



cash.life

Final figures Q1/2008
09 May 2008



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A | **Final Figures Q1/2008**



Q1/2008 Highlights

Operating cash burn has been stopped thanks to massive cost reductions

Sales revenues slightly higher

Stated net loss primarily due to value losses of derivatives

Downward trend in purchasing volume since mid 2007 continued

Trading book volume and total assets declined quarter on quarter



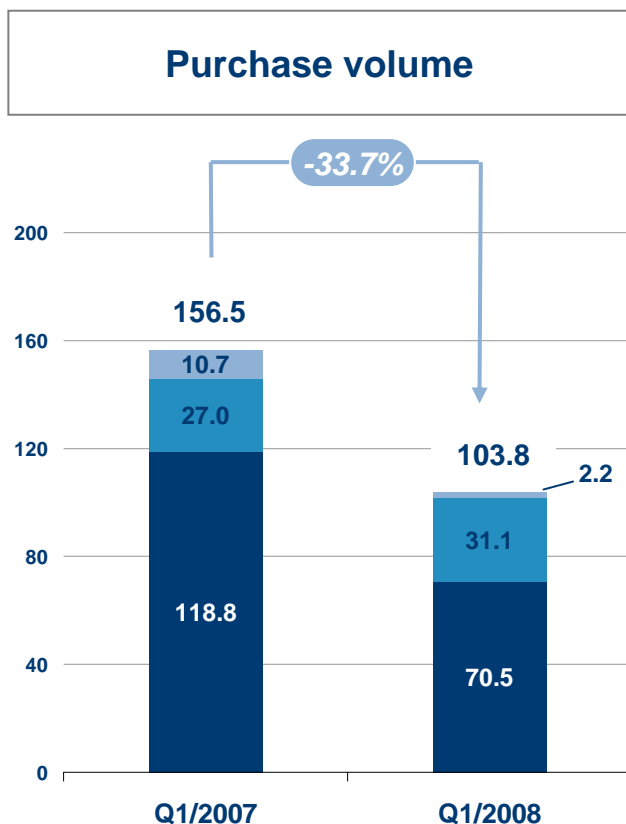
The results of Q1/2008 at a glance

IFRS [m €]	Q1/2008	Q1/2007	Change [%]
Purchase volume	103.8	156.5	-33.7
Revenues	74.3	69.7	+6.7
Thereof sales of policies	71.9	67.4	+6.8
Thereof servicing	2.1	1.7	+19.5
Thereof others	0.3	0.6	-50.0
EBIT	5.0	0.0	n.m.
Net Income	-3.6	-1.7	-111.2
Earnings per share	-0.42	-0.20	-111.2
Policies under management	2,337.2	1,809.6	+29.2
Thereof trading portfolio	418.6	361.1	+15.9
Thereof management for third parties	1,918.6	1,448.5	+32.5



Purchase volume decreased significantly

[m €]



- Policies brokered to third parties
- High volume policies
- Retail policies

Downward trend since mid 2007 continued

No marketing activities in Q4/2007 and Q1/2008 -> New online campaign started mid of April 2008

Tightened purchase criteria

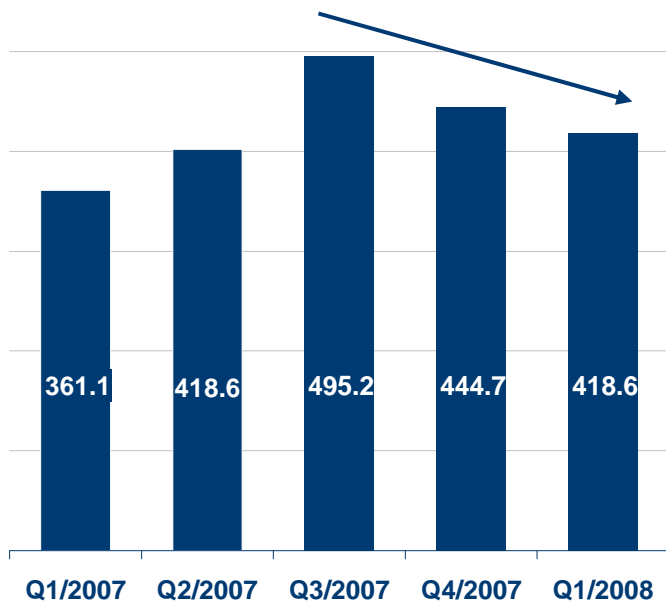
Austria: 3.6 m € purchased on own accounts and 2.2 m € brokered to third parties



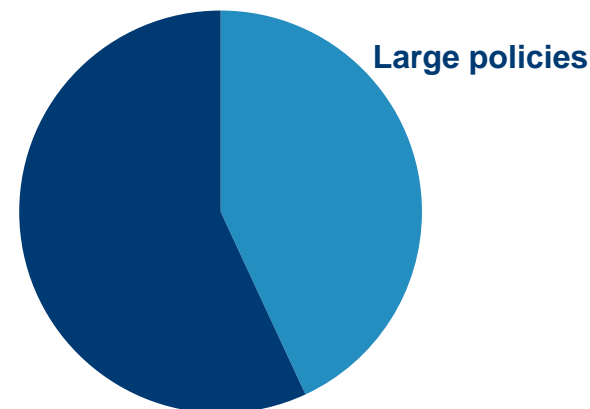
Trading book volume decreased slightly qoq, almost half of the policies are large policies

[m €]

Trading book volume



Trading book structure

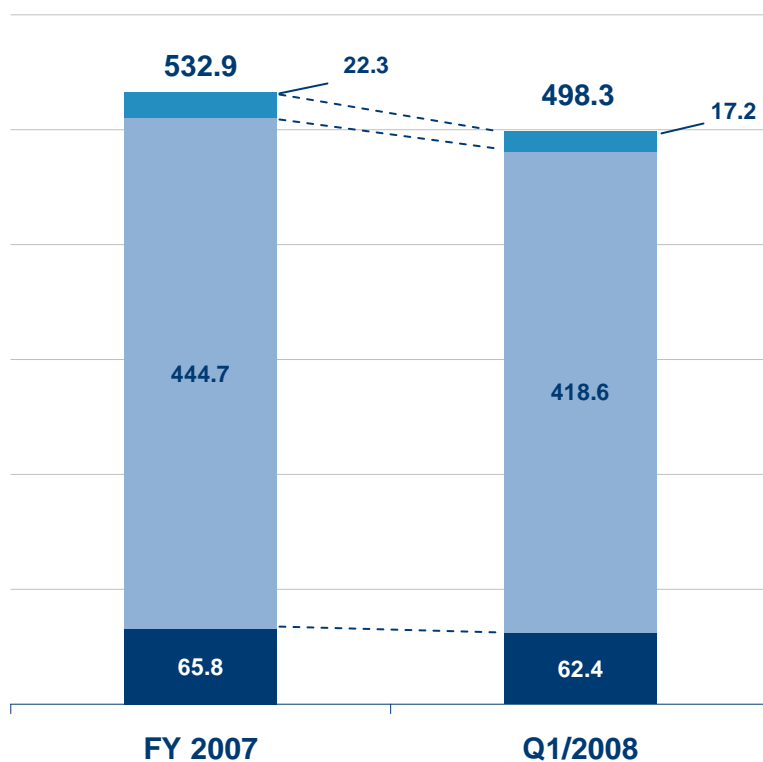




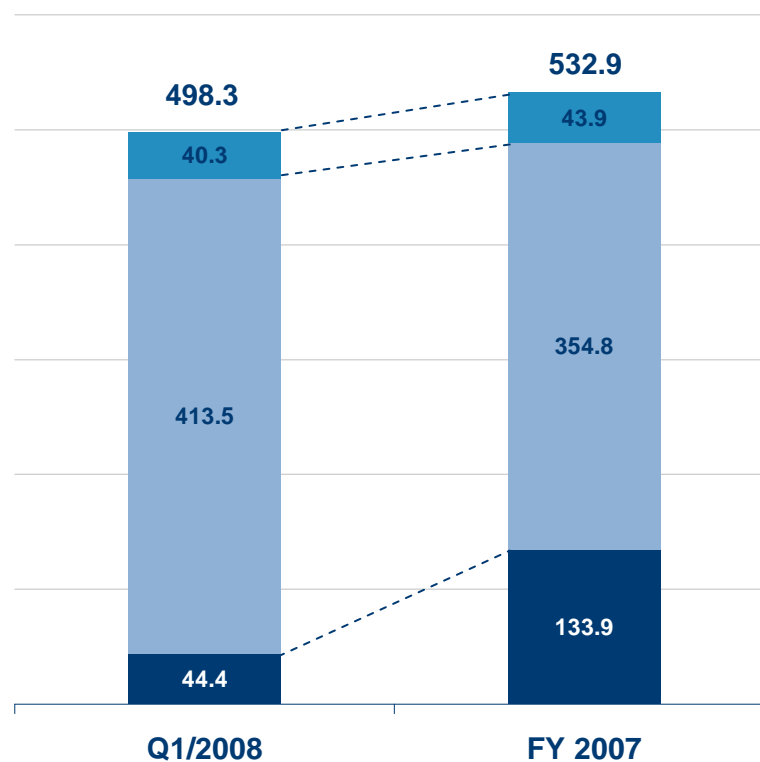
Total assets declined due to lower trading book volume

Group balance sheet [m €]

Assets



Equity & Liabilities

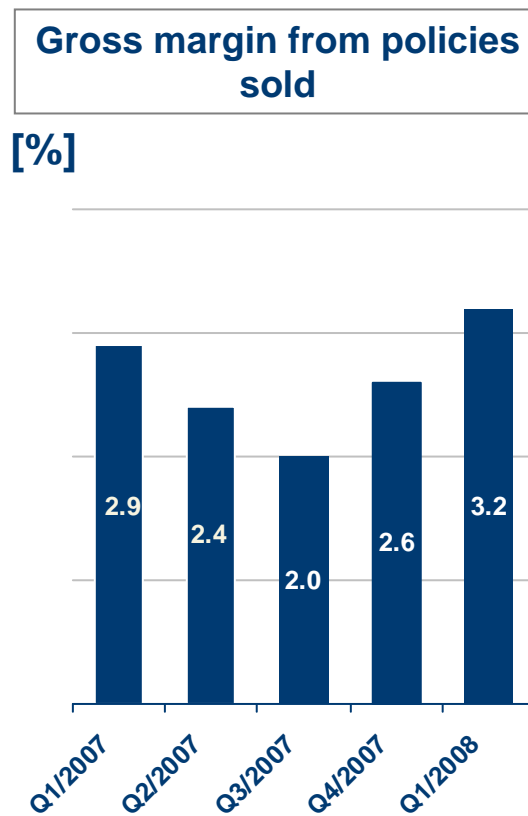
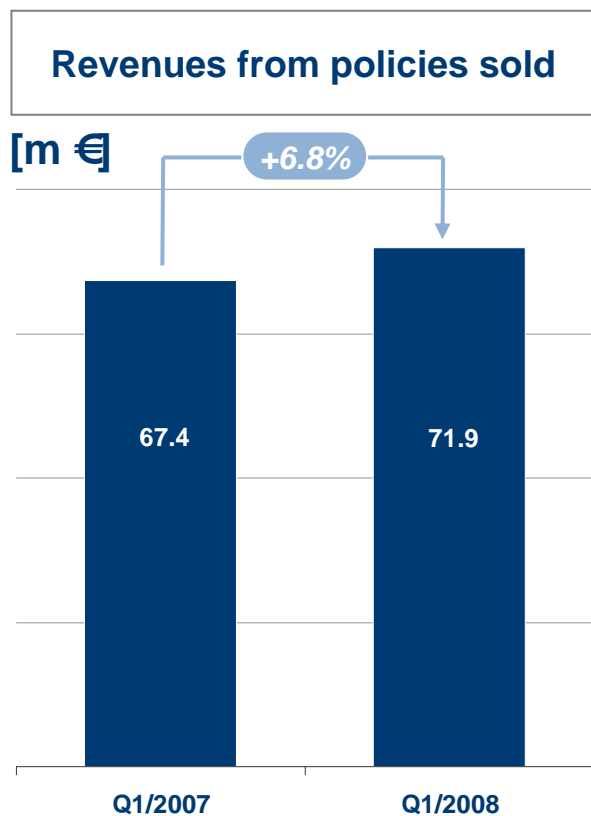


■ Non current assets ■ Trading book
■ Other current assets

■ Equity ■ Financial debt
■ Other liabilities



Revenues from policies increased slightly at a higher margin

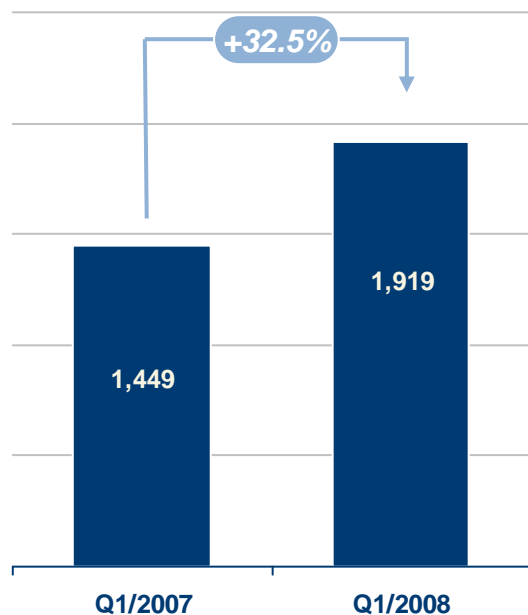




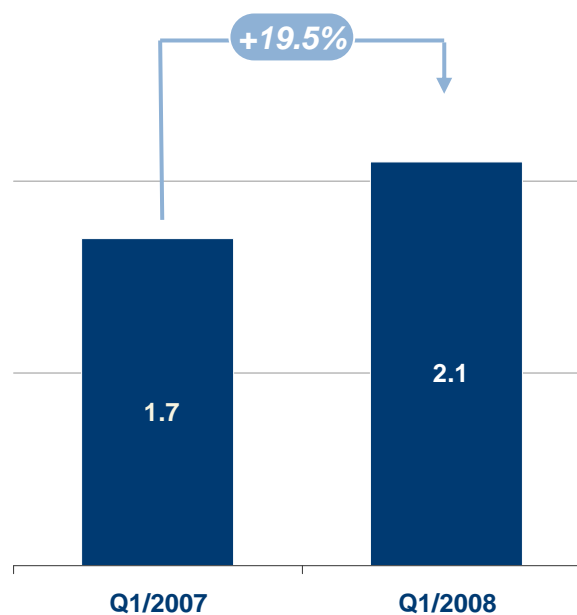
Revenues from servicing profited from increased assets under management for third parties

[m €]

Policies under management for third parties



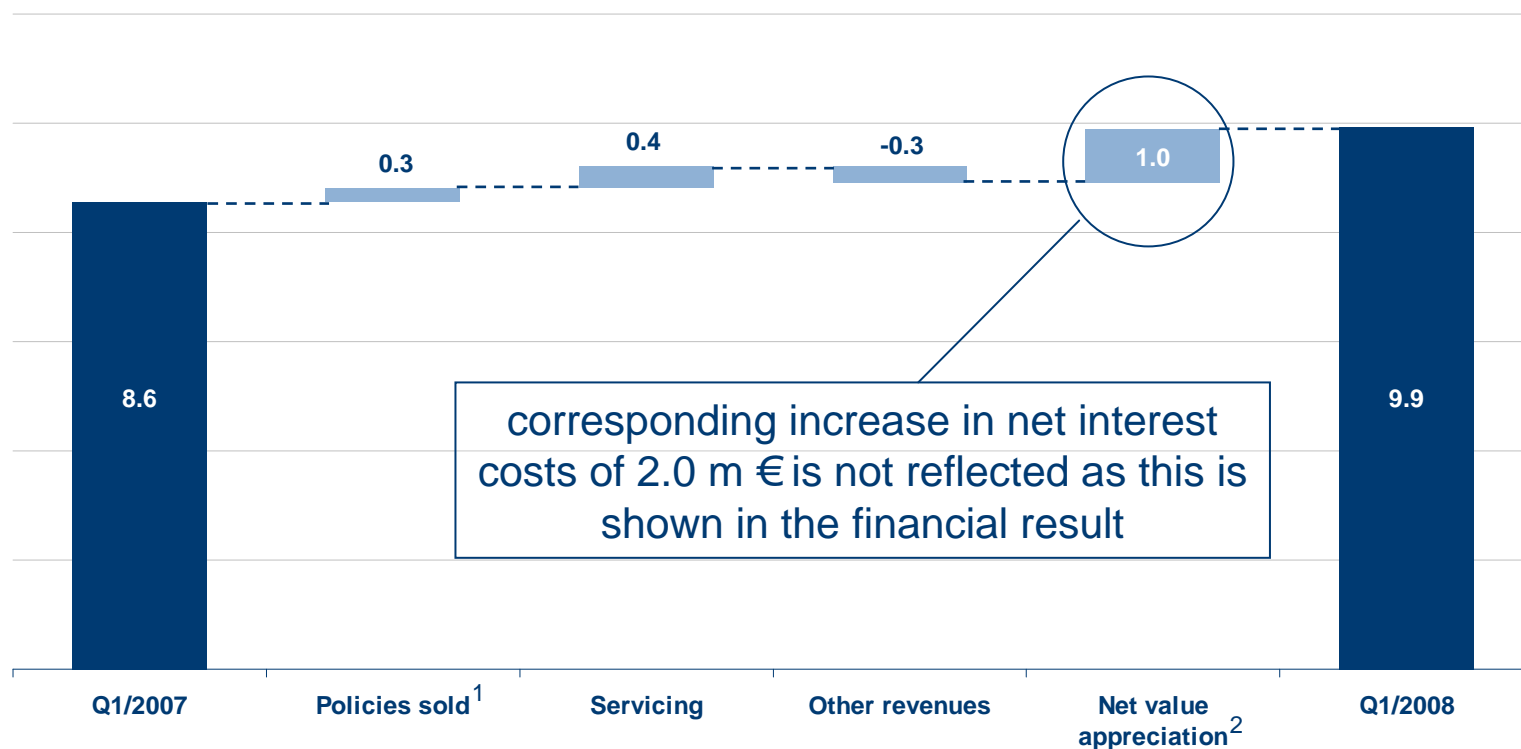
Revenues from servicing





Gross profit up 16.0% yoy – net value appreciation of trading book as main contributor

[m €]



1) „Revenues from policies sold“ less „Disposal of sold insurance contracts“

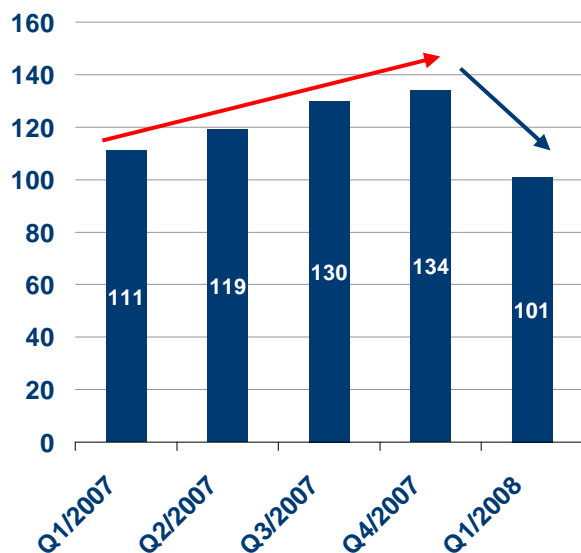
2) „Value appreciation of insurance contracts“ less „Insurance premiums“



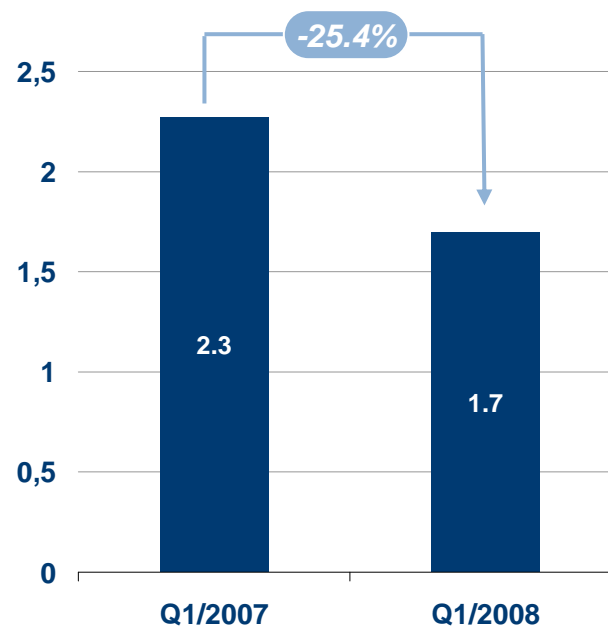
Headcount reduction programme led to significantly lower personnel expenses in Q1/2008

[m €]

Employees (average)



Personnel expenses

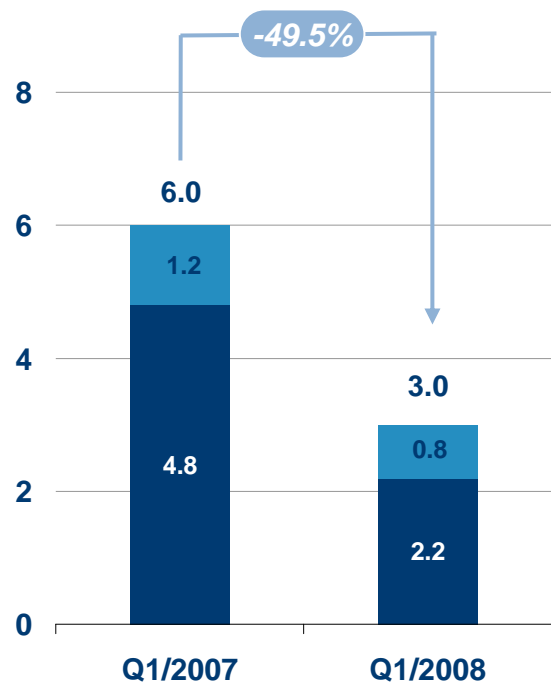




Other operating expenses almost halved yoy

[m €]

Other operating expenses



- Other operating expenses before broker commissions
- Broker commissions

Drivers:

Lower broker commissions due to decline in purchase volume

Significantly lower marketing expenses

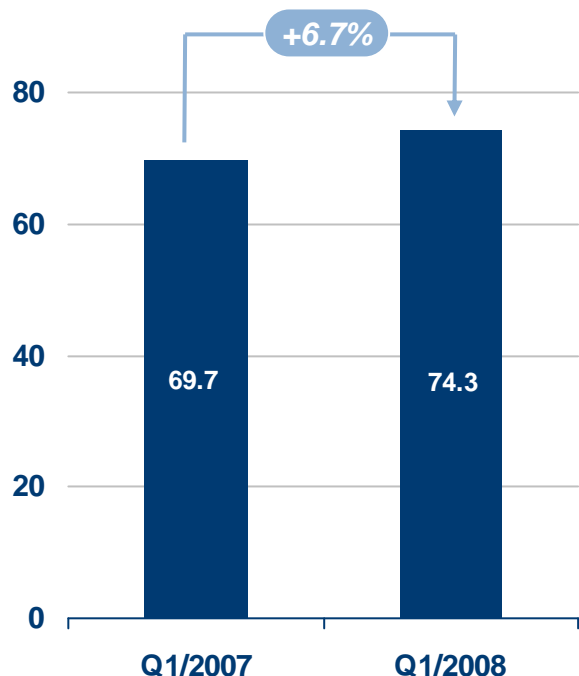
Process optimisation



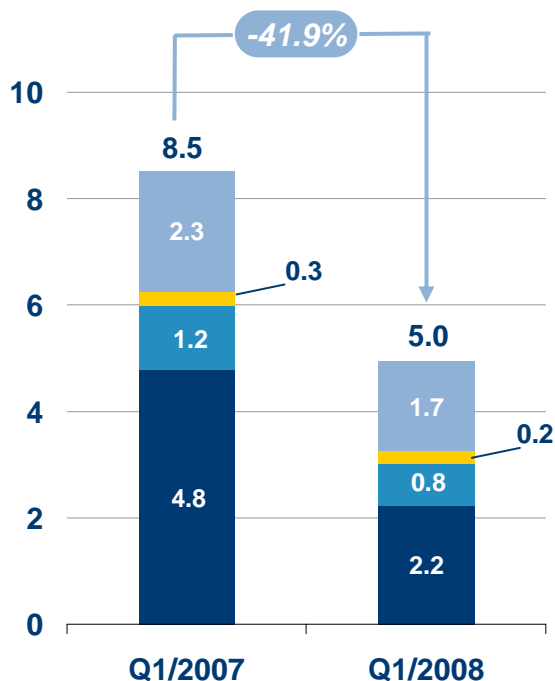
Significant decrease in operating costs reflected in strong recovery of EBIT

[m €]

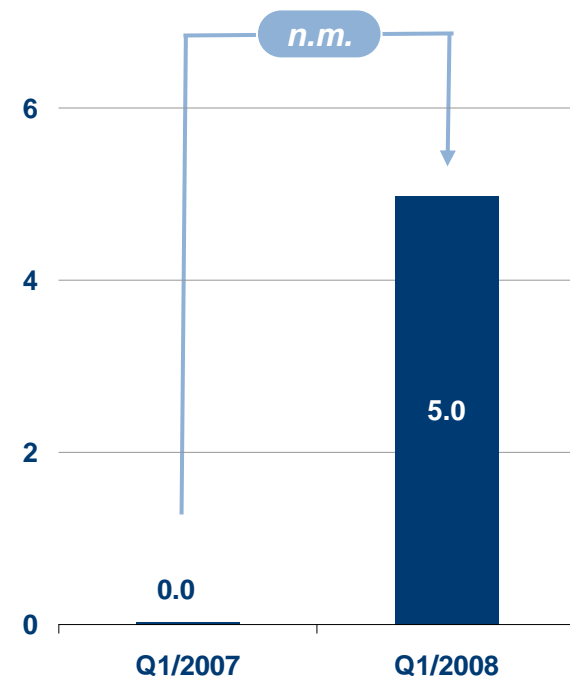
Revenues



Total operating expenses



EBIT



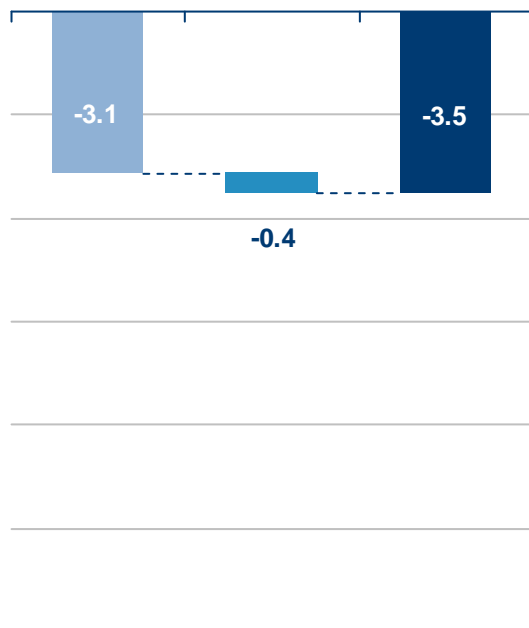
- Other operating expenses before broker commissions
- Broker commissions
- Depreciation & Amortisation
- Personnel expenses



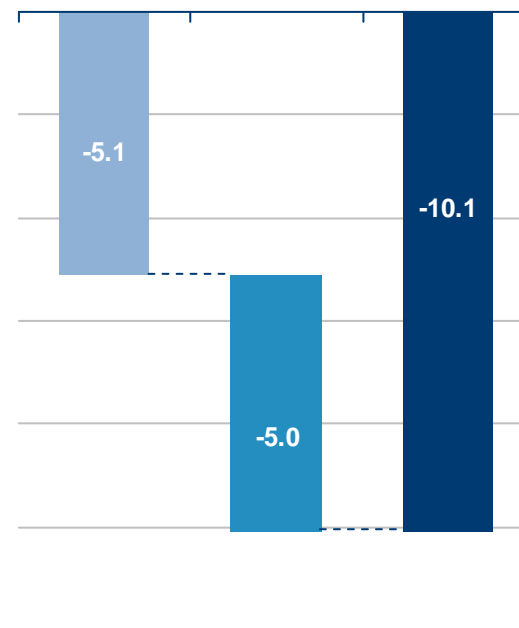
Net interest result hit by hike in interest rates and increased trading book, negative impact from derivatives

Net financial result [m €]

Q1/2007



Q1/2008



- Net Financial result
- Net interest
- Value changes of derivatives



Adjusted pretax result almost nil – high operating cash burn has been stopped

[m €]	Q1/2008	Q1/2007	Change [%]
Pretax result (EBT)	-5.1	-3.5	-48.3
One-off operating expenses	-	-	-
Value loss derivatives	+5.0	+0.4	n.m.
EBT, adjusted	-0.1	-3.1	96.8
Net income, adjusted (Tax rate @ 29%)	-0.1	-2.2	96.8
Number of Shares (average)	8,579,900	8,579,900	8,579,900
[€]			
EPS, adjusted (Tax rate @ 29%)	-0.01	-0.26	96.8

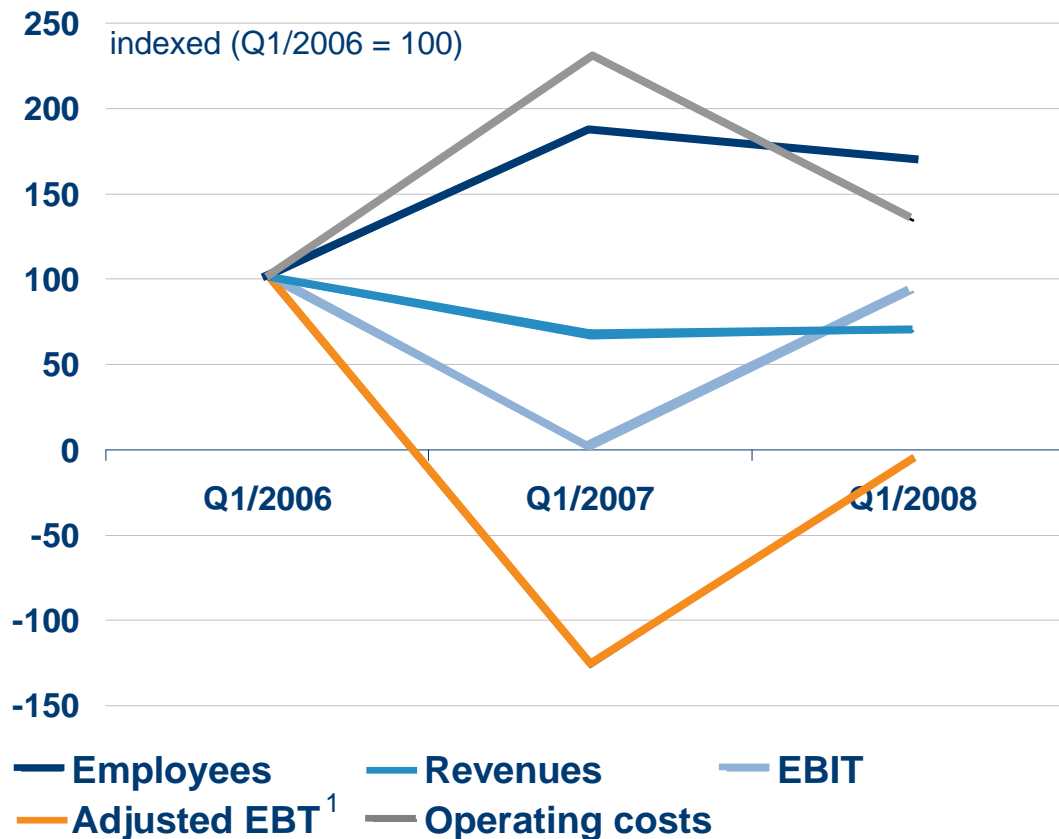


Stated net loss of 3.6 m €- primarily a consequence of value losses of our derivatives

[m €]	Q1/2008	Q1/2007	Change [%]
EBT	-5.1	-3.5	-48.3
Current taxes on income	0.0	0.0	0.0
Deferred tax	1.5	1.7	-14.2
Net income	-3.6	-1.7	-111.2
Number of Shares (average)	8,579,900	8,579,900	8,579,900
[€]			
EPS	-0.42	-0.20	-111.2



Negative trends have been stopped and reverted



1) EBT, adjusted for value gains of derivatives



B | Strategy Update / Outlook

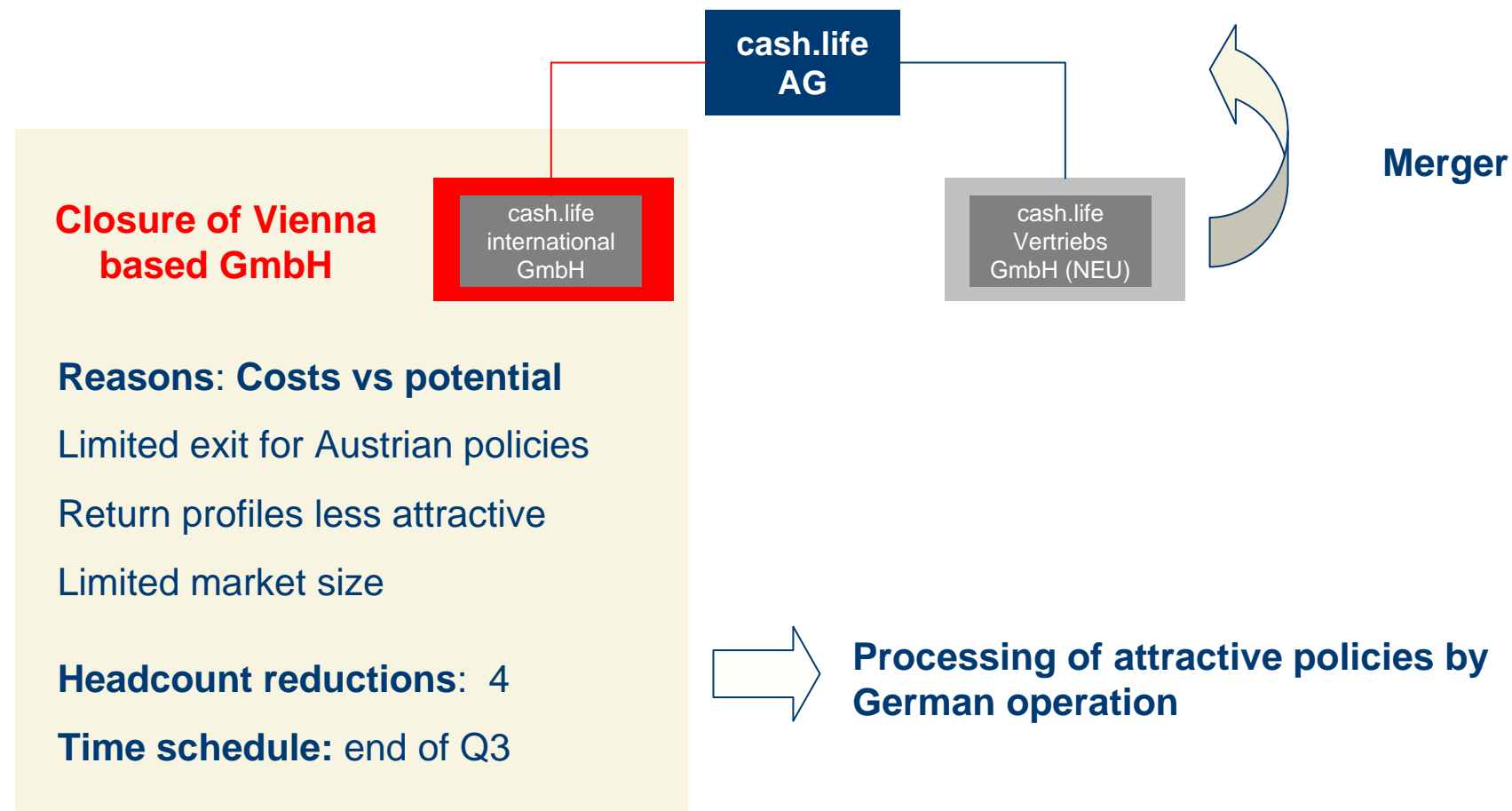


The agenda for our restructuring efforts is still unchanged

Identified problems	Announced measures
High operating costs	Massive cost-reduction, minimum 6 million Euro in 2008
Complex organisational structures	Focussing on core business, merging superfluous subsidiaries
Inefficient operating processes	Streamlining, increasing in speed, stronger automation
Inefficient Marketing / Sourcing	From costly mass advertising and relation-management to online and direct marketing
Lack of synchronisation between acquisition and sale	Selective acquisition (quality before volume), cutback of trading book
One-product company	Development of new products for institutional investors; diversification of sales channels

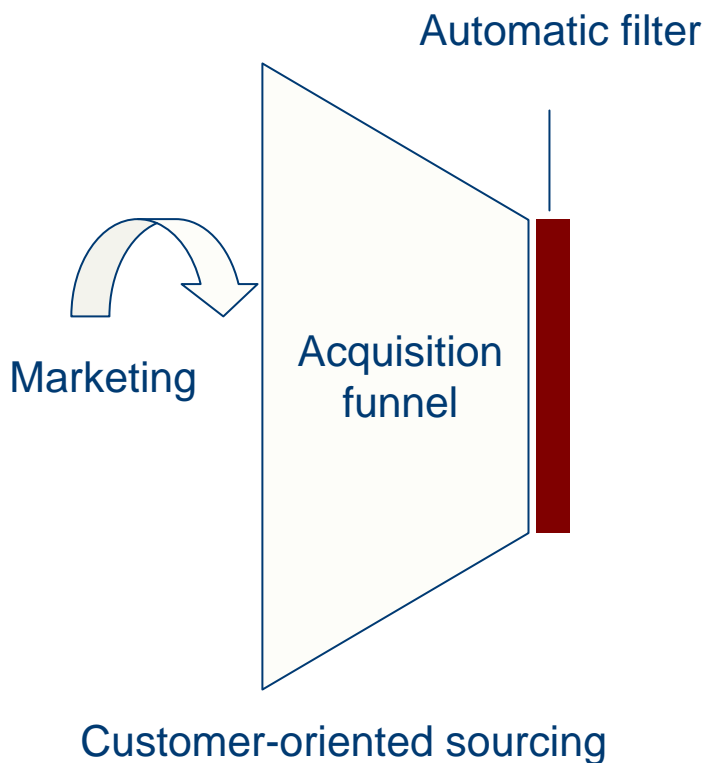


Closure of Austrian operation, termination of the corporate group structure until end of 2008





First steps of new marketing strategy in place since mid of April



Measures:

Online campaign on air since mid of April

Buildup of marketing intelligence

Tightened purchasing criteria and automatic filter

„Pitbull process“ to increase conversion rate

Insourcing of services to improve quality, simplify processes and reduce costs



Strategic challenge: Increased focus on product development

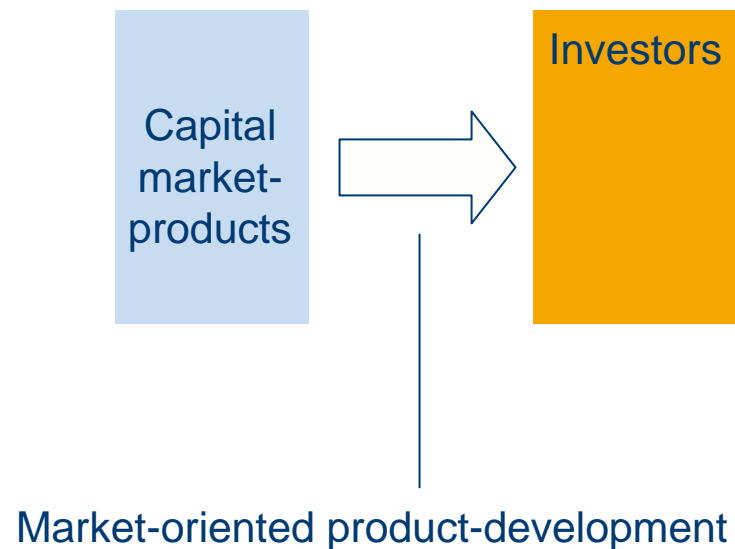
Measures:

Product development as separate responsibility with CEO as of May 2008

Systematic approach

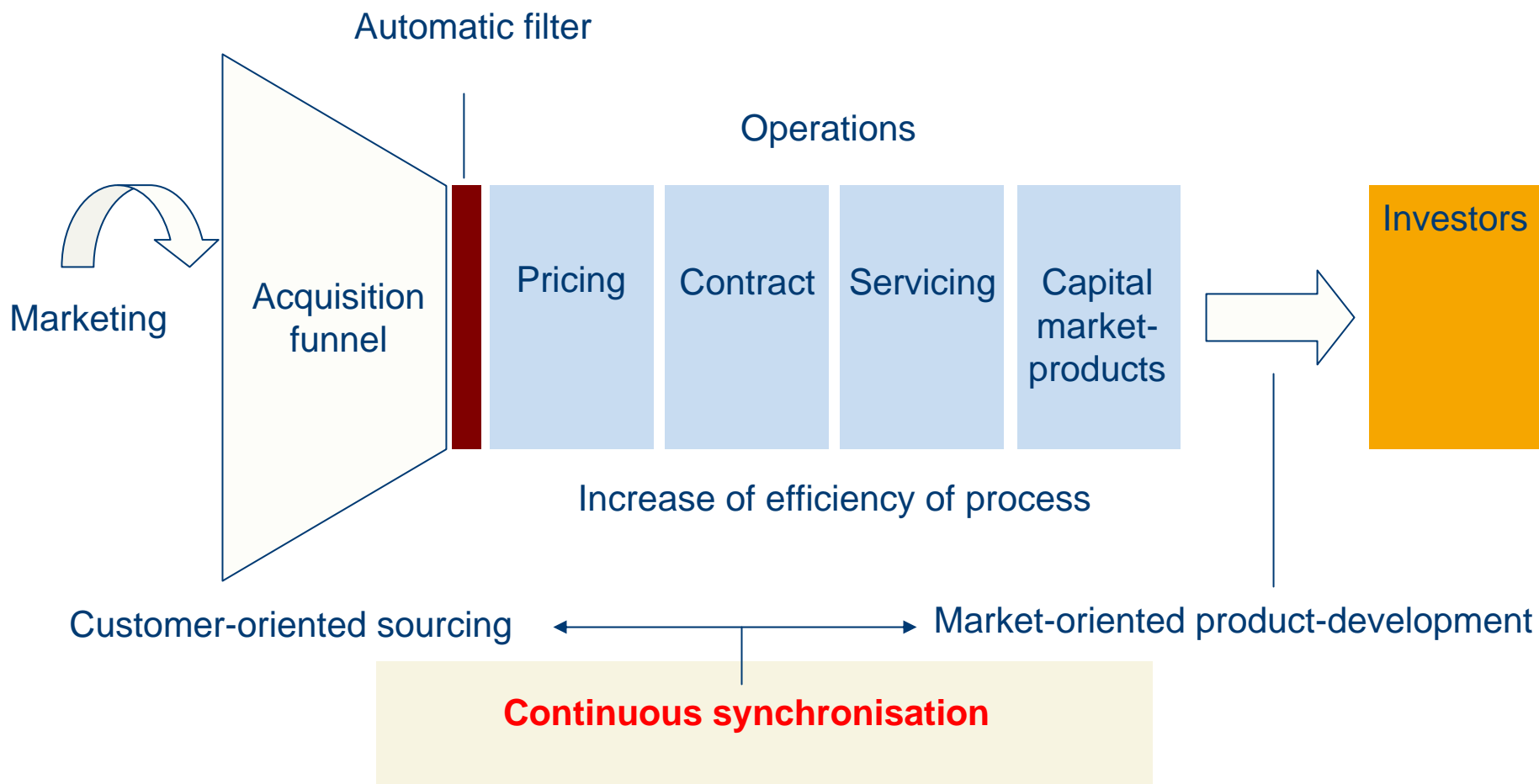
Leveraged & unleveraged structures

Decision on marketability of SICAV-product



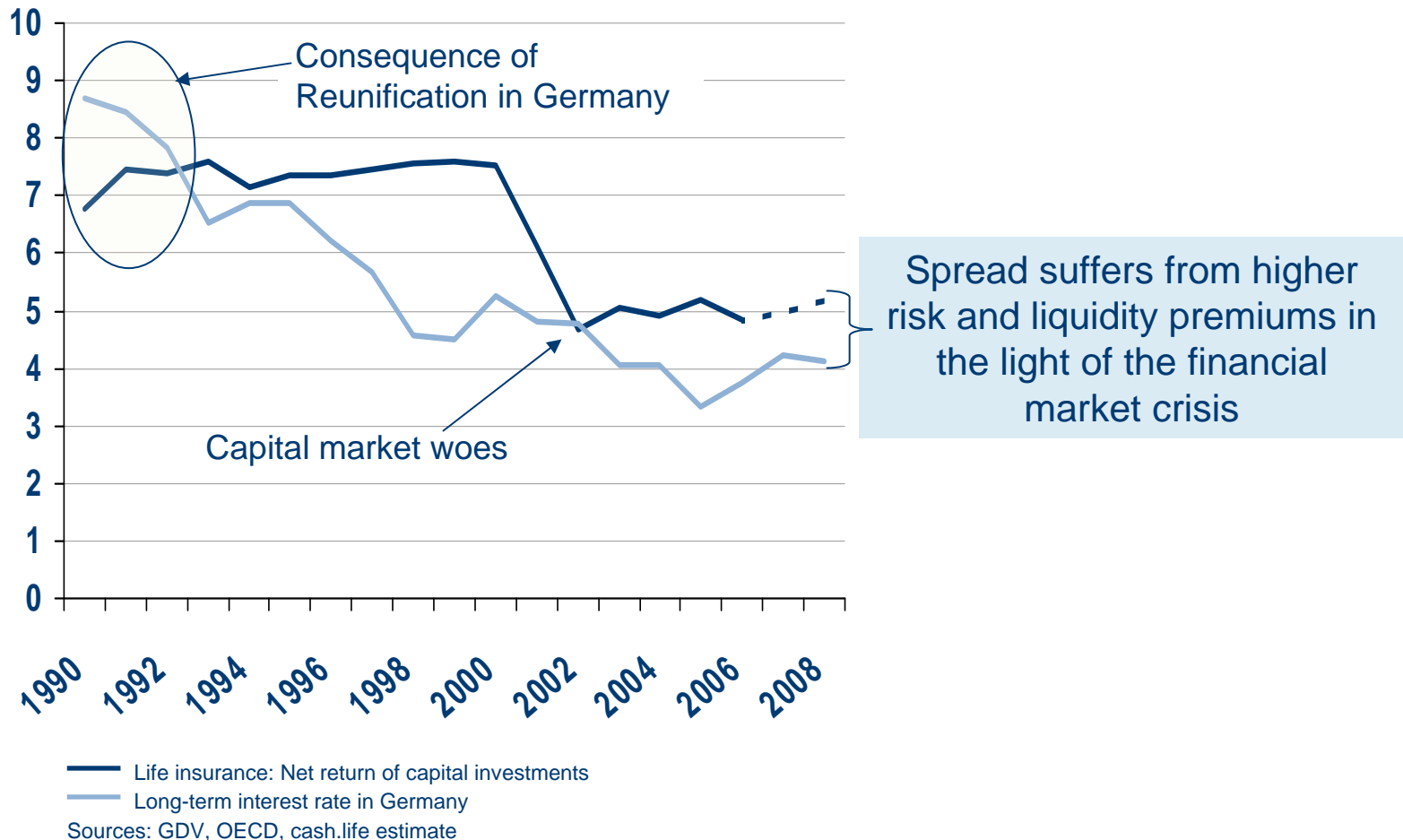


Clear responsibility for performance of our trading book





Attractiveness of traded endowment policies diminished by high risk and liquidity premiums (1)





Attractiveness of traded endowment policies diminished by high risk and liquidity premiums (2)





Adjustment of strategy to changing market environment

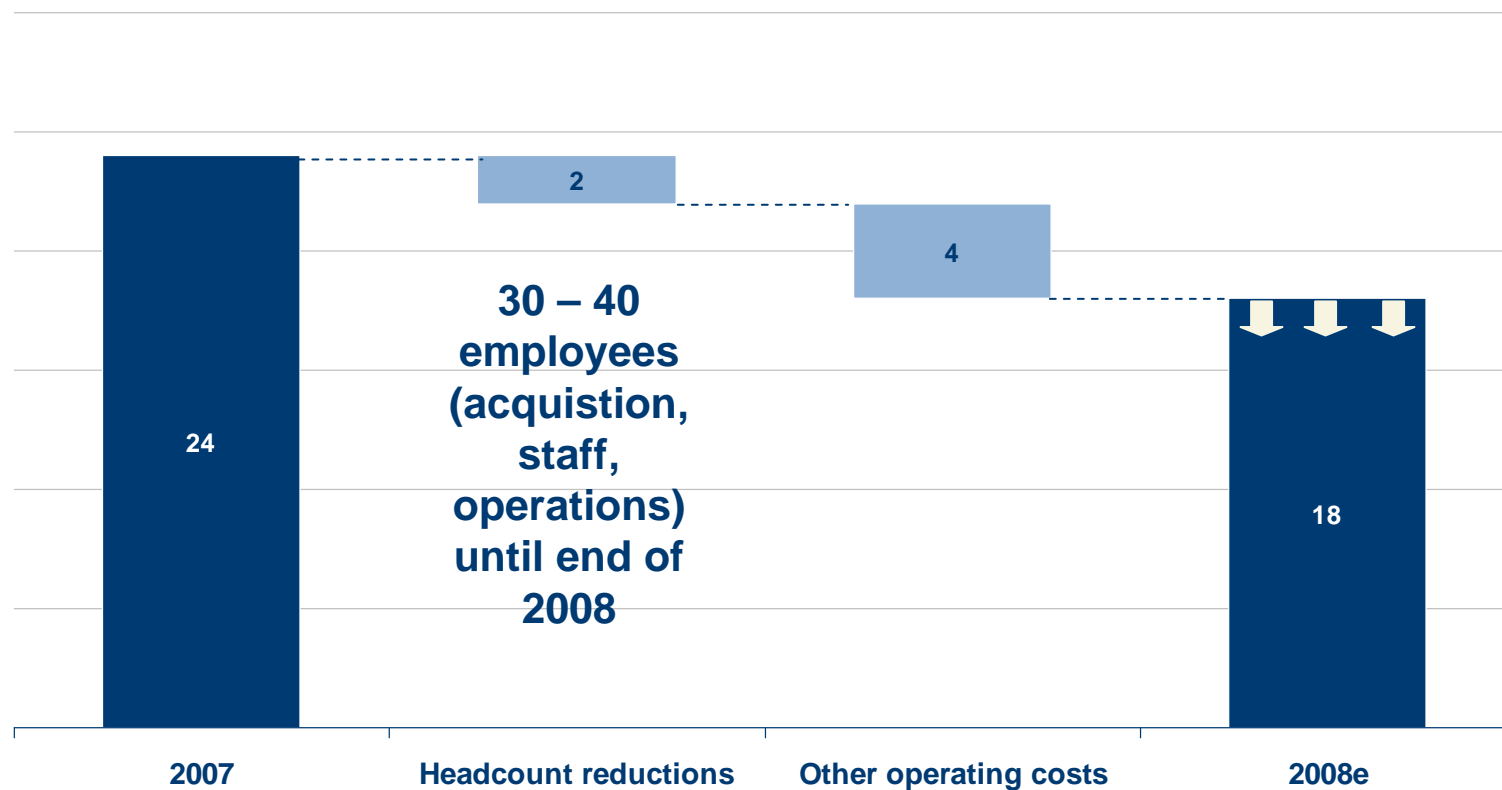
Consequences for cash.life

- More demanding policy return requirements of investors
- Increasing cost pressure on the whole value added chain of the secondary market
- Revenues tend to remain under pressure
- Quality before volume: increase quality of endowment policies
- Expansion of product range:
 - less complex structures
 - additional sales channels and target groups
- Additional adjustment of cost base and organisational structures



We strive to realise cost savings beyond the 6 m € target announced in January

Operating expenses before broker commission [m €]





C | Financial calendar



Financial calendar

30/05/2008

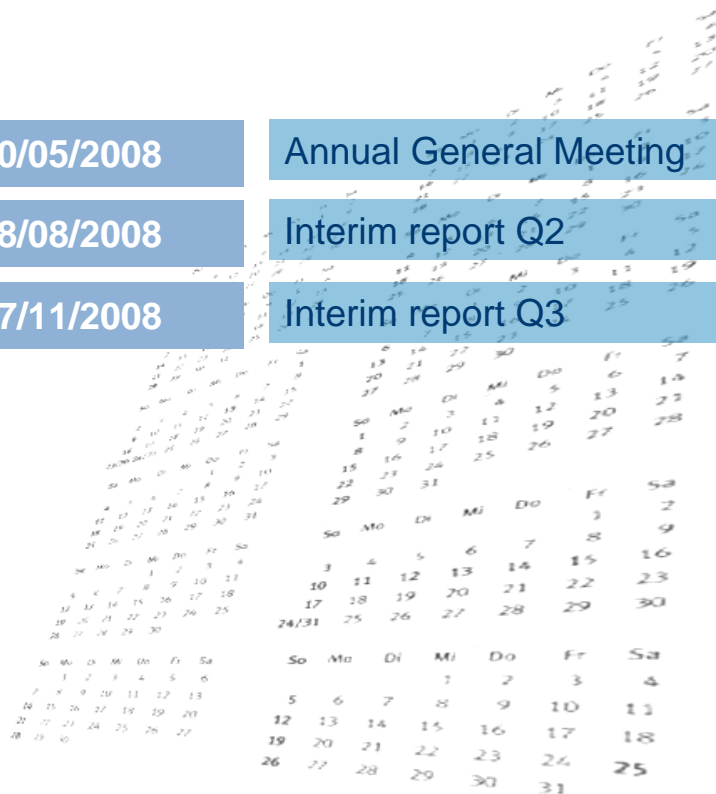
Annual General Meeting

08/08/2008

Interim report Q2

07/11/2008

Interim report Q3



cash.life AG

Zugspitzstrasse 3
82049 Pullach
Germany
www.cashlife.de

Florian Leinauer, CFA

Investor Relations

Phone +49 (89) 286 953 - 213

Fax +49 (89) 286 953 - 219

eMail florian.leinauer@cashlife.de