

Märkte · Wertpapiere · Börsen

MWB Wertpapierhandelshaus AG

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„Trading in the best sense“



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1st Quarter Report 2001

2001

At a glance

MWB Group	1st Quarter, 2001		1st Quarter, 2000		+/- in %
Commission result	Mio. €	0.9	Mio. €	4.2	-79 %
Financial result	Mio. €	1.4	Mio. €	11.9	-88 %
Personnel expenses	Mio. €	0.8	Mio. €	1.4	-42 %
Administrative expenses	Mio. €	1.9	Mio. €	2.5	-24 %
Earnings before tax	Mio. €	-0.2	Mio. €	12.4	-102 %
Net income	Mio. €	-0.2	Mio. €	6.1	-103 %
Balance-sheet total	Mio. €	44.5	Mio. €	55.6	-20 %
Equity	Mio. €	42.3	Mio. €	46.5	-9 %
Earnings per share	€	-0.03	€	1.22	-102 %
Number of employees		43		39	+10 %

Letter to the shareholders

Dear Shareholders,

The decline in the stock markets continued unabated in the first quarter of 2001. The corrections in the most important securities markets, which have now been ongoing for at least a year, have had a significant impact on the majority of investors as well as on the financial services companies. As models of cyclical enterprise, securities houses depend to a large degree on market conditions and market turnover.

Business development

Trading and Specialist Business

A comparison between the turnover in foreign stocks on the German stock exchanges in the first quarter of 2001 and the figures for the first quarter of 2000 would be misleading. While at the time people were talking about a record quarter, the drop in prices since March 2000 has resulted in a disproportionately strong decline in volumes in the first quarter of 2001. Nonetheless the conclusion that German investors have permanently lost interest in foreign stocks is false. In our opinion, the majority of investors in foreign stocks will be back once the markets are standing on more solid ground, and this segment will continue to play a significant role in the German stock market. Following the sluggishness in the second half of 2000, the worldwide IPO markets from which MWB AG recruits new foreign stocks for trading in Germany

came to a standstill in the first quarter of 2001. As a result, the number of stocks sponsored by us has not increased significantly compared to December 31, 2000. Our emphasis in looking for stocks this year will be in the fields of biotechnology, biochemistry, and pharmaceuticals.

Asset management and IPO business

The ongoing, extremely weak stock market environment in first quarter 2001 led to a reserved atmosphere among private clients. As of March 31, 2001 the Wertpapierhandelsbank was managing total assets of € 41 million for 85 clients.

In the IPO business, we will wait for a change of the unfavorable environment and hold off on planned initial public offerings until the outlook has improved.

Financial status

Financial and commission result

After a good start in January, the months of February and especially March were marked by extremely difficult stock market conditions. The uncertainty of investors resulted in a decline in the turnover in foreign stocks in Germany to fourth quarter 1999 levels. Consequently the MWB AG financial and commission result in the group declined from € 16.1 in the corresponding record quarter in 2000 to € 2.3 million in the first quarter of 2001.

General administrative expenses

Compared to first quarter 2000, the number of employees in the group including management increased from 39 to 43. Of these employees, 27 are securities traders. Personnel costs declined from € 1.4 million in first quarter 2000 to € 0.8 million in the same period in 2001.

This was a result of the discontinuation of performance-related bonuses.

Other administrative costs were reduced from € 2.5 million in the first quarter of 2000 to € 1.9. At the same time the costs of settling securities transactions decreased from € 1.6 million to EUR € 1.3 million.





*„The conclusion that
German investors have
permanently lost interest
in foreign stocks is false.“*

*Thomas Posovatz,
Speaker of the Board*

Results from ordinary activity

The results from ordinary activity for the group declined from € 12.4 million in the first quarter of 2000 to € -0.2 million.

This is primarily a result of the significant decline in financial and commission earnings.

Outlook

For the current fiscal year we plan to firmly adhere to our strategy of concentrating on our core business, i.e., trading and being a specialist for foreign stocks. One of our key topics will be the consequent development of our trading processes. This strategy has already improved the operating results for first quarter 2001 in comparison to fourth quarter 2000. Strict cost controls are showing initial signs of success.

Following a one year correction period, there are signs of a solid foundation in the key securities markets. If this continues, the investor confidence in the stock markets will return. Therefore we stick to our cautiously optimistic scenario for the year 2001.

Thomas Posovatz
Speaker of the Board

Consolidated profit and loss account

for the period from January 1 to March 31, 2001

	01/01–03/31/2001 EUR		01/01–03/31/2000 EUR	
1. Interest income	249,554.89		180,864.07	
2. Interest expenses	2.66		-204.37	
3. Income from shares and other variable-yield securities	5,887.51		2,075.45	
4. Commission income	1,242,559.84		4,665,592.97	
5. Commission expenses	-345,887.18		-412,399.12	
thereof:				
brokerage fee: EUR 273,430.52 (EUR 406,661.57 in 2000)				
6a. Income from financial trading operations	13,556,876.26		41,443,301.22	
thereof:				
a) Securities	819,797.40		712,948.48	
b) Price differences from brokerage	12,737,078.86		40,730,352.74	
6b. Expenses from financial trading operations	-12,124,478.45		-29,585,507.31	
thereof:				
a) Securities	-1,211,215.18		-324,420.51	
b) Price differences from brokerage	-10,913,263.27		-29,261,086.80	
7. Other operating income	34,548.04		17,910.69	
8. General administrative expenses	-2,719,489.14		-3,837,123.08	
a) Personnel expenses	-774,887.72		-1,378,020.58	
b) other administrative expenses	-1,944,601.42		-2,459,102.50	
9. Amortisation, depreciation and write-downs of intangible and tangible assets	-61,249.20		-46,587.68	
10. Other operating expenses	0.00		-14,779.20	
11. Results from ordinary activities	-161,674.77		12,413,143.64	
12. Taxes on income	-2,978.28		-6,350,924.10	
13. Net income	-164,653.05		6,062,219.54	
14. Retained earnings / retained loss at beginning of year	6,360,582.06		5,090,756.80	
15. Addition to revenue reserves	204,993.25		-360,901.00	
a) reserves for own shares	204,993.25		-360,901.00	
16. Retained earnings at end of year	6,400,922.26		10,792,075.34	

Consolidated balance sheet

as of March 31, 2001

Assets

	03/31/2001 EUR	03/31/2000 EUR
1. Cash	1,904.16	268.11
2. Receivables from banks	22,585,612.42	34,372,871.79
a) Due on demand	13,352,862.65	16,891,583.02
b) Other receivables	9,232,749.77	17,481,288.77
3. Receivables from customers	10,584.66	6,946.70
4. Shares and other variable-yield securities	4,658,700.32	8,229,725.89
5. Investments	9,971,478.91	0.00
6. Goodwill	28,436.36	44,685.69
7. Tangible Assets	629,223.82	555,446.74
8. Own shares	1,844,898.00	1,669,416.00
9. Other assets	4,618,212.69	10,650,122.73
10. Prepaid and deferred items	139,444.51	98,834.44
Total assets	44,488,495.85	55,628,318.09

Liabilities and Equity

	03/31/2001 EUR	03/31/2000 EUR
1. Liabilities to banks	514,798.48	1,039,173.09
2. Other liabilities	180,184.39	300,832.97
3. Accruals	1,519,417.44	7,798,545.42
a) Accruals for pensions and similar obligations	775,693.18	662,173.09
b) Tax accruals	20,451.68	4,664,370.11
c) Other accruals	723,272.58	2,472,002.22
4. Equity	42,274,095.54	46,489,766.61
a) Subscribed capital	4,982,700.00	4,246,023.43
b) Capital Reserves	24,825,551.32	25,562,227.88
c) Revenue reserves		
ca) Legal reserves	306,775.13	306,775.13
cb) Reserves for own shares	1,844,898.00	1,669,416.00
cc) Other revenue reserves	3,913,248.83	3,913,248.83
d) Retained earnings at end of year	6,400,922.26	10,792,075.34
Total liabilities and equity	44,488,495.85	55,628,318.09

Consolidated Cash-Flow

for the period from January 1 to March 31, 2001

	01/01-03/31/2001		01/01-03/01/2000
	TEUR		TEUR
Net income	-165		6,063
Depreciation of fixed assets	61		47
Depreciation of securities held as long term investments	0		0
Quarterly Cash-Flow	-104		6,110
Result from disposal of fixed assets	0		0
Increase of net current assets			
Increase of reserves	45		5,128
Decrease of stocks and shares	237		-1,046
Increase of receivables	-1,745		-123
Decrease of liabilities	-234		15
Cash-flow from day-today business operations	-1,801		10,084
Income from investment disposals	0		0
Investment in fixed assets	-9		-63
Investment in financial assets	0		0
Cash-Flow from investment activities	-9		-63
Proceeds from the capital increase	0		0
Dividend payment	0		0
Cash-Flow from financial activities	0		0
Change of the capital amount	-1,810		10,021
Capital amount			
Situation as per 01/01	23,883		23,313
Situation as per 03/31	22,073		33,334
	-1,810		10,021

Profit and loss account

for the period from January 1 to March 31, 2001

	01/01 – 03/31/2001 EUR		01/01 – 03/31/2000 EUR	
1. Interest income	224,462.49		172,898.76	
2. Interest expenses	9.09		-204.37	
3. Income from shares and other variable-yield securities	5,887.51		2,075.45	
4. Commission income	1,194,334.28		4,569,431.39	
5. Commission expenses	-345,887.18		-412,399.12	
thereof:				
brokerage fee: EUR 273.430,52 (EUR 406.661,57 in 2000)				
6a. Income from financial trading operations	13,556,876.26		41,443,301.21	
thereof:				
a) Securities	819,797.40		712,948.48	
b) Price differences from brokerage	12,737,078.86		40,730,352.73	
6b. Expenses from financial trading operations	-12,124,478.45		-29,585,507.32	
thereof:				
a) Securities	-1,211,215.18		-324,420.51	
b) Price differences from brokerage	-10,913,263.27		-29,261,086.81	
7. Other operating income	34,547.53		17,561.74	
8. General administrative expenses	-2,584,531.50		-3,719,012.31	
a) Personnel expenses	-702,756.93		-1,290,023.99	
b) other administrative expenses	-1,881,774.57		-2,428,988.32	
9. Amortisation, depreciation and write-downs of tangible and intangible assets	-53,534.20		-39,711.68	
10. Other operating expenses	0.00		-14,779.20	
11. Results from ordinary activities	-92,314.17		12,433,654.55	
12. Taxes on income	-2,978.28		-6,348,403.09	
13. Net income	-95,292.45		6,085,251.46	
14. Retained earnings / retained loss at beginning of year	6,206,234.11		5,519,830.46	
15. Addition to revenue reserves	204,993.25		-360,901.00	
a) reserves for own shares	204,993.25		-360,901.00	
16. Retained earnings at end of year	6,315,934.91		11,244,180.92	

Balance sheet

as of March 31, 2001

Assets

	03/31/2001 EUR		03/31/2000 EUR
1. Cash	979.81		26.86
2. Receivables from banks	20,360,406.19		33,327,510.07
a) Due on demand	11,127,656.42		15,846,221.30
b) Other receivables	9,232,749.77		17,481,288.77
3. Shares and other variable-yield securities	4,597,356.31		6,925,960.01
4. Shares in affiliated companies	12,331,337.59		12,331,337.59
of which:			
in banks EUR 12,331,337.59			
5. Tangible Assets	572,291.05		500,051.34
6. Own shares	1,844,898.00		1,669,416.00
7. Other assets	4,447,738.39		1,161,276.24
8. Prepaid and deferred items	139,444.51		98,811.87
Total assets	44,294,451.85		56,014,389.98

Liabilities and Equity

	03/31/2001 EUR		03/31/2000 EUR
1. Liabilities to banks	514,789.96		1,039,173.08
2. Other liabilities	179,069.98		295,643.01
3. Accruals	1,411,483.72		7,737,701.69
a) Accruals for pensions and similar obligations	775,693.18		662,173.09
b) Tax accruals	0.00		4,664,370.11
c) Other accruals	635,790.54		2,411,158.49
4. Equity	42,189,108.19		46,941,872.20
a) Subscribed capital	4,982,700.00		4,246,023.43
b) Capital Reserves	24,825,551.32		25,562,227.89
c) Revenue reserves			
ca) Legal reserves	306,775.13		306,775.13
cb) Reserves for own shares	1,844,898.00		1,669,416.00
cc) Other revenue reserves	3,913,248.83		3,913,248.83
d) Retained earnings at end of year	6,315,934.91		11,244,180.92
Total liabilities and equity	44,294,451.85		56,014,389.98

Cash-Flow

for the period from January 1 to March 31, 2001

	01/01-03/31/2001		01/01-03/31/2000
	TEUR		TEUR
Net income	-95		6,085
Depreciation of fixed assets	53		40
Depreciation of securities held as long-term investments	0		0
Quarterly Cash-Flow	-42		6,125
Result from disposal of fixed assets	0		0
Increase of net current assets			
Increase of reserves	33		5,120
Decrease of stocks and shares	238		-1,045
Increase of receivables	-1,745		-97
Decrease of liabilities	-219		26
Cash-Flow from day-today business operations	-1,735		10,129
Income from investment disposals	0		0
Investment in fixed assets	-8		-63
Investment in financial assets	0		0
Cash-Flow from investment activities	-8		-63
Proceeds from the capital increase	0		0
Dividend payment	0		0
Cash-Flow from financial activities	0		0
Change of the capital amount	-1,743		10,066
Capital amount			
Situation as per 01/01	21,589		22,223
Situation as per 03/31	19,846		32,289
	-1,743		10,066

The Company

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Registered with the local Court of Munich,

HRB 123141

Founded in 1993

Admitted for trading on the following exchanges

- Bavarian Stock Exchange (Munich)
- Berlin Stock Exchange
- Frankfurt Stock Exchange
- Rhineland-Westphalia Stock Exchange in Duesseldorf
- Baden-Wuerttemberg Stock Exchange

Member of the Bundesverband der

Wertpapierhandelsfirmen e.V.

(Federal Association of Securities Dealers)

Member of the EASD

(European Association of Securities Dealers)

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Calendar for 2001

05/14/2001	Balance sheet press conference	Munich
06/25/2001	Annual shareholders' meeting	Munich
mid-July 2001	Half-year figures	
Fall 2001	Analysts' conference	
mid-October 2001	3rd quarter figures	