

# DRILLISCH AG | Report on First Quarter 2015



Key Indicators of the Drillisch-Group	Q1-2015	Q1-2014	Q4-2014	Q3-2014	Q2-2014	Q1-2014
<b>Statement of Income</b>						
Revenue in €m	99.2	71.3	76.6	71.3	70.4	71.3
Service Revenues in €m	95.4	70.0	74.8	70.2	69.5	70.0
Gross Profit in €m	47.8	32.9	37.4	37.3	35.1	32.9
Gross Profit Margin in % of Revenue	48.2%	46.2%	48.7%	52.3%	49.8%	46.2%
EBITDA in €m	26.9	20.5	20.6	22.2	21.8	20.5
EBITDA Margin in % of Revenue	27.1%	28.8%	26.9%	31.2%	31.0%	28.8%
Depreciation excluding good will in €m	3.4	2.5	2.6	2.5	2.4	2.5
EBIT in €m	23.5	18.1	18.0	19.8	19.4	18.1
EBIT Margin in % of Revenue	23.7%	25.3%	23.6%	27.8%	27.5%	25.3%
EBT in Mio. €	22.7	17.4	17.3	19.0	18.9	17.4
EBT Margin in % of Revenue	22.8%	24.5%	22.6%	26.6%	26.8%	24.5%
Consolidated Profit in €m	15.8	12.2	11.4	13.3	13.2	12.2
Consolidated Profit Margin in % or Revenue	15.9%	17.1%	14.9%	18.6%	18.8%	17.1%
Profit/Loss per Share in €	0.30	0.25	0.23	0.28	0.28	0.25
<b>Cash Flow</b>						
Cash-Flow from current business activities in €m	18.0	10.2	18,5	16.4	26.7	10.2
Cash-Flow from investment activities in €m	-67.8	-0.5	-2.6	-0.5	-1.1	-0.5
Cash-Flow from financing activities in €m	-0.9	-0.2	140.7	-0.1	-77.3	-0.2
Cash in €m	266.3	196.5	317.1	160.5	144.7	196.5
<b>Balance Sheet</b>						
Balance Sheet total in €m	524.5	359.1	475.6	312.4	300.9	359.1
Equity in €m	346.9	229.8	331.1	179.5	166.2	229.8
Equity Ratio (equity as % of balance sheet total)	66.1%	64.0%	69.6%	57.5%	55.2%	64.0%
Convertible Bond in €m	89.4	86.9	88.8	88.1	87.5	86.9
Financial Liabilities in €m	0.0	0,0	0,0	0,0	0,0	0,0
<b>Staff</b>						
Staff as Annual Average (incl. Management Board)	386	360	355	355	356	360
<b>Mobile Customers (in thousands.)<sup>(1)</sup></b>						
thereof MVNO Customers	2,229	1,760	1,928	1,869	1,815	1,760
thereof Budget Customers <sup>(2)</sup>	1,497	946	1,211	1,118	1,023	946
thereof Volume Customers <sup>(3)</sup>	732	814	717	751	792	814
<b>Gross Profit per Customer (AGPPU)</b>						
AGPPU <sup>(4)</sup> Budget Customers	9.20 €	8.91 €	8.32 €	8.73 €	8.86 €	8.91 €
AGPPU <sup>(4)</sup> Volume Customers	3.07 €	3.50 €	3.30 €	3.51 €	3.50 €	3.50 €
<b>AGPPU<sup>(4)</sup> Customers (total)</b>	<b>7.23 €</b>	<b>6.39 €</b>	<b>6.42 €</b>	<b>6.59 €</b>	<b>6.49 €</b>	<b>6.39 €</b>

(1) - per 31.03.2015 incl. 85K Prepaid Customers and 47K Postpaid Customers (Service-Provider-Model)

(2) - Rate Plan with Included Volume (Voice, Text Message, Data)

(3) - Rate Plans with Billing based on Usage "Pay as you go"

(4) - AGPPU = Average Gross Profit per User

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## Letter from the Management Board



**Paschalis Choulidis**  
Executive-Board Spokesman,  
Financial Communication and IT

**Vlasios Choulidis**  
Director of Sales,

**André Driesen**  
Director of Finances

### Dear Shareholders,

The start to the year 2015 has been a successful one for our Company, and we have once again been able to increase our major performance indicators — especially the number of MVNO subscribers, the average revenue per user and the EBITDA. But work during the first quarter was not limited to our daily business; we continued to devote our intense efforts to the further establishment and expansion of the future distribution structure. By selecting the approximately 300 shop locations to be taken over from Telefónica and by acquiring The Phone House Deutschland (conclusion of the purchase contract at the beginning of May), we have laid important cornerstones for our new offline distribution channels as a supplement to our established and successful online sales activities. We now have a solid position as we prepare for our upcoming start as the only MBA MVNO on the German wireless services market. Excellent conditions for continuing the many years of success enjoyed at Drillisch Group are now in place, putting us on equal footing with the network operators and giving us unrestricted access to 4G and to all future technologies of even greater sophistication.

Since the beginning of the year, we have continued to drive the marketing of our

own LTE products. Our product portfolio encompasses transparent and attractive rate plans, generally including a flat rate to all German networks for voice and text messaging services. In addition, our customers can select data packages of between 500 MB and 10 GB, enabling them to surf on mobile devices at speeds of up to 50 Mbit/s without any concerns. These extremely attractive LTE products are available from Drillisch at prices starting as low as €12.99 per month and will be expanded successively to incorporate all of the Drillisch brands. Our products open the door to the LTE world for all consumers at significant price savings in comparison with the rate plans of the network operators while offering the quality and area coverage of the largest wireless services network in Germany.

Previous experience with the marketing of the new LTE rate plans shows us that our services and products secure a good position for our Company and give us confidence that we will profit from a sustained trend of rising data revenues over a long period. For the current year alone, for instance, BITKOM expects a further increase in data volume in Germany from 370 million gigabytes in 2014 to 480 million gigabytes in 2015. In its *Global Mobile Data Traffic Fo-*

## Letter from the Management Board

recast presented in February, the network outfitter Cisco predicts a sevenfold increase in mobile data traffic in Germany by the year 2019.

LTE will play an increasingly important role for data transmission in the coming years. According to Cisco, about one-fourth of mobile data traffic in Germany was already being carried via the 4G high-speed network by the end of 2014. In four years, data traffic via LTE will presumably comprise more than 80% of the total mobile traffic. Yet the forecast does not even mention at all the future technologies to which in Germany only Drillisch, along with the network operators, will have guaranteed and unrestricted access.

So we are well positioned for the future. Seeking to optimise further our processes and structures, we also merged our subsidiaries Drillisch Telecom GmbH, MS Mobile Services GmbH and eteleon AG, which had previously operated as independent entities, into one single company at the beginning of April 2015. The future Drillisch Online AG will bundle the full scope of the Group's online competence.

Another step was taken with the acquisition of yourfone GmbH, concluded on 2 January 2015, and the acquisition of about 300 shop sites, which will enable us to build up a strong pillar of business in the offline sector as well. The shops in particular, which will be located primarily in heavily trafficked locations and in the shopping centres of downtown urban areas, will enable the effective development of additional customer groups. The build-up of the new offline distribution channel with full-area coverage will be completed with the contract for the acquisition of The Phone House Deutschland GmbH, concluded on 15 April 2015 and executed on 5 May 2015, because The Phone House Deutschland has

had years of experience in brick-and-mortar sales, has outstanding access to independent specialist retailers and has all of the prerequisites for full-service operation of both partner shops and its own stores, including hardware distribution.

In addition to yourfone GmbH, we also acquired GTCOM GmbH, a specialist in the marketing of prepaid products, during the first quarter. Both of these companies have made contributions to the positive start of the new fiscal year.

Let us now turn to our operating business.

During the first quarter of 2015, we were able to continue our dynamic growth in a market environment which remains intensely competitive and substantially increased our profit indicators as well as the number of subscribers.

In comparison with the reference closing date of the previous year, our clientele grew by 426,000 (22.0%) to 2.361 million subscribers (Q1 2014: 1.935 million). We posted significantly larger figures especially in the MVNO subscriber segment per 31 March 2015. Thanks to growth of 469,000 subscribers (26.6%), their numbers have risen to a total of 2.229 million subscribers in the last 12 months (Q1 2014: 1.760 million). We achieved strong growth above all in the highly profitable budget subscriber segment, posting an increase of 551,000 subscribers (58.2%) to 1.497 million subscribers (Q1 2014: 946,000). This also translated into another increase in the profit margin per MVNO subscriber with respect to both the previous year and the previous quarter.

Including increased service revenues of €95.4 million (Q1 2014: €70.0 million), we generated a gross profit in the first three months of 2015 which, at €47.8 million, is €14.9 million (45.1%) higher than the level of the previous year (Q1 2014: €32.9

## Letter from the Management Board

million), a significant increase. Despite the sharp rise in advertising expenditures to €12.4 million (Q1 2014: €2.0 million), the consolidated EBITDA, one of the most important performance indicators of our business, rose by €6.4 million (31.2%) in comparison with the same period of the previous year to €26.9 million (Q1 2014: €20.5 million).

Based on this highly positive development in our earnings position, we generated an operating cash flow of €18.0 million in the first three months of fiscal year 2015, representing an increase of €7.8 million (75.7%) over the same period last year (Q1 2014: €10.2 million). The ability to generate sustainably positive payment flows, the cash reserves (which amounted to €266.3

million as of the closing date) and other attractive financing opportunities ensure that we will have the flexibility to continue the expansion of or additions to our business where it appears reasonable and to seize any opportunities which arise in the future.

Our successful start to the new fiscal year bolsters our confidence as we look ahead to the future. We can confirm our guidance and see no reason to change our expectations of a further rise in the EBITDA to between €95 million and €100 million for fiscal year 2015. We want to continue to share the success of the Company with you, our shareholders, in the future as well and are planning a dividend of at least €1.70 per share for fiscal years 2015 and 2016.

Best regards from Maintal,



Paschalis Choulidis,



Vlasios Choulidis

and



André Driesen

COMMERCIAL DEVELOPMENT OF THE DRILLISCH GROUP  
AS PER 31 MARCH 2015

## Group Companies

### Drillisch AG — successful start to fiscal year 2015

#### The Drillisch Group

Drillisch AG, Maintal, along with its subsidiaries (collectively: "Drillisch"), is a mobile virtual network operator (MVNO) operating solely in Germany. During Q1 2015, the Company added to the many years of its success story of profitable growth and raised operating profit even higher.

One of the most profitable and innovative providers of rate plans for voice and data communications in Germany, Drillisch is a regular source of new driving ideas on the German wireless services market. Operating as an MVNO, Drillisch compiles packages of flexible services based on its own product ideas, drawing on standardised and unbundled advance services from the network operators Telefónica Germany GmbH & Co. OHG ("O<sub>2</sub>") and Vodafone GmbH ("Vodafone"). The internet is its most important sales channel. Moreover, Drillisch works with selected distribution and cooperation partners as well as with some traditional wireless services retailers. Drillisch expects its successful corporate history to continue for fiscal year 2015 as a whole and for fiscal year 2016 as well.

Drillisch continues to serve current customers in the Telekom Deutschland GmbH ("Telekom") and E-Plus Mobilfunk GmbH ("E-Plus") networks on the basis of existing service provider agreements. However, the share of the clientele in this less profitable segment is declining as planned.

### Transformation from an MVNO into an MBA MVNO

Pursuant to the MBA (mobile bitstream access) MVNO agreement concluded with Telefónica last June, Telefónica grants to Drillisch (as the only competitor on the German wireless services market) access to up to 30% of the utilised network capacity in the controlled wireless network of Telefónica and E-Plus that is available after the merger. This right applies to all future as well as current technologies. The acquisition of this network capacity also includes an accelerated and unconditional right to enter the market for 4G as well as any more advanced technologies of the future. At the same time, Drillisch obtains access rights to the so-called "Golden Grid Network" of Telefónica which has been created by the merger. This means access to the enhanced footprint of the wireless network of Telefónica, including all necessary technical specifications, and the technical ability to reduce speed and restrict transport in the event of excessive data utilisation by end customers.

In accordance with the concluded agreement, there are also the options of (1) becoming a so-called full MVNO in the wireless network of Telefónica, that is, a wireless services provider that operates its own full core network and uses solely the access network of Telefónica ("Full MVNO"), and/or (2) becoming a licensed mobile network operator ("MNO").

Following the selection of 301 Telefónica shop sites in Q1 2015 and their imminent acquisition, distribution capacity will be expanded efficiently over a broad area as well in future.

The technical launch, that is, the startup as an MBA MVNO, will take place on 1 July 2015.



## Group Companies

### Change in the group structure

By merging the previously separate operations of the subsidiaries Drillisch Telecom GmbH ("Drillisch Telekom"), MS Mobile Services GmbH ("MS Mobile") (registered office of both in Maintal) and eteleon AG ("eteleon") (registered office in Munich) into a single company at the beginning of April 2015, Drillisch completed the concentration of its online competence in wireless services sales in one company and simultaneously optimised the processes and structures in this area as one part of its launch as an MBA MVNO. This company will in future be in charge of all of the online sales.

Another step was taken with the acquisition of yourfone GmbH, Hamburg ("yourfone"), concluded on 2 January 2015, and the selection and acquisition of 301 shop sites, which will enable Drillisch to build up a strong pillar of business in the offline sector as well. Above all, the shops with highly frequented locations in downtown urban commercial districts are expected to attract additional customer groups.

The conclusion of the purchase contract for the acquisition of The Phone House Deutschland GmbH, Münster ("The Phone House"), on 15 April 2015 completes Drillisch's build-up of a new offline distribution channel with full-area coverage. The Phone House has had many years of experience in brick-and-mortar sales, has outstanding access to independent specialist retailers and is in possession of all of the technical requirements necessary for the complete operation of partner shops as well as its own shops, including the provision of hardware.

### Drillisch AG is the Group's holding

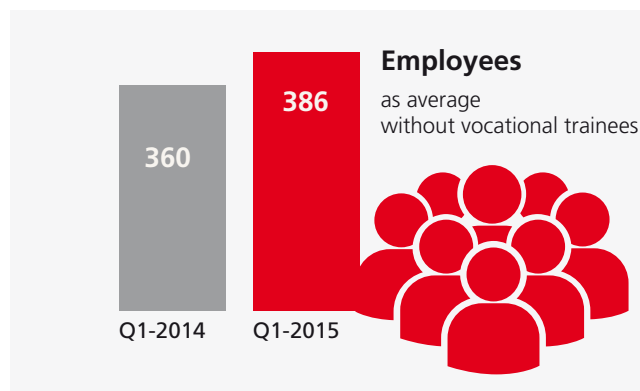
Within Drillisch Group, Drillisch AG, the parent company, concentrates on holding tasks such as management, finances and accounting, controlling, cash management, human resources, risk management, corporate communications and investor relations along with the definition, management and monitoring of the global corporate strategy. The subsidiaries Drillisch Telekom, MS Mobile and eteleon, which were merged at the beginning of April 2015, along with yourfone are responsible for the wireless services operating business. Drillisch has bundled its IT expertise in its subsidiary IQ-optimize. This company performs almost all of the IT services for the Group companies.

### yourfone GmbH

yourfone GmbH is a wireless services provider operating in Germany as a subsidiary of Drillisch AG. It will in future take over operation of offline sales under its trademark name in its own and in partner shops.

### Employees

In the first three months of 2015, an average of 386 employees (previous year: 360), including the two members of the Drillisch AG Management Board, was on the payroll



## The Wireless Services Market

of Drillisch Group. The number of vocational trainees, who are not included in the above figure, was 46 (previous year: 54).

### The wireless services market

#### Number of Wireless Lines Remains High

The annual report from the German Federal Network Agency (May 2015) reveals that there are 112.63 million mobile lines in Germany. In comparison with 2013, this represents a decline of 2.6 million SIM cards. According to the agency, the lower figure is the consequence of the elimination of cards which have been inactive for a long time. For the first time, the Federal Network Agency also disclosed the number of SIM cards in active use. This category encompasses only cards which have been used for communication in the last three months or for which an invoice has been issued during this period. On this basis, there was an increase at the end of 2014 over the previous year from 107.65 million to 108.20 million active SIM cards.

#### A new era in wireless services: for the first time, data revenues overtake voice revenues

Mobile communications as a whole continue to grow strongly in Germany. But in contrast to the past, call minutes and text

messages will in this year no longer make up the greater share of revenues — they will be replaced by data services.

According to a forecast published by the industry association BITKOM at the end of February 2015 in conjunction with the latest calculations from the European IT Observatory (EITO), revenues from data services in Germany will presumably rise by 6.2% to €10.3 billion in 2015. The revenue generated from mobile phone calls, on the other hand, is projected to decrease by 8% to €9.7 billion.

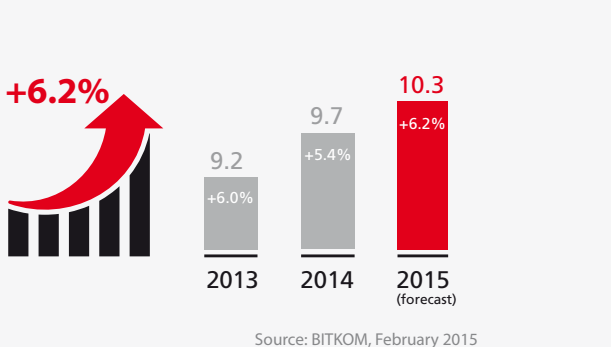
Four primary reasons for this development can be identified:

- ➔ The high prevalence of smartphones and tablet PCs
- ➔ The intensive use of social networks and internet-based apps
- ➔ The availability of fast transmission standards such as LTE
- ➔ The digitalisation of the industry as a whole

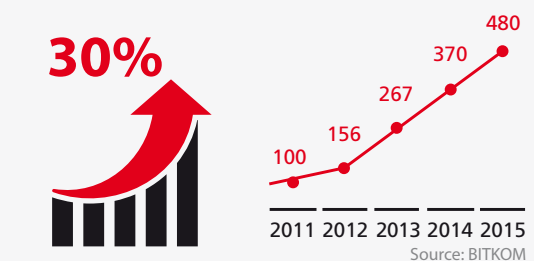
#### Data volume expected to rise by about 30% to 480 million GB

The steady rise in the use of more and more powerful smartphones, the expansion of high-speed networks and the intensive utilisation of these digital companions are driving the volume of data traffic transmitted wirelessly upward at a rapid pace.

Revenues from data services (in €b)



Data Volume in Mobile (in million GB)



## The Wireless Services Market

Just in the current year, BITKOM expects a further increase in data volume from 370 million gigabytes in 2014 to 480 million gigabytes in 2015. In its *Global Mobile Data Traffic Forecast* presented in February, the network outfitter Cisco predicts a seven-fold increase in mobile data traffic in Germany by the year 2019. During the same period, the share of video files will make up almost three-fourths (73%) of mobile data traffic.

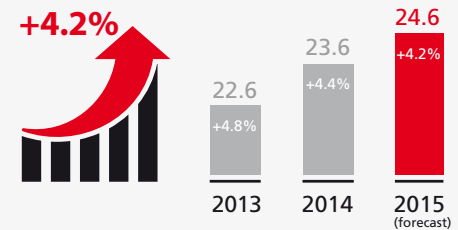
LTE will play an increasingly important role in the coming years. According to Cisco, about one-fourth of the mobile data traffic in Germany was already being realised via the 4G high-speed network at the end of 2014. In four years, data traffic via LTE will presumably comprise more than 80% of the total mobile traffic. Driving forces behind this remarkable increase in mobile internet usage include new services and developments such as the digitalization of traffic grids and mobile payment that could stimulate powerful growth for wireless services of the future. Further impetus will come from new technologies which are today still in the test phase.

During the CeBIT in March 2015, network operators and network companies presented data transmission of the near future using 5G technology. But voice transmission in the 4G network — also known as Voice over LTE (VoLTE) — has also been announced by network operators at an earlier point in time than expected.

### Smartphone sales continue to rise at a high level

Even today, more than 6 out of 10 German residents age 14 or over (63%) have a digital all-rounder with a large touch screen and easy-to-use internet access. The number of smartphone users during the last six months alone has risen by about two million to approximately 44 million, according

### Smartphone Sales in Germany (in million units)



Source: BITKOM

to a report from BITKOM in March 2015. A study by the opinion researchers at TNS Emnid from the beginning of March 2015 reveals that smartphones are the most widely used modern electronic devices today, ahead of satellite navigation systems (53%) and LCD televisions (45%).

The industry experts at BITKOM expect a further increase in smartphone sales this year of 4.2% over the previous year to 24.6 million units. Sales of tablet computers will continue to rise as well. The sale of 9.1 million units is expected this year, 4.6% more than in 2014. The sale of conventional mobile phones, on the other hand, no longer plays more than a subordinate role. During a press conference in advance of the computer trade fair CeBIT, BITKOM predicted that these devices would have a share of no more than 14% of the total units sold. The projected 4 million units would represent a figure 23% lower than in the previous year and a mere 2% share in total revenue.

### Minimum usage of one hour a day for almost half of all smartphone users

A number of recent studies confirm that smartphone users make really intensive use of their devices. During a representative survey for the Allensbach Computer and Technology Analysis (ACTA 2014) at the end of last year, the Allensbach Institute determined that 74% of

## The Wireless Services Market

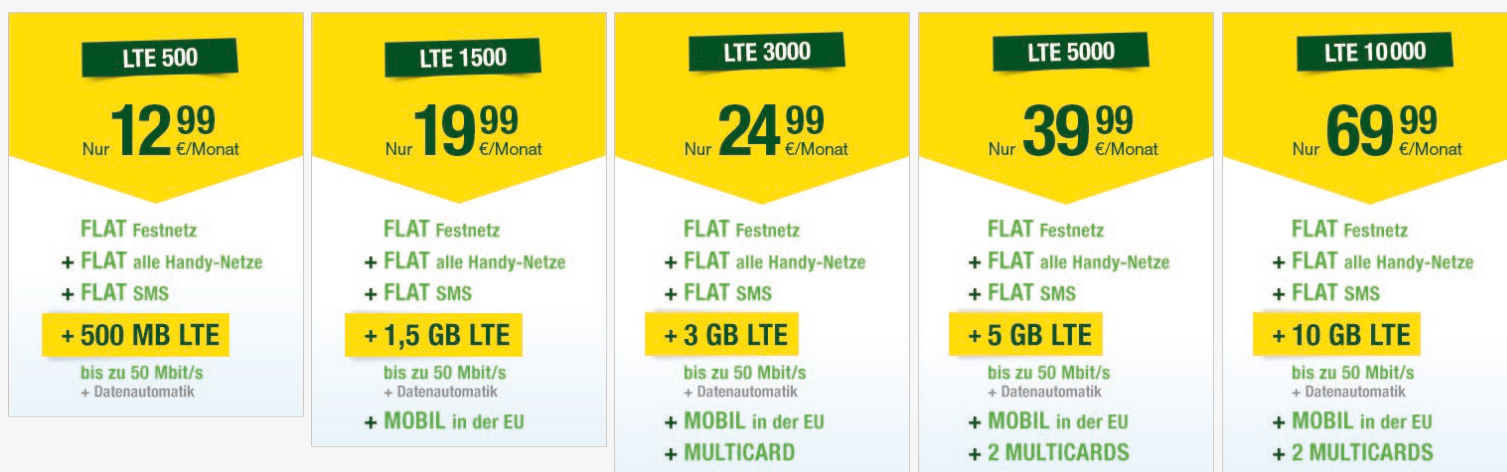
all smartphone users go online several times a day. In the group of users under the age of 30, 81% reach for their digital companions frequently every day. A YouGov study from February 2014 comes to the conclusion that about 39% of all smartphone users spend at least one hour a day using their devices, and one out of nine uses the phone for more than three hours a day. About 3% of all smartphone owners use their smartphones more than five hours a day. The especially popular applications include social networks and practical supplementary programs (apps). According to studies by BITKOM, 74% of all users download additional apps onto their devices and 70% access social networks from their smartphones.

### smartmobil.de becomes online premium brand name — yourfone for offline sales

smartmobil.de, brand of Drillisch Telecom, applies the Best in Class approach to online marketing. With its new and revised portfolio of rate plans, smartmobil.de emphasises its claim to market leadership on the German wireless services market. All five of the new LTE

rate plans include a full flat rate for telephony, texting and LTE at a maximum transmission speed of up to 50 Mbit/s. The rate plans differ according to data volumes (between 500 MB and 10 GB a month) and additional optional services. For the first time, smartmobil.de is offering high-quality LTE rate plans in the premium segment with 5 GB and 10 GB internet flat rates. These premium packages for €39.99 and €69.99 a month include not only two (multi-)SIM cards for use in other mobile devices (e.g. tablet, hands-free kit and similar uses) free of charge, but also an innovative EU flat rate for utilisation in other EU countries that includes a high-speed data package of 1 GB as well as a flat rate for calls and text messages. In comparison with equivalent rate plans from network operators, all of the rate plans from Drillisch brands offer substantial savings without any difference in quality.

Starting in the middle of 2015, the shops taken over from Telefónica Germany will be re-established on the market as an offline premium brand under the trademark yourfone.



## The Wireless Services Market

### Drillisch focuses on new, transparent 4G rate plans

At the beginning of 2015, Drillisch extended the marketing of its first own LTE rate plans. The smartmobil.de and sim.de brands used good advertising to introduce the first LTE products on the market at the end of 2014. After the conclusion of the acquisition of yourfone in January 2015, Drillisch changed over its product line, previously limited to UMTS all-net flat rates, to new, more powerful LTE rate plans. At the moment, yourfone offers three rate plans optimally designed to meet the needs of different types of users, featuring LTE data packages with options of 1 GB, 2 GB and 3 GB at monthly prices of €14.95, €19.95 and €24.95, respectively. For a small surcharge, subscribers can also select the traditional term variants with a very short minimum term of only one month as well.

The new rate plan portfolio launched for smartmobil on 01/04/2015, for instance, offers attractive flat rates for voice and text messaging services in combination with data packages between 500 MB and 10 GB for as little as €12.99 a month. And that includes LTE surfing speed of up to 50 Mbit/s.

These or comparable, especially customer-friendly rate models are in the meantime available for the brands simply, maXXim, winSIM and McSIM as well. Flexibility of this scope for wireless services products featuring the latest 4G technology is unique on the German market. Subscribers will also find a large selection of the best and latest LTE smartphones in the brand webshops and can use the optimised ordering process to purchase their preferred device at the same time.

### Entry rate plans at LTE speed as well as call minute and text message packages

In the past, access to the LTE network was available solely in conjunction with high-priced all-net flat rates for free calls in all networks. Since March, Drillisch has offered to newcomers who only occasionally wish to make phone calls and send text messages the opportunity to surf on mobile devices using LTE speed and with generous high-speed volumes of 1 GB or even 2 GB in the new LTE MINI rate plans from winSIM and maXXim. The entry in fast 4G technology is highly attractive at regular prices as low as €6.99 and €9.99 a month. Users surf on mobile devices at up to 21.1 Mbit/s in the LTE network.

The price of €6.99 a month includes 50 free call minutes and 50 free text messages a month along with the 1 GB of high-speed volume. The second rate plan option of €9.99 a month gives customers 2 GB of surfing volume together with 100 call minutes and 100 text messages. The prices and performance of these two entry-level products are head and shoulders above the significantly slower UMTS package price products from food discounters and other competitors. As part of the launch campaign, the monthly package prices were reduced even further to €3.99 and €7.99, respectively.

But Drillisch does not limit its focus to smartphone users. Many people use the mobile internet both in their work and in their personal lives on a laptop, netbook or tablet computer. Drillisch has been offering data rates with access to the LTE

**Aktion**

**LTE Mini 1000 VIP**

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- ✓ Flexibel monatlich kündbar
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*Nur solange der Vorrat reicht*

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- ✓ Datenvolumen 2 GB LTE<sup>1</sup> bis zu 21,1 Mbit/s
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- ✓ VIP-Rufnummer zum halben Preis! statt 19,95€ nur 9,95€

**7,99€** mtl.  
nur statt 9,99€

Jetzt sparen

*Nur solange der Vorrat reicht*

## Turnover and Earnings Position

network which are price leaders under the brand name discoSURF. Both occasional surfers and intensive mobile surfers will find the best price and the greatest possible flexibility for their needs with short terms starting at only one month among the four new data rate plans, starting with an introductory price of €2.99 (for a term of 24 months).

### Stiftung Warentest crowns the lowest-price LTE all-net flat rates — the 5 top rankings go to Drillisch

The attractiveness of the LTE rate plans offered by Drillisch is made clear by a recent rate plan comparison from Stiftung Warentest. A total of 19 products from various wireless services providers

was subjected to a comprehensive examination in the magazine Finanztest (Issue 3/2015).

All of the examined rate plans included LTE with a minimum speed of 50 MBit/s, unlimited calls to the German landline network and to all German wireless networks and unlimited text messages.

After the comparison, Stiftung Warentest answered the question “Where can you get high-speed internet at an especially low price?” this way: “From Premium SIM, sim.de and simply...”. The brands ranked in the first five places of the complete table from this test are all Drillisch brands.



Provider	Rate plan name	Price	Mbits/s	High-speed volume
PremiumSIM	LTE M	€19.95	50	2,000 MB
Sim.de	LTE Zwei	€19.95	50	2,000 MB
Simply	LTE M Plus	€19.95	50	2,000 MB
yourfone.de	LTE M	€19.95	50	2,000 MB
DeutschlandSIM	LTE M	€24.95	50	2.000 MB

9 of the 10 rate plans listed in the “Top 10” are from Drillisch.

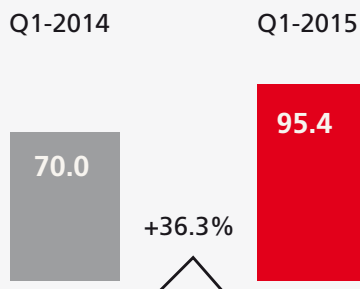
## Turnover and Earnings Position

### Revenue and earnings position

Further EBITDA growth in Q1 2015 is impressive evidence that Drillisch has maintained its operating earning power. This good development of our business is supported by the ongoing dynamic developments in the fields of wireless services and mobile internet. Yet another factor is the initial consolidation of yourfone GmbH. Drillisch uses innovative products in conjunction with efficient marketing and distribution concepts to maintain its top position in the German telecommunications industry.

The “service 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 subscriber contracts, amounted to €95.4 million in the first three months of 2015 (previous year: €70.0 million).

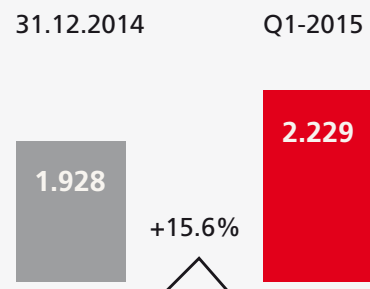
#### Service Revenues (in €m)



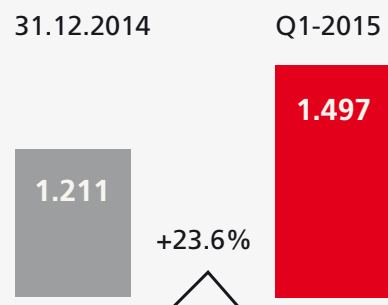
The low-margin “Other revenues” rose by €2.5 million to €3.8 million (previous year: €1.3 million). In addition, this item includes sales from the software services segment in the amount of €9k (previous year: €38k). Total revenue in the first three months of 2015 amounted to €99.2 million (previous year: €71.3 million).

The MVNO clientele increased further from the beginning of the year by 301,000 (15.6%) to 2.229 million subscribers (31 December 2014: 1.928 million MVNO subscribers). The number of qualitatively higher-value budget subscribers increased by 23.6% to 1.497 million subscribers per 31 March 2015 (31 December 2014: 1.211 million subscribers). The number of volume subscribers increased slightly from 717,000 subscribers per 31 December 2014 to 732,000 subscribers per 31 March 2015. The number of subscribers in the traditional service provider business decreased to 132,000 (31 December 2014: 143,000).

#### MVNO Subscribers (in m)



#### Budget Subscribers (in m)



The total number of customers rose by 291,000 to 2.361 million (31 December 2014: 2.070 million). The upward trend in the total number of customers has accelerated.

## Assets, Liabilities and Financial Position

The cost of materials increased under-proportionately to revenue development during the first quarter of 2015 by 33.9% to €51.4 million (Q1 2014: €38.4 million). As a result, gross profit rose substantially by €14.9 million from €32.9 million in Q1 2014 to €47.8 million in Q1 2015. The gross profit margin increased by 2.0% to 48.2% (Q1 2014: 46.2%). Personnel expenses increased by 12.9% to €7.1 million (Q1 2014: €6.3 million). The personnel expenses ratio in Q1 2015 declined by 1.7% to 7.2% (Q1 2014: 8.9%). Other operating expenses rose by a total of €12.4 million to €19.3 million (Q1 2014: €6.9 million). The change in comparison with the same quarter of the previous year results essentially from the significant rise in advertising expenses, which rose by €10.4 million to €12.4 million (Q1 2014: €2.0 million), including the TV campaigns, and increased expenditures for third-party services, which rose by €1.2 million to €1.7 million (Q1 2014: €0.5 million).

Consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation), one of the most important management indicators at Drillisch Group, rose by 31.2% to €26.9 million (Q1 2014: €20.5 million). The EBITDA margin came to 27.1% (Q1 2014: 28.8%). Amortisation

and depreciation rose by a total of €0.9 million to €3.4 million (Q1 2014: €2.5 million). The EBIT (earnings before interest and taxes) amounted to €23.5 million (Q1 2014: €18.1 million). The EBIT ratio improved slightly by 1.6% to 23.7% (Q1 2014: 25.3%).

The interest result amounted to €-0.8 million (Q1 2014: €-0.6 million).

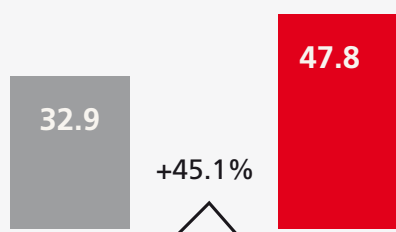
Taxes on income rose by €1.6 million to €6.9 million (Q1 2014: €5.3 million). Consolidated profit amounted to €15.8 million (Q1 2014: €12.2 million). The consolidated comprehensive result per 31 March 2015 also amounted to €15.8 million (Q1 2014: €12.2 million) and thus reflects exclusively the earning power of the operating business. Undiluted profit per share came to €0.30 (Q1 2014: €0.25).

### Assets, liabilities and financial position

Long-term assets rose in total by €86.4 million to €188.3 million (31 December 2014: €101.9 million) during Q1 2015. The increase comes primarily from a total of €78.8 million obtained during the acquisition of yourfone and GTCOM and provisionally disclosed in the balance sheet as goodwill of these companies until the purchase price allocations have been completed as well

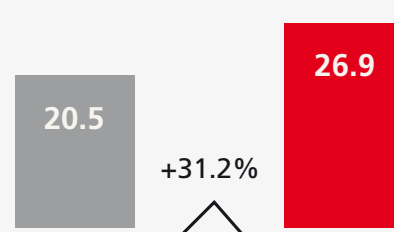
#### Gross Profit (in €m)

Q1-2014                      Q1-2015



#### EBITDA (in €m)

Q1-2014                      Q1-2015





## Assets, Liabilities and Financial Position

as an increase in Other intangible assets of €4.9 million. Deferred tax reimbursements increased by €2.2 million to €2.9 million (31 December 2014: €0.7 million). This rise is primarily a consequence of the initial consolidation of yourfone.

Cash declined, essentially a consequence of the acquisition of yourfone and the related payment of the purchase price, by €50.8 million to €266.3 million (31 December 2014: €317.1 million). Trade receivables amounted to €58.5 million (31 December 2014: €47.5 million). This rise is basically a further consequence of the initial consolidation of yourfone. In total, current assets declined by €37.5 million to €336.1 million (31 December 2014: €373.6 million).

The balance sheet total for Drillisch Group increased by a total of €48.9 million to €524.5 million per 31 March 2015 (31 December 2014: €475.6 million).

In comparison with the previous year, equity increased by a total of €15.8 million to €346.9 million (31 December 2014: €331.1 million). The item Other equity of €-0.6 million (31 December 2014: €-0.6 million) reflects the actuarial gain or loss from the measurement of the pension provisions recognised as non-operating results in accordance with IAS 19. The equity ratio per 31 March 2015 came to 66.1% (31 December 2014: 69.6%).

Long-term liabilities rose by €5.6 million to €104.4 million (31 December 2014: €98.8 million). The major reason for this increase is the rise in Other liabilities. This item of €6.8 million comprises essentially liabilities from the acquisition of GTCom within the framework of a long-term earn-out component.

In December 2013, Drillisch AG issued a non-subordinated convertible bond with a total volume of €100.0 million and a

term of five years; this bond was disclosed in the balance sheet per 31 March 2015 at a value of €89.5 million (31 December 2014: €88.8 million). The convertible bond includes an annual coupon of 0.75%. The bond was issued at 100% of the nominal value and will also be redeemed at 100%. The term of the bond ends on 12 December 2018.

Short-term liabilities increased with respect to the end of fiscal year 2014 by €27.6 million to €73.2 million (31 December 2014: €45.6 million). Short-term provisions increased, primarily owing to the assumption of provisions for imminent losses during the acquisition of yourfone, by €20.0 (31 December 2014: €0.1 million). Trade payables increased by €4.6 million to €26.4 million (31 December 2014: €21.8 million). Tax liabilities declined by €0.2 million to €7.2 million (31 December 2014: €7.4 million). The Payments received on account remained steady at €5.9 million (31 December 2014: €5.9 million). Other liabilities rose by €3.2 million to €12.7 million (31 December 2014: €9.5 million).

## Opportunities and Risk Report of the Future Business Development

### Cash flow

Cash flow from current business activities in the first three months of 2015 amounted to €18.0 million (Q1 2014: €10.2 million), reflecting the earning power of the operating business.

Cash flow from investment activities totaling €-67.8 million (Q1 2014: €-0.5 million) results from payments of €63.2 million (Q1 2014: €0.0 million) for acquisitions less acquired cash, payments for investments in fixed and intangible assets in the amount of €4.7 million (Q1 2014: €0.6 million) and received interest of €0.1 million (Q1 2014: €0.1 million).

During the first three months of 2015, there was a total outflow of funds of €0.9 million (Q1 2014: outflow of €0.2 million) from financing activities. The major factor here was interest payments in the amount of €0.7 million.

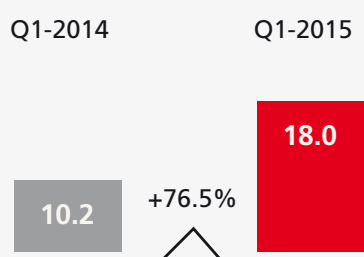
### Opportunity and risk report

The risk management system is an integral component of corporate policy aimed at early exploitation of opportunities and the 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 instruments of risk management, which can thus become a strategic success factor for the Company's management for both subsidiaries and Drillisch itself.

Opportunities and risks — in comparison with the risks described in the annual report for the year 2014 — of ongoing business operations did not change appreciably during the first three months of fiscal year 2015. In the opinion of the Management Board, adequate precautions have been taken to counter all current existing and identified risks.

### Cash flow from current business activities (in €m)



## Important events occurring after 31 March 2015

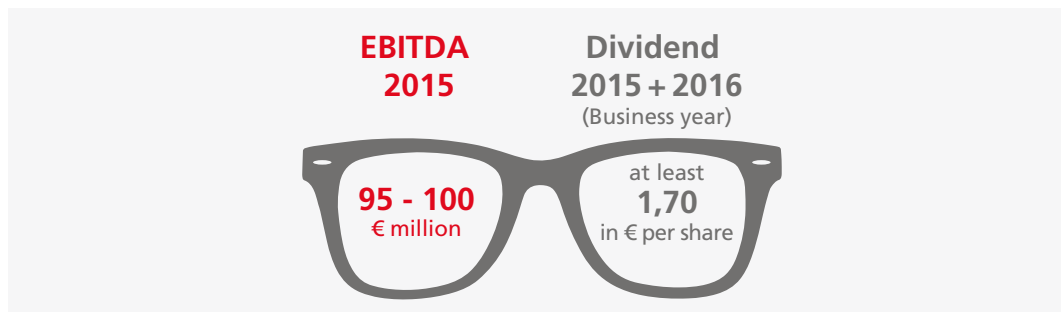
### Outlook

#### Important events occurring after 31 March 2015

On 15 April 2015, Drillisch AG concluded a purchase contract with Dixons Carphone PLC for the acquisition of all of the shares in The Phone House Deutschland GmbH ("The Phone House") and put into effect from 5 May 2015.

#### Outlook

The Management Board expects an EBITDA of between €95 million and €100 million in the telecommunications segment for 2015. Management intends to continue the expansion in the size of the MVNO clientele.



**ABRIDGED CONSOLIDATED INTERIM ACCOUNTS  
AS PER 31 MARCH 2015**

## Consolidated Comprehensive Income Statement

	I/2015	I/2014
	€k	€k
Sales	99,200	71,324
Other own work capitalised	680	520
Other operating income	4,863	294
Raw material, consumables and services used	-51,427	-38,397
Personnel expenses	-7,133	-6,316
Other operating expenses	-19,255	-6,898
Amortisation and depreciation	-3,436	-2,475
<b>Operating result</b>	<b>23,492</b>	<b>18,052</b>
Interest income	173	287
Interest and similar expenses	-1,004	-890
<b>Financial result</b>	<b>-831</b>	<b>-603</b>
<b>Profit before taxes</b>	<b>22,661</b>	<b>17,449</b>
Taxes on income	-6,879	-5,280
<b>Consolidated results</b>	<b>15,782</b>	<b>12,169</b>
Items which can be included in operating results in the future	0	0
Items which cannot be included in operating results in the future	0	0
<b>Consolidated comprehensive results</b>	<b>15,782</b>	<b>12,169</b>
<b>Profit per share (in €)</b>		
Undiluted	0.30	0.25
Diluted	0.28	0.24

## Consolidated Balance Sheet

<b>ASSETS</b>	<b>31.03.2015</b>	<b>31.12.2014</b>
	€k	€k
<b>Fixed assets</b>		
Other intangible assets	36,196	31,302
Goodwill	145,969	67,206
Tangible assets	3,162	2,596
Other financial assets	93	93
Deferred taxes	2,927	743
<b>Fixed assets, total</b>	<b>188,347</b>	<b>101,940</b>
<b>Current assets</b>		
Inventories	6,202	5,488
Trade accounts receivable	58,476	47,503
Tax reimbursement claims	824	1,507
Cash	266,289	317,090
Other current assets	4,350	2,023
<b>Current assets, total</b>	<b>336,141</b>	<b>373,611</b>
<b>ASSETS, TOTAL</b>	<b>524,488</b>	<b>475,551</b>

## Consolidated Balance Sheet

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31.03.2015</b>	<b>31.12.2014</b>
	€k	€k
<b>Shareholders' equity</b>		
Subscribed capital	58,508	58,508
Capital surplus	231,232	231,232
Earnings reserves	31,123	31,123
Other equity	-550	-550
Unappropriated retained earnings	26,612	10,830
<b>Equity, total</b>	<b>346,925</b>	<b>331,143</b>
<b>Long-term liabilities</b>		
Pension provisions	1,525	1,525
Deferred tax liabilities	2,965	3,051
Debenture bonds	89,448	88,787
Leasing liabilities	1,041	1,212
Other liabilities	9,374	4,267
<b>Long-term liabilities, total</b>	<b>104,353</b>	<b>98,842</b>
<b>Short-term liabilities</b>		
Short-term provisions	20,063	106
Tax liabilities	7,196	7,382
Trade accounts payable	26,429	21,784
Payments received on account	5,954	5,890
Leasing liabilities	832	885
Other liabilities	12,736	9,519
<b>Short-term liabilities, total</b>	<b>73,210</b>	<b>45,566</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>524,488</b>	<b>475,551</b>

## Consolidated Statement of Change in Capital

	Number of shares	Subscribed capital	Capital surplus	Earnings reserves	Other equity	Unappropriated retained earnings	Equity, total
		€k	€k	€k	€k	€k	€k
<b>Per 01/01/2014</b>	<b>48,000,000</b>	<b>52,800</b>	<b>96,368</b>	<b>31,123</b>	<b>-204</b>	<b>37,555</b>	<b>217,642</b>
Consolidated comprehensive results		0	0	0	0	12,169	12,169
<b>Per 31/03/2014</b>	<b>48,000,000</b>	<b>52,800</b>	<b>96,368</b>	<b>31,123</b>	<b>-204</b>	<b>49,724</b>	<b>229,811</b>
<b>Per 01/01/2015</b>	<b>53,189,015</b>	<b>58,508</b>	<b>231,232</b>	<b>31,123</b>	<b>-550</b>	<b>10,830</b>	<b>331,143</b>
Consolidated comprehensive results		0	0	0	0	15,782	15,782
<b>Per 31/03/2015</b>	<b>53,189,015</b>	<b>58,508</b>	<b>231,232</b>	<b>31,123</b>	<b>-550</b>	<b>26,612</b>	<b>346,925</b>



## Consolidated Cash Flow Statement

	I/2015	I/2014
	€k	€k
Consolidated earnings before interest and taxes (EBIT)	23,492	18,052
Income tax paid	-3,130	-1,465
Income tax received	0	757
Amortisation and depreciation	3,436	2,475
Change in inventories	-714	-146
Change in receivables and other assets	3,687	-1,044
Change in trade payables, other liabilities and provisions	-8,434	-7,672
Change in payments received on account	-378	-737
<b>Cash flow from current business activities</b>	<b>17,959</b>	<b>10,220</b>
Investments in tangible and intangible assets	-4,746	-600
Payments for acquisitions less acquired cash	-63,197	0
Interest received	108	85
<b>Cash flow from investment activities</b>	<b>-67,835</b>	<b>-515</b>
Interest paid	-701	-69
Change in investment liabilities	-224	-143
<b>Cash flow from financing activities</b>	<b>-925</b>	<b>-212</b>
<b>Change in cash</b>	<b>-50,801</b>	<b>9,493</b>
Cash at end of period	266,289	196,525
Cash at beginning of period	317,090	187,032

## Abridged Notes to the Consolidated Accounts

### 1. General information

Drillisch AG is a listed stock corporation which offers telecommunication services. Drillisch was founded in 1997. The business field telecommunications represents the core business of Drillisch Group and is essentially located in the wholly-owned subsidiaries Drillisch Telecom GmbH and MS Mobile Services GmbH (both in Maintal), in eteleon AG (Munich) and in yourfone GmbH (Hamburg). At the beginning of April, the companies MS Mobile Services GmbH, eteleon AG and MSP Holding GmbH, Maintal, were merged into Drillisch Telecom GmbH. In addition to the service provider licences held for the networks Telekom, Vodafone, E-Plus and O<sub>2</sub>, the Group has concluded MVNO agreements with the network operators O<sub>2</sub> and Vodafone and markets primarily postpaid products for the O<sub>2</sub> and Vodafone networks. 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.

### 2. Applied accounting principles

The abridged 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 which have been adopted by the EU and became mandatory per 01 January 2015 have been taken into consideration.

The same accounting and valuation methods were applied as to the consolidated annual accounts as per 31 December 2014. This abridged interim report per 31 March 2015 has been prepared in

compliance with IAS 34 "Interim Financial Reporting" and the German accounting standard DRS 16 "Interim Financial Reporting". The rate for the consolidated tax on income remains unchanged at 30.25%. The preparation of the interim report requires management to make a number of assumptions and estimates, a situation which can lead to deviations between the values disclosed in the interim report and the actual values.

In December 2013, Drillisch AG issued a non-subordinated convertible bond with a total volume of €100.0m and a term of five years. The convertible bond includes an annual coupon of 0.75%. The bond was issued at 100% of the nominal value and will also be redeemed at 100%. It has been possible to convert the bonds with a nominal value of €100k each into Drillisch AG stock since 22 January 2014. The conversion right is recognised in the capital surplus at a value of €12.4m. In accordance with the terms and conditions of the bonds, the conversion price was adjusted from the original €24.2869 to €22.8509 per share following the disbursement of a cash dividend in May 2014, corresponding to 4,376.195 shares per partial debenture. The term of the bond ends on 12 December 2018.

The liability for the bond will be discounted in accordance with the effective interest rate method.

### 3. Change in the consolidated group

On 2 January 2015, Drillisch AG executed the letter of intent regarding the purchase of 100% of the shares of yourfone GmbH, Hamburg, concluded with E-Plus Mobilfunk GmbH & Co. KG in November 2014 and acquired the company, including all of the trademark rights and the clientele. yourfone GmbH is a wire-

## Consolidated Notes

less services provider operating in Germany. This acquisition further expanded the Drillisch portfolio to include another brand name well established on the German wireless services market, thereby not only increasing the number of subscribers, but also the potential for future growth.

The provisional net purchase price amounts to €51.4m and is calculated as the purchase price less acquired cash and a receivable from the seller. The final calculation of the purchase price and a detailed distribution of the purchase price among the identifiable assets and liabilities at the attributable fair value in accordance with the provisions of IFRS 3 cannot yet be provided with these interim accounts because the final values and their allocation were not yet available at the time of preparation of the accounts. For this reason, the distributable value calculated as the purchase price less cash has been temporarily allocated to goodwill. Within the context of the purchase price allocation, the resulting distributable value will presumably comprise essentially the trademark yourfone, the clientele of yourfone GmbH and goodwill.

Moreover, Drillisch AG directly acquired 97.5% of the shares of GTCOM GmbH, Düsseldorf, at the beginning of February 2015. GTCOM GmbH is a mobile virtual network operator (MVNO) operating in Germany and has had many years of experience in marketing prepaid products. The purchase price for these shares amounted to €1.6m. There is a mutual call-put option for the remaining 2.5% of the shares at the same variable strike price which Drillisch may exercise at any time. In view of this option, the acquisition of 100% of the shares has been assumed in application of the anticipated acquisition method during prepara-

tion of the balance sheet. The variable purchase price liability resulting from the option component has been recognised in the interim accounts in its maximum amount of €6.8m. A detailed distribution of the purchase price among the identifiable assets and liabilities at the attributable fair value in accordance with the provisions of IFRS 3 cannot yet be provided with these interim accounts because a final purchase price allocation was not yet available at the time of their preparation. For this reason, the distributable value calculated as the purchase price less cash has been temporarily allocated to goodwill. Within the context of the purchase price allocation, the resulting distributable value will presumably comprise essentially the clientele of GTCOM GmbH and goodwill.

#### 4. Treasury stock

The Annual General Meeting on 21 May 2014 adopted a resolution authorising the Drillisch AG Management Board to acquire treasury stock totalling up to 10% of the share capital at the time of the Annual General Meeting 2014 on or before 20 May 2019 (including the use of derivatives). Per the closing date 31 March 2015, Drillisch AG did not hold any shares of its own stock.

#### 5. Profit per share

The undiluted profit per share is calculated in accordance with IAS 33.9 et seqq by dividing the consolidated profit from continuing business operations by the weighted average of the number of ordinary shares outstanding.

The diluted profit per share is calculated in accordance with IAS 33.30 et seqq. by dividing the consolidated results, adjusted for the after-tax effects of any interest recognised in the period related to

## Consolidated Notes

	I/2015	I/2014
Consolidated profit in €k	15,782	12,169
Weighted average less own shares held (number)	53,189,015	48,000,000
<b>Undiluted consolidated profit per share in €</b>	<b>0.30</b>	<b>0.25</b>
Consolidated profit in €k	15,782	12,169
Net effect on results from convertible bond in €k	592	575
<b>Adjusted consolidated profit in €k</b>	<b>16,374</b>	<b>12,744</b>
Weighted average less own shares held (number)	53,189,015	48,000,000
Shares from convertible bond to be included as average (number)	4,376,195	4,117,446
<b>Diluted consolidated profit per share in €</b>	<b>0.28</b>	<b>0.24</b>

potential ordinary shares, from continuing business operations by the weighted average number of shares outstanding plus the weighted number of shares which would be issued on the conversion of all dilutive potential shares into ordinary shares.

### 6. 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 disclosed 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 current business, investment and financing activities. The cash flow from current business activities in this case is determined according to the indirect method.

### 7. Segment presentation

The segment reporting is based on the internal organisation and reporting structure which differentiates among the products and services offered by the various segments of 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 within Drillisch Group market wireless services offered by all three of the wireless service providers operating in Germany. The advance services acquired from the network operators Telekom Deutschland GmbH, Vodafone D2 GmbH and Telefónica O<sub>2</sub> Germany GmbH & Co. OHG are sold further 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 workflow management software are bundled in the software services segment.

The Group's assets and liabilities are almost exclusively attributable to the telecommunications segment.

All business relations within and/or between the segments are eliminated in the course of consolidation. Such relations are essentially the offsetting of the expenses and income within the Group. The accounting principles (IFRS as they are to be applied in the EU) are identical for all of the segments.

## Consolidated Notes

Segment Report 01/01/2015 – 31/03/2015	Telecom- munications	Software services	Total
	€k	€k	€k
Sales with third parties	99,191	9	99,200
Inner-company sales	0	2,015	2,015
Consolidation	0	-2,015	-2,015
<b>Segment sales</b>	<b>99,191</b>	<b>9</b>	<b>99,200</b>
<b>Segment EBITDA</b>	<b>26,950</b>	<b>-22</b>	<b>26,928</b>
Amortisation and depreciation	-3,436	0	-3,436
<b>Segment EBIT</b>	<b>23,514</b>	<b>-22</b>	<b>23,492</b>
Interest income	173	0	173
Interest and similar expenses	-1,004	0	-1,004
<b>Financial result</b>	<b>-831</b>	<b>0</b>	<b>-831</b>
<b>Profit before taxes</b>	<b>22,683</b>	<b>-22</b>	<b>22,661</b>
Taxes on income	-6,879	0	-6,879
<b>Consolidated results</b>	<b>15,804</b>	<b>-22</b>	<b>15,782</b>

Segment Report 01/01/2014 – 31/03/2014	Telecom- munications	Software services	Total
	TEUR	TEUR	TEUR
Sales with third parties	71,286	38	71,324
Inner-company sales	0	1,856	1,856
Consolidation	0	-1,856	-1,856
<b>Segment sales</b>	<b>71,286</b>	<b>38</b>	<b>71,324</b>
<b>Segment EBITDA</b>	<b>20,519</b>	<b>8</b>	<b>20,527</b>
Amortisation and depreciation	-2,475	0	-2,475
<b>Segment EBIT</b>	<b>18,044</b>	<b>8</b>	<b>18,052</b>
Interest income	287	0	287
Interest and similar expenses	-890	0	-890
<b>Financial result</b>	<b>-603</b>	<b>0</b>	<b>-603</b>
<b>Profit before taxes</b>	<b>17,441</b>	<b>8</b>	<b>17,449</b>
Taxes on income	-5,278	-2	-5,280
<b>Consolidated results</b>	<b>12,163</b>	<b>6</b>	<b>12,169</b>

## Consolidated Notes

The transfer prices correspond on principle to the prices determined by arm's length comparison. Since Drillisch Group is active only in Germany, there are no geographic segments. The major segment expenditures and income without effect on payments contain the allocations to the provisions.

### 8. Relations to relatives and companies

Per 31 March 2015, there were amounts (income and expenses) owed from and owed to relatives and companies as shown below:

The company PM Choulidis oHG, Gelnhausen, consisting of the shareholders Paschalis Choulidis and Marianne Choulidis, has let office space in Maintal to Drillisch Group. The lease runs until 31 December 2020. Rent expenses for the first 3 months of 2015 amounted to €127k (previous year: €127k).

The company VPM Immobilien Verwaltungs GmbH, Maintal (shareholders: Vlasios Choulidis, Paschalis Choulidis and Marc Brucherseifer), has let office space in Maintal to Drillisch Group. The lease runs until 31 December 2020. Rent expenses for the first 3 months of 2015 amounted to €45k (previous year: €31k).

The company Flexi Shop GmbH, Frankfurt am Main (shareholder Mr Jannis Choulidis), realised sales in the amount of €2k (previous year: €35k) with Drillisch Group in the first 3 months of 2015. The amount of €0k (previous year: €7k) was owed to this company per 31 March 2015.

There were no amounts due to or due from the related parties mentioned above per 31 March 2015.

The company Frequenzplan GmbH, Gräfelting (shareholder Mr Tobias Valdenaire), realised sales in the amount of

€147k (previous year: €52k) with Drillisch Group in the first 3 months of 2015. The amount of €49k (previous year: €24k) was owed to this company per 31 March 2015.

### 9. Financial instruments

The book value in each case for short-term financial assets and liabilities which are not derivatives is a reasonable approximation of the attributable fair value.

No measurements at Level 1 (publicly noted prices) and/or Level 2 (derived from market value) of the fair value hierarchy for long-term financial assets and liabilities measured at fair value have been made. The variable purchase price liability from the acquisition of GTCom GmbH was measured in accordance with Level 3 (no observable market values, valuation based on valuation models).

## Financial Calendar · Share Information

### 1. Financial Events Calendar

Financial Dates 2015		Subject to change
Date	Topic	
Wednesday, 13 May 2015	Quarterly Close Q1 2015	
Thursday, 21 May 2015	Annual General Meeting, Frankfurt	
Thursday, 13 August 2015	Quarterly Close Q2 2015	
Thursday, 12 November 2015	Quarterly Close Q3 2015	

### 2. Investor Relations

Communications are conducted in conformity with the fair disclosure principle, i.e. all shareholders and interested parties are simultaneously provided with the same type of information about all important developments. The ongoing work can be followed and tracked equally by all investor groups on our investor relations home page where all of our relevant reports can be viewed. Many of the people interested in our Company also take advantage of the opportunity for personal contact via email and/or telephone.

### 3. Current Analyst Assessments (Last Revised 31. March 2015)

In view of the Company's performance (EBITDA of €85.2 million in fiscal year 2014 (slightly overdelivered on the already increased EBITDA guidance) and a further increase to between €95 million and €100 million in fiscal year 2015 as well as a long-term dividend policy and the good strategic positioning on the German wireless services market, the capital market rates the Drillisch stock overall as promising.

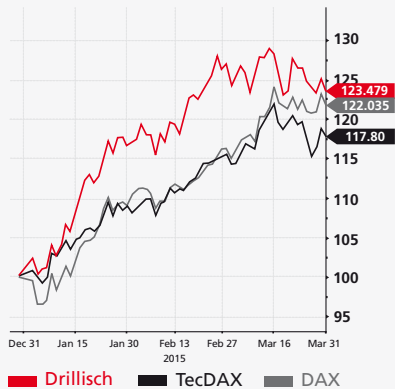
Current Analyst Assessments (Last Revised 31 March 2015)			
Analysis	Votum	Price Target	Date
DZ Bank	„Buy“	€42,00	25 March 2015
CITI	„Buy“	€42,00	24 March 2015
Hauck & Aufhäuser	„Sell“	€31,00	24 March 2015
Equinet	„Buy“	€40,00	23 March 2015
Commerzbank	„Reduce“	€26,00	23 March 2015
ODDO Seydler	„Buy“	€40,00	23 March 2015
Bankhaus Lampe	„Buy“	€39,00	23 March 2015
Macquarie	„Outperform“	€50,00	18. March 2015
Redburn	„Sell“	€31,00	16. March 2015
Berenberg	„Buy“	€37,00	27. February 2015
Goldman Sachs	„Buy“	€40,00	27. February 2015
LBBW	„Buy“	€39,00	27. February 2015
Warburg Research	„Buy“	€40,00	27. February 2015

*A constantly updated overview of the analysts' recommendations can be found on the Drillisch AG IR home page*

[www.drillisch.de](http://www.drillisch.de)

➔ Investor Relations ➔ Analysen

## Share Information



#### 4. Share Price Development in Q1 2015

##### Drillisch stock with impressive performance

	2014 year end	31 March 2015	% change
Drillisch	€29.58	€36.525	+ 23.5
TecDAX	1,366.36	1,615.46	+18.2x
DAX	9,805.55	11,966.17	+22.0

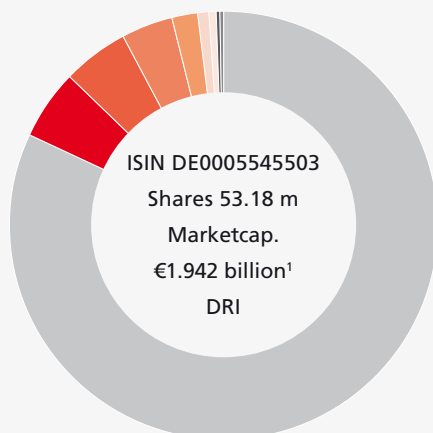
#### 5. Dividend policy

For fiscal 2014, the general meeting will be provided with an increase of 6.25% to 1.70 per voting share. Our target for fiscal years 2015 and 2016 will be to disburse a dividend of the same amount as a minimum.

#### 6. Directors' Holdings per 31 March 2015

Company	No-par shares
Paschalis Choulidis	425,000 → 0.80%
Vlasios Choulidis	400,000 → 0.75%
Supervisory Board	No-par shares
Marc Brucherseifer, Dipl.-Kfm. (Chair)	1,077,565 → 2.03%
Johann Weindl, Dipl.-Kfm.	10,439 → 0.02%
Horst Lennertz, Dr.-Ing.	2,407 → 0.01%

#### 7. Shareholder Structure (as of 31 March 2015)



82.45 %	Free Float Shs. 43,863,191
5.15 %	Allianz Global Investors Europe GmbH Shs. 2,737,449
5.07 %	Union Investment Privatfonds Shs. 2,694,500
3.72 %	FMR LLC Shs. 1,978,464
2.03 %	M. Brucherseifer, Dipl.-Kfm. Shs. 1,077,565
0.80 %	P. Choulidis Shs. 425,000
0.75 %	V. Choulidis Shs. 400,000
0.02 %	J. Weindl Shs. 10,439
0.01 %	Dr. H. Lennertz Shs. 2,407

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 (€36.525) on 31 March 2015. Free Float acc. to the rule of Dt. Boerse AG: 100.00%.



## Publications · Your Contacts Information/Order Service

### Publications

The present report on the first three months of 2015 is also available in an German version.

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](http://www.drillisch.de).

### Information and Order Service

Please use our online order service in the Investor Relations section on our website at [www.drillisch.de](http://www.drillisch.de)

We will of course be glad to send you the requested information by post or fax as well. We will also be glad to help you with any personal queries by telephone.

## Your Contacts

We will also be glad to help you with any queries about Drillisch AG and our brands:

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### Responsible:

Drillisch AG

### Management Board:

Paschalis Choulidis (Spokesperson)  
Vlasios Choulidis  
André Driesen, since 1 April 2015

### Supervisory Board:

Marc Brucherseifer, Dipl.-Kfm. (Chair)  
Dr Susanne Rückert (Deputy Chair)  
Horst Lennertz, Dr.-Ing.  
Frank A. Rothauge, Dipl.-Kfm.  
Dr Bernd H. Schmidt  
Johann Weindl, Dipl.-Kfm.

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### Disclaimer:

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

### Future-oriented Statements:

This report contains certain statements oriented to the future which are based on the current assumptions and projections of the management of the Drillisch Group. Various risks, uncertainties and other factors, both known and unknown, can cause the actual results, financial position, development or performance of the Company to deviate substantially from the assessments shown here. Such factors include those which we described in reports to the Frankfurt securities exchange. The Company does not undertake any obligation to update such future-oriented statements and to adapt them to future events or developments.

