



DRILLISCH AG
REPORT ON FIRST HALF-YEAR 2009

Key Indicators of the Drillisch Group

Drillisch-Group	I - II/2009	I - II/2008	I - II/2007
Turnover in €m	162.4	173.8	169.9
EBITDA in €m	21.2	20.0	17.0
EBITDA, adjusted, in €m	21.3	20.3	17.0
EBIT in €m	18.0	16.7	15.3
EBT in €m	59.6	16.3	12.4
Consolidated profits in €m	55.8	11.3	7.5
Profit/loss per share in €	1.11	0.22	0.21
EBITDA margin in % of turnover	13.0	11.5	10.0
EBITDA margin (adjusted) in % of turnover	13.1	11.7	10.0
EBIT margin in % of turnover	11.1	9.6	9.0
EBT margin in % of turnover	36.7	9.4	7.3
Consolidated profit margin in % of turnover	34.3	6.5	4.4
Equity ratio (equity % of balance sheet total)	37.4	74.3	49.5
Return of equity (ROE) (ratio Group result to equity)	62.5	4.9	4.7
Cash flow from current business operations in €m	13.9	19.8	9.7
Depreciation excluding goodwill in €m	3.2	3.3	1.7
Investments (in tangible and intangible fixed asset), adjusted, in €m	1.2	2.0	1.3
Staff as annual average (incl. Management Board)	376	352	375
Wireless services customers as per 30/06 (approx. in thousands)	2,221	2,281	2,076
Wireless services customers Debit	1,312	1,453	1,241
Wireless services customers Credit	909	828	835

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Management Board

Paschalis Choulidis
Executive-Board Spokesman, Director of Finances,
Financial Communication, Controlling and IT

Vlasios Choulidis
Director of Sales, Marketing and Customer Care

Dear Sir or Madam,

The results realised by Drillisch for the first half of the year and for the second quarter add yet another chapter to the Company's history of success and set new standards for profitability. These figures clearly show that our sector can maintain its position and is highly resistant to the effects of the economic crisis.

We have continued to pursue with determination our primary goal of increasing the operating profit and consequently the company value and set a new record in the first half of the year. Gross profit rose by 3.2% to €38.1 million (previous year: €36.9 million) during the first six months. The gross profit ratio increased by 2.2% to 23.4% (previous year: 21.2%) during the same period. The adjusted EBITDA rose by 4.9%, and the total of €21.3 million in the first half of the year (previous year: €20.3 million) represents a new record high. Owing to deliberate elimination of low-margin business in the hardware sectors and a decline in the previous pre-paid business (bundles), we recorded a decline in turnover of 6.6% to €162.4 million (previous year: €173.8 million). During the reporting period, the number of subscribers fell by 2.6% to 2.221 million (previous year: 2.281 million subscribers). The decline in the pre-paid segment of 9.7% to 1.312 million subscribers (previous year: 1.453 million subscribers) was, however, offset by post-paid growth of 9.8% to 909,000 subscribers (previous year: 828,000 subscribers). In particular, the subscribers in the growth segment mobile Internet are found in the post-paid segment.

As a consequence of the positive development on our strategic holdings in freenet AG (€42 million), which is to be found in the income statement the consolidated profit rose by about 394% to €55.8 million (previous year: €11.3 million). The profit per share of €1.11 (previous year: €0.22) also marked a new record. Adjusted by freenet, profit per share reached €0.27 (previous year: €0.22)

More than four years ago, Drillisch AG became the first service provider to begin to establish successfully discount products on the German wireless services market. At that time only niche products, these services have since proven to be a growth driver on a market which is stagnating overall. The brand simply has become established as one of the leading providers in this market segment and is continually expanding its product line. In addition to telephony at low discount rates, simply offers flat rates for mobile phones and its own products from the growth sector "mobile Internet". The second discount brand in the Group — maXXim — celebrated its first birthday in May. maXXim customers have been making phone calls at the lowest rates in this segment for one year. The trend towards low-price telephone calls in combination with the best quality has not abated. Drillisch AG has profited from this development from the very beginning. Both of these divisions make good profit contributions of sustained high quality.

We placed our first products in the second growth sector data — mobile Internet — on the market in 2007 and have continuously expanded our offered services in this sector since that time. Drillisch AG serves the dynamically growing interest with its own products and with suitable sales cooperative ventures. The data sector will contribute a healthy share to our operating profit even in the current fiscal year, but further developments will undoubtedly be dynamic in the following years.

We will continue to set ourselves apart from competitors in the future with our innovative ideas. Since the beginning of the year, we have been marketing for the first time a term-free data rate under the established discount brand simply; known as "simply data", its flexibility and price structure make it a strong contrast to the competition. McSIM has supplemented the portfolio in this segment by offering a flat rate for mobile Internet access since May. Moreover, IQ optimize Software AG has positioned itself with the brand fioon as a provider for full-service solutions for mobile communications and mobile Internet for both private and business customers. So Drillisch offers attractive products for mobile surfing — anytime, anywhere — to various target groups in the form of its own brands and through committed and high-quality sales partners and cooperative ventures.

We can confirm our projection of a positive increase in EBITDA of between €41 million and €42 million for fiscal year 2009.

Faithfully yours,



Paschalis Choulidis

and



Vlasios Choulidis

Investor Relations-Report

The Capital Market — 01 April 2009 to 30 June 2009

The second quarter of 2009 started with one of the best months in stock exchange history — nationally as well as internationally. The recovery made itself felt across all sectors, whereby defensive segments such as telecommunications within the Euro Stoxx sectors displayed below-average development. The leading indicators, all of them surprising in a positive sense, were given credit for the good development on the markets. Moreover, the positive consumer confidence in the USA and the good Ifo index in Europe contributed to an improvement in the general mood. These first signs of a stabilisation tendency led to a more positive outlook for the economy and consequently to a higher equity weighting among investors.

Even the rising crude oil prices and the general weakness of the dollar were unable to dampen the positive sentiments on the stock markets during the course of the quarter.

The DAX improved by 723.88 points or about 17.7% to 4,808.64 points during the second quarter. TecDAX performance in the second quarter improved by 118.58 points or 23.3% to 626.89 points. The TecAllShare Index closed at 722.43 points, an improvement in the second quarter by 119.20 points or 19.8%. During the second quarter, the Drillisch stock price was able to make up for its below-average performance during the first quarter and rose by 21.4%.

The Drillisch Stock in the First Half of 2009

	Close-out 2008	30 June 2009	% change
Drillisch	€ 1.73	€ 2.10	+ 21.4
TecDAX	508.31	626.89	+ 23.3
TecAllShare	603.23	722.43	+ 19.8

Capital Market Measures in the First Half of 2009

In the period from 05 March to 02 April 2009, Drillisch AG made a voluntary switching offer to eteleon shareholders, giving them the opportunity to exchange their shares for Drillisch AG stock in a 1-to-1 ratio. When the switching offer was concluded, Drillisch AG held 79.97% of the stock capital of eteleon e-solutions AG, Munich.

As a consequence of the acceptance of the switching offer by eteleon shareholders, the holdings in treasury stock as of 08 April 2009 declined to 4.72% (corresponding to 2,511,405 shares).

Current Analyst Assessments (as per 30 June 2009)

Analysis	Rating	Target Price	Date
LBBW	„Hold“	€ 2.20	16 June
SES Research	„Buy“	€ 4.10	16 June
Kepler Capital Markets	„Buy“	€ 3.75	13 May
Sal Oppenheim	„Buy“	€ 4.00 Fair Value	13 May
Commerzbank	„Hold“	€ 1.70	03 March

Agenda of the Second Quarter — DGAP Ad-Hoc Reports

12 May	Gross profit €17.7m (previous year: €17.6m); EBITDA €9.9m (€9.5m); consolidated results €8.8m (previous year: €5.8m)
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Investor Relations-Report

Investor Relations Events

24 June — Deutsche Bank German Corporate Conference 2009

Various meetings with investors

All of the investor groups have equal opportunity to track the continuing work of the Investor Relations Department by visiting our home page and by contacting us by e-mail and telephone. In addition to a detailed financial calendar, all of the relevant reports can be viewed, in the sense of fair disclosure, as PDF documents.

Directors' Dealings

Dealings in securities requiring a report in accordance with Section 15a WpHG (German Securities Trade Act) during the second quarter 2009

Date	Name	Position	Purchase/Sale	Shares
30 June	M. Brucherseifer	Supervisory Board	Sale	100,000

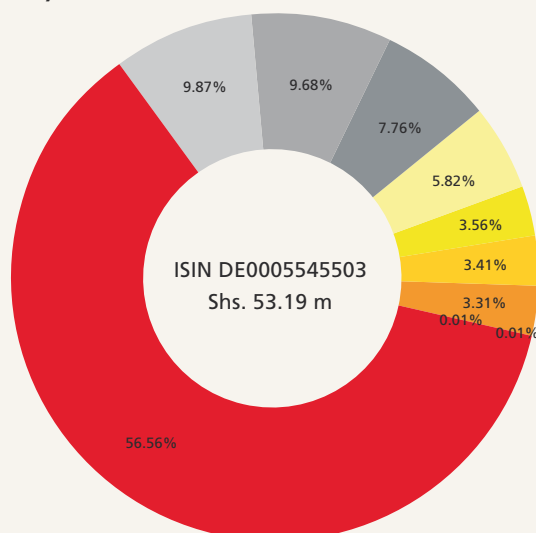
Directors' Holdings (as of 27 July 2009)

Company	
Management Board	
	No-par shares
MV GmbH	1,816,340 → 3.41%
SP GmbH	1,891,125 → 3.56%
Supervisory Board	
	No-par shares
Dr Hartmut Schenk	5,000 → 0.01%
Johann Weindl	7,439 → 0.01%
Marc Brucherseifer	4,125,184 → 7.76%
Nico Forster	1,761,079 → 3.31%
Dr Horst Lennertz	0
Michael Müller-Berg	0

Shareholder Structure (as per 27 July 2009)

Free Float St.	30,085,860
VS GmbH St.	5,250,000
United Internet AG St.	5,150,000
Marc Brucherseifer St.	4,125,184
UBS AG St.	3,096,988
SP GmbH St.	1,891,125
MV GmbH St.	1,816,340
Nico Forster St.	1,761,079
Johann Weindl St.	7,439
Hartmut Schenk St	5,000

Source: Disclosures by the corporations pursuant to sections 21 ff German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) and unless the company was not informed of a more recent figure (as of July 27, 2009)





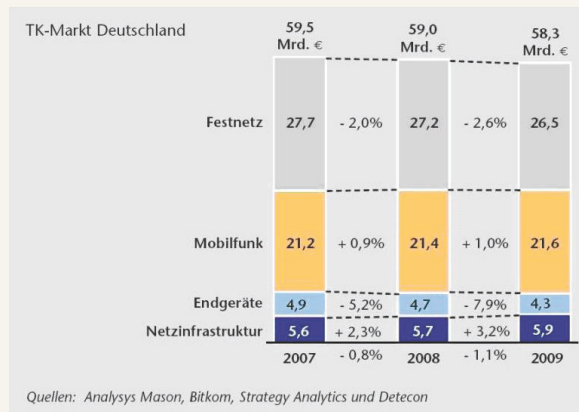
MARKET ENVIRONMENT

The Wireless Services Market

Wireless services continue a course of growth

The telecommunications sector remains a stabilising factor for the economy as a whole in Germany. Whereas the general economy — measured by the gross domestic product (GDP) — will weaken by about 6% in 2009 according to forecasts by the most important economists and the Federal government, sales on the telecommunications market will fall by a mere 1.1% according to an estimate by the industry experts at Detecon Consulting. Even this minus is found primarily in the landline sector and is a consequence of the slow sales in end devices caused by the weakening economy. In contrast, sales of wireless services in this year — despite the global economic crisis — are expected to grow by 1% to €21.6 billion. The importance of the classic landline connection continues to dwindle. More and more consumers are doing without a landline connection completely — about 10% in Germany. This trend will also continue thanks to the attractive flat-rate offers from wireless services

discounters for both mobile telephony and low-price Internet access.



Thanks to falling prices, customers are picking up their mobiles more and more frequently — even when abroad

According to information from the German Federal Statistics Office, wireless services prices declined by 8.4% in comparison with the previous year during the first quarter of 2009. Decisions were made during the second quarter which will continue this trend.

For one, the German Federal Network Agency

reduced wireless services forwarding charges in Germany by between 16% and 19% (depending on the size of the network operators) as of 01 April 2009. These charges are the fees wireless services operators receive from one another when they forward calls to subscribers through their networks. Subject to value-added tax, they represent the lower limit for wireless services prices so that additional reductions are possible. For another, the EU Roaming Directive reduced the fees for calls when abroad in Europe just in time for the holiday season. As of 01 July 2009, anyone using a mobile phone for calls when abroad within the EU will pay a maximum of 51 eurocents a minute for outgoing calls, while no more than 22 eurocents a minute will be charged for incoming calls. In addition, the prices for sending text messages (SMS) when abroad in the EU have been reduced now to 13 eurocents.

Mobile Internet is the driving force of the telecommunications industry

While the falling prices on the wireless services markets do not permit any growth in revenues especially for voice services, the mobile data services remain the driving force on the wireless services market. Mobile surfing on the web is a major trend — whether using a mobile phone with Internet capability, a compact netbook or a classic laptop — and is creating a dynamic surge in subscriber figures. According to estimates by BITKOM (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.), the number of wireless services contracts will continue to rise in 2009 despite the decline in the sales of mobile phones. The association foresees an increase by 5% to about 113 million contracts.

Wireless services companies will realise about one-fourth of their revenues from data services this year. Surfing the Internet, downloads of pictures, music and other files and the fast exchange of e-mails or messages on social networks such as Facebook, MySpace or StudiVZ are especially popular. This year alone, Telefónica o2 Germany expects the number of mobile Internet users to double from just under 6 million to more than 12 million. By 2012, the number of mobile Internet users in Germany will have almost trebled once again to about 30 million.

The Wireless Services Market

Smartphones make mobile Internet even more attractive

The new smartphones make the use of UMTS even more attractive. According to the US market researchers Forward Concepts, the market for these multimedia all-rounders will have solid growth of 13% to a total of 164 million devices sold worldwide in defiance of the weak economic environment. Experts expect an average worldwide smartphone growth rate of 21.7% annually from 2010 on.

Drillisch continues to expand brand strategy

Low discount prices, but still highly profitable

Drillisch is one of the most profitable wireless services providers in Germany because the Company recognised early the significance of the growth trends discount rates and mobile Internet. Four years ago, the Company was one of the first in Germany to launch a discount offer. Mobile telephony at low prices, but still in the best D-network quality, quickly became established under the brand name simply. In the meantime, Drillisch has expanded its portfolio — in cooperation with distribution partners as well — by adding further brands and more networks.

maXXim a leader in rate comparisons



The newest discount brand in the Drillisch Group celebrated its first birthday at the beginning of May of this year. For one year now, maXXim customers have been able to make calls to any network for a stunningly low 8 eurocents a minute. Text messages also cost a mere 8 eurocents. So Drillisch has disproved the latest forecast by the renowned corporate consultant A. T. Kearney which, based on a study of 100 European providers, expected wireless services prices to decrease to an average of 8.8 eurocents by 2011 and company profits to fall to zero due to the full exploitation of process optimisations. maXXim has now shown that things do not have to go that way. The "Best Discount Rate 2008" (Xonio) claimed leading positions in rate comparisons — most recently in the report "How to Cut Costs for Mobile Phones" in the programme "sternTV" on 29 April 2009. The development of operating profits in past years as well as the current fiscal year demonstrate that Drillisch earns good money even with such low rates.

Since more and more price-conscious customers want a modern mobile phone at transparent and fair prices in addition to the low-cost discount rates, maXXim opened its online shop for mobile phones at the end of May. Consumers who log on to www.maXXim.de will find a range of phones starting at about €20 and up to state-of-the-art smartphones.

simply launches the first discount rate with a cost limit



simply, one of the pioneers on the German wireless services discount market, continues to break new ground. The first discount provider to do so, simply introduced a new, innovative rate plan with built-in cost limit at the beginning of May. Customers choosing "simply basic pro" pay a low 13 eurocents per call minute and text message up to a monthly invoice amount of €55.00. Users who reach this limit do not pay a cent more for calls and text messages within Germany. So simply combines the advantages of a full flat rate to all networks with the flexible convenience of a discount rate.

The Wireless Services Market · The Software Industry

McSIM — new rate structure in the Vodafone network, low-cost and secure



Drillisch is one of the few discounters to offer low-price wireless services in more than one network. McSIM rounds off the Drillisch product line with low discount rates for the Vodafone wireless services network. In addition, McSIM expanded its rate portfolio by adding a mobile UMTS data flat rate in June 2009. McSIM surf now makes it possible, for the first time, to have access to the mobile Internet with download speeds of up to 7.2 MBit per second in the Vodafone HSDPA network. For a monthly fixed price starting as low as €24.95, people can surf the Internet or retrieve e-mails while on the go, anytime, anywhere, with McSIM surf.

Strong presence of three brands in the growth segment mobile Internet

As of the introduction of the new data flat rate McSIM surf, Drillisch is represented by three of its own brands on the segment of the future, "mobile Internet". simply has been marketing a successful data rate for access to the mobile Internet in the discount segment, known as simply data, for six months. Starting at a monthly fixed price of €19.95, customers can take advantage of all of the benefits of the Internet, anytime and anywhere, from their laptop or netbook — without a minimum contract term.

The brand fioon from IQ optimize Software AG, launched at the end of 2008, also offers flat-rate plans for mobile surfing under the name fioonDATA. Private and business customers can choose to access fioonDATA in the network or either T-Mobile or Vodafone. fioon introduced a combination card to the market for the first time in April; it enables optimal fast and "genuine" Internet access on modern smartphones as well. This is an offer which is especially appealing to business customers.

In addition, Drillisch offers its attractive data rates through sales partners and cooperative ventures such as Moobicent/MoobiAir, surf.pink/surf.red, fastSIM or Quickster/Funkster and RTLIIMOBIL.

ja! mobil and Penny Mobil — price reduction while keeping the same phone number



Drillisch realises wireless services products as so-called white-label solutions for various cooperation partners in retail trade, including Rewe Group. REWE Group reduced prices for its wireless service products in July. New and current customers of the pre-paid discount brands ja! mobil and Penny Mobil now pay only 12 eurocents per minute or text message instead of the previous 13 eurocents, and for the first time, mobile phone owners who switch to Penny Mobil or ja! mobil can keep their previous phone number. This new service makes the switch to the wireless services products of REWE Group even easier.

Information technology defies the crisis

The IT industry will continue its growth trend. According to estimates from Detecon Consulting, the high-tech industry will increase by 2.1% in comparison with the previous year, growing to €66.2 billion. IT services in particular continue to be in high demand. Analysts assume that user companies in this country will expend about €36.6 billion for IT services in this year, 4.3% more than last year. Detecon expects software business in 2009 to increase by 3.3% in comparison with last year to a volume of €13.4 billion.

COMMERCIAL DEVELOPMENT OF THE DRILLISCH GROUP
AS PER 30 JUNE 2009

Group Companies

Business Development of the Drillisch Group as per 30 June 2009

In its own estimation, Drillisch is one of the most profitable and innovative wireless services providers in Germany. The Company markets the wireless services offered by all four of the wireless network operators active in Germany, primarily through subsidiaries. The most important sales channels are the Internet, large retail chains and about 400 specialist retailers. The services acquired from the network operators are sold further to end consumers for the Company's own account and at rates that Drillisch defines itself based on its own calculations. The "Wireless Services" business unit forms the core business of Drillisch. It is subdivided into the departments "Pre-paid", "Post-paid" and "Discount". The scope of the services includes all of the services offered by the network operators for the transmission of voice, data and other content. Within the Drillisch Group, Drillisch AG, the parent company, concentrates on holding tasks such as management, finances and accounting, controlling, cash management, human resources, risk management, corporate communications and investor relations.

Wireless Services Providers Even More Efficient and Effective

At the end of 2008, Drillisch merged the subsidiaries Telco Services GmbH, Idstein, VICTORVOX GmbH, Krefeld, and Alphatel Kommunikationstechnik GmbH, Maintal, into McSIM Mobilfunk GmbH, Maintal. The Company has further improved its efficiency and structuring capability by merging the four wireless service providers into Drillisch Telecom GmbH, Maintal. The established brand names Telco, VICTORVOX, Alphatel and McSIM remain available to customers. The premium brand Telco is distributed via specialist retailers. VICTORVOX has specialised in select forms of distribution and wide-area marketing. Both of these brands stand primarily for credit business. McSIM expands the discount products of Drillisch by adding wireless services in the Vodafone network. Alphatel has in the meantime become primarily a symbol for pre-paid business. Drillisch uses the brand Alphatel to offer, the only service provider in Germany to do so, cash cards and cash codes via its own platform, g-paid, as well as starter cards and bundles.

Wireless Services Discount Product Line Expanded

simply — one of the discount pioneers in Germany — markets wireless services rates at especially favourable conditions on the T-Mobile network via the Internet and in cooperation with large retail chains. In addition, we have added further highlights to the German wireless services discount market with maX-Xim, which celebrated its first birthday in May, and with discoTEL, a brand of the subsidiary eteleon AG, Munich.

Online Everywhere with fioon

Drillisch has established its own brand in the strategic expansion segment of the mobile Internet under the name fioon. fioon enables mobile high-speed working and surfing as well as phone calls at low discount rates.

Innovative Sales Solutions

Since April 2009, Drillisch has held a dominant share of approximately 80% of eteleon e-solutions AG, Munich. The specialist for innovative sales solutions on the telecommunications market was one of the winners of the "Deloitte Technology Fast 50" in 2008. Deloitte Technology Fast 50 has become established as a worldwide seal of quality for corporate success in the technology sector. Working together with eteleon, the Company intends to extend sales activities via c-commerce and additional distance trade channels, to expand the product line and, by doing so, to intensify efforts to acquire new customers.

Group Companies · Turnover and Earnings Position

IQ-optimize Guarantees IT Competence

Drillisch has bundled its IT competence in its subsidiary IQ-optimize AG, Maintal. The company performs all of the IT services for the Group firms and markets its own workflow management software.

Joint Venture MSP Holding Holds the Participation in freenet

MSP Holding GmbH, Maintal, is a joint venture in which Drillisch and United Internet AG, Montabaur, each hold an interest of 50%. Drillisch has contributed its shares in the strategic holding freenet — acquired in autumn 2006 — to MSP. Due to the contractual voting commitment between Drillisch and United Internet, Drillisch holds more than 25% of the voting rights in freenet.

Employees

In the first half of 2009, an average of 376 employees (previous year 352), including the two members of the Drillisch Management Board, was on the payroll of the Drillisch Group. The number of vocational trainees, which is not included in the above figure, was 31 (previous year: 13). This is an indication of Drillisch AGs firm commitment to training young people in Germany in qualified professions which secure the future of us all.

Turnover and Earnings Position

During the first six months of fiscal year 2009, sales in the Drillisch Group declined by 6.6% in comparison with the same period last year to €162.4 million (previous year: €173.8 million) This was caused by the clearing of the subscribers lists of wireless services connections which were no longer active as per 30 June 2009 and further decline in prices and comparatively weak sales of pre-paid bundles The clearing affected primarily the pre-paid subscribers, reducing the number by 141,000 to 1.312 million (previous year: 1.453 million). The number of post-paid subscribers increased by 9.8% to 909,000 (previous year: 828k). The total number of subscribers fell by 2.6% in comparison with 30 June 2008 to 2.221 million (previous year: 2.281 million). The ratio of pre-paid to post-paid subscription is now 59.1% to 40.9%. These bundles are offered to customers at an extremely narrow margin, so there was no worsening of profitability. As in the previous reporting periods, all of the relevant profitability indicators in the Drillisch Group continued to improve.

Cost of materials once again declined overproportionately to turnover by 9.2% to €124.3 million (previous year: €136.9 million). The gross profit (turnover less cost of materials) thus rose — despite the decline in turnover — by 3.2% to €38.1 million (previous year: €36.9 million). The gross profit ratio (gross profit to turnover) improved by 2.2% to 23.4% (previous year: 21.2%).

Owing to the increase in the size of staff from the eteleon acquisition, personnel expenses rose by 2.7% to €10.4 million (previous year: €10.1 million). This meant an increase in the personnel expenses ratio (personnel expenses to turnover) by 0.6% to 6.4% (previous year: 5.8%). Other operating expenses declined by 11.1% to €8.7 million (previous year: €9.8 million). The decline was achieved mainly as a result of falling structural costs due to the efficient design of processes in the Company, the location optimisation and lower costs for external service providers. Subsequent professional expenses related to the merger in the amount of about €180,000 were incurred. They were posted under the item Other operating expenses and adjusted in the EBITDA.

The EBITDA (earnings before interest, taxes, depreciation and amortisation), one of the most important management indicators in the Drillisch Group, improved by 5.7% to €21.2 million (previous year: €20.0 million). The EBITDA margin rose by 1.5% to 13.0% (previous year: 11.5%). The EBITDA, when adjusted for the extraordinary expenses related to the merger, came to €21.3 million (previous year: €20.3 million). Depreciation declined by 3.3% to €3.2 million (previous year: €3.3 million), so the EBIT (earnings before interest and taxes) increased to €18.0 million (previous year: €16.7 million), 7.5% more than in the same period last year. The EBIT margin also improved by 1.5% to 11.1% (previous year: 9.6%).

Turnover and Earnings Position · Assets, Liabilities and Financial Position

In autumn of 2006, Drillisch began acquiring interest in the company which is today freenet. In 2007, the participation in freenet was contributed to MSP. Drillisch itself purchased additional freenet stock during 2008. The participation in MSP and the shares in freenet held directly are valued according to the equity method. The results from this inclusion amounted to €42.0 million in the first half of 2009. The rise in the market price of the freenet stock had an especially positive effect here and led to a write-up in the financial assets shown in the balance sheet according to the equity method which did not affect payments. The decline in interest rates in comparison with the previous year resulted in an improvement of interest results of €0.6 million to -€0.4 million. The financial result totalled €41.6 million (previous year: -€0.4 million).

Taxes on income declined to €3.8 million (previous year: €5.1 million). The low tax rate is based above all on earnings from the financial assets shown in the balance sheet according to the equity method; there were no effects on taxes in the amount of the write-up.

The consolidated profit improved by €44.5 million to €55.8 million (previous year: €11.3 million). Profit per share came to €1.11 (previous year: €0.22).

Cash Flow

Cash flow from current business activities decreased by €5.9 million to €13.9 million (previous year: €19.8 million). The most important factors here were higher tax payments and lower tax reimbursements than in the previous year. An outflow of funds in the amount of €5.0 million (previous year: -€21.6 million) resulted from investments, primarily for the acquisition of shares in financial assets shown in the balance sheet according to the equity method. As a consequence of scheduled repayments and the simultaneous increase in the loans taken out from banks, cash flow from financing activities reached a balance of -€6.5 million (previous year: -€76.7 million). Total cash therefore rose by €2.4 million to €6.7 million (previous year: decrease by €78.5 million to €6.2 million) in comparison with the end of 2008.

Assets, Liabilities and Financial Position

The balance sheet total for the Drillisch Group rose by €56.4 million to €238.7 million as per 30 June 2009 (31 December 2008: €182.3 million). Thanks to good business development and the increase in the value of the financial assets shown in the balance sheet according to the equity method, the rise is reflected almost completely in equity through the higher consolidated profit. The equity ratio more than doubled to 37.4% in comparison with the end of 2008 (31 December 2008: 17.4%).

Cash rose by €2.4 million to €6.7 million (previous year: €4.3 million). In part due to the initial consolidation of eteleon, inventories increased by €0.9 million to €6.5 million (31 December 2008: €5.6 million) and trade receivables rose by €4.2 million to €28.8 million (31 December 2008: €24.6 million). All in all, current assets increased by €7.8 million to €50.9 million (31 December 2008: €43.1 million).

The fixed assets increased by a total of €48.6 million to €187.8 million (31 December 2008: €139.2 million). Their share of the balance sheet total as of the middle of 2009 is 78.7% (31 December 2008: 76.4%). 87.4% is financed by equity and long-term debt. The value of the financial assets shown in the balance sheet according to the equity method rose by €49.3 million to €101.5 million (31 December 2008: €52.2 million). The positive effects here come primarily from the significant recovery in the market price of the freenet stock. The contrary effect occurred here at the end of the past fiscal year. Goodwill increased by €1.5 million to €67.9 million (31 December 2008: €66.4 million) as per 30 June 2009, a consequence of the acquisition of eteleon e-solutions AG in the first quarter of 2009.

On 27 February 2009, Drillisch concluded its stock repurchase programme. A part of the acquired shares were used for payment of the eteleon acquisition. This resulted in an increase of subscribed capital in comparison with the end of 2008 by €1.0 million to €55.7 million (31 December 2008: €54.7 million). The shares re-acquired by the Company are offset against equity. If they are re-issued to third parties, they are once again allocated to equity. Each share decreases or increases the subscribed capital — depending on whether a share is repurchased or re-issued to third parties — by €1.10.

Assets, Liabilities and Financial Position · Opportunities and Risks of the Future Business Development

Thanks to the good business results, the accumulated deficit decreased by €55.9 million to €117.7 million (31 December 2008: €173.6 million). The accumulated deficit resulted primarily in 2008 from the change in the stock market evaluation of the freenet shares. In comparison with 31 December 2008, equity increased by €57.5 million to €89.2 million (31 December 2008: €31.7 million).

Long-term liabilities declined by €8.7 million to €74.9 million (31 December 2008: €83.6 million). The balance of the long-term liabilities due to banks declined by €5.9 million to €69.5 million (31 December 2008: €75.4 million) in part as a consequence of scheduled repayment in the amount of €10.0 million as per 30 June 2009. Due primarily to the non-exercise of a call option, the balance of the deferred tax liabilities declined by €2.5 million to €4.2 million (31 December 2008: €6.7 million) The share of long-term liabilities in the balance sheet total amounts to 31.3% (31 December 2008: 45.8%).

Short-term liabilities increased with respect to the end of fiscal year 2008 by €7.7 million to €74.6 million (31 December 2008: €66.9 million). Their share in the balance sheet total fell to 31.2% (31 December 2008: 36.7%). Trade liabilities rose by €13.1 million to €21.0 (31 December 2008: €7.9 million), and payments received on account increased by €4.3 million to €20.0 million (31 December 2008: €15,7 million). This increase comes mainly from a significant expansion in voucher business and the initial consolidation of eteleon. Tax liabilities decreased by €2.6 million to €5.7 million (31 December 2008: €8.3 million) because significant tax payments were transferred to the tax authorities at the beginning of the year.

Risk Report

The risk management system is an integral component of corporate policy aimed at early exploitation of opportunities and detection and limitation of risks. Drillisch operates a risk management system throughout the Group which includes continuous observation to ensure early recognition and the standardised recording, assessment, control and monitoring of risks. The objective is to obtain information about negative developments and the related financial effects as early as possible so that the appropriate measures can be initiated to counteract them. The management of the company results and company value makes use of the instrument of risk management. It can thus become a strategic success factor for the Company's management for both subsidiaries and Drillisch itself.

The risk situation — in comparison with the risks described in the annual report for the year 2008 — did not change appreciably during the first six months of fiscal year 2009. In the opinion of the Management Board, adequate precautions have been taken to counter all of the identified risks.

Relations to relatives and companies

The Baugemeinschaft Maintal, consisting of Paschalis Choulidis and Marianne Choulidis, has rented office space in Maintal to the Drillisch Group. The lease has a fixed term until 30 June 2010 and will automatically be extended for additional periods of five years each unless six months' notice of termination, expiring at the end of a term, has been given. Rent in the first half of 2009 came to €254k (previous year: €254k). The company Flexi Shop GmbH, whose shareholder is Jannis Choulidis, had turnover of €106k with the Drillisch Group during the first half of 2009.

Important Events Occurring after 30 June 2009

No important events occurred after 30 June 2009.

Outlook

Management does not see any reason to change its consolidated EBITDA target of €41 million to €42 million for fiscal year 2009.

**INTERIM CONSOLIDATED ACCOUNTS
AS PER 30 JUNE 2009**

Consolidated statement of comprehensive income

	I-II/2009*	I-II/2008	II/2009*	II/2008	I/2009 *	I/2008
	€k	€k	€k	€k	€k	€k
Sales	162,362	173,838	84,515	89,234	77,847	84,604
Other own work capitalised	1,033	1,075	550	567	483	508
Other operating income	1,172	1,979	466	970	706	1,009
Cost of materials/Expenditures for purchased services	-124,294	-136,949	-64,107	-69,925	-60,187	-67,024
Personnel expenses	-10,384	-10,109	-5,427	-4,932	-4,957	-5,177
Other operating expenses	-8,727	-9,820	-4,547	-5,440	-4,180	-4,380
Amortisation and depreciation	-3,212	-3,321	-1,497	-1,731	-1,715	-1,590
Operating result	17,950	16,693	9,953	8,743	7,997	7,950
Result from financial investments shown in the balance sheet according to the equity method	42,013	633	40,054	-583	1,959	1,216
Interest income	1,304	1,157	1,169	588	135	569
Interest and similar expenses	-1,714	-2,148	-696	-405	-1,018	-1,743
Financial result	41,603	-358	40,527	-400	1,076	42
Profit before taxes on income	59,553	16,335	50,480	8,343	9,073	7,992
Taxes on income	-3,797	-5,053	-3,569	-2,890	-228	-2,163
Consolidated results	55,756	11,282	46,911	5,453	8,845	5,829
Results attributable to minority interests	-39	0	-38	0	-1	0
Share of Drillisch AG shareholders in consolidated results	55,795	11,282	46,949	5,453	8,846	5,829
Other earnings after taxes	0	0	0	0	0	0
Total Results	55,756	11,282	46,911	5,453	8,845	5,829
thereof total results attributable to minority interests	-39	0	-38	0	-1	0
thereof share of Drillisch AG shareholders in total results	55,795	11,282	46,949	5,453	8,846	5,829
Profit per share (in €)						
Undiluted	1.11	0.22	0.93	0.11	0.18	0.11
Diluted	1.11	0.22	0.93	0.11	0.18	0.11

*Since 1 March 2009, the income statement of the group includes the numbers of the acquired unit eteleon e-solutions AG.

Consolidated Balance Sheet

ASSETS	30.06.2009	31.12.2008
	€k	€k
Fixed assets		
Other intangible assets	14,498	15,912
Goodwill	67,914	66,400
Tangible assets	1,367	1,723
Financial assets shown in balance sheet according to equity method	101,487	52,219
Deferred taxes	2,536	2,922
Fixed assets, total	187,802	139,176
Current assets		
Inventories	6,548	5,615
Trade accounts receivable	28,804	24,603
Accounts due from affiliated companies	18	105
Accounts due from companies in which there is a participating interest	0	23
Tax reimbursement claims	0	349
Cash	6,688	4,325
Other current assets	8,804	8,063
Current assets, total	50,862	43,083
ASSETS, TOTAL	238,664	182,259

Consolidated Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2009	31.12.2008
	€k	€k
Equity		
Subscribed capital	55,745	54,706
Capital surplus	119,387	119,480
Earnings reserves	31,123	31,123
Accumulated deficit	-117,700	-173,568
Equity to which Drillisch AG shareholders are entitled	88,555	31,741
Minority interests	633	0
Equity, total	89,188	31,741
Long-term liabilities		
Pension provisions	975	975
Deferred tax liabilities	4,192	6,726
Bank loans and overdrafts	69,472	75,413
Leasing liabilities	256	468
Long-term liabilities, total	74,895	83,582
Short-term liabilities		
Provisions	1,893	3,200
Tax liabilities	5,661	8,305
Bank loans and overdrafts	20,001	20,000
Trade accounts payable	21,021	7,915
Payments received on account	20,023	15,663
Leasing liabilities	418	668
Other liabilities	5,564	11,185
Short-term liabilities, total	74,581	66,936
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	238,664	182,259

Consolidated Statement of Change in Capital

	Number of shares	Capital sub-scribed	Capital reserves	Earnings provision	Unappropriated earnings/deficit	Equity to which Drillisch AG shareholders are entitled	Minorit interests	Total
		€k	€k	€k	€k	€k	€k	€k
As per 01/01/2008	53,189,015	58,508	128,379	31,123	15,659	233,669	0	233,669
Change in own shares	-1,810,511	-1,992	-5,962	0	0	-7,954	0	-7,954
Retroactive costs of the capital increase 2007		0	-318	0	0	-318	0	-318
Dividend payments		0	0	0	-5,151	-5,151	0	-5,151
Consolidated results		0	0	0	11,282	11,282	0	11,282
As per 30/06/2008	51,378,504	56,516	122,099	31,123	21,790	231,528	0	231,528
As per 01/01/2009	49,732,347	54,706	119,480	31,123	-173,568	31,741	0	31,741
Change in own shares	945,263	1,039	-93	0	0	946	0	946
Change in consolidated companies		0	0	0	73	73	672	745
Consolidated results		0	0	0	55,795	55,795	-39	55,756
As per 30/06/2009	50,677,610	55,745	119,387	31,123	-117,700	88,555	633	89,188

Consolidated Capital Flow Statement

	I-II/2009	I-II/2008
	€k	€k
Consolidated profit	55,756	11,282
Interest paid	-1,714	-2,149
Interest received	1,304	1,295
Results from interest	410	991
Result not affecting payments from financial assets shown in balance sheet according to equity method	-40,893	-633
Income tax paid	-6,948	-2,929
Income tax received	0	6,617
Taxes on income	3,797	5,053
Depreciation on intangible and tangible assets	3,212	3,321
Profit/Loss from disposal of tangible and intangible assets	29	-61
Loss from the disposal of financial assets	0	328
Change in inventories	65	173
Change in receivables and other assets	-7,394	6,612
Change in trade payables and other liabilities and provisions	1,897	-11,569
Change in payments received on account	4,360	1,457
Cash Flow from Current Business Activities	13,881	19,788
Investments in tangible and intangible assets	-1,154	-1,984
Income from the disposal of tangible and intangible assets	0	2
Payments for acquisitions less acquired cash	-841	0
Investments in financial assets	-3,021	-27,217
Income from the disposal of financial assets	0	7,604
Cash flow from investment activities	-5,016	-21,595
Change in own shares	-100	-7,954
Dividend payments	0	-5,151
Capital increase	0	0
Outgoing payments for amortisation of loans	-10,000	-87,886
Incoming payments from the taking out of loans	4,060	24,355
Change in leasing obligations	-462	-31
Cash flow from financing activities	-6,502	-76,667
Change in cash	2,363	-78,474
Cash at end of period	6,688	6,207
Cash at beginning of period	4,325	84,681

Consolidated Notes

1 Applied Accounting Principles

The consolidated interim accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the EU. All of the IFRS rules which have been accepted by the EU and whose application has been mandatory since 01 January 2009 have been taken into account. The same accounting and valuation methods were applied as with the consolidated annual accounts as per 31 December 2008. Consequently, this half-year report as per 30 June 2009 has been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting standards which are to be applied for the first time in fiscal year 2009 do not have any noteworthy effects on the presentation of the assets and liabilities, financial position and profit and loss of the Drillisch Group. Due to changes in the rates levied for trade tax, the consolidated tax on income decreased from 31.58% to 30.25%.

Pursuant to the revision of IAS 1 "Presentation of Financial Statements", the consolidated accounts now contain a comprehensive income statement. The comprehensive income statement shows the period results (consolidated income statement) as well as any and all changes in equity not affecting income within the period which do not result from business transactions with the owners acting in their position as owners.

This consolidated interim report has not been audited in accordance with Section 317 HGB (German Commercial Code) nor reviewed by a chartered public accountant.

2 Change in Consolidated Companies

During the current year, Drillisch AG has acquired eteleon e-solutions AG (eteleon AG), Munich; it was included for the first time in the consolidated interim report as per 31 March 2009. 01 March 2009 was the point in time of the initial consolidation.

The effects of the change in the consolidated group on the consolidated income statement for the first half of 2009 are shown below:

	eteleon AG CBS I	Consolidation	Group
	€k	€k	€k
Sales	8,718	-943	7,775
Other operating income	14	0	14
Cost of materials/Expenditures for purchased services	-7,113	943	-6,170
Personnel expenses	-822	0	-822
Other operating expenses	-789	0	-789
Amortisation and depreciation	-80	0	-80
Operating result	-72	0	-72
Interest income	4	0	4
Interest and similar expenses	0	0	0
Financial result	4	0	4
Profit before taxes on income	-68	0	-68
Taxes on income	-124	0	-124
Consolidated results	-192	0	-192

Consolidated Notes

Drillisch AG took over a majority interest of 71.4% in eteleon AG as per 27 February 2009.

On the basis of the purchase price, the capital consolidation results in a difference amounting to €1,515k, which will be allocated to the individual assets and liabilities and goodwill when the purchase price allocation is completed. This difference has provisionally been allocated to goodwill in full. Cash in the amount of €1,538k was acquired simultaneously with the purchase of eteleon AG.

As a consequence of a switching offer, an additional 8.5% (168,592 shares) in eteleon AG was acquired in April 2009. The shares were exchanged for Drillisch AG in a ratio of 1 to 1. As per 30 June 2009, Drillisch AG holds 1,579,325 shares of eteleon AG, corresponding to 79.97%

3 Stock Repurchase Programme

Exercising the authorisation granted by the Annual General Meeting on 30 May 2008, the Drillisch Management Board decided to carry out a stock repurchase programme. The repurchase programme affects a maximum of 10% of the share capital as of the point in time of the Annual General Meeting 2008 (5,318,901 shares) and ran from 16 June 2008 to 27 February 2009. A total of 3,518,901 shares was repurchased within the scope of this programme. As per 30 June 2009, Drillisch held 2,511,405 own shares in its portfolio.

4 Contingent Receivables

The contingent receivable shown in the consolidated annual accounts as per 31 December 2008 amounted to €2,344k on 30 June 2009.

Consolidated Notes

5 Segment Presentation

The sales and the operating result can be presented by segment as follows:

	1st Half/2009	1st Half/2008
	€k	€k
Sales		
Telecommunications (sales with third parties)	162,307	173,786
Software services (sales with third parties)	55	52
Software services (in-house sales)	3,489	1,536
Consolidation	-3,489	-1,536
Group	162,362	173,838
Segment Results		
Telecommunications	18,005	16,752
Software services	-55	-59
Group	17,950	16,693

Rollover

The rollover of the total of the segment profits (profits from operations) to the profit before taxes on income is determined as shown below:

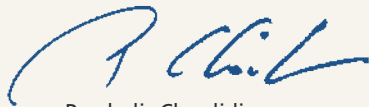
	1st Half/2009	1st Half/2008
	€k	€k
Total segment profits (operating profit)	17,950	16,693
Operating result	17,950	16,693
Financial result	41,603	358
Profit before taxes on income	59,553	16,335

Affidavit by Legal Representatives (Balance Sheet Oath)

Erklärung gemäß § 37y WpHG i.V.m § 37w Abs. 2 Nr. 3 WpHG

We warrant, to the best of our knowledge, that the consolidated interim accounts, in accordance with the applicable accounting principles for interim reporting, present a true and fair view of the assets and liabilities, financial position and profit and losses of the Group, and that the course of business described in the consolidated interim management report, including the results of business activities and the Group's position, is presented in such a manner as to give a true and fair view thereof as well as of the major opportunities and risks of the foreseeable development of the Group during the remainder of the business year.

Maintal, 12 August 2009



Paschalis Choulidis

and



Vlasios Choulidis

Finance and Event Calendar · Publications · Your Contacts · Information/Order Service

Finance and Event Calendar*

German Equity Forum

November 2009

9-Month Report

Friday, 13 November 2009

* Subject to change

Publications

The present half-year report 2009 is also available in German.

You can view and download our business and quarterly reports, ad-hoc announcements, press releases and other publications about Drillisch AG at www.drillisch.de.

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Disclaimer:

The information provided in this publication is checked carefully. However, we cannot guarantee that all specifications are complete, correct and up to date at all times.

Future-oriented Statements:

This report contains certain statements oriented to the future which are based on the current assumptions and projections of the management of the Drillisch Group. Various risks, uncertainties and other factors, both known and unknown, can cause the actual results, financial position, development or performance of the Company to deviate substantially from the assessments shown here. The factors described in our reports to the Frankfurt Stock Exchange and to the American Securities and Exchange Commission (incl. Form 20-F) are among such factors. The Company does not undertake any obligation to update such future-oriented statements and to adapt them to future events or developments.

