



Interim report of the TIPTTEL Group
for the period from January 1 to June 30, 2004

Letter to the shareholders

Dear shareholders and business friends,

For TIPTEL AG the first half year of 2004 was still characterized by the adopted consolidation course. Besides a turnover increase of 1.2 per cent we were in line with our expectations for the total year 2004 also regarding the operating results (earnings before interest and taxes (EBIT)).

Within the positive closing of the first half of 2004 we look back on a moderate business development in the second half of the first six months of 2004. This year, too, the general expectations for a constant recovery of the business situation did not yet have effects on all markets relevant for TIPTEL AG. Thus, after an optimistic first quarter our core market in Germany was influenced by a shortterm weakening of the demand at the end of the second quarter.

All in all, in our core business of telecommunications we observe a still reserved propensity to invest at small and medium-sized enterprises. Nevertheless, in this sector we regard the demand for user-related and modular extendible system-telephony to be undiminished high.

As one of the European specialists for innovative telecommunications solutions TIPTEL has focussed on the specific telephony requirements of small and medium-sized enterprises. Today, for the requirements of small and medium-sized enterprises we offer qualified telecommunications system-solutions, in which flexibly extendible telecommunications and network components are adapted to the telephony and network requirements of this user-group.

In the course of focussing on this target group, at the CeBIT, further interesting product innovations were presented which can be delivered as scheduled since the second quarter of 2004 and are in the stage of market introduction.

The new PBXs tiptel 3011 system and tiptel 3022 system are based on the already introduced PBXs tiptel 3011 office and tiptel 3022 office but without the integrated network and internet functions. Target groups for this reduced and

therefore less expensive alternative are companies with up to ten resp. fourteen working places requiring a mere PBX solution. As these PBXs are adapted to most modern comfort, a number of system telephones for direct connection can be offered. With the tiptel 82 system the PBX functions can be operated conveniently from the working place. For being reachable mobile within the company professional cordless DECT solutions are available. Furthermore, these PBX systems are prepared for the integration of the voicemail-system tiptel 350/10 ISDN and the call manager tiptel 355 ISDN.

With the tiptel 3022 office rack we offer a special alternative of the tiptel 3022 office appropriate for installation into an 19-inch rack. The advantages are a significantly more efficient administration and, thus, are a benefit for the end customers as well as our specialized traders.

With the modular PBX system tiptel 6000 business we have completed our product portfolio upwards since May and, for the first time, offer a complete solution for up to 64 ports for bigger enterprises. The main feature of this PBX is the easy adaption to the individual communication requirements of the customer – not only by modular extendibility of the analog and digital connections but also by further integrable components for call management, ADSL, WLAN and VoIP. Thus, the PBX system meets the increasing customers' requirements regarding a merger of telecommunications and information technology infrastructures to a large extent.

The modular PBX system tiptel 4011 XT, designed for companies with up to 26 employees, benefits from constant product maintenance. Besides a new firmware release for increasing the features the tiptel 82 operator as additional system-telephone is available since beginning of the second quarter. By this telephone up to eight calls can be signalled and held at the same time so that, in the periods with lots of telephone calls, a systematic and professional call management can be guaranteed.

With regard to the generally still reticent market demand within the competition-wise intensive market surroundings the clear positioning and focussing of TIPTEL AG to her core competencies is of great significance. We concentrate further on the telecommunications growth sectors ISDN, WLAN and DSL where we can offer qualified telecommunications system-solutions for the requirements of small and medium-sized enterprises.

Our product offensive is accompanied by targeted marketing measures and supported by our activities concerning our system partner concept. In the last months, for our system partners in the specialized trade we organized extensive training programmes for new releases of the tiptel PBX systems. Additionally to qualifying training programmes we support our system partners upon tender preparations and accompany first installations at the customers' location.

We will do our utmost to continue our positive development during the next months.

A handwritten signature in black ink, appearing to read 'Werner Materna', with a large, stylized flourish at the end.

Werner Materna
Management Board

Business development

In the first half year of 2004 the TIPTEL Group reached a turnover of 17.12 MEuros. Thus, we could improve by 1.2 per cent compared to previous year's period (16.92 MEuros).

The turnover development of the first half year of 2004 was supported decisively by the sector of **made-to-order-production**. In this seasonal business sector TIPTEL AG puts her extensive production capacities and her know-how regarding the production of technically demanding products at the disposal of third parties. Already in the first quarter we reported that, at the beginning of this year and upon customers' request, in this business sector orders were transferred to the first half of the year 2004. Correspondingly, here we achieved a turnover plus of about 33.6 per cent in the first half year.

In the second half of the first half year the expiring orders in this business sector could not be compensated completely by our other business fields. An in total weaker demand led to a slight derogation of the total turnover development of our company in the second quarter. Thus, the turnover in the second quarter amounted to 7.75 MEuros and, therefore, was at a lower turnover level as in the second quarter of the previous year (8.27 MEuros).

In the last six months of 2004, in the sector **Analog** we achieved a turnover increase of 7.6 per cent compared to previous year's period. Basically, our sales and service companies in Belgium and France contributed to this positive development. In this sector the ergonomic telephones *tiptel ergovoice*, designed for the special requirements of elderly people, developed very positively.

Our business sector **ISDN** showed a solid development and, compared to previous year, could state a turnover plus of 2.7 per cent in the first half of 2004. Basically, the ISDN telephones contributed to this. For the second half of the year we expect a further developing increase of the sales figures in the PBX sector. Especially our products of the *tiptel 3011/3022* system-family and the *tiptel 6000* business will contribute hereto.

The revenues of our **DECT** business were about 26.1 per cent below those of previous year's comparable period. This is due to the expiring of one product; from the fourth quarter this negative trend will partly be compensated by delivering the follow-up model.

Sales by business divisions (KEUR)

	01.01. to 30.06.2004	01.01. bis 30.06.2003	01.04. to 30.06.2004	01.04. to 30.06.2003
ISDN	4,417	4,300	1,990	2,179
DECT	1,998	2,703	891	1,265
Analog	7,413	6,892	3,540	3,470
Security technology	66	85	36	44
Made-to-order production	2,436	1,823	927	917
Others	793	1,118	364	392
Total amount	17,123	16,921	7,748	8,267

With regard to the **regional turnover spread** we could continue the positive turnover development in Europe. In the Benelux countries we closed the first half of 2004 with an increase of 8.3 per cent compared to previous year's period (4.29 MEuros in 2003). The turnover increase of our Belgium subsidiary with 29.2 per cent compared to previous year showed an especially positive effect. By 8.8 per cent compared to previous year our remaining European business improved in the first half of 2004. Especially France with an increase of 25.1 per cent and Switzerland with a plus of 9.4 per cent continued the positive trend of the previous quarters. The structural adaptations of the last months at our subsidiaries here showed the first positive effects on the business development.

In our core market Germany we experienced an unexpected weak month of June. Correspondingly, the revenues in the first half of 2004 were 4.7 per cent below those of the previous year's comparable period (9.40 MEuros).

Turnover of the primary segment of the TIPTEL group in a survey (KEUR)

	01.01. to 30.06.2004	01.01. to 30.06.2003	01.04. to 30.06.2004	01.04. to 30.06.2003
Germany	8,953	9,395	3,944	4,682
Benelux countries	4,647	4,289	2,160	2,054
Other European countries	3,523	3,237	1,644	1,531
Total amount	17,123	16,921	7,748	8,267

Earnings situation and cost development

In the first half year of 2004 the tight structural positioning in the operating sector led to an improvement of the absolute gross profit under inclusion of changes in inventories by +0.19 MEuros (+2.2 per cent). Upon further decreasing purchase prices in the second quarter of 2004 the material costs quota improved compared to previous year's quarter by 4 percentage points to 47.6 per cent (previous year 51.8 per cent). The average sales revenues per product further kept constant compared to the first quarter of 2004.

In total, in the first half of 2004 the positive trend on the costs side continued. Thus, personnel expenses, depreciations and other operational expenses decreased by 0.43 MEuros (about -4.7 per cent compared to previous year).

Despite our reinforced sales activities we could keep the expenses steady by targeted application of resources.

Earnings

After a positive first quarter in 2004 the earnings situation in the second half of this half year developed conservatively. In detail, in the second quarter of 2004 TIPTEL achieved earnings before interest, taxes, depreciation and amortisation (EBITDA) of 0.23 MEuros after 0.41 MEuros in the first quarter of 2004. Referring to the first half year of 2004 the EBITDA amount to 0.64 MEuros after 1.01 MEuros in the comparable period of 2003.

In the first half of 2004 the operating results (EBIT) amounted to 0.16 MEuros. In the comparable period of 2003 TIPTEL achieved an EBIT of 0.25 MEuros, including extraordinary earnings to the amount of 0.74 MEuros. Adjusted by these extraordinary earnings the previous year's EBIT amounted to -0.49 MEuros. Considered merely operational in the first half of 2004 the EBIT improved by about +0.65 MEuros to +0.16 MEuros.

The earnings situation in the first half of 2004 reflects in an EBIT margin of 0.9 per cent (2003: 1.5 per cent). Thus, we are in line with the forecasted earnings development for the total year 2004.

The period results in the first half of 2004 amount to –0.15 MEuros after 0.005 MEuros in the previous year's period. The earnings per share amount to –0.03 Euros after 0.00 Euros in the first half year of 2003.

Liquidity situation

By June 30, 2004 the Group could achieve a slight improvement regarding cash and cash equivalents by +1.2 per cent to 0.69 MEuros. The cash-flow from continuous business activity amounts to –0.41 MEuros by June 30, 2004 (June 30, 2003: –0.25 MEuros). Among others, the operating cash-flow was influenced by an increase of the inventories of about 0.96 MEuros compared to the beginning of the year.

At the end of the first half of 2004 the Group achieved, relating to the balance sheet total, an equity ratio of 8.0 per cent (December 31, 2003: 8.7 per cent).

Orders-on-hand

At the cut-off date June 30, 2004 the orders-on-hand for TIPTEL AG and DFG amounted to 6.23 MEuros (June 30, 2003: 7.02 MEuros). A weaker demand in the second quarter on the German market influenced the orders-on-hand by June 30, 2004.

Investments

In the first half of 2004 TIPTEL invested in total 0.11 MEuros compared to 0.07 MEuros in the previous year's period. Compared to previous year we kept our expenses in the sector of research and development with 1.22 MEuros at nearly the same level.

Staff

Of the 269 employees of TIPTEL Group 228 were working in Germany by June 30, 2004 (2003: 233) and 41 employees abroad (2003: 45).

Investor Relations

Also in the second half of these first six months of 2004 we kept company with our shareholders and investors as well as with the business press. At the occasion of our regular Shareholders' Meeting at Duisburg on June 2, 2004 our company invited their shareholders to a direct dialogue with the management and the supervisory board. The supervisory board and the management gave a review of the last business year to the shareholders and explained the company's business plans for the current year. The attending shareholders confirmed the policy of the management board and agreed to all topics of the agenda with large majority. In particular, the Shareholders' Meeting decided to implement ameliorations according to the recommendations of the Corporate Governance Code. Among others, the Shareholders' Meeting decided that, in future, attending the Shareholders' Meeting also via modern communications media should be possible for shareholders (e.g. Internet).

Further, up-to-date information regarding our company and the TIPTEL shares are also available on the homepage of TIPTEL AG.

Future business outlook

We are confident that TIPTEL can again take up the positive tendency of the turnover and earnings development from the beginning of the year and continue it until the year's end. We will follow up the consolidation course of our company in small sub-ordinate targets.

With our core competencies in classical telecommunications as well as in the for our target groups trendsetting technologies of telecommunications and network technology our company is on the products' side positioned in an extraordinary way with the PBX systems tiptel 3011/3022, tiptel 6000 business or the tiptel 4011 XT. In order to counteract the temporarily weak market demand TIPTEL has intensified her market development and will continue this in the coming weeks. It is our target to contact small and medium-sized enterprises more intensively in co-operation with the specialized trade and to stronger communicate the market-specific solution competence of the tiptel brand in PBX sector. In total, for the second half of 2004 and upon the expected increasing propensity to invest by medium-sized enterprises we expect a slight seasonal increase of our telecommunications core markets. Also branch experts expect a stabilisation of the market with a moderate growth (HVB branch study, July 2004).

For the second half of 2004 further promising products are planned which should contribute to a positive development.

In the DECT sector we expect much of the new tiptel *easyDECT XL2* which will be available at the beginning of October. Compared to its already successful predecessor, the tiptel *easyDECT XL*, with SMS in the fixed network and a telephone book for 100 phone numbers it will dispose of a large feature spectrum. In addition, for the end customer it will be more than 20 per cent cheaper than the first tiptel *easyDECT XL*. This product modification is targeted to increase the market share in the interesting segment of cordless ergonomic telephones.

End of September we will present a professional answering machine, the tiptel 570, which includes unique solutions for many application sectors. Besides large voice storage facilities for up to two hours recording time the tiptel 570 disposes of 14 individual messages with weekday and time control which predestines it e.g. for medical practices. Via PC interface voice data can be transferred, SMS messages be read and written and the configuration be edited and stored. As optional accessory a headset and a foot switch for convenient handling of messages are offered. With the tiptel 570 the quality leadership of TIPTEL AG in the sector of voice storage systems will be enlarged further.

Also in September the tiptel *easyBOX* will be introduced, a box with which corded analog equipment can be operated via the base station of a cordless telephone. The tiptel *easyBOX* takes advantage of the DECT/GAP standards which most of the modern cordless telephones support and will be registered to the base station as another cordless device. The end device connected to the tiptel *easyBOX* will thereby receive a cordless connection for external calls and – depending on the base station – also for free of charge internal calls.

Furthermore, we are working on a significant improvement of the profitability of our Group. We expect to achieve our forecasted earnings development with an EBIT margin of one per cent in the business year 2004.

Besides a positive development of our operating business it is our main target to achieve mid-term a lasting improvement of the liquidity situation and the equity ratio of our Group.

Additional explanations:

1. The balancing and valuation methods as well as the means of calculation used for the year up to December 31, 2003 remained unchanged for the period up to June 30, 2004.
2. The interim report of the TIPTEL Group for the period of January 1st to June 30th, 2004 is in accordance with the International Financial Reporting Standards (IFRS) in connection with ISA 34.
3. As to the evaluation of the essential risks for the future development under consideration of the further unstable market situation no significant changes result concerning the statements of the Annual Report 2003.

Consolidated profit and loss account* as of January 1st to June 30th, 2004

	Interim Report II/2004	Interim Report II/2003	6-Month-Report	6-Month-Report
	01.04.2004 to 30.06.2004	01.04.2003 to 30.06.2003**	01.01.2004 to 30.06.2004	01.01.2003 to 30.06.2003**
	KEUR	KEUR	KEUR	KEUR
Revenues	7,748	8,267	17,123	16,921
Other operating income	89	3,836	221	3,968
Changes in inventories of finished goods and work in progress	216	-55	339	-54
Other capitalized service	-	-	-	-
Cost of purchased materials and services	-3,922	-4,229	-8,867	-8,459
Personnel expenses	-2,730	-2,864	-5,725	-5,724
Depreciation and amortization	-246	-382	-487	-763
Other operating expenses	-1,203	-4,440	-2,494	-5,671
Others	-	-	-	-
Operating loss / income	-48	133	110	218
Interest income and expenditure	-116	-104	-217	-216
Income from investments and participations	-	-	-	-
Income / expense from associated companies	-	-	-	-
Foreign currency exchange gains / losses	19	-23	20	1
Other income / expense	13	13	27	27
Result before income taxes (and minority interest)	-132	19	-60	30
Income tax	-36	-31	-87	-25
Extraordinary income / expenses	-	-	-	-
Result before minority interest	-168	-12	-147	5
Minority interest	-	-	-	-
Net loss/profit	-168	-12	-147	5
Earnings per share (basic) in EUR	-0.03	0.00	-0.03	0.00
Weighted average shares outstanding (basic) in EUR	5,220,972	5,220,972	5,220,972	5,220,972

* without audit opinion

** for comparability previous year's figures were presented according to the first half of the year 2004

Consolidated Balance sheet* as of June 30th, 2004

Assets

	As of 30.06.2004	As of 31.12.2003
	KEUR	KEUR
Current Assets		
Cash and Cash Equivalents	693	1,164
Trade accounts receivable	3,297	4,016
Inventories	8,667	7,699
Advanced payments on inventories	–	12
Prepaid expenses and other current assets	494	297
Total Current Assets	13,151	13,188
Property, plant and equipment	2,435	2,702
Intangible assets	296	402
Investments	1,645	1,645
According to equity accounting investments	6	6
Notes receivable / loans	57	144
Goodwill	1	1
Deferred taxes	2,051	2,067
Other assets	–	–
Others	–	1
Total Non Current Assets	6,491	6,968
Total Assets	19,642	20,156

* without audit opinion

Consolidated Balance sheet* as of June 30th, 2004

Liabilities and shareholders' equity

	As of 30.06.2004	As of 31.12.2003
	KEUR	KEUR
Current liabilities		
Short term debt and current portion of long-term debt	1,994	1,951
Trade accounts payable	3,159	2,966
Accounts payable due to related parties	–	1
Provisions	2,433	2,668
Deferred revenues	140	172
Taxes on income liabilities	108	60
Other current liabilities	1,110	1,409
Total current liabilities	8,944	9,227
Long-term debt, less current portion	2,786	2,804
Deferred revenues	1,773	1,773
Deferred taxes	91	151
Pension accrual	3,213	3,198
Others	1,260	1,258
Total non-current liabilities	9,123	9,184
Minority interest	–	–
Shareholders' equity		
Share Capital	13,347	13,347
Additional paid-in capital	540	540
Eigene Anteile	–	–
Accumulated deficit / retained earnings	–3,899	–3,708
Accumulated other comprehensive income / loss	–8,413	–8,434
Total shareholders' equity	1,575	1,745
Total Liabilities and Shareholders' equity	19,642	20,156

* without audit opinion

Cash-flow statement as of January 1st to June 30th, 2004

	01.01 – 30.06.2004	01.01 – 30.06.2003
	KEUR	KEUR
1. Group net loss (-) / profit (+) for the year prior to tax on profits and extraordinary items	./ 60	+ 15
2. Depreciation (+) / write-ups (-) on fixed assets	+ 487	+ 763
3. Interest expenses (+)	+ 221	+ 220
4. Increase / decrease in provisions	./ 219	./ 1,264
5. Other expenses (+) / income (-) not affecting cash flows		+ 69
6. Profit (-) / loss (+) from disposal of fixed assets	./ 5	./ 15
7. Outflow (-) for Interest	./ 117	./ 71
8. Outflow (-) for tax on profits	./ 120	./ 38
9. Increase (-) / decrease (+) in inventories, receivables and other assets	./ 529	./ 64
10. Increase (+) / decrease (-) in accounts payable and other liabilities (without financing and investing activities)	./ 70	+ 136
11. Cash flows from operating activities	./ 412	./ 249
12. Inflow (+) from tangible asset disposals	+ 5	+ 53
13. Outflow (-) for investments in tangible assets	./ 95	./ 52
14. Inflow (+) from intangible asset disposals	-	-
15. Outflow (-) for investments in intangible assets	./ 18	./ 19
16. Inflow (+) from financial asset disposals	+ 86	+ 58
17. Outflow (-) for investments in financial assets	-	-
18. Inflow (+) from interest received	+ 1	+ 4
19. Cash flows from investing activities	./ 21	+ 44
20. Inflow (+) from increase in borrowings	+ 326	-
21. Outflow (-) for repayments on borrowings	./ 34	./ 64
22. Outflow (-) for interest	./ 330	-
23. Cash flows from financing activities	./ 38	./ 64
24. Change in cash and cash equivalents affecting cash-flow	./ 471	./ 269
25. Cash and cash equivalents at beginning of period	1,164	954
26. Cash and cash equivalents at end of period	693	685
- thereof liquid assets	658	635
- thereof pledged assets	35	50

Schedule of TIPTEL Group equity capital as of June 30th, 2003

	Issued capital	Capital reserve	Retained earnings	Net profit for the period	Total
	KEUR	KEUR	KEUR	KEUR	KEUR
As of 01.01.2003	13,347	540	-8,447	-2,584	2,856
Transfers			-45	45	0
Net profit for the period				5	5
Other neutral changes			-23		60
As of 30.06.2003	13,347	540	-8,178	-2,788	2,921

Schedule of TIPTEL Group equity capital as of June 30th, 2004

	Issued capital	Capital reserve	Retained earnings	Net profit for the period	Total
	KEUR	KEUR	KEUR	KEUR	KEUR
As of 01.01.2004	13,347	540	-8,434	-3,708	1,745
Transfers			44	-44	0
Net loss of the period				-147	-147
Other neutral changes			-23		-23
As of 30.06.2004	13,347	540	-8,413	-3,899	1,575

Segment reporting

Primary reporting format 2004 (geographical segment) as of January 1st to June 30th, 2004*

	Germany	Benelux	Others in Europe	Inter- segment transfer	Elimi- nation	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Earnings						
Sales revenue with third parties	8,953	4,647	3,523	0		17,123
Inter-segment transfer	3,881	400	4	+4,285		0
Total revenue incl. transfer	12,834	5,047	3,527	-4,285		17,123
Segment result from ordinary activity						
	-250	400	-67		27	110
Interest income and expenditure						-218
Foreign currency exchange gains/losses						+20
Other income/expenses						+27
Income taxes						-86
Net loss						-147
Other information						
Segment assets	21,180	2,958	3,429		-9,975	17,592
Segment debts	15,085	3,703	4,404		-5,216	17,976
Purchase costs for fixed assets	86	7	2			95
Purchase costs for intangible assets	7		11			18
Depreciation / amortisation	422	23	42			487

* for improved comparison parts of the segment reporting were presented according to the consolidated profit and loss account

**Primary reporting format 2003 (geographical segment)
as of January 1st to June 30th, 2003***

	Germany	Benelux	Others in Europe	Inter- segment transfer	Elimi- nation	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Earnings						
Sales revenue with third parties	9,395	4,289	3,237	0		16,921
Inter-segment transfer	4,024	72	25	+4,121		0
Total revenue incl. transfer	13,419	4,361	3,262	- 4,121		16,921
Segment result from ordinary activity						
	239	278	-156		-143	218
Interest income and expenditure						-216
Foreign currency exchange gains/losses						+1
Other income/expenses						+27
Income taxes						-25
Net profit						5
Other information						
Segment assets	24,467	2,934	3,293		-10,467	20,227
Segment debts	16,253	3,626	4,602		-5,475	19,006
Purchase costs for fixed assets	42	1	9			52
Purchase costs for intangible assets	4		15			19
Depreciation / amortisation	652	43	68			763

* for comparability previous year's figures were presented according to the first half of the year 2004

**Secondary reporting format 2004 (sales by business divisions)
as of January 1st to June 30th, 2004***

	ISDN	DECT	Analog	Others	Security technology	Made-to- order production	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Earnings							
Sales revenue with third parties	4,417	1,998	7,413	793	66	2,436	17,123
Inter-segment revenue							
Total revenue incl. transfer	4,417	1,998	7,413	793	66	2,436	17,123
Segment result from ordinary activity							
	-263	189	-79	53	-18	228	110
Interest income and expenditure							-218
Foreign currency exchange gains/losses							+20
Other income/expenses							+27
Income taxes							-86
Net profit							-147
Other information							
Segment assets	4,538	2,053	7,616	814	68	2,503	17,592
Segment debts	4,637	2,097	7,783	832	69	2,558	17,976
Purchase costs for fixed assets	25	11	41	4		14	95
Purchase costs for intangible assets	5	2	8	1		2	18
Depreciation / amortisation	213		240	24	1	9	487

* for improved comparison parts of the segment reporting were presented according to the consolidated profit and loss account

**Secondary reporting format 2003 (sales by business divisions)
as of January 1st to June 30th, 2003***

	ISDN	DECT	Analog	Others	Security technology	Made-to- order production	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Earnings							
Sales revenue with third parties	4,300	2,703	6,892	1,118	85	1,822	16,921
Inter-segment revenue							
Total revenue incl transfer	4,300	2,703	6,892	1,118	85	1,822	16,921
Segment result from ordinary activity							
	241	227	-441	91	10	226	218
Interest income and expenditure							-216
Foreign currency exchange gains/losses							+1
Other income/expenses							+27
Income taxes							-25
Net profit							5
Other information							
Segment assets	5,140	3,231	8,239	1,336	102	2,179	20,227
Segment debts	4,830	3,036	7,742	1,256	95	2,047	19,006
Purchase costs for fixed assets	13	9	21	3		6	52
Purchase costs for intangible assets	5	3	8	1		2	19
Depreciation / amortisation	316	17	372	45	3	10	763

* for comparability previous year's figures were presented according to the first half of the year 2004

Shareholder structure by June 30, 2004

TIPTEL AG shows the following shareholder structure by June 30, 2004:

Erhard Schäfer	51 per cent
Free-float	49 per cent

Directors Holdings

The following shares were held by members of the management board and the supervisory board by June 30, 2004:

Management Board	Shares
Werner Materna	300

Supervisory Board	
Erhard Schäfer (Chairman of the Supervisory Board)	2,610,489
Rudolf Breiden	10
Ulrike Theiner (Employees' representative)	101

No TIPTEL shares were held by the other members of the executive bodies at the above mentioned cut-off date. No subscription rights were conferred on members of the executive bodies or other employees.

Service

All company reports of TIPTEL AG can be obtained in German and English language directly from the Internet under www.tiptel.de. In addition, under www.haubrok.de you can register in the mailing list for press information. You will then receive the latest information directly via e-mail.

Dates in 2004

November 30, 2004	3rd interim report 2004
December 15 / 16, 2004	Financial Forum / analysts conference, Frankfurt