

2013

3<sup>rd</sup> quarter interim financial report

## Key figures

Figures stated in € million	9 months 2013 (IFRS)	9 months 2012 (IFRS)	3 <sup>rd</sup> quarter 2013 (IFRS)	3 <sup>rd</sup> quarter 2012 (IFRS)
<b>Revenue</b>	66.2	71.5	22.4	23.9
Business Solutions	31.4	30.4	10.5	10.2
Wholesale	24.3	31.7	8.1	10.4
New Business	10.5	9.4	3.8	3.3
<b>Gross earnings</b>	19.5	18.5	6.5	6.2
Business Solutions	15.4	14.0	5.1	4.7
Wholesale	0.4	0.7	0.1	0.2
New Business	3.7	3.8	1.3	1.3
<b>EBITDA</b>	4.9	5.0	1.6	1.6
in % of revenue	7.4 %	7.0 %	7.1 %	6.7 %
<b>EBIT</b>	2.4	2.6	0.7	0.7
in % of revenue	3.6 %	3.6 %	3.1 %	2.9 %
<b>Consolidated profit</b>	1.2	1.4	0.3	0.5
Earnings per share <sup>1</sup> (in €)	0.33	0.36	0.09	0.13
<b>Balance sheet total</b>	43.8	44.9	43.8	44.9
<b>Equity capital</b>	20.4	23.2	20.4	23.2
in % of the balance sheet total	46.6 %	51.6 %	46.6 %	51.6 %
<b>Number of shares</b>	3,600,000	3,704,200	3,600,000	3,704,200
<b>Net debt</b>	2.8	1.3	2.8	1.3
Cash flow from ongoing business activities	4.6	4.0	0.9	1.2
Cash flow from investment activities	-6.8	-1.7	-1.2	-0.6
Cash flow from financing activities	-0.1	-2.7	-0.7	-0.9
Financial resources as of 30/09	5.3	5.9	5.3	5.9
<b>Free cash flow<sup>2</sup></b>	-2.2	2.5	-0.3	0.6
<b>Employees as of 30/09.<sup>3</sup></b>	187	183	187	183

1) Both undiluted and diluted

2) Free cash flow = cash flow from current business activities + cash flow from investment activities

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

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## Letter to our shareholders

Dear Shareholders,

In the third quarter 2013, ecotel continued on its profitable growth course in the core segment of Business Solutions. Revenue in the B2B segment, at € 10.5 million, was increased by 3 % in comparison with the previous year. In a comparison of the first nine months, revenue, at € 31.4 million, was € 1.0 million higher than in the previous year. The B2B gross profit, at € 5.1 million, likewise again increased in the reporting period by 8 % in comparison with the same quarter of the previous year. In a comparison of the first nine months this corresponds to an increase by 10 % to € 15.4 million.

Total revenue for the first nine months amounted to € 66.2 million, which is 7 % below the same period last year due to the expected decrease in revenue from Wholesale Solutions. Gross profit for the first nine months on the other hand increased by 5 % from € 18.5 million to € 19.5 million. Compared with the same period of the previous year the gross profit margin in the first nine months likewise increased from 26 % to 29 %.

EBITDA for the first nine months totalled € 4.9 million (previous year: € 5.0 million), with an EBITDA margin of 7 %. The slight decline in EBITDA, despite the improved gross profit, is due to temporary implementation costs for a key account project, which led to an increase in other operating expenses (€ 0.7 million) and in personnel costs (€ 0.3 million) in the reporting period. Starting with the fourth quarter of this year we expect the first revenue and profit effects from this key account project in Business Solutions.

EBIT in the first nine months, at € 2.4 million, was consequently slightly below the previous year's value (€ 2.6 million). Consolidated profit for the first nine months totalled € 1.2 million (previous year: € 1.4 million), which corresponds to earnings per share of € 0.33.

The net debt increased from € 2.3 million in the previous quarter to € 2.8 million at the end of the third quarter due to planned investments as part of the aforementioned key-account project. The equity ratio improved to 47 %.

ecotel reaffirms the forecast for 2013 with EBITDA of € 6.0 – 7.0 million and revenue of € 80.0 – 90.0 million.

Düsseldorf, in November 2013



Achim Theis  
(CSO, Board of Directors)



Peter Zils  
(CEO, Chairman of the Board)



Bernhard Seidl  
(CFO, Board of Directors)

## Earnings and performance

In the third quarter 2013, ecotel revenue totalled € 22.4 million (previous year: € 23.9 million). For the first nine months of 2013, this results in total revenue of € 66.2 million compared with € 71.5 million in the same period last year.

Gross profit in the third quarter totalled € 6.5 million (previous year: € 6.2 million). For the first nine months of 2013, gross profit totalled € 19.5 million compared with € 18.5 million in the previous year. The gross profit margin increased accordingly from 26 % to 29 %.

The Business Solutions segment in the third quarter 2013 contributed 47 % to the total revenue and 79 % to the gross profit of the ecotel group. Revenue in the third quarter totalled € 10.5 million – compared with € 10.4 million in the previous quarter and € 10.2 million in the same quarter of the previous year. Gross profit increased in the third quarter 2013 to € 5.1 million (previous year: € 4.7 million).

The generally low-margin Wholesale Solutions attained revenue of € 8.1 million (previous year: € 10.4 million) in the third quarter 2013 and gross profit of € 0.1 million (previous year: € 0.2 million), which corresponds to 36 % of the total revenue and 2 % of the gross profit, respectively. The decrease in revenue compared with the previous year's period is explained by the lowering of the mobile termination fees, which were passed on 1:1 to other carriers, resulting in a corresponding reduction of revenue in the wholesale segment.

The New Business segment attained revenue of € 3.8 million (previous year: € 3.3 million) in the third quarter 2013 and slightly reduced gross profit of € 1.2 million (previous year: € 1.3 million).

The personnel costs in the third quarter totalled € 2.6 million, which is € 0.1 million more than in the same quarter of last year. The number of employees (not including minority companies) increased to 187 (previous year: 183). The costs for other operating expenses remained constant at € 2.4 million (previous year: € 2.4 million).

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

The scheduled depreciations in the third quarter totalled € 0.9 million, the same as in the previous quarter. Of this amount, € 0.3 million were for depreciations of

intangible assets such as customer bases and development costs.

EBIT in the third quarter 2013 totalled € 0.7 million compared with € 0.7 million in the same quarter last year and € 0.8 million in the second quarter 2013. Cumulative EBIT for the first nine months of 2013 totalled € 2.4 million.

The financial result in the third quarter 2013 was € –0.09 million and is composed primarily of interest payments.

Tax expenses in the third quarter 2013 totalled € 0.1 million. The consolidated profit after third-party shares totalled € 0.3 million (previous year: € 0.5 million) in the third quarter 2013. For the first nine months, this results in consolidated profit of € 1.2 million. This corresponds to earnings per share of € 0.33.

## Financial position

Cash flow from ongoing business decreased in the third quarter to € 0.9 million compared with € 3.1 million in the previous quarter, essentially due to tax payments totalling € 0.5 million and a delayed settlement of accounts receivable by a key account.

The cash flow from investment activities in the third quarter 2013 totalled € –1.2 million. The investment demand is due to payments for installations in the computing centre, software licenses, customer routers and capitalisation of development costs for in-house software development. Investments in the first nine months of 2013 totalled € 5.5 million, the majority for a key-account project, and payments totalled € 6.7 million.

Cash flow from financial operations in the third quarter 2013 totalled € –0.7 million and is composed of the repayment of loans and interest payments.

Liquid funds decreased in the third quarter from € 6.3 million to € 5.3 million.

## Net worth

As of 30 September 2013 the balance sheet total was € 43.8 million, a decrease of 1 % compared with € 44.0 million as of 30 June 2013.

On the assets side, non-current assets in the third quarter increased from € 23.8 million to € 24.2 million due to investments for a key-account project. Current assets decreased, essentially due to the lower funds balance, from € 20.2 million to € 19.6 million.

On the liabilities side, the equity capital increased from € 19.9 million to € 20.4 million. Compared with the previous quarter the equity ratio increased from 45 % to 47 %. Non-current provisions and financial obligations decreased from € 7.9 million to € 7.8 million. Of this amount, € 0.9 million are attributed to latent income tax liabilities.

Current provisions and obligations decreased from € 16.1 million to € 15.6 million in comparison with the previous quarter. The net financial debt (financial debt minus liquid funds) increased due to the above-mentioned investments from € 2.3 to € 2.8 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 2012 annual report, which remains valid with respect to the current risk situation.

## Outlook

ecotel reaffirms its forecast for the entire year 2013 and expects consolidated turnover of € 80.0 – 90.0 million and EBITDA of € 6.0 – 7.0 million.

In 2013 the business focus will remain on the high-margin B2B segment. The company is planning a sustainable increase in revenue, as well as an increase in the EBITDA margin.

In this connection we refer to the information in the forecast report of the 2012 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 € 5.44 at the start of the third quarter. During the course of the quarter the price per share rose as high as € 5.68. However, the share was not able to remain at this level. It closed the quarter at € 5.49, slightly above the starting point.

The average daily trading volume of the share was 2,214 shares per day in the third quarter, compared with 4,230 shares in the third quarter 2012 and 2,965 shares in the previous quarter.

At the end of the quarter ecotel had a market capitalization of € 19.8 million at a price per share of € 5.49.

### Shareholder structure

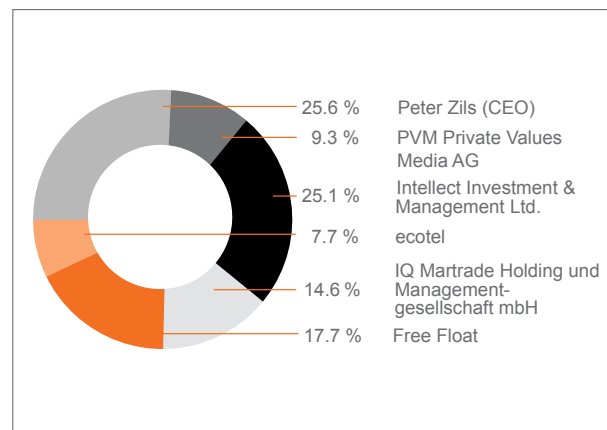
As of 30 September 2013 the share capital of ecotel communication ag totalled 3,900,000 shares. Therefore, ecotel communication ag owned 300,000 shares of company stock at the end of the quarter, which corresponds to 7.7 % of the company's share capital. Subscribed capital totalled € 3,600,000 as of the closing date. The company's major shareholders at the end of the reporting period are still Peter Zils (ecotel CEO) with a share of 25.6 %, Intellect Investment & Management Ltd. with 25.1 %, IQ Martrade Holding und Managementgesellschaft mbH with 14.6 % and PVM Private Values Media AG with 9.3 % of the voting shares. The diversified holdings at the end of the quarter totalled 17.7 %.

#### Key figures Ø 2013

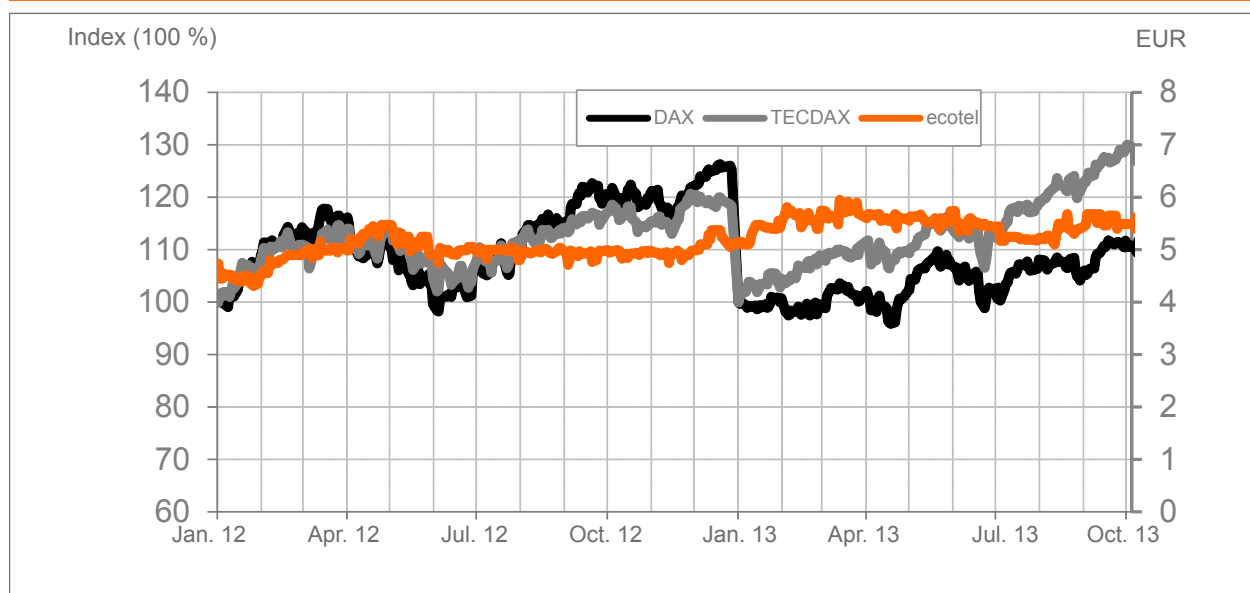
WKN	585434	Date of first listing	29,03,2006
ISIN	DE0005854343	Number of shares as of 30/09/2013	3,600,000
Symbol	E4C	Average daily trading volume in the third quarter 2013 (€)	2,214
Market segment starting 01/07/2007	Prime Standard	Highest and lowest quotation in the third quarter 2013 (€)	5.68 / 5.10
Index affiliation	CDAX, Prime All Share Technology All Share	Market capitalization as of 30/09/2013 (€ million)*	19.8
Class	Non par value shares	Designated Sponsor	Close Brothers Seydler

\* Based on the final quotation on 30 September 2013 of € 5.49 per share

#### Shareholdings (30/09/2013) in percent



#### Trend of quotations of the ecotel share in percent and €





# Consolidated balance sheet

as of 30 September 2013 (unaudited)

Assets	Amounts in €	31/12/2012	30/06/2013	30/09/2013
<b>A. Non-current</b>				
I. Goodwill and other intangible assets		13,793,947.48	13,955,252.00	13,841,823.55
II. Fixed assets		5,940,228.48	8,382,453.74	8,873,392.54
III. Financial assets accounted for based on the equity method		1,410,000.00	1,464,874.98	1,466,250.00
IV. Other financial assets		3,800.00	3,800.00	3,800.00
V. Non-current receivables		0.00	0.00	0.00
VI. Deferred income tax claims		0.00	0.00	0.00
<b>Total non-current assets</b>		<b>21,147,975.96</b>	<b>23,806,380.72</b>	<b>24,185,266.09</b>
<b>B. Current assets</b>				
I. Inventories		145,446.68	136,700.34	50,799.50
II. Trade receivables		12,513,716.87	12,347,604.17	12,299,672.87
III. Other receivables and current assets		1,320,467.33	1,359,520.86	1,803,763.34
IV. Actual income tax claims		26,783.10	26,783.10	8,397.67
V. Funds		7,533,432.71	6,335,638.83	5,427,176.75
<b>Total current assets</b>		<b>21,539,846.69</b>	<b>20,206,247.30</b>	<b>19,589,810.13</b>
<b>Total assets</b>		<b>42,687,822.65</b>	<b>44,012,628.02</b>	<b>43,775,076.22</b>

# Consolidated balance sheet

as of 30 September 2013 (unaudited)

Liabilities	Amounts in €	31/12/2012	30/06/2013	30/09/2013
<b>A. Equity capital</b>				
I. Subscribed capital		3,685,096.00	3,600,000.00	3,600,00.00
II. Capital reserves		1,443,254.38	1,443,254.38	1,443,254.38
III. Other reserves		12,460,818.74	12,947,066.73	13,265,985.60
Total shareholders' equity		17,589,169.12	17,990,321.11	18,309,239.98
IV. Shares of non-controlling shareholders		1,733,550.34	1,947,577.93	2,082,315.95
<b>Total equity capital</b>		<b>19,322,719.46</b>	<b>19,937,899.04</b>	<b>20,391,555.93</b>
<b>B. Non-current provisions and liabilities</b>				
I. Deferred income tax		687,973.30	891,840.55	882,352.07
II. Non-current loans		4,831,250.00	7,041,250.00	6,903,106.87
III. Other financial debts		0.00	0.00	0.00
<b>Total non-current provisions and liabilities</b>		<b>5,519,223.30</b>	<b>7,933,090.55</b>	<b>7,785,458.94</b>
<b>C. Current provisions and liabilities</b>				
I. Actual income tax		669,730.47	856,680.77	501,117.00
II. Financial debts		2,488,715.17	1,600,948.80	1,282,979.82
III. Accounts payable		12,968,031.77	10,762,654.38	10,897,258.57
IV. Liabilities to associated companies		213,230.42	61,122.92	46,498.36
V. Other liabilities		1,506,172.06	2,860,231.56	2,870,207.60
<b>Total current provisions and liabilities</b>		<b>17,845,879.89</b>	<b>16,141,638.43</b>	<b>15,598,061.35</b>
<b>Total liabilities</b>		<b>42,687,822.65</b>	<b>44,012,628.02</b>	<b>43,775,076.22</b>

# Consolidated profit and loss statement

for the third quarter 2013 and for the first nine months of 2013 (unaudited)

Amounts in €	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2013
<b>1. Sales revenue</b>	<b>71,482,957.91</b>	<b>66,234,478.52</b>	<b>23,906,039.26</b>	<b>22,436,843.38</b>
2. Other revenues or gains	610,853.45	486,057.37	169,549.26	154,050.45
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	103,464.50	16,697.79	0.00	0.00
<b>5. Total operating performance</b>	<b>72,197,275.86</b>	<b>66,737,233.68</b>	<b>24,075,588.52</b>	<b>22,590,893.83</b>
6. Cost of materials				
Expenses for services purchased	-52,973,770.06	-46,764,847.66	-17,714,848.49	-15,985,825.54
7. Personnel costs				
7.1 Wages and salaries	-6,457,232.19	-6,659,633.87	-2,125,014.91	-2,242,518.82
7.2 Social contributions and expenses for pensions and benefits	-1,016,608.42	-1,054,906.27	-337,203.90	-360,334.23
8. Scheduled depreciations	-2,359,550.83	-2,472,379.26	-815,391.46	-871,995.98
9. Unscheduled depreciations				
9.1 of non-current assets	0.00	0.00	0.00	0.00
9.2 of current assets	0.00	0.00	0.00	0.00
10. Other expenses or losses	-6,760,919.63	-7,406,448.45	-2,348,908.01	-2,447,995.92
<b>11. Operating result (EBIT)</b>	<b>2,629,194.73</b>	<b>2,379,018.17</b>	<b>734,221.75</b>	<b>682,223.34</b>
<b>12. Financial result</b>	<b>-166,117.21</b>	<b>-90,299.87</b>	<b>-37,914.04</b>	<b>-88,959.68</b>
<b>13. Earnings from financial assets valued based on the equity method</b>	<b>111,853.31</b>	<b>0.00</b>	<b>35,985.87</b>	<b>0.00</b>
<b>14. Earnings from normal business activities before income tax</b>	<b>2,574,930.83</b>	<b>2,288,718.30</b>	<b>732,293.58</b>	<b>593,263.66</b>
15. Taxes from income and revenue	-605,053.88	-750,215.73	-173,931.60	-139,606.78
<b>16. Consolidated profit (= income and earnings) from continuing business segments</b>	<b>1,969,876.95</b>	<b>1,538,502.57</b>	<b>558,361.98</b>	<b>453,656.88</b>
17. Share in earnings of other shareholders	-614,304.26	-348,765.61	-91,869.79	-134,738.01
<b>18. Consolidated profit to which shareholders of ecotel communication ag are entitled</b>	<b>1,355,572.69</b>	<b>1,189,736.96</b>	<b>466,492.19</b>	<b>318,918.87</b>
Undiluted/diluted earnings per share	0.36	0.33	0.13	0.09

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

# Consolidated cash flow statement

for the third quarter 2013 and for the first nine months of 2013 (unaudited)

Amounts in €	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2013
Consolidated profit for the year before income tax and third-party shares	2,574,930.83	2,288,718.30	732,293.58	593,263.66
Net interest income	122,974.66	132,557.85	23,414.04	76,224.96
Depreciations (+)/appreciations (–) on fixed assets	2,359,550.83	2,472,379.26	815,391.46	871,995.98
Earnings from companies accounted for based on the equity method	–111,853.31	0.00	–35,985.87	0.00
<b>Cash flow</b>	<b>4,945,603.01</b>	<b>4,893,655.41</b>	<b>1,535,113.21</b>	<b>1,541,484.60</b>
Other expenses (+) and income (–) not affecting the balance sheet	0.00	0.00	0.00	0.00
Profit (–)/loss (+) from retirements of intangible assets	–428.07	–2,060.66	–210.08	–180.00
Increase (–)/decrease (+) in the trade receivables	–20,253.35	213,543.59	681,251.96	47,506.55
Increase (+)/decrease (–) in receivables and other assets	–328,584.67	–388,148.40	11,054.40	–357,916.87
Increase (+)/decrease (–) in the accounts payable	260,285.73	–755,938.20	–862,751.67	134,604.19
Increase (+)/decrease (–) in liabilities (without financial debts)	–379,372.77	1,310,134.48	143,487.84	–4,648.52
Paid income tax	–440,858.40	–706,065.01	–339,688.39	–486,273.60
<b>Inflow of funds from ongoing business activities</b>	<b>4,036,391.48</b>	<b>4,565,121.21</b>	<b>1,168,257.27</b>	<b>874,576.35</b>
Inpayments from retirements of intangible assets	1,954.46	2,193.08	210.08	180.00
Payments for investments in tangible and intangible assets	–1,691,695.79	–6,768,386.82	–598,409.73	–1,249,506.34
Payments for the acquisition of subsidiaries minus acquired cash	23,835.18	0.00	0.00	0.00
Payments for the acquisition of financial assets assessed according to the equity method	–3,800.00	0.00	0.00	0.00
Interest paid in	11,221.19	8,313.64	5,408.03	5,086.73
<b>Outflow of funds from investment activities</b>	<b>–1,658,484.96</b>	<b>–6,757,880.10</b>	<b>–592,791.62</b>	<b>–1,244,239.61</b>
Buyback of shares	–239,229.89	–469,666.10	–239,229.89	0.00
Payments to non-controlling shareholders	–153,931.00	–112,831.00	0.00	0.00
Inpayments from taking out financing loans	0.00	2,600,000.00	0.00	0.00
Payments for repayment of financing loans	–2,054,294.46	–1,844,897.93	–588,263.89	–588,155.29
Interest paid out	–254,354.53	–224,208.91	–64,971.67	–88,750.40
<b>Outflow of funds from financial activities</b>	<b>–2,701,809.88</b>	<b>–51,603.94</b>	<b>–892,465.45</b>	<b>–676,905.69</b>
<b>Change in funds balance affecting the balance sheet</b>	<b>–323,903.36</b>	<b>–2,244,362.83</b>	<b>–316,999.80</b>	<b>–1,046,568.95</b>
Changes in the funds balance due to exchange rates and other changes in value and presentation	0.00	0.00	0.00	0.00
<b>Change in funds balance</b>	<b>–323,903.36</b>	<b>–2,244,362.83</b>	<b>–316,999.80</b>	<b>–1,046,568.95</b>
<b>Funds balance at start of period</b>	<b>6,235,215.59</b>	<b>7,533,432.71</b>	<b>6,228,312.03</b>	<b>6,335,638.83</b>
<b>Funds balance at end of period</b>	<b>5,911,312.23</b>	<b>5,289,069.88</b>	<b>5,911,312.23</b>	<b>5,289,069.88</b>

The funds balance is calculated from the funds reported in the consolidated balance sheet minus the current trade debts.

## Development of the consolidated equity capital

as of 30 September 2013 (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			
<b>As per 31 December 2011</b>	<b>3,752</b>	<b>1,678</b>	<b>14,014</b>	<b>1,073</b>	<b>20,517</b>	<b>900</b>	<b>21,417</b>
Reposting of previous year's earnings	0	0	1,073	-1,073	0	0	0
Consolidated profit for 1 <sup>st</sup> quarter 2012	0	0	0	518	518	240	758
<b>As per 31 March 2012</b>	<b>3,752</b>	<b>1,678</b>	<b>15,087</b>	<b>518</b>	<b>21,035</b>	<b>1,140</b>	<b>22,175</b>
Consolidated profit for 2 <sup>nd</sup> quarter 2012	0	0	0	371	371	283	654
<b>As per 30 June 2012</b>	<b>3,752</b>	<b>1,678</b>	<b>15,087</b>	<b>889</b>	<b>21,406</b>	<b>1,423</b>	<b>22,829</b>
Buyback of treasury shares	-48	0	-191	0	-239	0	-239
Consolidated profit for 3 <sup>rd</sup> quarter 2012	0	0	0	467	467	91	558
<b>As per 30 September 2012</b>	<b>3,704</b>	<b>1,678</b>	<b>14,896</b>	<b>1,356</b>	<b>21,634</b>	<b>1,514</b>	<b>23,148</b>
Withdrawal of capital reserves ecotel communication ag	0	-235	235	0	0	0	0
Buyback of treasury shares	-19	0	-75	0	-94	0	-94
Compensation payment due to easybell GmbH P/L transfer agreement	0	0	0	0	0	-113	-113
Consolidated profit for 4 <sup>th</sup> quarter 2012	0	0	0	-3,951	-3,951	333	-3,618
<b>As per 31 December 2012</b>	<b>3,685</b>	<b>1,443</b>	<b>15,056</b>	<b>-2,595</b>	<b>17,589</b>	<b>1,734</b>	<b>19,323</b>
Reposting of previous year's earnings	0	0	-2,595	2,595	0	0	0
Consolidated profit for 1 <sup>st</sup> quarter 2013	0	0	0	465	465	86	551
<b>As per 31 March 2013</b>	<b>3,685</b>	<b>1,443</b>	<b>12,461</b>	<b>465</b>	<b>18,054</b>	<b>1,820</b>	<b>19,874</b>

## Development of the consolidated equity capital

as of 30 September 2013 (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			
<b>As per 31 March 2013</b>	<b>3,685</b>	<b>1,443</b>	<b>12,461</b>	<b>465</b>	<b>18,054</b>	<b>1,820</b>	<b>19,874</b>
Buyback of treasury shares	-85	0	-385	0	-470	0	-470
Consolidated profit for 2 <sup>nd</sup> quarter 2013	0	0	0	406	406	128	534
<b>As per 30 June 2013</b>	<b>3,600</b>	<b>1,443</b>	<b>12,076</b>	<b>871</b>	<b>17,990</b>	<b>1,948</b>	<b>19,938</b>
Consolidated profit for 3 <sup>rd</sup> quarter 2013	0	0	0	319	319	134	453
<b>As per 30 September 2013</b>	<b>3,600</b>	<b>1,443</b>	<b>12,076</b>	<b>1,190</b>	<b>18,309</b>	<b>2,082</b>	<b>20,391</b>

## Consolidated notes as of 30 September 2013

### General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 September 2013 in compliance with the regulations of IAS 34 and applying Section 315a of the German Commercial Code in accordance with the rules in force on the closing date of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) taking into account the interpretations of the International Financial Reporting Standards Interpretation Committee (IFRS IC) – as accepted by the EU. IFRS/IAS not yet in force or their interpretations have not been prematurely applied. The comparative figures of the previous period were determined based on the same principles.

The same accounting policies were used in the interim statement as in the consolidated financial statements for business year 2012.

In May 2011 the IASB published IFRS 13 “Fair Value Measurement”, which presents the provisions for the assessment of fair value not previously contained in the single IFRS publications in a single, unified standard. IFRS 13 must be applied prospectively for financial years that start on or after 1 January 2013. Currently, ecotel communication ag has no assets or debts measured at fair value in accordance with IFRS 13. Information on the fair value of financial assets and financial debts based on IFRS 7.29 is not reported, since their carrying amounts represent an adequate approximate value for the respective fair values.

In June 2011 the IASB published changes to IAS 19 “Employee Benefits”, which were adopted by the EU in June 2012. The changes to IAS 19 are to be applied retrospectively to all annual financial reports for business years starting on or after 1 January 2013. Due to lack of corresponding pension obligations or equivalent obligations, these new IAS 19 regulations have no relevance for ecotel communication ag.

The internal organizational and management structure and the internal reporting to the Management 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 and specific key accounts “bundled” voice, data, Internet and mobile communications from a single source and on only one invoice.
- 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** sector comprises the subsidiaries easybell GmbH, with its private customer business and nacamar GmbH, with its New Media business.

## Consolidated notes as of 30 September 2013

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

Amounts in € thousand	Business Solutions		Wholesale		New Business / Consolidation		Group	
	2012 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2013 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2012 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2013 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2012 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2013 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2012 1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2013 1 <sup>st</sup> – 3 <sup>rd</sup> quarter
Sales revenue	30,427.5	31,377.1	31,683.3	24,292.9	9,372.2	10,564.5	71,483.0	66,234.5
Gross earnings	13,998.4	15,386.5	744.6	422.2	3,766.2	3,660.9	18,509.2	19,469.6
Operating result (EBIT)	1,227.8	1,721.6	233.6	18.2	1,167.8	639.2	2,629.2	2,379.0

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

Amounts in € thousand	Business Solutions		Wholesale		New Business / Consolidation		Group	
	2012 3 <sup>rd</sup> quarter	2013 3 <sup>rd</sup> quarter	2012 3 <sup>rd</sup> quarter	2013 3 <sup>rd</sup> quarter	2012 3 <sup>rd</sup> quarter	2013 3 <sup>rd</sup> quarter	2012 3 <sup>rd</sup> quarter	2013 3 <sup>rd</sup> quarter
Sales revenue	10,167.4	10,511.3	10,414.5	8,148.3	3,324.2	3,777.3	23,906.1	22,436.9
Gross earnings	4,734.5	5,098.8	199.8	119.3	1,256.9	1,232.9	6,191.2	6,451.0
Operating result (EBIT)	383.8	484.3	35.0	-8.7	315.4	206.6	734.2	682.2

### Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements as of 30 September 2013 have remained unchanged since 31 December 2012.

As of 30 September 2013 a negative equity value of € –835 thousand (31 December 2012: € –790 thousand) remains due to the prorated cumulative negative earnings of mvneco GmbH; this negative amount is disregarded. This entire amount is reported as affecting net income in the consolidated financial statements as an adjustment of the loan of ecotel communication ag to mvneco GmbH.

Due to the prorated negative result of synergyPLUS GmbH, also measured at equity, as of 30 September 2013 there exists an inapplicable negative equity value of € –210 thousand (31 December 2012: € –191 thousand). This entire amount is reported as affecting net income in the consolidated financial statements as an adjustment of the loan of ecotel communication ag to synergyPLUS GmbH.

### Taxes from income and revenue

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

	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2013
Taxes from income and revenue – effective	-616,402.73	-555,836.95	-271,417.94	-161,652.24
Taxes from income and revenue – deferred	11,348.85	-194,378.78	97,486.34	22,045.46
<b>Taxes from income and revenue (in €)</b>	<b>-605,053.88</b>	<b>-750,215.74</b>	<b>-173,931.60</b>	<b>-139,606.78</b>



## Consolidated notes as of 30 September 2013

### Buyback of shares and earnings per share

The Management Board of ecotel communication ag decided on 28 February 2013 to repurchase up to 175,096 treasury shares of ecotel communication ag between 28 February 2013 and 31 July 2013. In the interim reporting period ecotel communication ag repurchased 85,096 of the company's own shares at a purchase price of € 470 thousand.

The undiluted earnings per share are calculated in accordance with IAS 33 as the quotient of the consolidated profit for the year to which the shareholders of ecotel communication ag are entitled and the weighted average number of bearer non par value shares in circulation during the reporting period.

A dilution of the earnings per share occurs if the average number of shares is increased due to the additional issue of potential shares from options and convertible financial instruments. As of 30 September 2013, as on the same date of the previous year, there were no longer any share options, since the share options expired on 30 September 2011. Therefore, diluting effects no longer exist.

	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012	1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2013
Accrued consolidated profit for the year (in €)	1,355,572.69	1,189,736.96	466,492.19	318,918.87
Weighted average number of shares	3,744,484	3,645,821	3,728,625	3,600,000
<b>Undiluted / diluted earnings per share (in €)</b>	<b>0.36</b>	<b>0.33</b>	<b>0.13</b>	<b>0.09</b>

### Other information

In the third quarter 2013 – as in the period of the first three quarters 2013 overall – no significant transactions were conducted with related parties.

Düsseldorf, 15 November 2013

The Management 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 November 2013

ecotel communication ag

The Management Board

Bernhard Seidl

Peter Zils

Achim Theis

# Financial calendar

## Contact

Annette Drescher  
Phone: +49 211-55 007-740  
Fax: +49 211-55 007 5 740  
Email: [investorrelations@ecotel.de](mailto:investorrelations@ecotel.de)

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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.