

2nd quarter interim financial report



Key figures

Figures stated in € million	1st half year 2012 (IFRS)	1st half year 2011 (IFRS)	2nd quarter 2012 (IFRS)	2nd quarter 2011 (IFRS)
Revenue	47.6	40.6	23.9	19.8
Business Solutions	20.3	21.1	9.8	10.3
Wholesale	21.3	13.0	11.1	6.1
New Business	6.0	6.5	3.0	3.5
Gross earnings	12.3	12.2	6.1	5.8
Business Solutions	9.3	9.2	4.5	4.3
Wholesale	0.5	0.7	0.3	0.4
New Business	2.5	2.3	1.3	1.1
EBITDA	3.4	3.5	1.6	1.8
in % of revenue	7.1 %	8.5 %	6.7 %	8.8 %
EBIT	1.9	1.5	0.9	0.6
in % of revenue	4.0 %	3.7 %	3.8 %	2.9 %
Consolidated profit	0.9	0.6	0.4	0.2
Earnings per share ¹ (in €)	0.24	0.15	0.1	0.04
Balance sheet total	46.0	44.5	46.0	44.5
Equity capital	22.8	20.8	22.8	20.8
in % of the balance sheet total	49.6 %	46.6 %	49.6 %	46.6 %
Number of shares ²	3,752,500	3,752,500	3,752,500	3,752,500
Net debt	1.5	4.5	1.5	4.5
Cash flow from ongoing business activities	2.9	3.7	2.3	1.9
Cash flow from investment activities	-1.1	-8.5	-0.6	-0.5
Cash flow from financing activities	-1.8	-2.2	-0.8	-1.1
Financial resources as of 30/06	6.2	6.9	6.2	6.9
Free cash flow	1.9	3.1	1.8	1.5
Employees as of 30/06 ³	180	186	180	186

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,

Continuing the successful start of the first quarter ecotel met the goals set by management for the second quarter as well. In the half-year comparison, revenue increased by 17 % to € 47.6 million (previous year: € 40.6 million) and the gross profit improved slightly from € 12.2 million to € 12.3 million. The gross profit margin dropped from 30 % to 26 % compared with last year, due to the high share of revenue in the low-margin Wholesale segment.

Due to the large number of holidays and vacation days in the second quarter, sales in B2B could not quite match those of the previous quarter (€ 9.8 million, or a decrease of € 0.6 million).

The cumulative EBITDA result of the first six months, € 3.4 million, was slightly below last year's value of € 3.5 million. The EBITDA margin was 7.1 %. EBIT of € 1.9 million, due to the special depreciation in the second quarter of the previous year, was € 0.4 million above last year's value. Consolidated profit for the first half year totalled € 0.9 million, which corresponds to earnings per share of € 0.24 compared with € 0.15 in the previous year.

The free cash flow in the second quarter amounted to € 1.8 million (previous year: € 1.5 million). The net debt has been cut in half since the start of the year and totalled € 1.5 million at the end of the second quarter. The equity ratio remained at 50 % in the reporting period.

Due to the continued demand for high bandwidths and the resulting positive incoming order situation, management confirmed the previous forecast and expects EBITDA of € 6.0 – 7.0 million for the business year 2012, with revenue of € 80 – 90 million.

Düsseldorf, in August 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 second quarter 2012 the ecotel revenue totalled € 23.9 million (previous year: € 19.8 million). For the first half year 2012 this results in total revenue of € 47.6 million after € 40.6 million in the first half year 2011. This corresponds to an increase in revenue of € 7.0 million or an increase of 17 % as compared with the previous year. The gross profit development was likewise positive. In the second quarter 2012 it totalled € 6.1 million, compared with € 5.8 million in the second quarter 2011. Due to the strong rise in Wholesale Solutions the gross profit margin decreased to 25 % in the second quarter, compared with 29 % in the same quarter of the previous year.

The Business Solutions segment in the second quarter 2012 contributed 41 % to the total revenue and 74 % to the gross profit of the ecotel group. Revenue from Business Solutions in the second quarter totalled € 9.8 million – after € 10.4 million in the previous quarter and € 10.3 million in the same quarter of the previous year. The decrease in revenue is due essentially to the high number of holidays and vacation days in the second quarter, as well as the continued decline in the classic Preselect Voice business. The development of the gross profit offset this effect. In comparison with the second quarter 2011 the gross profit increased slightly by 1 % to € 4.5 million (previous year: € 4.3 million) in the second quarter 2012.

The Wholesale segment attained revenue of € 11.1 million (previous year: € 6.1 million) in the second quarter 2012, therefore contributing 46 % to the total profit. Gross profit in the second quarter 2011 totalled € 0.3 million, compared with € 0.4 million in the same quarter of the previous year.

The New Business segment attained revenue of € 3.0 million (previous year: € 3.5 million) in the second quarter 2012 and gross profit of € 1.3 million (previous year: € 1.1 million). This corresponds to a gross profit margin of 45 % (previous year: 32 %).

The personnel costs in the second quarter totalled € 2.5 million, which is € 0.3 million more than in the same quarter last year, due essentially to the release of reserves in human resources in the same period last year. The number of employees (not including minority companies) decreased to 180 (previous year: 186). The costs for other operating expenses remained constant at € 2.3 million (previous year: € 2.2 million).

The EBITDA result in the second quarter totalled € 1.6 million – after € 1.8 million in the first quarter and € 1.8 million in the same quarter of the previous year.

The scheduled depreciations in the second 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 second quarter 2012 amounted to € 0.9 million, after € 0.6 million in the same quarter of the previous year, due to a special depreciation of € 0.4 million on the goodwill of the nacamar company at that time. Cumulative eBIT for the first half year 2012 was € 1.9 million.

The financial result in the second quarter 2012 was –€ 0.1 million and is composed primarily of interest payments.

Tax expenses in the second quarter 2012 totalled € 0.4 million. Consolidated profit attributable to minority interests in the second quarter 2012 totalled € 0.4 million, compared with € 0.5 million in the previous quarter. This results in consolidated profit of € 0.9 million for the half year, which corresponds to earnings per share of € 0.24.

Financial position

The cash flow from ongoing business in the second quarter totalled € 2.3 million, after € 0.6 million in the previous quarter.

The cash flow from investment activities in the second quarter 2012 totalled € -0.6 million for routers & servers, installations in computing centres, software, licenses and in-house software development.

The cash flow from financial operations in the second quarter 2012 amounted to € -0.8 million and is composed essentially of the repayment of loans and leasing obligations totalling € 0.7 million as well as interest payments totalling € 0.1 million.

The liquid funds increased since the beginning of the year from € 5.4 million to € 6.2 million.

Net worth

As of 30 June 2012 the balance sheet total was € 46.0 million, an increase of 3 % compared with € 44.5 million as of 31 March 2012.

On the assets side, the non-current assets in the second quarter decreased from € 24.2 million to € 24.0 million due to continuing depreciations. The current assets increased, essentially due to the higher funds balance, by 8 % from € 20.3 million to € 22.0 million.

On the liabilities side, the equity capital increased from € 22.2 million to € 22.8 million. The equity ratio remained unchanged at 50 % compared to the previous quarter. The non-current provisions and financial obligations decreased from € 7.0 million to € 6.4 million. Of this amount, € 0.9 million are attributed to latent income tax liabilities. The current provisions and obligations increased from € 15.3 million to € 16.8 million. The net financial debt (financial debt minus liquid funds) decreased to € 1.5 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.

Outlook

ecotel confirms its forecast for the entire year 2012 with consolidated turnover of €80–90 million and EBITDA of €6–7 million. In addition, the company plans to reduce the current net debt of €1.5 million to zero € by the end of the year.

The company will continue with the business focus on the high-margin B2B segment. The company is planning medium-term increase in revenue, as well as an increase in the EBITDA margin.

In this connection we point out 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 € 5.03 at the start of the second quarter. The price per share experienced only slight fluctuations and finished the quarter at € 5.05.

The average daily trading volume of the share was 2,257 shares per day in the second quarter 2012, compared with 2,361 shares in the second quarter 2011 and 2,130 shares in the previous quarter.

At the end of the quarter ecotel had a market capitalization of € 18.9 million at a price per share of € 5.05.

Shareholder structure

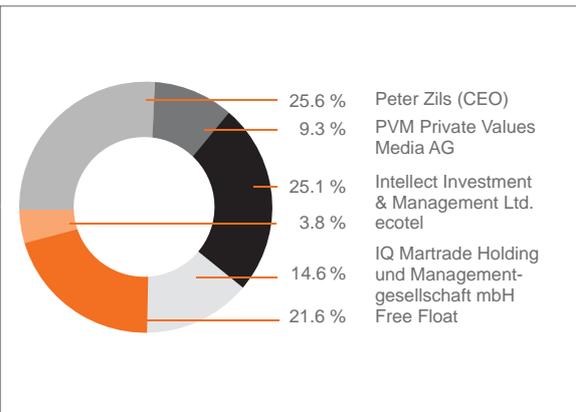
As of 30 June 2012 the share capital of ecotel communication ag totalled 3,900,000 shares. As of the closing date ecotel holds 147,500 company-owned shares (3.8 %), so that the subscribed capital in the balance sheet totals € 3,752,500. In the second quarter there was no significant change in the shareholder structure of ecotel. The company's major shareholders are 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 21.6 %.

Key figures Ø 2012

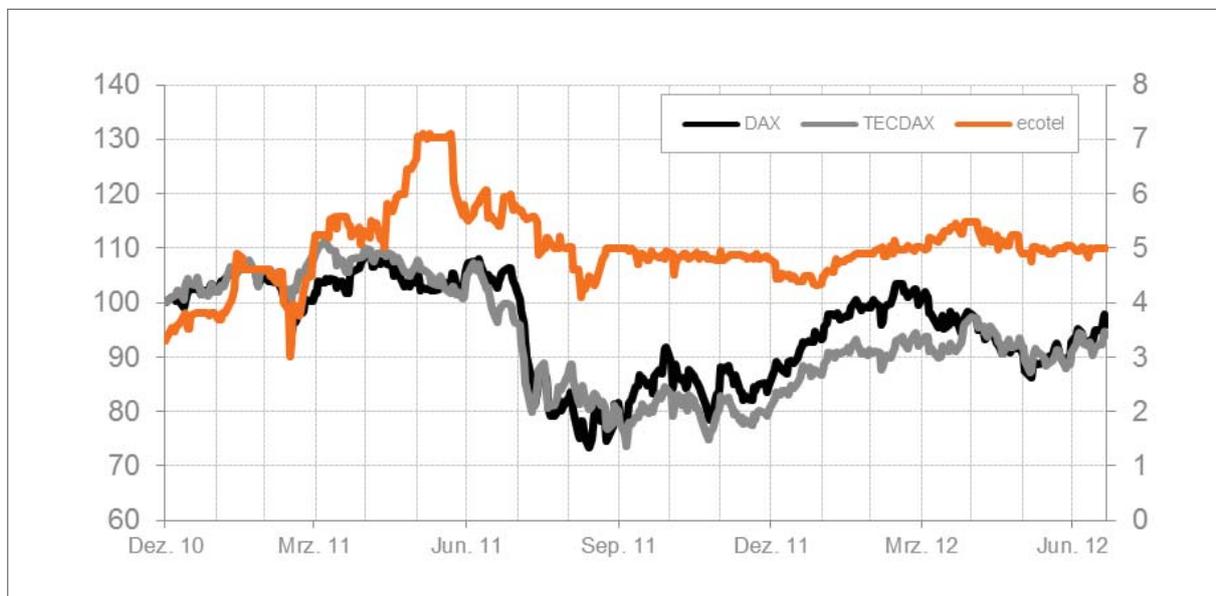
WKN	585434	Date of first listing	29/03/2006
ISIN	DE0005854343	Number of shares as of 30/06/2012	3,752,500
Symbol	E4C	Average daily trading volume in the second quarter 2012 (€)	2,257
Market segment starting 01/07/2007	Prime Standard	Highest and lowest quotation in the second quarter 2012 (€)	5.48 / 4.75
Index affiliation	CDAX, Prime All Share Technology All Share	Market capitalization as of 30/06/2012 (€ million)*	18.9
Class	Non par value shares	Designated sponsor	Close Brothers Seydler

* Based on the final quotation on 30 June 2012 of € 5.05 per share

Shareholdings (30/06/2012) in percent



Trend of quotations of the ecotel share in percent and €



Consolidated balance sheet

as of 30 June 2012 (unaudited)

Assets	Amounts in €	31/12/2011	31/03/2012	30/06/2012
A. Non-current assets				
I. Goodwill and other intangible assets		16,967,170.81	16,700,988.76	16,403,286.28
II. Fixed assets		5,079,565.01	5,100,103.00	5,219,034.46
III. Financial assets valued based on the equity method		1,586,134.39	1,633,044.71	1,703,301.83
IV. Other financial assets		25,000.00	0.00	0.00
V. Non-current receivables		623,799.25	632,486.74	641,174.23
VI. Latent income tax claims		193,361.40	84,287.40	41,940.40
Total non-current assets		24,475,030.86	24,150,910.61	24,008,737.20
B. Current assets				
I. Inventories		88,777.48	141,532.43	86,999.48
II. Accounts receivable		13,424,477.59	13,306,049.30	14,093,378.38
III. Other receivables and assets		1,211,435.67	1,495,670.70	1,585,612.47
IV. Actual income tax claims		9,194.76	12,654.76	12,654.76
V. Funds		6,235,215.59	5,360,862.98	6,228,312.03
Total current assets		20,969,101.09	20,316,770.17	22,006,957.12
Total assets		45,444,131.95	44,467,680.78	46,015,694.32

Consolidated balance sheet

as of 30 June 2012 (unaudited)

Liabilities	Amounts in €	31/12/2011	31/03/2012	30/06/2012
A. Equity capital				
I. Subscribed capital		3,752,500.00	3,752,500.00	3,752,500.00
II. Capital reserves		1,678,036.50	1,678,036.50	1,678,036.50
III. Other reserves		15,087,043.00	15,604,907.53	15,976,123.52
Total shareholders' equity		20,517,579.50	21,035,444.02	21,406,660.01
IV. Shares of other shareholders		900,115.78	1,139,416.06	1,422,550.25
Total equity capital		21,417,695.28	22,174,860.08	22,829,210.27
B. Non-current provisions and liabilities				
I. Latent income tax		979,058.08	931,745.21	913,774.56
II. Other provisions		0.00	0.00	0.00
III. Non-current loans		6,609,375.00	6,031,250.00	5,453,125.00
IV. Other financial debts		0.00	0.00	0.00
Total non-current provisions and liabilities		7,588,433.08	6,962,995.21	6,366,899.56
C. Current provisions and liabilities				
I. Actual income tax		313,903.36	424,214.10	561,178.15
II. Other provisions		0.00	0.00	0.00
III. Financial debts		2,715,502.70	2,417,962.43	2,376,588.03
IV. Accounts payable		11,555,216.98	10,628,490.03	12,678,254.38
V. Liabilities toward affiliated companies		133,765.95	174,915.44	119,284.21
VI. Other liabilities		1,719,614.60	1,684,243.49	1,084,279.73
Total current provisions and liabilities		16,438,003.59	15,329,825.49	16,819,584.50
Total liabilities		45,444,131.95	44,467,680.78	46,015,694.32

Consolidated profit and loss statement

for the second quarter 2012 and for the first half year 2012 (unaudited)

Amounts in €	1st half year 2011	1st half year 2012	2nd quarter 2011	2nd quarter 2012
1. Sales revenue	40,618,841.78	47,576,918.65	19,838,823.05	23,883,849.49
2. Other revenues or gains	541,584.31	441,304.19	329,177.52	270,754.25
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	100,969.50
5. Total operating performance	41,160,426.09	48,121,687.34	20,168,000.57	24,255,573.24
6. Cost of materials Expenses for services purchased	-28,466,350.43	-35,258,921.57	-14,033,407.31	-17,816,144.72
7. Personnel costs				
7.1 Wages and salaries	-4,102,715.90	-4,332,217.28	-1,870,955.14	-2,185,805.00
7.2 Social contributions and expenses for pensions and benefits	-651,359.53	-679,404.52	-327,130.94	-340,569.30
8. Scheduled depreciations	-1,638,226.20	-1,544,159.37	-823,000.11	-778,578.71
9. Unscheduled depreciations				
9.1 of non-current assets	-350,000.00	0.00	-350,000.00	0.00
9.2 of current assets	0.00	0.00	0.00	0.00
10. Other expenses or losses	-4,470,144.35	-4,412,011.62	-2,189,795.59	-2,283,013.65
11. Operating result (EBIT)	1,481,629.68	1,894,972.98	573,711.48	851,461.86
12. Financial result	-168,236.61	-128,203.17	-80,885.94	-47,574.43
13. Earnings from financial assets valued based on the equity method	0.00	75,867.44	0.00	47,707.12
14. Earnings from normal business activities before income tax	1,313,393.07	1,842,637.25	492,825.54	851,594.55
15. Taxes from income and revenue	-501,521.79	-431,122.28	-177,925.27	-197,244.37
16. Consolidated profit (= income and earnings) from continuing business segments	811,871.28	1,411,514.97	314,900.27	654,350.18
17. Share in earnings of other shareholders	-237,311.38	-522,434.47	-154,204.16	-283,134.19
18. Consolidated profit to which shareholders of ecotel communication ag are entitled	574,559.90	889,080.50	160,696.11	371,215.99
Undiluted earnings per share	0.15	0.24	0.04	0.10
Diluted earnings per share	0.15	0.24	0.05	0.10

Consolidated cash flow statement

for the second quarter 2012 and for the first half year 2012 (unaudited)

Amounts in €	1st half year 2011	1st half year 2012	2nd quarter 2011	2nd quarter 2012
Consolidated profit for the year before income tax and third-party shares	1,313,393.07	1,842,637.25	492,825.54	851,594.55
Net interest income	150,736.61	99,560.62	72,135.94	33,231.88
Depreciations (+) / appreciations (-) on fixed assets	1,988,226.19	1,544,159.37	1,173,000.10	778,578.71
Earnings from companies valued based on the equity method	0.00	-75,867.44	0.00	-47,707.12
Cash flow	3,452,355.87	3,410,489.80	1,737,961.58	1,615,698.02
Other expenses (+) and income (-) not affecting the balance sheet	11,293.20	0.00	5,646.60	0.00
Profit (-) / loss (+) from retirements of intangible assets	228.28	-217.99	228.28	-318.64
Increase (-) / decrease (+) in the accounts receivable	3,457,115.72	-701,505.31	1,806,165.92	-783,135.12
Increase (+) / decrease (-) in receivables and other assets	-142,729.36	-339,639.10	-57,454.24	-39,602.78
Increase (+) / decrease (-) in the accounts payable	-3,089,189.38	1,123,037.40	-1,099,609.13	2,049,764.35
Increase (+) / decrease (-) in liabilities (without financial debts)	-151,595.84	-522,860.61	-670,587.97	-501,663.99
Paid income tax	199,673.06	-101,170.01	199,716.75	-35,903.97
Inflow of funds from ongoing business activities	3,737,151.55	2,868,134.18	1,922,067.79	2,304,837.87
Inpayments from retirements of intangible assets	0.00	1,744.41	0.00	711.73
Payments for investments in tangible and intangible assets	-859,606.34	-1,093,286.06	-538,919.64	-600,200.78
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	-3,800.00
Interest paid in	11,555.79	5,813.16	6,637.85	5,775.04
Outflow of funds from investment activities	-848,050.55	-1,065,693.31	-532,281.79	-597,514.01
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	-1,887,485.09	-1,466,030.57	-948,913.43	-608,237.56
Interest paid out	-274,793.90	-189,382.86	-129,009.65	-77,706.25
Outflow of funds from financial activities	-2,162,278.99	-1,809,344.43	-1,077,923.08	-839,874.81
Change in funds balance affecting the balance sheet	726,822.01	-6,903.56	311,862.92	867,449.05
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	726,822.01	-6,903.56	311,862.92	867,449.05
Funds balance at start of period	6,133,176.51	6,235,215.59	6,548,135.60	5,360,862.98
Funds balance at end of period	6,859,998.52	6,228,312.03	6,859,998.52	6,228,312.03

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 June 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 31/12/10	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 31/03/11	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 30/06/11	3,752	1,673	13,974	575	19,974	822	20,796
Change due to first consolidation	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	5	0	0	5	0	5
Consolidated profit for 2nd half year 2011	0	0	0	498	498	390	888
As per 31/12/11	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 31/03/12	3,752	1,678	15,087	518	21,035	1,140	22,175
Compensation payment due to easybell GmbH P/L transfer agreement	0	0	0	0	0	-154	-154
Consolidated profit for 2nd quarter 2012	0	0	0	371	371	437	808
As per 30/06/12	3,752	1,678	15,087	889	21,406	1,423	22,829

Consolidated notes as of 30 June 2012

General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 June 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 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 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 **half year**:

Amounts in € thousand	Business Solutions		Wholesale		New Business/ Consolidation		Group	
	2011 1st half year	2012 1st half year	2011 1st half year	2012 1st half year	2011 1st half year	2012 1st. half year	2011 1st half year	2012 1st half year
Sales revenue	21,116.9	20,260.1	13,039.0	21,268.8	6,463.0	6,048.0	40,618.8	47,576.9
Gross earnings	9,169.0	9,263.9	677.2	544.8	2,306.3	2,509.3	12,152.5	12,318.0
Operating result (EBIT)	1,229.0	844.0	126.0	198.6	126.3	852.4	1,481.6	1,895.0

Consolidated notes as of 30 June 2012

The following segment description applies for the period of the second quarter:

Amounts in € thousand	Business Solutions		Wholesale		New Business/ Consolidation		Group	
	2011 2nd quarter	2012 2nd quarter	2011 2nd quarter	2012 2nd quarter	2011 2nd quarter	2012 2nd quarter	2011 2nd quarter	2012 2nd quarter
Sales revenue	10,290.2	9,813.1	6,096.0	11,091.5	3,452.0	2,979.2	19,838.8	23,883.8
Gross earnings	4,329.3	4,464.1	371.0	265.7	1,105.1	1,337.9	5,805.4	6,067.7
Operating result (EBIT)	628.0	304.0	90.0	48.6	-145.0	498.9	573.7	851.5

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements as of 30 June 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 €25,000 the company reported fixed assets of €27,000, liquid funds of €24,000 and debts of €27,000 at the time of initial consolidation, so that a goodwill of €1,000 was shown on the balance sheet.

As of 30 June 2012 a negative equity value of €-882,000 (31 December 2011: €-958,000) 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 June 2012 as an adjustment of the loan of ecotel communication ag to mvneco GmbH in the consolidated financial statements, whereas in the first half year 2012 in comparison with the adjustment of the previous years, an adjustment of €76,000 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 the business year 2010. The negative equity value of synergyPlus, reported as not affecting the net income, is €-141,000 as of 30 June 2012 (31 December 2011: €-133,000).

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 €4,000. Since this company transacted no business as of 30 June 2012, the holdings in this company are reported in the consolidated financial statements within the equity valuation at the acquisition cost of €4,000.

Taxes from income and revenue

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

	1st half year 2011	1st half year 2012	2nd quarter 2011	2nd quarter 2012
Taxes from income and revenue – effective	-167,451.13	-344,984.79	-103,548.21	-172,868.03
Taxes from income and revenue – latent	-334,070.66	-86,137.49	-74,377.06	-24,376.34
Taxes from income and revenue (in €)	-501,521.79	-431,122.28	-177,925.27	-197,244.37

Consolidated notes as of 30 June 2012

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. As of 30 June 2012 there were no longer any share options, since the share options expired on 30 September 2011. As of the previous year's closing date 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 June 2012 a dilution effect no longer existed.

	1st half year 2011	1st half year 2012	2nd quarter 2011	2nd quarter 2012
Accrued consolidated profit for the year (in €)	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 €)	0.03	0.15	0.05	0.04

Other information

In the second quarter 2012 – as in the first half year 2012 overall – no significant transactions were conducted with related parties.

Düsseldorf, 15 August 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, 15 August 2012

ecotel communication ag

The Executive Board

Bernhard Seidl

Peter Zils

Achim Theis

Financial calendar

15 November 2012

Publication of Quarterly Report Q3 / 2012

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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.