

| 20 **16** | | |

Quarterly Statement for 2nd Quarter

| Amounts in million € | 1 st half year 2015 (IFRS) | 1 st half year 2016 (IFRS) | 2 nd quarter 2015 (IFRS) | 2 nd quarter 2016 (IFRS) |
|--------------------------------------|--|--|--|--|
| Profit and loss account | | | | |
| Revenue | 49.7 | 59.2 | 23.7 | 29.2 |
| Business Solutions | 21.1 | 22.6 | 10.5 | 11.2 |
| Wholesale | 19.8 | 28.1 | 8.8 | 13.8 |
| New Business | 8.9 | 8.5 | 4.4 | 4.2 |
| Gross earnings | 13.8 | 14.2 | 6.8 | 7.1 |
| Business Solutions | 10.1 | 10.9 | 5.0 | 5.4 |
| Wholesale | 0.2 | 0.1 | 0.1 | 0.0 |
| New Business | 3.5 | 3.2 | 1.7 | 1.7 |
| EBITDA ¹ | 4.5 | 3.5 | 1.8 | 1.6 |
| in % of revenue | 9.0 % | 5.9 % | 7.7 % | 5.6 % |
| Operating result (EBIT) | 2.2 | 1.3 | 0.7 | 0.5 |
| Consolidated profit ² | 1.1 | 0.4 | 0.3 | 0.1 |
| Earnings per share in € ³ | 0.31 | 0.13 | 0.08 | 0.03 |

| Amounts in million € | 1 st half year 2015 (IFRS) | 1 st half year 2016 (IFRS) | 2 nd quarter 2015 (IFRS) | 2 nd quarter 2016 (IFRS) |
|--|--|--|--|--|
| Cash flow | | | | |
| Financial resources at beginning of period | 5.0 | 7.7 | 6.3 | 6.5 |
| Cash flow from ongoing business activities | 3.7 | 2.3 | 1.7 | 2.9 |
| Cash flow from investment activities | -0.9 | -1.3 | -0.5 | -0.9 |
| Cash flow from financing activities | -1.1 | -1.1 | -0.8 | -0.8 |
| Financial resources as of 30/06 | 6.7 | 7.7 | 6.7 | 7.7 |

| Amounts in million € | 1 st half year 2015 (IFRS) | 1 st half year 2016 (IFRS) | 2 nd quarter 2015 (IFRS) | 2 nd quarter 2016 (IFRS) |
|---------------------------------|--|--|--|--|
| Balance sheet | | | | |
| Balance sheet total | 42.6 | 45.0 | 42.6 | 45.0 |
| Equity capital | 21.7 | 22.4 | 21.7 | 22.4 |
| in % of the balance sheet total | 50.8 % | 49.8 % | 50.8 % | 49.8 % |
| Net financial assets | 0.8 | 3.0 | 0.8 | 3.0 |

| Amounts in million € | 1 st half year 2015 (IFRS) | 1 st half year 2016 (IFRS) | 2 nd quarter 2015 (IFRS) | 2 nd quarter 2016 (IFRS) |
|---|--|--|--|--|
| Other key figures | | | | |
| Number of shares as of 30/06 (outstanding shares) | 3,510,000 | 3,510,000 | 3,510,000 | 3,510,000 |
| Free cash flow ⁴ | 2.8 | 1.0 | 1.2 | 2.0 |
| Employees as of 30/06 ⁵ | 209 | 214 | 209 | 214 |

¹ Earnings before interest, taxes, depreciation and amortisation

² Corresponds to the consolidated profit after deduction of minority interests

³ Both undiluted and diluted

⁴ Free cash flow = cash flow from current business activities + cash flow from investment activities

⁵ Without minority companies (synergyPLUS GmbH, mvneco GmbH)

Differences in the totals can occur due to commercial rounding.

| | |
|--|-------|
| Key figures | 2 |
| To our shareholders | |
| Letter to our shareholders | 4 |
| Investor relations | 5 |
| Consolidated interim management report | |
| Earnings and performance | 6 |
| Financial position | 7 |
| Net worth | 7 |
| Risk report | 8 |
| Outlook | 8 |
| Supplementary report | 8 |
| Consolidated interim financial statement | |
| Consolidated balance sheet <small>as of 30 June 2016</small> | 9–10 |
| Consolidated profit statement <small>for the second quarter 2016 and for the first half year 2016</small> | 11 |
| Consolidated cash flow statement <small>for the second quarter 2016 and for the first half year 2016</small> | 12 |
| Development of consolidated equity <small>as of 30 June 2016</small> | 13 |
| Consolidated notes <small>as of 30 June 2016</small> | 14–16 |
| Statement of the legal representatives | 16 |
| Miscellaneous | |
| Financial calendar | 17 |
| Contact | 17 |
| Imprint | 17 |
| Disclaimer | 17 |

Dear Shareholders,

We are very satisfied with the first half year 2016. Profitable and sustainable growth in the Business Customers segment shows that we are still on the right path. Meanwhile, we have introduced a new NGN product portfolio for the impending change from ISDN to ALL IP technology. This makes ecotel one of the first companies in the industry to be able to provide B2B customers with IP-based voice services via all access types.

In the second quarter 2016 ecotel was able to continue sustainable growth, especially in the profitable core segment of Business Customers (B2B). Consolidated revenue increased by € 5.4 million to € 29.2 million. In addition to increased revenue of € 5.0 million in the Wholesale Solutions segment, ecotel's high-margin Business Customers (B2B) segment also improved significantly by € 0.7 million to € 11.2 million. In the New Business segment, revenue decreased slightly by € 0.2 million to € 4.2 million. In the first half year 2016 the consolidated revenue increased altogether by € 9.5 million to € 59.2 million.

Consolidated gross profit in the second quarter 2016 increased from € 6.8 million to € 7.1 million. This was achieved essentially by Business Solutions (B2B) with an increase of € 0.4 million or 8% to € 5.4 million. Gross profit in the New Business segment remained constant at € 1.7 million (previous year: € 1.7 million) despite the lower revenue. Altogether, ecotel earned gross profit of € 14.2 million in the first half year 2016 (previous year: € 13.8 million). Of this amount, 76.8% is attributed to the Business Customers segment.

Consolidated EBITDA in the second quarter 2016 was marked by planned one-time effects for ensuring the target growth course in the Business Customers (B2B) segment and consequently decreased to € 1.6 million (previous year: € 1.8 million). This included one-time marketing and sales costs, recruitment costs and additional investments for optimisation of processes and systems. In the first half year 2016 ecotel achieved EBITDA of € 3.5 million (previous year: € 4.5 million) and therefore remains on course. Overall, ecotel earned consolidated profit totalling € 0.4 million (previous year: € 1.1 million), which resulted in earnings per share of € 0.13 (previous year: € 0.31). The one-time revenue of € 1.3 million from the previous year must be taken into account in the comparison with the previous year.

Free cash flow in the second quarter 2016 totalled € 2.0 million (Q2 2015: € 1.2 million). In the first half year 2016 ecotel was therefore able to achieve a free cash flow of € 1.0 million, so that the net financial assets increased from € 2.6 million at the end of 2015 to € 3.0 million.

Equity increased by € 0.7 million to € 22.4 million (previous year: € 21.7 million). Despite the higher balance sheet total of € 45.0 million (previous year: € 42.6 million), ecotel was able to maintain a stable equity ratio of 49.8%.

The slightly declining EBITDA in the second quarter 2016 corresponds to expectations. The company confirms the forecast published in the 2015 consolidated annual report and continues to expect revenue of € 95–105 million and EBITDA in the corridor of € 7.0–8.5 million for the current financial year 2016.

Düsseldorf, in August 2016



Peter Zils
(Chairman)



Johannes Borgmann
(Deputy Chairman)



Achim Theis

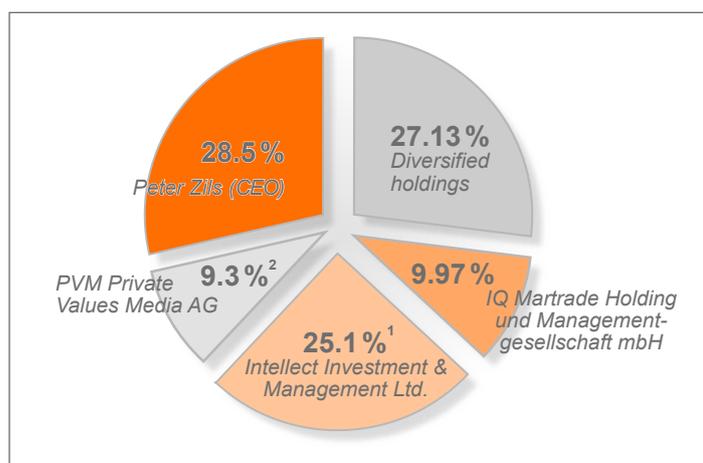
Overview of the ecotel share

The ecotel share started the year 2016 at € 8.40. During the course of the first half year 2016 the price of the share ranged from € 7.65 to € 9.32. The ecotel share was slightly above the level of the German share index DAX and also that of the TecDAX, but decreased slightly in value on the whole. The ecotel share closed the first half year at a price of € 8.00. With a total of 3.51 million outstanding shares this results in market capitalization of € 28.1 million (30 June 2016: € 29.8 million). The average trading volume was 2,210 shares in the first half year 2016. (1st half year 2015: 4,841 shares)

Shareholder structure

As of 30 June 2016 the share capital of ecotel communication ag totalled 3,510,000 shares. This means that there was no change in the share capital in comparison with 31 December 2015. The major shareholders remain Peter Zils, Intellect Investment & Management Ltd., IQ Martrade Holding und Managementgesellschaft mbH and PVM Private Values Media AG. The diversified holdings total 27.1%. In the second quarter 2016 the share of IQ Martrade Holding und Managementgesellschaft mbH in the company's share capital decreased by 10.1% to 9.97%.

Shareholdings (30/06/2016) in percent



¹ according to the last notice of 09/07/2009 prior to call-in of treasury shares (capital stock in shares: 3,900,000)

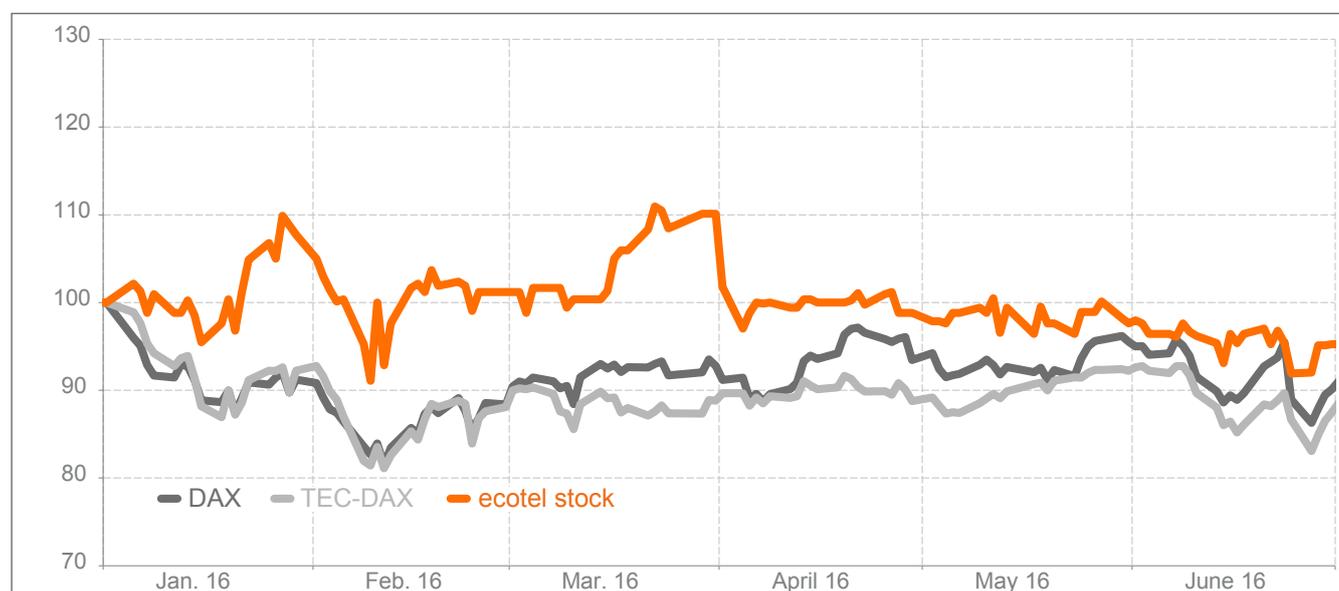
² according to the last notice of 07/04/2011 prior to call-in of treasury shares (capital stock in shares: 3,900,000)

Key figures Ø 2016

| | |
|---|---|
| WKN | 585434 |
| ISIN | DE0005854343 |
| Symbol | E4C |
| Market segment since 08/08/2007 | Prime Standard |
| Index affiliation | CDAX, Prime All Share Technology All Share |
| Class | Non par value shares |
| Date of first listing | 29/03/2006 |
| Number of shares as of 31/03/2016 | 3,510,000 |
| Average daily trading volume 2016 | 2,210 |
| High share price 2016 (€) | 9.32 |
| Low share price 2015 (€) | 7.65 |
| Market capitalisation as of 30/06/2016 (million €)* | 28.1 |
| Designated sponsor | Close Brothers Seydler Bank AG |

* Based on the closing price of € 8.00 per share for 3,510,000 outstanding shares as of 30 June 2016

Price trend of the ecotel stock in 2016 in percent



Earnings and performance

In the first half year 2016 ecotel achieved **consolidated revenue** of € 59.2 million (1st half year 2015: € 49.7 million). In the second quarter 2016, consolidated revenue totalled € 29.2 million (Q2 2015: € 23.7 million). Consolidated turnover therefore increased by 19% in the half year comparison and by 23% in the quarterly comparison.

Gross profit increased in the first half year 2016 to € 14.2 million (1st half year 2015: € 13.8 million). In the second quarter 2016, gross profit increased to € 7.1 million (Q2 2015: € 6.8 million).

The second quarter 2016 was marked by planned one-time effects in the Business Customers (B2B) segment. **EBITDA** therefore decreased slightly to € 1.6 million (previous year: € 1.8 million). These effects included one-time marketing and sales costs, recruitment costs and additional investments for optimisation of processes and systems. In the first half year 2016 ecotel achieved EBITDA of € 3.5 million (1st half year 2015: € 4.5 million). The one-time revenue of € 1.3 million from the previous year as the result of settlement of an active legal dispute must be taken into account in the comparison with the previous year.

Revenue in the high-margin core segment **Business Customers** grew in the first half year 2016 by € 1.5 million to € 22.6 million. In the second quarter 2016 this increase amounted to € 0.7 million compared to the previous year.

With an unchanged **gross profit margin** (48.1%) the **gross profit** in this segment increased to € 10.9 million (1st half year 2015: € 10.1 million). In the quarterly comparison the gross profit increased to € 5.4 million (Q2 2015: € 5.0 million).

In the first half year 2016 the **New Business segment** achieved revenue totalling € 8.5 million (1st half year 2015: € 8.9 million). Gross profit decreased slightly to € 3.2 million (1st half year 2015: € 3.5 million) in the first half year 2016. Private Customer Solutions (B2C) – which comprises the business of the easybell Group – grew both in the half year and in the quarterly analysis. Revenue in the new media solutions segment decreased on the other hand, due to non-recurring revenue from projects implemented in the first half year 2015.

In the low-margin but strategically important **Wholesale Solutions segment** revenue increased significantly in both the half year comparison (+€ 8.3 million) and in the quarterly comparison (+€ 5.0 million).

Personnel expenses totalled € 6.3 million (1st half year 2015: € 6.1 million). **Other operating expenses** likewise increased to € 5.0 million (1st half year 2015: € 4.7 million). The aforementioned planned one-time effects contributed substantially to this development.

Scheduled depreciations remained stable in the first half year at € 2.1 million (1st half year 2015: € 2.1 million).

In the first half year 2016 ecotel achieved **EBIT** of € 1.3 million (1st half year 2015: € 2.2 million). The decrease of € 0.9 million is due to the aforementioned one-time revenue in the previous year and to the higher personnel expenses and other operating expenses.

The **financial result** improved significantly both in the half year and the quarterly comparison. This improvement was due in part to revenue totalling € 0.1 million from mvneco GmbH, which is measured at equity.

Consolidated **tax expenses** totalled € 0.4 million (1st half year 2015: € 0.6 million).

Consolidated profit decreased to € 0.9 million (1st half year 2015: € 1.5 million).

After deducting the shares of other shareholders in the surplus, ecotel shareholders are entitled to a profit (**consolidated surplus**) of € 0.4 million in the first half year 2016 (1st half year 2015: € 1.1 million) and € 0.1 million in the second quarter 2016 (Q2 2015: € 0.3 million). This corresponds to **earnings per share** of € 0.13 for the first half year 2016 (1st half year 2015: € 0.31) and € 0.03 for the second quarter 2016 (Q2 2015: € 0.08).

Financial position

In the second quarter 2016 ecotel was able to achieve **free cash flow** of € 2.0 million (Q2 2015: € 1.2 million). In the first half year 2016, free cash flow totalled € 1.0 million (1st half year 2015: € 2.8 million). Consolidated cash and cash equivalents as of 30 June 2016, totalling € 7.7 million, remained at the same level as at the end of the year 2015.

Cash flow from current business activities in the second quarter 2016 totalled € 2.9 million (Q2 2015: € 1.7 million). In the first half year 2016 ecotel attained cash flow from operating activities totalling € 2.3 million (1st half year 2015: € 3.7 million). Especially the one-time revenue from the settlement of a legal dispute last year totalling € 1.3 million before deduction of costs contributes to this development.

Cash flow from investment activities totalled € –0.9 million (Q2 2015: € –0.5 million) in the second quarter 2016. Higher investments in the technological infrastructure were necessary compared with the same quarter of the previous year. In the first half year 2016 ecotel also received payments from companies valued at equity totalling € 0.2 million (1st half year 2015: € 0.1 million) from the repayment of capital reserves.

In the half year comparison the outflow of funds from investment activities increased by € 0.4 million to € –1.3 million.

Cash flow from financing activities remained virtually unchanged both in the quarterly and half year comparison. It totalled € –0.8 million (Q2 2015: € –0.8 million) in the second quarter and € –1.1 million (1st half year 2015: € –1.1 million) in the first half year.

Net worth

The **balance sheet total** decreased as of 30 June 2016 by € 5.2 million to € 45.0 million. The **non-current assets** decreased by € 0.9 million. Investments in property, plant and equipment and intangible assets (€ 1.5 million) were lower than the depreciations (€ 2.1 million).

In addition, a repayment of equity from companies valued at equity totalling € 0.2 million caused a decrease in the financial investments.

Current assets decreased in the same period by € 4.3 million to € 23.9 million. This reduction was due essentially to the decrease in trade receivables of € 4.2 million.

The **liabilities** of the Group were reduced by € 6.9 million in the first half year 2016. Of this amount, € 4.4 million were due to the reduction of accounts payable, as well as € 0.5 million for the planned reduction of long-term loans.

The Group was able to increase the **net assets** from € 2.6 million at the end of the year 2015 to € 3.0 million as of 30 June 2016.

Equity increased in the same period by € 0.4 million. The equity attributed to the shareholders of ecotel communication ag increased by € 0.5 million to € 20.0 million. On the other hand, the equity attributed to the minority shareholders in the group remained constant.

The **equity ratio** of the Group increased in the first half year by 6% to 49.8% (31/12/2015: 43.8%).

Risk report

The business activities of the ecotel Group are subject to the opportunities and risks of the telecommunications market and the company-specific risks. The group 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 2015 Group management report, which remains valid with respect to the current risk and opportunity situation.

Outlook

The Management of ecotel communication ag reaffirms the forecast published in the 2015 Annual Report and continues to expect consolidated turnover of € 95–105 million and EBITDA of € 7.0–8.5 million for the current business year 2016. The Management Board expects that revenue in the core segment Business Customers will be in a corridor between € 43 and € 46 million with a stable gross profit margin. Revenue of € 17–19 million is expected for the New Business segment. Revenue of € 35–40 million is expected for

the Wholesale Solutions segment, the planning of which is possible only to a limited extent.

In this connection we refer to the information in the forecast report of the 2015 Group management report, which remains valid with respect to the company's outlook.

Supplementary report

After the balance sheet date, there were no events of major significance for the ecotel Group that affect the financial, asset and earnings situation of the group.

Consolidated balance sheet as of 30 June 2016 (unaudited)

| € | 31/12/2015 | 31/03/2016 | 30/06/2016 |
|--|----------------------|----------------------|----------------------|
| Assets | | | |
| A. Non-current assets | | | |
| I. Intangible assets | 12,721,593.12 | 12,550,658.21 | 12,493,859.41 |
| II. Fixed assets | 8,509,599.41 | 8,245,697.57 | 8,064,812.81 |
| III. Financial assets measured at equity | 91,894.28 | 560,813.80 | 603,350.70 |
| IV. Other financial assets | 679,112.59 | 0.00 | 0.00 |
| V. Deferred income tax claims | 26,882.00 | 13,441.00 | 0.00 |
| Total non-current assets | 22,029,081.40 | 21,370,610.58 | 21,162,022.92 |
| B. Current assets | | | |
| I. Trade receivables | 17,716,539.91 | 12,665,850.01 | 13,522,570.12 |
| II. Other financial assets | 1,707,447.99 | 1,725,353.01 | 1,065,390.76 |
| III. Other non-financial assets | 822,220.02 | 1,442,355.75 | 1,186,014.02 |
| IV. Actual income tax claims | 219,505.35 | 219,505.35 | 404,328.26 |
| V. Cash and cash equivalents | 7,745,070.99 | 6,478,710.04 | 7,688,618.63 |
| Total current assets | 28,210,784.26 | 22,531,774.16 | 23,866,921.79 |
| Total assets | 50,239,865.66 | 43,902,384.74 | 45,028,944.71 |

Consolidated balance sheet as of 30 June 2016 (unaudited)

| € | 31/12/2015 | 31/03/2016 | 30/06/2016 |
|---|----------------------|----------------------|----------------------|
| Liabilities | | | |
| A. Equity capital | | | |
| I. Subscribed capital | 3,510,000.00 | 3,510,000.00 | 3,510,000.00 |
| II. Capital reserves | 1,833,254.38 | 1,833,254.38 | 1,833,254.38 |
| III. Other reserves | 14,249,014.04 | 14,591,728.12 | 14,698,307.65 |
| Shares of the owners of the parent company | 19,592,268.42 | 19,934,982.50 | 20,041,562.03 |
| IV. Shares of other shareholders | 2,424,947.24 | 2,645,838.68 | 2,404,610.80 |
| Total equity capital | 22,017,215.66 | 22,580,821.18 | 22,446,172.83 |
| B. Non-current liabilities | | | |
| I. Deferred income tax | 875,554.03 | 888,576.37 | 818,283.64 |
| II. Non-current loans | 3,963,541.00 | 3,514,582.00 | 3,065,623.00 |
| Total non-current liabilities | 4,839,095.03 | 4,403,158.37 | 3,883,906.64 |
| C. Current liabilities | | | |
| I. Current taxes on earnings | 507,738.99 | 394,087.90 | 513,603.65 |
| II. Current loans | 1,170,834.00 | 1,379,168.00 | 1,587,502.00 |
| III. Accounts payable | 19,449,137.48 | 13,182,624.54 | 15,051,891.36 |
| IV. Provisions | 22,500.00 | 16,500.00 | 0.00 |
| V. Other financial liabilities | 1,125,609.86 | 1,062,884.34 | 704,442.48 |
| VI. Other non-financial liabilities | 1,107,734.64 | 883,140.41 | 841,425.75 |
| Total current liabilities | 23,383,554.97 | 16,918,405.19 | 18,698,865.24 |
| Total liabilities | 50,239,865.66 | 43,902,384.74 | 45,028,944.71 |

Consolidated profit statement

for the second quarter 2016 and for the first half year 2016 (unaudited)

| € | | 1 st half year 2015 | 1 st half year 2016 | 2 nd quarter 2015 | 2 nd quarter 2016 |
|------|---|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| 1. | Sales revenue | 49,693,475.78 | 59,160,111.62 | 23,677,254.12 | 29,247,611.66 |
| 2. | Other revenues or gains | 1,470,730.16 | 375,437.82 | 291,537.19 | 174,577.90 |
| 3. | Other company-manufactured items capitalized | 78,450.08 | 138,282.50 | 78,450.08 | 74,023.00 |
| 4. | Total operating performance | 51,242,656.02 | 59,673,831.94 | 24,047,241.39 | 29,496,212.56 |
| 5. | Cost of materials | | | | |
| 5.1 | Expenses for services purchased | -35,935,692.00 | -44,934,771.86 | -16,834,650.08 | -22,100,656.14 |
| 6. | Personnel costs | | | | |
| 6.1 | Wages and salary | -5,257,268.33 | -5,424,678.55 | -2,620,150.07 | -2,738,526.37 |
| 6.2 | Social contributions and expenses for pensions and benefits | -815,274.96 | -843,489.11 | -402,302.41 | -424,927.58 |
| 7. | Scheduled depreciations | -2,059,907.17 | -2,135,663.77 | -1,087,898.94 | -1,119,284.00 |
| 8. | Unscheduled depreciations | | | | |
| 8.1 | of non-current assets | -215,634.88 | 0.00 | 0.00 | 0.00 |
| 9. | Other operating expenses | -4,737,342.58 | -4,988,444.47 | -2,374,008.90 | -2,602,720.11 |
| 10. | Operating result (EBIT) | 2,221,536.10 | 1,346,784.18 | 728,230.99 | 510,098.36 |
| 11. | Financial income | 29,340.66 | 11,549.65 | 20,012.07 | 10,548.51 |
| 12. | Financial expenses | -104,636.23 | -144,489.39 | -50,788.16 | -72,524.52 |
| 13. | Earnings from financial assets measured at equity | -311.64 | 80,452.32 | -184.79 | 42,536.90 |
| 14. | Financial result | -151,886.43 | -52,487.42 | -71,543.09 | -19,439.11 |
| 15. | Earnings from normal business activities before income tax | 2,069,649.67 | 1,294,296.76 | 656,687.90 | 490,659.25 |
| 16. | Taxes from income and revenue | -577,429.68 | -375,339.59 | -144,038.94 | -135,307.60 |
| 17. | Surplus (= total consolidated profit) | 1,492,219.99 | 918,957.17 | 512,648.96 | 355,351.65 |
| 18. | Allocation of the surplus to the | | | | |
| 18.1 | Owners of the parent company (consolidated surplus) | 1,071,436.59 | 449,293.61 | 290,094.25 | 106,579.53 |
| 18.2 | Shares of other shareholders | 420,783.40 | 469,663.56 | 222,554.71 | 248,772.12 |

| € | | 1 st half year 2015 | 1 st half year 2016 | 2 nd quarter 2015 | 2 nd quarter 2016 |
|---|------------------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| | Undiluted earnings per share | 0.31 | 0.13 | 0.08 | 0.03 |
| | Diluted earnings per share | 0.31 | 0.13 | 0.08 | 0.03 |

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

Consolidated cash flow statement for the second quarter 2016 and for the first half year 2016 (unaudited)

| € 1 thousand | 1 st half year 2015 | 1 st half year 2016 | 2 nd quarter 2015 | 2 nd quarter 2016 |
|---|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Earnings from normal business activities before income tax | 2,070 | 1,294 | 657 | 491 |
| Net interest income | 76 | 78 | 32 | 33 |
| Depreciation and amortisation expense | 2,276 | 2,136 | 1,088 | 1,119 |
| Earnings from financial assets measured at equity | 0 | -80 | 0 | -43 |
| Profit (-)/loss (+) from retirements of intangible assets | 11 | -30 | 11 | 14 |
| Increase (-)/decrease (+) in the trade receivables | 1,584 | 4,194 | 1,308 | -857 |
| Increase (-)/decrease (+) in receivables and other assets | -161 | 305 | -1 | 930 |
| Increase (+)/decrease (-) in the accounts payable | -1,673 | -4,373 | -1,191 | 1,869 |
| Increase (+)/decrease (-) in liabilities (without financial debts) | -268 | -711 | -75 | -444 |
| Paid (-)/received (+) income tax | -185 | -554 | -125 | -201 |
| Inflow of funds from ongoing business activities | 3,730 | 2,258 | 1,703 | 2,911 |
| Payments made for investments in intangible assets and property, plant, and equipment | -994 | -1,514 | -569 | -938 |
| Deposits from repayment of equity from companies valued at equity | 100 | 248 | 100 | 0 |
| Interest paid in | 11 | 12 | 11 | 11 |
| Outflow of funds from investment activities | -883 | -1,254 | -458 | -927 |
| Payments to non-controlling shareholders | -490 | -490 | -490 | -490 |
| Payments for repayment of financing loans | -553 | -481 | -276 | -241 |
| Interest paid out | -104 | -89 | -51 | -44 |
| Outflow of funds from financing activities | -1,147 | -1,061 | -817 | -774 |
| Change in funds balance affecting the balance sheet | 1,700 | -56 | 428 | 1,210 |
| Funds balance at start of period | 4,988 | 7,745 | 6,259 | 6,479 |
| Funds balance at end of period | 6,687 | 7,689 | 6,687 | 7,689 |

Differences in the totals can occur due to commercial rounding.

Development of consolidated equity as of 30 June 2016 (unaudited)

| Amounts in thousand € | Retained earnings | | | | | | Total ¹ |
|--|--------------------|------------------|-------------------------|---------------------|---|--|--------------------|
| | Subscribed capital | Capital reserves | Other retained earnings | Consolidated profit | Equity capital to be allocated to shareholders of ecotel communication ag | Shares of non-controlling shareholders | |
| As per 01 January 2015 | 3,510 | 1,833 | 12,038 | 1,151 | 18,532 | 2,119 | 20,651 |
| Restating of previous year's earnings | 0 | 0 | 1,151 | -1,151 | 0 | 0 | 0 |
| Distributions | 0 | 0 | 0 | 0 | 0 | -490 | -490 |
| Change in equity capital not affecting the earnings | 0 | 0 | 1,151 | -1,151 | 0 | -490 | -490 |
| Consolidated profit for 1 st half year 2015 | 0 | 0 | 0 | 1,071 | 1,071 | 421 | 1,493 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 1,071 | 1,071 | 421 | 1,493 |
| As per 30 June 2015 | 3,510 | 1,833 | 13,189 | 1,071 | 19,603 | 2,050 | 21,653 |
| As per 01 January 2016 | 3,510 | 1,833 | 12,626 | 1,623 | 19,592 | 2,425 | 22,017 |
| Restating of previous year's earnings | 0 | 0 | 1,623 | -1,623 | 0 | 0 | 0 |
| Distributions | 0 | 0 | 0 | 0 | 0 | -490 | -490 |
| Change in equity capital not affecting the earnings | 0 | 0 | 1,623 | -1,623 | 0 | -490 | -490 |
| Consolidated profit for 1 st half year 2016 | 0 | 0 | 0 | 449 | 449 | 470 | 919 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 449 | 449 | 470 | 919 |
| As per 30 June 2016 | 3,510 | 1,833 | 14,249 | 449 | 20,042 | 2,405 | 22,446 |

Differences in the totals can occur due to commercial rounding.

General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 June 2016 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 financial year 2015.

At the time the interim financial statement was drawn up, as of 30 June 2016 the following new and changed standards and interpretations were adopted and put into effect by the European Union as European legislature. These standards are to be applied for the first time in this consolidated interim financial statement. The first application had no significant effect on the consolidated financial statement.

| Standard/ Interpretation | First-time mandatory application in accordance with IASB | First-time mandatory application in the EU |
|---|--|--|
| Changes to IAS 27 "Separate Financial Statements": Equity method in the separate financial statement | 1 January 2016 | 1 January 2016 |
| Changes to IAS 19 "Employee Benefits": Employee contributions | 1 July 2014 | 1 February 2015 |
| Annual improvement project cycle 2010-2012 | 1 July 2014 | 1 February 2015 |
| Changes to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": Clarification of acceptable methods of depreciation and amortisation | 1 January 2016 | 1 January 2016 |
| Changes to IAS 1 "Presentation of Financial Statements" | 1 January 2016 | 1 January 2016 |
| Annual improvement project cycle 2012-2014 | 1 January 2016 | 1 January 2016 |
| Changes to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture": Bearer Plants | 1 January 2016 | 1 January 2016 |
| Changes to IFRS 11 "Joint Arrangements": Recognition of acquisition of shares in joint operations | 1 January 2016 | 1 January 2016 |

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 as well as selected key accounts "bundled" voice, data and value added services as well as direct connections for voice and data communications from one source.
- In the **Wholesale Solutions** segment ecotel markets products and comprehensive solutions for other telecommunications companies (including resellers and call shops).
- The **New Business** segment comprises the private customer business (B2C) of easybell GmbH and the New Media business of nacamar GmbH.

The following segment description applies for the period of the first **half year**:

| Amounts in thousand € | Business Solutions | | Wholesale | | New Business / Consolidation | | Group | |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2015 1 st half year | 2016 1 st half year | 2015 1 st half year | 2016 1 st half year | 2015 1 st half year | 2016 1 st half year | 2015 1 st half year | 2016 1 st half year |
| Sales revenue | 21,052 | 22,586 | 19,792 | 28,054 | 8,850 | 8,520 | 49,693 | 59,160 |
| Gross earnings | 10,131 | 10,872 | 234 | 139 | 3,392 | 3,214 | 13,758 | 14,225 |
| Operating result (EBIT) | 1,006 | 275 | -32 | -37 | 1,248 | 1,109 | 2,222 | 1,347 |

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

| Amounts in thousand € | Business Solutions | | Wholesale | | New Business / Consolidation | | Group | |
|-------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2015 2 nd quarter | 2016 2 nd quarter |
| Sales revenue | 10,501 | 11,205 | 8,807 | 13,795 | 4,369 | 4,248 | 23,677 | 29,248 |
| Gross earnings | 5,039 | 5,392 | 104 | 82 | 1,698 | 1,674 | 6,841 | 7,147 |
| Operating result (EBIT) | 106 | -25 | -28 | -9 | 651 | 544 | 728 | 510 |

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements have remained unchanged since 31 Dec. 2015.

Taxes from income and revenue

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

| Amounts in thousand € | 2015 1 st half year | 2016 1 st half year | 2015 2 nd quarter | 2016 2 nd quarter |
|---|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Taxes from income and revenue – effective | -622 | -405 | -145 | -192 |
| Taxes from income and revenue – deferred | 45 | 30 | 1 | 57 |
| Taxes from income and revenue | -577 | -375 | -144 | -135 |

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 2016, there were no share options, so that the undiluted and diluted earnings per share are identical.

| | 2015 1 st half year | 2016 1 st half year | 2015 2 nd quarter | 2016 2 nd quarter |
|--|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Accrued consolidated profit for the year (in €) | 1,071,436.59 | 449,293.61 | 290,094.25 | 106,579.53 |
| Weighted average number of shares | 3,510,000 | 3,510,000 | 3,510,000 | 3,510,000 |
| Undiluted/diluted earnings per share (in €) | 0.31 | 0.13 | 0.08 | 0.03 |

Other information

In the first half year 2016 – as in the first half year 2015 – no significant transactions were conducted with related parties.

Düsseldorf, 11 August 2016

The Management Board

Peter Zils Johannes Borgmann Achim Theis

Statement of the legal representatives in accordance with § 37y WpHG in connection with para. 2, no. 3 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, 11 August 2016

ecotel communication ag

The Management Board

Peter Zils Johannes Borgmann Achim Theis

Financial calendar

10. November 2016

Publication of Quarterly Report Q3 / 2016

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Disclaimer**Exclusion of liability:**

This report (especially the “Outlook” section) contains forward-looking statements, which reflect the current views of the ecotel Management with respect to future events. They are generally characterised by the words “expect”, “assume”, “presume”, “intend”, “estimate”, “strive”, “set as a goal”, “plan”, “become”, “aspire to”, “outlook” and similar expressions and generally contain information that refers to the expectations or goals for sales revenue, EBITDA or other performance-related standards. Forward-looking statements are based on current plans, estimates and expectations. They should therefore be viewed with caution. Such statements involve risks and uncertain factors, most of which are difficult to assess and which generally are beyond the control of ecotel.

Other possible factors that can significantly affect the cost and revenue development are changes in interest rates, regulatory requirements, stronger than expected competition, changes in technologies, legal disputes and supervisory developments. If these or other risks and factors of uncertainty occur, or if the assumptions on which the statements are based turn out to be incorrect, ecotel’s actual results can diverge substantially from those expressed or implied in these statements.

ecotel can make no guarantee that the expectations or goals will be achieved. ecotel – notwithstanding existing capital market obligations – refuses to accept any responsibility whatsoever for updating the forward-looking statements by taking into account new information or future events or other matters.

In addition to the key figures presented in accordance with IFRS, ecotel also presents pro forma key figures, such as gross profit, EBITDA, EBITDA margin, free cash flow and gross and net financial obligations, which are not covered by the accounting regulations. These key figures are intended as a supplement, but not as a substitute for the information presented in accordance with IFRS. Pro forma key figures are subject neither to IFRS nor other generally applicable accounting regulations. Other companies may base these fundamentals on other definitions.