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Quarterly Statement for 3<sup>rd</sup> Quarter

Amounts in million €	9 months 2015	9 months 2016	3 <sup>rd</sup> quarter 2015	3 <sup>rd</sup> quarter 2016
<b>Profit and loss account (IFRS)</b>				
<b>Revenue</b>	<b>74.0</b>	<b>90.4</b>	<b>24.4</b>	<b>31.3</b>
Business Solutions	31.8	33.8	10.8	11.2
Wholesale	29.0	44.0	9.2	16.0
New Business	13.2	12.6	4.4	4.1
<b>Gross earnings</b>	<b>20.7</b>	<b>21.3</b>	<b>6.9</b>	<b>7.1</b>
Business Solutions	15.3	16.3	5.2	5.4
Wholesale	0.3	0.2	0.1	0.1
New Business	5.1	4.8	1.7	1.6
<b>EBITDA <sup>1</sup></b>	<b>6.3</b>	<b>5.1</b>	<b>1.8</b>	<b>1.6</b>
in relation to revenue	8.5 %	5.6 %	7.5 %	5.0 %
Operating result (EBIT)	3.0	1.9	0.8	0.5
Consolidated profit <sup>2</sup>	1.3	0.6	0.2	0.1
Earnings per share in € <sup>3</sup>	0.36	0.17	0.06	0.04

Amounts in million €	9 months 2015	9 months 2016	3 <sup>rd</sup> quarter 2015	3 <sup>rd</sup> quarter 2016
<b>Cash flow</b>				
Financial resources at beginning of period	5.0	7.7	6.7	7.7
Cash flow from ongoing business activities	6.0	4.1	2.2	1.8
Cash flow from investment activities	-1.6	-2.4	-0.7	-1.1
Cash flow from financing activities	-2.3	-2.1	-1.2	-1.1
Financial resources as of 30/09	7.0	7.3	7.0	7.3

Amounts in million €	9 months 2015	9 months 2016	3 <sup>rd</sup> quarter 2015	3 <sup>rd</sup> quarter 2016
<b>Balance sheet (IFRS)</b>				
Balance sheet total	41.2	46.9	41.2	46.9
Equity capital	21.5	22.0	21.5	22.0
in % of the balance sheet total	52.2 %	47.0 %	52.2 %	47.0 %
Net financial assets	1.6	2.8	1.6	2.8

	9 months 2015	9 months 2016	3 <sup>rd</sup> quarter 2015	3 <sup>rd</sup> quarter 2016
<b>Other key figures</b>				
Number of shares as of 30/09 (outstanding shares)	3,510,000	3,510,000	3,510,000	3,510,000
Free cash flow (million €) <sup>4</sup>	4.3	1.7	1.5	0.7
Employees as of 30/09. <sup>5</sup>	208	221	208	221

<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup> Corresponds to the consolidated profit after deduction of minority interests

<sup>3</sup> Both undiluted and diluted

<sup>4</sup> Free cash flow = cash flow from current business activities + cash flow from investment activities

<sup>5</sup> Without minority companies (synergyPLUS GmbH, mvneco GmbH)

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**Dear Shareholders,**

ecotel continued its sustainable growth in the third quarter 2016. Since mid-2015, ecotel has been on a steady course of growth, particularly in the profitable core segment Business Customers (B2B). Consolidated turnover in the third quarter totalled € 31.3 million (previous year: € 24.4 million). In addition to increased revenue of € 6.8 million in the Wholesale Solutions segment, especially ecotel's high-margin Business Customers (B2B) segment continued to improve by € 0.4 million to € 11.2 million. In the New Business segment, revenue decreased slightly by € 0.3 million to € 4.1 million. Altogether, consolidated turnover increased in the first nine months of the year 2016 by € 16.4 million to € 90.4 million.

Consolidated gross profit in the third quarter 2016 again increased, from € 6.9 million to € 7.1 million. With a gross profit margin of more than 48 %, this was achieved essentially by an increase of € 0.2 million to € 5.4 million in the Business Customers (B2B) segment. Gross profit in the New Business segment remained virtually constant at € 1.6 million (previous year: € 1.7 million), despite the lower revenue. Altogether, ecotel earned gross profit of € 21.3 million (previous year: € 20.7 million) in the first nine months of the year 2016. Of this amount, 76.5 % is attributed to the Business Customers segment.

In the third quarter of 2016 ecotel achieved EBITDA of € 1.6 million (previous year: € 1.8 million). Free cash flow totalled € 0.7 million (previous year: € 1.5 million). Earnings per share amounted to € 0.04 (previous year: € 0.06). Despite dividend payments, net financial assets increased as of 30 September 2016 by € 0.8 million to € 2.8 million (previous year: € 1.6 million). Equity also increased by € 0.5 million to € 22.0 million (previous year: € 21.5 million), which corresponds to an equity ratio of 47.0 %.

ecotel is very satisfied with the business trend so far in 2016 and with the perspectives for the future. Order acquisitions increased, due in part to the acquisition of three large-scale projects, and are well above the planned figures. One of the projects is for networking of more than 1,000 locations; in addition, a contract with an important existing customer was extended. The opportunities for further growth in the area of NGN voice products and marketing of Ethernet optical fibre access on the basis of alternative network operators are quite positive; the first contracts have already been successfully implemented. The expected revenue and profit will successively become clear in 2017. The majority of the investments, on the other hand, will be made before the end of 2016 and include the purchase of high-performance IT equipment and custom router components, as well as additional expenses for personnel, process modifications and system developments. This will result in unplanned strains on profit and free cash flow for the year 2016.

Due to the aforementioned business development and the resulting special effects, we can modify the forecast published in the 2015 consolidated financial statement as follows for the year 2016: We now expect consolidated turnover of about € 117 million and EBITDA of about € 7.0 million. Furthermore, we expect revenue in the core segment Business Customers of about € 45 million, in the New Business segment of about € 17 million and in Wholesale Solutions of about € 55 million.

Düsseldorf, in November 2016



Peter Zils  
(Management Board)



Achim Theis  
(Management Board)

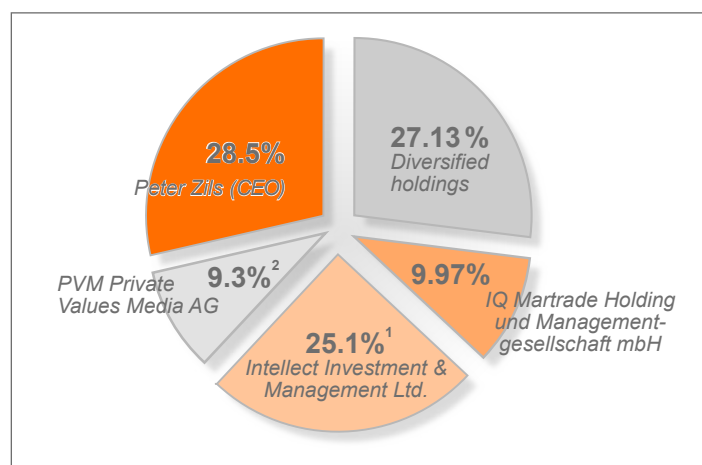
## Overview of the ecotel share

The ecotel share started the year 2016 at € 8.40. In the first nine months of 2016 the price of the share ranged from € 7.71 to € 9.25. The closing price was € 8.65 on 30 September 2016. This increase of about 3 % is a positive development. While the DAX-30 declined slightly in this period, the TEC-DAX improved by almost 10 % in the same period. With a total of 3.51 million outstanding shares this results in market capitalization of € 30.4 million (previous year: € 29.1 million). The average trading volume in the first nine months totalled 2,182 shares (previous year: 4,444 shares).

## Shareholder structure

As of 30 September 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. In the first nine months of 2016 the share of IQ Martrade Holding und Managementgesellschaft mbH in the company's share capital decreased by 10.1 % to 9.97 %.

## Shareholdings (30/09/2016) in percent



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

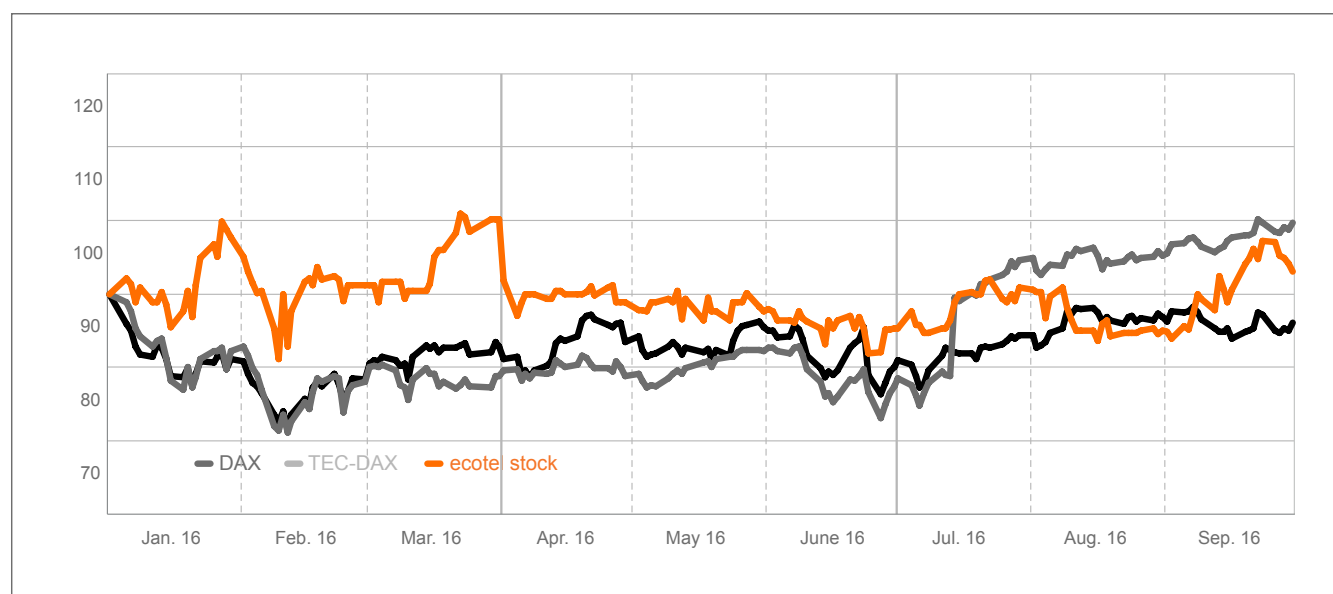
<sup>2</sup> according to the last notice of 07/04/2011 prior to call-in of treasury shares (capital stock in shares: 3,900,000)

## 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	2,182
High share price 2016 (€)	9.25
Low share price 2015 (€)	7.71
Market capitalisation as of 30/09/2016 (million €)*	30.4
Designated sponsor	Close Brothers Seydler Bank AG

\* based on the closing price of € 8.65 per share for 3,510,000 outstanding shares as of 30 September 2016

## Price trend of the ecotel stock in 2016 in percent



## Consolidated balance sheet as of 30 September 2016 (unaudited)

€	31/12/2015	30/09/2016
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Intangible assets	12,721,593.12	12,516,667.31
II. Fixed assets	8,509,599.41	8,164,348.14
III. Financial assets measured at equity	91,894.28	693,958.06
IV. Other financial assets	679,112.59	0.00
V. Deferred income tax claims	26,882.00	0.00
<b>Total non-current assets</b>	<b>22,029,081.40</b>	<b>21,374,973.51</b>
<b>B. Current assets</b>		
I. Trade receivables	17,716,539.91	15,181,012.50
II. Other financial assets	1,707,447.99	1,560,910.20
III. Other non-financial assets	822,220.02	956,867.51
IV. Actual income tax claims	219,505.35	527,101.88
V. Cash and cash equivalents	7,745,070.99	7,250,830.49
<b>Total current assets</b>	<b>28,210,784.26</b>	<b>25,476,722.58</b>
<b>Total assets</b>	<b>50,239,865.66</b>	<b>46,851,696.09</b>

## Consolidated balance sheet as of 30 September 2016 (unaudited)

€	31/12/2015	30/09/2016
<b>Liabilities</b>		
<b>A. Equity capital</b>		
I. Subscribed capital	3,510,000.00	3,510,000.00
II. Capital reserves	1,833,254.38	1,833,254.38
III. Other reserves	14,249,014.04	14,038,976.89
<b>Shares of the owners of the parent company</b>	<b>19,592,268.42</b>	<b>19,382,231.27</b>
IV. Shares of other shareholders	2,424,947.24	2,637,708.60
<b>Total equity capital</b>	<b>22,017,215.66</b>	<b>22,019,939.87</b>
<b>B. Non-current liabilities</b>		
I. Deferred income tax	875,554.03	772,682.62
II. Non-current loans	3,963,541.00	2,616,664.00
<b>Total non-current liabilities</b>	<b>4,839,095.03</b>	<b>3,389,346.62</b>
<b>C. Current liabilities</b>		
I. Current taxes on earnings	507,738.99	415,845.97
II. Current loans	1,170,834.00	1,795,836.00
III. Accounts payable	19,449,137.48	17,247,802.99
IV. Provisions	22,500.00	0.00
V. Other financial liabilities	1,125,609.86	897,859.88
VI. Other non-financial liabilities	1,107,734.64	1,085,064.76
<b>Total current liabilities</b>	<b>23,383,554.97</b>	<b>21,026,563.63</b>
<b>Total liabilities</b>	<b>50,239,865.66</b>	<b>46,851,969.09</b>

## Consolidated profit statement

for the third quarter 2016 and for the first nine months of 2016 (unaudited)

€	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2015	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2016	3 <sup>rd</sup> quarter 2015	3 <sup>rd</sup> quarter 2016
1. Sales revenue	74,047,780.32	90,423,587.10	24,354,304.54	31,263,475.48
2. Other revenues or gains	1,887,745.89	518,653.48	417,012.73	143,215.66
3. Other company-manufactured items capitalized	139,579.41	318,385.41	61,129.33	180,102.91
<b>4. Total operating performance</b>	<b>76,075,102.62</b>	<b>91,260,625.99</b>	<b>24,832,446.60</b>	<b>31,586,794.05</b>
5. Cost of materials				
Expenses for services purchased	–53,351,769.71	–69,126,270.10	–17,416,077.71	–24,191,498.24
6. Personnel costs				
6.1 Wages and salary	–7,759,691.05	–8,288,760.46	–2,502,422.72	–2,864,081.91
6.2 Social contributions and expenses for pensions and benefits	–1,213,605.60	–1,283,891.84	–398,330.64	–440,402.73
7. Scheduled depreciations	–3,061,299.35	–3,182,663.55	–1,001,392.18	–1,046,999.78
8. Unscheduled depreciations				
8.1 Non-current assets	–215,634.88	0.00	0.00	0.00
9. Other operating expenses	–7,433,924.93	–7,506,336.83	–2,696,582.35	–2,517,892.36
<b>10. Operating result (EBIT)</b>	<b>3,039,177.10</b>	<b>1,872,703.21</b>	<b>817,641.00</b>	<b>525,919.03</b>
11. Financial income	38,987.42	11,557.63	9,646.76	7.98
12. Financial expenses	–270,553.99	–225,101.44	–89,638.54	–80,612.05
13. Earnings from financial assets measured at equity	–2,440.04	171,059.68	–2,128.40	90,607.36
<b>14. Financial result</b>	<b>–234,006.61</b>	<b>–42,484.13</b>	<b>–82,120.18</b>	<b>10,003.29</b>
<b>15. Earnings from normal business activities before income tax</b>	<b>2,805,170.49</b>	<b>1,830,219.08</b>	<b>735,520.82</b>	<b>535,922.32</b>
16. Taxes from income and revenue	–901,039.01	–530,194.87	–323,609.33	–154,855.28
<b>17. Surplus (= total consolidated profit)</b>	<b>1,904,131.48</b>	<b>1,300,024.21</b>	<b>411,911.49</b>	<b>381,067.04</b>
18. Allocation of the surplus to the				
<b>18.1 Owners of the parent company (consolidated surplus)</b>	<b>1,265,651.46</b>	<b>597,262.85</b>	<b>194,214.87</b>	<b>147,969.24</b>
18.2 Shares of other shareholders	638,480.02	702,761.36	217,696.62	233,097.80

€	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2015	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2016	3 <sup>rd</sup> quarter 2015	3 <sup>rd</sup> quarter 2016
Undiluted earnings per share	0.36	0.17	0.06	0.04
Diluted earnings per share	0.36	0.17	0.06	0.04

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



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## Imprint

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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.