



DRILLISCH AG
9-MONTH REPORT 2011

Key Indicators of the Drillisch Group

Drillisch Group	I - III/2011	I - III/2010	I - III/2009
Turnover in €m	247.0	261.8	252.1
Service Revenues	222.4	203.2	205.6
Other revenues*	24.6	58.6	46.5
EBITDA in €m	38.7	33.4	32.7
EBITDA, adjusted in €m	39.5	35.5	32.9
EBIT in €m	36.1	29.1	28.0
EBT in €m	38.7	31.8	95.0
Consolidated profits in €m	31.4	23.8	87.6
Profit/loss per share in €	0.59	0.45	1.74
EBITDA margin in % of turnover	15.7	12.8	13.0
EBITDA margin adjusted in % of turnover	16.0	13.6	13.1
EBIT margin in % of turnover	14.6	11.1	11.1
EBT margin in % of turnover	15.7	12.2	37.7
Consolidated profit margin in % of turnover	12.7	9.1	34.7
Equity ratio (equity % of balance sheet total)	43.2	52.0	45.3
Return of equity (ROE) (ratio Group result to equity)	19.2	16.4	70.4
Cash flow from current business operations in €m	16.6	27.0	25.6
Depreciation excluding goodwill in €m	2.6	4.4	4.7
Investments (in tangible and intangible fixed assets), adjusted, in €m	2.0	2.1	2.1
Staff as annual average (incl. Management Board)	330	382	381
Wireless services customers as per 30/09 (approx. in thousands)	2,593	2,340	2,237
Wireless services customers Debit	1,140	1,225	1,291
Wireless services customers Credit	1,453	1,115	946

* Other revenues includes handsets and other revenues.

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Letter from the Management Board



Management Board

Vlasios Choulidis
Director of Sales, Marketing and Customer Care

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

Dear Sir or Madam,

We added yet another chapter to our successful company history in the third quarter of 2011. All of our business units contributed to these positive developments.

Once again, we were able to improve all of the major performance indicators (service revenues, EBITDA and subscribers) during the first nine months of fiscal year 2011. This positive development of the corporate success was achieved with 2.593 million subscribers, an increase of 10.8% or 253,000 subscribers over the same period last year (9M-2010: 2.340 million subscribers). The dynamic development in the sector of postpaid subscribers led to an increase of 30.3% or 338,000 subscribers to 1.453 million subscribers (9M-2010: 1.115 million subscribers) and more than compensated for the planned decline in prepaid clientele by 85,000 subscribers or 6.9% to 1.140 million subscribers (9M-2010: 1.225 million subscribers). As a consequence of this development, the share of the more profitable postpaid subscribers rose by 8.4% to 56.0% (9M-2010: 47.6%) in the year-on-year comparison.

In the first nine months of fiscal year 2011, "service revenues" increased by 9.5% or €19.2 million to €222.4 million (9M-2010: €203.2m). The item Other sales includes the bundled business and sale of devices. The deliberate reduction of this business field and its minimal margins caused total sales to decline by 5.6% to €247.0 million (9M-2010: €261.8m). Gross profit rose by 14.0% to €73.1 million (9M-2010: €64.1 million) during the first nine months. At 29.6%, the gross profit margin even exceeded the already excellent result for the same period last year (9M-2010: 24.5%). Adjusted EBITDA rose by 11.2% to €39.5 million (9M-2010: €35.5m) during the first nine months. The adjusted EBITDA ratio improved by 2.4% to 16.0% (9M-2010: 13.6%).

Letter from the Management Board

Drillisch AG will continue to maintain its strategic orientation. We are the price leaders, offering a simple, understandable and clear price structure for products in both areas – voice and data – in good quality. We submit our quality claims to impartial authorities for review. In September 2010, the brands simply and maXXim became the first – and so far, the only – providers to be awarded ISO certification on the basis of the DIN EN ISO 9001:2008 standard. This ISO certification is the reward for a successful audit of customer service in both the back office and the call centre. The certification was confirmed and renewed during an audit in October 2011.

We play a proactive role on the market and blaze the trail for future trends. Two fundamentally new rate plan concepts attracted attention during the third quarter. When our customers who have chosen the data flat rate OptiSurf, for example, book a plan for 500 MB, but actually use only 200 MB, we reimburse part of the billed amount. We offer a rate plan for the brand helloMobil known as best4me which we apply to calculate the combination of minutes, text messages and data packages with the lowest price for the customer – at the end of the month. So we give our customers full flexibility by decoupling their actual use from the previously booked options, a feature which is in stark contrast to competitors' services. Our brand smartmobil.de is the first provider to offer a rate plan which can be used with one phone number on as many as three end devices. Emphasis for all of these examples is on customer-friendly and individual calculation of the actual use of the services by intelligent, automatic billing systems.

The freenet stock held by MSP and Drillisch has been measured according to the equity method since 14 June 2011 and disclosed in the financial assets shown in the balance sheet according to the equity method. In the previous year, the freenet stock was shown in the balance sheet under the Other financial assets. The freenet stock in this item declined to zero as of the closing date (31 December 2010: €122.8m). The balance of the two items affected by the freenet holdings increased by €103.5 million in comparison with 31 December 2010. The results from this change in balance sheet disclosures amounted to €13.7 million as of 30 September 2011 and are disclosed under the item "Results from financial assets shown in the balance sheet according to the equity method" as part of the financial results.

We are holding firm to our forecast of an increase in EBITDA to €52 million in fiscal year 2011 following €49.3 million in fiscal year 2010 and to an increase in the number of postpaid subscribers (31 December 2010: 1.191 million).

Faithfully yours,



Vlasios Choulidis

and



Paschalis Choulidis

Investor Relations Report

The Capital Market – 1 July 2011 to 30 September 2011

The lack of solutions for the problems of the national debt crisis was the cause of tremendous price fluctuations on the stock exchanges in the third quarter. It can be assumed that the resulting loss of confidence will have a greater influence on the capital markets in the fourth quarter than the business results which will soon be reported.

Significant losses were accrued on all of the important stock exchange indices in the third quarter. The TecDAX lost 231 points (25.9%) and closed at 662.63 points (30/06: 893.78). The broader TecAllShare Index lost 24.1% or 253 points, falling to 795.36 points (30/06: 1,048.39) in the same period. The DAX recorded 5,502.02 points (30/06: 7,376.24), a loss of 25.4%.

Performance of the Drillisch stock since the end of 2010 in comparison with the indices

	Close-out 2010	30. September 2011	% change
Drillisch	€ 6.05	€ 7.39	+ 22.1
TecDAX	850.67	662.63	- 22.1
TecAllShare	1,017.33	795.35	- 21.8

Drillisch Stock on the TecDAX — Good Index Acceptance and an Attractive Assessment

The Drillisch stock improved in the two relevant rankings of the TecDAX and held better positions for both market capitalisation (15th place) and turnover (20th place) on 30 September 2011 than at the time of its acceptance in the index on 21 September 2009.

Current Analyst Assessments (as per 30 September 2011)

Analysis	Rating	Price Target	Date
West LB	"Buy"	€ 9.40	08 September 2011
Warburg Research	"Buy"	€ 9.65	02 September 2011
Macquarie	"Outperform"	€ 10.90	31 August 2011
Commerzbank	"Buy"	€ 9.00	15 August 2011
Hauck & Aufhäuser	"Buy"	€ 11.00	15 August 2011
LBBW	"Buy"	€ 9.20	05 August 2011

The business model with its core business fields "Discount" and "Mobile Internet", the cash flow generation and a reliable dividend declaration are given consideration in the analyses of the banks observing our stock. In addition to the attractive dividend from our operating business, dividend earnings from our holdings in freenet AG play an important role and complete the overall picture.

Agenda of the Third Quarter — DGAP Ad-Hoc Reports

05 August 2011	Best first half-year in company history: Service revenue +7.6% to €145.9m (H1-2010: €135.6m); EBITDA +11.4% to €25.7m (H1-2010: €23.0m); number of subscribers +9.2% to 2.501m (H1-2010: 2.290m); postpaid +21.4%
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Investor Relations Events

31 August: 11th German Technology & Telecoms Conf., Frankfurt – Commerzbank

06 September: TMT Day, London – West LB

Various investor talks, including many initial contacts

Investor Relations Report

The continuing work of the Investor Relations Department is oriented to fair disclosure and can be tracked equally for all investor groups on our home page. In addition to a detailed financial calendar, all of the relevant reports can be viewed as PDF documents. Many investors also take advantage of the opportunity for personal contact via e-mail and/or telephone.

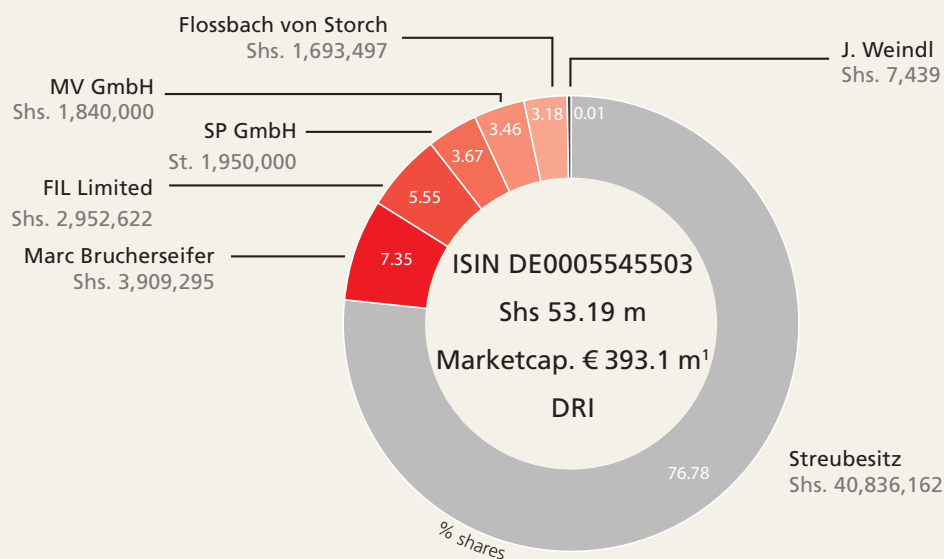
Directors' Dealings

There were no dealings in securities requiring a report in accordance with Section 15a WpHG during the reporting period of the third quarter 2011.

Directors' Holdings (as of 30 September 2011)

Management Board	No-par shares
MV GmbH	1,840,000 → 3.46%
SP GmbH	1,950,000 → 3.67%
Supervisory Board	No-par shares
Dipl.-Kfm. Marc Brucherseifer (Chairman)	3,909,295 → 7.35%
Johann Weindl (Deputy Chair)	7,439 → 0.01%
Dr Horst Lennertz	0
Michael Müller-Berg	0
Dr Bernd Schmidt	0

Shareholder Structure (as per 30 September 2011)



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.

1) On the basis of the XETRA closing price €7.39 on 30 September 2011. Free Float acc. to the rule of Dt. Boerse AG: 92.65%.

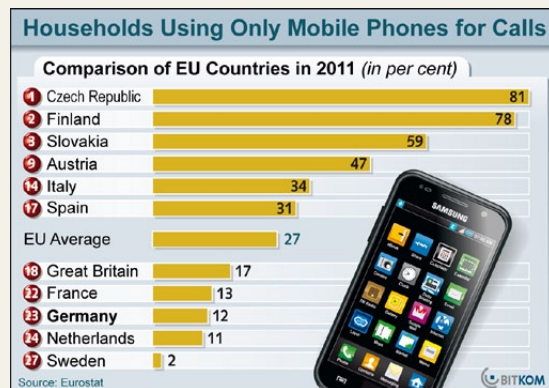
MARKET ENVIRONMENT

The Wireless Services Market

There is still no end in sight to the dynamic developments on the wireless services market. In September 2011, the number of people owning a mobile phone in Germany rose to 61 million users. The figure at the beginning of the year was about 59 million. This absolute figure corresponds to a share of 87% of the German population age 14 or over according to information from the industry association BITKOM published in a recent survey in the middle of September. Older people in particular are discovering the benefits of mobile communications. As of today, 72% of the population over the age of 65 in Germany have a wireless services subscription – almost 10% more than in the previous year.

One-third of mobile phone users would stop their landline service

More and more people are terminating their classic landline connections and using only their mobile phones for calls. While the current share of the so-called “mobile only” in Germany is still relatively low in comparison with all of Europe (12% to 27%; source: European Statistical Office *Eurostat*), 30% of mobile phone users in this country could imagine terminating their landline service completely. This was the result of a study conducted by the *Gesellschaft für Konsumforschung* (GfK) in August 2011. Half of the respondents in the survey expected significant financial savings above all from a complete changeover to wireless services.



Source: BITKOM, 11 October 2011

Mobile internet – smartphones, apps and low rates cause significant rise in demand

The *Bundesverband der Digitalen Wirtschaft* (BVDW) reported in summer a significant rise in demand for mobile internet and documented this statement with a representative study prepared by the institute Yougov. Overall, 33% of the respondents replied that they wanted to be able to surf the internet from mobile devices while on the go. The same figure in 2008 was only 21%. The number of women with a keen interest in the mobile internet has almost doubled to 31% (2008: 16%). The trend became even clearer in a representative survey conducted by BITKOM in March of this year, showing that almost 20% of the internet users in Germany go online with their smartphones. The number of mobile surfers has doubled to about nine million within one year.

Three major factors continue to drive forward the trend to mobile internet:

- More and more smartphones with large displays and comfortable touch screen interfaces are being sold instead of simple phones; in addition, the prices for these devices are falling.
- The growing number of useful applications (apps) is expanding the range of functions available on the mobile phones and turning them into personal universal devices for many everyday situations.
- Low flat-rate services are doing more and more to allay users' fears of unpredictable costs for mobile surfing.

According to the market researchers at *IMS Research* the share of smartphones in mobile phone sales worldwide grew to 28% in 2010, a figure which translates into 420 million devices sold. The sector experts at *Strategy Analytics* are predicting a growth rate of 76% for smartphones this year. According to *Juniper Research*, touch screen mobile phones will have taken over 72% of the market within five years. Sony-Ericsson has taken the next logical step and announced in the middle of October that its product line in the future will comprise only smartphones.

The Wireless Services Market

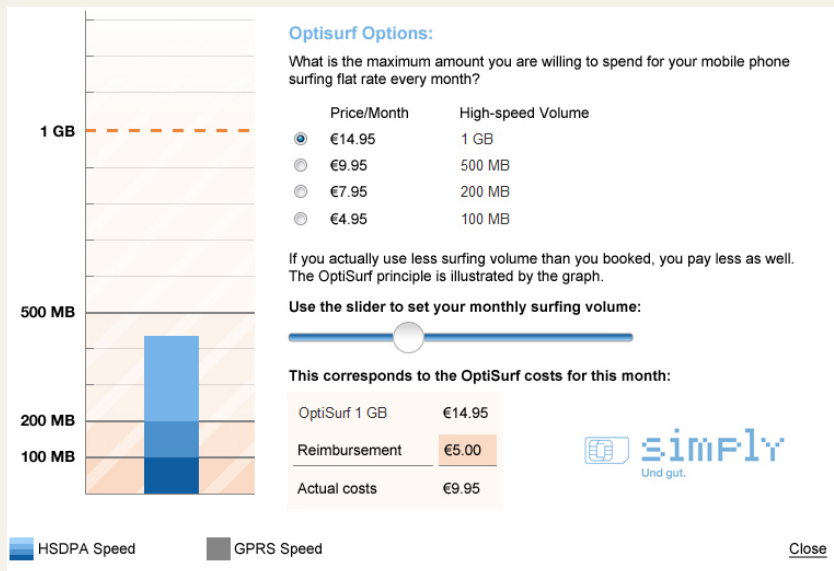
And the next technology trends can already be seen. In five years, about 80 million devices with displays capable of three-dimensional images without additional aids such as 3-D glasses will be sold. Apple's iPhone 4S, presented at the beginning of October, makes intensive use of voice commands and internet-based "cloud" applications for storage or software services, and the first devices using the new LTE technology are already available. Moreover, smartphones are turning into major competition for classic game consoles, as demonstrated at the computer games trade fair *gamescom* in Cologne in the middle of August. They provide even more direct access to online games and are making a dynamic contribution to the steadily rising sales for mobile data services. The industry association BITKOM is expecting sales in mobile data services in Germany to reach about €7 billion in 2011, an increase of 12% over the previous year.

Drillisch gives new impetus to the wireless services market with its innovative rate concepts

Drillisch AG attracted a lot of attention in recent weeks by introducing two fundamentally new rate concepts and gave new impetus to the wireless services market. Emphasis is on customer-friendly and individual calculation of the actual use of the services by intelligent, automatic billing systems.

OptiSurf – paying only for the mobile internet actually used

In selecting the new data flat rates *OptiSurf*, starting immediately, customers with the 8-cent rates of the brand simply, maXXim and helloMobil choose only their personal monthly maximum of between €4.95 and €14.95 and can take advantage of the maximum high-speed volume for each limit (100 MB, 200 MB, 500 MB or 1 GB).



What makes *OptiSurf* so special and new is the intelligent, automatic billing system which ensures that customers who use less also pay less. If usage does not exceed the lower volume level, only the lower price is charged. So all users, whether occasional surfers or smartphone experts, can be sure that they never again pay too much for flat-rate volumes they have not used, yet retain full flexibility.

The Wireless Services Market

best4me – the new, innovative rate featuring automatic best price

Drillisch has extended this principle to the voice and text message flat rates of the new rate plan *best4me* recently offered as part of the brand helloMobil as well. While the competition's subscribers must always decide in advance for the coming month what the right minute package will be or which flat rate is most suitable, the automatic best price calculation of *best4me* always guarantees the most favourable combination of the available telephone flat rates, minute packages, text messaging flat rate or data options. And the whole process is automatic and not performed until the end of the billing period.

hello mobil
einfach gut

best4me
Package includes:

- ✓ 33 minutes for calls
- ✓ text messages
- ✓ No basic fee
- ✓ No contractual obligations

Automatic Best Price

At the end of each month, the automatic best price selects the combination of flat rates and packages which is least expensive and best for your situation.

- Talk Flat
- Landline Flat
- Wireless Services Packages
- Text Messages Flat
- Surfing Packages and Flat rates

In addition, the *best4me* packages and flat rates for landline service, mobile phone surfing and text messaging cost about 10% less than comparable offers from the competition.

TripleCard from smartmobil.de – reachable on as many as three devices for only one rate

Also unique on the discount market: Drillisch is the first provider in the no-frills segment to enable its subscribers to use multiple end devices with only one rate plan. Customers using the TripleCard from smartmobil.de are reachable with one phone number on up to three different end devices. So it is possible to make phone calls on the mobile while surfing or e-mailing on the tablet without having to change cards – and with only one contract, one invoice and one mailbox. The TripleCard is also ideal for drivers, enabling them to use built-in car telephones for communication without any problems. This type of service was previously available only for mobile phone contracts with a two-year term.



simply
Und gut.

maXXim

hello mobil
einfach gut

PHONEX.de

ja! MOBIL

But Drillisch is continuing to work on the expansion of the available rate plans for classic rates as well and conducting attractive sales campaigns. For instance, the brand PHONEX, which offers PHONEX All-in Flat, Germany's lowest all-net flat rate (€27.90 per month), has been expanded to the online platform phonex.de and supplemented by data rate plans for laptop users and a smartphone rate plan with a cost limit. Drillisch also offers an especially attractive promotion mobile phone along with the 8-cent rates of simply, maXXim and helloMobil – for example, a top-line smartphone for a one-time payment of €89.50 and without any additional monthly payments. There was a special campaign in September for the brands PENNY MOBIL and ja!mobil advertising the text messaging flat rate for the first time. Anyone who bought and activated a card during the campaign period can send unlimited text messages at no charge for three months – in other words, to the end of the year.

The Wireless Services Market The Software Industry

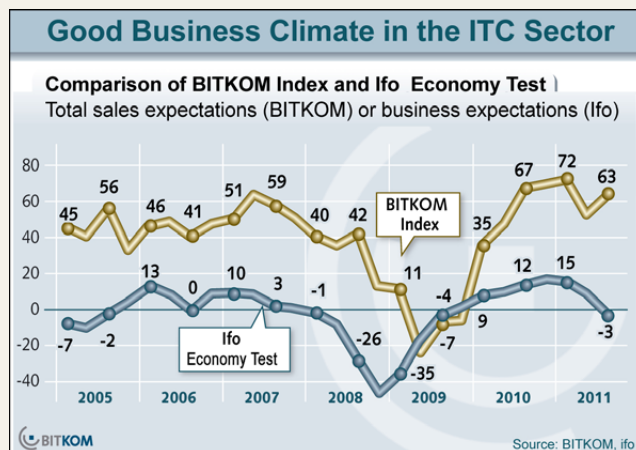
Telco rates now at notebooksbilliger.de as well

As part of its cooperation with notebooksbilliger.de – Germany’s best-selling online specialist for consumer electronics – Drillisch is offering combined voice/data rate plans for mobile phones and smartphones as well as strictly data rates for tablet PCs, netbooks or laptops under the brand name Telco. Users of this well-known retail platform can select the rate plan best suited to their individual needs from among thirteen different plans in various networks along with the hardware of their choice. The rates of the Telco All-in family (e.g. *Telco All-in M 200* for €9.95 monthly) are available as well as Germany’s lowest all-net flat rate *Telco All-in Flat + Internet* for only €27.90 a month. All of the rate plans are offered without fixed terms and can be terminated at any time.



Software industry has above-average growth

The business climate in the ITC industry improved during the third quarter of 2011. This is indicated by the latest economy survey conducted by BITKOM in the ITC industry. According to its results, three-quarters of the providers of information technology, telecommunications and entertainment



Source: BITKOM, 20 September 2011

electronics expect sales to rise in comparison with the same quarter last year. Technologies such as cloud computing and the steadily expanding use of powerful mobile end devices have generated a dynamic development in the ITC sector. Business is best among software and IT services providers: 82% of the software companies and 86% of the IT service providers expect rising turnover in the year-on comparison. This confirms their positive expectations from the beginning of the year and exceeds the expectations of the industry as a whole at 75%.

COMMERCIAL DEVELOPMENT OF THE DRILLISCH GROUP
AS PER 30 SEPTEMBER 2011

Group Companies

Commercial development of the Drillisch Group as per 30 September 2011

In its own estimation, Drillisch is one of the most profitable and innovative wireless services providers in Germany. The four Drillisch subsidiaries essentially market their own innovative products, rate plans and services based on the wireless services offered by the four wireless services network operators ("network operators") active in Germany. A network of qualified distribution partners around the nation provide a high-quality sales platform. Besides the Internet, the most important sales channels are distribution and cooperation partners in the media sector, large retail chains and the classic wireless services specialist trade. Moreover, social media platforms such as Facebook or Twitter are used to target customers.

Starting with the services acquired from the network operators Telekom Deutschland GmbH ("Telekom"), Vodafone D2 GmbH ("Vodafone"), E-Plus Mobilfunk GmbH ("E-Plus") and Telefónica Germany GmbH & Co. OHG ("Telefónica"), Drillisch establishes its own rate plans and services which are sold further to the end consumers in the form of its own brands and products. Drillisch regularly introduces new ideas which invigorate the wireless services market. "OptiSurf", a rate plan option for the brands "simply", "maX-Xim" and "helloMobil", is a Drillisch product featuring the most customer-friendly Internet flat rate for mobile phones and guaranteeing customers the best price for mobile surfing on smartphones thanks to the innovative automatic billing mechanism unique on the market at this time. The "Wireless Services" business unit forms the core business of Drillisch. The scope of services includes all of the services, without exception, that are offered by the network operators relating to the transmission of voice, data and other content based on current standard transmission technologies. The significantly smaller business division "Software Services" has been concentrated in the subsidiary IQ-optimize Software AG ("IQ-optimize"), Maintal. This subsidiary performs IT services for all of the Group companies. Moreover, IQ-optimize markets its own workflow management software program.

Drillisch AG is the Group's holding

Within the Drillisch Group ("Drillisch"), 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 along with the definition, management and monitoring of the global corporate strategy. The wireless services providers Drillisch Telecom GmbH ("Drillisch Telecom"), Maintal, SIMply Communication GmbH ("simply"), Maintal, and MS Mobile Services GmbH ("MS Mobile"), Maintal, handle the operational wireless services business. All of the IT expertise of Drillisch Group is concentrated in IQ-optimize. Working together with eteleon e-solutions AG ("eteleon"), Munich, a specialist for innovative sales solutions on the telecommunications market, the Company extends sales activities via e-commerce and additional distance trade channels to expand the product line and, by doing so, to intensify efforts to acquire new customers.

Drillisch Telecom – strong brands in mobile voice and data communications

The brands McSIM, helloMobil and PHONEX and their attractive discount rates – for voice telephony as well as for Internet surfing using a smartphone and mobile data communication via tablet PC or notebook – are located under the Drillisch Telecom umbrella. The automatic billing mechanism of the new rate plan "best4me" at Drillisch Telecom, unique on the market at this time, gives customers the opportunity to be individually mobile without having to book rate plan options ahead of time. Subscribers electing best4me always find the most favourable combination of flat rate and charges based on minutes for their specific usage in each case. The premium brands Telco and VICTORVOX stand mainly for classic business with fixed-term contracts for which the Company has developed its own, specifically calculated products to stand alongside the original network operator rate plans. Drillisch uses the brand Alphanet to offer cash cards, starter cards and bundles in prepaid business together with cash codes via its own platform, g-paid – the only service provider in Germany to do so.

Group Companies

simply – low-cost discount offers and award-winning quality of products and service

simply, one of the discount pioneers in Germany and now in its sixth year, continues to write a success story without slowing down for a second. simply markets wireless services at especially favourable terms and conditions via the Internet and in cooperation with large retail chains. In addition to mobile phone calls at discount prices and flat rates, simply also offers a wide range of low-cost rates for mobile data communication, combined with attractive hardware offers, such as the iPad or iPhone from Apple and products from other well-known manufacturers. simply again demonstrated its innovative strength mid-2010 by offering Germany's first ever smartphone discount rate with double flat rate. simply and its subscribers have meanwhile received official confirmation that low prices, high quality and good service do not have to be mutually exclusive. Following a successful audit last year, simply was awarded the DIN EN ISO 9001:2008 certificate for quality management in the sectors online product marketing and customer service, the first provider of wireless services discount products to earn this distinction. The quality criteria on which the certificate is based were once again confirmed during an audit in October 2011.

MS Mobile – a smart service and not just a smart rate plan

Since the beginning of April of this year, MS Mobile has been offering the product smartmobil.de, the first rate plan available across Germany designed to meet the needs of smartphone users exactly. The straightforward, low-cost and transparent product started a new trend in the wireless discount sector and was awarded the ISO certificate for outstanding quality management in the areas of online product marketing and customer service in accordance with DIN EN ISO 9001:2008 in the very first month. The new "Triple-Card" from smartmobil.de is the chance for subscribers to be smart in three ways. It can be used to provide accessibility to the network for as many as three mobile devices simultaneously so that users can carry on parallel tasks of phoning, surfing and e-mailing – with only one contract, one invoice and one mailbox. In addition to smartmobil, MS Mobile has been offering the brand maXXim since 2008, one of the least expensive rate plans on the German wireless services market at a price of only 8 eurocents for phoning and texting. This rate plan has been enhanced in 2011 by the addition of low-cost rates for mobile surfing.

eteleon – new highlights on the wireless services discount market at 7.5 eurocents a minute

discoTEL and discoPLUS are successful discount brands offered by the subsidiary eteleon. These rate plans have been the market leaders in Germany since their introduction, featuring a price of only 7.5 eurocents per minute or text message.

In accordance with the resolution adopted by Ordinary Annual General Meeting of eteleon e-solutions AG on 27 June 2011, the shares of the other shareholders (minority shareholders) of eteleon e-solutions AG were transferred to Drillisch AG within the scope of a procedure for the exclusion of minority shareholders (Sections 327a et seqq. Germany Company Law) in return for payment of cash compensation. This resolution was entered in the Commercial Register on 16 August and has become legally effective. Since that date, Drillisch AG has held 100% of the shares of eteleon e-Solutions AG.

IQ-optimize guarantees IT expertise

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

MSP Holding

MSP Holding GmbH ("MSP Holding"), Maintal, is a subsidiary of Drillisch AG; its functions include the strategic positioning of Drillisch on the wireless services market. Drillisch, together with MSP Holding, currently holds more than 20% of the share capital in freenet. In the second quarter of 2011, Drillisch acquired a package containing a total of 6,440,000 no-par value registered shares in the share capital of freenet AG, once again clearly emphasising its strategic positioning.

Turnover and Earnings Position

Employees

In the first nine months of 2011, an average of 330 employees (previous year: 382), including the two members of the Management Board, was on the payroll of the Drillisch Group. The number of vocational trainees, who are not included in the above figure, was 54 (previous year: 47). Drillisch makes a significant contribution to the training of young people in qualified professions necessary to secure our future in Germany.

Turnover and earnings position

During the first nine months of fiscal year 2011, Drillisch seamlessly continued the progress of the record fiscal year 2010 by achieving strong growth in turnover in the area of "service revenues". This excellent business development is supported by the ongoing dynamic developments in the fields of wireless services discount and mobile internet products. Drillisch uses innovative products and marketing and sales concepts to sustain its top position in the German telecommunications industry.

The "service revenues" and the new customer acquisition revenues, essentially the income from the provision of the ongoing wireless services (voice and data transmission) and their billing on the basis of the current customer relationships, rose in the first nine months of 2011 by €19.2 million or 9.5% to €222.4 million (previous year: €203.2 million). Other revenues, which include low-margin business such as sales of devices and prepaid bundled sales, declined by €34.0 million to €24.6 million (previous year: €58.6 million). This is also the item where sales from the segment of software services in the amount of €0.1k (previous year: €0.1k) are reported. In total, revenues decreased by €14.8 million or 5.6% to €247.0 million (previous year: €261.8 million) in the first three quarters of 2011. In the quarter-on-quarter comparison, however, revenues rose by €1.8 million to €86.6 million in the third quarter of 2011 (previous year: €84.8 million). The number of subscribers increased by 162,000 to 2.593 million (31 December 2010: 2.431 million). The subscriber base in the more profitable postpaid business rose by 262,000 or 22.0% in comparison with the end of 2010 to 1.453 million subscribers (31 December 2010: 1.191 million). As planned, the number of subscribers in the prepaid sector was reduced by 8.1% to 1.140 million (31 December 2010: 1.240 million). The underlying reasons behind the decline include the continued removal of inactive subscribers from the clientele lists and a declining acquisition of new subscribers in this sector because the investment costs per new subscriber have risen. Thanks to the expansion of the higher-value postpaid business, the ratio of postpaid to prepaid subscribers improved to 56.0% to 44.0%, an increase by 7.0% in comparison with the end of 2010 (31 December 2010: 49% postpaid to 51% prepaid).

The cost of materials declined, overproportionately to the decline in turnover, in the first nine months of 2011 by 12.0% to €174.0 million (previous year: €197.7 million). As a consequence, the gross profit improved by 14.0% to €73.1 million (previous year: €64.1 million). The gross profit margin increased by 5.1% to 29.6% (previous year: 24.5%). Personnel expenses fell by 18.5% to €14.9 million (previous year: €18.2 million). This decline is essentially a consequence of the expenditures for restructuring measures incurred for the concentration of the operating locations in the previous year's figures. This led to expenditures of €2.1 million last year, mainly as funding of a social plan for employees leaving the Company. Correspondingly, the personnel expenses ratio decreased by 1.0% to 6.0% (previous year: 7.0%). Other operating expenses rose by 38.9% to €22.1 million (previous year: €15.9 million). The greatest share of these costs were the advertising expenses, which increased by €5.6 million to €10.2 million. This is more than double the figure for the first nine months of 2010 (€4.6 million). Despite this substantial increase in advertising expenditures, there was a major improvement in the EBITDA in comparison with the same period of last year.

Consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) adjusted by a valuation allowance for a residual receivable of €0.8 million – one of the most important management indicators in the Drillisch Group – improved by 11.2% to €39.5 million (previous year: €35.5 million). Extraordinary expenditures of €0.8 million are related to a residual claim from a settlement reached in fiscal year 2009. At that time, the resulting income was disclosed analogously as extraordinary income and the EBITDA was adjusted by this amount. The adjusted EBITDA margin came to 16.0% (previous year: 13.6%).

Turnover and Earnings Position

The EBITDA excluding the adjustment rose to €38.7 million (previous year: €33.4 million). Depreciation declined by 39.6% to €2.6 million (previous year: €4.4 million). In previous years and the first quarter of 2011, the intangible assets identified within the framework of the purchase price allocation from the Telco acquisition of 2007 were written off as scheduled over their useful life. These write-offs have now been completed. As a consequence, the EBIT (earnings before interest and taxes) rose by 24.1% to €36.1 million (previous year: €29.1 million). The EBIT ratio improved by 3.5% to 14.6% (previous year: 11.1%).

The freenet shares held by MSP and Drillisch since 14 June 2011 have been valued according to the equity method because of the significant influence on the company from the voting rights quota. The results from this inclusion amounted to €13.7 million as per 30 September 2011. This item includes mainly income from the reversal of the market valuation provision. This provision was originally created subject to only 5% of the deferred taxes pursuant to Section 8b KStG (German Corporate Income Tax Act), so the reversal has now had little impact on the tax results. Moreover, the share of the updating of the proportional equity of freenet AG effective on profits is included in the "Results from the financial assets shown in the balance sheet according to the equity method". In the previous year, the holding was classified as "Available for sale" in accordance with IAS 39 and changes in value were reflected without impact on profits as a market valuation provision in equity.

The Other financial results in the amount of -€8.2 million result essentially from a payment obligation agreed within the framework of a financing transaction and the valuation on the closing date of a hedging transaction which was concluded within the framework of the financing of the acquisition of the freenet shares in 2011. The value of the hedging transaction is recalculated as of every closing date and is primarily a result of the price of the freenet stock on the closing date and of the remaining term. A rising stock price tends to lead to a declining value of the hedging transaction, which can also be negative. In this case, it is disclosed under the long-term financial liabilities. If the value on the closing date is positive, it is capitalised under Other financial assets. The difference posted effective on profits between the acquisition costs in the amount of €6.2 million of the hedging transaction which must also be disclosed in the tax balance sheet and the current market value which must, pursuant to IFRS, be calculated on every closing date leads to deferred taxes in the balance sheet. Per 30 September 2011, it was necessary to create deferred tax assets of €0.2 million which reduced the taxes on the Group correspondingly and lowered the tax rate.

The increase in the utilisation of bank loans caused the results from interest to decline by €2.3 million to -€2.9 million (previous year: -€0.6 million). Taxes on income fell by €0.8 million to €7.2 million (previous year: €8.0 million). The substantially lower tax rate was caused, as described above, in particular by the fact that income from the financial assets shown in the balance sheet according to the equity method was not to be taken into account for tax purposes. Profit per share came to €0.59 (previous year: €0.45).

Cash flow

Cash flow from current business activities decreased by €10.4 million to €16.6 million (previous year: €27.0 million). The most important factors were the significant decline in payments received on account and the rise in the Other assets and the interest paid. In comparison with the last day of 2010, cash declined by €12.1 million to €15.5 million (previous year: decline by €2.3 million to €26.9 million) because of the Drillisch dividend distribution in the amount of €26.6 million (previous year: €16.0 million) and the repayment of financial loans in the amount of €47.7 million (previous year: €10.0 million), less the payments received from the sale of financial assets shown in the balance sheet according to the equity method of €20.9 million (previous year: €0.0 million) and the freenet dividends of €22.4 million (previous year: €3.1 million). The dividends of €22.4 million disclosed as received from investment activities in the cash flow result from the dividend of €0.80 per share pursuant to the resolution adopted by the Annual General Meeting of freenet AG on 30 June 2011. The dividends were credited to the bank account for a part of the stock holdings of Drillisch AG on 30 June. The balance was received on 01 July 2011 and was attributed to the cash flow of the 3rd quarter.

Assets, Liabilities and Financial Position

Assets, liabilities and financial position

The balance sheet total for the Drillisch Group rose by €103.8 million to €378.4 million as per 30 September 2011 (31 December 2010: €274.6 million). The equity ratio declined slightly by 7.9% to 43.2% compared with year-end 2010 (31 December 2010: 51.1%).

Cash declined by €12.1 million to €15.5 million (31 December 2010: €27.6 million). Trade receivables declined by €0.7 million to €27.7 million (31 December 2010: €28.4 million). In total, current assets declined by €4.3 million to €66.1 million (31 December 2010: €70.4 million).

Fixed assets rose by a total of €108.2 million to €312.4 million (31 December 2010: €204.2 million). Other intangible assets declined by €0.3 million to €11.0 million (31 December 2010: €11.3 million) as a result of scheduled depreciation. As of the closing date, Drillisch, in conjunction with MSP Holding, held more than 20% of the share capital in freenet subsequent to the additional participation in freenet AG acquired in the 2nd quarter of 2011. The participation exceeded the 20% threshold on 14 June 2011 and is now disclosed in the financial assets shown in the balance sheet according to the "equity method". Value as per 30 September came to €226.3m. In the previous year, the freenet stock was shown in the balance sheet under the Other financial assets. The freenet stock in this item declined to zero as of the closing date (31 December 2010: €122.8m). The balance of the two items affected by the freenet holdings increased by €103.5m in comparison with 31 December 2010.

As a consequence of the dividend distribution, balanced by the good results of the first three quarters of 2011, the accumulated deficit fell by €4.8 million to €52.7 million (31 December 2010: €57.5 million). The accumulated deficit resulted in 2008 from the change in the stock market evaluation of the freenet AG shares. The market valuation provision reflected the value change in the Other financial assets taken into account with effect on profits until 14 June. The freenet stock held by Drillisch AG and MSP, now valued and shown in the balance sheet according to the equity method, is a major component of the Other financial assets. Any changes in value are now basically realised directly in the income statement. In comparison with 31 December 2010, total equity increased by €23.0 million to €163.4 million (31 December 2010: €140.4 million).

Long-term liabilities rose by €83.8 million to €144.7 million (31 December 2010: €60.9 million). This increase is essentially a consequence of the rise in liabilities due to banks owing the acquisition of additional shares in freenet AG during the first half of the year.

Short-term liabilities declined in comparison with the end of fiscal year 2010 by €3.0 million to €70.3 million (31 December 2010: €73.3 million). Trade accounts payable rose by €9.5 million to €34.3 million (31 December 2010: €24.8 million) as a consequence of the balance sheet date. Tax liabilities declined by €3.4 million to €3.8 million (31 December 2010: €7.2 million). Payments received on account fell by €3.5 million to €22.0 million (31 December 2010: €25.5 million).

Opportunities and Risks of the Future Business Development

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 become a strategic success factor for the Company's management for both the subsidiaries and Drillisch itself.

The risk situation – in comparison with the risks described in the annual report for the year 2010 – did not change significantly during the first nine months of fiscal year 2011. In the opinion of the Management Board, adequate precautions have been taken to counter all of the identified risks.

Important events occurring after 30 September 2011

In a notification dated 04 November 2011, Deutsche Telekom terminated the cooperation with SIMply Communication GmbH and Drillisch Telekom GmbH, effective immediately. In addition, the corporation has filed criminal charges. Drillisch AG vigorously denies the alleged transgressions. According to statements from Deutsche Telekom AG, the current customer relationships will not be affected by these actions.

SIMply Communication GmbH submitted ordinary notice of termination on its part in a letter dated 03 November 2011. Drillisch AG deeply regrets that this escalation has occurred and expressly points out that the termination will not have any negative impacts for current Simply customers. The present and future profit forecasts by Drillisch AG are not affected.

Outlook

Drillisch continues to strive for an increase in consolidated EBITDA to €52 million (fiscal year 2010: €49.3 million) and a rise in the number of postpaid subscribers (31 December 2010: 1.191 million) for fiscal year 2011.

**CONSOLIDATED INTERIM ACCOUNTS
AS PER 30 SEPTEMBER 2011**

Consolidated Statement of comprehensive income

	I-III/2011	I-III/2010	III/2011	III/2010	II/2011	II/2010	I/2011	I/2010
	€k	€k	€k	€k	€k	€k	€k	€k
Sales	247,026	261,798	86,610	84,824	80,108	92,381	80,308	84,593
Other own work capitalised	1,760	1,632	583	540	560	604	617	488
Other operating income	885	1,896	207	735	467	393	211	768
Cost of materials/ Expenditures for purchased services	-173,967	-197,733	-60,647	-62,919	-55,727	-71,259	-57,593	-63,555
Personnel expenses	-14,870	-18,246	-4,962	-7,492	-4,968	-5,445	-4,940	-5,309
Other operating expenses	-22,112	-15,919	-8,733	-5,288	-7,257	-4,623	-6,122	-6,008
Amortisation and depreciation	-2,627	-4,352	-715	-1,429	-736	-1,440	-1,176	-1,483
Operating result	36,095	29,076	12,343	8,971	12,447	10,611	11,305	9,494
Result from financial investments shown in the balance sheet according to the equity method	13,668	0	4,175	0	9,493	0	0	0
Other financial results	-8,222	3,356	2,310	3,356	-14,275	0	3,743	0
Interest income	380	640	119	130	120	159	141	351
Interest and similar expenses	-3,253	-1,262	-1,492	-387	-1,155	-467	-606	-408
Financial result	2,573	2,734	5,112	3,099	-5,817	-308	3,278	-57
Profit before taxes on income	38,668	31,810	17,455	12,070	6,630	10,303	14,583	9,437
Taxes on income	-7,230	-8,036	-3,733	-2,108	172	-3,090	-3,669	-2,838
Consolidated results	31,438	23,774	13,722	9,962	6,802	7,213	10,914	6,599
Consolidated results attributable to non-controlling shareholders	28	-1	7	-2	14	-21	7	22
Share of Drillisch AG shareholders in consolidated results	31,410	23,775	13,715	9,964	6,788	7,234	10,907	6,577
Market valuation of the assets available for sale								
Change not affecting results	28,188	-11,811	0	4,196	27,396	-12,277	792	-3,730
Realisation of market valuation provision affecting results	-9,493	0	0	0	-9,493	0	0	0
Taxes on income	-282	178	0	-64	-270	186	-12	56
Other earnings after taxes	18,413	-11,633	0	4,132	17,633	-12,091	780	-3,674
Consolidated comprehensive results	49,851	12,141	13,722	14,094	24,435	-4,878	11,694	2,925
thereof comprehensive results attributable to non-controlling shareholders	28	-1	7	-2	14	-21	7	22
thereof share of Drillisch AG share- holders in total results	49,823	12,142	13,715	14,096	24,421	-4,857	11,687	2,903
Profit per share (in €)								
Undiluted	0.59	0.45	0.26	0.19	0.12	0.14	0.21	0.12
Diluted	0.59	0.45	0.26	0.19	0.12	0.14	0.21	0.12

Consolidated Balance Sheet

ASSETS	30.09.2011	31.12.2010
	€k	€k
Fixed assets		
Other intangible assets	10,969	11,271
Goodwill	67,206	67,206
Tangible assets	1,063	1,402
Financial assets shown in balance sheet according to equity method	226,249	0
Other financial assets	5,613	122,758
Deferred tax reimbursements	1,262	1,573
Fixed assets, total	312,362	204,210
Current assets		
Inventories	7,194	7,705
Trade accounts receivable	27,696	28,413
Tax reimbursement claims	966	437
Cash	15,477	27,591
Other current assets	14,715	6,229
Current assets, total	66,048	70,375
ASSETS, TOTAL	378,410	274,585

Consolidated Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2011	31.12.2010
	€k	€k
Shareholders' equity		
Subscribed capital	58,508	58,508
Capital surplus	126,469	126,469
Earnings reserves	31,123	31,123
Market evaluation provision	0	-18,413
Accumulated deficit	-52,723	-57,510
Equity to which Drillisch AG shareholders are entitled	163,377	140,177
Non-controlling shareholders	0	201
Equity, total	163,377	140,378
Long-term liabilities		
Pension provisions	521	499
Deferred tax liabilities	2,562	2,771
Bank loans and overdrafts	141,378	56,930
Leasing liabilities	274	681
Long-term liabilities, total	144,735	60,881
Short-term liabilities		
Short-term provisions	1,427	1,353
Tax liabilities	3,851	7,196
Trade accounts payable	34,291	24,757
Payments received on account	21,983	25,482
Leasing liabilities	411	457
Other liabilities	8,335	14,081
Short-term liabilities, total	70,298	73,326
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	378,410	274,585

Consolidated Statement of Change in Capital

	Number of shares	Subscribed capital	Capital reserve	Retained earnings	Market valuation reserve	Accumulated deficit	Equity to which Drillisch AG shareholders are entitled	Non-controlling shareholders	Equity total
		€k	€k	€k	€k	€k	€k	€k	€k
As per 01/01/2010	53,189,015	58,508	126,469	31,123	4,439	-72,468	148,071	445	148,516
Dividend payments		0	0	0	0	-15,957	-15,957	0	-15,957
Change in consolidated group		0	0	0	0	-10	-10	-153	-163
Consolidated comprehensive results		0	0	0	-11,633	23,775	12,142	-1	12,141
As per 30/09/2010	53,189,015	58,508	126,469	31,123	-7,194	-64,660	144,246	291	144,537
As per 01/01/2011	53,189,015	58,508	126,469	31,123	-18,413	-57,510	140,177	201	140,378
Dividend payments		0	0	0	0	-26,595	-26,595	0	-26,595
Change in consolidated group		0	0	0	0	-28	-28	-229	-257
Consolidated comprehensive results		0	0	0	18,413	31,410	49,823	28	49,851
As per 30/09/2011	53,189,015	58,508	126,469	31,123	0	-52,723	163,377	0	163,377

Consolidated Capital Flow Statement

	I-III/2011	I-III/2010
	€k	€k
Consolidated results	31,438	23,774
Other financial results	8,491	-3,108
Result not affecting payments from financial assets shown in the balance sheet according to the equity method	-13,668	-248
Interest paid	-1,959	-976
Interest received	380	640
Results from interest	2,873	622
Income tax paid	-8,115	-13,141
Income tax received	0	1,548
Taxes on income	7,230	8,036
Amortisation and depreciation	2,627	4,352
Income from the disposal of tangible assets and intangible assets	-2	-70
Change in inventories	510	-610
Change in receivables and other assets	-10,066	16,767
Change in trade payables and other liabilities and provisions	390	-6,978
Change in payments received on account	-3,500	-3,611
Cash flow from current business activities	16,629	26,997
Investments in tangible and intangible assets	-1,987	-2,063
Payments for acquisitions less acquired cash	-257	-126
Outgoing payment for financial assets and investments in Other financial assets shown in the balance sheet according to equity method	-114,485	0
Dividends received	22,400	3,108
Incoming payment from the sale of other financial assets	20,921	0
Cash flow from investment activities	-73,408	919
Dividend payments	-26,595	-15,957
Outgoing payments for amortisation of loans	-47,715	-10,000
Incoming payments from the taking out of loans	119,428	261
Change in investment liabilities	-453	104
Cash flow from financing activities	44,665	-25,592
Change in cash	-12,114	2,324
Cash at beginning of period	27,591	29,239
Cash at end of period	15,477	26,915

Consolidated Notes

1. General

Drillisch AG is a listed stock corporation which offers telecommunication services. Drillisch was founded in 1997. The business field of wireless services is the core business of the Drillisch Group and is situated primarily in the wholly-owned subsidiaries Drillisch Telecom GmbH, MS Mobile Services GmbH and SIMply Communication GmbH. The Group holds service provider licences for the networks Telekom, Vodafone, E-Plus and Telefónica and markets wireless services products from the credit, debit and discount sectors. The address and registered office of Drillisch AG as the parent company of the Group is Wilhelm-Röntgen-Strasse 1–5, 63477 Maintal, Germany. The Company is registered at the Hanau Local Court under HRB 7384.

eteleon e-solutions

The Ordinary Annual General Meeting of eteleon e-solutions held on 27 June 2011 adopted a resolution by unanimous vote to convey the shares of the other shareholders (minority shareholders) of eteleon e-solutions AG to the main shareholder, Drillisch AG in Maintal, in accordance with the procedure for the exclusion of minority shareholders (Sections 327a et seqq. Germany Company Law) against payment of a cash settlement of €2.65 per share.

The squeeze-out resolution was entered in the Commercial Register for the Company on 16 August 2011. The squeeze-out has become effective, and all of the shares of the minority shareholders have been conveyed to Drillisch AG by operation of law.

2. 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 applicable IFRS adopted by the EU which became mandatory as of 01 January 2011 have been taken into consideration. The same accounting and valuation methods used in preparation of the consolidated annual accounts as per 31 December 2010 were applied. These consolidated interim accounts as per 30 September 2011 have been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting standards which are to be applied for the first time in fiscal 2011 do not have any noteworthy effects on the presentation of the assets and liabilities, financial position and profit and loss of the Drillisch Group. The rate for the consolidated tax on income remains unchanged at 30.25%.

Owing to the additional purchases from 15 June 2011 on in the second quarter of 2011, the shares in freenet AG are shown in the balance sheet according to the equity method. The shares were previously shown in the balance sheet according to the available for sale (AFS) method.

The market valuation provision of €9,493k as of 14 June 2011 was included effective on results during the changeover of the accounting method and disclosed in the results from the financial assets shown according to the equity method.

A hedging transaction was concluded as part of the financing of the freenet stock acquired in 2011. The value of the hedging transaction is recalculated as of every closing date and essentially is a result of the price of the freenet stock on the closing date and of the remaining term. A rising stock price tends to lead to a declining value of the hedging transaction, which can also be negative. In this case, it is disclosed under the long-term financial liabilities. The result from the valuation of the hedging transaction in the 3rd quarter of 2011 is -€654k and is disclosed in Other financial results.

Consolidated Notes

3. Profit per Share

The consolidated profit is divided by the weighted average of the shares in circulation to determine the profit per share.

	I-III/2011	I-III/2010
Consolidated profit allocated to shareholders in €k	31,410	23,775
Weighted average, less own shares held	53,189,015	53,189,015
Consolidated Profit per Share in €	0.59	0.45

4. Explanatory Comments on Capital Flow Statement

The liquidity (cash) shown in the cash flow statement includes cash on hand and cash in banks which are shown under cash in the consolidated balance sheet.

The cash flow statement has been prepared in compliance with IAS 7 and breaks down the changes in cash according to payment flows from business, investment and financing activities. The cash flow from operating activities in this case is determined according to the indirect method.

5. Segment presentation

The segment report is based on the internal organisation and reporting structure. It differentiates among the products and services offered by the various segments of the Drillisch Group. The software services segment is shown along with the telecommunications segment.

The activities of the Group in the sector of wireless services are bundled in the telecommunications segment. The operating companies in the Drillisch Group market wireless services from all four of the wireless services network operators active in Germany. The services acquired from the network operators Telekom Deutschland GmbH, Vodafone D2 GmbH, E-Plus Mobilfunk GmbH and Telefónica Germany GmbH & Co. OHG are sold on to the end consumers for the Company's own account and at rates established by Drillisch on the basis of its own calculations.

Activities related to the development and marketing of a workflow management software are bundled in the segment software services.

Consolidated Notes

	I-III/2011	I-III/2010
	€k	€k
Sales		
Telecommunications (sales with third parties)	246,976	261,708
Software services (sales with third parties)	50	90
Software services (in-house sales)	7,591	6,624
Consolidation	-7,591	-6,624
Group	247,026	261,798
Segment Results (EBITDA)		
Telecommunications	38,723	33,396
Software services	-1	32
Group	38,722	33,428

The consolidation includes the elimination of the business relationships within or between the segments. Such relationships are essentially the offsetting of the expenses and income within the Group. The accounting methods are identical for all of the segments.

The financial assets shown in the balance sheet according to the AFS method and the equity method and their results are allocated to the telecommunications segment. The transfer prices correspond on principle to the prices determined by arm's length comparison. Since the Drillisch Group is active only in Germany, there are no geographic segments. The major segment expenditures without effect on payments include the allocations to the provisions and the results from the financial assets shown in the balance sheet according to the equity method.

Rollover

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

	I-III/2011	I-III/2010
	€k	€k
Total segment profits (EBITDA)	38,722	33,428
Amortisation and depreciation	2,627	4,352
Operating result	36,095	29,076
Financial result	2,573	2,734
Profit before taxes on income	38,668	31,810

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9-Month Report Friday, 11 November 2011

German Equity Forum November 2011

* Subject to change

Publications

The 9 month report 2011 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.

Your Contacts

We will be glad to help with any questions about our publications or about Drillisch AG:

Oliver Keil, Head of Investor Relations

Wilhelm-Röntgen-Straße 1-5
D – 63477 Maintal
Telephone: + 49 (0) 61 81 / 412 200
Fax: + 49 (0) 61 81 / 412 183
E-Mail: ir@drillisch.de

Peter Eggers, Press Spokesman (Professional Journals)

Wilhelm-Röntgen-Straße 1-5
D – 63477 Maintal
Telephone: + 49 (0) 6181 / 412 124
Fax: + 49 (0) 6181 / 412 183
E-Mail: presse@drillisch.de

www.drillisch.de

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Please use our online order service under the heading Investor Relations on our website. Naturally, we would also be happy to send you the desired information by post or by fax. We will be glad to help you with any personal queries by telephone.

Editorial Information

Company Headquarters:

Wilhelm-Röntgen-Straße 1-5 · D – 63477 Maintal

Telephone: +49 (0) 6181 / 412 3

Fax: +49 (0) 6181 / 412 183

Responsible:

Drillisch AG

Management Board:

Paschalis Choulidis (Spokesperson)

Vlasios Choulidis

Supervisory Board:

Dipl.-Kfm. Marc Brucherseifer (Chairman)

Johann Weindl (Deputy Chairperson)

Dr Horst Lennertz

Michael Müller-Berg

Dr. Bernd H. Schmidt

Investor Relations Contact:

Telephone: + 49 (0) 61 81 / 412 200

Fax: + 49 (0) 61 81 / 412 183

E-mail: ir@drillisch.de

Commercial Register Entry: HRB 7384 Hanau

VAT ID No.: DE 812458592

Tax No.: 03522506037 Offenbach City Tax Office

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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 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.

