

3rd quarter interim financial report



Key figures

Figures stated in € million	9 months 2012 (IFRS)	9 months 2011 (IFRS)	3rd quarter 2012 (IFRS)	3rd quarter 2011 (IFRS)
Revenue	71.5	62.0	23.9	21.4
Business Solutions	30.4	31.3	10.2	10.3
Wholesale	31.7	21.5	10.4	8.4
New Business	9.4	9.2	3.3	2.7
Gross earnings	18.5	18.5	6.2	6.3
Business Solutions	14.0	14.0	4.7	4.9
Wholesale	0.7	1.0	0.2	0.3
New Business	3.8	3.5	1.3	1.1
EBITDA	5.0	5.3	1.6	1.8
in % of revenue	7.0 %	8.5 %	6.7 %	8.4 %
EBIT	2.6	2.5	0.7	1.0
in % of revenue	3.6 %	4.0 %	2.9 %	4.7 %
Consolidated profit	1.4	1.1	0.5	0.5
Earnings per share ¹ (in €)	0.36	0.28	0.13	0.13
Balance sheet total	44.9	45.2	44.9	45.2
Equity capital	23.1	21.5	23.1	21.5
in % of the balance sheet total	51.6 %	47.6 %	51.6 %	47.6 %
Number of shares²	3,704,200	3,752,500	3,704,200	3,752,500
Net debt	1.3	3.9	1.3	3.9
Cash flow from ongoing business activities	4.0	4.7	1.2	1.0
Cash flow from investment activities	-1.7	-1.1	-0.6	-0.3
Cash flow from financing activities	-2.7	-3.2	-0.9	-1.0
Financial resources as of 30/09	5.9	6.5	5.9	6.5
Free cash flow	2.5	3.6	0.6	0.7
Employees as of 30/09.³	183	184	183	184

1) both undiluted and diluted

2) without own shares

3) without minority companies (mvneco GmbH, synergyPLUS GmbH)

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Letter to our shareholders

Dear Shareholders,

ecotel was again able to present solid business figures for the third quarter in keeping with the business development so far in 2012. In the first nine months of 2012 the company attained revenue of € 71.5 million, which is 15 % above last year's level of € 62.0 million. The positive development is due essentially to a temporary increase in revenue in Wholesale Solutions. Also in the high-margin segment of Business Solutions we observed a slight increase in revenue in comparison with the previous quarter, which gives us hope for the development in 2013.

The gross profit remained at a constantly high level, totalling € 18.5 million.

The cumulative EBITDA result of the first nine months, € 5.0 million, was slightly below last year's value of € 5.3 million. EBIT in the first quarter totalled € 2.6 million as of 30 September 2012, which is € 0.1 million more than last year's value.

For the first nine months ecotel earned consolidated profit amounting to € 1.4 million, which corresponds to earnings per share of € 0.36 (previous year: € 0.28).

In the last nine months the net debt was further reduced to € 1.3 million at the end of the third quarter (previous year: € 3.9 million). The equity ratio increased to 52 % in the reporting period.

Management's goal of reducing the net debt from € 1.3 million as of the end of the third quarter to € 0 by the end of the year is expected to be delayed slightly due to the repurchase of shares, an early supplier payment and due to the extra payment of a court settlement.

In the third quarter the company repurchased a total of 67,404 shares at an average price of € 4.94. As of 30 September, ecotel owned 195,800 shares of company stock, which corresponds to 5 % of the company's share capital.

Due to the positive revenue development in Wholesale Solutions the company currently expects to reach the upper range of the forecast of € 80–90 million for the business year 2012. We reaffirm the forecast for EBITDA of € 6–7 million for business year 2012.

Düsseldorf, in November 2012



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 2012 the ecotel revenue totalled € 23.9 million (previous year: € 21.4 million). For the first nine months of 2012 this results in total revenue of € 71.5 million compared with € 62.0 million in the same period last year. This corresponds to an increase in revenue of € 9.5 million or an increase of 15 %. The gross profit totalled € 18.5 million, as in the comparison period. This corresponds to a gross profit margin of 26 % (previous year: 30 %).

The Business Solutions segment in the third quarter 2012 contributed 43 % to the total revenue and 76 % to the gross profit of the ecotel group. Revenue from Business Solutions in the third quarter totalled € 10.2 million – compared with € 9.8 million in the previous quarter and € 10.2 million in the same quarter of the previous year. Gross profit decreased slightly € to 4.7 million in the third quarter 2012 (previous year: € 4.9 million).

The traditionally low-margin Wholesale Solutions attained revenue of € 10.4 million (previous year: € 8.4 million) in the third quarter 2012 and a gross profit of € 0.2 million (previous year: € 0.4 million), which corresponds to 44 % of the total revenue and 3 % of the total gross profit, respectively.

The New Business segment attained revenue of € 3.3 million (previous year: € 2.7 million) in the third quarter 2012 and a gross profit of € 1.3 million (previous year: € 1.1 million). The increase in gross profit is due in part to the continuing growth of the subsidiary easybell and the successful restructuring of the subsidiary nacamar.

The personnel costs in the third quarter totalled € 2.5 million, which is € 0.1 million more than in the same quarter of last year. The number of employees (not including minority companies) decreased to 183 (previous year: 184). The costs for other operating expenses remained constant at € 2.4 million (previous year: € 2.3 million).

The EBITDA result remained constant compared with the previous quarter and totalled € 1.6 million. EBITDA in the same quarter last year totalled € 1.8 million.

The scheduled depreciations in the third quarter totalled € 0.8 million, the same as in the previous quarter. Of this amount, € 0.4 million were for depreciations of intangible assets such as customer bases and development costs.

EBIT in the third quarter 2012 totalled € 0.7 million compared with € 1.0 million in the same quarter last year and € 0.9 million in the second quarter 2012. Cumulative EBIT for the first nine months of 2012 was € 2.6 million.

The financial result in the third quarter 2012 was € –0.04 million and is composed primarily of interest payments.

Tax expenses in the third quarter 2012 totalled € 0.2 million. The consolidated profit after third-party shares totalled € 0.5 million (previous year: € 0.5 million) in the third quarter 2012. For the first nine months, this results in consolidated profit of € 1.4 million. This corresponds to earnings per share of € 0.36.

Financial position

Cash flow from ongoing business decreased in the third quarter to € 1.2 million compared with € 2.3 million in the previous quarter, essentially due to a delayed settlement of accounts receivable by a key account and due to higher tax payments.

Cash flow from investment activities in the third quarter 2012 totalled € –0.6 million for routers and servers, installations in computing centres, software, licenses and in-house software development.

Cash flow from financial operations in the third quarter 2012 amounted to € –0.9 million and is composed essentially of the repayment of loans totalling € 0.6 million, interest payments totalling € 0.1 million as well as payments totalling € 0.2 million for the repurchase of shares.

Liquid funds decreased since the beginning of the year from € 6.2 million to € 5.9 million.

Net worth

As of 30 September 2012 the balance sheet total was € 44.9 million, a decrease of 3 % compared with € 46.0 million as of 30 June 2012.

On the assets side, the non-current assets in the third quarter decreased from € 24.0 million to € 23.9 million due to continuing depreciations. Current assets decreased, essentially due to the settlement of claims and the reduced funds balance, by 5 % from € 22.0 million to € 21.0 million.

On the liabilities side, the equity capital increased from € 22.8 million to € 23.1 million. The equity ratio of 52 % as of 30 September 2012 increased by 2 % in comparison with the previous quarter. Non-current provisions and financial obligations decreased from € 6.4 million to € 5.7 million. Of this amount, € 0.8 million are attributed to latent income tax liabilities. Current provisions and obligations decreased from € 16.8 million to € 16.0 million. The net financial debt (financial debt minus liquid funds) decreased to € 1.3 million.

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 2011 annual report, which remains valid with respect to the current risk situation.

In the third quarter both legal disputes pending against ecotel communication ag were settled.

The proceedings against ecotel for failure to take delivery of hardware with a value in dispute of € 0.2 million were successfully concluded.

The legal process instituted against ecotel by a supplier for a disputed supplementary claim with a net value in dispute of € 0.5 million was settled by way of agreement. The settlement order provides for a payment by ecotel of € 0.4 million. The company had made provisions for this by means of contingency reserves.

Outlook

Due to the positive revenue development in Wholesale Solutions the company currently expects to reach the upper range of the forecast of € 80–90 million for the business year 2012. The pending decision of the Federal Network Agency to further reduce the fees for connections to mobile communications networks can result in significant loss of sales in Wholesale Solutions starting in December 2012, which in the traditionally low-margin Wholesale segment will only have a minor effect on the company's gross profit.

ecotel reaffirms its forecast for EBITDA of € 6–7 million in the business year 2012.

Management's goal of reducing the net debt from € 1.3 million as of the end of the third quarter to € 0 by the end of the year is expected to be delayed slightly due to the repurchase of shares, an early supplier payment and the extra payment of a court settlement.

In this connection we refer to the information in the forecast report of the 2011 annual report, which remains valid with respect to the company's outlook.

Investor relations

Overview of the ecotel share

The price per share of the ecotel share was € 5.05 at the start of the third quarter. The price per share experienced only slight fluctuations and finished the quarter at € 4.97.

The average daily trading volume of the share was 4,230 shares per day in the third quarter 2012, compared with 1,800 shares in the third quarter 2011 and 2,257 shares in the previous quarter.

At the end of the quarter ecotel had a market capitalization of € 18.4 million at a price per share of € 5.05.

Shareholder structure

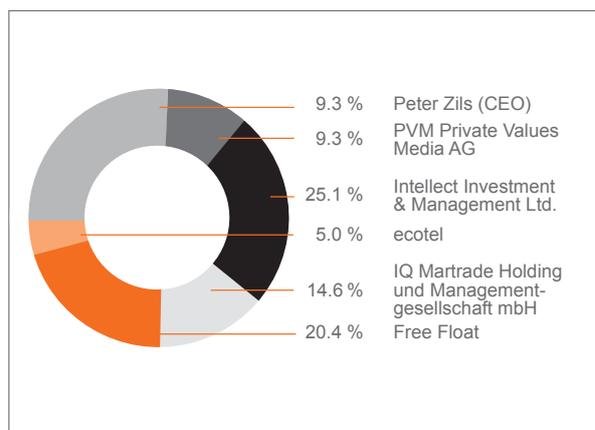
As of 30 September 2012 the share capital of ecotel communication ag totalled 3,900,000 shares. During the period between 25 May and 30 September 2012, ecotel communication ag acquired a total of 67,404 shares at an average price of € 4.94. As of 30 September, 48,300 of the repurchased shares were owned by ecotel. Therefore, ecotel owned 195,800 shares of company stock on the closing date, which corresponds to 5.0 % of the company's share capital. Subscribed capital totalled € 3,704,200 as of the reporting date. The company's major shareholders are still Peter Zils (ecotel CEO) with a share of 25.6 %, Intellect Investment & Management Ltd. with 25.1 %, IQ Martrade Holding und Managementgesellschaft mbH with 14.6 % and PVM Private Values Media AG with 9.3 % of the voting shares. The diversified holdings totalled 20.4 %.

Key figures Ø 2012

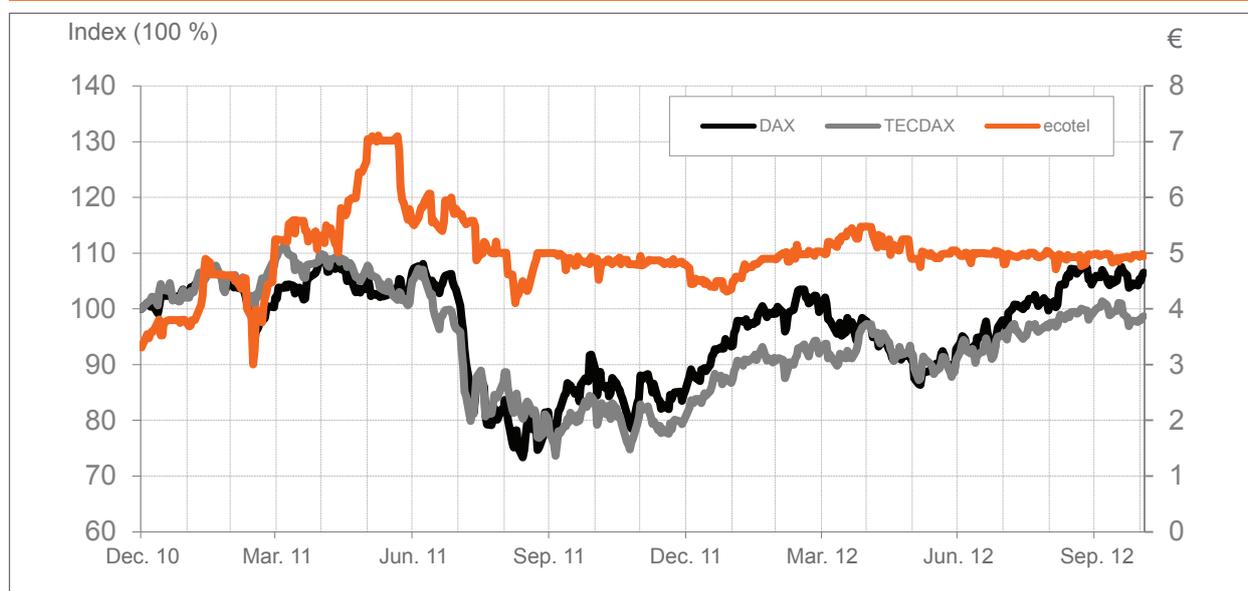
WKN	585434	Date of first listing	29/03/2006
ISIN	DE0005854343	Number of shares as of 30/09/2012	3,704,200
Symbol	E4C	Average daily trading volume in the third quarter 2012 (€)	4,230
Market segment starting 01/07/2007	Prime Standard	Highest and lowest quotation in the third quarter 2012 (€)	5.05 / 4.71
Index affiliation	CDAX, Prime All Share Technology All Share	Market capitalization as of 30/09/2012 (€ million)*	18.4
Class	Non par value shares	Designated sponsor	Close Brothers Seydler

* Based on the final quotation on 30 September 2012 of € 4.97 per share

Shareholdings (30/09/2012) in percent



Trend of quotations of the ecotel share in percent and €



Consolidated balance sheet

as of 30 September 2012 (unaudited)

Assets	Amounts in €	31/12/2011	30/06/2012	30/09/2012
A. Non-current assets				
I. Goodwill and other intangible assets		16,967,170.81	16,403,286.28	16,071,173.26
II. Fixed assets		5,079,565.01	5,219,034.46	5,334,165.79
III. Financial assets valued based on the equity method		1,586,134.39	1,703,301.83	1,758,037.69
IV. Other financial assets		25,000.00	0.00	0.00
V. Non-current receivables		623,799.25	641,174.23	649,861.72
VI. Latent income tax claims		193,361.40	41,940.40	41,521.70
Total non-current assets		24,475,030.86	24,008,737.20	23,854,760.16
B. Current assets				
I. Inventories		88,777.48	86,999.48	127,007.68
II. Accounts receivable		13,424,477.59	14,093,378.38	13,422,962.25
III. Other receivables and assets		1,211,435.67	1,585,612.47	1,523,714.00
IV. Actual income tax claims		9,194.76	12,654.76	18,385.43
V. Funds		6,235,215.59	6,228,312.03	5,911,312.23
Total current assets		20,969,101.09	22,006,957.12	21,003,381.59
Total assets		45,444,131.95	46,015,694.32	44,858,141.75

Consolidated balance sheet

as of 30 September 2012 (unaudited)

Liabilities	Amounts in €	31/12/2011	30/06/2012	30/09/2012
A. Equity capital				
I. Subscribed capital		3,752,500.00	3,752,500.00	3,704,200.00
II. Capital reserves		1,678,036.50	1,678,036.50	1,678,036.50
III. Other reserves		15,087,043.00	15,976,123.52	16,251,685.80
Total shareholders' equity		20,517,579.50	21,406,660.01	21,633,922.31
IV. Shares of other shareholders		900,115.78	1,422,550.25	1,514,420.04
Total equity capital		21,417,695.28	22,829,210.27	23,148,342.34
B. Non-current provisions and liabilities				
I. Latent income tax		979,058.08	913,774.56	815,869.51
II. Other provisions		0.00	0.00	0.00
III. Non-current loans		6,609,375.00	5,453,125.00	4,875,000.00
IV. Other financial debts		0.00	0.00	0.00
Total non-current provisions and liabilities		7,588,433.08	6,366,899.56	5,690,869.51
C. Short-term provisions and liabilities				
I. Actual income tax		313,903.36	561,178.15	498,638.38
II. Other provisions		0.00	0.00	0.00
III. Financial debts		2,715,502.70	2,376,588.03	2,357,737.03
IV. Accounts payable		11,555,216.98	12,678,254.38	11,815,502.71
V. Liabilities toward affiliated companies		133,765.95	119,284.21	121,932.06
VI. Other liabilities		1,719,614.60	1,084,279.73	1,225,119.72
Total current provisions and liabilities		16,438,003.59	16,819,584.50	16,018,929.90
Total liabilities		45,444,131.95	46,015,694.32	44,858,141.75

Consolidated profit and loss statement

for the third quarter 2012 and for the first nine months of 2012 (unaudited)

Amounts in €	1st–3rd quarter 2011	1st–3rd quarter 2012	3rd quarter 2011	3rd quarter 2012
1. Sales revenue	61,970,301.33	71,482,957.91	21,351,459.55	23,906,039.26
2. Other revenues or gains	764,996.13	610,853.45	223,411.82	169,549.26
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	0.00	103,464.50	0.00	0.00
5. Total operating performance	62,735,297.46	72,197,275.86	21,574,871.37	24,075,588.52
6. Cost of materials				
Expenses for services purchased	–43,492,196.82	–52,973,770.06	–15,025,846.39	–17,714,848.49
7. Personnel costs				
7.1 Wages and salaries	–6,200,258.17	–6,457,232.19	–2,097,542.27	–2,125,014.91
7.2 Social contributions and expenses for pensions and benefits	–973,696.69	–1,016,608.42	–322,337.16	–337,203.90
8. Scheduled depreciations	–2,435,446.81	–2,359,550.83	–797,220.61	–815,391.46
9. Unscheduled depreciations				
9.1 of non-current assets	–350,000.00	0.00	0.00	0.00
9.2 of current assets	0.00	0.00	0.00	0.00
10. Other expenses or losses	–6,805,827.57	–6,760,919.63	–2,335,683.22	–2,348,908.01
11. Operating result (EBIT)	2,477,871.40	2,629,194.73	996,241.72	734,221.75
12. Financial result	–255,253.67	–166,117.21	–87,017.06	–37,914.04
13. Earnings from financial assets valued based on the equity method	0.00	111,853.31	0.00	35,985.87
14. Earnings from normal business activities before income tax	2,222,617.73	2,574,930.83	909,224.66	732,293.58
15. Taxes from income and revenue	–741,371.42	–605,053.88	–239,849.63	–173,931.60
16. Consolidated profit (= income and earnings) from continuing business segments	1,481,246.31	1,969,876.95	669,375.03	558,361.98
17. Share in earnings of other shareholders	–416,698.06	–614,304.26	–179,386.68	–91,869.79
18. Consolidated profit to which shareholders of ecotel communication ag are entitled	1,064,548.25	1,355,572.69	489,988.35	466,492.19
Undiluted/diluted earnings per share	0.28	0.36	0.13	0.13

Due to lack of data, the comprehensive income is not reported.

Consolidated cash flow statement

for the third quarter 2012 and for the first nine months of 2012 (unaudited)

Amounts in €	1st–3rd quarter 2011	1st–3rd quarter 2012	3rd quarter 2011	3rd quarter 2012
Consolidated profit for the year before income tax and third-party shares	2,222,617.73	2,574,930.83	909,224.66	732,293.58
Net interest income	224,337.01	122,974.66	73,600.40	23,414.04
Depreciations (+)/appreciations (-) on fixed assets	2,785,446.81	2,359,550.83	797,220.61	815,391.46
Earnings from companies valued based on the equity method	0.00	-111,853.31	0.00	-35,985.87
Cash flow	5,232,401.55	4,945,603.01	1,780,045.67	1,535,113.21
Other expenses (+) and income (-) not affecting the balance sheet	16,939.80	0.00	5,646.60	0.00
Profit (-)/loss (+) from retirements of intangible assets	605.47	-428.07	377.19	-210.08
Increase (-)/decrease (+) in the accounts receivable	2,105,183.27	-20,253.35	-1,351,932.45	681,251.96
Increase (+)/decrease (-) in receivables and other assets	-323,014.54	-328,584.67	-180,285.18	11,054.40
Increase (+)/decrease (-) in the accounts payable	-2,119,794.77	260,285.73	969,394.61	-862,751.67
Increase (+)/decrease (-) in liabilities (without financial debts)	-155,249.81	-379,372.77	-3,653.97	143,487.84
Paid income tax	-82,542.22	-440,858.40	-282,215.28	-339,688.39
Inflow of funds from ongoing business activities	4,674,528.75	4,036,391.48	937,377.19	1,168,257.27
Inpayments from retirements of intangible assets	0.00	1,954.46	0.00	210.08
Payments for investments in tangible and intangible assets	-1,132,506.25	-1,691,695.79	-272,899.90	-598,409.73
Payments for the acquisition of subsidiaries minus acquired cash	0.00	23,835.18	0.00	0.00
Payments for the acquisition of financial assets assessed according to the equity method	0.00	-3,800.00	0.00	0.00
Interest paid in	18,999.90	11,221.19	7,444.11	5,408.03
Outflow of funds from investment activities	-1,113,506.35	-1,658,484.96	-265,455.79	-592,791.62
Payments to minority shareholders	0.00	-153,931.00	0.00	-153,931.00
Inpayments from taking out financing loans	0.00	0.00	0.00	0.00
Payments for repayment of financing loans	-2,810,808.35	-2,054,294.46	-923,323.26	-588,263.89
Interest paid out	-395,588.14	-254,354.53	-120,794.24	-64,971.67
Repurchase of shares	0.00	-239,229.89	0.00	-239,229.89
Inflow/outflow of funds from financing activities	-3,206,396.49	-2,701,809.88	-1,044,117.50	-892,465.45
Change in funds balance affecting the balance sheet	354,625.91	-323,903.36	-372,196.10	-316,999.80
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	354,625.91	-323,903.36	-372,196.10	-316,999.80
Funds balance at start of period	6,133,176.51	6,235,215.59	6,859,998.52	6,228,312.03
Funds balance at end of period	6,487,802.42	5,911,312.23	6,487,802.42	5,911,312.23

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 2012 (unaudited)

Amounts in € thousand	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 2010	3,752	1,662	13,918	56	19,388	585	19,973
Reposting 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
Share options plan	0	6	0	0	6	0	6
Consolidated profit for 2nd quarter 2011	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
Change due to purchases and sales of holdings	0	0	40	0	40	-158	-118
Compensation payment due to easybell GmbH P/L transfer agreement	0	0	0	0	0	-154	-154
Share options plan	0	0	0	0	0	0	0
Consolidated profit for 4th quarter 2011	0	0	0	8	8	210	218
As per 31 December 2011	3,752	1,678	14,014	1,073	20,517	900	21,417
Reposting of previous year's earnings	0	0	1,073	-1,073	0	0	0
Consolidated profit for 1st quarter 2012	0	0	0	518	518	240	758
As per 31 March 2012	3,752	1,678	15,087	518	21,035	1,140	22,175

Development of the consolidated equity capital

as of 30 September 2012 (unaudited)

Amounts in € thousand	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 March 2012	3,752	1,678	15,087	518	21,035	1,140	22,175
Compensation payment due to easybell GmbH P/L transfer agreement	0	6	0	0	0	-154	-154
Consolidated profit for 2nd quarter 2012	0	0	0	371	371	437	808
As per 30 June 2012	3,752	1,678	15,087	889	21,406	1,423	22,829
Compensation payment due to easybell GmbH P/L transfer agreement	0	0	0	0	0	0	0
Change due to repurchase of shares	-48	0	-191	0	-239	0	-239
Consolidated profit for 3rd quarter 2012	0	0	0	467	467	91	558
As per 30 September 2012	3,704	1,678	14,896	1,356	21,634	1,514	23,148

Consolidated notes as of 30 September 2012

General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 September 2012 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 Standards Interpretation Committee (IFRS IC) – as accepted by the EU. IFRS/IAS 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 2011.

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 € thousand	Business Solutions		Wholesale		New Business/ Consolidation		Group	
	2011 1st–3rd quarter	2012 1st–3rd quarter	2011 1st–3rd quarter	2012 1st–3rd quarter	2011 1st–3rd quarter	2012 1st–3rd quarter	2011 1st–3rd quarter	2012 1st–3rd quarter
Sales revenue	31,344	30,428	21,461	31,683	9,165	9,372	61,970	71,483
Gross earnings	14,021	13,998	1,035	745	3,423	3,766	18,478	18,509
Operating result (EBIT)	1,894	1,228	201	234	382	1,168	2,478	2,629

Consolidated notes as of 30 September 2012

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

Amounts in € thousand	Business Solutions		Wholesale		New Business/ Consolidation		Group	
	2011 3rd quarter	2012 3rd quarter	2011 3rd quarter	2012 3rd quarter	2011 3rd quarter	2012 3rd quarter	2011 3rd quarter	2012 3rd quarter
Sales revenue	10,227	10,167	8,422	10,415	2,702	3,324	21,351	23,906
Gross earnings	4,852	4,735	358	200	1,117	1,257	6,326	6,191
Operating result (EBIT)	665	384	75	35	256	315	996	734

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements as of 30 September 2012 have been expanded to include another subsidiary since 31 December 2011. The company is init.voice GmbH, Berlin, founded in November 2011, and was not yet included in the consolidated annual financial statements as of 31 December 2011 due to lack of material business operations. As of 1 January 2012 the company was completely consolidated for the first time. With initial capital stock of € 25 thousand the company reported fixed assets of € 27 thousand, liquid funds of € 24 thousand and debts of € 27 thousand at the time of initial consolidation, so that a goodwill of € 1 thousand was shown on the balance sheet.

As of 30 September 2012 a negative equity value of € –846 thousand (31 December 2011: € –958 thousand) remains due to the proportional cumulative negative earnings of mvneco GmbH; this negative amount is disregarded. The full amount of this equity value is reported as affecting the net income as of 30 September 2012 as an adjustment of the loan of ecotel communication ag to mvneco GmbH in the consolidated financial statements, whereas in the period of the first three quarters 2012 in comparison with the adjustment of the previous years, an adjustment of € 112 thousand was reported as affecting the net income.

Due to the negative proportional earnings of synergyPlus GmbH, also valued at equity, the equity value was already depreciated to zero in business year 2010. The negative equity value of synergyPlus, reported as not affecting the net income, is € –150 thousand as of 30 September 2012 (31 December 2011: € –133 thousand).

On 23 May 2012 ecotel communication ag acquired a capital share of 20.267 % in the newly founded Mediagate Participations S.à.r.l. with its main office in Mamer (Luxembourg) at a purchase price of € 4 thousand. Since this company transacted no business as of 30 September 2012, the holdings in this company are reported in the consolidated financial statements within the equity valuation at the acquisition cost of € 4 thousand.

Taxes from income and revenue

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

	1st–3rd quarter 2011	1st–3rd quarter 2012	3rd quarter 2011	3rd quarter 2012
Taxes from income and revenue – effective	–283,510.23	–616,402.73	–116,059.10	–271,417.94
Taxes from income and revenue – latent	–457,861.19	11,348.85	–123,790.53	97,486.34
Taxes from income and revenue (in €)	–741,371.42	–605,053.88	–239,849.63	–173,931.60

Consolidated notes as of 30 September 2012

Repurchase of shares and earnings per share

The Managing Board of ecotel communication ag decided on 23 May 2012 to repurchase up to 100,000 treasury shares of ecotel communication ag between 25 May 2012 and 30 September 2012. In the interim reporting period ecotel communication ag repurchased 11,500 treasury shares on 30 July 2012 at a price of € 57 thousand and 36,800 treasury shares on 22 August 2012 at a price of € 182 thousand.

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. As of 30 September 2012 there were no longer any share options, since the share options expired on 30 September 2011. Due to the balance sheet ratios 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 the previous year's closing date, so that the undiluted and the diluted earnings are identical. As of 30 September 2012 a dilution effect no longer existed.

	1st–3rd quarter 2011	1st–3rd quarter 2012	3rd quarter 2011	3rd quarter 2012
Accrued consolidated profit for the year (in €)	1,064,548.25	1,355,572.69	489,988.35	466,492.19
Weighted average number of shares	3,752,500	3,744,484	3,752,500	3,728,625
Undiluted / diluted earnings per share (in €)	0.28	0.36	0.13	0.13

Substantial events after the end of the interim reporting period

On the basis of the resolution of the board of directors of 23 May 2012, ecotel communication ag repurchased an additional 19,104 treasury shares in October 2012. In other respects we point out the announcement in accordance with Art. 4, Para. 2 of Directive (EC) No. 2273/2003, which is also accessible via the ecotel communication ag website.

Other information

In the third quarter 2012 – as in the period of the first three quarters 2012 overall – no significant transactions were conducted with related parties.

Düsseldorf, 12 November 2012

The Executive Board

Declaration of the legal representatives in accordance with § 37y Securities Trading Act (WpHG)

We assure to the best of our knowledge that in accordance with the accounting principles applied, the consolidated interim financial report reflects a true and fair view of the group's net worth, financial position and earnings and performance and that the consolidated interim financial report depicts the business trend, including the group's profit and financial position in a manner corresponding to the actual circumstances, as well as describing the essential opportunities and risks of the expected development of the group.

Düsseldorf, 12 November 2012

ecotel communication ag

The Executive Board

Bernhard Seidl

Peter Zils

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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.