

# TIPTTEL AG

Interim report of the TIPTTEL Group

for the period from January 1 to September 30, 2006



### Letter to the Shareholders

Dear shareholders and business friends,

By September 30, 2006 our turnover development shows a very positive trend. With 26.05 MEUR we would increase the turnover compared to previous year's period by 15.0 per cent. In the quarterly comparison the growth amounted to 21.6 per cent from 6.66 MEUR to 8.10 MEUR. In the months from July until September we could improve significantly on the earnings' side compared to previous year so that we can now register an EBIT margin of 1.7 per cent at the end of the reporting period. Amongst others, this increase could also be achieved as we concentrated again intensively on product sectors with stronger margins. We will continuously follow this strategy up to the end of the year 2006 in order to achieve our target of an EBIT margin of 2.5 per cent.

As announced in the last interim report, in the second half of the year we could introduce newly resp. further developed products in order to support a further positive turnover development. The tiptel 40 VoIP for example offers an easy and favourable solution for a smooth VoIP migration to small and medium-sized enterprises. This VoIP / ISDN gateway connects an external ISDN access (S0) of an existing ISDN PBX to the Internet. Thus, the employees have the possibility of using the advantages of partially free of charge Internet telephony.

With the tiptel 65 VoIP system telephone we provide an adequate solution for small and medium-sized enterprises which intend to minimise additional costs for call diversions and calls between locations and to enable employees outside the company's headquarter to use the features of the company-owned PBX system. In connection with the ITK PBX system tiptel 6000 business cost-saving calls can be made via the Internet among all employees and also the features of the PBX system are available to external colleagues just as if they were located in the same building.

In addition, we enlarged our DECT product portfolio by another cordless telephone, the tiptel easyDECT 6600, which offers the possibility of taking over the telephone register from the SIM card of a GSM mobile phone. Moreover, the tiptel easyDECT 6600 supports the features "name-clip" and "message waiting indication" at correspondingly equipped PBX systems. For example, at the PBX systems of the family tiptel.com the caller's name based on the central telephone register is shown and newly recorded messages are signalled.

Besides our high quality product portfolio especially our close partnership with the qualified specialised trade is an essential factor of success for years. For numerous specialised dealers the regular TIPTEL workshops are firmly established. Our partners profit from the fact that important knowledge concerning current technologies and new products is imparted based on practical examples. At the workshops, which took place end of September, the focus was on the new voice and call management modul VCM-modul 14 as well as on the gateway tiptel 40 VoIP.

Furthermore, since July we support the specialised dealers with our showroom at the location in Ratingen for product presentations and sales conversations. Thus, our innovative ITK products can be presented very closely and in an adequate atmosphere to the customers. Our qualified staff is also at service upon request.

Against the background of an improved operative development and the 9-month-figures we are confident to achieve the forecasted EBIT margin of 2.5 per cent for the total business year. Moreover, we will continue working on improving the absolute (gross) earnings situation.

Yours,

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

Werner Materna  
Management Board of TIPTEL AG

## Business development

After the first three quarters of 2006 the turnover increased by 15.0 per cent from 22.66 MEUR to 26.05 MEUR. In the third period TIPTEL could achieve an improvement of 21.6 per cent from 6.66 MEUR to 8.10 MEUR.

Alike, as already at the cut-off dated June 30, 2006 the business sector **DECT** had an essential part in this positive development. Here, in the first nine months with 5.67 MEUR the turnover could be more than doubled (previous year: 2.73 MEUR). In the third quarter the revenues increased to 1.25 MEUR after 1.01 MEUR in the previous year's quarter.

Also the sector of **Made-to-order production** provided essential contributions. By September 30, 2006 the turnover increased significantly from 2.51 MEUR to 4.26 MEUR while in the months from July to September 1.35 MEUR (previous year: 0.53 MEUR) could be earned.

While in the first nine months the business sectors **Analogue** and **ISDN** contributed 9.37 MEUR (previous year: 9.92 MEUR) respectively 5.30 MEUR (previous year: 5.95 MEUR) to the total turnover, in the third quarter it were 3.27 MEUR (previous year: 2.75 MEUR) respective 1.71 MEUR (previous year: 1.94 MEUR).

In the business sector **Other**, by September 30, 2006, TIPTEL gained in total 1.37 MEUR compared to a previous year's value of 1.49 MEUR. In the quarterly comparison an increase from 0.42 MEUR to 0.52 MEUR could be noted.

Turnover according to business sectors	01.01. to 30.09.2006	01.01. to 30.09.2005	01.07. to 30.09.2006	01.07. to 30.09.2005
	KEUR	KEUR	KEUR	KEUR
ISDN	5,302	5,948	1,707	1,935
DECT	5,670	2,726	1,254	1,010
Analogue	9,370	9,917	3,265	2,748
Security technology	71	71	5	22
Made-to-order production	4,264	2,509	1,348	525
Other	1,373	1,486	520	423
<b>Total amount</b>	<b>26,050</b>	<b>22,657</b>	<b>8,099</b>	<b>6,663</b>

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Also upon consideration according to countries the turnover development of the TIPTEL Group shows a positive trend by September 30, 2006. While the revenues in Germany improved from 12.02 MEUR to 12.95 MEUR, in the other european countries this value increased from 4.27 MEUR to 4.81 MEUR. Finally, in the Benelux countries the TIPTEL Group achieved a plus of 1.92 MEUR to 8.29 MEUR.

<b>Turnover according to countries (TIPTEL Group)</b>	<b>01.01. to 30.09.2006 in KEUR</b>	<b>01.01. to 30.09.2005 in KEUR</b>	<b>01.07. to 30.09.2006 in KEUR</b>	<b>01.07. to 30.09.2005 in KEUR</b>
Germany	12,951	12,022	4,324	3,232
Benelux countries	8,285	6,369	2,018	2,022
Other european countries	4,814	4,266	1,757	1,409
<b>Total</b>	<b>26,050</b>	<b>22,657</b>	<b>8,099</b>	<b>6,663</b>

### Earnings situation and cost development

After the first nine months of 2006 the earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to 1.05 MEUR (previous year: 1.13 MEUR) whereas, in the third quarter, it achieved 0.61 MEUR (Q3/2005: 0.13 MEUR). By September 30, 2006 the earnings before interest and taxes amounted to 0.45 MEUR compared to 0.57 MEUR in the comparable period of 2005. In the quarterly comparison the EBIT improved significantly from -0.03 MEUR to 0.29 MEUR. The 9-month-result after minorities finally amounted to -0.48 MEUR (previous year: -0.19 MEUR) which led to earnings per share of -0.09 EUR (previous year: -0.04 EUR).

By September 30, 2006 under consideration of changes in inventories the material cost quota amounted to 55.2 per cent (previous year: 48.9 per cent). As in the first half of the year 2006 this increase came along with the turnover development in the DECT business sector where in special product ranges lower percentage margins can be achieved.

Especially in the third quarter the material cost quota under consideration of changes in inventories decreased compared to the second quarter by 5.6 per cent respectively by 3.1 percentage points from 55.7 per cent to 52.6 per cent.

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By the end of the reporting period the personnel expenses, the other operational expenses as well as depreciations on fixed assets increased to in total 13.32 MEUR after 12.87 MEUR in the comparable period of 2005 as, amongst others, in 2005 lower provisions in the personnel sector had to be respected due to an additional trade agreement concluded with the trade-union and the workforce.

In the third quarter provisions to the amount of 0.17 MEUR could be released as a pending litigation in connection with the building at Kiel (Hagenuk) could be settled. Furthermore, revenues to the amount of 0.26 MEUR could be achieved by sales of tools.

With an EBITDA margin of 4.0 per cent achieved after the first nine months (previous year: 5.0 per cent) and an EBIT margin of 1.7 per cent (previous year: 2.5 per cent) the margin development can be presented as follows in the longer-term survey:

<b>Development of the EBITDA and the EBITDA margin in the Group</b>	<b>EBITDA in KEUR</b>	<b>EBITDA margin in per cent</b>
2003 p.a.	515	+1.5
2004 p.a.	1,157	+3.5
2005 p.a.	1,091	+3.6
<b>01.01. – 30.09.2006</b>	<b>1,047</b>	<b>+4.0</b>

<b>Development of the EBIT and the EBIT margin in the Group</b>	<b>EBIT in KEUR</b>	<b>EBIT margin in per cent</b>
2003 p.a.	-785	-2.3
2004 p.a.	360	+1.1
2005 p.a.	401	+1.3
<b>01.01. – 30.09.2006</b>	<b>453</b>	<b>+1.7</b>

## Assets and financial situation

Compared to the cut-off date of December 31, 2005 the balance sheet total of the TIPTEL Group increased from 17.22 MEUR to 18.15 MEUR by September 30, 2006.

<b>Net worth and capital structure</b>	<b>30.09.2006</b> in KEUR	<b>31.12.2005</b> in KEUR
<b>Assets</b>		
Short-term assets	9,351	9,175
Long-term assets	8,802	8,048
<b>Liabilities</b>		
Short-term liabilities	8,928	7,793
Long-term liabilities	8,946	8,747
Equity capital	279	683
<b>Balance sheet total</b>	<b>18,153</b>	<b>17,223</b>

On the assets' side basically the immaterial assets increased significantly from 2.35 MEUR to 3.20 MEUR.

On the liabilities' side the Group equity capital decreased to 0.28 MEUR which led to an equity capital ratio of 1.5 per cent at the end of the reporting period (31.12.2005: 4.0 per cent). Moreover, the accounts payable from goods and services increased temporarily, amongst others, due to higher purchase volumes from 2.62 MEUR to 3.85 MEUR whereas the short-term financial liabilities increased by 0.46 MEUR to 2.12 MEUR. In contrast to this, the other debts could be reduced from 1.20 MEUR to 0.75 MEUR.

In the framework of the consolidated cash-flow statement the inflow from ordinary business activities increased to 0.78 MEUR by September 30, 2006 (previous year: 0.13 MEUR). Compared to previous year the investment activities of TIPTEL rose to 1.27 MEUR (previous year: 1.01 MEUR). The cash-flow from financing activities increased from -0.21 MEUR to +0.37 MEUR.

## Orders-on-hand

By September 30, 2006 the orders-on-hand of TIPTEL AG and DFG amounted to 4.10 MEUR after 2.71 MEUR by September 30, 2005.

## Investments / Research & Development

By September 30, 2006 TIPTEL invested in total 1.27 MEUR (previous year: 1.01 MEUR), the major part of which was still spent for product development.

After the first nine months of 2006 the expenses in the sector of research and development amounted to 1.45 MEUR compared to 1.56 MEUR in the comparable period 2005. Herein included are capitalized self-constructed assets according to IAS 38 to the amount of 1.12 MEUR (previous year: 0.85 MEUR).

## Staff

By September 30, 2006 the TIPTEL Group employed in total 248 persons (previous year: 252), whereof 213 persons were employed in Germany (previous year: 216).

## Investor Relations

The TIPTEL share started with a Xetra closing rate of 0.80 EUR into the third quarter of 2006. In the further course, however, the share fell and noted at 0.66 EUR by September 30, 2006.

This year the annual shareholders' meeting took place for the first time at the "Theater am Marientor" at Duisburg as the company had to assume that, due to a significantly increased number of shareholder registrations, the capacity of the present meeting place would not be sufficient. At first, Mr. Materna explained the business development of 2005 and the development of the first quarter of 2006 to the shareholders, shareholders' representatives and guests. After the subsequent general debate the voting took place in which all resolutions were agreed to in the sense of the Management with a very large majority.

Further information regarding the TIPTEL AG can be obtained, as usual, from our homepage [www.tiptel.de](http://www.tiptel.de).



### Incidents after the end of the reporting period

After the end of the reporting period TIPTEL sold the remaining 51 per cent of its shares of the Dutch Tiptel b.v. to Robinco Treuhand GmbH & Co. Beteiligungs KG, Ratingen, whose General Manager is Erhard Schäfer, the Chairman of the Supervisory Board of TIPTEL AG. Thus, Robinco Treuhand exercised its option of full acquisition which it was granted upon buying the first 49 per cent of the shares in August 2005. By this sales TIPTEL AG received about 1 million Euros.

Furthermore, on November 20, 2006 TIPTEL also sold the subsidiaries Tiptel s.a.r.l. (France) and Tiptel NV/SA (Belgium) to Tiptel b.v. according to agreement. The sales price amounted to about 1 million Euros in total and should serve to strengthen the liquidity.

The effects of the sales of shares on the result of the fourth quarter 2006 will amount to about +0.6 MEUR.

### Future business outlook

The business development in the first nine months of 2006 showed a significantly positive trend with regard to the turnover. After improving our earnings' figures in the third quarter by again concentrating intensively on product ranges with stronger margins, we will continue this way in order to achieve our annual target.

Product-wise we will continue concentrating our investments on growth of the sectors VoIP, PBX systems and telephones. By targeted expansion but also by innovations our successful product mix should be continued consequently. In-company TIPTEL plans to reduce the inventories at Group level as well as the liabilities. Moreover, the absolute (gross) earnings situation should be improved further on.

On basis of the present business development the Management Board still expects an EBIT margin of 2.5 per cent for the total business year of 2006.

### Additional explanations

1. The balancing and valuation methods as well as the means of calculation used for the year up to December 31, 2005 remained unchanged for the period up to September 30, 2006.
2. The interim report of the TIPTEL Group for the period of January 1 to September 30, 2006 is in accordance with the International Financial Reporting Standards (IFRS) in connection with IAS 34.
3. Compared to the consolidated annual financial statement by December 31, 2005 the basis of consolidation remained unchanged.
4. 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 2005.

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### Consolidated profit and loss account of TIPTEL AG as of January 1 to September 30, 2006

	Interim Report III/2006 01.07.2006 to 30.09.2006	Interim Report III/2005 01.07.2005 to 30.09.2005	9-Month- Report 01.01.2006 to 30.09.2006	9-Month- Report 01.01.2005 to 30.09.2005
	KEUR	KEUR	KEUR	KEUR
<b>1. Revenues</b>	<b>8,099</b>	<b>6,663</b>	<b>26,050</b>	<b>22,657</b>
2. Other operating income	544	683	946	999
3. Changes in inventories finished and unfinished goods	128	116	-136	217
4. Other capitalized service	529	247	1,118	854
5. Costs of materials	-4,392	-3,455	-14,250	-11,297
6. Personnel expenses	-2,958	-2,888	-8,808	-8,602
7. Depreciation on fixed assets and intangible assets	-315	-158	-594	-561
8. Other operating expenses	-1,360	-1,234	-3,919	-3,703
<b>9. Result from operating activities</b>	<b>275</b>	<b>-26</b>	<b>407</b>	<b>564</b>
10. Interest income	-125	-132	-346	-389
11. Foreign currency exchanges gains/loss	12	-20	24	-29
12. Other income/expenses	7	15	22	33
<b>13. Result before income taxes</b>	<b>169</b>	<b>-163</b>	<b>107</b>	<b>179</b>
14. Income taxes	-144	-127	-385	-358
<b>15. Annual result</b>	<b>25</b>	<b>-290</b>	<b>-278</b>	<b>-179</b>
16. Earnings entitled to other shareholders	-57	-15	-197	-15
<b>17. Earnings entitled to group shareholders</b>	<b>-32</b>	<b>-305</b>	<b>-475</b>	<b>-194</b>
<b>Earnings per share (basic) in EUR</b>	<b>-0.01</b>	<b>-0.06</b>	<b>-0.09</b>	<b>-0.04</b>
<b>Weighted average shares outstanding (basic)</b>	<b>5,220,972</b>	<b>5,220,972</b>	<b>5,220,972</b>	<b>5,220,972</b>

Consolidated Balance Sheet of TIPTEL AG  
as of September 30, 2006

	As of 30.09.2006	As of 31.12.2005
	KEUR	KEUR
<b>ASSETS</b>		
<b>A Current assets</b>		
I. Liquid funds	450	313
II. Trade accounts receivable	1,914	2,151
III. Inventories	6,087	6,014
IV. Financial receivables	737	416
V. Other current assets	163	281
<b>Total current assets</b>	<b>9,351</b>	<b>9,175</b>
<b>B Non current assets</b>		
I. Property, plant and equipment	2,035	2,105
II. Intangible assets	3,203	2,352
III. Financial assets	1,637	1,637
IV. According to equity accounting investments	6	6
V. Deferred taxes	1,921	1,948
<b>Total non current assets</b>	<b>8,802</b>	<b>8,048</b>
<b>Total assets</b>	<b>18,153</b>	<b>17,223</b>
<b>LIABILITIES</b>		
<b>A Current liabilities</b>		
I. Trade accounts payable	3,845	2,616
II. Financial liabilities	2,118	1,661
III. Income tax payable	104	18
IV. Other provisions and accruals	2,114	2,298
V. Other liabilities	747	1,200
<b>Total current liabilities</b>	<b>8,928</b>	<b>7,793</b>
<b>B Non current liabilities</b>		
I. Financial liabilities	2,330	2,249
II. Deferred tax liabilities	908	725
III. Provisions for pensions	3,159	3,224
IV. Other liabilities	2,549	2,549
<b>Total non current liabilities</b>	<b>8,946</b>	<b>8,747</b>
<b>C Shareholders' equity</b>		
I. Subscribed capital	7,420	13,347
II. Capital reserve	540	540
III. Balance sheet result	-31	-5,484
IV. Accumulated other comprehensive result	-8,036	-8,056
V. Minority interests	386	336
<b>Total shareholders' equity</b>	<b>279</b>	<b>683</b>
<b>Total liabilities</b>	<b>18,153</b>	<b>17,223</b>

Consolidated cash-flow statement of TIPTEL AG  
as of January 1 to September 30, 2006

	01.01. to 30.09.2006	01.01. to 30.09.2005
	KEUR	KEUR
<b>1. Group net result for the year / prior to tax on profits (-)</b>	<b>+ 108</b>	<b>+ 179</b>
2. Depreciation (+) / write-ups (-) on fixed assets	+ 594	+ 561
3. Interest increase (+)	+ 348	+ 392
4. Increase (+) / decrease (-) in provisions	./ 250	+ 111
5. Profit (-) / loss (+) from disposal of fixed assets	./ 250	./ 605
6. Outflow (-) for interest	./ 54	./ 71
7. Outflow (-) for tax on profits	./ 84	./ 98
8. Increase (-) / decrease (+) in inventories, receivables and other assets	./ 377	+ 545
9. Increase (+) / decrease (-) in accounts payable from goods and services and other liabilities (without financing and investing activities)	+ 741	./ 882
<b>10. Cash-flow from operating activities</b>	<b>+ 776</b>	<b>+ 132</b>
11. Inflow (+) from tangible asset disposals	+ 255	+ 42
12. Outflow (-) for investments in fixed assets	./ 134	./ 142
13. Outflow (-) for investments in intangible assets	./ 1,134	./ 863
14. Inflow (+) from financial asset disposals	-	+ 1,030
15. Inflow (+) from interest received	+ 2	+ 1
<b>16. Cash-flow from investing activities</b>	<b>./ 1,011</b>	<b>+ 68</b>
17. Inflow (+) from increase in borrowings	+ 835	+ 341
18. Outflow (-) for repayments on borrowings	./ 288	./ 309
19. Outflow (-) from interest	./ 175	./ 239
<b>20. Cash-flow from financing activities</b>	<b>+ 372</b>	<b>./ 207</b>
<b>21. Change in cash and cash equivalents affecting cash-flow</b>	<b>+ 137</b>	<b>./ 7</b>
22. Cash and cash equivalents at beginning of period	313	533
<b>23. Cash and cash equivalents at end of period</b>	<b>450</b>	<b>526</b>
- thereof liquid assets	426	451
- thereof pledged assets	24	75

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### Schedule of TIPTEL Group equity capital as of September 30, 2005

	Subscribed capital	Capital reserve	Accumulated other compre- hensive loss	Balance sheet loss	Shares of other share- holders	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>As of 01.01.05</b>	<b>13,347</b>	<b>540</b>	<b>-8,302</b>	<b>-4,688</b>		<b>897</b>
Net loss for the period				-179		-179
Disposal of Tiptel b.v. (NL)			116	-131	424	409
Currency translation			7			
<b>As of 30.09.05</b>	<b>13,347</b>	<b>540</b>	<b>-8,178</b>	<b>-4,999</b>	<b>424</b>	<b>1,134</b>

### Schedule of TIPTEL Group equity capital as of September 30, 2006

	Subscribed capital	Capital reserve	Accumulated other comprehensive loss	Balance sheet loss	Shares of other share- holders	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>As of 01.01.2006</b>	<b>13,347</b>	<b>540</b>	<b>-8,056</b>	<b>-5,484</b>	<b>336</b>	<b>683</b>
Capital decrease	-5,927			5,927		0
Net loss for the period				-474	+197	-277
Currency translation			20			20
Distribution					-147	-147
<b>As of 30.09.06</b>	<b>7,420</b>	<b>540</b>	<b>-8,036</b>	<b>-31</b>	<b>386</b>	<b>279</b>

## Segment reporting

<b>PRIMARY SEGMENT 2006 (GEOGRAPHICAL SEGMENT)</b>						
	<b>Germany</b>	<b>Benelux</b>	<b>Rest of Europe</b>	<b>Intersegment transfer</b>	<b>Eliminations</b>	<b>Total</b>
	<b>KEUR</b>	<b>KEUR</b>	<b>KEUR</b>	<b>KEUR</b>	<b>KEUR</b>	<b>KEUR</b>
<b>Earnings</b>						
Sales revenue with third parties	12,951	8,285	4,814	0		26,050
Inter-segment transfer	3,783	595	403	+4,781		0
<b>Sales revenue incl. transfer</b>	<b>16,734</b>	<b>8,880</b>	<b>5,217</b>	<b>-4,781</b>		<b>26,050</b>
<b>Segment result from ordinary business activity</b>						
	<b>-1,637</b>	<b>495</b>	<b>-272</b>		<b>1,821</b>	<b>407</b>
Interest income						-346
Foreign currency exchange gains/loss						+24
Other income/expenses						+22
Income taxes						-385
<b>Annual loss</b>						<b>-278</b>
<b>Other Information</b>						
Segment assets	18,097	3,757	3,145		-8,767	16,232
Segment debts	13,680	3,899	4,608		-5,325	16,862
Purchase costs for fixed tangible assets	136	34	2			172
Purchase costs for fixed intangible asset	1,196	12				1,208
Depreciation	524	40	30			594

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<b>SECONDARY SEGMENT 2006 (BUSINESS AREAS)</b>							
	ISDN	DECT	Analogue	Others	Security technology	Made-to- order production	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>Earnings</b>							
Sales revenue with third parties	5,302	5,670	9,370	1,373	71	4,264	26,050
Inter-segment transfer							
<b>Sales revenue incl. transfer</b>	<b>5,302</b>	<b>5,670</b>	<b>9,370</b>	<b>1,373</b>	<b>71</b>	<b>4,264</b>	<b>26,050</b>
<b>Segment result from ordinary business activity</b>							
	<b>-214</b>	<b>50</b>	<b>65</b>	<b>269</b>	<b>12</b>	<b>225</b>	<b>407</b>
Interest income							-346
Foreign currency exchange gains/loss							+24
Other income/expenses							+22
Income taxes							-385
<b>Annual loss</b>							<b>-278</b>
<b>Other information</b>							
Segment assets	3,304	3,533	5,838	856	44	2,657	16,232
Segment debts	3,432	3,670	6,065	889	46	2,760	16,862
Purchase costs for fixed tangible assets	35	37	63	9		28	172
Purchase costs for fixed intangible assets	909	20	259	5		15	1,208
Depreciation	249	18	255	22		50	594



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<b>PRIMARY SEGMENT 2005 (GEOGRAPHICAL SEGMENT)</b>						
	Germany	Benelux	Rest of Europe	Interseg- ment transfer	Elimi- nations	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>Earnings</b>						
Sales revenue with third parties	12,022	6,369	4,266	0		22,657
Inter-segment transfer	4,142	405	48	+4,595		0
<b>Sales revenue incl. transfer</b>	<b>16,164</b>	<b>6,774</b>	<b>4,314</b>	<b>-4,595</b>		<b>22,657</b>
<b>Segment result from ordinary business activity</b>						
	<b>580</b>	<b>392</b>	<b>-87</b>		<b>-321</b>	<b>564</b>
Interest income						-389
Foreign currency exchange gains/loss						-29
Other income/expenses						+33
Income taxes						-358
<b>Annual loss</b>						<b>-179</b>
<b>Other Information</b>						
Segment assets	20,340	2,894	2,604		-9,882	15,956
Segment debts	13,421	3,692	3,713		-4,817	16,009
Purchase costs for fixed tangible assets	70	65	4			139
Purchase costs for fixed intangible assets	863					863
Depreciation	492	25	44			561

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<b>SECONDARY SEGMENT 2005 (BUSINESS AREAS)</b>							
	ISDN	DECT	Analogue	Others	Security technology	Made-to-order production	Total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>Earnings</b>							
Sales revenue with third parties	5,948	2,726	9,917	1,486	71	2,509	22,657
Inter-segment transfer							
<b>Sales revenue incl. transfer</b>	<b>5,948</b>	<b>2,726</b>	<b>9,917</b>	<b>1,486</b>	<b>71</b>	<b>2,509</b>	<b>22,657</b>
<b>Segment result from ordinary business activity</b>							
	<b>52</b>	<b>268</b>	<b>-225</b>	<b>286</b>	<b>-14</b>	<b>197</b>	<b>564</b>
Interest income							-389
Foreign currency exchange gains/loss							-29
Other income/expenses							+33
Income taxes							-358
<b>Annual loss</b>							<b>-179</b>
<b>Other Information</b>							
Segment assets	4,189	1,920	6,984	1,046	50	1,767	15,956
Segment debts	4,203	1,926	7,007	1,050	50	1,773	16,009
Purchase costs for fixed tangible assets	37	17	63	9		16	142
Purchase costs for fixed intangible assets	700	1	160	1		1	863
Depreciation	224	66	267			4	561

## Shareholder structure

TIPTEL AG shows the following shareholder structure by September 30, 2006:

Erhard Schäfer	11.5 per cent
Free float	88.5 per cent

## Directors Holdings

The following shares were held by members of the Management Board and the Supervisory Board by September 30, 2006:

### **Management Board**

Werner Materna	300
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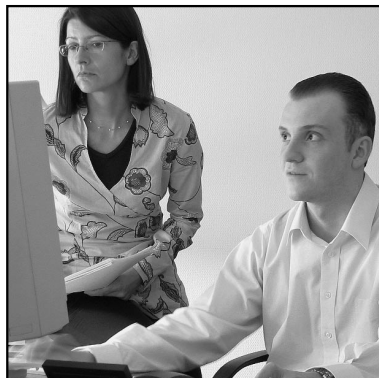
### **Supervisory Board**

Erhard Schäfer	600,460
Rudolf Breiden	10
Ulrike Theiner	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 can be obtained in German and English language directly from the Internet under [www.tiptel.de](http://www.tiptel.de). In addition, under [www.haubrok.de](http://www.haubrok.de) you can register in the mailing list for press information. You will then receive the latest information directly via e-mail.



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