



mwb  
fairtrade



Half-year  
report 2009

## At a Glance

mwb fairtrade AG	Half-year 2009	Half-year 2008	+/- in %
Comission result	TEUR 2,048	TEUR 3,190	- 36
Trading result	TEUR 4,771	TEUR 5,403	- 12
Personnel expenses	TEUR 3,289	TEUR 3,384	- 3
Administrative expenses	TEUR 5,601	TEUR 5,371	+ 4
Profit from ordinary activities	TEUR - 1,261	TEUR 779	- 262
Net profit	TEUR - 1,089	TEUR 394	- 376
Balance sheet total	TEUR 32,227	TEUR 48,792	- 34
Equity	TEUR 28,238	TEUR 31,584	- 11
Earnings per share	€ - 0.15	€ 0.05	- 400
Number of employees	75	65	+ 15

## Financial Calendar

Date	Topic	Place
10/21/2009	Publication of balance sheet (3rd Quarter 2009)	

## The Company

mwb fairtrade  
Wertpapierhandelsbank AG

Rottenbucher Strasse 28  
82166 Graefelfing  
Phone +49 89 85852-0  
Fax +49 89 85852-505

[www.mwbfairtrade.com](http://www.mwbfairtrade.com)

Registered with the local Court of Munich, HRB 123141  
mwb fairtrade stock code: 665610

### Admitted for trading on the following exchanges

- Munich Stock Exchange
- Berlin Stock Exchange
- Frankfurt Stock Exchange
- Hamburg Stock Exchange
- Hannover Stock Exchange
- Duesseldorf Stock Exchange
- Stuttgart Stock Exchange

Member of the Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V.  
(Federal Association of Securities Firms at German Stock Exchanges)



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# Consolidated Interim Management Report

## 1. The Economic and Stock Market Situation

In the first half of 2009, every aspect of economic life was caught up in the wake of the global financial crisis. While the banking sector experienced an upwind thanks to massive assistance programs or even government participations, the real economy showed serious weakening. Indulging in risky financial transactions was only one of the things that caused turbulence at Porsche, Germany's showpiece company, which is now dependent on foreign investors. Quelle and Karstadt, other companies with longstanding traditions in Germany, are on the brink of collapse due to the insolvency of their parent company Arcandor. On the whole, however, consumer sentiment and employment levels remained astonishingly stable. The Ifo Business Climate Index rose several times in a row, and signs of economic recovery in both the USA and Asia have been observed. This was equally true for mwb fairtrade AG, which fared better in the second quarter of 2009 than in the first.

### Stock markets on the upswing

The downward slide of the stock markets has come to a halt since March 2009 and has given way to a slow but steady upwards turn. At the beginning of June, the DAX stood at its all time high this year of 5,100 points, but at the end of the month slid once again below this psychologically significant level. But the first impressions in July seem to indicate that the positive trend is continuing, so that an increasing number of voices can be heard here as well predicting an early end to the slump. This is at least true for the mwb fairtrade share: after already recording a plus of 20 % in the first quarter of 2009, the price rose once again in the second quarter. Calculated over the entire half-year, our share recorded growth of over 50 % as compared to the price at the close of 2008. The peak price in June of € 2.53 is not only a reflection of the recovery of the financial sector as a whole, it can also be attributed to our successful merger the year before, which in the meantime is being recognized by the shareholders.

## 2. The Business Situation

Commencing with this reporting period (first half-year 2009), all of the information contained in the balance sheet and all other figures are once again unrestrictedly comparable with those in the same period of the preceding year; this is because of the inclusion (for the first time) of FAIRTRADE FINANCE AG in the consolidated financial statements in the first half-year of 2008.

### Securities Trading

With this core business area, mwb fairtrade AG generated around 96 % of total consolidated earnings and even 99 % of trading profits in the first half of 2009. The "Securities Trading" division has therefore increased in significance in relation to the other two divisions, "Capital Markets" and "Private Clients". The number of managed order books also rose slightly as compared to the first quarter of 2009: as of June 30, 2009, 4,960 equities (+113), 2,225 funds (-41), and 4,936 bonds (+310) were being managed by us. The figures stated here are the results of a simple count of the various securities managed, i.e. not of adding up identical shares traded at several locations. Although the sheer number of order books is indeed impressive, mwb fairtrade generated a large portion of its turnover with a few individual securities only. This involves a phenomenon that is often observed following weaker phases on the stock markets: certain individual securities initially serve as "guinea pigs" and slowly transform themselves into draught horses strong enough to pull the broader market along with them. The stock markets are, however, nowhere near such an upwards phase. In spite of distinct rises in the index in the first half of 2009, turnover on the whole remained weak as a result of the constraint being exercised by both institutional and especially private investors. Consequently, net commission income in the second quarter of 2009 remained at approximately the same level as the first quarter of 2009. But with 86%, the contribution made by Securities Trading to consolidated net commission income was still very high.

### Capital Markets

The underlying conditions for capital increases, listings, or even new issues in no way improved in the second quarter of 2009. Even if the markets should recover by the end of the year, it will still be some time before companies are

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courageous enough to procure large amounts of capital over the stock markets. On account of this, we reduced personal in this business division. We are thus reacting flexibly to these low profit-generating prospects and enhancing the cost-benefit ratio in capital market advising. Unaffected by this is designated sponsoring. We continue to manage six mandates, including our own share. Altogether, capital market services only generated 2 % of consolidated earnings and 4 % of net commission income in the first half of 2009. However, because of the long-term potential here, we will retain this division in the future as well.

## Private Clients

There were scarcely any changes in the private asset division as compared to the first quarter of 2009. Our subsidiary, MWB Baden GmbH with its registered office in Offenburg, managed investments totalling € 26 million as of June 30, 2009. Compared to the first half of 2008, this is a decline of around 30 %, a reflection of the high degree of uncertainty felt by private investors. Nonetheless, the importance of this business division rose in relation to the downturn in capital markets business. With private asset management, mwb fairtrade generated approximately 10% of commission income and 3 % of consolidated earnings.

## 3. Earnings

The information on earnings, assets, and finances can once again be compared with that of same period last year, FAIR-TRADE FINANCE AG having been included for the first time in the consolidated financial statements in the first half of 2008.

### Net commission income and trading profits

The low volume of trading on the stock exchanges was a strain on the results of all German securities trading banks. Trading profits at mwb fairtrade AG dropped from EUR 5,403 thousand in the first quarter of 2008 to EUR 4,771 thousand in the same period of 2009, which is only a decrease of 12 %. Net commission income performed much weaker, dropping to EUR 1,142 thousand as compared to EUR 3,190 thousand in the same period last year. Profit from financial assets in the amount of EUR 290 thousand made a positive contribution to net commission income. This was a dividend disbursement from our minority interest in the IT service provider XCOM AG.

### General administrative expenses

In a direct comparison to the same period last year, which is possible commencing in this reporting period, the discipline exercised by our company with respect to costs is particularly evident. The nearly imperceptible rise in general administrative expenses from EUR 8,755 thousand to EUR 8,889 thousand is remarkable considering that the follow-up costs to the merger are already contained in it. These included the amortization of intangible assets of FAIRTRADE FINANCE AG in the amount of EUR 334 thousand. These costs, which pursuant to IFRS 3 must be included in the balance sheet, did not accrue to the first half-year of 2008. If you were to subtract the amortization from the general administrative expenses, then mwb fairtrade's costs have even decreased in the first half of 2009. The main reason for this was our variable remuneration system for securities traders, which automatically adjusts itself to market conditions. It was responsible for a decrease in personal costs in the first half of 2009 of nearly 3 % to a total of EUR 3,289 thousand – even though the number of employees in the same period actually increased from 65 to 75. With respect to other administrative expenses, unavoidable investments in the IT infrastructure in particular made up a large portion of these, an example of which was the conversion to a new trading support system offered by Deutsche Börse Systems in Frankfurt. All in all, this led to an increase in other administrative expenses from EUR 5,371 thousand in the first half of 2008 to EUR 5,601 thousand in the first half of 2009.

### Earnings from ordinary activities

The instability of the financial markets had a negative impact on mwb fairtrade AG's earnings. Although the underlying circumstances improved in the second quarter of 2009, it was still impossible to make up for the losses of the first quarter of 2009 and to attain positive results. In total, earnings from ordinary activities were down EUR 1,261 thousand, whereas a plus of EUR 779 thousand had been generated in the same reporting period in 2008.

### Net loss for the year

In line with earnings from ordinary activities, mwb fairtrade recorded a net loss for the year of EUR 1,089 thousand as at June 30, 2009. By contrast, a surplus of EUR 384 thousand had been attained in the first half of 2008 primarily as a result of a higher volume of trading.

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## 4. Financial Position

The financial position of mwb fairtrade Wertpapierhandelsbank AG is in good order.

### Equity

As of June 30, 2009, the company's equity amounted to € 28.2 million as opposed to € 29.3 million at the close of 2008. The slight decrease is roughly equivalent to the net loss for the year and does nothing to change our solid equity basis. There has even been an improvement to the equity ratio as compared to December 31, 2008, which is now at 88 %.

### Liquidity

Despite strenuous market conditions, mwb fairtrade's comfortable liquidity situation remained unchanged. Our liquidity, i.e. the balance of receivables from and liabilities to banks, amounted to € 13.2 million as of June 30, 2009. This is a slight increase compared to the first quarter of 2009, in which € 12.3 million had been available as liquid funds.

### Total assets

The company's total assets amounted to € 32.2 million as at June 30, 2009. This represents a moderate decrease of € 2.9 million as compared to the end of 2008.

## 5. Other Information

With respect to the legal and organizational structure of mwb fairtrade Wertpapierhandelsbank AG, the essential features underlying the remuneration system for the Managing and Supervisory Boards, and the statements made pursuant to Section 315 (4) of the [German] Commercial Code (HGB), we refer to the consolidated financial statements for 2008.

## 6. Outlook

The assessments made in the following are all based on the information available to us at the current time. This also applies to the risks portrayed in the risk management report. On account of the unstable economic situation, any prognosis regarding the second half of 2009 will be incomplete and vague. Although certain positive tendencies are apparent,

there are far too many incalculable factors to make any kind of reliable forecast: one is the credit crunch being experienced by numerous small and mid-sized companies – which could result in a wave of bankruptcies in the fall. Secondly, there is no way of knowing at the current time whether the labour markets will remain stable or whether the end of the short-time-work contracts will be accompanied by a surge of dismissals. This would have a devastating effect in general on private consumption and on the investors' readiness to invest. To what extent the tentative upswing on the stock markets will continue will also depend on whether the billions of euros of taxpayers' money that has been spent to bolster the national economy will actually attain its goal. In Germany itself, the outcome of the upcoming federal election will certainly have a considerable impact on the sentiments in this country.

The only thing that can be said for certain at the moment is that the summer months, which are traditionally weak in terms of turnover, will lead to moderate results for mwb fairtrade in the third quarter. What we are expecting here is the same as what happened in the first half of 2009, i.e. a weaker quarter followed by a stronger one. Of utmost importance is to make mwb fairtrade profitable again and to do this as quickly as possible. Internally, the company is well-equipped for this: the merger of mwb Wertpapierhandelsbank and FAIRTRADE FINANCE AG has created a company of a new dimension with a solid capital base, which makes it better equipped to meet its competitors. Without deluding ourselves into believing that the expected synergies have taken immediate effect, it is apparent in the one or the other instances that certain opportunities are being pursued better than before. We belong, for example, to a small circle of market makers and are already operating on Tradegate. We manage around 160 retail investment funds and are exclusively responsible for their trading. But even on the operational level, we have come closer to our individual perception of what a distinguished securities trading bank is. The most important back-office areas have already been amalgamated, and the conversion to a new, uniform trading support system is all but complete. Top priority in the second half of 2009 will be the unhooking of emotional synergies out of the fusion of the two corporate cultures. These are the reservoirs of power that will be vitally important during the recovery of the markets.

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## 7. Risk Management Report

### Corporate strategy

All of our company's resources and activities are geared to sustainably securing our success. Therefore all of the decisions concerning the business policies of mwb fairtrade AG Wertpapierhandelsbank AG are being taken under strict observance of the income to risk ratio.

At the heart of our risk management system lie the top-level corporate targets of securing the assets entrusted to us and increasing our enterprise value based on the conscious management of entrepreneurial risks. Our strong equity ratio, an integrated risk management system, a real proximity to the market, and a thorough knowledge of risk allows us to operate flexibly across our divisions and to deal innovatively with the challenges of the future. In the strategic management of our company, both financial as well as non-financial aspects – such as process efficiency, increasing transparency, the best possible customer support, employee satisfaction, and an ongoing bolstering of the position of securities companies – play important roles.

The group management of mwb fairtrade Wertpapierhandelsbank AG is engaged in a constructive, ongoing exchange with the managing directors of MWB Baden GmbH with regard to the company's economic progress. Strategic decisions in relation to preserving the company's continued existence are made jointly.

### Risk strategy

In implementing the requirements resulting from the so-called MaRisk (Minimum Risk Management Requirements), mwb fairtrade Wertpapierhandelsbank AG has, as part of its business strategy, created a concept for its ability to bear risks. This entails – next to defining the risk-coverage assets, the maximum loss threshold for the entire bank, and the determination of the risk potential – a comparison of the aggregate risk potential with the maximum loss threshold. As a result of the risks entered into in the business areas operated by the company, mwb fairtrade Wertpapierhandelsbank AG takes a conservative approach in structuring its ability to bear risks. The company has therefore stipulated that the maximum risk at the close of each business day must not exceed 20 % of the available risk-coverage assets.

The remainder is available as a risk buffer. In addition to market price risks from equities, fixed-income securities, and option transactions, the company has included operating risks as material risks for mwb fairtrade Wertpapierhandelsbank AG in its concept for its ability to bear risks. mwb fairtrade Wertpapierhandelsbank AG calculates, on a daily basis, the risk potential that exists for these risks, whereby the company uses the basic indicator approach contemplated by Secs. 270 and 271 of the [German] Solvency Directive (SolvV) for calculating operating risk. In ascertaining whether it is able to bear risks, mwb fairtrade Wertpapierhandelsbank AG compares, on a daily basis, the aggregate risk potential to the maximum loss threshold set by the Managing Board. If this ratio is less than 100 %, then the ability to bear risks is ensured. The maximum loss threshold was not exceeded at any time in the first half of 2009.

Until the summer of 2009 when the two merging partners' risk management systems will be completely consolidated into one central system, which will be operated out of Gräfelfing, the monitoring of the individual limits is still being carried out separately for each company by the risk manager in Hamburg for the former FAIRTRADE area and by the risk manager in Gräfelfing for the former mwb area. The total risk exposure for the newly created company is being calculated and monitored by the risk manager in Gräfelfing.

MWB Baden GmbH is included in this risk control, although risks arising directly from transactions with its clients are being monitored directly by MWB Baden GmbH.

### Internal audit

In order to ensure efficient internal auditing, the company formally outsourced such auditing work to an external firm of auditors. Through the merger, however, mwb fairtrade Wertpapierhandelsbank AG has reached a size that enables it to have its own internal auditing facilities. To this end, the company expanded its staff by one experienced person to take on this task on August 1, 2009. The audits focus primarily on the areas of investment and transaction brokering, proprietary trading, liquidity control, accounting, data processing, human resources, required reporting, compliance, money laundering, minimum requirements for the operating of trading activities, risk management, and earnings control. Operating processes that are subject to particular risk are audited annually, other operating processes every three years.

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Internal auditing at MWB Baden GmbH is conducted directly by the managing directors of MWB Baden GmbH in Offenburg.

## Risk control

Effective risk control necessitates an independent identification of the risks entered into, which must be reviewed separate from trading activities.

To this end, the company has appointed a risk manager who is not connected with trading activities, whose tasks include identifying, analyzing, and evaluating risks, and especially sensitizing employees to risk recognition and avoidance. The basis for dealing continually and systematically with risks is found in the guidelines and decisions on risk tolerance established by the Managing Board, which are derived from the risk strategy and risk policy and which are geared to the company's capitalization and liquidity.

Given the large number of transactions executed by the company, the efficient controlling of risk is dependent upon a properly functioning computer system. For this reason, the company makes use of the innovative applications created by XCOM AG, a software company specializing in solutions for financial service providers and banks in which MWB holds a participating interest.

The company continuously monitors large loan limits and the total and individual items from name-to-follow transactions and the unrealized profits and losses associated with this. An experienced team of employees records the available funds on a daily basis in a liquidity status report and monitors and coordinates the amounts owing.

As part of its management-related monitoring, the Managing Board also reviews the income and expenses from the company's core business on a daily basis. After subjecting the monthly figures to a feasibility check, the CFO then makes a written report each month that covers growth in general, select P&L items, and the liquidity situation. The report is circulated amongst the members of the Managing Board and is presented to the members of the Supervisory Board for their perusal.

In the area of operational risks – which can arise from work processes, people, technologies, or external events – existing risks are consistently being reduced through a multi-faceted, cause-related risk management system.

With respect to the descriptions of the individual risks, we refer to the statements made in the Annual Report of December 31, 2008.

Graefelfing, July 2009  
The Managing Board



# Consolidated Balance Sheet according to International Financial Reporting Standards

as of June 30, 2009

## Assets

	06/30/2009 EUR	12/31/2008 EUR
Cash reserve	4,203.89	2,819.89
Receivables from banks	13,822,516.91	15,384,169.56
Receivables from clients	822,971.30	1,457,608.41
Assets held for dealing purposes	1,505,454.31	2,293,931.62
Financial assets	2,455,087.03	2,477,979.42
Intangible assets	8,955,447.08	9,295,449.74
Property, plant and equipment	726,935.62	686,638.00
Income tax assets	2,826,688.36	2,841,258.90
Other assets	1,107,872.10	721,093.14
<b>Total assets</b>	<b>32,227,176.60</b>	<b>35,160,948.68</b>

## Liabilities

	06/30/2009 EUR	12/31/2008 EUR
Liabilities to banks	640,136.35	629,314.93
Liabilities from dealing activities	226,626.43	477,703.50
Provisions	0.00	0.00
Income tax liabilities	1,718,902.58	1,845,690.14
Other liabilities	1,403,757.67	2,957,678.12
<b>Equity</b>	<b>28,237,753.57</b>	<b>29,250,561.99</b>
Subscribed capital	7,473,700.00	7,473,700.00
Capital reserves	12,639,464.58	12,639,464.58
Retained earnings	7,837,217.90	8,279,657.46
Revaluation surplus	0.00	0.00
Depreciation of own shares	-2,059,524.00	-2,135,673.70
Unappropriated profit	2,240,255.89	2,881,268.69
Minority interest	106,639.40	112,144.96
<b>Total liabilities and equity</b>	<b>32,227,176.60</b>	<b>35,160,948.68</b>

# Consolidated Profit and Loss Account according to International Financial Reporting Standards

for the Period from Januar 1 to June 30, 2009

	01/01/ – 06/30/2009 EUR	01/01/ – 06/30/2008 EUR
Interest income	136,213.52	336,359.80
Interest expenses	-488.53	-8,102.96
<b>Net interest income</b>	<b>135,724.99</b>	<b>328,256.84</b>
Commission income	3,204,040.97	3,896,382.04
Commission expenses	-1,156,382.68	-706,789.08
<b>Net commission income</b>	<b>2,047,658.29</b>	<b>3,189,592.96</b>
Trading income	19,043,367.82	23,662,051.75
Trading expenses	-14,272,347.48	-18,259,376.09
<b>Trading profit</b>	<b>4,771,020.34</b>	<b>5,402,675.66</b>
<b>Net income from financial assets</b>	<b>289,587.12</b>	<b>533,058.70</b>
Administrative expenses	-8,889,656.77	-8,754,979.57
Balance of other income / expenses	384,531.80	80,458.72
<b>Profit from ordinary activities</b>	<b>-1,261,134.23</b>	<b>779,063.31</b>
Income taxes on profit from ordinary activities	172,176.31	-385,485.48
<b>Net profit</b>	<b>-1,088,957.92</b>	<b>393,577.83</b>
Minority interest of net profit	5,505.56	-14,164.32
<b>Net profit without minority interest</b>	<b>-1,083,452.36</b>	<b>379,413.51</b>
Profit carried forward from previous year	2,881,268.69	2,328,192.78
Withdrawal from capital reserves	0.00	0.00
Withdrawal from retained earnings	442,439.56	1,568,699.06
<b>Unappropriated profit</b>	<b>2,240,255.89</b>	<b>4,276,305.35</b>
<b>Earnings per share</b>		
Diluted earnings per share	-0.15	0.05
Basic earning per share	-0.15	0.05

# Consolidated Profit and Loss Account according to International Financial Reporting Standards

Quarter-by-quarter comparison

	2nd Quarter 2009 EUR	2nd Quarter 2008 EUR
Interest income	54,601.95	258,165.39
Interest expenses	-339.42	-7,561.72
<b>Net interest income</b>	<b>54,262.53</b>	<b>250,603.67</b>
Commission income	1,719,889.65	2,773,218.18
Commission expenses	-691,020.39	-395,278.30
<b>Net commission income</b>	<b>1,028,869.26</b>	<b>2,377,939.88</b>
Trading income	10,010,965.60	19,067,637.03
Trading expenses	-6,880,864.95	-14,821,073.49
<b>Trading profit</b>	<b>3,130,100.65</b>	<b>4,246,563.54</b>
<b>Net income from financial assets</b>	<b>292,479.00</b>	<b>533,058.70</b>
Administrative expenses	-4,682,042.74	-6,433,295.51
Balance of other income / expenses	101,377.61	59,460.47
<b>Profit from ordinary activities</b>	<b>-74,953.69</b>	<b>1,034,330.75</b>
Income taxes on profit from ordinary activities	84,749.93	-428,868.17
<b>Net profit</b>	<b>9,796.24</b>	<b>605,462.58</b>
Minority interest of net profit	4,209.73	-3,986.35
<b>Net profit without minority interest</b>	<b>14,005.97</b>	<b>601,476.23</b>
Profit carried forward from previous year	0.00	0.00
Transfer to retained earnings	260,899.17	1,651,574.08
<b>Unappropriated profit</b>	<b>274,905.14</b>	<b>2,253,050.31</b>

# Statement of Changes in Equity

for the Period from Januar 1 to June 30, 2009

	2009 TEUR	2008 TEUR
<b>Equity as of January 1</b>	<b>29,251</b>	<b>17,542</b>
<b>Subscribed capital</b>		
As of January 1	7,474	4,983
Change	0	2,491
As of June 30	7,474	7,474
<b>Capital reserves</b>		
As of January 1	12,639	3,945
Change	0	8,694
As of June 30	12,639	12,639
<b>Retained earnings</b>		
As of January 1	8,280	10,589
Change	-443	-1,569
As of June 30	7,837	9,020
<b>Revaluation surplus</b>		
As of January 1	0	-4
Change	0	-25
As of June 30	0	-29
<b>Own shares</b>		
Stand 1. Januar	-2,136	-4,516
Veränderung	76	2,489
Stand 30. Juni	-2,060	-2,027
<b>Consolidated profit</b>		
As of January 1	2,881	2,328
Change	-641	1,948
As of June 30	2,240	4,276
<b>Minority interest</b>		
As of January 1	112	217
Change	-5	14
As of June 30	107	231
<b>Equity as of June 30</b>	<b>28,238</b>	<b>31,584</b>

# Consolidated Cash Flow

for the Period from Januar 1 to June 30, 2009

	01/01/ – 06/30/2009 TEUR	01/01/ – 06/30/2008 TEUR
<b>Consolidated net profit</b>	-1,083	379
<b>Adjustment to the reconciliation of the consolidated net profit to the cash flow from operating activities</b>		
Depreciation, write-downs and write-ups on receivables, intangible assets, property, plant and equipment and financial assets	563	303
Profit from sale of property, plant and equipment	0	57
Loss from disposal of intangible assets	0	4
Loss from the sale of financial assets	0	0
Change in minority interest	-5	14
Increase in bank collateral	0	0
Other adjustments (balance)	-546	2,664
	-1,071	3,421
<b>Change in assets and liabilities from operating activities</b>		
Change in receivables from customers	635	-46
Change in trading position	537	2,816
Change in other assets from operating activities	-373	-950
Change in other liabilities from operating activities	-1,681	3,069
Interest received	308	399
Interest paid	-6	-20
Received income tax	-18	-918
<b>Cash flow from operating activities</b>	<b>-1,669</b>	<b>7,771</b>
Proceeds from disposal of financial assets	0	1,500
Proceeds from disposals of property, plant and equipment	0	60
Investments in property, plant and equipment	-65	-9,764
Investment in tangible fixed assets	-171	-526
Investment in financial assets	0	-158
Change in cash flow from other investing activities	292	533
<b>Cash flow from investing activities</b>	<b>56</b>	<b>-8,353</b>
Net-change in purchases and sales of own shares	42	-185
Dividends paid	0	12,320
Earnings from capital increase	0	-1,135
<b>Cash flow from financing activities</b>	<b>42</b>	<b>11,000</b>
<b>Change in cash and cash equivalents</b>	<b>-1,571</b>	<b>10,418</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>6,848</b>	<b>3,096</b>
<b>Cash flow from operating activities</b>	<b>-1,669</b>	<b>7,771</b>
<b>Cash flow from investing activities</b>	<b>56</b>	<b>-8,353</b>
<b>Cash flow from financing activities</b>	<b>42</b>	<b>11,000</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,277</b>	<b>13,514</b>

# Notes

## Explanatory notes to the consolidated quarterly financial statements

The mwb fairtrade AG Group has prepared its consolidated financial statements as of June 30, 2009 in line with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) in order to provide its shareholders and all interested parties with an internationally comparable basis to evaluate the mwb Group and its results of operations.

The interim report satisfies the requirements of IAS 34.8 and IAS 34.11 for quarterly financial statements.

## Accounting Policies

The single-entity financial statements of the companies included in consolidation are included – using uniform accounting principles – in the consolidated financial statements of mwb fairtrade Wertpapierhandelsbank AG. The consolidated financial statements as of June 30, 2009 include, in addition to mwb fairtrade Wertpapierhandelsbank AG as the parent company, the wholly-owned subsidiary mwb Wertpapierhandelsbank GmbH and the 60% interest in MWB Baden GmbH. The accounting, valuation, and disclosure methods have been consistently applied by us in line with the IFRS framework concept. The same accounting policies used in our IFRS financial statements of December 31, 2008 were applied to these quarterly financial statements. In particular, all of our trading assets are carried at their fair value on the balance sheet, and treasury shares as per IAS 32.33 are deducted from equity.

## Treasury Shares

On the balance sheet date, the company held a stock of 18,000 treasury shares. A total of 33,392 shares were purchased and 75,392 shares were sold between January and June 2009. The average acquisition price was € 2.37, the average selling price was € 2.24.

The existing stock of treasury shares has a nominal value of € 18,000 and represents 0.24% of the share capital.

## Earnings per Share

The undiluted earnings per share, which are the same as the diluted earnings per share, total as of June 30, 2009 € - 0.15 (previous year € + 0.05).

# Segment Reporting

as of June 30, 2009

	06/30/2009 TEUR
<b>Securities Trading</b>	
Net interest income	0
Net commission income	1,748
Trading profit	4,858
Net profit from financial assets	0
Direct appropriation of administrative expenses	5,564
Balance of other operating income / expenses	0
Result after direct appropriation of administrative expenses	1,042
Indirect appropriation of administrative expenses	2,278
Profit from ordinary activities	-1,236
Assets	21,877
<b>Capital Markets</b>	
Net interest income	0
Net commission income	90
Trading profit	5
Net profit from financial assets	0
Direct appropriation of administrative expenses	228
Balance of other operating income / expenses	0
Result after direct appropriation of administrative expenses	-133
Indirect appropriation of administrative expenses	132
Profit from ordinary activities	-265
Assets	1,509
<b>Private Clients</b>	
Net interest income	8
Net commission income	210
Trading profit	0
Net profit from financial assets	0
Direct appropriation of administrative expenses	255
Balance of other operating income / expenses	26
Result after direct appropriation of administrative expenses	-11
Indirect appropriation of administrative expenses	0
Profit from ordinary activities	-11
Assets	1,188
<b>Consolidation / Other</b>	
Net interest income	127
Net commission income	0
Trading profit	-92
Net profit from financial assets	290
Direct appropriation of administrative expenses	433
Balance of other operating income / expenses	359
Result after direct appropriation of administrative expenses	251
Indirect appropriation of administrative expenses	0
Profit from ordinary activities	251
Assets	7,653
<b>Group</b>	
Net interest income	135
Net commission income	2,048
Trading profit	4,771
Net profit from financial assets	290
Direct appropriation of administrative expenses	6,480
Balance of other operating income / expenses	385
Result after direct appropriation of administrative expenses	1,149
Indirect appropriation of administrative expenses	2,410
Profit from ordinary activities	-1,261
Assets	32,227

# Notes

## **Undertaking by the legal representatives (Responsibility Statement)**

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the interim management report of the group 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 for the remaining months of the fiscal year.”

Graefelfing, July 2009

The Managing Board





**mwb fairtrade**  
**Wertpapierhandelsbank AG**

Rottenbacher Strasse 28  
82166 Graefelfing  
P.O. 16 44 · 82158 Graefelfing  
Phone +49 89 85852-0  
Fax +49 89 85852-505

[www.mwbfairtrade.com](http://www.mwbfairtrade.com)