

2011



3rd quarter interim financial report

Key figures

Information in m EUR	9 months 2011 (IFRS)	9 months 2010 (IFRS)	3rd quarter 2011 (IFRS)	3rd quarter 2010 (IFRS)
Revenue	62.0	72.6	21.4	24.6
Business Solutions	31.3	33.2	10.3	10.7
New Business	21.5	30.0	8.4	10.8
New Business	9.2	9.4	2.7	3.1
Gross earnings	18.5	16.2	6.3	5.5
Business Solutions	14.0	12.7	4.9	4.4
Wholesale	1.0	1.1	0.3	0.2
New Business	3.5	2.4	1.1	0.9
EBITDA	5.3	3.2	1.8	1.0
in % of revenue	8.5 %	4.4 %	8.4 %	4.0 %
EBIT	2.5	0.7	1.0	0.2
in % of revenue	4.0 %	1.0 %	4.7 %	0.8 %
Consolidated profit	1.1	0.1	0.5	0.05
Earnings per share ¹ (in EUR)	0.28	0.03	0.13	0.00
Balance sheet total	45.2	48.7	45.2	48.7
Equity capital	21.5	19.7	21.5	19.7
in % of the balance sheet total	47.6 %	40.4 %	47.6 %	40.4 %
Number of shares as of 30/09	3,752,500	3,752,500	3,752,500	3,752,500
Net debt²	1.4	6.5	1.4	6.5
Operative cash flow	4.7	2.7	1.0	1.1
Free cash flow	3.6	1.5	0.7	0.8
Employees as of 30/09	184 ³	201	184 ³	201

1) Both undiluted and diluted

2) Due to the equity capital character of the subordinate tranche (2.5 mill. EUR) of the KfW innovation loan, it is not reported as a debt

3) Without taking into account minority companies (PPRO GmbH, synergyPLUS GmbH, mvneco GmbH)

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Letter to our shareholders

Dear Shareholders,

ecotel successfully continued its course for increased profitability in the third quarter. While the revenue of 62.0 mill. EUR declined as compared with the previous year (72.6 mill. EUR), last year's gross earnings of 16.2 mill. EUR increased significantly to 18.5 mill. EUR in comparison with the previous year. This corresponds to a gross profit margin of 30 % (previous year: 22 %).

The decline in revenue was essentially due to the lowering of interconnection fees for mobile communications in the Wholesale sector starting the end of 2010. Revenue in the third quarter 2011 totalled 21.4 mill. EUR, compared with 24.6 mill. EUR in the same quarter of the previous year. On the other hand, improved purchasing conditions in the Business Solutions segment and the advanced migration process of preselection customers to full access products helped to further increase profitability.

The EBITDA result of 1.8 mill. EUR (previous year: 1.0 mill. EUR) in the third quarter remained at the same level as the previous quarter. This made it possible to increase the cumulative EBITDA result for the first nine months of 2011 to 5.3 mill. EUR (previous year: 3.2 mill. EUR). Therefore, ecotel was able to exceed last year's result of 4.9 mill. EUR after only nine months.

The operative result (EBIT) in the third quarter totalled 1.0 mill. EUR, which is 0.8 mill. EUR higher than the previous year's result of 0.2 mill. EUR. Compared with the previous year, the cumulative EBITDA for the first nine months of 2011 was also increased significantly to 2.5 mill. EUR (previous year: 0.7 mill. EUR).

The consolidated profit for the first nine months of 2011 reached a value of 1.1 mill. EUR (previous year 0.1 mill. EUR), which corresponds to earnings per share of 0.28 EUR.

The free cash flow in the first nine months of the business year totalled 3.6 mill. EUR (previous year: 1.5 mill. EUR). As a result of this, the net debt was further reduced to 1.4 mill. EUR, so that the financial debts have been reduced by a total of 5.1 mill. EUR in the past 12 months. The total liquid assets, compared to the last quarter, decreased slightly from 6.9 mill. EUR to 6.5 mill. EUR. The equity ratio increased to 48 %.

ecotel is therefore consistently continuing on the planned course for increased profitability in the year 2011. Moreover, the company is clearly pursuing the goal of further strengthening ecotel's market position in the B2B segment through continued optimization of business processes and expansions of sales activities with the strategic full access and data products.

For 2011 we are expecting revenue of 80 – 85 mill. EUR. With respect to the EBITDA, we continue to assume that we will achieve the upper range of the forecast, which is 5.5 – 6.5 mill. EUR.

Düsseldorf, in November 2011



Achim Theis
(CSO, Board of Directors)



Peter Zils
(CEO, Chairman of the Board)



Bernhard Seidl
(CFO, Board of Directors)

Earnings and performance

In the third quarter of 2011 ecotel earned revenue of 21.4 mill. EUR (previous year: 24.6 mill. EUR). For the first nine months of 2011 this results in total revenue of 62.0 mill. EUR after 72.6 mill. EUR in the same period last year. This corresponds to a decline in revenue of 10.6 mill. EUR or 15 %. The development of the gross profit was the opposite of the revenue development. The gross profit in the third quarter 2011 totalled 6.3 mill. EUR – after 5.8 mill. EUR in the previous quarter and 5.5 mill. EUR in the third quarter 2010. The gross profit margin in the third quarter 2011 was 30 %, compared with 22 % in the same quarter of the previous year.

The Business Solutions segment in the third quarter 2011 contributed 48 % to the total revenue and 77 % to the gross profit of the ecotel group. Revenue in the Business Solutions segment in the third quarter totalled 10.3 mill. EUR, compared with 10.7 mill. EUR in the same quarter of the previous year. The decline in revenue by 4 % compared with the same period last year is essentially due to the decline of the classical voice business with preselection sales. Offsetting this development, the gross profit in the third quarter 2011 totalled 4.9 mill. EUR – after 4.3 mill. EUR in the previous quarter and 4.4 mill. EUR in the same period of the previous year. This effect can be explained essentially due to an improved cost basis resulting from the lowering of interconnection fees by the Federal Network Agency and due to the successful marketing of high-margin full access products.

Wholesale Solutions attained revenue of 8.4 mill. EUR (previous year: 10.8 mill. EUR) in the third quarter 2011 and a gross profit of 0.4 mill. EUR (previous year: 0.7 mill. EUR), which corresponds to 39 % of the total revenue and 6 % of the total gross profit, respectively.

The New Business segment attained revenue of 2.7 mill. EUR (previous year: 3.1 mill. EUR) in the third quarter 2011 and a gross profit of 1.1 mill. EUR (previous year: 0.9 mill. EUR). The growth in gross profit is essentially the result of the marketing of the call-by-call numbers “01028” and “010010” of the easybell group.

The personnel costs in the third quarter totalled 2.4 mill. EUR, which is 0.1 mill. EUR more than in the same period of last year. The number of employees (not including minority companies) decreased to 184, compared with 186 in the last quarter. The costs for other expenses decreased by 0.1 mill. EUR compared with the same quarter of last year to 2.3 mill. EUR.

The EBITDA in the third quarter totalled 1.8 mill. EUR, which is at the same level of the previous quarter, compared with 1.0 mill. for last year.

The EBIT result in the third quarter 2011 totalled 1.0 mill. EUR, compared with 0.2 mill. EUR in the same quarter of the previous year. The cumulative EBIT result for the first nine months of 2011 is 2.5 mill. EUR, compared with 0.7 mill. EUR in the same quarter of last year.

The financial result in the third quarter 2011 was -0.1 mill. EUR; this due primarily to interest payments.

Tax expenses in the third quarter 2011 totalled 0.2 mill. EUR. The consolidated profit in the third quarter 2011 totalled 0.5 mill. EUR, compared with 0.2 mill. EUR in the previous quarter. For the first nine months of 2011, this results in consolidated profit of 1.1 mill. EUR. This corresponds to earnings per share of 0.28 EUR.

Financial position

The cash flow from ongoing business in the third quarter totalled 0.9 mill. EUR, after 1.9 mill. EUR in the previous quarter. This decrease is a result of tax payments made and a temporary increase in receivables.

The cash flow from investments in the third quarter 2011 totalled 0.3 mill. EUR and consists of 0.2 mill. EUR for in-house developed software and software licenses and 0.1 mill. EUR for router and server hardware.

The free cash flow in the third quarter totalled 0.7 mill. EUR, compared with 1.4 mill. EUR in the previous quarter. In the first nine months of the business year the free cash flow totalled 3.6 mill. EUR (previous year: 1.5 mill. EUR).

The cash flow from financial operations in the third quarter 2011 amounted to -1.0 mill. EUR and includes essentially the repayment of loans and leasing obligations totalling 0.9 mill. EUR as well as interest payments totalling 0.1 mill. EUR.

The liquid funds in the third quarter compared with the previous quarter decreased by 0.4 mill. EUR and now total 6.5 mill. EUR.

Net worth

As of 30 September 2011 the balance sheet total was 45.1 mill. EUR, an increase of 1 % compared with 44.6 mill. EUR as of 30 June 2011.

On the assets side, the non-current assets decreased from 25.7 mill. EUR to 25.1 mill. EUR due to continuing depreciations of intangible assets.

The current assets increased by 6 % from 18.9 mill. EUR to 20.1 mill. EUR. Essentially, the accounts receivable increased by 1.4 mill. EUR with a simultaneous reduction of the funds by 0.4 mill. EUR.

On the liabilities side, the equity capital increased to 21.5 mill. EUR. The equity ratio improved slightly from 47 % to 48 %.

The non-current provisions and financial obligations totalled 5.7 mill. EUR. Of the non-current provisions, 0.8 mill. EUR are attributed to latent income tax; the rest are financial debts for the long-term KfW loan.

The non-current provisions and financial obligations totalled 5.7 mill. EUR. Of the non-current provisions, 0.8 mill. EUR are attributed to latent income tax; the rest are financial debts for the long-term KfW loan.

The current provisions and obligations now total 18.0 mill. EUR. Of this amount, 5.6 mill. EUR are attributed to financial debts. The financial debts include a final payment for an investment loan of 4 mill. EUR, which is due at the end of the year. This final payment was already refinanced this summer through a new loan agreement with a term of two years.

The net financial obligations (financial obligations minus liquid funds), taking into account the equity capital character of the KfW subordinate tranche 1.4 mill. EUR, which corresponds to a decrease of 0.6 mill. EUR compared with the previous quarter (2.0 mill. EUR) and a decrease of 5.1 mill. EUR compared with the same quarter last year (6.5 mill. EUR).

The company's net working capital, i.e. the difference from current assets (including liquid funds) and current provisions and obligations, is positive.

Risk report

The business activities of ecotel are subject to the opportunities and risks of the telecommunications market and the company-specific risks. ecotel uses a corresponding risk management system and an internal control system to identify and control these risks.

In this connection we point out the information in the risk report of the 2010 annual report, which remains valid with respect to the current risk situation.

The final tranche of an investment loan totalling 4.0 mill. EUR was refinanced in the third quarter 2011 for another 2 years by means of follow-up financing.

For 2011 the company is expecting revenue of 80 – 85 mill. EUR. With respect to the EBITDA result we assume that it will be in the upper range of the EBITDA forecast of 5.5 – 6.5 mill. EUR.

Outlook

ecotel continues to pursue the goal of significantly increasing the company's profitability in the medium term and of attaining an EBITDA margin in the two-digit percent range by 2013. An essential aspect here is the focus on the high-margin B2B segment with new products, such as full access, and with new data, voice over IP and mobile communications convergence products. Also, we intend to achieve even higher efficiency on the cost side in sales input and business processes.

ecotel's business strategy continues to be oriented toward meeting the needs of SME business customers with a bundle of telecommunications and IT services consisting of voice, data, Internet and mobile communications.

In this connection we point out the information in the forecast report of the 2010 annual report, which remains valid with respect to the company's outlook.

In reducing the net debt we have already exceeded the goal we had set ourselves for 2011. As of the end of the third quarter 2011 the net debt totals 1.4 mill. EUR. In 2012 we plan to convert the company's net debt into net worth.

Investor relations

Overview of the ecotel share

The price per share of the ecotel share was 5.50 EUR at the start of the third quarter. During the course of the quarter the price per share weakened somewhat and fell to 4.10 EUR, after which it quickly recovered, reaching the 6.00 EUR mark. However, the share could not remain at this high level and closed the quarter at a price of 5.00 EUR.

The average daily trading volume of the share was about 1.800 shares per day in the third quarter 2011, compared with 960 shares in the third quarter 2010.

At the end of the quarter ecotel had a market capitalization of 18.8 mill. EUR at a price per share of 5.00 EUR.

Shareholder structure

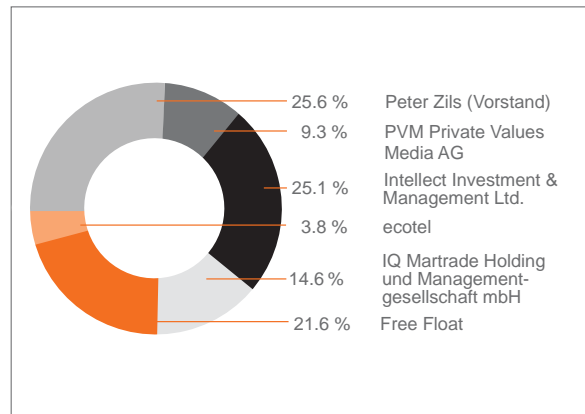
As of 30 September 2011 the share capital of ecotel communication ag totalled 3,900,000 shares. Currently ecotel holds 147,500 company-owned shares (3.8 %), so that the subscribed capital in the balance sheet totals 3,752,500 EUR. In the third quarter there was no significant change in the shareholder structure of ecotel. PVM Private Values Media AG, new since the first quarter, holds 9.3 % of the company's voting shares. The company's other major shareholders are still Peter Zils (CEO of ecotel) with a share of 25.6 %. Intellect Investment & Management Ltd. with 25.1 % and IQ Martrade Holding und Managementgesellschaft mbH with a share of 14.6 % of the voting shares. The diversified holdings totalled 21.6 %.

Key figures Ø 2011

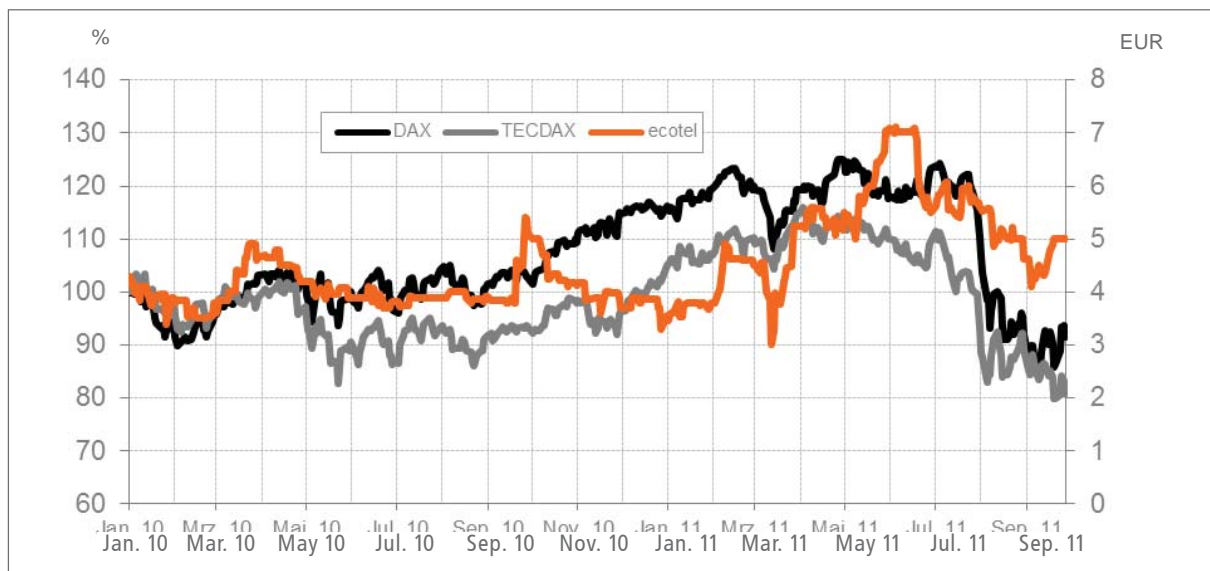
WKN	585434	Date of first listing	29/03/2006
ISIN	DE0005854343	Number of shares as of 30/09/2011	3,752,500
Symbol	E4C	Average daily trading volume in the third quarter 2011 (EUR)	1,832
Market segment starting 01/07/2007	Prime Standard	Highest and lowest quotation in the third quarter 2011 (EUR)	6.0/4.1
Index affiliation	CDAX, Prime All Share Technology All Share	Market capitalization as of 30/09/2011 (mill EUR)*	18.8
Class	Non par value shares	Designated sponsor	Close Brothers Seydler

* Based on the final quotation on 30 September 2011 of 5.00 EUR per share

Shareholdings (30/09/2011) in percent



Trend of quotations of the ecotel share in percent and EUR



Consolidated balance sheet

as of 30 September 2011 (unaudited)

Assets	Amounts in EUR	31/12/2010	30/06/2011	30/09/2011
A. Non-current assets				
I. Goodwill and other intangible assets		18,501,999.45	17,645,008.67	17,400,449.94
II. Fixed assets		5,860,123.80	5,588,266.45	5,308,127.28
III. Financial assets valued based on the equity method		1,523,272.09	2,098,071.36	2,124,633.85
IV. Other financial assets		112,000.00	112,000.00	112,000.00
V. Non-current receivables		521,674.29	0.00	0.00
VI. Latent income tax claims		537,390.46	235,021.75	134,378.22
Total non-current assets		27,056,460.09	25,678,368.23	25,079,589.29
B. Current assets				
I. Inventories		133,698.55	90,439.08	90,801.48
II. Accounts receivable		14,391,255.89	10,956,175.96	12,315,026.52
III. Other receivables and assets		817,722.63	981,676.67	1,154,681.33
IV. Actual income tax claims		222,743.79	19,831.76	19,831.76
V. Funds		6,133,176.51	6,859,998.52	6,487,802.42
Total current assets		21,698,597.37	18,908,121.99	20,068,143.51
Total assets		48,755,057.46	44,586,490.22	45,147,732.80

Consolidated balance sheet

as of 30 September 2011 (unaudited)

Liabilities	Amounts in EUR	31/12/2010	30/06/2011	30/09/2011
A. Equity capital				
I. Subscribed capital		3,752,500.00	3,752,500.00	3,752,500.00
II. Capital reserves		1,661,096.69	1,672,389.90	1,678,036.50
III. Other reserves		13,974,231.78	14,548,792.68	15,038,781.02
Total shareholders' equity		19,387,828.47	19,973,682.58	20,469,317.52
IV. Shares of other shareholders		585,190.90	822,502.27	1,001,888.96
Total equity capital		19,973,019.37	20,796,184.85	21,471,206.48
B. Non-current provisions and liabilities				
I. Latent income tax		792,328.39	824,030.35	844,384.34
II. Other provisions		0.00	0.00	0.00
III. Non-current loans		5,331,604.17	4,085,354.16	4,852,854.16
IV. Other financial debts		69,913.17	10,138.89	0.00
Total non-current provisions and liabilities		6,193,845.73	4,919,523.40	5,697,238.50
C. Current provisions and liabilities				
I. Actual income tax		351,854.69	516,066.84	352,703.67
II. Other provisions		0.00	0.00	0.00
III. Financial debts		7,918,409.12	7,277,571.80	5,583,700.18
IV. Accounts payable		12,801,971.24	9,712,781.86	10,682,176.47
V. Liabilities toward affiliated companies		130,797.79	111,297.31	172,754.28
VI. Other liabilities		1,385,159.52	1,253,064.16	1,187,953.22
Total current provisions and liabilities		22,588,192.36	18,870,781.97	17,979,287.82
Total liabilities		48,755,057.46	44,586,490.22	45,147,732.80

Consolidated profit and loss statement

for the third quarter 2011 and for the first nine months of 2011 (unaudited)

Amounts in EUR	1st–3rd quarter 2010	1st–3rd quarter 2011	3rd quarter 2010	3rd quarter 2011
1. Sales revenue	72,593,364.96	61,970,301.33	24,631,270.15	21,351,459.55
2. Other revenues or gains	559,327.63	764,996.13	217,677.89	223,411.82
3. Increase or decrease in inventories of finished goods and work in process	0.00	0.00	0.00	0.00
4. Other company-manufactured items capitalized	69,722.68	0.00	35,000.00	0.00
5. Total operating performance	73,222,415.27	62,735,297.46	24,883,948.04	21,574,871.37
6. Cost of materials				
Expenses for services purchased	-56,406,064.94	-43,492,196.82	-19,139,112.08	-15,025,846.39
7. Personnel costs				
7.1 Wages and salaries	-5,935,183.75	-6,200,258.17	-1,992,680.49	-2,097,542.27
7.2 Social contributions and expenses for pensions and benefits	-926,314.65	-973,696.69	-313,509.30	-322,337.16
8. Scheduled depreciations	-2,427,783.60	-2,435,446.81	-795,338.73	-795,338.73
9. Unscheduled depreciations				
9.1 of non-current assets	0.00	-350,000.00	0.00	0.00
9.2 of current assets	0.00	0.00	0.00	0.00
10. Other expenses or losses	-6,791,038.62	-6,805,827.57	-2,402,393.12	-2,335,683.22
11. Operating result (EBIT)	736,029.71	2,477,871.40	240,914.32	996,241.72
12. Financial result	-395,315.62	-255,253.67	-121,351.36	-87,017.06
13. Earnings from financial assets valued based on the equity method	-28,060.94	0.00	0.00	0.00
14. Earnings from normal business activities before income tax	312,653.15	2,222,617.73	119,562.96	909,224.66
15. Taxes from income and revenue	-246,935.82	-741,371.42	-110,846.93	-239,849.63
16. Consolidated profit (= income and earnings) from continuing business segments	65,717.33	1,481,246.31	8,716.03	669,375.03
17. Share in earnings of other shareholders	43,060.65	-416,698.06	-3,067.99	-179,386.68
18. Consolidated profit to which shareholders of ecotel communication ag are entitled	108,777.98	1,064,548.25	5,648.04	489,988.35
Undiluted/diluted earnings per share	0.03	0.28	0.00	0.13

Consolidated cash flow statement

for the third quarter 2011 and for the first nine months of 2011 (unaudited)

Amounts in EUR	1st–3rd quarter 2010	1st–3rd quarter 2011	3rd quarter 2010	3rd quarter 2011
Consolidated profit for the year before income tax and third-party shares	312,653.15	2,222,617.73	119,562.96	909,224.66
Net interest income	368,268.12	224,337.01	112,601.36	73,600.40
Depreciations (+)/appreciations (-) on fixed assets	2,427,783.60	2,785,446.81	795,338.73	797,220.61
Earnings from companies valued based on the equity method	28,060.94	0.00	0.00	0.00
Cash flow	3,136,765.81	5,232,401.55	1,027,503.05	1,780,045.67
Other expenses (+) and income (-) not affecting the balance sheet	38,213.40	16,939.80	12,737.80	5,646.60
Profit (-)/loss (+) from retirements of intangible assets	0.00	605.47	10,869.74	377.19
Increase (-)/decrease (+) in the accounts receivable	722,698.75	2,105,183.27	911,766.38	-1,351,932.45
Increase (+)/decrease (-) in receivables and other assets	34,992.27	-323,014.54	-100,527.84	-180,285.18
Increase (+)/decrease (-) in the accounts payable	-1,374,742.64	-2,119,794.77	-775,166.83	969,394.61
Increase (+)/decrease (-) in liabilities (without financial debts)	159,641.47	-155,249.81	54,625.44	-3,653.97
Paid income tax	-1,773.36	-82,542.22	1.20	-282,215.28
Inflow of funds from ongoing business activities	2,715,795.70	4,674,528.75	1,141,808.94	937,377.19
Inpayments from retirements of intangible assets	0.00	0.00	-10,870.00	0.00
Payments for investments in tangible and intangible assets	-1,132,037.80	-1,132,506.25	-303,243.18	-272,899.90
Payments for investments in financial assets	-99,427.95	0.00	-26,470.57	0.00
Interest paid in	28,616.92	18,999.90	12,108.97	7,444.11
Outflow of funds from investment activities	-1,202,848.83	-1,113,506.35	-328,474.78	-265,455.79
Payments from minority companies	0.00	0.00	0.00	0.00
Payments for repayment of financing loans	-2,834,031.76	-2,810,808.35	-945,712.76	-923,323.26
Interest paid out	-529,476.97	-395,588.14	-182,709.39	-120,794.24
Inflow/outflow of funds from financing activities	-3,363,508.73	-3,206,396.49	-1,128,422.15	-1,044,117.50
Change in funds balance affecting the balance sheet	-1,850,561.86	354,625.91	-315,087.99	-372,196.10
Changes in the funds balance due to exchange rates and other changes in value and presentation	0.00	0.00	0.00	0.00
Change in funds balance	-1,850,561.86	354,625.91	-315,087.99	-372,196.10
Funds balance at start of period	7,071,935.85	6,133,176.51	5,536,461.98	6,859,998.52
Funds balance at end of period	5,221,373.99	6,487,802.42	5,221,373.99	6,487,802.42

The funds balance is calculated from the funds reported in the consolidated balance sheet minus the current trade debts.

Development of the consolidated equity capital

as of 30 September 2011 (unaudited)

Amounts in TEUR	Subscribed capital	Capital reserves	Retained earnings		Equity capital to be allocated to shareholders of ecotel communication ag	Shares of other shareholders	Total
			Other retained earnings	Consolidated profit			
As per 31 December 2009	3,752	17,603	76	-2,154	19,277	314	19,591
Restoring of previous year's earnings	0	0	-2,154	4,188	0	0	0
Share options plan	0	12	0	0	12	0	12
Consolidated profit for 1st quarter 2010	0	0	0	-97	-97	-16	-113
As per 31 March 2010	3,752	17,615	-2,078	-97	19,192	298	19,490
Share options plan	0	13	0	0	13	0	13
Consolidated profit for 2nd quarter 2010	0	0	0	200	200	-30	170
As per 30 June 2010	3,752	17,628	-2,078	103	19,405	268	19,673
Regrouping due to easybell GmbH P/L transfer agreement	0	0	32	0	32	-32	0
Share options plan	0	13	0	0	13	0	13
Consolidated profit for 3rd quarter 2010	0	0	0	6	6	3	9
As per 30 September 2010	3,752	17,641	-2,046	109	19,456	239	19,695
Change due to first consolidation	0	0	-21	0	-21	21	0
Withdrawal of capital reserves from ecotel communication ag	0	-15,985	15,985	0	0	0	0
Share options plan	0	6	0	0	6	0	6
Consolidated profit for 4th quarter 2010	0	0	0	-53	-53	325	272
As per 31 December 2010	3,752	1,662	13,918	56	19,388	585	19,973
Restoring of previous year's earnings	0	0	56	-56	0	0	0
Share options plan	0	5	0	0	5	0	5
Consolidated profit for 1st quarter 2011	0	0	0	414	414	83	497
As per 31 March 2011	3,752	1,667	13,974	414	19,807	668	20,475

Development of the consolidated equity capital

as of 30 September 2011 (unaudited)

Amounts in TEUR	Subscribed capital	Subscribed capital	Retained earnings		Equity capital to be allocated to shareholders of ecotel communication ag	Shares of other shareholders	Total
			Other retained earnings	Consolidated profit			
As per 31 March 2011	3,752	1,667	13,974	414	19,807	668	20,475
Share options plan	0	6	0	0	6	0	6
Consolidated profit for 2nd quarter 2010	0	0	0	161	161	154	315
As per 30 June 2011	3,752	1,673	13,974	575	19,974	822	20,796
Share options plan	0	5	0	0	5	0	5
Consolidated profit for 3rd quarter 2011	0	0	0	490	490	180	670
As per 30 September 2011	3,752	1,678	13,974	1,065	20,469	1,002	21,471

Consolidated notes as of 30 September 2011

General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 September 2011 in compliance with the regulations of IAS 34 and applying Section 315a of the German Commercial Code in accordance with the rules in force on the closing date of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) taking into account the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) – as accepted by the EU. IFRS not yet in force or their interpretations have not been prematurely applied. The comparative figures of the previous period were determined based on the same principles.

The same accounting policies were used in the interim statement as in the consolidated financial statements for business year 2010.

The internal organizational and management structure and the internal reporting to the Executive Board and the Supervisory Board form the basis for defining the criteria for classification of the segments of ecotel communication ag.

Segments

The **classification of segments** is based on the internal reporting by business segments, which are defined as follows:

- In the **Business Solutions** segment (operative core segment) ecotel offers SMEs “bundled” voice, data and value added services as well as direct connections for voice and data communications from one source.
- In the **Wholesale** segment ecotel markets products and comprehensive solutions for other telecommunications companies (including resellers and call shops) and outside distributors.
- The **New Business** segment includes the fast-growing business segments and subsidiaries, as well as new media.

The following segment description applies for the period of the first three **quarters**:

Amounts in TEUR	Business Solutions		Wholesale		New Business/ Consolidation		Group	
	2010 1st–3rd quarter	2011 1st- 1st quarter	2010 1st–3rd quarter	2011 1st- 1st quarter	2010 1st–3rd quarter	2011 1st- 1st quarter	2010 1st–3rd quarter	2011 1st- 1st quarter
Sales revenue	33,200	31,344	29,952	21,461	9,441	9,165	72,593	61,670
Gross earnings	12,706	14,021	1,065	1,035	2,417	3,423	16,187	18,478
Operating result (EBIT)	375	1,894	375	201	-14	382	736	2,478

Consolidated notes as of 30 September 2011

The following segment description applies for the period of the third **quarter**:

Amounts in TEUR	Business Solutions		Wholesale		New Business/ Consolidation		Group	
	2010 3rd quarter	2011 3rd quarter	2010 3rd quarter	2011 3rd quarter	2010 3rd quarter	2011 3rd quarter	2010 3rd quarter	2011 3rd quarter
Sales revenue	10,703	10,227	10,834	8,422	3,094	2,702	24,631	21,351
Gross earnings	4,360	4,852	253	358	880	1,117	5,492	6,326
Operating result (EBIT)	137	665	7	75	97	256	241	996

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements as of 30 September 2011 are unchanged in comparison with 31 December 2010. As of 30 September 2011 a negative equity value of -905 TEUR remains due to the proportional cumulative negative earnings of mvneco GmbH; this negative amount is disregarded (as of 30 June 2011, -874 TEUR). Of this amount, however, the sum of 946 TEUR is reported as affecting net income in the consolidated financial statements as an adjustment of the loan of ecotel communication ag to mvneco GmbH.

Due to the negative proportional earnings of synergyPlus GmbH also valued at equity. The equity valuation was already depreciated to zero in the previous year. The negative equity value of synergyPlus reported as not affecting the net income is -131 TEUR as of 30 September 2011 (-119 TEUR as of 30 June 2011).

Taxes from income and revenue

The income taxes reported in the income statement are composed as follows:

	1st–3rd quarter 2010	1st–3rd quarter 2011	3rd quarter 2010	3rd quarter 2011
Taxes from income and revenue – effective	-69,869.56	-283,510.23	-45,433.57	-116,059.10
Taxes from income and revenue – latent	-177,066.26	-457,861.19	-65,413.36	-123,790.53
Taxes from income and revenue (in EUR)	-246,935.82	-741,371.42	-110,846.93	-239,849.63

Consolidated notes as of 30 September 2011

Earnings per share

The undiluted earnings per share are calculated in accordance with IAS 33 as the quotient of the consolidated profit for the year to which the shareholders of ecotel communication ag are entitled and the weighted average number of bearer non par value shares in circulation during the reporting period.

A dilution of the earnings per share occurs if the average number of shares is increased due to the additional issue of potential shares from options and convertible financial instruments. Due to the balance sheet ratios as of 30 September 2011 and also as of the previous year's closing date, however, the exercise price of the existing 145,000 share options was significantly above the average market price of the ecotel share listed for the corresponding period. In accordance with IAS 33.47 these options would have had no diluting effect as of 30 September 2011 and as of the previous year's closing date, so that the undiluted and the diluted earnings are identical.

	1st–3rd quarter 2010	1st–3rd quarter 2011	3rd quarter 2010	3rd quarter 2011
Accrued consolidated profit for the year (in EUR)	108,777.98	1,064,548.25	5,648.04	489,988.35
Weighted average number of shares	3,752,500	3,752,500	3,752,500	3,752,500
Undiluted/diluted earnings per share (in EUR)	0.03	0.28	0.00	0.13

Other information

No significant transactions with related parties were conducted in the third quarter 2011.

Düsseldorf, 15 November 2011

The Executive Board

Financial calendar

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Disclaimer

Exclusion of liability:

The information provided in this quarterly report was reviewed carefully. However, we cannot guarantee that all information provided is complete, correct and up to date at all times.

This quarterly report contains certain forward-looking statements based on the current assumptions and forecasts of the Management of ecotel communication ag. Forward-looking statements are based on current plans, estimates and expectations. Such statements involve risks and uncertain factors, most of which are difficult to assess and which generally are beyond the control of ecotel communication ag. Various known and unknown risks, uncertainties and other factors can cause the actual events, the financial position, the development or the performance of the company to differ substantially from the estimates expressed here. ecotel communication ag assumes no obligation of updating such forward-looking statements and estimates or of adapting them to future events or developments.