

Interim report on the 1st quarter 2006



mobilcom AG – Group Overview

Result	Q1 2006	Q1 2005
Third-party sales in € million	522.0	450.6
Gross profit in € million	112.4	124.3
EBITDA in € million	38.1	57.2
EBIT in € million	27.0	44.1
EBT in € million	29.7	45.9
Consolidated result in € million	18.0	28.3
Earnings per share in € ¹	0.19	0.32
As percentage of revenue		
Gross profit	21.5	27.6
EBITDA	7.3	12.7
EBIT	5.2	9.8
EBT	5.7	10.2
Group result	3.5	6.3
Balance sheet		
Balance sheet total in € million	1,124.9	974.1
Shareholder's equity in € million	694.3	638.9
Equity ratio in percent	61.7	65.9
Return on equity in percent	2.6	4.6
Return on capital employment in percent	2.7	5.0
Finances and investments		
Cash flow from operating activities in € million	48.6	55.4
Depreciation and amortisation in € million	11.1	13.1
Investments in € million	8.8	61.8
Net financial assets in € million	458.5	336.0
Customers		
Mobile telephony customers in million	5.00	4.51
Monthly average revenue per user in €	16.3	18.0
Active telephony customers in million	5.0	4.4
Active Internet access customers in million	3.5	3.9
Employees		
At end of quarter	3,594	3,429

¹ Earnings per share are calculated by dividing the net profits/loss attributable to the shareholders by the weighted average number of ordinary shares in circulation during the period.

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1. To our shareholders

1.1 Editorial

Dear shareholders, business partners,
customers and friends of mobilcom,

Our company has made an excellent and very ambitious start to the new financial year – in the context of a market climate which is characterised by increasingly fierce competition particularly in our core areas of business but which also offers tremendous opportunities for further growth.

This is particularly applicable for mobile telephony and Internet access which are our main sources of revenue. Recent months and quarters have seen new challenges in this respect: For mobile telephony in the form of new no-frills discount tariffs and for web access in the form of DSL tariffs which are increasingly powerful and also much more competitively priced.

We have responded quickly and decisively to these challenges of the market in order to establish an optimum position for our company for further strong growth and increasing market share in the course of the next few quarters, namely

- With innovative, market- and customer-oriented products and services,
- With tremendous effort designed to sign up new customers, which are reflected in marketing and sales expenses which have increased dramatically in certain cases
- With the intensive support of existing customers and
- With the necessary adjustments to our internal structures and procedures, particularly in mobile telephony business, to bring them into line with the increasingly fierce competition.

The results of our efforts are very impressive: Accordingly, we have

- increased Group revenues by 16.0 percent compared with Q1 2005 to € 522.0 million;
- increased cash and cash equivalents since 31 December 2005 by € 42.0 million compared to end of 2005 to the current level of € 460.1 million, which provides us for financial scope for further investments or acquisitions;

- considerably increased the number of our customers – to 5.0 million mobile telephony customers, and to 2.7 million fixed contract customers and 7.7 million active members at freenet.de AG;
- and presented further innovative highlights at the CeBIT this year, for instance, “freenetTV”, which upgrades televisions into veritable multimedia centres, or the mobile navigation system, “mobilcom navigator”.

Nevertheless, we would have wished for an even better result – and we would certainly have achieved such a result if fair conditions had been available to all players in the central broadband growth segment. Even stronger customer growth in DSL business was only prevented by new offers which were launched on the market in February and which in our opinion are based on extremely favourable “net rental” purchasing conditions for a small number of players – conditions that would not have been available to freenet to the same extent even had we signed the contract in question, and which therefore impeded our growth significantly. However, we are confident that the Bundesnetzagentur will in the near future prohibit this special conditions offered by Deutsche Telekom.

In addition, the delay in the completion of the merger of freenet and mobilcom, which was decided at the General Meetings of both companies last summer, had a negative effect. Closer links between the resources and market positions of both companies would enable corresponding synergy potential to be utilised in an optimum manner and would enable better advantage to be taken of growth opportunities on the market.

Nevertheless, management and employees of mobilcom and freenet will continue to devote all our skills, experience and powers to add further chapters to the many years of success of our company in the course of the next few months and quarters.



Eckhard Spoerr



Axel Krieger



Michael Grodd



Stephan Esch

2. Operational development

2.1 Operational development: group

Result	Q1 2006	Q1 2005
Third-party revenue in € million	522.0	450.6
Gross profit in € million	112.4	124.3
Gross profit as percentage of revenue	21.5	27.6
EBITDA in € million	38.1	57.2
EBITDA as a percentage of revenue	7.3	12.7
EBIT in € million	27.0	44.1
EBIT as a percentage of revenue	5.2	9.8
Group result in € million	18.0	28.3
Earnings per share in €	0.19	0.32

In the first three months of the financial year, the mobilcom Group saw revenues increase by approx. 16 percent to €522.0 million (Q1 2005: €450.6). In addition to the increase in revenues from €141.7 million to €196.6 million in the Fixed Line/Internet segment, the mobile telephony service provider also reported an increase in revenues from €308.9 million compared with the previous year quarter to €325.4 million. Unlike the situation in the Fixed Network/Internet segment, where gross profit of €73.0 million was roughly unchanged compared with the previous year quarter, the mobile telephony service provider had to report a decline of €52.4 million to €39.4 million as a result of the high expenses for distribution in the first quarter and increased customer retention. The decline in gross profit at the mobile telephony service provider segment and also the policy of growth adopted by freenet particularly in the forward-looking broadband field have depressed the operating earnings figures for the Group. Group EBITDA has declined by 33.4 percent compared with the previous year quarter, namely from €57.2 million to €38.1 million. EBIT is stated as €27.0 million at the end of March, compared with €44.1 million (Q1 2005). Group result of €18.0 million is 36.4 percent lower than the corresponding previous year figure of €28.3 million. A welcome aspect is the positive development in cash and cash equivalents from €418.1 million (end of 2005) to €460.1 million (end of March). This development once again shows the profitability and financial strength of the company despite the high levels of investment in customer growth.

2.2 Operational development: Mobile Telephony Service Provider

Result	Q1 2006	Q1 2005
Third-party revenue in € million	325.4	308.9
Gross profit in € million	39.4	52.4
EBITDA in € million	11.0	20.3
EBITDA as a percentage of revenue	3.4	6.6
EBIT in € million	8.1	16.6
EBIT as a percentage of revenue	2.5	5.4
Mobile telephony customers in million	5.00	4.51
Of which contract customers in million	2.68	2.48
Of which prepaid customers in million	2.32	2.03
Gross new customers in million	0.45	0.27
Net-additions in million	0.18	-0.05
Monthly average revenue per user in €	16.3	18.0
Of which contract customers in million	25.4	27.9
Of which prepaid customers in million	5.1	6.1

Revenues in the first quarter of 2006 of €325.4 million were more than 5 percent higher than the corresponding previous year figure of €308.9 million. This increase in revenues is due mainly to the positive development in new customer business compared with the previous year quarter. On the other hand, gross profit declined from €52.4 million (Q1 2005) to €39.4 million in Q1 2006 as a result of higher expenses for customer acquisition and retention. mobilcom was also not able to escape the effects of the negative price trend in the German mobile telephony market, and average revenue per user (ARPU) accordingly declined from €18.0 to €16.3 compared with the previous year quarter. The strong new business in the first quarter and the related costs of signing up new contract and prepaid customers are the reason for the negative impact on earnings in the first quarter of 2006. Compared with the previous year quarter, EBITDA has declined from €20.3 million to €11.0 million in the first quarter of 2006. Cash and cash equivalents of the mobile telephony service provider amounted to €267.4 million at the end of March.

In particular, the arrival of the “no frills” mobile telephony providers in mid-2005 and that fact that the competition has become even more intense since the end of the year has resulted in an erosion in the general level of prices in Germany. In order to be able to survive in the long term in this fiercely competitive market, mobile telephony service provider business is currently undergoing restructuring and processes are being optimised so that mobilcom will be competitive in future as well.

Customer development

Compared with the previous year quarter, mobilcom has considerably improved its sales performance in the first quarter of 2006, and signed up approximately 450 thousand gross new customers (Q1 2005: 270 thousand) in the first 3 months of the financial year. Together with the expansion of customer retention measures in the first quarter, mobilcom achieved considerable net growth of 180 thousand to approx. 5.0 million mobile telephony customers. With regard to contract customers, mobilcom achieved growth of around 70 thousand in Q1 2006 (to 2.68 million), and achieved growth of approx. 110 thousand customers in the prepaid field (to 2.32 million). This rate of growth is expected to slow down in the course of the next few quarters, as net growth in future will be negatively affected by the high “free-to-churn” potential in 2006 and the automatically associated increase in contract cancellations.

Products and services: Strong presence at CeBIT fair

The presence of mobilcom at the CeBIT 2006 attracted a lot of attention and resulted in a strong brand presence. In Hanover, the company presented products with strong user benefit as well as new tariffs which can be tailored precisely to meet the individual calling patterns of customers.

In particular, the mobile navigation system “mobilcom navigator” once again was the focus of attention. At the beginning of the year, mobilcom had presented the so-called “Carefree Package” in which customers can undertake up to 70 journeys without any additional costs for a monthly flat rate of less than €10. mobilcom presented its new Plus-tariffs in time for the CeBIT; these tariffs will set positive accents in terms of signing up new customers and retaining existing customers in the remainder of the year. With the Time-Plus and SMS-Plus alternatives, the customers are able to choose between inclusive-minutes or inclusive-SMS – without a monthly basic charge. And in terms of flexibility, mobilcom also offers vital added value: In addition to free choice of network, customers enjoy a range of attractive options such as navigation or e-mail push services. In this way, the tariff is a perfect match for the customer’s individual utilisation patterns. With the UMTS accelerator HSDPA

and the inexpensive Blackberry alternative “E-mail to go”, mobilcom has further aces up its sleeve for the current financial year.

mobilcom is currently leading the polls: In a reader survey of the online knowledge magazine inside-handy.de, the company was the “customer’s preferred operator” in the survey, and clearly came out top in the category “Mobile telephony provider of the year 2006.” “A clear result”, wrote the online medium, and pointed to more than one third of the votes which had been cast. In addition, the subsidiary klarmobil.de gained immediate success as one of the top discounters of the year.

klarmobil.de also raised some eyebrows in the first quarter. At the first mobile telephony discounter, the mobilcom subsidiary extended its fair range of mobile telephony products and services to include a fixed network tariff without a minimum contract duration. With klarphone.de, customers will in future be able to telephone throughout Germany for only 2.8 cents per minute in the German fixed network.

Sales network is expanding – mobilcom co-operating with emendo

mobilcom is successfully expanding its sales network: In the first quarter, the service provider has signed up a major co-operation partner with the dealer portal “emendo”. Since March, 90 computer specialist retailers have been marketing the products of mobilcom and freenet. As a result of the co-operation, the company has gained valuable partners in the computer retail field; in the past, this has not been the focus of the company’s sales activities, although it is becoming increasingly important as a result of the development in the multimedia field. The company is also pressing on ahead with expanding its shop chain. By 31 March 2006, mobilcom had opened eight new mobile telephony shops throughout the country.

Know-how transfer is becoming more important – range of training has been expanded

As a result of the latest technical developments and the increasing variety of products in the mobile telephony sector, it is becoming more and more important for knowledge to be communicated to the sales partnerships. The quality of the training programme is becoming a major factor determining the success of the shop and specialist retailer partners. mobilcom revised its entire training concept in the first quarter of 2006. In addition to the familiar TÜV and product trainings, two so-called CAMPs (Clever action at the point of sale) will be offered in future. The sales camp focuses on improving sales and closing techniques, and the specialist camp is designed to communicate specialist knowledge relating to mobile telephony products. In the ideas workshops, the mobilcom trainer team focuses on interactivity, for instance by way of role play. mobilcom has set up a training centre in Erfurt for the two-day workshops.

2.3 Operational development: Fixed Network/Internet

Result	Q1 2006	Q1 2005
Third-party revenue in € million	196.6	141.7
Gross profit in € million	73.0	73.6
EBITDA in € million	27.1	36.8
EBITDA as a percentage of revenue	13.8	26.0
EBIT in € million	18.9	27.5
EBIT as a percentage of revenue	9.6	19.4
Active Telephony customers in million	5.0	4.4
Active Internet access customers in million	3.5	3.9
Thereof DSL customers in thousand	775	465
Fixed network minutes sold, incl. Internet, in billion	6.1	6.4

Despite the more intense competition particularly in Internet access, freenet will consistently continue its strategy of growth this year. Compared with the corresponding previous year quarter, revenues in the first three months of 2006 increased by approx. 39 percent to €196.6 million, and thus almost matched the figure achieved in the fourth quarter last year (which is normally the strongest quarter in terms of revenues). Compared with the previous year quarter, all business segments of freenet have expanded, with the exception of telephony, which reported a slight decline due to the difficult market conditions with general price cuts.

The strongest segment is still Internet access, with revenues of €98.0 million; this accounts for approx. 50.0 percent of the total revenues of freenet. In order to establish a sustainable position in the broadband segment which is a market of the future, freenet has again stepped up its marketing and sales activities at the beginning of the new year specifically for signing up DSL customers; this is also reflected in marketing costs of approx. €13.0 million in the first quarter of 2006 – an increase of more than 50.0 percent compared with the corresponding previous year quarter. The start to the new quarter and financial year has accordingly been extremely successful. The company immediately signed up 75 thousand new DSL customers and has strengthened its market share on the DTAG-infrastructure of approx. 9.0 percent. Even stronger customer growth in DSL business was only prevented by new offers which were launched on the market in February and which in our opinion are based only on extremely favourable “net rental” purchasing conditions for a small number of players – conditions that would not have been available to freenet to the same extent even had we signed the contract in question, and which therefore impeded our growth significantly.

In the field of fixed network telephony, freenet was able to increase the number of telephony minutes to more than 1.63 billion and the number of telephony customers to 5.0 million despite the competition which is still fierce in this segment. Nevertheless, revenues in this segment declined slightly compared with the corresponding previous year quarter as a result of lower charges.

There has been more than a 17-fold increase in B2B services revenues in the first three months of 2006 following the consolidation of Next-ID in the second quarter of 2005. Next-ID has further expanded its positioning through new agreements with large companies in the call-media and mobile segment. And in its core business customer segment, freenet has also benefited from the constantly increasing demand for VoIP solutions even among small and mid-size enterprises.

In the portal business/digital services segment, freenet has strengthened its range of content and services related to web-hosting services, integrated e-commerce products and traditional content. Following the acquisition of the Strato Group which was initially consolidated in February 2005, revenues in the first quarter of 2006 increased by more than 40 percent compared with the corresponding previous year quarter, namely to €28.1 million. At the same time, freenet set the scene for further growth in portal business in the first three months of 2006. A highlight in this respect was freenetTV which was presented at the CeBit and which upgrades televisions into multimedia centres. freenetTV does not replace free TV reception via existing channels; instead, it introduces broadband Internet to the television.

The gross profit of the Fixed Line/Internet segment is reported as €73.0 million, roughly unchanged compared with the previous year quarter. The rate of growth has been boosted further compared with last year, particularly in forward-looking broadband business, involving marketing costs of almost €13 million, and has correspondingly depressed earnings for the first quarter of 2006. EBITDA of €27.1 million is approx. 26 percent lower than the corresponding previous year quarter. Depreciation has declined slightly to €8.2 million compared with the previous year quarter. This has resulted in a segment-EBIT of €18.9 million. This means that freenet has once again confirmed its position as a rapidly expanding and still extremely profitable company in a very demanding market with a strong future.

Cash and cash equivalents of the Fixed Line/Internet segment has again improved in the first quarter: They increased by €29.0 million since 31 December 2005 to €193.0 million.

3. Consolidated financial statement for the period ending 31 March 2006

3.1 Consolidated income statement from 1 January to 31 March 2006

In € thousand	Interim report Q1 2006 1.1.2006 – 31.3.2006	Interim report Q1 2005 1.1.2005 – 31.3.2005
Revenues	521,994	450,591
Other operating income	14,382	16,623
Other own work capitalised	229	686
Costs of materials	-409,596	-326,321
Personnel expenses	-31,671	-31,281
Depreciation and impairment write-downs on property, plant and equipment and intangible assets	-11,051	-13,067
Other operating expenses	-57,435	-53,584
Share of results of associates	152	452
Interest receivable and similar income	2,861	1,867
Interest payable and similar expenses	-122	-83
Result before taxes on income	29,743	45,883
Taxes on income	-11,733	-17,548
Group result	18,010	28,335
Group result attributable to shareholders of mobilcom AG	11,995	19,841
Group result attributable to minority interest	6,015	8,494
Earnings per share (undiluted) in €	0.19	0.32
Earnings per share (diluted) in €	0.19	0.32
Weighted average number of shares in circulation (undiluted) in thousand	62,417	62,907
Weighted average number of shares in circulation (diluted) in thousand	62,428	62,909

3.2 Consolidated balance sheet as of 31 March 2006

Assets in € thousand	31.3.2006	31.12.2005	31.3.2005
Non-current assets			
Intangible assets	101,753	104,459	119,941
Goodwill	110,223	110,223	109,728
Property, plant and equipment	63,730	63,614	68,954
Investments accounted for using the equity method	3,664	3,512	2,063
Other investments	304	304	305
Deferred income tax assets	41,246	43,000	37,475
Trade accounts receivable	567	597	1,073
Other receivables and other assets	8,207	7,690	6,937
	329,694	333,399	346,476
Current assets			
Inventories	29,042	20,750	24,681
Current income tax claims	3,235	2,942	1,899
Trade accounts receivable	229,221	237,767	197,047
Other receivables and other assets	73,383	171,436	65,725
Cash and cash equivalents	460,067	333,101	338,244
Non-current assets hold for sale	225	225	0
	795,173	766,221	627,596
	1,124,867	1,099,620	974,072

Equity and liabilities in € thousand	31.3.2006	31.12.2005	31.3.2005
Equity			
Share capital	65,702	65,702	65,702
Capital reserves	254,446	255,648	306,503
Treasury shares	0	0	-51,371
Statutory revenue reserves	36	36	36
Retained earnings	238,546	226,551	194,336
Capital and reserves attributable to shareholders of mobilcom AG	558,730	547,937	515,206
Minority interest in shareholders' equity	135,547	129,532	123,674
	694,277	677,469	638,880
Non-current liabilities			
Trade accounts payable	0	0	19
Other payables	1,237	1,147	0
Borrowings	873	896	866
Deferred income tax liabilities	29,166	30,743	37,674
Retirement benefit obligations	613	539	483
Provisions for other liabilities and charges	1,019	1,027	7,462
	32,908	34,352	46,504
Current liabilities			
Trade accounts payable	117,338	110,563	52,382
Other payables	199,908	205,197	176,820
Current income tax liabilities	49,099	41,807	38,030
Borrowings	95	89	938
Provisions for other liabilities and charges	31,242	30,143	20,518
	397,682	387,799	288,688
	1,124,867	1,099,620	974,072

3.3 Consolidated statement of changes in shareholders' equity for the period ending 31 March 2006

In € thousand	Share capital	Capital reserves	Treasury shares	Revenue reserves	Retained earnings	mobilcom AG shareholders' interest in shareholders' equity	Minority interest in shareholders' equity	Shareholders' equity
As at 1.1.2006	65,702	255,648	0	36	226,551	547,937	129,532	677,469
Stock-based compensation	0	-1,202	0	0	0	-1,202	0	-1,202
Group result	0	0	0	0	11,995	11,995	6,015	18,010
As at 31.3.2006	65,702	254,446	0	36	238,546	558,730	135,547	694,277
As at 1.1.2005	65,702	287,835	-27,441	36	175,615	501,747	83,795	585,542
Acquisition of own shares	0	0	-23,930	0	0	-23,930	0	-23,930
Results of share-transfers in connection with acquisition of Strato-Group	0	18,496	0	0	0	18,496	30,266	48,762
Stock-based compensation	0	172	0	0	-1,120	-948	1,119	171
Group result	0	0	0	0	19,841	19,841	8,494	28,335
As at 31.3.2005	65,702	306,503	-51,371	36	194,336	515,206	123,674	638,880

3.4 Consolidated statement of cash flows from 1 January to 31 March 2006

In € thousand	1.1.2006 – 31.3.2006	1.1.2005 – 31.3.2005
Result before tax	29,743	45,883
Adjustments		
+ Depreciation and impairment on items of fixed assets	11,051	13,067
+/- Increase/Decrease in provisions	1,165	-748
./ Interest income	-2,861	-1,867
+ Interest expenses	122	83
./ Other non-payment components	-1,355	-697
+/- Loss/Profit on disposals of fixed assets	213	-376
+ Decrease of inventories, trade receivables and other assets not attributed to investing or financing activities	13,517	30,851
+/- Increase/Decrease of trade payables and other liabilities not attributed to investing or financing activities	1,576	-30,572
./ Taxes paid	-4,557	-194
= Cash flow from operating activities	48,614	55,430
./ Purchase of tangible fixed assets	-7,300	-3,737
./ Purchase of intangible assets	-1,528	-1,654
+ Cash-proceeds from disposals of intangible and tangible fixed assets	155	748
./ Cash-payments for the acquisition of subsidiaries	0	-56,372
+ Interest received	2,102	1,381
= Cash flow from investing activities	-6,571	-59,634
./ Cash-payments for the acquisition of treasury shares	0	-23,930
+ Cash-proceeds from disposals of promissory notes	85,000	0
./ Cash repayments of bonds/loans and short or long-term borrowings	-17	-667
./ Interest paid	-60	-17
= Cashflow from financing activities	84,923	-24,614
Σ Change in Cash and Cash equivalents	126,966	-28,818
Cash funds at the beginning of the period	333,101	367,062
Cash funds at the end of the period	460,067	338,244

3.5 Segment report from 1 January to 31 March 2006

In € thousand	Fixed Network/ Internet	Mobile telephony	Group
Third party sales	196,627	325,367	521,994
Segment results	26,918	10,985	37,903
Share of result of companies included in accordance with the equity method	152	0	152
EBITDA Segment result	27,070	10,985	
Expenses/earnings not assigned			0
EBITDA Group result			38,055
Depreciation	-8,212	-2,839	-11,051
EBIT Segment result	18,858	8,146	
EBIT Group result			27,004
Net interest income			2,739
Result before taxes on income			29,743
Taxes on income			-11,743
Group result			18,010
mobilcom AG shareholders' share in consolidated result			11,955
Minority interests in consolidated result			6,015
Segment assets	585,796	490,623	1,076,419
Participations	304	0	304
Associated companies/Joint ventures	3,664	0	3,664
Assets, not assigned			44,480
Group assets			1,124,867
Segment liabilities	212,079	139,542	351,621
Liabilities, not assigned			78,969
Group liabilities			430,590
Additions to fixed assets	6,783	2,046	8,829
Additions to fixed assets, acquisitions	0	0	0
Additions to fixed assets, not assigned			0
Group additions to fixed assets			8,829

Segment report from 1 January to 31 March 2005

In € thousand	Fixed Network/ Internet	Mobile telephony	Group
Third party sales	141,680	308,911	450,591
Segment results	36,374	20,340	56,714
Share of result of companies included in accordance with the equity method	452	0	452
EBITDA Segment result	36,826	20,340	
Expenses/earnings not assigned			0
EBITDA Group result			57,166
Depreciation	-9,357	-3,710	-13,067
EBIT Segment result	27,469	16,630	
EBIT Group result			44,099
Net interest income			1,784
Result before taxes on income			45,883
Taxes on income			-17,548
Group result			28,335
mobilcom AG shareholders' share in consolidated result			19,841
Minority interests in consolidated result			8,494
Segment assets	457,199	475,132	932,331
Participations	304	0	304
Associated companies/Joint ventures	2,063	0	2,063
Assets, not assigned			39,374
Group assets			974,072
Segment liabilities	124,319	133,365	257,684
Liabilities, not assigned			77,508
Group liabilities			355,192
Additions to fixed assets	3,116	2,275	5,391
Additions to fixed assets, acquisitions	164,990	0	164,990
Additions to fixed assets, not assigned			0
Group additions to fixed assets			170,381

3.6 Additional information

Order situation	See Operational development page 6 et seq.
Development of costs and prices	See Operational development page 6 et seq.
Research and development activities	See Operational development page 6 et seq.
Investments	See Group overview page 2

Explanatory notes concerning shares held by the company and subscription rights of officers and employees according to §160 para.1 Nos.2 and 5 of the German Stock Corporation Act

Stock option schemes				
Stock options	Term	Additional payment per share in €	Maximum possible number of shares from option rights	
			31.3.2006	31.12.2005
Tranche 2001	November 2008	24.40	48,400	54,400
Tranche 2004	March 2011	20.51	379,070	400,778
			427,470	455,178

Revenue breakdown	See Segment report page 18/19
Number of employees	As of 31.3.2006: 3,594
Personnel changes on the Executive Board and Supervisory Board	None
Events of particular significance, which could effect business operations	None
Interim dividends	None
Dividends paid	None

3.7 Supplementary explanations in accordance with IAS 34

1. The accounting and evaluation methods as well as the calculation methods used for the annual accounts of 31 December 2005 were also applied as of 31 March 2006, subject to the following exceptions. All share-based payments subject to the provisions of IFRS 2 are measured in accordance with IFRS 2.30 as payments for which redemption for cash may be requested.
2. There have been no unusual developments in relations with related parties during the first three months of financial 2006.
3. The interim report of the mobilcom Group complies with the regulations of International Financial Reporting Standards (IAS 34).

4. Additional information

4.1 Contacts

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4.2 Publications

You can also find our annual and quarterly reports in the internet under:
www.mobilcom.de, Section: Investor Relations

In case of doubt, the German language version of this quarterly report shall prevail.

Up-to-date information on mobilcom AG and on the mobilcom share are available to you on our website. You can also register for our E-mail subscription service in the Investor Relations section.

4.3 Financial calendar

9th May 2006

Interim Report I/2006

August 2006

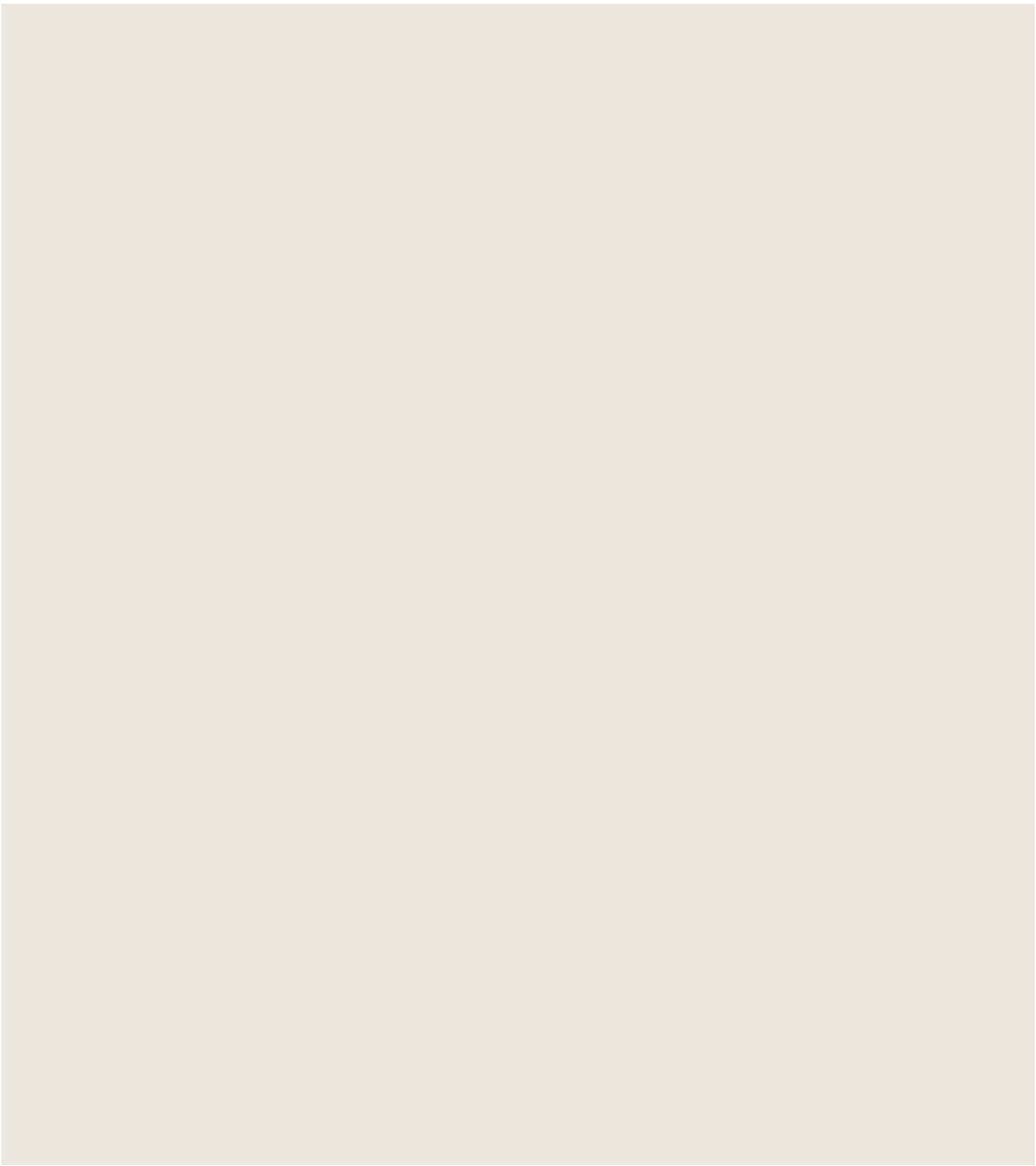
Annual General Meeting (subject to change)

8th August 2006

Interim Report II/2006 (subject to change)

8th November 2006

Interim Report III/2006 (subject to change)



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