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3rd Quarter Interim Financial Report

| Amounts in million € * | 9 months 2015 (IFRS) | 9 months 2014 (IFRS) | 3 rd quarter 2015 (IFRS) | 3 rd quarter 2014 (IFRS) |
|------------------------|-------------------------|-------------------------|--|--|
| Revenue | 74.0 | 76.5 | 24.4 | 26.4 |
| Business Solutions | 31.8 | 31.3 | 10.8 | 10.3 |
| Wholesale | 29.0 | 33.2 | 9.2 | 11.9 |
| New Business | 13.2 | 12.1 | 4.4 | 4.2 |

| | | | | |
|------------------------|------|------|-----|-----|
| Gross earnings* | 20.7 | 19.3 | 6.9 | 6.5 |
| Business Solutions | 15.3 | 14.8 | 5.2 | 5.0 |
| Wholesale | 0.3 | 0.4 | 0.1 | 0.1 |
| New Business | 5.1 | 4.0 | 1.7 | 1.4 |

| | | | | |
|----------------------------|-------|-------|-------|-------|
| EBITDA ¹ | 6.3 | 5.3 | 1.8 | 1.8 |
| in % of revenue | 8.5 % | 7.0 % | 7.5 % | 6.7 % |

| | | | | |
|--------------------------------|-------|-------|-------|-------|
| Operating result (EBIT) | 3.0 | 2.1 | 0.8 | 0.8 |
| in % of revenue | 4.1 % | 2.8 % | 3.4 % | 3.0 % |

| | | | | |
|---|------|------|------|------|
| Consolidated profit ² | 1.3 | 0.8 | 0.2 | 0.3 |
| Earnings per share in € ³ | 0.36 | 0.23 | 0.06 | 0.09 |

| | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Balance sheet total (30/09) | 41.2 | 44.6 | 41.2 | 44.6 |
| Equity (30/09) | 21.5 | 20.2 | 21.5 | 20.2 |
| in % of the balance sheet total | 52.2 % | 45.2 % | 52.2 % | 45.2 % |
| Number of shares (outstanding shares) | 3,510,000 | 3,552,161 | 3,510,000 | 3,510,000 |
| Net debt (30/09) | 1.6 | -1.7 | 1.6 | -1.7 |
| Free cash flow ⁴ | 4.3 | 1.3 | 1.5 | 1.3 |
| Employees ⁵ | 208 | 219 | 208 | 219 |

Essential data on the cash flow

| Amounts in million € | 9 months 2015 | 9 months 2014 | 3 rd quarter 2015 | 3 rd quarter 2014 |
|--|---------------|---------------|------------------------------|------------------------------|
| Financial resources at beginning of period | 5.0 | 6.1 | 6.7 | 4.7 |
| Cash flow from ongoing business activities | 6.0 | 3.6 | 2.2 | 2.2 |
| Cash flow from investment activities | -1.6 | -2.3 | -0.7 | -1.0 |
| Cash flow from financing activities | -2.3 | -2.3 | -1.2 | -0.8 |
| Financial resources as of 30/09 | 7.0 | 5.1 | 7.0 | 5.1 |

* Differences in the totals can occur due to commercial rounding.

¹ Result before planned and unplanned depreciations, financial result and taxes on income and earnings

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)

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Dear Shareholders,

In the third quarter 2015 we were able to increase revenue in the high-margin segments. In the core segment Business Solutions (B2B) quarterly revenue increased by 4 % to € 10.8 million (previous year: € 10.3 million). The New Business segment – which comprises Private Customer Solutions under the easybell brand and new media solutions under the nacamar brand – also achieved a 4 % increase in revenue to € 4.4 million (previous year: € 4.2 million). Due to the decline of revenue to € 9.2 million (previous year: € 11.9 million) in the low-margin and difficult-to-plan Wholesale Solutions segment, consolidated turnover decreased in the third quarter by € 2.0 million to € 24.4 million.

Consolidated gross profit increased to € 6.9 million (previous year: € 6.5 million). This growth was due to positive developments in the Business Customers (B2B) segment with € 0.2 million and an unchanged gross profit margin of 48 %, and in the New Business segment with € 0.3 million and a gross profit margin of 39 % (previous year: 34 %). EBITDA in the third quarter remained stable at € 1.8 million (previous year: € 1.8 million).

Consolidated turnover of € 74.0 million (previous year: € 76.5 million) was achieved within the first nine months of the financial year 2015. Gross profit increased by € 1.4 million to € 20.7 million and EBITDA increased by € 1.0 million to € 6.3 million.

The group's free cash flow also improved by € 3.0 million to € 4.3 million compared to the same period of the previous year; this corresponds to a free cash flow per share of € 1.23. The consolidated net income increased to € 1.3 million with earnings per share of € 0.36. In addition, ecotel was able to transform the net debt of € 1.5 million as of 31 December 2014 into net assets of € 1.6 million by the end of the third quarter. This is an improvement of € 3.1 million.

Despite the first-time payment of a cash dividend of € 0.6 million (€ 0.16 per share) the equity increased as of 30 September 2015 to € 21.5 million (previous year: € 20.2 million). The equity ratio grew to 52.2 % (previous year: 45.2 %).

Our efforts in the B2B segment are now also evident in terms of revenue. We were also able to continue the positive order acquisition development of the first half year 2015. Now it is a matter of implementing the orders in a timely fashion to the satisfaction of our customers. The results on revenue and profit – especially from the key account projects CURANUM and HOCHTIEF – should become apparent after successful implementation in the course of the year 2016. We are likewise pleased with the development in Private Customer Solutions (B2C), where we were able to continue the planned growth course with the easybell brand, whose importance for the group is growing steadily.

As a result of the change in technology being pushed by the Deutsche Telekom and the impending migration from ISDN to All-IP access, we have meanwhile started the marketing of managed voice and data services on the basis of the new technology. The completion of the new platform, and therefore the start-up of the local exchange operations, is planned for the first quarter 2016. In 2014, we had already carried out substantial investments in this respect. In the future, we will additionally pursue the strategy of developing new markets for Cloud, Security and IP-Centrex services.

We confirm the forecast published in the 2014 Annual Report and continue to expect EBITDA of € 7.5–8.5 million for the current business year 2015, with revenue of € 90–100 million.

Düsseldorf, in November 2015



Peter Zils
(Chairman)



Johannes Borgmann
(Vice Chairman)



Achim Theis

Overview of the ecotel share

The ecotel share started the third quarter 2015 at a price of € 8.50. During the course of this period the price fluctuated between € 9.90 and € 7.50. The share finished the third quarter at a price of € 8.30. This means market capitalisation of € 29.1 million (30 September 2014: € 34.9 million).

After the end of the third quarter up until publication of this interim financial report the price meanwhile increased to € 10.60 and finished on 11 November 2015 at € 9.89, which corresponds to market capitalisation of € 34.7 million.

The average trading volume was 3,827 shares per day in the third quarter 2015, compared with 2,214 shares in the third quarter 2014 and 6,108 shares in the second quarter 2015.

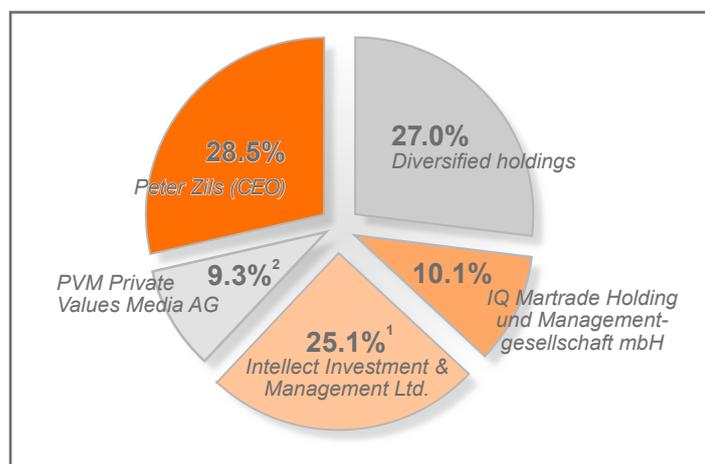
Shareholder structure

As of 30 September 2015 the share capital of ecotel communication ag totalled 3,510,000 shares. There was therefore no change in the share capital in comparison with 31 December 2014. In the first nine months of 2015 there was no significant change in the company's shareholder structure.

Dividends

In the third quarter a cash dividend of € 0.16 per qualified share was paid out.

Shareholdings (30/09/2015) 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)

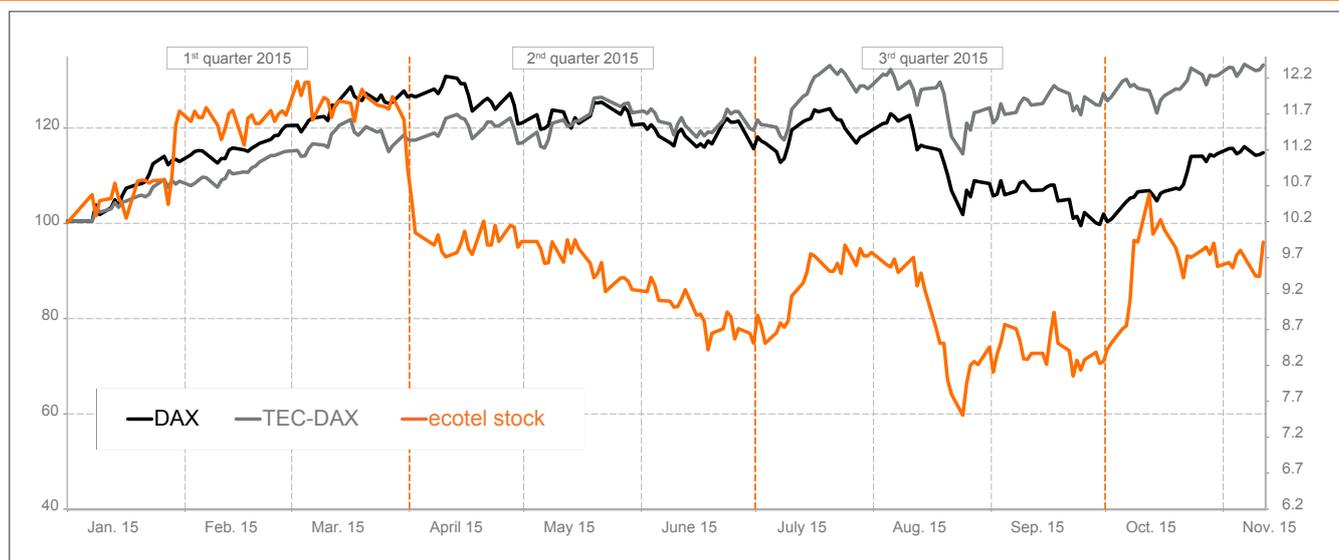
² according to the last notice of 07/04/2011 prior to call-in of treasury shares (capital stock in shares: 3,900,000)

Key figures Ø 2015

| | |
|---|---|
| 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 30/09/2015 | 3,510,000 |
| Average daily trading volume 2015 | 4,452 |
| High share price 2015 (€) | 12.10 |
| Low share price 2015 (€) | 7.50 |
| Market capitalisation as of 30/09/2015 (million €)* | 29.1 |
| Designated sponsor | Close Brothers Seydler Bank AG |

* Based on the closing price of € 8.30 per share for 3,510,000 outstanding shares as of 30 September 2015

Price trend of the ecotel stock in 2015 in percent



Earnings and performance

ecotel achieved **consolidated revenue** of € 74.0 million (previous year: € 76.5 million) within the first nine months of the year 2015. In the third quarter 2015, consolidated revenue totalled € 24.4 million (Q3 2014: € 26.4 million).

In the high-margin **Business Customer segment** and in the **New Business segment** ecotel achieved increases in revenue, while the low-margin **Wholesale Solutions segment** underwent a decrease in revenue.

Gross profit increased in the first nine months of 2015 to € 20.7 million (previous year: € 19.3 million) or 7 %. In the third quarter 2015 the gross profit increased to € 6.9 million (Q3 2014: € 6.5 million).

EBITDA increased by € 1.0 million to € 6.3 million in comparison with the first nine months of 2014. In the third quarter 2015 EBITDA remained stable at € 1.8 million (Q3 2014: € 1.8 million).

The **Business Customers segment** achieved a € 0.5 million increase in revenue to € 31.8 million in comparison with the first nine months of 2014. In the quarterly comparison revenue therefore increased by 4 % to € 10.8 million. With respect to the revenue from the Business Solutions segment it should be pointed out that since mid 2014 ecotel has discontinued marketing of the company's own mobile services. In addition, one-time earnings from the Allianz router roll-out were achieved in the previous year. Without these two effects, the revenue from the Business Customers segment would have increased by € 0.8 million in comparison with the first nine months of 2014.

The gross profit and the gross profit margin in this segment also increased to € 15.3 million or 48.1 % (previous year: € 14.8 million or 47.4 %). In the quarterly comparison the gross profit increased to € 6.9 million (Q3 2014: € 6.5 million).

The segment contributes 43 % (previous year: 41 %) to the consolidated revenue and 74 % (previous year: 77 %) to the consolidated gross profit.

The **New Business segment** grew substantially again in the third quarter 2015 with respect to revenue and profitability. Revenue increased by € 1.1 million to € 13.2 million in comparison with the first nine months of 2014. The gross profit increased to € 5.1 million (previous year: € 4.0 million). In addition to further growth in the **Private Customer Solutions (B2C) segment** – which includes the transactions of the easybell Group – the **new media solutions segment** was also able to increase its profitability in comparison with the previous year.

This segment contributes 18 % (previous year: 16 %) to the consolidated revenue and 25 % (previous year: 21 %) to the consolidated gross profit.

The **Wholesale Solutions segment** experienced substantial decreases in revenue both in comparison with the first nine months (€ –4.2 million) and in the quarterly comparison (€ –2.6 million). This low-margin segment, which is difficult to forecast, contributes 39 % (previous year: 43 %) to consolidated revenue.

Personnel expenses remained nearly constant at € 9.0 million (previous year: € 8.9 million). In the quarterly comparison personnel expenses increased by € 0.3 million.

The balance from **other operating expenses and income** in the first nine months of 2015 totalled € –5.5 million (previous year: € –5.0 million). In both periods this balance is essentially affected by non-recurring special effects. They include one-time effects from concluded active legal disputes in both periods, as well as expenses from the termination of the commercial agency relationship to synergyPLUS GmbH in 2014.

Scheduled depreciations remained nearly constant at € 3.1 million in the first nine months of 2015 and consistent with the comparison periods at € 1.0 million in the third quarter 2015. In this year and also in the previous year, impairments of property, plant and equipment totalling € 0.2 million were necessary in the Business Solutions segment.

EBIT increased in the first nine months to € 3.0 million (previous year: € 2.1 million). EBIT in the third quarter 2015 remained constant at € 0.8 million (Q3 2014: € 0.8 million).

The consolidated **tax expenses** totalled € 0.9 million (previous year: € 0.7 million).

The **consolidated profit** increased to € 0.6 million to € 1.9 million (previous year: € 1.3 million). In the quarterly comparison, consolidated profit decreased slightly by € 0.1 million to € 0.4 million.

After deducting the shares of other shareholders in the surplus, ecotel shareholders are entitled to a profit (**consolidated surplus**) of € 1.3 million in the first nine months of 2015 (previous year: € 0.8 million) and € 0.2 million in the third quarter 2015 (Q3 2014: € 0.3 million). This corresponds to **earnings per share** of € 0.36 for the first nine months of 2015 (previous year: € 0.23) and € 0.06 for the third quarter 2015 (Q3 2014: € 0.09).

Financial position

As of 30 September 2015 ecotel was able to increase **cash and cash equivalents** by € 1.9 million in comparison with 31 December 2014 to € 7.0 million. In the third quarter the group achieved a cash flow of € 0.3 million (previous year: € 0.4 million).

The **cash flow from current transactions** totalled € 2.2 million in the third quarter 2015 (Q3 2014: € 2.2 million). In addition to the positive operating result (EBITDA) this was due essentially to the decrease in accounts receivable (€ –1.0 million) in comparison with 30 June 2015. In addition to the increase in trade receivables (€ 1.2 million) the third quarter 2014 had been substantially affected by the receipt of compensation for damages (€ 2.0 million) as well as capital gains tax paid on dividends distributed within the group (€ –0.9 million).

In the first nine months of 2015 ecotel attained a cash flow from operating activities totalling € 6.0 million. This is an increase of € 2.4 million over the comparison period.

The **cash flow from investment activities** totalled € –0.7 million (previous year: € –1.0 million). The investments in intangible assets and property, plant and equipment decreased by € 0.9 million to € 0.7 million. In the third quarter 2014 the group received a repayment of loans from synergyPlus GmbH totalling € 0.7 million. In the nine-month comparison the outflow of funds from investment activities decreased despite the repayment of this loan in 2014 by € 0.6 million to € –1.6 million.

The **cash flow from financing activities** totalled € –1.2 million in the third quarter 2015 (Q3 2014: € –0.8 million). For the first time, ecotel paid out cash dividends totalling € 0.6 million to the shareholders. In addition, it was possible to make repayments of loans totalling € 0.3 million.

In the nine-month comparison the cash flow from financing activities remained constant at € –2.3 million.

The **free cash flow** increased in the first nine months of 2015 by € 3.0 million to € 4.3 million.

Net worth

The **balance sheet total** decreased as of 30 September 2015 by € 2.6 million to € 41.2 million. The **non-current assets** decreased by € 1.7 million. Investments in property, plant and equipment and intangible assets (€ 1.8 million) were lower than the depreciations (€ 3.3 million).

The **current assets** decreased in the same period by € 0.9 million. While accounts receivable decreased by € 2.6 million, cash and cash equivalents increased by € 2.0 million.

The **liabilities** (current and non-current) of the Group in the first nine months of 2015 were reduced by € 3.5 million. Of this amount, € 1.1 million were attributed to repayments of loans to credit institutions. In addition, trade payables were reduced by € 2.0 million.

The Group was able to transform the **net debt** of € 1.5 million at the end of the year 2014 into net assets of € 1.6 million by 30 September 2015.

Equity increased in the same period by € 0.9 million to € 21.5 million. Despite the payment of a cash dividend totalling € 0.6 million, the equity allocated to the shareholders of ecotel communication ag increased by € 0.7 million to € 19.2 million.

The **equity ratio** of the Group increased in the first nine months of the year 2015 by 5.1 % to 52.2 % (31/12/2014: 47.1 %).

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 2014 Group management report, which with the exception of a legal dispute that was resolved in the first quarter 2015 remains valid with respect to the current risk and opportunity situation.

Outlook

The Management of ecotel communication ag reaffirms the forecast published in the 2014 Annual Report and continues to expect consolidated turnover of € 90–100 million and EBITDA of € 7.5–8.5 million for the current business year 2015.

In this connection we refer to the information in the forecast report of the 2014 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 September 2015

| € | 30/09/2015 | 30/06/2015 | 31/12/2014 |
|--|----------------------|----------------------|----------------------|
| Assets | | | |
| A. Non-current assets | | | |
| I. Intangible assets | 12,650,698.46 | 12,785,203.39 | 13,091,835.54 |
| II. Fixed assets | 8,004,453.98 | 8,140,223.57 | 9,126,589.45 |
| III. Financial assets accounted for based on the equity method | 575,879.38 | 578,007.78 | 678,119.42 |
| IV. Deferred income tax claims | 40,323.00 | 53,764.01 | 80,646.01 |
| Total non-current assets | 21,271,354.82 | 21,557,198.75 | 22,977,190.42 |
| B. Current assets | | | |
| I. Inventories | 85,953.04 | 69,390.04 | 108,037.04 |
| II. Trade receivables | 10,713,500.92 | 11,701,356.35 | 13,285,480.70 |
| III. Other financial assets | 1,208,853.18 | 922,797.62 | 555,933.27 |
| IV. Other non-financial assets | 832,678.36 | 1,012,663.56 | 1,153,449.08 |
| V. Actual income tax claims | 90,988.22 | 652,924.25 | 758,682.68 |
| VI. Cash and cash equivalents | 7,003,093.88 | 6,687,104.03 | 4,987,505.15 |
| Total current assets | 19,935,067.60 | 21,046,235.85 | 20,849,087.92 |
| Total assets | 41,206,422.42 | 42,603,434.60 | 43,826,278.34 |

Consolidated balance sheet as of 30 September 2015

| € | 30/09/2015 | 30/06/2015 | 31/12/2014 |
|---|----------------------|----------------------|----------------------|
| 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 | 13,892,087.86 | 14,259,472.99 | 13,188,036.40 |
| Shares of the owners of the parent company | 19,235,342.24 | 19,602,727.38 | 18,531,290.78 |
| IV. Shares of other shareholders | 2,267,689.84 | 2,049,993.22 | 2,119,209.82 |
| Total equity capital | 21,503,032.08 | 21,652,720.59 | 20,650,500.60 |
| B. Non-current liabilities | | | |
| I. Deferred income tax | 795,549.03 | 780,278.43 | 851,949.84 |
| II. Non-current loans | 4,412,500.00 | 4,831,250.00 | 5,383,750.00 |
| Total non-current liabilities | 5,208,049.03 | 5,611,528.43 | 6,235,699.84 |
| C. Current liabilities | | | |
| I. Current taxes on earnings | 658,877.92 | 821,803.46 | 535,287.63 |
| II. Current loans | 962,500.00 | 1,105,000.00 | 1,105,000.00 |
| III. Accounts payable | 9,967,876.57 | 10,343,785.47 | 12,017,265.73 |
| IV. Other financial liabilities | 1,311,517.16 | 1,429,205.35 | 1,597,214.10 |
| V. Other non-financial liabilities | 1,594,569.66 | 1,639,391.30 | 1,685,310.44 |
| Total current liabilities | 14,495,341.31 | 15,339,185.58 | 16,940,077.90 |
| Total liabilities | 41,206,422.42 | 42,603,434.60 | 43,826,278.34 |

Consolidated profit statement

for the third quarter 2015 and for the first nine months of 2015 (unaudited)

| € | 1 st –3 rd quarter 2015 | 1 st –3 rd quarter 2014 | 3 rd quarter 2015 | 3 rd quarter 2014 |
|---|--|--|---------------------------------|---------------------------------|
| 1. Sales revenue | 74,047,780.32 | 76,547,941.68 | 24,354,304.54 | 26,375,034.78 |
| 2. Other revenues or gains | 1,887,742.89 | 2,719,508.20 | 417,012.73 | 324,644.93 |
| 3. Other company-manufactured items capitalized | 139,579.41 | 0.00 | 61,129.33 | 0.00 |
| 4. Total operating performance | 76,075,102.62 | 79,267,449.88 | 24,832,446.60 | 26,699,679.71 |
| 5. Cost of materials | | | | |
| Expenses for services purchased | –53,351,769.71 | –57,270,844.54 | –17,416,077.71 | –19,878,963.91 |
| 6. Personnel costs | | | | |
| 6.1 Wages and salary | –7,759,691.05 | –7,732,364.72 | –2,502,422.72 | –2,220,818.50 |
| 6.2 Social contributions and expenses for pensions and benefits | –1,213,605.60 | –1,179,162.35 | –398,330.64 | –398,443.97 |
| 7. Scheduled depreciations | –3,061,299.35 | –2,979,425.45 | –1,001,392.18 | –990,544.08 |
| 8. Unscheduled depreciations | | | | |
| 8.1 of non-current assets | –215,634.88 | –243,520.29 | 0.00 | 0.00 |
| 8.2 of current assets | 0.00 | –795.06 | 0.00 | 0.00 |
| 9. Other operating expenses | –7,433,924.93 | –7,750,804.86 | –2,696,582.35 | –2,431,869.68 |
| 10. Operating result (EBIT) | 3,039,177.10 | 2,111,327.67 | 817,641.00 | 779,039.57 |
| 11. Financial income | 38,987.42 | 5,580.65 | 9,646.76 | 3,826.74 |
| 12. Financial expenses | –270,553.99 | –215,410.48 | –89,638.54 | –83,347.69 |
| 13. Earnings from financial assets valued based on the equity method | –2,440.04 | 105,885.56 | –2,128.40 | –4,065.08 |
| 14. Financial result | –234,006.61 | –103,944.27 | –82,120.18 | –83,586.03 |
| 15. Earnings from normal business activities before income tax | 2,805,170.49 | 2,007,383.40 | 735,520.82 | 695,453.54 |
| 16. Taxes from income and revenue | –901,039.01 | –720,748.86 | –323,609.33 | –218,078.40 |
| 17. Surplus (= total consolidated profit) | 1,904,131.48 | 1,286,634.54 | 411,911.49 | 477,375.14 |
| 18. Allocation of the surplus to the | | | | |
| 18.1 Owners of the parent company (consolidated surplus) | 1,265,651.46 | 818,326.16 | 194,214.87 | 323,809.78 |
| 18.2 Shares of other shareholders | –638,480.02 | –468,308.38 | –217,696.62 | 153,565.36 |

| € | 1 st –3 rd quarter 2015 | 1 st –3 rd quarter 2014 | 3 rd quarter 2015 | 3 rd quarter 2014 |
|------------------------------|--|--|---------------------------------|---------------------------------|
| Undiluted earnings per share | 0.36 | 0.23 | 0.06 | 0.09 |
| Diluted earnings per share | 0.36 | 0.23 | 0.06 | 0.09 |

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

Consolidated cash flow statement for the third quarter 2015 and for the first 9 months of 2015 (unaudited)

| € | 1 st –3 rd quarter 2015 | 1 st –3 rd quarter 2014 | 3 rd quarter 2015 | 3 rd quarter 2014 |
|--|--|--|---------------------------------|---------------------------------|
| Earnings from normal business activities before income tax | 2,805,170.49 | 2,007,383.40 | 735,520.82 | 695,453.54 |
| Net interest income | 114,770.33 | 137,379.82 | 38,491.11 | 56,770.98 |
| Depreciations on non-current and current assets | 3,276,934.23 | 3,223,740.80 | 1,001,392.18 | 991,339.14 |
| Earnings from financial assets valued based on the equity method | -2,440.04 | -105,885.56 | -2,128.40 | 4,065.08 |
| Profit (-)/loss (+) from retirements of intangible assets | 24,538.97 | -2,529.35 | 13,131.51 | 6,070.65 |
| Increase (-)/decrease (+) in the trade receivables | 2,571,979.78 | -921,436.14 | 987,855.43 | -1,221,029.22 |
| Increase (-)/decrease (+) in receivables and other assets | -269,742.18 | 330,791.79 | -109,192.35 | 2,460,011.84 |
| Increase (+)/decrease (-) in the accounts payable | -2,049,389.16 | 332,912.59 | -375,908.90 | 775,605.91 |
| Increase (+)/decrease (-) in liabilities (without financial debts) | -364,694.31 | -7,061.37 | -97,076.89 | -676,264.20 |
| Paid (-)/received (+) income tax | -147,477.60 | -1,423,679.19 | 37,677.82 | -907,165.05 |
| Inflow of funds from ongoing business activities | 5,959,650.51 | 3,571,616.79 | 2,229,762.33 | 2,184,858.67 |
| Payments received from disposal of intangible assets and items of property, plant, and equipment | 0.00 | 8,600.00 | 0.00 | 0.00 |
| Payments made for investments in intangible assets and property, plant, and equipment | -1,735,760.60 | -2,960,461.46 | -742,120.77 | -1,681,617.34 |
| Repayment of loans to companies accounted for using the equity method | 0.00 | 695,122.79 | 0.00 | 695,122.79 |
| Deposits from repayment of equity from companies accounted for using the equity method | 99,800.00 | 0.00 | 0.00 | 0.00 |
| Interest paid in | 11,006.57 | 1,606.77 | 319.81 | 806.22 |
| Outflow of funds from investment activities | -1,624,954.03 | -2,255,131.90 | -741,800.96 | -985,688.33 |
| Buyback of shares | 0.00 | -783,458.80 | 0.00 | 0.00 |
| Payment of dividends | -561,600.00 | 0.00 | -561,600.00 | 0.00 |
| Payments to non-controlling shareholders | -490,000.00 | -698,022.11 | 0.00 | -490,000.00 |
| Payments for repayment of financing loans | -1,113,750.00 | -666,250.00 | -561,250.00 | -276,250.00 |
| Interest paid out | -153,757.75 | -175,560.17 | -49,121.52 | -57,577.20 |
| Outflow of funds from financing activities | -2,319,107.75 | -2,323,291.08 | -1,171,971.52 | -823,827.20 |
| Change in funds balance affecting the balance sheet | 2,015,588.73 | -1,006,806.19 | 315,989.85 | 375,343.14 |
| Funds balance at start of period | 4,987,505.15 | 6,102,618.82 | 6,687,104.03 | 4,720,469.49 |
| Funds balance at end of period | 7,003,093.88 | 5,095,812.63 | 7,003,093.88 | 5,095,812.63 |

Development of consolidated equity as of 30 September 2015 (unaudited)

| Amounts in € thousand ¹ | Subscribed capital | Capital reserves | Retained earnings | | Equity capital to be allocated to shareholders of ecotel communication ag | Shares of non-controlling shareholders | Total |
|--|--------------------|------------------|-------------------------|---------------------|---|--|---------------|
| | | | Other retained earnings | Consolidated profit | | | |
| As per 01 January 2014 | 3,600 | 1,443 | 11,685 | 1,435 | 18,164 | 2,006 | 20,170 |
| Restoring of previous year's earnings | 0 | 0 | 1,435 | -1,435 | 0 | 0 | 0 |
| Change in equity capital not affecting the earnings | 0 | 0 | 1,435 | -1,435 | 0 | 0 | 0 |
| Consolidated profit for 1 st quarter 2014 | 0 | 0 | 0 | 261 | 261 | 163 | 424 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 261 | 261 | 163 | 424 |
| As per 31 March 2014 | 3,600 | 1,443 | 13,120 | 261 | 18,424 | 2,169 | 20,594 |
| Buyback of treasury shares | -90 | 0 | -693 | 0 | -783 | 0 | -783 |
| Change in equity capital not affecting the earnings | -90 | 0 | -693 | 0 | -783 | 0 | -783 |
| Consolidated profit for 2 nd quarter 2014 | 0 | 0 | 0 | 234 | 234 | 152 | 385 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 234 | 234 | 152 | 385 |
| As per 30 June 2014 | 3,510 | 1,443 | 12,427 | 495 | 17,875 | 2,321 | 20,196 |
| Distribution to non-controlling shareholders | 0 | 0 | 0 | 0 | 0 | -490 | -490 |
| Change in equity capital not affecting the earnings | 0 | 0 | 0 | 0 | 0 | -490 | -490 |
| Consolidated profit for 3 rd quarter 2014 | 0 | 0 | 0 | 324 | 324 | 154 | 477 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 324 | 324 | 154 | 477 |
| As per 30 September 2014 | 3,510 | 1,443 | 12,427 | 818 | 18,198 | 1,985 | 20,182 |
| As per 01 January 2015 | 3,510 | 1,833 | 12,038 | 1,151 | 18,532 | 2,119 | 20,651 |
| Restoring of previous year's earnings | 0 | 0 | 1,151 | -1,151 | 0 | 0 | 0 |
| Change in equity capital not affecting the earnings | 0 | 0 | 1,151 | -1,151 | 0 | 0 | 0 |
| Consolidated profit for 1 st quarter 2015 | 0 | 0 | 0 | 781 | 781 | 198 | 980 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 781 | 781 | 198 | 980 |
| As per 31 March 2015 | 3,510 | 1,833 | 13,189 | 781 | 19,313 | 2,317 | 21,630 |
| Distribution to non-controlling shareholders | 0 | 0 | 0 | 0 | 0 | -490 | -490 |
| Change in equity capital not affecting the earnings | 0 | 0 | 0 | 0 | 0 | -490 | -490 |
| Consolidated profit for 2 nd quarter 2015 | 0 | 0 | 0 | 290 | 290 | 223 | 513 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 290 | 290 | 223 | 513 |
| As of 30 June 2015 | 3,510 | 1,833 | 13,189 | 1,071 | 19,603 | 2,050 | 21,653 |
| Distribution of dividends | 0 | 0 | -561 | 0 | -561 | 0 | -561 |
| Change in equity capital not affecting the earnings | 0 | 0 | -561 | 0 | -561 | 0 | -561 |
| Consolidated profit for 3 rd quarter 2015 | 0 | 0 | 0 | 194 | 194 | 218 | 412 |
| Change in equity capital affecting the earnings | 0 | 0 | 0 | 194 | 194 | 218 | 412 |
| As of 30 September 2015 | 3,510 | 1,833 | 12,626 | 1,266 | 19,235 | 2,268 | 21,503 |

¹ 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 September 2015 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 2014.

At the time the interim financial statement was drawn up, as of 30 September 2015 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 effect on the consolidated financial statement

| Standard/Interpretation | First-time mandatory application in accordance with IASB | First-time mandatory application in the EU |
|--|--|--|
| IFRIC 21 »Levies« | 1 January 2014 | 17 June 2014 |
| Annual improvement project cycle 2011–2013 | 1 July 2014 | 1 January 2015 |

In May 2013 IASB published **IFRIC 21** – »Levies« as an interpretation of IAS 37 – »Provisions, Contingent Liabilities and Contingent Assets«. The interpretation regulates the public levies that do not represent taxes on earnings in accordance with IAS 12 and clarifies in particular when an obligation to pay such levies is to be carried on the balance sheet as a liability.

The annual improvements to **IFRS 2011–2013** are a collective standard, published in December 2013 and containing changes to different IFRS standards. The changes are explained in detail below:

IFRS 1 »First application of the International Financial Reporting Standard«: Clarification that an enterprise can, in its first IFRS financial statement, optionally apply a non-binding IFRS, as long as its earlier application is permissible;

IFRS 3: Clarification that all types of joint arrangements in accordance with IFRS 11 – »Joint Arrangements« are excluded from the applicability of IFRS 3;

IFRS 13 »Measurement at fair value«: Clarification that the portfolio exception of paragraph 52 of IFRS 13 is to be applied to all contracts within the applicability of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether these contracts fulfil the definitions of financial assets or financial liabilities in accordance with IAS 32 »Financial Instruments: Presentation« or not;

IAS 40 »Real estate held as financial investment«: Clarification that IAS 40 and IFRS 3 are not mutually exclusive. The assessment of whether the purchase of real estate held as a financial investment represents the purchase of an asset or a group of assets or a merger in accordance with IFRS 3 »Mergers«, must be made based on the rules of IFRS 3.

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 and specific key accounts »bundled« voice, data, Internet and mobile communications from a single source.
- In the **Wholesale Solutions segment** ecotel markets preliminary service products to other telecommunications companies. In addition to the international wholesale voice activities of ecotel, mvneco GmbH is also included in this segment.
- The **New Business segment** includes Private Customer Solutions (B2C) and new media solutions

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

| Amounts in € thousand | Business Solutions | | Wholesale | | New Business/ Consolidation | | Group | |
|----------------------------|---|---|---|---|---|---|---|---|
| | 2015 1 st -3 rd quarter | 2014 1 st -3 rd quarter | 2015 1 st -3 rd quarter | 2014 1 st -3 rd quarter | 2015 1 st -3 rd quarter | 2014 1 st -3 rd quarter | 2015 1 st -3 rd quarter | 2014 1 st -3 rd quarter |
| Sales revenue | 31,811 | 31,259 | 29,036 | 33,195 | 13,201 | 12,094 | 74,048 | 76,548 |
| Gross earnings | 15,315 | 14,807 | 296 | 447 | 5,085 | 4,023 | 20,696 | 19,277 |
| Operating result (EBIT) | 1,172 | 1,280 | -16 | 46 | 1,883 | 785 | 3,039 | 2,111 |

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

| Amounts in € thousand | Business Solutions | | Wholesale | | New Business/ Consolidation | | Group | |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2015 3 rd quarter | 2014 3 rd quarter |
| Sales revenue | 10,760 | 10,324 | 9,244 | 11,867 | 4,351 | 4,184 | 24,354 | 26,375 |
| Gross earnings | 5,184 | 4,951 | 62 | 148 | 1,692 | 1,397 | 6,938 | 6,496 |
| Operating result (EBIT) | 152 | 439 | 31 | 13 | 635 | 327 | 818 | 779 |

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements have remained unchanged since 31 December 2014. With the entry dated 16 October 2015 in the commercial register, synergyPLUS GmbH initiated liquidation proceedings.

Taxes from income and revenue

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

| Amounts in € thousand | 2015 1 st -3 rd quarter | 2014 1 st -3 rd quarter | 2015 1 st -3 rd quarter | 2014 1 st -3 rd quarter |
|---|--|--|--|--|
| Taxes from income and revenue – effective | -917,116.82 | -817,618.44 | -294,897.72 | -155,246.25 |
| Taxes from income and revenue – deferred | 16,077.81 | 96,869.58 | -28,711.61 | -62,832.15 |
| Taxes from income and revenue | -901,039.01 | -720,748.86 | -323,609.33 | -218,078.40 |

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 31 March 2015, there were no share options, so that the undiluted and diluted earnings per share are identical.

| | 2015 1 st –3 rd quarter | 2014 1 st –3 rd quarter | 2015 1 st –3 rd quarter | 2014 1 st –3 rd quarter |
|--|--|--|--|--|
| Accrued consolidated profit for the year (in €) | 1,265,651.46 | 818,326.16 | 194,214.87 | 323,809.78 |
| Weighted average number of shares | 3,510,000 | 3,552,161 | 3,510,000 | 3,510,000 |
| Undiluted/diluted earnings per share (in €) | 0.36 | 0.23 | 0.06 | 0.09 |

Other information

In the first nine months of the year 2015 – as in the previous year – no significant transactions were conducted with related parties.

Düsseldorf, 13 November 2015

The Management Board

Peter Zils Johannes Borgmann Achim Theis

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, 13 November 2015

ecotel communication ag

The Management Board

Peter Zils Johannes Borgmann Achim Theis

Contact

Annette Drescher
Tel.: +49 211-55 007 740
Fax: +49 211-55 007 5 740
E-mail: investorrelations@ecotel.de

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D - 40549 Düsseldorf

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.