

2011



2nd Quarter Interim Financial Report

Key figures

Information in MEUR	1st half year 2011 (IFRS)	1st half year 2010 (IFRS)	2nd quarter 2011 (IFRS)	2nd quarter 2010 (IFRS)
Revenue	40.6	48.0	19.8	24.9
Business Solutions	21.1	22.5	10.3	11.1
Wholesale	13.0	19.1	6.1	10.6
New Business	6.5	6.4	3.4	3.2
Gross profit	12.2	10.7	5.8	5.5
Business Solutions	9.2	8.4	4.3	4.1
Wholesale	0.7	0.8	0.4	0.5
New Business	2.3	1.5	1.1	0.9
EBITDA	3.5	2.1	1.8	1.2
in % of revenue	8.5%	4.4%	8.8%	4.8%
EBIT	1.5	0.5	0.6	0.4
in % of revenue	3.7%	1.0%	2.9%	1.6%
Consolidated profit	0.6	0.1	0.2	0.2
Earnings per share ¹ (in EUR)	0.15	0.03	0.04	0.05
Balance sheet total	44.6	50.4	44.6	50.4
Equity capital	20.8	19.7	20.8	19.7
in % of the balance sheet total	46.6%	39.1%	46.6%	39.1%
Number of shares	3,752,500	3,752,500	3,752,500	3,752,500
Net financial liabilities²	2.0	7.1	2.0	7.1
Operative cash flow	3.7	1.6	1.9	0.2
Free cash flow	2.9	0.7	1.4	-0.3
Employees as of 06/30	186 ³	200	186 ³	200

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 minority companies (PPRO GmbH, synergyPLUS GmbH, mvneco GmbH)

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Letter to our shareholders

Dear Shareholders,

ecotel continues the course of increasing profitability in the second quarter as well. Although revenues of 40.6 mill. EUR declined compared with the first half year (previous year 48.0 mill. EUR), the company was able to significantly increase gross profit from 10.7 to 12.2 mill. EUR compared to the previous year. This corresponds to a gross profit margin of 30% (previous year 22%).

The decline in revenue is essentially attributed to the Wholesale area due to the reduction of the mobile communications termination rates from the end of 2010. Sales in the first quarter 2011 totalled 19.8 mill. EUR, compared with 24.9 mill. EUR in the first quarter 2010. On the other hand, in the Business Solutions segment, due to better purchasing conditions and due to the advancing transformation process of preselection customers to full access products, the company was able to further increase profitability. While the existing customer migrations for the most part have been concluded in this area, in new customer sales interesting full access projects and data projects were won, such as the large order from ING-DiBa for connecting more than 1,200 ATMs, which should be visible in revenue and earnings numbers in the further course of the year.

EBITDA in the second quarter at 1.8 mill. EUR was slightly higher than it was in the first quarter, and was 0.5 mill. EUR above EBITDA in same period last year. Cumulative EBITDA for the first half year 2011 was 3.5 mill. EUR (previous year 2.1 mill. EUR).

The operative result (EBIT) in the second quarter was 0.6 mill. EUR (previous year 0.4 mill. EUR). Included in this figure is the special depreciation on the goodwill of nacamar in the amount of 0.4 mill. EUR, due to the change of the nacamar customer, ZDF, to a streaming framework agreement of a different television station with a different upstream supplier. Consolidated profit for the first half year 2011 was 0.6 mill. EUR (previous year 0.1 mill. EUR), which corresponds to earnings per share of EUR 0.15.

The free cash flow in the first quarter 2011 amounted to 1.4 mill. EUR (previous year -0.3 mill. EUR) and for the first 6 months of the financial year was 2.9 mill. EUR (previous year 0.7 mill. EUR). Compared with the previous quarter, the company was able to reduce net financial liabilities by an additional 1.3 mill. EUR to 2.0 mill. EUR. Liquid funds increased from 6.5 mill. EUR to 6.9 mill. EUR. Consequently, the equity ratio increased to 47% at the end of the first half year 2011.

Thus, ecotel is consistently pursuing the planned course for increased profitability for the year 2011. Moreover, the company pursues the clear objective of further strengthening the ecotel market position in the B2B area through further optimisation of the business processes and by extending the sales activities with the full access and data products in the B2B area.

For 2011 we expect sales of 80 – 90 mill. EUR. For EBITDA we now assume with confidence that that at the end of the year we will reach the upper area of the forecast of 5.5 – 6.5 mill. EUR.

Düsseldorf, August 2011



Achim Theis
(CSO, executive board)



Peter Zils
(CEO, chairman of the executive board)



Bernhard Seidl
(CFO, executive board)

Earnings and performance

ecotel sales in the second quarter 2011 amounted to 19.8 mill. EUR (previous year 24.9 mill. EUR). Thus, for the first half year 2011 there were total sales of 40.6 mill. EUR, compared with 48.0 mill. EUR in the first half year 2010; this corresponds to a decline in sales of 7.4 mill. EUR or a decline of 15% relative to the previous year. Gross profit developed positive and thus was counter to the sales trend. Gross profit in the second quarter of 2011 totalled 5.8 mill. EUR, compared with 5.5 mill. EUR in the second quarter 2010. Gross profit margin increased to 29% in the second quarter, compared with 22% for second quarter 2010.

The Business Solutions segment in the second quarter 2011 contributed 52% to the total revenue and 75 % to the gross profit of the ecotel group. Sales in the Business Solutions segment in the second quarter totalled 10.3 mill. EUR, compared with 10.8 mill. EUR in the first quarter, and 11.1 mill. EUR in the second quarter 2010. The 8% decline in sales relative to the previous year's period is essentially due to the decline in the classic preselect voice products business. Off-setting this effect, gross profit developed positively 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. In comparison with the second quarter 2010, gross profit increased by 4% to 4.3 mill. EUR in the second quarter 2011 (previous year 4.2 mill. EUR).

The Wholesale segment achieved sales of 6.1 mill. EUR in the second quarter 2011 (previous year: 10.6 mill. EUR) thus contributing 31% to the total profit. The decline in sales in the low-margin Wholesale segment can be explained by the lower mobile communication termination rates. Gross profit in the second quarter 2011 totalled 0.4 mill. EUR compared with 0.5 mill. EUR in the first quarter 2010.

The New Business segment achieved sales of 3.4 mill. EUR in the second quarter 2011 (previous year 3.2 mill. EUR) thus contributing 17% to the total profit. Gross profit totalled 1.1 mill. EUR (previous year 0.9 mill. EUR). The growth in sales and gross profit is essentially the result of marketing the call-by-call numbers "01028" and "010010" of the easybell group.

Personnel costs in the second quarter totalled 2.2 mill. EUR, which is EUR 0.1m below the number for the same quarter last year. The number of employees (not including minority companies) was reduced to 186 (previous year 200). The costs for other operating expenses remained constant at 2.2 mill. EUR.

EBITDA in the second quarter was 1.8 mill. EUR, compared with 1.7 mill. EUR in the first quarter, and 1.2 mill. EUR for the second quarter 2010.

In the second quarter, as in the first quarter, scheduled depreciation was 0.8 mill. EUR. Of which 0.4 mill. EUR was scheduled depreciation on immaterial assets, such as customer bases and development costs. Unscheduled depreciation was 0.4 mill. EUR, resulting from the value adjustment of the goodwill of the subsidiary nacamar GmbH. The reason for the goodwill impairments at nacamar is the swing of the customer ZDF to the streaming framework agreement of a different television station with a different upstream supplier and the associated impairment loss of the goodwill at nacamar.

In the second quarter 2011 the operative result (EBIT) totalled 0.6 mill. EUR, compared with 0.4 mill. EUR in the second quarter 2010. Cumulative EBIT for the first half year 2011 was 1.5 mill. EUR.

The financial result in the second quarter 2011 was -0.1 mill. EUR and is composed primarily of interest payments.

Tax expenses in the second quarter 2011 totalled 0.2 mill. EUR. Consolidated profit was 0.2 mill. EUR in the second quarter 2011, compared with 0.4 mill. EUR in the previous quarter. Thus, for the half year, group profit was 0.6 mill. EUR. This corresponds to earnings per share of EUR 0.15.

Financial position

In the second quarter cash flow from ongoing business activity was 1.9 mill. EUR compared with 1.8 mill. EUR in the previous quarter.

The cash flow from investment activities in the second quarter 2011 totalled -0.5 mill. EUR and is comprised of 0.2 mill. EUR for software developed in house and software licenses and 0.3 mill. EUR for routers and server hardware.

Thus, in the second quarter free cash flow was 1.4 mill. EUR compared with 1.5 mill. EUR in the previous quarter.

The cash flow from financial operations in the first quarter 2011 amounted to -1.1 mill. EUR and is composed essentially of the repayment of loans and leasing obligations totalling 1.0 mill. EUR, as well as interest payments totalling 0.1 mill. EUR.

In the second quarter total liquid assets increased by 0.4 mill. EUR compared to the previous quarter and liquid assets now total 6.9 mill. EUR.

Net worth

As of 30 June 2011 the balance sheet total was 44.6 mill. EUR, this represents a decline of 5% compared with 46.9 mill. EUR as of 31 March 2011.

On the assets side non-current assets were reduced from 26.4 mill. EUR to 25.7 mill. EUR, due to the ongoing depreciation. Current assets were reduced by 8% from 20.6 mill. EUR to 18.9 mill. EUR. In this regard the trade receivables were reduced by 1.8 mill. EUR while cash and cast equivalents increased by 0.3 mill. EUR.

On the liabilities side, the equity capital increased slightly from 20.5 mill. EUR to 20.8 mill. EUR. The equity ratio increased from 44% to 47%. Non-current provisions and financial obligations decreased from 5.8 mill. EUR to 4.9 mill. EUR. Of the long-term provisions, 0.8 mill. EUR are for latent profit tax. Current provisions and financial obligations were also reduced and were 18.9 mill. EUR as of 30 June 2011. The net financial obligations (financial obligations minus liquid funds), taking into account the equity capital character of the KfW subordinate tranche (2.0 mill. EUR) totalled 3.2 mill. EUR, which corresponds to a decrease of 5.1 mill. EUR, in comparison with the previous quarter (3.2 mill. EUR) and a reduction of 5.1 mill. EUR compared with the previous year's quarter (7.1 mill. EUR)

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 an appropriate risk management system and an internal control system to identify and control these risks.

With respect to the financial covenants, ecotel clearly complied with all stipulated intervals in the second quarter 2011.

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

Outlook

ecotel pursues the goal of significantly increasing the profitability of the enterprise in the medium-term, and bringing the EBITDA margin into a double-digit percentage range by 2013. Two essential drivers in this regard are improvement of the cost basis through migration of existing customers to full access connections, as well as the lower mobile communication and stationary network interconnection charges.

The product focus of the company in 2011 remains on the full access connections and on the marketing of data products and mobile communication products.

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

In the process of reducing the net debt we are pursuing a good path, and we have already been able to reach the planned goal of reducing the net debt to under 3 mill. EUR in 2011 by mid year. In 2012 we plan to eliminate the net financial obligations to zero.

For 2011 the Company anticipates revenue of 80–90 mill. EUR. We assume that revenue of the low-margin Wholesale business will be significantly below the level of the previous year due to the reduction of mobile termination fees in 2011. Simultaneously we anticipate that the 2011 EBITDA will be in the upper area of the EBITDA forecast of 5.5 – 6 mill. EUR and thus will be significantly above the previous year's level.

Investor relations

Overview of the ecotel share

The ecotel share price started the second quarter at EUR 5.24. Over the course of the quarter the price dropped occasionally and fell to EUR 5.01, but recovered quickly and broke through the EUR 7.00 mark. However the stock could not maintain this high price and closed the quarter at EUR 5.54.

The average daily trading volume of the share in the second quarter 2011 was 2,361 shares per day, compared with 420 shares in the second quarter 2010.

At the end of the quarter ecotel had a market capitalization of 20.8 mill. EUR at a price per share of EUR 5.54.

Shareholder structure

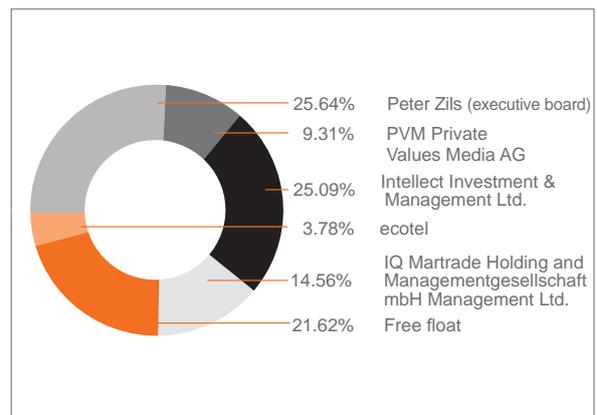
As of 30 June 2011 the share capital of ecotel communication ag totalled 3,900,000 shares. Currently ecotel holds 147,500 company-owned shares (3.78%), so that the subscribed capital in the balance sheet totals EUR 3,752,500 EUR. In the second quarter there was a significant change in the shareholder structure of ecotel. PVM Private Values Media AG, which became a shareholder in the first quarter now holds 9.31% of the company's voting shares. The company's other major shareholders remain Peter Zils (CEO of ecotel) with a share of 25.64%, Intellect Investment & Management Ltd. with 25.09% and IQ Martrade Holding und Managementgesellschaft mbH with a share of 14.56% of the voting shares. The diversified holdings totalled 21.62%.

Key indicators Ø 2011

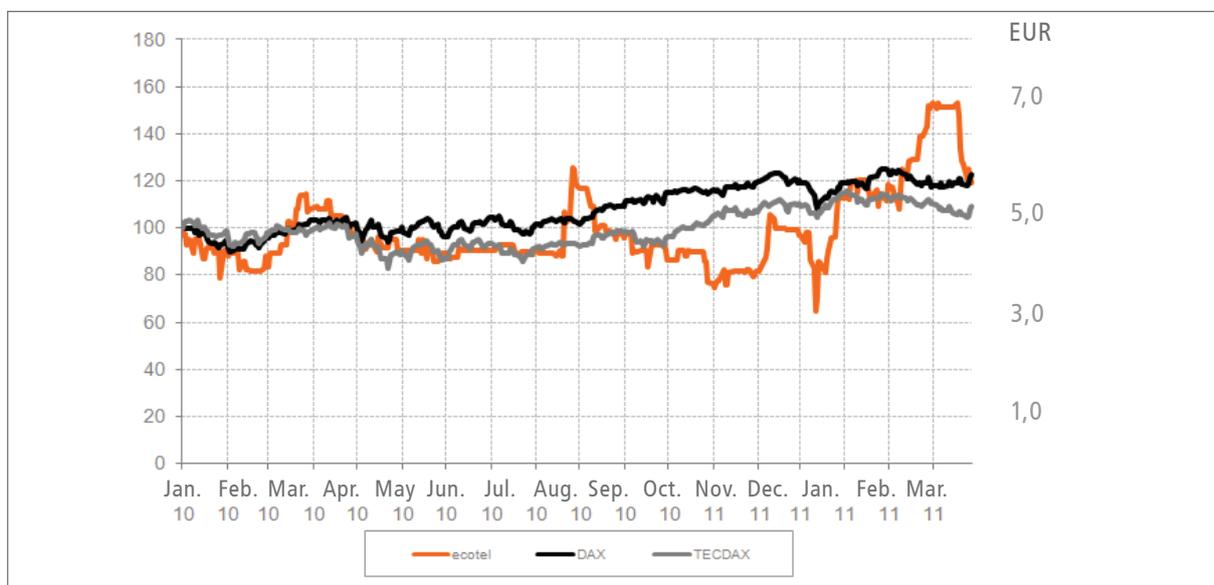
WKN	585434	Date of first listing	29.03.2006
ISIN	DE0005854343	Number of shares as of 30/06/11	3,752,500
Symbol	E4C	Average Daily trading volume in the second quarter 2011 (EUR)	2,361
Market segment starting 01/07/2007	Prime Standard	Highest price /lowest price in the second quarter 2011 (EUR)	7.11 / 5.01
Index affiliation	CDAX, Prime All Share Technology All Share	Market capitalization as of 30/06/11 (mill EUR)*	20.8
Class	Non par value shares	Designated sponsor	Close Brothers Seydler

* based on a final quotation on 30 June 2011 of € 5.54 per share

Stock ownership (30/06/11) in percent



Price trend of the ecotel share in percent and EUR



Group balance sheet

as of 30 June 2011 (unaudited)

Assets	Amounts in EUR	31.12.2010	31.03.2011	30.06.2011
A. Non-current assets				
I. Goodwill and other intangible assets		18,501,999.45	18,189,972.09	17,645,008.67
II. Fixed assets		5,860,123.80	5,677,611.77	5,588,266.45
III. Financial assets valued based on the equity method		1,523,272.09	2,071,508.87	2,098,071.36
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	310,217.51	235,021.75
Total non-current assets		27,056,460.09	26,361,310.24	25,678,368.23
B. Current assets				
I. Inventories		133,698.55	150,743.59	90,439.08
II. Accounts receivable		14,391,255.89	12,762,891.06	10,956,175.96
III. Other receivables and assets		817,722.63	863,368.75	981,676.67
IV. Current tax assets		222,743.79	222,743.79	19,831.76
V. Cash and cash equivalents		6,133,176.51	6,548,135.60	6,859,998.52
Total current assets		21,698,597.37	20,547,882.79	18,908,121.99
Total assets		48,755,057.46	46,909,193.03	44,586,490.22

Group balance sheet

as of 30 June 2011 (unaudited)

Liabilities	Amounts in EUR	31.12.2010	31.03.2011	30.06.2011
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	1,666,743.30	1,672,389.90
III. Other reserves		13,974,231.78	14,388,096.57	14,548,792.68
Total shareholders' equity		19,387,828.47	19,807,339.86	19,973,682.58
IV. Shares of other shareholders		585,190.90	668,298.12	822,502.27
Total equity capital		19,973,019.37	20,475,637.99	20,796,184.85
B. Non-current provisions and liabilities				
I. Deferred tax liabilities		792,328.39	824,849.02	824,030.35
II. Other provisions		0.00	0.00	0.00
III. Non-current loans		5,331,604.17	4,958,479.17	4,085,354.16
IV. Other financial debts		69,913.17	40,251.45	10,138.89
Total non-current provisions and liabilities		6,193,845.73	5,823,579.64	4,919,523.40
C. Current provisions and liabilities				
I. Actual income tax		351,854.69	415,713.94	516,066.84
II. Other provisions		0.00	0.00	0.00
III. Financial debt		7,918,409.12	7,346,921.03	7,277,571.80
IV. Accounts payable		12,801,971.24	10,812,390.99	9,712,781.86
V. Liabilities to associated companies		130,797.79	204,573.85	111,297.31
VI. Other liabilities		1,385,159.52	1,830,375.59	1,253,064.16
Total current provisions and liabilities		22,588,192.36	20,609,975.40	18,870,781.97
Total liabilities		48,755,057.46	46,909,193.03	44,586,490.22

Consolidated profit and loss statement

for the second quarter 2010/2011 as well as for the first half year 2010/2011 (unaudited)

Amounts in EUR	1st half year 2010	1st half year 2011	2nd quarter 2010	2nd quarter 2011
1. Sales revenue	47,962,094.81	40,618,841.78	24,883,736.80	19,838,823.05
2. Other operating income	341,649.74	541,584.31	144,157.00	329,177.52
3. Increase or decrease in inventories of finished goods and work in process	0.00	0.00	0.00	0.00
4. Other own work capitalised	34,722.68	0.00	100.00	0.00
5. Total revenue	48,338,467.23	41,160,426.09	25,027,993.80	20,168,000.57
6. Cost of materials and services Expenses for purchased services	-37,266,952.86	-28,466,350.43	-19,420,771.31	-14,033,407.31
7. Personnel expenses				
7.1 Wages and salaries	-3,942,503.26	-4,102,715.90	-1,974,093.45	-1,870,955.14
7.2 Contributions to social insurance, pension plans and other benefits	-612,805.35	-651,359.53	-311,288.64	-327,130.94
8. Scheduled depreciation and amortisation	-1,632,444.87	-1,638,226.20	-786,716.68	-823,000.11
9. Impairment				
9.1 of non-current assets	0.00	-350,000.00	0.00	-350,000.00
9.2 of current assets	0.00	0.00	0.00	0.00
10. Other operating expenses	-4,388,645.50	-4,470,144.35	-2,099,494.37	-2,189,795.59
11. Earnings before interest and tax (EBIT)	495,115.39	1,481,629.68	435,629.35	573,711.48
12. Financial result	-273,964.26	-168,236.61	-113,028.74	-80,885.94
13. Earnings from financial assets based on the equity method	-28,060.94	0.00	0.00	0.00
14. Result of ordinary business activity before income taxes	193,090.19	1,313,393.07	322,600.61	492,825.54
15. Taxes on income and earnings	-136,088.89	-501,521.79	-152,292.05	-177,925.27
16. Consolidated profit (= income and earnings) from continuing business segments	57,001.30	811,871.28	170,308.56	314,900.27
17. Net income attributable to minority interests	46,128.64	-237,311.38	29,399.54	-154,204.16
18 Net income attributable to ecotel communication ag shareholders	103,129.94	574,559.90	199,708.10	160,696.11
Undiluted earnings per share	0.03	0.15	0.05	0.04
Diluted earnings per share	0.03	0.15	0.05	0.04

Group cash flow statement

for the second quarter 2010/2011 as well as for the first half year 2010/2011 (unaudited)

Amounts in EUR	1st half year 2010	1st half year 2011	2nd quarter 2010	2nd quarter 2011
Consolidated profit for the year before income tax and third-party shares	193,090.19	1,313,393.07	322,600.61	492,825.54
Net interest income	255,666.76	150,736.61	104,278.74	72,135.94
Depreciations (+)/appreciations (-) on fixed assets	1,632,444.87	1,988,226.19	786,716.68	1,173,000.10
Earnings from companies valued based on the equity method	28,060.94	0.00	0.00	0.00
Cash flow	2,109,262.76	3,452,355.87	1,213,596.03	1,737,961.58
Other expenses (+) and income (-) not affecting the balance sheet	25,475.60	11,293.20	12,737.80	5,646.60
Profit (-)/loss (+) on disposals of non-current assets	-10,869.74	228.28	-10,869.74	228.28
Increase (-)/decrease (+) in the accounts receivable	-189,067.63	3,457,115.72	-1,195,316.25	1,806,165.92
Increase (+)/decrease (-) in receivables and other assets	135,520.11	-142,729.36	-126,033.69	-57,454.24
Increase (+)/decrease (-) in the accounts payable	-599,575.81	-3,089,189.38	352,128.49	-1,099,609.13
Increase (+)/decrease (-) in liabilities (without financial debts)	105,016.03	-151,595.84	-75,392.50	-670,587.97
Paid income tax	-1,774.56	199,673.06	-1,763.68	199,716.75
Inflow of funds from ongoing business activities	1,573,986.76	3,737,151.55	169,086.46	1,922,067.79
Payments received from retirements of intangible assets	10,870.00	0.00	10,870.00	0.00
Payments for investments in tangible and intangible assets	-828,794.62	-859,606.34	-471,790.17	-538,919.64
Payments for investments in financial assets	-72,957.38	0.00	-26,470.59	0.00
Interest paid in	16,507.95	11,555.79	9,488.85	6,637.85
Outflow of funds from investment activities	-874,374.05	-848,050.55	-477,901.91	-532,281.79
Payments received from taking out financing loans	0.00	0.00	0.00	0.00
Payments for repayment of financing loans	-1,888,319.00	-1,887,485.09	-946,673.06	-948,913.43
Interest paid out	-346,767.58	-274,793.90	-164,748.48	-129,009.65
Inflow/outflow of funds from financing activities	-2,235,086.58	-2,162,278.99	-1,111,421.54	-1,077,923.08
Change in cash and cash equivalents affecting the balance sheet	-1,535,473.87	726,822.01	-1,420,236.99	311,862.92
Changes in cash and cash equivalents due to exchange rates and other changes in value and presentation	0.00	0.00	0.00	0.00
Change in cash and cash equivalents	-1,535,473.87	726,822.01	-1,420,236.99	311,862.92
Cash and cash equivalents at start of period	7,071,935.85	6,133,176.51	6,956,698.97	6,548,135.60
Cache and cash equivalents at end of period	5,536,461.98	6,859,998.52	5,536,461.98	6,859,998.52

Cash and cash equivalents are calculated from the funds reported in the consolidated balance sheet minus the current trade debts.

Development of the consolidated equity capital

as of 30 June 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
Restating of previous year's	0	0	-2,154	2,154	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
Change due to first consolidation	0	0	-21	0	-21	21	0
Regrouping due to EAV easybell GmbH P/L transfer agreement	0	0	32	0	32	-32	0
Withdrawal of capital reserves from ecotel communication ag	0	-15,985	15,985	0	0	0	0
Share options plan	0	19	0	0	19	0	19
Consolidated profit 2nd half year 2010	0	0	0	-47	-47	328	281
As per 31 December 2010	3,752	1,662	13,918	56	19,388	585	19,973
Restating of previous year's earnings	0	0	56	-56	0	0	0
Share options plan	0	5	0	0	5	0	5
Consolidated profit 2nd 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 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

Notes to the financial statement as of 30 June 2011

General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 June 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 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 business segments of ecotel communication ag.

The **classification** of segments is based on the internal reporting by business segments; these segments 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 presentation applies for the first **half year**:

Amounts in TEUR	Business Solutions		Wholesale		New Business Consolidation		Group	
	2010 1st half year	2011 1st half year	2010. Half year	2011 1st half year	2010 1st half year	2011 1st half year	2010 1st half year	2011 1st half year
Sales revenue	22,497	21,117	19,118	13,039	6,347	6,463	47,962	40,619
Gross profit	8,346	9,169	812	677	1,537	2,306	10,695	12,152
Operating result (EBIT)	238	1.229	368	126	-111	126	495	1.482

Notes to the financial statement as of 30 June 2011

The following segment presentation applies for the second **half year**:

Amounts in TEUR	Business Solutions		Wholesale		New Business Consolidation		Group	
	2010 2nd quarter	2011 2nd quarter	2010 2nd quarter	2011 2nd quarter	2010 2nd quarter	2011 2nd quarter	2010 2nd quarter	2011 2nd quarter
Sales revenue	11,129	10,290	10,566	6,096	3,189	3,452	24,884	19,839
Gross profit	4,149	4,329	452	371	862	1,105	5,463	5,805
Operating result (EBIT)	155	628	283	90	-2	-145	436	574

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements as of 30 June 2011 are unchanged in comparison with 31 December 2010. As of 30 June 2011 a negative equity value of -874 TEUR remains due to the proportional cumulative negative earnings of mvneco GmbH; this negative amount is disregarded (per 31 March 2011: -971 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 mnveco 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 -119 TEUR as of 30 June 2011 (as of 31 March 2011: -113 TEUR).

Taxes from income and revenue

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

	1st half year 2010	1st half year 2011	2nd quarter 2010	2nd quarter 2011
Taxes from income and revenue – effective	-24,435.99	-167,451.13	-22,636.57	-103,548.21
Taxes from income and revenue – latent	-111,652.90	-334,070.66	-129,655.48	-74,377.06
Taxes from income and revenue (in EUR)	-136,088.89	-501,521.79	-152,292.05	-177,925.27

Notes to the financial statement as of 30 June 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 June 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 June 2011 and as of the previous year's closing date, so that the undiluted and the diluted earnings are identical.

	1st half year 2010	1st half year 2011	2nd quarter 2010	2nd quarter 2011
Accrued consolidated profit for the year (in EUR)	103,129.94	574,559.90	199,708.10	160,696.11
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	0.15	0.05	0.04

Other information

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

Düsseldorf, 15 August 2010

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, 15 August 2011

ecotel communication ag

The executive board

Bernhard Seidl

Peter Zils

Achim Theis

Financial calendar

15 November 2011

Publication of Quarterly Report Q3/2011

Contact

Annette Drescher

Phone: +49 211-55 007-740

Fax: +49 211-55 007 5 740

Email: investorrelations@ecotel.de

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ecotel communication ag

Prinzenallee 11

D - 40549 Düsseldorf

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.