assets	3,402.6	2,703.8
Tangible assets	1,644.4	1,612.7
	5,047.0	**4,316.5**

As in the previous year, no write-downs for impairment were carried out in fiscal year 2011. The deviation from the development of fixed assets under no. 5 and no. 6 is due to the use of closing date or average rates.

31. Financial result

In fiscal year 2011, the financial result amounted to € -5,096.6 thousand (previous year: € -1,217.0 thousand). Details on the individual components of the financial result are explained in the following.

In fiscal year 2011, the financial result amounted to € -1,217.0 thousand (previous year: € -917.6 thousand; adjusted: € -1,014.3 thousand) and includes € 542.6 thousand in interest and similar expenses (previous year: € 648.6 thousand) and € 21.9 thousand in financial income (previous year: € 45.8 thousand). Details on the individual components of the financial result are shown as follows:

in € '000	2011	2010
Interest and similar income	66.8	21.9
Interest and similar expenses	-609.7	-542.6
Write-downs of non-current financial assets and current securities	0.0	-0.5
Interest and similar expenses related to the put option	-4,682.4	-695.7
	-5,225.3	**-1,217.0**

For further details on the increase in interest expenses related to the put option, see no. 3.2.
Thereof from financial instruments of the measurement category pursuant to IAS 39:

in € '000	2011	2010
Loans and receivables	0.0	0.0
Financial liabilities measured at amortized cost	352.3	385.1
Balance sheet hedging derivatives	1.6	0.0

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

32. Tax result

The average trade tax rate for the companies included in the vwd group amounted to 15.925 % (previous year: 15.925 %). As in the previous year, the solidarity surcharge amounted to 5.5 %. As of December 31, 2011, deferred taxes of domestic companies were measured at an aggregate tax rate including the solidarity surcharge of 31.75 % (previous year: 31,75 %).

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

in € '000	2011	2010
Current taxes	1,735.9	1,411.00
Deferred tax income	-1,262.8	-1,167.1
Deferred tax liabilities	472.6	397.4
Total	945.7	641.3
Other taxes	0.8	76.2
	946.5	**717.5**

As in the previous year, the country specific income tax rates that applied to foreign subsidiaries ranged from 21.12 % to 34.0 %. Compared to the previous year, tax changes related to the measurement of deferred taxes applied to companies in Switzerland during the reporting year.

The higher taxation or tax change of vwd Group Switzerland AG is essentially due to the tax privilege for the holding company based in Switzerland (Zurich) that applied until fiscal year 2011 but no longer applies as of fiscal year 2012. As the full tax exemption for investment and other earnings generated in Switzerland, which applies in accordance with cantonal laws, does not apply, taxation of vwd group AG, in particular, has increased markedly to 21.12 %. In addition, the decision of the EDG European Derivatives Group AG to move its registered office from St. Gallen to Zurich resulted in a reduction of the tax rate to 21.12 % before taxes.

In fiscal year 2011, actual income tax relating to other periods amounted to € 59.0 thousand (previous year: € 175.9 thousand).

Due to the loss posted for fiscal year 2011, expected income tax expenses are negative at € -457.4 thousand (previous year: € 585.8 thousand). In addition, tax loss carry forwards pursuant to IAS 12.34 were capitalized for a German and a foreign company during the reporting year.

The deviation from the change in the respective balance sheet item is due to the use of average or closing date rates.

Expected tax expenses deviated from actual tax expenses as follows:

in € '000	2011	2010
Income for the year before tax	**-1,209.4**	**1,844.9**
Expected tax expenses (+)/income (–)	-360.1	585.8
Tax effects resulting from differences in the tax base		
– Non-deductible expenses	1,693.7	378.5
– Other tax exempt income	-90.9	-273.0
Tax rate differences		
– Effect of changes in tax rate	175.9	0.0
– Differences in foreign tax rates	-113.9	-34.5
– Different trade tax assessment rates	-113.4	-74.2
Tax effects from recognition and measurement of deferred taxes		
– Effects of losses	-173.1	-59.2
– Retroactive recognition of deferred taxes	0.0	-23.2
Effects attributable to other reporting periods		
Expenses (+)/reimbursements (-) due to audit/tax assessment	59.0	175.9
Capital tax Switzerland	7.9	14.2
Dissolution of tax provisions	-155.8	0.0
Miscellaneous	16.4	-45.1
Actual tax expenses (+)/income (–)	**945.7**	**641.3**

As of December 31, 2011, unutilized tax loss carry forwards for which no deferred tax assets were recognized in the balance sheet amounted to € 7,947.2 thousand. The company’s deferred taxes related to the following items:

in € '000	12/31/2011		12/31/2010	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	1,333.5	2,519.8	636.9	2,128.90
Current assets	14.4	14.4	17.2	16.1
Prepaid expenses and deferred charges	0.0	43.4	0.0	0.0
Equity	13.9	232.9	6.9	184.7
Loss carry forward	1,236.9	0.0	610.7	0.0
Pension provisions	221.5	0.0	277.8	0.0
Other provisions	151.1	0.5	162.7	0.0
Liabilities	18.9	161.3	0.0	142.7
	2,990.3	**2,972.3**	**1,712.2**	**2,472.4**

Deferred tax assets are recognized only to the extent that a realization of the respective benefit is likely. No bad debt allowances were formed because utilization is considered likely based on short-term business expectations. Deferred tax assets and liabilities result from temporary differences and are not offset even if they concern the same tax authority.

33. Profits / losses attributable to minorities

Profits amounted to € 482.2 thousand (previous year: € 587.8 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 2011 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 in the reporting year.

Additional explanations on the stock options can be found in note (43.).

in € '000	2011	2010
Net income (€ ‘000)	-2,155.1	1,203.6
Net income allocable to minorities (€ ‘000)	482.2	587.8
Net income allocable to shareholders of vwd (€ ‘000)	-2,637.3	615.8
Weighted average number of issued common shares (shares)	25,753.577	25,753.577
Undiluted earnings per share (€)	**-0.102**	**0.024**

No dilution effects occurred during the reporting period. Authorized capital also represented no dilutive effect for the fiscal year.

35. Reporting on financial instruments

35.1 Hedge accounting

To eliminate the risk of changes in interest rates, interest rate swaps are used partially for variable interest financial liabilities. The corresponding financial liabilities and hedging transactions are part of a hedging relationship (cash flow hedges). The requirements stipulated by IAS 39.88 have been fulfilled.

During the reporting year, the company concluded hedging transactions for two variable interest loans to hedge the risk of rising interest rates over the remaining term of the loan contracts. The remaining term of the hedging transactions corresponds to that of the loans (December 31, 2015). The hedging transactions fully cover the respective underlying transactions.

Regular prospective and retroactive assessments of the effectiveness of the hedging relationship are conducted. As of December 31, 2011, the market value of the two hedging instruments was € 59.6 thousand below par.

Pursuant to IAS 39.89, derivative financial instruments are recognized at fair value under “other current assets” or “other current liabilities.” Pursuant to IAS 39.95, changes in the fair value of derivative financial instruments that fulfill the requirements of measurement as part of a hedging relationship are recognized under equity after taxes in other comprehensive income (OCI).

The following table shows the balance sheet treatment of the two loans and the related interest rate swaps:

in € '000		Balance sheet		OCI		P&L
Date	Explanation	Assets	Liabilities	Cash flow hedge reserve	Deferred taxes	Interest result
09/30/2011	Loan		5,973.1			
12/31/2011	Recognition of fair value changes of interest rate swaps		59.6			
				59.6		
					-18.9	
	Recognition of annual interest payment 09/30–12/31					-53.5
	Interest payment interest rate swaps 09/30–12/31					-1.6

Loan	5,973.1
Liabilities from cash flow hedge	59.6
OCI after taxes	40.7
Interest result	-55.1
Deferred tax assets	18.9

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.

35.2. EBIT guarantee

In the context of the acquisition of the RFID business of Il Sole 24 Ore in Italy, vwd AG was granted an EBIT guarantee for the years 2011 and 2012. The granted EBIT guarantee was recognized as a financial asset measured at fair value, with any changes in value recognized in the income statement. The fact that the EBIT guarantee has been granted for fiscal years 2011 and 2012 results in the following cash flows for the years 2012 and 2013:

Cash flows 2012: € 795.0 thousand
Cash flows 2013: € 240.4 thousand

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 realization 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 Market 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.

Segment information by business areas

FISCAL YEAR 2011

in € '000	MDS	TS	SMS	Total	Reconcilia-tion	**vwd group**
External sales	39,727	19,951	21,208	80,886	0	**80,886**
Inter-segment sales	120	1570	0	1,690	1,690	0
Segment sales (gross)	**39,847**	**21,521**	**21,208**	**82,576**	**1,690**	**80,886**
Change in inventory	0	0	0	0	0	0
Other capitalized internally generated assets	475	257	0	732	0	732
Other operating income	1,835	1,031	813	3,679	0	3,679
Total segment sales	**42,157**	**22,709**	**21,654**	**86,987**	**1,690**	**85,297**
Cost of materials	17,802	4,472	7,067	29,341	1,690	27,651
Personnel expenses	13,469	12,128	9,034	34,631	0	34,631
Other operating expenses	6,179	4,002	3,771	13,951	0	13,951
EBITDA	**4,707**	**2,208**	**2,149**	**9,064**	**0**	**9,064**
Depreciation / amortization	1,877	2,117	1,052	5,047	0	5,047
– thereof depreciation from ppa	335	1,110	453	1,898	0	1,898
EBIT	**2,830**	**90**	**1,097**	**4,017**	**0**	**4,017**
Other interest and similar income	31	16	20	67	0	67
Depreciation of financial assets and securities	0	0	0	0	0	0
Interest and similar expenses	227	99	283	610	0	610
Interest and similar expenses related to the put option	0	0	4,682	4,682	0	4,682
EBT	**2,633**	**7**	**-3,849**	**-1,208**	**0**	**-1,208**
Goodwill	**19,790**	**8,574**	**18,994**	**47,359**		**47,359**

FISCAL YEAR 2010						
in € '000	MDS	TS	SMS	Total	Reconcil-iation	**vwd group**
External sales	35,410	18,515	22,199	76,124	0	**76,124**
Inter-segment sales	120	1,560	0	1,680	1,680	0
Segment sales (gross)	**35,530**	**20,075**	**22,199**	**77,804**	**1,680**	**76,124**
Change in inventory	0	0	0	0	0	0
Other capitalized internally generated assets	28	174	0	202	0	202
Other operating income	1,396	854	753	3,003	0	3,003
Total segment sales	36,954	21,103	22,952	81,009	1,680	79,329
Cost of materials	15,880	3,891	8,751	28,522	1,680	26,842
Personnel expenses	12,922	11,357	8,567	32,846	0	32,846
Other operating expenses	4,328	3,644	4,214	186	0	12,186
EBITDA	**3,824**	**2,211**	**1,420**	**7,455**	**0**	**7,455**
Depreciation/amortization	1,245	1,796	1,276	4,317	0	4,317
– thereof depreciation from ppa	335	996	440	1,771	0	1,771
EBIT	**2,579**	**415**	**144**	**3,138**	**0**	**3,138**
Other interest and similar income	6	7	9	22	0	22
Depreciation on financial assets and securities	0	1	0	1	0	1
Interest and similar expenses	158	94	290	542	0	542
Interest and similar expenses related to the put option	0	0	696	696	0	696
EBT	**2,427**	**327**	**– 833**	**1,921**	**0**	**1,921**
Goodwill	**19,441**	**8,493**	**18,964**	**46,898**	**0**	**46,898**

Information on products and services

Please note that the breakdown of sales of external customers for each group of comparable products and services can be derived from the above segment reporting.

SALES BY LOCATION OF CUSTOMERS (in alphabetical order)		
in € '000	**2011**	**2010**
Belgium	3,353	3,629
Germany	46,590	46,362
France	529	547
UK	1,223	497
Ireland	441	513
Italy	4,097	0
Luxembourg	7,727	8,864
Netherlands	3,527	2,874
Austria	1,402	1,969
Switzerland	10,765	10,233
Rest of Europe	601	548
Rest of world	631	88
	80,886	**76,124**

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

Inter-segment sales concerned Germany.

Transactions between segments are based on an intra-group cost rate of € 650.00 per man day. If costs are recharged to external customers, the primary segment receives 80 % of the sales. In case of licensing, the primary segment receives up to 15% of sales.

NON-CURRENT ASSETS BY REGION

in € '000	**2011**	**2010**
Germany	45,768	45,368
– thereof goodwill	38,486	38,486
Switzerland	8,843	9,852
– thereof goodwill	4,457	4,333
Netherlands / Belgium	5,773	6,201
– thereof goodwill	4,078	4,078
Italy	2,682	0
– thereof goodwill	337	0
	63,066	61,421

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 2010 and 2011 in accordance with IAS 7. 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.

The amounts corresponding to cash flow from operating activities (net cash flow) are shown in detail both in the balance sheet and in the income statement. This concerns reported amounts for inventories, receivables and liabilities in the balance sheet. The cash flow statement is based on consolidated net income for the period. 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 € 13,024.9 thousand (previous year: € 7,264.5 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 € 66.8 thousand (previous year: € 21.9 thousand). Income tax payments amounted to € 1,166.9 thousand (previous year: € 1,729.3 thousand).

Net cash used in investing activities:

Cash outflows from investing activities amounted to € 5,248.8 thousand (previous year: € 2,121.4 thousand) and were attributable to changes in the consolidation group and to the acquisition of intangible and tangible assets.

No cash and cash equivalents were acquired in connection with the acquisition of the RFID business in Italy. The transferred consideration in the amount of € 2,460 thousand comprises cash and cash equivalents whereof € 2,310.3 thousand became cash effective in fiscal year 2011.

Net cash used in financing activities:

Cash outflows from financing activities of € 2,658.8 thousand (previous year: € 3,707.8 thousand) resulted mainly from the redemption of loans and an earnings distribution to minority shareholders.

As of December 31, 2011, cash and cash equivalents consisted of cash on hand, bank deposits and short-term liabilities to banks and could be broken down as follows:

in € '000	2011	2010
Cash on hand, bank deposits	11,769.9	7,665.6
Short-term liabilities to banks	-3,999.5	-5,012.6
	7,770.4	2,653.00

vwd has unutilized lines of the credit in the amount of € 13,900.0 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 associated and affiliated companies. Business transactions between the company and its subsidiaries, which classify as related parties, 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 2011, compensation from legal consulting work was calculated in accordance with market conditions and amounted to € 221.2 thousand. As of December 31, 2011, unpaid invoices totaling € 18.6 thousand were considered in short-term trade payables.

A contractual agreement covering consulting services involving M&A transactions existed with the Supervisory Board member Ernesto A.M. Mancosu. The consulting services were compensated at market rates and totaled € 3.0 thousand in 2011.

In addition to his position at vwd AG, Management Board member Dr. Andreas Dahmen also serves as managing partner at Integrata AG, Stuttgart, Germany, and GHK Management Consulting GmbH, Offenbach, Germany. In fiscal year 2011, the company paid € 18.5 thousand to GHK Management Consulting AG for consulting services under a consulting agreement. It paid € 3.0 thousand to Integrata AG for the rental of seminar rooms and trainings. Payments were made at market rates. For a complete presentation of related party transactions, we refer to business relations with Mr. Karsten Schudt. On February 16, 2011, the company concluded an agreement covering the provision of consulting services at market rates with Mr. Karsten Schudt. Through his interest in Pragmos GmbH, Bad Homburg, Germany, Mr. Schudt is a related party to Dr. Dahmen who also holds an interest in Pragmos GmbH. In addition, Mr. Schudt is an employee of GHK Management Consulting. In fiscal year 2011, Mr. Schudt was paid € 75.7 thousand for his services.

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	2011	2010
Management Board	783.1	746.3
Supervisory Board	112.5	86.4
	895.6	832.7

Management Board member remuneration included € 0 thousand (previous year: € 0 thousand) in variable remuneration components. In addition, the Management Board member Bosse and the former Management Board member Keferstein are entitled to company pensions consisting of a lump-sum payment upon reaching the retirement age. As of December 31, 2011, the related obligations amounted to € 225.8 thousand (previous year: € 217.1 thousand).

As in the previous year, no loans had been granted to Management or Supervisory Board members as of December 31, 2011; also as in the previous year, no contingencies were entered in favor of the Management and Supervisory Boards. One Management Board member received an advance payment of € 100.0 thousand for a possible bonus payment. As the target values were missed, vwd AG has claims to repayment against the Management Board member. No advance payments were granted to the other Management Board and Supervisory Board members.

The members of the Management Board directly or indirectly held the following number of shares in vwd AG as of December 31, 2011:

in € 000	Number of shares	in % of subscribed capital
Spencer Bosse	1,202,780	4.8
Dr. Andreas Dahmen	200	0.0

The members of the Supervisory Board directly or indirectly held the following number of shares in vwd AG as of December 31. 2011:

in € '000	Number of shares	in % of subscribed capital
Klaus Nieding	0	0
Pieter van Halem	34,377	0.1
Henning von Issendorff	0	0

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 § 21 Section 1 of the German Securities Trading Act (WpHG)

As of the reporting date for 2011, the company had been notified of following existing interests in the company pursuant to § 21 Section 1 of the German Securities Trading Act (WpHG) that were published as follows in accordance with § 26 Section 1 of the German Securities Trading Act (WpHG):

On April 11, 2011, the following notification pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) was issued for Hopp Beteiligungsgesellschaft mbH & Co KG, Mr. Daniel Hopp, Hopp Verwaltungs-GmbH and Hopp Beteiligungs GmbH:

1. On April 8, 2011, Hopp Beteiligungsgesellschaft mbH & Co. KG, Mannheim, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that its share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on April 6, 2011, and amounted to 0.00% (0 voting rights) as of this date.

2. On April 8, 2011, Mr. Daniel Hopp, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that his share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on April 6, 2011, and amounted to 0.00% (0 voting rights) as of this date.

3. On April 8, 2011, Hopp Verwaltungs-GmbH, Mannheim, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that its share of voting rights in vwd Vereinigte

Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on April 6, 2011, and amounted to 0.00% (0 voting rights) as of this date.

4. On April 8, 2011, DAH Beteiligungs GmbH, Mannheim, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that its share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on April 6, 2011, and amounted to 0.00% (0 voting rights) as of this date.

On April 11, 2011, the following notification pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) was issued for Mr. Dietmar Hopp:

On April 11, 2011, Mr. Dietmar Hopp, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that his share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, exceeded the thresholds of 3 %, 5 %, 10 %, 15 %, 20 % and 25 % on April 6, 2011, and amounted to 28.00 % (7,211,282 voting rights) as of this date.

On April 11, 2011, the following notification pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) was issued for Mr. Oliver Hopp:

On April 11, 2011, Mr. Oliver Hopp, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that his share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, exceeded the thresholds of 3%, 5% and 10% on April 6, 2011, and amounted to 11.07% (2,850,493 voting rights) as of this date.

On December 29, 2011, the following notification pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) was issued for Cornerstone Capital Beteiligungen GmbH:

On December 28, 2011, CornerstoneCapital Beteiligungen GmbH, Frankfurt/Main, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that its share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on December 23, 2011, and amounted to 0.81 % (207,931 voting rights) as of this date.

On January 4, 2012, the following notification pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) was issued for CornerstoneCapital AG:

On December 30, 2011, CornerstoneCapital AG, Frankfurt/Main, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that its share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on December 29, 2011, and amounted to 0.27% (68,754 voting rights) as of this date.

Pursuant to § 21 Section 1 of the German Securities Trading Act (WpHG), the company has been notified of stakeholdings held in the company beyond the reporting date 2011, which have been published as follows in accordance with § 26 Section 1 of the German Securities Trading Act (WpHG):

On February 2, 2012, the following notification pursuant to § 26 Section 1 of the German Securities Trading Act (WpHG) was issued for Mr. Edmund J. Keferstein:

On February 1, 2012, Mr. Edmund J. Keferstein, Germany, informed us in accordance with § 21 Section 1 of the German Securities Trading Act (WpHG) that his share of voting rights in vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, Germany, fell below the threshold of 15 % on February 1, 2012, and amounted to 14.997 % (3,862,604 voting rights) as of this date. Of this, 0.036 % of the voting rights (9,454 voting rights) are attributable to Mr. Edmund J. Keferstein pursuant to § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act (WpHG).

40. 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 stakeholdings 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				
Edmund J. Keferstein	Germany	14.99	a.)	February 1, 2012
Spencer Bosse	Germany	4.87	a.)	July 23, 2007
CornerstoneCapital Beteiligungen GmbH	Frankfurt, Germany	0.81	a.)	December 23, 2011
CornerstoneCapital AG	Frankfurt, Germany	0.27	a.)	December 29, 2011
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
Mr. Wilhelm Konrad Thomas Zours	Germany	38.40	b.)	March 12, 2008
Mr. Dietmar Hopp	Germany	28.00	a.)	April 11, 2011
Mr. Oliver Hopp	Germany	11.07	a.)	April 11, 2011

a.) directly held share of voting rights
b.) allocated share of voting rights, not additive
* at the time the threshold value was reached

41. Auditor's fees

For the services rendered by the auditor of vwd AG, Stüttgen & Haeb AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, on behalf of vwd AG and its domestic subsidiaries audit fees of € 149.0 thousand (previous year: € 245.6 thousand) and other auditing service fees of € 52.7 thousand (previous year: € 150.4 thousand) were recognized.

The company's foreign subsidiaries are audited by different auditors. Expenses for the audit of subsidiaries:

<table>
<tr><td>in € '000</td><td></td><td>2011</td><td>2010</td></tr>
<tr><td>Subsidiary</td><td>Auditor</td><td></td><td></td></tr>
<tr><td>vwd information solutions AG</td><td rowspan="4">REFIDAR MOORE STEPHENS, Zurich</td><td rowspan="4">68.8</td><td rowspan="4">61.1</td></tr>
<tr><td>vwd group Switzerland AG</td></tr>
<tr><td>PC&S Portfolio Consulting & Services AG</td></tr>
<tr><td>European Derivatives Group AG, St. Gallen</td></tr>
<tr><td>vwd group Italia S.r.l.</td><td>Bureau Plattner, Bozen</td><td>7.5</td><td>0.0</td></tr>
<tr><td>vwd group Belgium NV</td><td>Moore Stephens Verschelden, Antwerpen</td><td>3.0</td><td>3.0</td></tr>
<tr><td>vwd group Netherlands B. V.</td><td rowspan="2">Meeuwsen Ten Hoopen Accountants B. V., Lelystad</td><td rowspan="2">35.3</td><td rowspan="2">24.3</td></tr>
<tr><td>vwd group Belgium NV</td></tr>
</table>

Expenses for other auditing services provided to subsidiaries:

<table>
<tr><td>in € '000</td><td></td><td>2011</td><td>2010</td></tr>
<tr><td>Subsidiary</td><td>Auditor</td><td></td><td></td></tr>
<tr><td>vwd information solutions AG</td><td rowspan="4">REFIDAR MOORE STEPHENS, Zurich</td><td rowspan="4">0.0</td><td rowspan="4">7.4</td></tr>
<tr><td>vwd group Switzerland AG</td></tr>
<tr><td>PC&S Portfolio Consulting & Services AG</td></tr>
<tr><td>European Derivatives Group AG, St. Gallen</td></tr>
<tr><td>vwd group Netherlands B. V. and vwd group Belgium NV</td><td>Meeuwsen Ten Hoopen Accountants B. V., Lelystad</td><td>9.2</td><td>12.9</td></tr>
</table>

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

<table>
<tr><td>in € '000</td><td></td><td>2011</td><td>2010</td></tr>
<tr><td>Subsidiary</td><td>Auditor</td><td></td><td></td></tr>
<tr><td>vwd information solutions AG</td><td rowspan="4">REFIDAR MOORE STEPHENS, Zurich</td><td rowspan="4">27.5</td><td rowspan="4">19.5</td></tr>
<tr><td>vwd group Switzerland AG</td></tr>
<tr><td>PC&S Portfolio Consulting & Services AG</td></tr>
<tr><td>European Derivatives Group AG, St. Gallen</td></tr>
<tr><td>vwd group Netherlands B. V. and vwd group Belgium NV</td><td>Meeuwsen Ten Hoopen Accountants B. V., Lelystad</td><td>0.1</td><td>11.2</td></tr>
</table>

42. Employees

In fiscal year 2011, the group employed an average of 449 employees (previous year: 435).

43. Stock option program

The company does not currently operate a stock option program.

44. Boards

Supervisory Board

Klaus Nieding (Chairman)
Lawyer, Meddersheim

Pieter van Halem (Deputy Chairman)
Business manager, Kronberg

Henning von Freese von Issendorff (from May 5, 2011, financial expert)
Businessman, Bad Nauheim

Mr. Ernesto A. M. Mancosu (until May 5, 2011, financial expert)
Business manager, La Croix / Switzerland

Other supervisory board mandates of Supervisory Board members:

Klaus Nieding
- none

Pieter van Halem
- none

Henning von Freese von Issendorff
- none

Ernesto A. M. Mancosu
- none

Management Board

Spencer Bosse
Industrial manager, Dietzenbach

Dr. Andreas Dahmen (from January 1, 2011)
Business manager, Frankfurt/Main

Edmund J. Keferstein, (until December 29, 2011, Chairman)
Business manager, Kronberg

Supervisory board mandates of Management Board members:

Spencer Bosse

- market maker Software AG, Kaiserslautern (until May 19, 2011)
- vwd TransactionSolutions AG, Frankfurt/Main
- vwd group Switzerland AG, Zurich (until February 17, 2011; from November 3, 2011)
- vwd information solutions AG, Zurich (from November 3, 2011)
- PC&S Portfolio Consulting & Services AG, Zurich (from November 3, 2011)
- EDG AG, Schäftlarn (from December 8, 2011)
- vwd academy AG, Frankfurt/Main (from December 8, 2011)
- European Derivatives Group AG, St. Gallen (from November 22, 2011)
- Lenz+Partner AG, (Deputy Chairman), Dortmund (from November 22, 2011)

Dr. Andreas Dahmen

- vwd information solutions AG, Zurich (President of the Advisory Board from November 3, 2011)
- (from February 17, 2011, Member of the Advisory Board)
- vwd TransactionSolutions AG, Frankfurt/Main (from June 16, 2011)
- vwd group Switzerland AG, Zurich (President of the Advisory Board from November 3, 2011)
- (from February 17, 2011 Member of the Advisory Board)
- PC&S Portfolio Consulting & Services AG, Zurich (President of the Advisory Board from November 3, 2011) (from February 17, 2011, Member of the Advisory Board)
- EDG AG, Schäftlarn (Chairman from December 8, 2011), (from April 28, 2011)
- vwd academy AG, Frankfurt/Main (Chairman from December 8, 2011) (from May 13, 2011)
- European Derivatives Group AG, St. Gallen (President of the Advisory Board from December 8, 2011)
- (from November 22, 2011, Member of the Advisory Board)
- Lenz+Partner AG, Dortmund (Chairman from December 7, 2011) (from April 14, 2011)
- vwd group Italia S.r.L., Milan (from April 28, 2011, Member of the Supervisory Board)

Edmund J. Keferstein (until December 29, 2011)

- vwd information solutions AG, Zurich (President of the Advisory Board) (until November 3, 2011)
- market maker Software AG, Kaiserslautern (Chairman) (until entry of merger into the Commercial Register on May 19, 2011)
- vwd TransactionSolutions AG, Frankfurt/Main (Chairman) (until November 22, 2011)
- vwd group Switzerland AG, Zurich (President of the Advisory Board) (until November 3, 2011)
- PC&S Portfolio Consulting & Services AG, Zurich (President of the Advisory Board) (until November 3, 2011)
- EDG AG, Schäftlarn (Chairman) (until November 22, 2011)
- vwd academy AG, Frankfurt/Main (Chairman) (until November 22, 2011)
- European Derivatives Group AG, St. Gallen (President of the Advisory Board) (until November 22, 2011)
- vwd group Italia S.r.L., Milan (from April 28, 2011 to November 22, 2011)
- Lenz+Partner AG, Dortmund (from April 14, 2011 to November 22, 2011)

45. Events after the reporting date

As described under no. 3.2, the sellers and vwd AG concluded put and call options related to the remaining 49 % of shares in the EDG Group. Under the contract terms, these may be exercised in 2012. On February 29, 2012, the sellers declared the exercise of the put option in relation to EDG AG and EDG Switzerland. The parties currently have divergent views on the legal effectiveness of the exercise of this option, which vwd AG is currently reviewing. For example, deficiencies in the exercise of the option may arise from possible deficiencies in the underlying contract, deficiencies in the option agreement, a precautionary cancellation for cause, from an exercise without fulfillment of the contractual exercise requirements or from deficiencies in the exercise resulting from a proposed option price potentially not warranted by the contract. vwd AG has come to the conclusion that, based on all current factors and an overall legal and commercial assessment, an obligation from the put option is currently regarded as largely probable. As of December 31, 2011, vwd AG therefore remeasured the put options at € 9,540 thousand (2010: € 5,944 thousand) in consideration of the explanations made in the notes and recognized them under other liabilities in the balance sheet. vwd AG clarifies that this does not reflect a prejudice or acknowledgment of the effectiveness of the agreements or the size of the obligation.

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 Boards of vwd Vereinigte Wirtschaftsdienste AG

The Management and Supervisory Boards in January 2012 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 May 26, 2010, since issuance of the last declaration (January 2011) until December 31, 2011, and will comply only conditionally from January 1, 2012.”

Deviations are and were presented and explained in the declaration.

The declaration was made permanently available to shareholders on the company’s Internet site at http://www.vwd.com in the section > Investor Relations > Corporate Governance > Entsprechenserklärung.

Frankfurt/Main, April 23, 2012 / July 9, 2012

SPENCER BOSSE
Member of the Management Board

DR. ANDREAS DAHMEN
Member of the Management Board

STATEMENT OF THE LEGAL REPRESENTATIVES

ON THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANGEMENT REPORT FOR FISCAL YEAR 2011

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, April 23, 2012 / July 9, 2012
vwd Vereinigte Wirtschaftsdienste AG

SPENCER BOSSE
Member of the Management Board

DR. ANDREAS DAHMEN
Member of the Management Board

AUDITOR'S REPORT

We have audited the consolidated financial statements of vwd Vereinigte Wirtschaftsdienste AG, Frankfurt/Main, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2011. 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 Code and supplementary provisions of the articles of incorporation are the responsibility of the company's Management Board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

With the exception of the audit limitations described in the following paragraph, we conducted our audit of the consolidated financial statements in accordance with § 317 of the German Commercial Code and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (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 Management Board, 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.

With the exception of the following limitations, our audit has not led to any reservations:

In the consolidated financial statements, other liabilities in the amount of € 9,540 thousand are recognized. This sum results from a preliminary, non-binding remeasurement of the put option agreement regarding the acquisition of 49 % of the interests in the EDG Group. Based on the fiscal year 2011 figures for the EDG Group that have been made available so far, vwd Vereinigte Wirtschaftsdienste AG conducted a precautionary and preliminary remeasurement of the put option agreement at € 9,540 thousand. vwd Vereinigte Wirtschaftsdienste AG notes that this remeasurement does not reflect a prejudice or acknowledgment and that the actual purchase price may deviate significantly from this figure.

Despite alternative auditing measures, our audit did not provide a sufficiently certain view of the size of other liabilities. As a result, we are unable to make a conclusive assessment in this respect.

Due to these audit limitations, we cannot preclude the possibility that the consolidated financial statements are erroneous and should have been revised.

With this limitation and based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Section 1 of the German Commercial Code 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.

With the above-mentioned limitation, the group management report is consistent with the consolidated financial statements that comply with legal requirements and, as a whole, provides a suitable view of the group's position and appropriately presents the opportunities and risks of future development.

With the exception of the following limitations, our supplementary audit of the revisions made to the consolidated financial statements and the group management report has not led to any reservations.

In the consolidated financial statements, other liabilities in the amount of € 9,540 thousand are recognized. This sum results from a preliminary, non-binding remeasurement of the put option agreement regarding the acquisition of 49 % of the interests in the EDG Group. Based on the fiscal year 2011 figures for the EDG Group that have been made available so far, vwd Vereinigte Wirtschaftsdienste AG conducted a precautionary and preliminary remeasurement of the put option agreement at € 9,540 thousand. vwd Vereinigte Wirtschaftsdienste AG notes that this remeasurement does not reflect a prejudice or acknowledgment and that the actual purchase price can deviate significantly from this figure.

Despite alternative auditing measures, our audit did not provide a sufficiently certain view of the size of other liabilities. As a result, we are unable to make a conclusive assessment in this respect.

Due to these audit limitations, we cannot preclude the possibility that the consolidated financial statements are erroneous and should have been revised.

With this limitation and based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Section 1 of the German Commercial Code 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.

With the above-mentioned limitation, the group management report is consistent with the consolidated financial statements that comply with legal requirements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

We have issued this opinion on the basis of our audit performed in accordance with professional standards and concluded on April 24, 2012, and our supplementary audit, which addressed the revision of the consolidated financial statements with regard to the reduction of the recognized liabilities for bonus payments to the management board members of EDG AG, Schäftlarn, the resulting change in income taxes and the increase in liabilities related to profit shares legally due to other shareholders of the EDG Group.

We refer to the changes in the statement of comprehensive income, the statement of changes in equity, the cash flow statement, the notes to the consolidated financial statements and the group management board that are related to the above-mentioned revisions.

In addition, we refer to the company's explanations of these changes in the revised consolidated financial statements.

Düsseldorf, April 24, 2012 / July 10, 2012

STÜTTGEN & HAEB AG
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Bernd Lenzen	ppa. Kathrin Jaeger
Auditor	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).

Financial Calendar

April 30, 2012	Publication of Annual Report 2011
May 7 to 9, 2012	Entry & General Standard Conference, Frankfurt
May 15, 2012	Publication of Interim financial statement QI 2012
August 9, 2012	Publication of half year financial report 2012
November 8, 2012	Publication of interim financial statement QIII 2012
November 12 to 14, 2012	German Equity Forum Fall 2012, Frankfurt

excellence in financial solutions

vwd Vereinigte Wirtschaftsdienste AG
Tilsiter Straße 1
D-60487 Frankfurt am Main

Phone: +49 69 50 701-0
Fax: +49 69 50 701-114
E-mail: info@vwd.com

www.vwd.com