



DRILLISCH AG
REPORT ON FIRST QUARTER 2009

Key Indicators of the Drillisch Group

Drillisch-Group	Q1/2009*	Q1/2008	Q1/2007**
Turnover in €m	77.8	84.6	76.8
EBITDA in €m	9.7	9.5	7.5
EBITDA, adjusted, in €m	9.9	9.5	7.5
EBIT in €m	8.0	8.0	6.7
EBT in €m	9.1	8.0	5.2
Consolidated profits in €m	8.8	5.8	3.2
Profit/loss per share in €	0.18	0.11	0.09
EBITDA margin in % of turnover	12.5	11.3	9.7
EBIT margin in % of turnover	10.3	9.4	8.7
EBT margin in % of turnover	11.7	9.4	6.8
Consolidated profit margin in % of turnover	11.4	6.9	4.2
Equity ratio (equity % of balance sheet total)	21.7	75.3	46.7
Return of equity (ROE) (ratio Group result to equity)	21.0	2.5	2.2
Cash flow from current business operations in €m	1.1	8.0	-5.6
Depreciation excluding goodwill in €m	1.7	1.6	0.8
Investments (in tangible and intangible fixed assets), adjusted, in €m	0.5	0.7	0.6
Staff as annual average (incl. Management Board)	359	351	339
Wireless services customers as per 31/03 (approx. in thousands)	2,310	2,236	2,071
Wireless services customers Debit	1,444	1,409	1,229
Wireless services customers Credit	866	827	842

*Q1 2009 figures include 1 month of eteleon e-solutions AG being acquired in March 2009.

**Q1 2007 figures include 1 month of Telco Services GmbH being acquired in March 2007.

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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,

In the first quarter 2009, Drillisch AG is continuing its efforts to improve profit from operations. Although the economic environment is marked by insecurity, we proved – not for the first time – that we have the ability to actively play a role in defining the market and to add yet another chapter to the success story of long-term profitable growth.

More than four years ago, we began to establish the first discount products on the German wireless services market. Since that time, this market segment has demonstrated that it can grow strongly and now makes a significant contribution to our organic growth in profits with a product line which has been expanded to include the brands simply, McSIM and maXXim. The Company moved into the other strategically important growth field – the mobile Internet – at a very early stage as well. We were already offering the first UMTS flat rates in 2007. This sector is one of the strongest growth drivers on the telecommunications market. We are well positioned in this dynamically growing segment, not just with our own brands, simply data and fioon, but also through our cooperation with strong distribution partners. The acquisition of eteleon AG has, moreover, enabled us to strengthen our standing in online marketing.

We are offering the right products at the right time to both our customers and the market as a whole. By pursuing this strategy, we have managed to sustainably increase profit from operations. During the first quarter of fiscal year 2009, the most important profit indicator for Drillisch AG, the adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation), rose by 3.7% in comparison with the previous year's quarter to €9.9 million. Profitability – measured by the EBITDA margin – rose by 1.4% to 12.7%. Gross profit improved to €17.7 million (previous year: €17.6 million) in spite of an 8% decline in revenues to €77.8 million (previous year: €84.6 million), which was caused by declining prices and comparatively weak sales of low-margin prepaid bundles. Owing to special factors which did not affect liquidity, the consolidated earnings improved significantly more than profit from operations, rising by more than half to €8.8 million. The number of subscribers has increased compared with the same quarter last year (3.3% to 2.31 million). The primary goal is to improve the profit from operations and with it the corporate value.

We want to continue to follow this strategy in the economically difficult year 2009 as well. To do so, we leave the beaten paths and realise innovative marketing and sales concepts. The intense subsidy competition in the classic contract customer business continues. That is why we focus in particular on the renewals of contracts with our current customers as well as on the acquisition of new customers.

We want to continue our course of profitable growth during fiscal year 2009 and have set ourselves a target of €41 million to €42 million for the EBITDA. Adjustments may be necessary in the pre-paid segment; nevertheless, the aim is to maintain a stable number of subscribers in total, at least.

Warmest regards from Maintal.

Paschalis Choulidis

and

Vlasios Choulidis

Investor Relations Report

Investor Relations Report - First Quarter 2009

From the viewpoint of the capital markets, the first two months of the quarter were weak months. All of the major indices recorded substantial losses. Reports on the economic situation were consistently negative, whether related to industrial production, the continuing decline in orders received or other indicators. Nor could the reports on the German labour market contribute to a stabilisation. This uncertainty was reflected on credit markets around the globe in the rising risk premiums on government bonds of various industrialised countries. The quarterly reports that began to appear in February could not provide any positive stimulus, either. The announcements of a series of dividend reductions and the uncertain forecasts for fiscal year 2009 did not permit any relaxation of tensions on the capital markets.

After two exceedingly weak months at the start of the year, the stock markets noted significant price increases towards the end of the first quarter and were able to recoup a part of the losses which had accumulated since the beginning of the year. This recovery was triggered by the unexpectedly good early indicators and the pursuit of aggressive policies by central banks worldwide. In the USA, the Federal Reserve purchased securities directly in the amount of US-\$1,150 billion in addition to lowering interest rates.

In the first quarter, the German stock index DAX lost 820.97 or 17.07%, falling to 3,989.23 points. The TecDAX lost 5.59%, falling from 508.31 to 479.91 points. By the end of the quarter, the TecAllShare Index reached 564.66 points, a loss of 6.39% in comparison with the end of 2008.

The Drillisch Stock in the First Quarter of 2009

	Close-out 2008	31 March 2009	% change
Drillisch	€ 1.73	€ 1.11	-35.83
TecDAX	508.31	479.91	-5.59
TecAllShare	603.23	564.66	-6.39

The highest price in the first quarter of 2009 was noted by the stock at €1.84 on 6 January. The lowest price was noted at €0.89 on 09 March. This low point was followed by a recovery in line with the general development of the market.

On the capital market, the Drillisch stock is regarded as a promising investment. The recommendations of analysts assess the operating business on a saturated market to be promising.

In the past fiscal year 2008, Drillisch AG increased its operating results for the sixth year in succession and fulfilled the predictions. A positive development of operating business is also expected for 2009. That is why we assume that the Drillisch stock will once again achieve a reasonable valuation over the course of the year, provided that there is a general lessening of tensions on the capital markets and in the real economy.

Capital Measures in the First Quarter of 2009

Drillisch AG concluded the current stock repurchase programme on 27 February 2009. As of this date, we held 3,518,901 shares of treasury stock with an average purchase price of €3.54. Weekly reports on the status of the stock repurchase programme can be viewed by logging onto our Investor Relations home page.

On 27 February 2009, we announced the closing of the takeover of the majority interest in eteleon e-solutions AG, Munich (eteleon), which had first been mentioned in December 2008. As of that date, Drillisch AG initially held about 71.4% of the interest in the company. The results of the voluntary exchange offer made to the free float were announced in the press release of 07 April 2009. A total of 29.88% of the eteleon shareholders from the free float accepted the offer so that Drillisch has held about 79.97% of eteleon since 08 April 2009.

Investor Relations Report

Current Analyst Appraisals (as per 08 April 2009)

Institute	Investment Rating	Target Price	Date
SES Research	„Purchase“	€ 3.60	31 March 2009
Commerzbank	„Hold“	€ 1.70	03 March 2009
Kepler	„Purchase“	€ 3.75	03 March 2009
Sal. Oppenheim	„Purchase“	€ 3.70	03 March 2009
WestLB	„Purchase“	€ 2.90	05 December 2008

Agenda for the first quarter: DGAP Ad-hoc report

27 February 2009	Acquisition of the majority of shares in eteleon e-solutions AG, Munich
02 March 2009	The provision consolidated EBITDA amounts to €40.6 million

Investor Relations Events

Talks were conducted with institutional investors at Company headquarters in Maintal during the first quarter of 2009. Private investors are also utilising the opportunities to obtain information directly more and more. Communications are in line with the principles of fair disclosure and available in their full scope to any interested parties. The home page "Investor Relations" was actively utilised by the capital market. While this page serves to fulfil legal disclosure obligations, it also undergoes continuous development in response to suggestions from private and institutional investors.

Directors' Dealings 2009

Date	Name	Position	Purchase/sale	Shares	Price
26 Jan.	M. Brucherseifer	Supervisory Board	Sale	60,000	1.2232
27 Jan.	M. Brucherseifer	Supervisory Board	Sale	50,000	1.2059
28 Jan.	M. Brucherseifer	Supervisory Board	Sale	60,000	1.1883
29 Jan.	M. Brucherseifer	Supervisory Board	Sale	40,000	1.2002
30 Jan.	M. Brucherseifer	Supervisory Board	Sale	15,000	1.1253
02 Feb.	M. Brucherseifer	Supervisory Board	Sale	25,000	1.0929
05 Feb.	M. Brucherseifer	Supervisory Board	Sale	18,000	1.0961
06 Feb.	M. Brucherseifer	Supervisory Board	Sale	6,000	1.0965
09 Feb.	M. Brucherseifer	Supervisory Board	Sale	18,000	1.0877
10 Feb.	M. Brucherseifer	Supervisory Board	Sale	18,000	1.1288
26 March	M. Brucherseifer	Supervisory Board	Sale	14,883	1.14574
27 March	M. Brucherseifer	Supervisory Board	Sale	15,000	1.095

Investor Relations Report

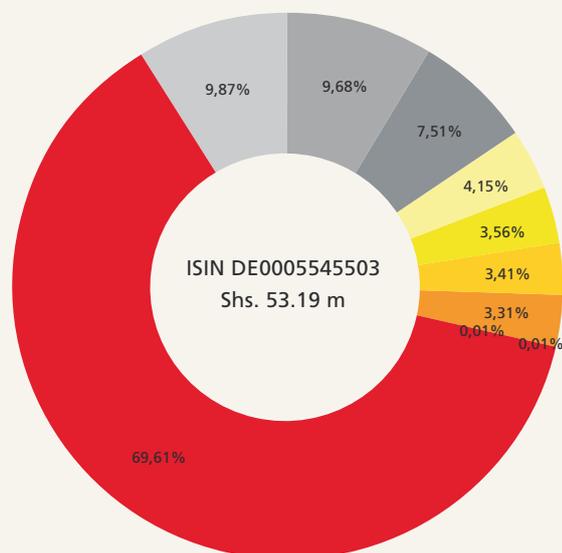
Directors' Holdings as per 31 March 2009

Company	
Name	No-par shares
MV GmbH	1,816,340 → 3.41%
SP GmbH	1,891,125 → 3.56%
Supervisory Board	
Name	No-par shares
Dr. Hartmut Schenk	5,000 → 0.01%
Johann Weindl	7,439 → 0.01%
Marc Brucherseifer	3,991,850 → 7.51%
Nico Forster	1,761,079 → 3.31%
Dr. Horst Lennertz	0
Michael Müller-Berg	0

Shareholder Structure of Drillisch AG (Last revised 31 March 2009)

■	Free Float St. 37.036.086
■	VS GmbH St. 5.250.000
■	United Internet AG St. 5.150.000
■	Marc Brucherseifer St. 3.991.850
■	Montrica Glob. Opport. Master Fund St. 2.205.036
■	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 March 31, 2009)





MARKET ENVIRONMENT

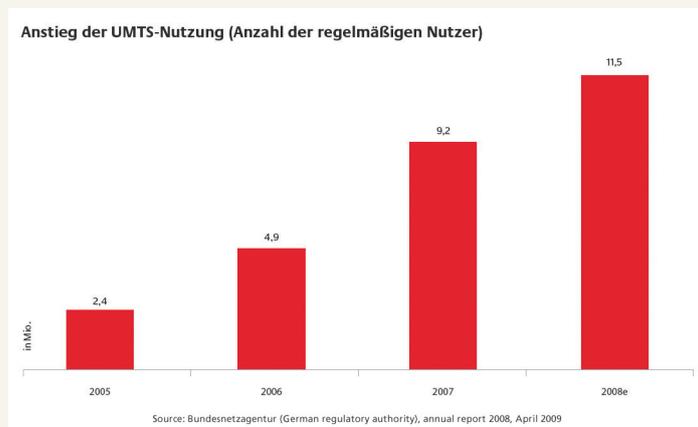
The wireless services market

5 years of UMTS – mobile internet on the way to a mass market

Five years ago, on 12 February 2004, the first wireless network operator with the wireless services standard UMTS began operations in Germany. The licences had been auctioned off four years earlier for about €50 billion – the expectations for the market were high indeed. After a rather hesitant start with a little more than two million users in the first year, the number of regular UMTS users had almost quintupled to 11.5 million by the end of 2008. Although initially it was thought that the faster transmission speeds made available by the technology would be used only for sending pictures to mobile phones, it can now be seen that technical improvements increasing download speeds to as much as 7.2 Mbit per second have made mobile data utilisation with UMTS in particular a realistic competitor for the landline-based DSL connection in homes.

2008: 16 million UMTS subscribers in Germany

The German Federal Association of Information Business, Telecommunications and New Media (BITKOM) announced during the Mobile World Congress held in Barcelona in the middle of February that there were about 16 million UMTS subscribers in Germany at the turn of the year 2008/2009. The industry association estimates that the number will rise by a good 40% this year to 22.7 million subscribers. This trend can also be noted in the predicted sales figures for Internet-capable end devices. The market research company



DisplaySearch expects an increase in the sale of netbooks of 65% in comparison with the previous year (Spiegel ONLINE of 02/04/2009). This means that the compact and highly mobile mini-laptops will overtake the traditional notebook market which, if the predicted growth of 3% this year is correct, will more or less stagnate. Besides the technical aspects – infrastructure, network coverage and Internet-capable end devices – the low-cost and transparent rate plans are the major factor which are

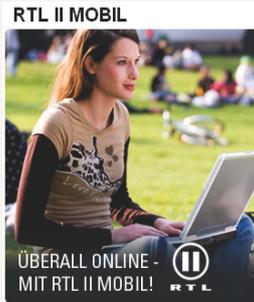
making the “mobile Internet” more and more attractive for private individuals as well and turning data services into a mass market within a relatively short period. According to BITKOM, sales with mobile data services in Germany will presumably grow by 8% to €5.5 billion in 2009. This corresponds to one-fourth of the total market in wireless services.

Termination rates for wireless services decline faster than ever before

In the middle of February, the president of the German Federal Network Agency, Mathias Kurth, commented on ongoing proceedings and declared with respect to the imminent decision on wireless services forwarding charges: “... they will certainly decline.” A reduction in forwarding charges is inevitable because of the constant improvement in capacity utilisation with voice and data connections. This statement – which was given further impetus by an article in the news magazine Focus and by other factors – gave rise to speculation that wireless service rates of 8 eurocents for end customers would appear by the middle of this year. Drillisch AG has been offering such a low price on the market via maXXim since May of last year. Following the decision by the Federal Network Agency announced at the end of March, the forwarding charges for wireless services are now declining, depending on the network operator, by 16% to 19%. Despite a term extended from 16 to 20 months in comparison with the previous decision from December 2007, the total is a substantially higher percentage reduction per month.

Drillisch moves into position in the growth segments in wireless services

Sales cooperations market the mobile Internet as an exact fit for target groups



Drillisch AG has an outstanding position on the growth market of mobile data flat rates. Numerous new brands offering mobile Internet access at a monthly flat rate regardless of volume are based on sales cooperation with Drillisch AG. The Munich company "Webmobilisten", for example, launched six wireless services brands between December 2008 and March 2009 which take precise aim at various target groups in the sector "mobile Internet" by offering various rate plans and hardware packages. Moreover, RTL II became the first TV broadcaster with its own product when it launched "RTL II MOBIL" in March, enabling television viewers interested in the Internet to go online without complicated procedures and at fair prices – also in cooperation with "Webmobilisten" and the Drillisch brand Telco. So Drillisch is continuing along the successful path of reasonable sales cooperation which it began in 2007 and is also present on the market with its own brands.

simply data – the first high-speed UMTS flat rate on the discount market

Drillisch began marketing the UMTS data flat rate simply data for new and current customers at the beginning of the year. Anyone interested in the plan can go to the website www.simplydata.de and decide when placing the order of only the data card is required or if the appropriate hardware (USB stick or netbook) should be ordered at the same time. As is usual at simply, there are no contracts to be signed for simply data – so this mobile data rate plan at €19.95 a month not only has one of the lowest prices for UMTS flat rates independent of volume, but is also the most flexible product on the German market.



fioon puts together attractive bundled offers

The provider fioon, which was launched in November 2008, attracted attention in the spring months with its attractive bundled offers of voice and data rate plans as well as low-price entry plans for mobile Internet. The products, which are interesting for both business and private customers, offer the ideal combination of fast mobile Internet access and mobile telephoning at discount rates.

Discount market: flat rates are the trend for voice service rate plans as well

Yet another trend on the discount market: more and more providers are offering complete flat rates for the first time. At the end of 2007, simply – the first discount brand on the German wireless services market – launched an independent lump-sum product for landline or wireless services calls or complete offers for all networks on the market called SIMfix. Even now, simply continues its groundbreaking performance and offers the lowest-priced all-net flat rate for all networks with SIMfix Voll-Flat for €59.95 a month.

Drillisch moves into position in the growth segments in wireless services

simply designs its online mobile phone shop to be even more customer-friendly



As part of the redesign of its online mobile phone shop, simply has expanded its line of attractive and modern mobile phones and optimised the presentation of the simply mobile phones available for selection. This step by the discount pioneer acknowledges yet another trend: for many wireless services customers, the choice of the right mobile phone is of decisive importance even when selecting discount rate plans without a basic fee. Anyone wishing to order a mobile phone along with the simply rate plan will find a selection of classic mobile telephones, modern multimedia mobiles or business smartphones equipped with the top functions, plus all of the important product details. Moreover, customers at simply can decide whether they want to pay for the chosen device in the form of a one-time payment or through a free instalment plan.

First joint sales campaigns with eteleon

The first joint sales campaigns were initiated in cooperation with eteleon e-solutions AG, Munich, in which Drillisch AG now holds a majority of the stock, at the beginning of 2009. For example, eteleon, in cooperation with Drillisch-Telecom GmbH, launched a UMTS data flat rate with the name fastSIM at the beginning of March; it features individually combinable products with various terms in the networks of either T-Mobile or Vodafone. In addition, the brand Telco, which belongs to the Drillisch-Telecom GmbH, created an attractive o2 rate plan without a basic fee and including 100 free minutes a month with eteleon in a sales campaign supported by the magazine Computerbild. The dynamically growing company eteleon is a specialist for innovative sales solutions on the telecommunications market, and Drillisch AG will join forces with the company to extend continuously its sales activities via e-commerce and other distance trade channels and to expand its product line.

Despite the economic crisis, there are opportunities for the software sector

The international market research institute EITO predicts growth of 3.7% to €33.7 billion for the German IT services market this year (press release of the industry association BITKOM of 20/03/2009). Sales last year rose by about 5.7% to €32.5 billion. Above all, IT consulting, system integration and outsourcing, installation and maintenance services from Germany could play a leading role internationally, according to the market researchers. In particular, the outsourcing market will presumably grow at an above-average rate by 7% to €14.6 billion because outsourcing enables companies to shift their IT tasks to external service providers at lower costs. The industry association BITKOM sees good opportunities for information technology in Germany even in crisis situations because it is of strategic importance for companies to make their operations more efficient and more economical by means of new IT structures and services. Information technology makes an important contribution to the recovery and restructuring of companies. Since investments by the government are virtually independent of economic fluctuations, there is also good cause to expect rising IT demand from government invitations to submit tenders.

**BUSINESS DEVELOPMENT OF THE DRILLISCH GROUP
IN THE FIRST QUARTER 2009**

Group Companies

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, with McSIM Mobilfunk GmbH, Maintal. The Company has further improved its efficiency and structuring capability by merging the four wireless service providers into Drillisch Telecom. 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 with wireless services into 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. maXXim is the newest discount brand in the Drillisch Group. The company set new highlights on the German wireless services discount market in 2008 and also uses the T-Mobile network.

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 the first quarter of 2009, Drillisch has held a dominant share of more than 71% of eteleon e-solutions AG, Munich. The specialist for innovative sales solutions on the telecommunications market is one of the winners of the "Deloitte Technology Fast 50". 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.

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.

Group Companies · Turnover and Earnings Position

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 a total of 25.91% of the voting rights in freenet.

Employees

In the first three months of fiscal year 2009, an average of 359 employees (previous year 351), including the two members of the Management Board, was on the payroll of the Drillisch Group. The number of vocational trainees, which is not included in the above figure, was 25 (previous year: 16).

Turnover and Earnings Position

During the first quarter of fiscal year 2009, sales in the Drillisch Group – despite the rise in subscribers – declined by 8.0% in comparison with the same quarter last year to €77.8 million. This was caused by the further decline in prices and comparatively weak sales of pre-paid bundles. These pre-paid bundles are offered to customers at an extremely narrow margin. As a consequence, the profitability did not worsen as well. All of the relevant profitability indicators in the Drillisch Group rose further. The number of wireless services subscribers rose by a total of 3.3% to 2.310 million. The number of pre-paid subscribers increased by 2.5% to 1.444 million, while the post-paid subscriber number increased by 4.7% to 866,000.

Cost of materials decreased overproportionately to turnover by 10.2% to €60.2 million. At €17.7 million, gross profit (turnover less cost of materials) slightly exceeded the value of €17.6 million from the previous year despite the decline in sales. The gross profit ratio (gross profit to turnover) improved by 1.9% to 22.7%. Personnel expenses declined by 4.2% to €5.0 million. This meant an increase in the personnel expenses ratio (personnel expenses to turnover) by 0.3% to 6.4%. The other operating expenses went down by 4.6% to €4.2 million. This is also an indication of the falling structural costs resulting from the efficient design of processes in the Company. Additional legal and professional expenses of just under €180k were incurred in the context of the merger during the first quarter of 2009. They have been posted under the item Other operating expenses and are adjusted in the EBITDA.

The EBITDA (earnings before interest, taxes, depreciation and amortisation), one of the most important management indicators in the Drillisch Group, rose by 1.8% to €9.7 million. The EBITDA margin rose by 1.2% to 12.5%. The EBITDA, when adjusted for the extraordinary expenses related to the merger, came to €9.9 million. Depreciation increased by 7.9% to €1.7 million. This brought the EBIT (earnings before interest and taxes) to €8.0 million. This was an improvement of 0.6% in comparison with the same period last year. The EBIT margin improved by 0.9% to 10.3%.

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 the course of 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 €2.0 million in the first quarter of 2009, 61% more than in the same period last year. Positive effects in this respect came from the estimated results from freenet in the first quarter and the rise in stock price. Negative effects were recorded when an option which had a value of €6.4 million at the end of 2008 expired with no value. This option securitised the right to acquire just under 5.4 million freenet shares at a price of €3.44 by 28 February 2009. The interest expenses declined from €1.7 million in the previous year to €1.0 million. Drillisch profited in this instance from the substantial decline in interest rates during the first quarter of 2009. As a consequence, the overall financial result improved from €42k in the previous year's quarter to €1.1 million.

Turnover and Earnings Position

Assets, Liabilities and Financial Position

Taxes on income declined to €0.2 million (previous year: €2.2 million). One factor here was the reversal – without effect on payments – of deferred tax payments related to the above-mentioned non-exercise of the call option. Another was that the profits from the financial assets shown in the balance sheet according to the equity method were subject to a significantly lower tax rate.

The consolidated income therefore improved by 51.8% to €8.8 million. The profit per share amounted to €0.18 (previous year: €0.11).

Cash Flow

Cash flow from current business activities decreased by €6.9 million to €1.1 million. The most important factors were higher payments for taxes of €3.6 million and lower payments received on account of €2.2 million. An inflow of funds of €0.2 million (previous year: –€18.1 million) came from investments. As a consequence of the increase of liabilities due to banks, cash flow from financing activities reached €3.9 million (previous year: –€70.8 million). Total cash therefore rose by €5.2 million to €9.5 million (previous year: reduction by €80.9 million to €3.8 million).

Assets, Liabilities and Financial Position

The balance sheet total of the Drillisch Group rose during the first quarter of 2009 by €11.8 million to €194.1 million. The most important factors influencing this on the assets side of the balance sheet were the higher cash inventory and the increase in the value of the financial assets shown in the balance sheet according to the equity method owing to the prorated results and the increase in the share price of freenet stock. The shareholders' equity and liabilities side was characterised by an increase in equity resulting from the positive course of business.

Cash rose by €5.2 million to €9.5 million. Inventories rose by €1.3 million to €6.9 million, primarily as a consequence of the initial consolidation of eteleon. Other current assets declined by €3.3 million to €4.7 million. This decline is also a consequence of the valueless expiration of the option mentioned above. All in all, current assets increased by €3.8 million to €46.9 million.

The fixed assets increased by a total of €8.0 million to €147.2 million. Their share of the balance sheet total is 75.8%. 86.2% is covered by equity and long-term debt. Owing to the reasons shown above, the value of the financial assets shown in the balance sheet according to the equity method rose by €7.6 million to €59.8 million. The positive effect came here from the increase in the stock market price of the freenet stock. The contrary effect was observed here at the end of the past fiscal year. Goodwill increased by €1.7 million to €68.1 million. This was a consequence of the acquisition of eteleon e-solutions AG in the first quarter 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 €0.9 million to €55.6 million during the first quarter of 2009. The shares 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.

Thanks to the good business results, the accumulated deficit decreased by €8.8 million to €164.7 million. The accumulated deficit is primarily a consequence of the change in the stock market evaluation of the freenet shares as of the end of 2008. In comparison with 31/12/2008, equity increased by €10.4 million to €42.2 million. The equity ratio improved by 4.3% to 21.7% (31/12/2008: 17.4%).

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

Long-term liabilities rose by €1.1 million to €84.7 million. Long-term liabilities due to banks increased by €4.0 million to €79.4 million. Due to the non-exercise of a call option as described above, the balance of the deferred tax liabilities declined by €2.8 million to €3.9 million. The share of long-term liabilities in the balance sheet total amounts to 43.6% (31/12/2008: 45.8%).

The short-term liabilities increased by €0.3 million to €67.2 million as per the end of fiscal year 2008 (€66.9 million). The share in the balance sheet total amounts to 34.6% (31/12/2008: 36.7%). Trade accounts payable rose by €4.7 million to €12.6 million. Just as in the inventories on the assets side, this was an effect of the initial consolidation of eteleon. Tax liabilities decreased by €3.9 to €4.4 million because taxes were paid to the fiscal authorities in the first quarter.

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 three months of fiscal year 2009. In the opinion of the Management Board, adequate precautions have been taken to counter all of the identified risks.

Important Events Occurring after 31 March 2009

No important events have occurred since 31 March 2009

Outlook

Our EBITDA target for fiscal 2009 is €41 - €42 million.

CONSOLIDATED INTERM ACCOUNTS
AS PER 31 MARCH 2009

Consolidated Comprehensive Income Statement

	I/2009*	I/2008
	€k	€k
Sales	77,847	84,604
Other own work capitalised	483	508
Other operating income	706	1,009
Cost of materials / Expenditures for purchased services	-60,187	-67,024
Personnel expenses	-4,957	-5,177
Other operating expenses	-4,180	-4,380
Amortisation and depreciation	-1,715	-1,590
Operating result	7,997	7,950
Result from financial assets shown in balance sheet according to equity method	1,959	1,216
Interest income	135	569
Interest and similar expenses	-1,018	-1,743
Financial result	1,076	42
Profit before taxes on income	9,073	7,992
Taxes on income	-228	-2,163
Consolidated results	8,845	5,829
Results attributable to minority interests	-1	0
Share of Drillisch AG shareholders in consolidated results	8,846	5,829
Other earnings after taxes	0	0
Total Results	8,845	5,829
thereof total results attributable to minority interests	-1	0
thereof share of Drillisch AG shareholders in total results	8,846	5,829
Profit per share (in €)		
Undiluted	0.18	0.11
Diluted	0.18	0.11

* The figures for Q1-2009 include 1 month for the subsidiary eteleon e-solutions AG which was acquired in March 2009

Consolidated Balance Sheet

ASSETS	31.03.2009	31.12.2008
	TEUR	TEUR
Fixed assets		
Other intangible assets	15,176	15,912
Goodwill	68,112	66,400
Tangible assets	1,488	1,723
Financial assets shown in balance sheet according to equity method	59,786	52,219
Deferred taxes	2,639	2,922
Fixed assets, total	147,201	139,176
Current assets		
Inventories	6,905	5,615
Trade accounts receivable	23,890	24,603
Accounts due from affiliated companies	105	105
Accounts due from companies in which there is a participating interest	1,723	23
Tax reimbursement claims	0	349
Cash	9,537	4,325
Other current assets	4,728	8,063
Current assets, total	46,888	43,083
ASSETS, TOTAL	194,089	182,259

Consolidated Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES

	31.03.2009	31.12.2008
	€k	€k
Shareholders' equity		
Subscribed capital	55,560	54,706
Capital surplus	119,357	119,480
Earnings reserves	31,123	31,123
Accumulated deficit	-164,722	-173,568
Equity to which Drillisch AG shareholders are entitled	41,318	31,741
Minority interests	857	0
Equity, total	42,175	31,741
Long-term liabilities		
Pension provisions	975	975
Deferred tax liabilities	3,929	6,726
Bank loans and overdrafts	79,443	75,413
Leasing liabilities	362	468
Long-term liabilities, total	84,709	83,582
Short-term liabilities		
Provisions	2,758	3,200
Tax liabilities	4,410	8,305
Bank loans and overdrafts	20,267	20,000
Trade accounts payable	12,612	7,915
Payments received on account	15,752	15,663
Leasing liabilities	463	668
Other liabilities	10,943	11,185
Short-term liabilities, total	67,205	66,936
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	194,089	182,259

Consolidated Statement of Change in Capital

	Number of shares	Capital sub-scribed	Capital reserves	Earnings reserves	Unappropriated retained earnings/deficit	Shareholders' equity to which Drillisch AG shareholders are entitled	Minority interests	Shareholders' equity 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	-862,358	-949	-2,849	0	0	-3,798	0	-3,798
Total results		0	0	0	5,829	5,829	0	5,829
As per								
31/03/2008	52,326,657	57,559	125,530	31,123	21,488	235,700	0	235,700
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	776,671	854	-123	0		731	0	731
Change in consolidated companies		0	0	0	0	0	858	858
Total Results		0	0	0	8,846	8,846	-1	8,845
As per								
31/03/2009	50,509,018	55,560	119,357	31,123	-164,722	41,318	857	42,175

Consolidated Capital Flow Statement

	I/2009	I/2008
	€k	€k
Consolidated results	8,845	5,829
Interest paid	-1,018	-1,743
Interest received	135	707
Results from interest	883	1,174
Result from financial assets shown in balance sheet according to equity method	-1,959	-1,216
Income tax paid	-5,193	-1,576
Income tax received	0	2,421
Taxes on income	228	2,163
Amortisation and depreciation	1,715	1,590
Income from the disposal of tangible assets and intangible assets	38	-60
Change in inventories	-292	-1,070
Change in receivables and other assets	-3,312	6,946
Change in trade payables and other liabilities and provisions	988	-9,409
Change in payments received on account	88	2,290
Cash flow from current business activities	1,146	8,046
Investments in tangible and intangible assets	-540	-677
Income from the disposal of tangible and intangible assets	0	2
Payments for acquisitions less acquired cash	417	0
Investments in financial assets shown in balance sheet according to equity method	-518	-17,401
Earnings from the disposal of financial assets shown in the balance sheet according to equity method	822	0
Cash flow from investment activities	181	-18,076
Change in own shares	-101	-3,798
Outgoing payments for amortisation of loans	0	-67,275
Incoming payments from the taking out of loans	4,297	0
Change in investment liabilities	-311	227
Cash flow from financing activities	3,885	-70,846
Change in cash	5,212	-80,876
Cash at beginning of period	4,325	84,681
Cash at end of period	9,537	3,805

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 to the consolidated annual accounts as per 31 December 2008. Consequently, this interim report as per 31 March 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 show a comprehensive income statement for the first time. 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.

2 Change in Consolidated Companies

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

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 €1,712k, 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. eteleon contributes minus 3k Euro to the results of the group

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 runs 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 31 March 2009, Drillisch held 2,679,997 own shares in its portfolio.

Consolidated Notes

4 Contingent Receivables

The contingent receivable shown in the consolidated annual accounts as per 31 December 2008 amounted to €0k on 31 March 2009.

5 Segment Presentation

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

	Q1/2009	Q1/2008
	€k	€k
Sales		
Telecommunications (sales with third parties)	77,803	84,566
Software services (sales with third parties)	44	38
Software services (in-house sales)	1,827	1,536
Consolidation	-1,827	-1,536
Group	77,847	84,604
Segment Results		
Telecommunications	8,006	7,980
Software services	-9	-30
Group	7,997	7,950

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:

	Q1/2009	Q1/2008
	€k	€k
Total segment profits (operating profit)	7,997	7,950
Operating result	7,997	7,950
Financial result	1,076	42
Profit before taxes on income	9,073	7,992

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Finance and Event Calendar*

Annual General Meeting	Friday, 29 May 2009
German Corporate Conference, Dt. Bank, Frankfurt	June 2009
Semi-Annual Report	Wednesday, 12 August 2008
German Equity Forum	November 2009
9-Month Report	Friday, 13 November 2009

*Subject to change

Publications

The present report on the first quarter of 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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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.

