



mwb  
fairtrade

**Third Quarter  
Report 2009**

## At a Glance

mwb fairtrade AG	1 <sup>st</sup> -3 <sup>rd</sup> Quarter 2009	1 <sup>st</sup> -3 <sup>rd</sup> Quarter 2008	+/- in %
Comission result	TEUR 3,379	TEUR 4,621	- 27
Trading result	TEUR 7,954	TEUR 6,418	+ 24
Personnel expenses	TEUR 5,042	TEUR 4,176	+ 21
Administrative expenses	TEUR 8,531	TEUR 8,260	+ 3
Profit from ordinary activities	TEUR - 1,324	TEUR - 401	- 230
Net Loss	TEUR - 1,075	TEUR - 299	- 260
Balance sheet total	TEUR 32,320	TEUR 48,806	- 34
Equity	TEUR 28,278	TEUR 28,727	- 2
Earnings per share	€ - 0.15	€ 0.04	- 275
Number of employees	74	69	+ 7

## Financial Calendar

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

## The Company

mwb fairtrade  
Wertpapierhandelsbank AG

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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)



# Contents

Contents	Page	Contents Financial Section	Page
<b>Consolidated Interim Management Report</b>		<b>Consolidated Balance Sheet</b> .....	10
1. The Economic and Stock Market Situation .....	4	<b>Consolidated Profit and Loss Account</b>	
2. The Business Situation .....	5	Accumulated .....	11
3. Earnings .....	6	<b>Statement of Changes in Equity</b> .....	13
4. Financial Position .....	6	<b>Consolidated Cash Flow</b> .....	14
5. Other Information .....	7		
6. Outlook .....	7	<b>Notes</b>	
7. Risk Management Report .....	7	Explanatory notes to the consolidated quarterly financial statements. ....	15
		Accounting Policies .....	15
		Treasury Shares .....	15
		Earnings per Share .....	15
		Segment Reporting .....	16
		Undertaking by the legal representatives	
		(Responsibility Statement) .....	17



# Consolidated Interim Management Report

## 1. The Economic and Stock Market Situation

The third quarter of 2009 signifies the one-year mark since the collapse of the US investment bank Lehman Brothers. Certainly no one would ever have expected that the impact of this crash would have been overcome so quickly and in such a relatively orderly way. It really does seem though that the financial crisis has been curtailed and that its effects on the real economy were less devastating than anticipated. The reporting period in July began on a promising note, with bank shares in particular providing a pleasant surprise. Some of the banking institutions in the USA could even pay back their billion-dollar government aid packages already. Even Germany showed signs of economic recovery, especially since key industrial branches were once again able to report higher foreign demand. What also helped to improve the mood was the election in Germany of a business-friendlier federal government, from whom small and mid caps in particular are hoping to receive backing. A lower inflation rate also helped to ease tensions: the fears expressed by many economic barometers, i.e. that the increased money supply could lead to monetary devaluation, luckily did not come true.

### Private investors miss the market upswing

German securities trading banks, amongst them mwb fairtrade AG, profited in every respect from the positive market conditions. The restored confidence in the financial markets generated a boom on the stock markets. In September, the DAX recorded an all-year high of 5,657 points and continued to rise at the beginning of October. This represents an approximate 50% improvement of the index since March of this year. It is, however, attributable almost entirely to institutional investors, who still have large amounts of liquidity at their disposal. Private investors on the other hand remained cautious, preferring low-risk products such as bonds, guarantee funds, or guarantee certificates. They completely missed out on the returns that could have been theirs in the last months. But all in all there was a perceptible upswing in order activities – even if trading turnover was still well below that of 2007/2008. Against this background, mwb fairtrade's current quarterly results can be considered a success by all means.

## Segment change of mwb fairtrade's share

In line with the current trend on the stock exchanges, our share closed the quarter on September 30, 2009 at a persuasive € 2.99. In the days following this, the share price rose as high as € 4.45 – the highest it has been in one year – and is actually listed at € 3.28. The percentage increase in the past months is approximately equivalent to that of the DAX. Another sign of the growing stability of our share is the revived interest of institutional investors. For example, the Süddeutsche Wertpapierhandel AG reported to us on October 5, 2009 that with a 3.01% voting-right interest in mwb fairtrade it had exceeded the three-percent threshold, thus making it subject to reporting requirements.

In order to become even more attractive to investors in small and mid caps, and to facilitate the tradeability of our own share, we have decided to change the stock exchange segment. Up to this time, our share had been listed on the regulated market of the Munich Stock Exchange. In an ad hoc notice of August 24, 2009, mwb fairtrade announced that it had filed an application for admission to the market segment M:access within the regulated unofficial market of the Munich Stock Exchange. The application was accepted by the Munich Stock Exchange on October 19, 2009, which means that nothing now stands in the way of the segment change in November. A few weeks prior to this, mwb fairtrade had already withdrawn from the Prime Standard of the Deutsche Börse. But after weighing all the pros and cons, parting with the Prime Standard and changing to the regulated unofficial market seemed to be the only rational solution.

The cost-benefit ratio proved uneconomical for a company of our size – especially the reporting obligations and the accounting requirements. Preparing the balance sheet pursuant to the mandatory International Financial Reporting Standards (IFRS) not only generated high costs but was often met with incomprehension. The large discrepancies between IFRS results and HGB (German Commercial Code) results produced a distorted picture, which – justifiably – could not be understood by many shareholders. The cleft between the two balance-sheet results grew even wider after the merger with FAIRTRADE FINANCE AG. The amortization of intangible as-

# Consolidated Interim Management Report

sets that had to be formed pursuant to IFRS caused, as per September 30, 2009, a discrepancy with HGB results of EUR 720,000. This was a situation that was no longer acceptable, which helped pave the way for the switch to M:access.

The stock corporations in M:access prepare their balance sheets pursuant to HGB accounting principles. This provides their shareholders with a transparent and undistorted picture of their company's situation. Another advantage of this market segment is the fact that it was established specifically for small and mid-sized issuers such as mwb fairtrade. The aim of the Munich Stock Exchange was to facilitate market entry for smaller companies under reasonable conditions and reduced expenditures. Particularly private and smaller institutional investors – our main target group – are offered a better orientation in the complex activities of the stock exchange. This is augmented by the fact that the issuers on M:access present themselves as a unified unit using a common marketing strategy. Taking all these plus points into account, our decision to switch to the regulated unofficial market can clearly be understood. Although the transparency requirements may be less stringent than those of the regulated market, they are nevertheless sufficient. We will continue in future to provide our shareholders – in a timely fashion and with the candour and clarity they are accustomed to – with all the relevant information about the company.

## 2. The Business Situation

The information contained in the balance sheet and all other key figures in respect of the 3rd quarter 2009 are fully comparable to those of the same period of the past year, FAIRTRADE FINANCE AG having already been included in the consolidated financial statements of mwb AG in the first half of 2008.

### Securities Trading

It was gratifying to see that the upwards trend on the German stock exchanges manifested itself in our core division, Securities Trading. Commission income in Q3 2009 was higher than in the two previous quarters, and even trading profits rose. Although turnover still lagged far behind that of the previous year, Securities Trading affirmed its exceptional position in our company. Order – book management for equities, open-ended investment funds, and bonds generated around 95% of total consolidated earnings and nearly all of the trading

profits of mwb fairtrade as at September 30, 2009. Only in net commission income did the two other divisions, “Capital Markets” and “Private Clients”, make a notable contribution.

We were once again able to increase the number of order books managed in comparison to the first half of 2009. At the current time, 6,286 equities (+1,326), 2,718 funds (+493), and 5,681 bonds (+745) are being managed by us. This increment of more than 2,500 order books is one of the many positive effects of our merger last year. It also reflects our rising status on the Frankfurt Stock Exchange. mwb fairtrade has been admitted there since October 12, 2009 as a specialist for equities in the electronic trading system Xetra. This specialist model on Xetra was introduced by the Deutsche Börse to increase the attractiveness of small and mid caps at this trading facility. Since it is modelled along the lines of order – book management, our experience and our competence in this area can be put to full use.

### Capital Markets

Despite the upswing on the stock markets and positive economic forecasts, the capital markets business in Germany remains a concern. Corporate bonds are the only things that are still being subscribed to in any major way at the present time. For mwb fairtrade, which has specialized in capital increases, listings, and IPO's, there was therefore very little room for manoeuvre. In the first nine months of 2009, this division contributed a total of around 2% to consolidated earnings and 6% to net commission income. The slight increase in comparison to the first half of the year is explained by the increase in our mandates in designated sponsoring. We succeeded in winning five new mandates here. This now gives us a total (including our own share) of twelve listed companies for whom we set the prices and secure liquidity – the largest number since the introduction of this business division.

### Private Clients

mwb fairtrade engages in private asset management through its majority interest in MWB Baden GmbH. As at September 30, 2009, our Offenburg based subsidiary managed assets totalling € 28 million. The assets remained nearly unchanged in the 3rd quarter of 2009 – a sign that no further outflows of cash are to be feared. The contribution to earnings also remained unchanged, amounting to 10% of commission income

# Consolidated Interim Management Report

and 3% of total earnings. Since the private banking market is continuing to grow on the whole, and especially since top-quality advising and personalized service are very much in demand, we are expecting a slightly increasing trend in this area by the year end.

## 3. Earnings

### Net commission income and trading profits

Due to low turnover on the stock exchanges, net commission income at mwb fairtrade AG dropped markedly. It stood at EUR 4,621 thousand from Q1 to Q3 2008, dropping to EUR 3,379 thousand from Q1 to Q3 2009. But with an increase of 24%, trading profits performed altogether differently. Compared to the same period in the previous year, it rose by EUR 1,536 thousand to a total of EUR 7,954 thousand. The inconsistent development of commission income and trading profits can be explained by the current volatility of the stock markets. The price fluctuations raised the number of transactions and therefore the balance of all trading activities as well.

### General administrative expenses

Even in a phase in which extensive investments were needed to expand the trading infrastructure, mwb fairtrade still managed to keep costs under control. This can be seen most clearly in a balance – sheet comparison pursuant to IFRS and HGB. Pursuant to HGB accounting standards, which will apply to mwb fairtrade in the future, general administrative expenses dropped slightly as compared to the same period in the previous year. Only pursuant to IFRS was there an increase from EUR 8,260 thousand to EUR 8,531 thousand. The reason for this is the amortization of intangible assets of FAIRTRADE FINANCE AG, which will no longer appear on the next balance sheet. Had we not been forced to invest in costly IT systems, our expenses pursuant to HGB would even have been much lower. The modernization of our trading support systems is, however, absolutely necessary, because the trading infrastructure required on the stock exchanges on which we operate is prescribed by the respective operators. Whoever wants to remain competitive here must continually invest in the latest technology.

The recovery of the financial markets was felt immediately in the area of personnel expenses. Because of our performance-based remuneration model, personnel expenses rose in the

1st to the 3rd quarter of 2009 to EUR 5,042 thousand. This represents a plus of 21% as compared to the same period last year. As of September 30, 2009, mwb fairtrade had a staff of 74 employees and therefore five more than in September 2008.

### Earnings from ordinary activities

The improvement to market conditions in the 2nd and 3rd quarters of 2009 was unfortunately not enough to make up for the significant losses in the first quarter of 2009. On the balance, earnings from ordinary activities as at September 30, 2009 stood at EUR -1,324 thousand. In the same time period of the previous year – before the peak of the financial crisis – this stood at EUR -401.

### Net loss for the year

In line with earnings from ordinary activities, mwb fairtrade recorded a net loss for the year of EUR -1,075 thousand as at September 30, 2009. This is at least a minimal improvement over the figures for the first half of 2009 (EUR -1,089 thousand).

## 4. Financial Position

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

### Equity

As at September 30, 2009, the company's equity totalled € 28.3 million as compared to € 29.3 million at the close of 2008. This slight decline is roughly equivalent to the net loss for the year and does nothing to detract from the exceptionally comfortable equity situation. An equity ratio of 83% still remains well above the branch average.

### Liquidity

The same can be said for the liquidity situation of mwb fairtrade as for the equity base: it is extremely secure and provides us with enough leeway for further growth. The balance of receivables from and liabilities to banks as at September 30, 2009 was € 12.9 million as opposed to € 14.7 million at the close of 2008.

# Consolidated Interim Management Report

## Total assets

As at September 30, 2009, the total assets of mwb fairtrade amounted to € 32.3 million compared to € 35.2 million on December 31, 2008.

## 5. Other Information

With respect to the legal and organizational structure of mwb fairtrade Wertpapierhandelsbank AG, to the essential features underlying the remuneration system for the Managing and Supervisory Boards, and to the statements made pursuant to Section 315 (4) 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.

For German securities trading banks – and therefore for mwb fairtrade AG as well – the coming months will show whether the upward trend of the 3rd quarter of 2009 will continue. The chances for this are good: the financial crisis appears to be coming to an end and institutional investors are returning in droves to the stock exchanges. Although they have obtained top returns in the past months, there is still no reason to be euphoric.

The fragile balance of powers is still highly unstable, and confidence in the various possibilities and opportunities that the capital markets have to offer will only return gradually – and will only do so if all of the participating stakeholders act rationally. Just how the situation in 2010 will turn out depends to a large degree on what the financial sector makes of its “second chance”. mwb fairtrade – as an intermediary between the investors and the issuers – relies heavily on a healthy, transparent and trustworthy sector. This is especially so in light of the important strategic decisions that are expected to come in the next months and years. Tough competition amongst the regional exchanges, battled out through price and market models, is forcing securities trading banks to upgrade their technology and expand their portfolios. With the FAIRTRADE merger, we have come a long way in doing this already and have improved our market position. Our participation in the new specialist model of the Frankfurt Stock Ex-

change and the admission as a market maker on the soon-to-begin Tradegate Stock Exchange in Berlin are both a consequence of this. We will be the sole specialist of open-ended investment funds there. mwb fairtrade is therefore well equipped to meet the challenges of 2010. Nevertheless, returning as quickly as possible to the profit zone remains our overriding goal.

## 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

# Consolidated Interim Management Report

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.

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

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 Wert-

papierhandelsbank 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. 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.

# Consolidated Interim Management Report

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, November 2009  
The Managing Board

# Consolidated Balance Sheet according to International Financial Reporting Standards

as of September 30, 2009

## Assets

	09/30/2009 EUR	12/31/2008 EUR
Cash reserve	4,021.27	2,819.89
Receivables from banks	13,647,316.64	15,384,169.56
Receivables from clients	842,884.14	1,457,608.41
Assets held for dealing purposes	2,084,275.86	2,293,931.62
Financial assets	2,455,087.03	2,477,979.42
Intangible assets	8,831,337.24	9,295,449.74
Property, plant and equipment	691,249.87	686,638.00
Income tax assets	2,806,918.01	2,841,258.90
Other assets	956,901.95	721,093.14
<b>Total assets</b>	<b>32,319,992.01</b>	<b>35,160,948.68</b>

## Liabilities

	09/30/2009 EUR	12/31/2008 EUR
Liabilities to banks	729,552.91	629,314.93
Liabilities from dealing activities	192,675.39	477,703.50
Provisions	0.00	0.00
Income tax liabilities	1,664,325.01	1,845,690.14
Other liabilities	1,455,303.26	2,957,678.12
<b>Equity</b>	<b>28,278,135.44</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	7,658,084.20	8,279,657.46
Revaluation surplus	0.00	0.00
Depreciation of own shares	-2,032,817.01	-2,135,673.70
Unappropriated profit	2,425,622.50	2,881,268.69
Minority interest	114,081.17	112,144.96
<b>Total liabilities and equity</b>	<b>32,319,992.01</b>	<b>35,160,948.68</b>

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

for the Period from January 1 to September 30, 2009

	01/01/-09/30/2008 EUR	01/01/-09/30/2007 EUR
Interest income	173,141.38	431,240.30
Interest expenses	-2,440.88	-13,117.21
<b>Net interest income</b>	<b>170,700.50</b>	<b>418,123.09</b>
Commission income	5,150,018.36	5,651,767.50
Commission expenses	-1,771,466.11	-1,030,320.94
<b>Net commission income</b>	<b>3,378,552.25</b>	<b>4,621,446.56</b>
Trading income	31,083,735.34	32,716,562.79
Trading expenses	-23,129,890.83	-26,298,427.02
<b>Trading profit</b>	<b>7,953,844.51</b>	<b>6,418,135.77</b>
<b>Net income from financial assets</b>	<b>289,587.12</b>	<b>533,058.70</b>
Administrative expenses	-13,572,909.63	-12,436,004.45
Balance of other income / expenses	456,654.94	44,149.24
<b>Profit from ordinary activities</b>	<b>-1,323,570.31</b>	<b>-401,091.09</b>
Income taxes on profit from ordinary activities	248,287.07	102,072.60
<b>Net profit</b>	<b>-1,075,283.24</b>	<b>-299,018.49</b>
Minority interest of net profit	-1,936.21	-16,908.37
<b>Net profit without minority interest</b>	<b>-1,077,219.45</b>	<b>-315,926.86</b>
Profit carried forward from previous year	2,881,268.69	235,458.78
Withdrawal from capital reserves	0.00	0.00
Transfer to retained earnings	621,573.26	2,103,745.72
<b>Unappropriated profit</b>	<b>2,425,622.50</b>	<b>2,023,277.64</b>
Earnings per share		
Diluted earnings per share	-0.15	-0.04
Basic earning per share	-0.15	-0.04

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

Quarter-by-quarter comparison

	3 <sup>rd</sup> Quarter 2009 EUR	3 <sup>rd</sup> Quarter 2008 EUR
Interest income	36,927.86	94,880.50
Interest expenses	-1,952.35	-5,014.25
<b>Net interest income</b>	<b>34,975.51</b>	<b>89,866.25</b>
Commission income	1,945,977.39	1,755,385.46
Commission expenses	-615,083.43	-323,531.86
<b>Net commission income</b>	<b>1,330,893.96</b>	<b>1,431,853.60</b>
Trading income	12,040,367.52	9,054,511.04
Trading expenses	-8,857,543.35	-8,039,050.93
<b>Trading profit</b>	<b>3,182,824.17</b>	<b>1,015,460.11</b>
<b>Net income from financial assets</b>	<b>0.00</b>	<b>0.00</b>
Administrative expenses	-4,683,252.86	-3,681,024.88
Balance of other income / expenses	72,123.14	-36,309.48
<b>Profit from ordinary activities</b>	<b>-62,436.08</b>	<b>-1,180,154.40</b>
Income taxes on profit from ordinary activities	76,110.76	487,558.08
<b>Net profit</b>	<b>13,674.68</b>	<b>-692,596.32</b>
Minority interest of net profit	-7,441.77	-2,744.05
<b>Net profit without minority interest</b>	<b>6,232.91</b>	<b>-695,340.37</b>
Profit carried forward from previous year	0.00	-2,092,734.00
Withdrawal from capital reserves	179,133.70	535,046.66
<b>Unappropriated profit</b>	<b>185,366.61</b>	<b>-2,253,027.71</b>

# Statement of Changes in Equity

for the Period from January 1 to September 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 September 30	7,474	7,474
<b>Capital reserves</b>		
As of January 1	12,639	3,945
Change	0	8,694
As of September 30	12,639	12,639
<b>Retained earnings</b>		
As of January 1	8,280	10,589
Change	-622	-2,104
As of September 30	7,658	8,485
<b>Revaluation surplus</b>		
As of January 1	0	-4
Change	0	-58
As of September 30	0	-62
<b>Own shares</b>		
As of January 1	-2,136	-4,516
Change	103	2,450
As of September 30	-2,033	-2,066
<b>Consolidated profit</b>		
As of January 1	2,881	2,328
Change in unappropriated profit	-456	-305
As of September 30	2,425	2,023
<b>Minority interest</b>		
As of January 1	112	217
Change	2	17
As of September 30	114	234
<b>Equity as of September 30</b>	<b>28,278</b>	<b>28,727</b>

# Consolidated Cash Flow

for the Period from January 1 to September 30, 2009

	01/01–09/30/20089 TEUR	01/01–09/30/2008 TEUR
<b>Consolidated net profit</b>	-1,077	-316
<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	858	628
Profit from sale of property, plant and equipment	0	58
Loss from disposal of intangible assets	0	4
Loss from the sale of financial assets	0	0
Change in minority interest	2	17
Increase in bank collateral	0	0
Other adjustments (balance)	-606	2,762
	-823	3,153
<b>Change in assets and liabilities from operating activities</b>		
Change in receivables from customers	615	58
Change in trading position	-75	-185
Change in other assets from operating activities	-202	-1,410
Change in other liabilities from operating activities	-1,685	2,590
Interest received	495	562
Interest paid	-111	-35
Received income tax	-25	-1,229
<b>Cash flow from operating activities</b>	<b>-1,811</b>	<b>3,504</b>
	0	1,545
Proceeds from disposal of financial assets	0	65
Proceeds from disposals of property, plant and equipment	0	2
Investments in property, plant and equipment	-159	-9,823
Investment in tangible fixed assets	-212	-546
Investment in financial assets	0	-157
Change in cash flow from other investing activities	292	533
<b>Cash flow from investing activities</b>	<b>-79</b>	<b>-8,381</b>
Net-change in purchases and sales of own shares	53	-223
Dividends paid	0	-2,093
Earnings from capital increase	0	11,185
<b>Cash flow from financing activities</b>	<b>53</b>	<b>8,869</b>
<b>Change in cash and cash equivalents</b>	<b>-1,837</b>	<b>3,992</b>
Cash and cash equivalents at beginning of the period	6,848	3,096
Cash flow from operating activities	-1,811	3,504
Cash flow from investing activities	-79	-8,381
Cash flow from financing activities	53	8,869
Cash and cash equivalents at end of period	5,011	7,088

# Notes

## Explanatory notes to the consolidated quarterly financial statements

The mwb fairtrade Group has prepared its consolidated financial statements as at September 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 at September 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 7,000 treasury shares. A total of 35,992 shares were purchased and 88,992 shares were sold between January and September 2009. The average acquisition price was € 2.37, the average selling price was € 2.29.

The existing stock of treasury shares has a nominal value of € 7,000 and represents 0.1% of share capital.

## Earnings per Share

The undiluted earnings per share, which are the same as the diluted earnings per share, as at September 30, 2009 amounts to € 0.15 (previous year € 0.04).

# Segment Reporting

as of September 30, 2009

	09/30/2009 TEUR
<b>Securities Trading</b>	
Net interest income	0
Net commission income	2,841
Trading profit	7,982
Net profit from financial assets	0
Direct appropriation of administrative expenses	8,491
Balance of other operating income / expenses	0
Result after direct appropriation of administrative expenses	2,332
Indirect appropriation of administrative expenses	3,462
Profit from ordinary activities	-1,130
Assets	22,109
<b>Capital Markets</b>	
Net interest income	0
Net commission income	195
Trading profit	-28
Net profit from financial assets	0
Direct appropriation of administrative expenses	297
Balance of other operating income / expenses	0
Result after direct appropriation of administrative expenses	-130
Indirect appropriation of administrative expenses	214
Profit from ordinary activities	-344
Assets	1,525
<b>Private Clients</b>	
Net interest income	8
Net commission income	343
Trading profit	0
Net profit from financial assets	0
Direct appropriation of administrative expenses	376
Balance of other operating income / expenses	31
Result after direct appropriation of administrative expenses	6
Indirect appropriation of administrative expenses	0
Profit from ordinary activities	6
Assets	1,198
<b>Consolidation / Other</b>	
Net interest income	163
Net commission income	0
Trading profit	0
Net profit from financial assets	290
Direct appropriation of administrative expenses	650
Balance of other operating income / expenses	426
Result after direct appropriation of administrative expenses	229
Indirect appropriation of administrative expenses	0
Profit from ordinary activities	229
Assets	7,488
<b>Group</b>	
Net interest income	171
Net commission income	3,379
Trading profit	7,954
Net profit from financial assets	290
Direct appropriation of administrative expenses	9,814
Balance of other operating income / expenses	457
Result after direct appropriation of administrative expenses	2,437
Indirect appropriation of administrative expenses	3,676
Profit from ordinary activities	1,239
Assets	32,320

# Notes

## **Undertaking by the Legal Representative (Responsibility Statement)**

“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.”

Gräfeling, November 2009.

The Managing Board



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

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