



Interim  
Report  
3rd Quarter

2012  
Berlin, November 12th

# Berlin, November 12th

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Imprint

# Letter to the Shareholders

Dear Shareholders,  
Dear Sir or Madam,

Both of YOC's segments were able to keep up sales growth in the third quarter as well as the first nine months of the current financial year. Group sales climbed 16% in the first nine months to EUR 26.0 million (previous year EUR 22.4 million). The Media segment grew by 19% y-o-y in the first nine months, while Sevenval (Mobile Technology segment) posted 12% growth. Investments in central product and technology management in the Media segment as well as the further development of the YOC Performance Network, weighed on earnings. YOC AG's EBITDA therefore amounts to EUR -2.3 million in the first nine months (previous year EUR -2.5 million). The further development of the networks will enhance scalability and pave the way for further growth.

Two capital increases performed in August and October 2012 additionally strengthened the equity capital base to be able to finance future growth in the Media segment. The capital increases attracted many investors, were oversubscribed and generated liquid proceeds of some EUR 3.0 million.

In September, Dirk Kraus resigned from the Management Board. The company and its employees thank Dirk Kraus for many years of working for YOC, in which he led the company from a start-up company to a medium-sized enterprise that is listed in the Prime Standard of the Frankfurt Stock Exchange.

## Sevenval - Mobile Technology segment

The strategic realignment of Sevenval (Mobile Technology segment) was successfully completed at the beginning of the financial year. The structural adjustments made and the focus on core business are bearing fruit. The business has returned to a sustainable growth path and was able to raise profitability in each of the quarters of this financial year's first nine months. In total, sales rose to EUR 10.3 million (previous year EUR 9.2 million), which corresponds to growth of 12%. Operating income thereby increased to EUR 1.6 million (previous year EUR -0.6 million). As announced, YOC AG is currently discussing strategic options for Sevenval.

We managed to attract new customers and increase business with existing customers in the first nine months of the current financial year. Mercedes-Benz, for instance, extended its cooperation with Sevenval from the European to the Asian market. With our recently launched 12.01 version of the FIT software, we provide significant further developments in the field of web performance, transaction security and usability. Based on the strong demand and the performance features of our FIT Technology, we expect Sevenval to maintain its positive performance.

## Media Segment

Sales in the Media segment rose by 19% to EUR 15.6 million (previous year EUR 13.2 million) in the first nine months. YOC Media operates three different networks: the mobile branding network YOC Media Network, the mobile sales network YOC Performance Network und the affiliate marketing network belboon. The YOC Media Network continued to show strong growth in the medium double-digit percentage range in the first nine months and the third quarter, while belboon posted stable performance year on year in the first nine months and grew in the low double-digits in the third quarter. Although the YOC Performance Network posted low double-digit growth in the first nine months, it was unable to meet the prior year's successful performance in the third quarter. Technological changes in the market for download tracking and a shift in customer requirements called for realignment and investments in the product. Nevertheless, we are confident that this product area will also return to its sustainable growth path in the year to come.

# Letter to the Shareholders

Investments in central product and technology management and the further development of our technological platforms, particularly the YOC Performance Network, weighed on earnings in the first nine months. However, these investments will create the basis for improved scalability and future growth. On balance, operating income came out to EUR -1.5 million (previous year EUR 1.2 million).

We are especially proud of the Mobile Advertising format Mystery Ad's nomination for the Effective Mobile Marketing Award – after having been awarded the Golden Lion in the Mobile Advertising category in Cannes. This further emphasizes the growing importance of the Mobile field as an advertising medium as well as the innovative strength of YOC Media. The company's international publisher portfolio has also been further expanded in the last nine months, and now also includes premium publishers such as N24, wetter.tv, eBuddy and Marie Claire.

Based on the seasonal pattern of the Media business and further positive performance by both Media and Sevenval, we expect to see sales rise again in the fourth quarter.

Thank you for your trust and confidence.

Yours



Patrick Feller,  
Spokesman of the YOC AG  
Management Board

## YOC at a Glance

| (in kEUR)                                                | 9M/2012 | 9M/2011              | Change | Change in % |
|----------------------------------------------------------|---------|----------------------|--------|-------------|
| <b>YOC Group (continued and discontinued operations)</b> |         |                      |        |             |
| <b>Revenue and earnings</b>                              |         |                      |        |             |
| Total revenue                                            | 25,978  | 22,426 <sup>*3</sup> | 3,552  | 16%         |
| Germany                                                  | 13,021  | 12,045 <sup>*3</sup> | 976    | 8%          |
| Other countries                                          | 12,957  | 10,381 <sup>*3</sup> | 2,576  | 25%         |
| Mobile Technology segment                                | 10,340  | 9,239                | 1,101  | 12%         |
| Media segment                                            | 15,638  | 13,187 <sup>*3</sup> | 2,451  | 19%         |
| Total performance                                        | 27,383  | 23,770               | 3,613  | 15%         |
| EBITDA                                                   | -2,298  | -2,466               | 168    | -7%         |
| EBITDA - margin (in %)                                   | -8%     | -10%                 | n/a    | n/a         |
| EBITA <sup>*1</sup>                                      | -3,222  | -3,739               | 517    | -14%        |
| Earnings after tax                                       | -4,113  | -6,830               | 2,717  | -40%        |
| Earnings per share (diluted in EUR)                      | -1.94   | -3.36                | 1.42   | -42%        |
| Earnings per share (basic in EUR)                        | -2.11   | -3.64                | 1.53   | -42%        |
| <b>Financial position and liquidity</b>                  |         |                      |        |             |
| Total assets                                             | 28,840  | 30,603 <sup>*4</sup> | -1,763 | -6%         |
| Equity ratio (in %)                                      | 30%     | 36% <sup>*4</sup>    | n/a    | n/a         |
| Cash and cash equivalents                                | 729     | 1,571 <sup>*4</sup>  | -842   | -54%        |
| Operating cash flow                                      | -1,647  | -398                 | -1,250 | <-100%      |
| <b>Employees</b>                                         |         |                      |        |             |
| Average number of employees <sup>*2</sup>                | 227     | 205                  | 22     | 11%         |
| Number of employees as per 30/09/2012                    | 224     | 230                  | -6     | -3%         |
| Total output per employee (in kEUR)                      | 121     | 116                  | 5      | 4%          |

<sup>\*1</sup> EBIT before depreciation and amortization due to purchase price allocation (EBIT adjusted by depreciation and amortization due to company acquisitions)

<sup>\*2</sup> On the basis of permanent employees

<sup>\*3</sup> Since the reporting year 2012 the total revenues of the Media segment are calculated net after the deduction of agency commissions. As comparison the figures of 2011 have been adapted by agency commissions of 766 kEUR (Germany 321 kEUR, other countries 445 kEUR) resulting in reduced revenues and other operating expenses.

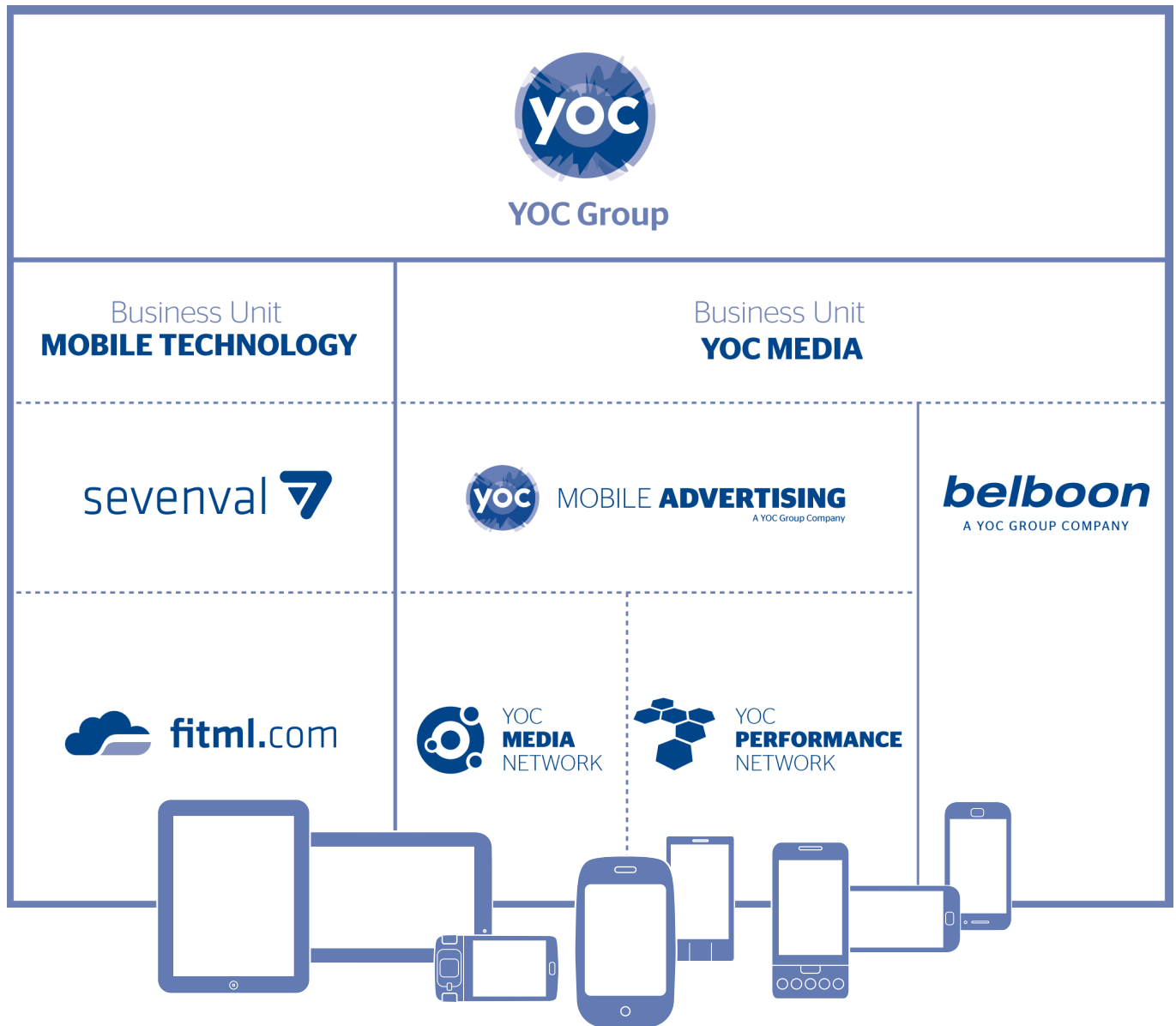
<sup>\*4</sup> As per 31/12/2011

► The figures are not subject to an auditor's review.

Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

| (in kEUR )                                         | 9M/2012 | 9M/2011              | Change | Change in % |
|----------------------------------------------------|---------|----------------------|--------|-------------|
| <b>Media and Holding (continued operations)</b>    |         |                      |        |             |
| <b>Revenue and earnings</b>                        |         |                      |        |             |
| Total revenue                                      | 15,638  | 13,187 <sup>*3</sup> | 2,451  | 19%         |
| Germany                                            | 6,559   | 7,408 <sup>*3</sup>  | -849   | -11%        |
| Other countries                                    | 9,079   | 5,780 <sup>*3</sup>  | 3,299  | 57%         |
| Total performance                                  | 16,176  | 13,584               | 2,593  | 19%         |
| EBITDA                                             | -3,880  | -1,868               | -2,012 | <-100%      |
| EBITDA - margin (in %)                             | -24%    | -14%                 | n/a    | n/a         |
| EBITA <sup>*1</sup>                                | -4,439  | -2,779               | -1,660 | 60%         |
| Earnings after tax                                 | -4,801  | -1,951               | -2,850 | <-100%      |
| <b>Employees</b>                                   |         |                      |        |             |
| Average number of employees <sup>*2</sup>          | 116     | 86                   | 30     | 35%         |
| Number of employees as per 30/09/2012              | 113     | 94                   | 19     | 20%         |
| Total output per employee (in kEUR )               | 139     | 158                  | -18    | -12%        |
| <b>Mobile Technology (discontinued operations)</b> |         |                      |        |             |
| <b>Revenue and earnings</b>                        |         |                      |        |             |
| Total revenue                                      | 10,340  | 9,239                | 1,101  | 12%         |
| Germany                                            | 6,462   | 4,637                | 1,825  | 39%         |
| Other countries                                    | 3,878   | 4,602                | -724   | -16%        |
| Total performance                                  | 11,206  | 10,186               | 1,021  | 10%         |
| EBITDA                                             | 1,583   | -598                 | 2,181  | >100%       |
| EBITDA - margin (in %)                             | 14%     | -6%                  | n/a    | n/a         |
| EBITA <sup>*1</sup>                                | 1,218   | -1,023               | 2,241  | >100%       |
| Earnings after tax                                 | 688     | -4,879               | 5,567  | >100%       |
| <b>Employees</b>                                   |         |                      |        |             |
| Average number of employees <sup>*2</sup>          | 111     | 119                  | -8     | -7%         |
| Number of employees as per 30/09/2012              | 111     | 136                  | -25    | -18%        |
| Total output per employee (in kEUR )               | 101     | 86                   | 15     | 18%         |

# Interim Consolidated Management Report



## The Company's Performance in the Third Quarter of 2012

The YOC Group's sales rose 16% from EUR 22.4 million to EUR 26.0 million in the period under review. The Mobile Technology segment accounts for 40% and the Media segment for 60%.

EBITDA stood at EUR -2.3 million in the first nine months of the 2012 financial year.

Cash flow from operating activities dropped to EUR -1.6 million.

The YOC Group is set to continue on its international growth path. Sales in our international markets surged by 26% from EUR 10.3 million to EUR 13.0 million, now accounting for some 50% of total sales.

YOC is a leading provider of mobile technology and media. In its Mobile Technology division, YOC licenses and implements software products for the development of cutting-edge technological infrastructure like mobile internet sites, web apps, mobile commerce, secure mobile banking, mobile CRM platforms and integrated, high end mobile marketing campaigns. The Media segment (Mobile

Advertising and Affiliate Marketing) includes the marketing of media bundles and advanced rich media advertising formats for highly targeted and efficient mobile advertising. Several of the world's top brands (e.g. The Coca-Cola Company, Mercedes-Benz, Motorola, Waitrose, Ford and Swiss Airlines) trust on YOC's products, the company's technological expertise and innovative power.

## MOBILE TECHNOLOGY

YOC's product portfolio is based on in-house developed technologies which are connected on one single, innovative and high-performance platform and offer great flexibility, performance, reliability and scalability. Roadmaps are used to continually develop these enabling technologies so that YOC will always be in the position to globally provide cutting-edge mobile technology products and platforms.

The technological base for the Mobile Technology segment is the FIT Technology developed by YOC subsidiary Sevenval. This leading global technology enables the automatic creation and optimised conversion of existing online content for all internet-enabled devices. The FIT Technology can adjust websites to the properties of devices, operating systems and browsers. Our customers can

choose between licensing their software products and having an in-house installation of either the FIT Server or the fitml.com cloud version. Sevenval operates more than hundred mobile sites worldwide based on its FIT Technology. It is the first software provider to offer the possibility to programme and operate individual mobile sites for free at [www.fitml.com](http://www.fitml.com).

This approach helps YOC Group to exactly meet the needs of the customers since nowadays advertisers, publishers, retailers etc. need to constantly adjust to the rapid development of new devices. This means that advertising formats and mobile portals need to be provided for all operating systems if possible, such as Apple's iOS, Google's Android and Microsoft's Windows Phone 7.



## MEDIA

The Media segment is built upon two pillars: Mobile Advertising and – under the belboon brand – Affiliate Marketing.

### Mobile Advertising

In the Mobile Advertising segment YOC markets mobile websites and applications, generating advertising revenue for publishers. YOC operates two specialised networks: the YOC Media Network and the YOC Performance Network.

The YOC Media Network offered by YOC is a premium advertising network that is specialised in brand-building advertising with Europe's uppermost media penetration in Germany, Austria, France, Spain and Great Britain. The YOC Media Network provides advertisers aiming for brand image, awareness and commitment with highly innovative rich media advertising formats, cutting-edge targeting methods and detailed reporting tools. Against this background we are always striving to meet the individual targets of our customers. This network offers a range of exclusive premium publishers such as The Telegraph, N24, krone.at, NRJ, ELLE and MTV to place campaigns in ideal environments and reach the focused target groups.



► Mystery Ad for Thor

Alongside the MMA standard publicity banners, YOC Media is continuously developing new mobile advertising products to offer maximum technological know-how to its customers. With its YOC Media Network, YOC offers classic banner formats, video ad formats to monetise video content and interactive rich media advertising formats, which proactively involve users and thus contribute to positive brand building. The campaigns are mainly operated on a fixed Cost per Mille (CPM) basis.



► Mobile Banner for Deutsche Bahn

The YOC Performance Network is an ad network that is well-positioned internationally. It enables advertisers to generate leads and increase their sales via the mobile channel. This network provides its customers with ultra high reach in the core markets Germany, Austria, France, Spain and Great Britain. The YOC Performance Network specialises in performance-related CPC pricing models but has also started to offer pay per download price models very recently, thus guaranteeing optimum reach for all campaigns.

The YOC Performance Network is offered as a full-service or self-service version. Its platform can be used to book individual campaigns and optimise them. In addition to the MMA standard publicity banners, the YOC Performance Network also gives its customers the possibility of running rich media campaigns.

## Affiliate Marketing

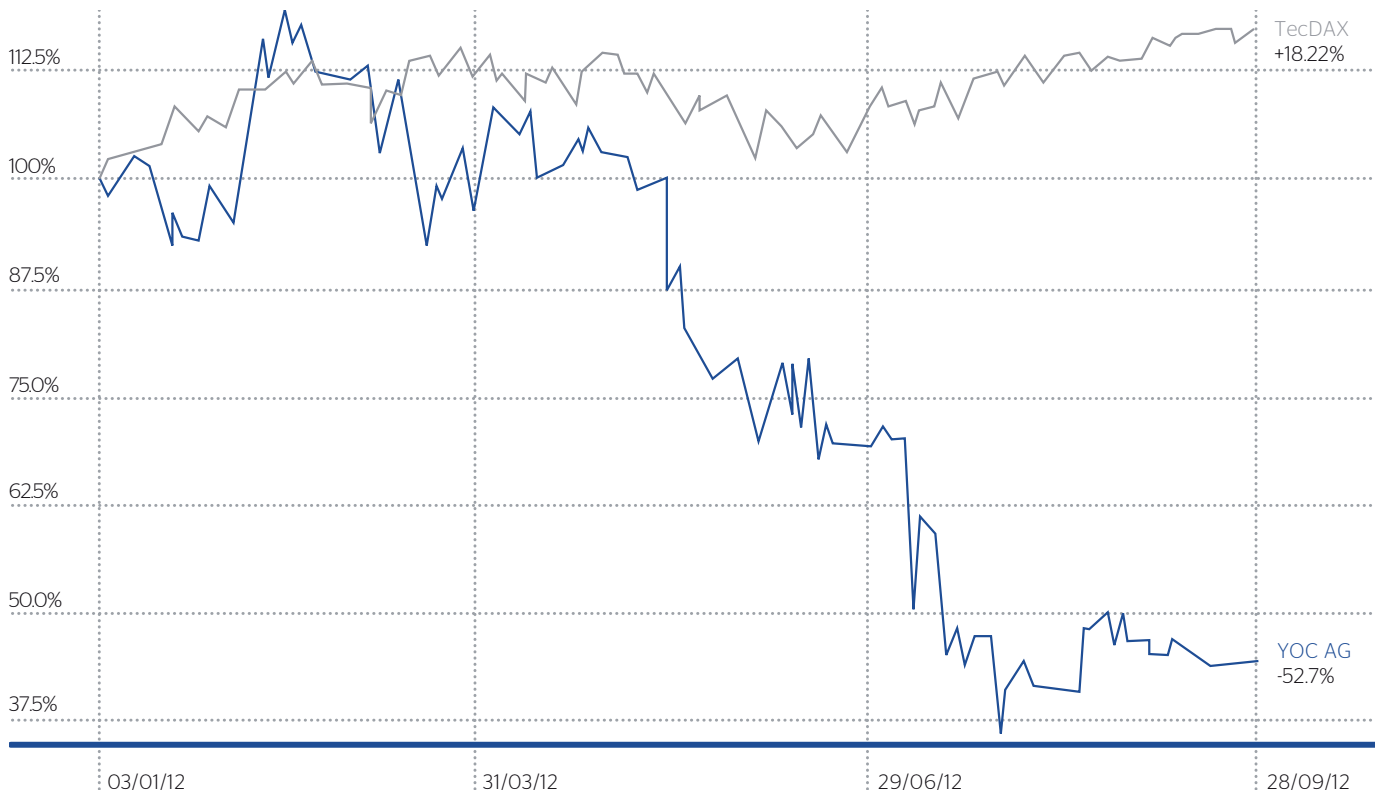
belboon-adbutler GmbH and its affiliate marketing network belboon represent the Affiliate Marketing segment within YOX Group. The company is one of the three leading performance marketing networks in the German-speaking world. It offers a portfolio of more than 1,300 partner programmes and 65,000 active publishers from 30 countries. It includes online and mobile marketing, which is operated on a performance-based pricing model. Publishers and advertisers can thus benefit from significant synergy effects due to a purely performance-based pricing model and enormous network reach.

The Affiliate Marketing network acts as an interface and a market place for two customer groups: publishers and advertisers. belboon links the online advertising of advertisers to the advertising space of publishers. Advertising via the Affiliate Network is operated on the basis of performance-related commissions. Advertising customers only have to pay if sale or address generation was successful.

The portfolio of services offered by the affiliate network provides its customers with marketing solutions which are tailored to each customer's needs. These include retargeting, performance display advertising, SEO/SEM, voucher code marketing, social media marketing, affiliate marketing, email marketing and mobile affiliate marketing.

## The YOC Share

### YOC Share and TecDAX Performance Index developments



|            | YOC AG                  | TecDAX Performance Index |
|------------|-------------------------|--------------------------|
| 03/01/2012 | 15.15 EUR <sup>*1</sup> | 685.06 Points            |
| 28/09/2012 | 7.17 EUR <sup>*1</sup>  | 809.84 Points            |
| Change     | -52.7%                  | +18.22%                  |

Whereas the TecDAX rose by 18.22% in the first nine months of 2012, the price of the YOC share dropped by -52.70%. The YOC share's highest trading price on Xetra was achieved on 14 February 2012 at EUR 18.95, while the lowest point was reached on 2 August 2012 at EUR 5.73.

The daily average trading volume on all exchanges of 3.747 shares was above the previous year's volume of 2.186 shares. The highest average daily trade was reached on 07.02.2012 with 71.192 shares. On balance, the liquidity of the share thus increased on the previous year.

YOC AG performed two capital increases in the current financial year, one in August and another in October 2012. 465,000 new no par value bearer shares were issued in total, meaning the number of shares increased from 1,915,000 to 2,190,000 as of 30 September 2012, and to 2,380,000 as of 31 October 2012.

| Information on the listing     | TecDAX Performance Index |
|--------------------------------|--------------------------|
| Stock type                     | Domestic stock           |
| Trading place                  | XETRA                    |
| Stock exchange segment         | Prime Standard           |
| Security identification number | 593273                   |
| ISIN                           | DE0005932735             |
| Number of shares               | 2,190,000                |

<sup>\*1</sup> Closing price XETRA trading

# Development of net assets, financial position and results earnings situation

## Sales performance and total output

In the first nine months of the 2012 financial year, the YOC Group continued to focus on and further developed its core business, and it is within this context that the Management Board is currently examining the option of selling the Mobile Technology segment. In compliance with IFRS 5, the Mobile Technology segment is thus posted as discontinued operations in the financial statements as of 30 September 2012, and analogously in the previous year's figures.

The YOC Group's sales rose 16% from EUR 22.4 million to EUR 26.0 million in the period under review. Total output improved by 15% to a total of EUR 27.4 million in the first nine months of the financial year.

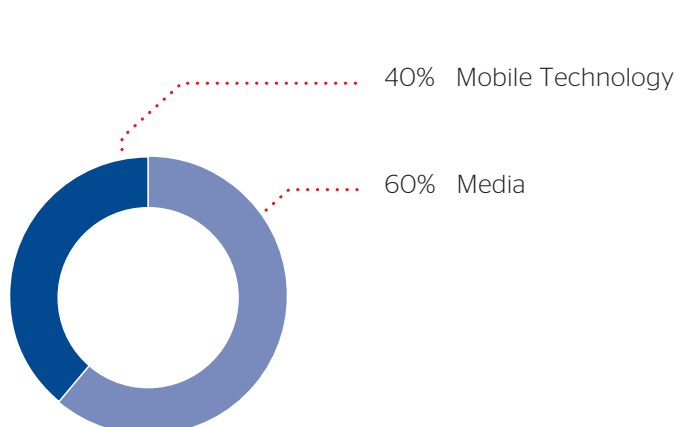
## Sales by segments

The Media segment posted 19% growth in the first nine months of the financial year. Based on the rise in sales from EUR 13.2 million to EUR 15.6 million, the segment's share in total sales was 60% for the period under review (previous year: 59%). Sales growth was driven primarily by the YOC Media Network (+52%) and the YOC Performance Network (+11%). The acquisition of the wholly-owned

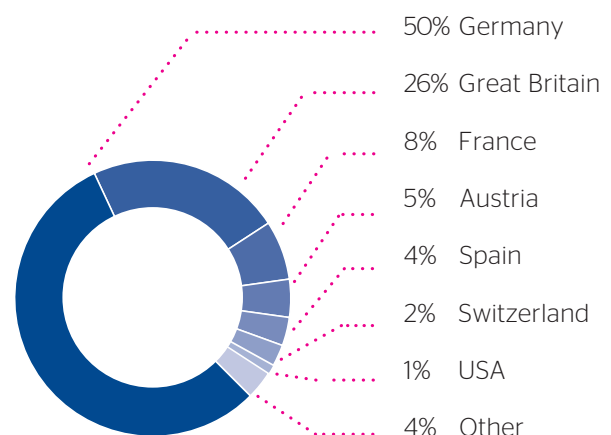
French subsidiary MobilADdict SAS, Paris, in March 2011 contributed EUR 0.2 million to sales in the Media segment as the company now contributed to group performance over the entire first nine months of the financial year. Organic growth in the segment, adjusted for the aforementioned effect, amounted to 17%.

As of 2012, sales in the Media segment are posted as net figures, meaning without agency commissions. To improve comparability, sales in the previous year were adjusted for agency commissions in the amount of EUR 0.8 million, which were previously posted in other operating expenses.

The Mobile Technology segment generated sales amounting to EUR 10.3 million in the first nine months a sales increase of 12% on the previous year. The prior-year sales figure includes a one-off effect amounting to about EUR 1.0 million from the sale of a purchase license. Adjusted for this effect, segment sales rose by 25%. Segment sales account for 40% of the YOC Group's total sales (previous year: 41%). The order book showed a stable performance, amounting to EUR 2.3 million as of 30 September 2012 (31 December 2011: EUR 2.4 million).



► Distribution by business units in %



► Distribution of sales by region in %

### Sales by region

YOC Group is set to continue on its international growth path. Sales in our international markets surged by 25% from EUR 10.4 million to EUR 13.0 million in the first nine months of 2012, now accounting for some 50% of total sales (previous year: 46%). Sales in the German domestic market increased to EUR 13.0 million in the period under review, up from EUR 12.0 million in the previous year.

The UK was the most important international market with sales worth EUR 6.7 million, followed by France (EUR 2.1 million), Austria (EUR 1.3 million), Spain (EUR 1.0 million), Switzerland (EUR 0.6 million) and the US (EUR 0.3 million). The other international markets, including Belgium, Italy and the Netherlands, together accounted for sales to the tune of EUR 1.0 million.

### Gross income

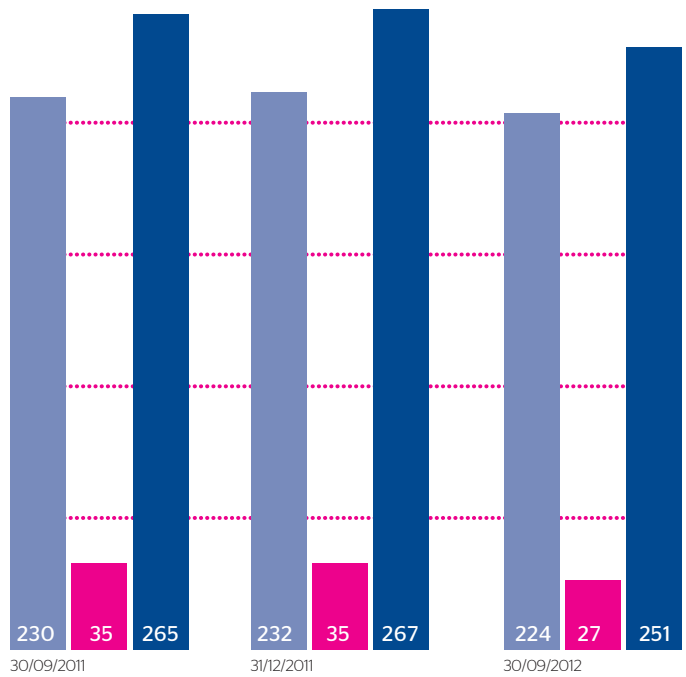
Materials costs rose slightly disproportionately compared to sales at 18% to EUR 13.9 million. This is attributable to the stronger growth in the Media segment, which, due to the nature of its business, generates lower profit contributions. The gross margin for the entire company stood at 49% (previous year: 50%).

### Personnel expenses and personnel development

The expansion of business in the core segments led to an increase in the YOC Group's staff in the first nine months of the 2012 financial year. Compared to the previous year, the group raised its average staff number by 22 to 227 employees based on organic growth (+11%). On 30 September 2012, the YOC Group had 224 permanent staff. Based on this increase, personnel expenses also rose in the period under review by EUR 1.2 million to a total of EUR 11.8 million (+12%). The Media segment, in particular, invested in staff. After all, the establishment of central product and technology management is a prerequisite for setting up standardised business procedures and entry of new markets.

The personnel expenses ratio that reflects personnel expenses in relation to total output, was down from the previous year's 45% to 43%.

The costs associated with the changes in the Management Board were appropriately accounted for within personnel expenses.



► Personnel development of YOC Group

■ permanent employees  
■ Apprentices, Trainees, Working students  
■ Total number of employees

### Other operating expenses

Other operating expenses were more or less in line with the previous year at EUR 3.9 million (previous year: EUR 3.8 million). The ratio that puts other operating expenses in relation to total output was 14% (previous year: 16%).

### EBITDA

Earnings before interest, tax, depreciation and amortisation stood at EUR -2.3 million in the first nine months of the 2012 financial year (previous year: EUR -2.5 million). Investments in central product and technology management and the further development of the YOC Performance Network, weighed on earnings. Furthermore, the third quarter does reflect the costs and connection with the Management Board.

Following the realignment in the fourth quarter of 2011, the Mobile Technology segment managed to return to making a positive earnings contribution of EUR 1.6 million in the first nine months of 2012 (previous year: EUR -0.6 million). Profitability thereby increased constantly from quarter to quarter.

The Media segment reported an operating loss in the amount of EUR -1.5 million in the first nine months of 2012 (previous year: EUR 1.2 million): although it is increasing, the business volume still does not suffice to cover the costs of the newly created structures. The increase of headcount results into a disproportionate increase of personnel expenses and corresponding other operating expenses.

Together with the expenses relating to the holding organisation in the amount of EUR -2.4 million (previous year: EUR -3.1 million), this led to a loss at operating level in the first nine months of 2012.

#### **EBIT, earnings before tax and net income**

Due to the negative result in the Media segment, EBIT in the period under review amounts to EUR -3.6 million (previous year: EUR -8.5 million). Accordingly, earnings before tax (EBT) totalled EUR -3.7 million (previous year: EUR -8.6 million). Net income came out to EUR -4.1 million (previous year: EUR -6.8 million).

#### **Cash flow**

On the reporting date, YOC Group's cash and cash equivalents added up to EUR 0.7 million, down by EUR 0.8 million compared to 31 December 2011.

Cash flow from operating activities dropped to EUR -1.6 million (previous year: EUR -0.4 million) in the reporting period.

The cash flow from investing activities was EUR -1.5 million in the current 2012 financial year. Investments in property, plant and equipment accounted for about EUR 0.7 million, while EUR 0.5 million pertain to development costs associated with the further development of the technological platforms. Another EUR 0.3 million refer to liabilities from variable purchase price components in connection with acquisitions made in the past.

The cash flow from financing activities in the amount of EUR 2.3 million is primarily attributable to proceeds in the amount of EUR 1.7 million from the capital increase in August this year and funds drawn on a credit line worth EUR 1.0 million. The company additionally redeemed liabilities relating to a loan in the amount of EUR 0.4 million as scheduled.

The equity ratio of YOC Group as of 30 September 2012 was 30%.

# Report on Risks and Opportunities

YOC Group is an internationally oriented service provider operating in a dynamic market, which naturally involves company and sector-specific as well as fiscal risks. Such risks may arise from the Group's own entrepreneurial action or from external factors. YOC Group has taken appropriate measures in order to detect and reduce potential risks in good time. For this purpose, a corresponding risk management system was set up – within the framework of this system, risks are regularly recorded, evaluated and, if necessary, continually monitored through a group-wide risk inventory.

YOC Group's risk policy, which was established by the Management Board, has not changed and is a component of the company policy seeking to achieve sustainable growth, the increase of the company value as well as the long-term guarantee of the Group's continued existence. To do this, necessary risks have been consciously taken on in awareness of the risk/return ratio in order to make use of market opportunities and to be able to exploit the generated potential for success.

Due to having anticipatory risk controlling as a part of the internal control system, risks and opportunities can be detected and evaluated early in order to thus be able to promptly react to these to an appropriate extent and to guarantee efficient control for the company's success. The measures concerned within the scope of risk control are implemented within the operating units.

With a cash basis of EUR 0.7 Mio. as of 30 September 2012 the company's cash reserve is thin compared to the group's size. Partly because of that, as well as for the strengthening of its equity base, the board of directors decided to undertake a capital increase in October 2012, which generated an inflow of liquidity of around EUR 1,3 million.

For an overview of future developments, please see section "Outlook".

# Outlook

YOC pushes ahead with the further strategic focusing of the company. Against this background, the Management Board is currently examining the strategic option of focusing on the strongly growing and scalable international Media segment by selling Sevenval (Mobile Technology segment).

In addition to the focus on the Media segment, further strategic objectives for the financial year 2012 were set such as the establishment of accustomed levels of profitability for the Mobile Technology segment and the acceleration of growth in the Media segment.

In the first three quarters of 2012, business volume in the Media segment increased by 19%. In the same period, the Mobile Technology segment was already back to an operating profitability (EBITDA) amounting to 14% (previous year: -6%). This will lead to an improved earnings situation.

In the seasonally strongest fourth quarter 2012 the company intends to fully exploit the market opportunities intensely in the Media segment to continue to grow. The profit situation will further improve.

YOC expects the Mobile Technology segment to further increase its sales volume and profitability as well as to maintain its positive development.

With regard to the fourth quarter of 2012, a positive development in sales and an improved profitability will be anticipated for the YOC Group as well as for both operational segments.

# Consolidated Interim Financial Statements

## Consolidated Statement of Comprehensive Income (unaudited)

| Consolidated Income Statement in EUR (condensed)                                   | Q3/2012           | Q3/2011                 |
|------------------------------------------------------------------------------------|-------------------|-------------------------|
| <b>YOC Group (continued and discontinued operations)</b>                           |                   |                         |
| Revenues                                                                           | 8,423,689         | 6,406,096 <sup>*1</sup> |
| Internally produced and capitalized assets                                         | 201,341           | 400,964                 |
| Other operating income                                                             | 379,537           | 73,470                  |
| <b>Total performance</b>                                                           | <b>9,004,567</b>  | <b>6,880,530</b>        |
| Purchased goods and services                                                       | 4,415,069         | 4,430,227               |
| Personnel expenses                                                                 | 4,281,159         | 3,837,080               |
| Other operating expenses                                                           | 1,188,782         | 1,637,738 <sup>*1</sup> |
| <b>Earnings before interest, taxes, depreciation and amortization</b>              | <b>-880,443</b>   | <b>-3,024,515</b>       |
| Depreciation and amortization                                                      | 348,298           | 5,190,379               |
| <b>Earnings before interest and taxes</b>                                          | <b>-1,228,741</b> | <b>-8,214,893</b>       |
| Financial income                                                                   | 39,141            | 9,398                   |
| Financial expenses                                                                 | 64,204            | 84,623                  |
| <b>Financial result</b>                                                            | <b>-25,063</b>    | <b>-75,225</b>          |
| <b>Earnings before taxes</b>                                                       | <b>-1,253,804</b> | <b>-8,290,117</b>       |
| Income taxes                                                                       | 165,222           | -1,672,352              |
| <b>Net income</b>                                                                  | <b>-1,419,026</b> | <b>-6,617,765</b>       |
| Earnings per share (dilluted)                                                      | -0.67             | -3.22                   |
| Earnings per share (basic)                                                         | -0.73             | -3.49                   |
| Number of shares (weighted) as of 28/09/2012 dilluted: 2,123,166                   |                   |                         |
| Number of shares (weighted) as of 28/09/2012 basic: 1,949,278                      |                   |                         |
| <b>Consolidated Statement of Recognized Income and Expenses in EUR (condensed)</b> | <b>Q3/2012</b>    | <b>Q3/2011</b>          |
| <b>Net income</b>                                                                  | <b>-1,419,026</b> | <b>-6,617,765</b>       |
| Changes in fair value of financial assets                                          | 3,835             | 36,603                  |
| Changes from currency translation                                                  | 0                 | 31                      |
| <b>Other loss / income</b>                                                         | <b>3,835</b>      | <b>36,634</b>           |
| <b>Comprehensive income</b>                                                        | <b>-1,415,191</b> | <b>-6,581,131</b>       |

<sup>\*1</sup> Since the reporting year 2012 the total revenues of the Media segment are calculated net after the deduction of agency commissions. As comparison the figures of 2011 have been adapted by agency commissions of 324 kEUR resulting in reduced revenues and other operating expenses.

► The figures are not subject to an auditor's review.

Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

| Consolidated Income Statement in EUR (condensed)                      | Q3/2012                                     | Q3/2011                 | Q3/2012                                        | Q3/2011           |
|-----------------------------------------------------------------------|---------------------------------------------|-------------------------|------------------------------------------------|-------------------|
|                                                                       | Media and Holding<br>(continued operations) |                         | Mobile Technology<br>(discontinued operations) |                   |
| Revenues                                                              | 5,105,924                                   | 4,636,458 <sup>*1</sup> | 3,317,765                                      | 1,769,638         |
| Internally produced and capitalized assets                            | 81,341                                      | 85,368                  | 120,000                                        | 315,601           |
| Other operating income                                                | 207,283                                     | 14,758                  | 172,254                                        | 58,711            |
| <b>Total performance</b>                                              | <b>5,394,547</b>                            | <b>4,736,579</b>        | <b>3,610,019</b>                               | <b>2,143,951</b>  |
| Purchased goods and services                                          | 4,019,656                                   | 3,520,363               | 395,413                                        | 909,864           |
| Personnel expenses                                                    | 2,342,386                                   | 1,486,425               | 1,938,774                                      | 2,350,655         |
| Other operating expenses                                              | 596,690                                     | 852,044 <sup>*1</sup>   | 592,091                                        | 785,693           |
| <b>Earnings before interest, taxes, depreciation and amortization</b> | <b>-1,564,184</b>                           | <b>-1,122,253</b>       | <b>683,741</b>                                 | <b>-1,902,261</b> |
| Depreciation and amortization                                         | 348,298                                     | 761,006                 | 0                                              | 4,429,372         |
| <b>Earnings before interest and taxes</b>                             | <b>-1,912,482</b>                           | <b>-1,884,102</b>       | <b>683,741</b>                                 | <b>-6,330,791</b> |
| Financial income                                                      | 39,080                                      | 9,207                   | 61                                             | 191               |
| Financial expenses                                                    | 63,126                                      | 83,470                  | 1,078                                          | 1,153             |
| <b>Financial result</b>                                               | <b>-24,046</b>                              | <b>-74,262</b>          | <b>-1,017</b>                                  | <b>-962</b>       |
| <b>Earnings before taxes</b>                                          | <b>-1,936,528</b>                           | <b>-1,958,364</b>       | <b>682,724</b>                                 | <b>-6,331,754</b> |
| Income taxes                                                          | 52,302                                      | -1,418,671              | 112,919                                        | -253,681          |
| <b>Net income</b>                                                     | <b>-1,988,831</b>                           | <b>-539,693</b>         | <b>569,805</b>                                 | <b>-6,078,073</b> |
| Earnings per share (dilluted)                                         | -0.94                                       | -0.26                   | 0.27                                           | -2.96             |
| Earnings per share (basic)                                            | -1.02                                       | -0.28                   | 0.29                                           | -3.21             |

<sup>\*1</sup> Since the reporting year 2012 the total revenues of the Media segment are calculated net after the deduction of agency commissions. As comparison the figures of 2011 have been adapted by agency commissions of 324 kEUR resulting in reduced revenues and other operating expenses.

- The figures are not subject to an auditor's review.  
Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

# Consolidated Statement of Comprehensive Income (unaudited)

| Consolidated Income Statement in EUR (condensed)                                   | 9M/2012           | 9M/2011                  |
|------------------------------------------------------------------------------------|-------------------|--------------------------|
| <b>YOC Group (continued and discontinued operations)</b>                           |                   |                          |
| Revenues                                                                           | 25,978,070        | 22,426,107 <sup>*1</sup> |
| Internally produced and capitalized assets                                         | 542,274           | 1,093,860                |
| Other operating income                                                             | 862,324           | 249,542                  |
| <b>Total performance</b>                                                           | <b>27,382,668</b> | <b>23,769,509</b>        |
| Purchased goods and services                                                       | 13,944,045        | 11,790,029               |
| Personnel expenses                                                                 | 11,821,615        | 10,602,673               |
| Other operating expenses                                                           | 3,914,583         | 3,842,638 <sup>*1</sup>  |
| <b>Earnings before interest, taxes, depreciation and amortization</b>              | <b>-2,297,575</b> | <b>-2,465,831</b>        |
| Depreciation and amortization                                                      | 1,273,474         | 5,998,939                |
| <b>Earnings before interest and taxes</b>                                          | <b>-3,571,049</b> | <b>-8,464,770</b>        |
| Financial income                                                                   | 103,099           | 138,575                  |
| Financial expenses                                                                 | 221,024           | 318,670                  |
| <b>Financial result</b>                                                            | <b>-117,925</b>   | <b>-180,095</b>          |
| <b>Earnings before taxes</b>                                                       | <b>-3,688,974</b> | <b>-8,644,865</b>        |
| Income taxes                                                                       | 423,889           | -1,815,214               |
| <b>Net income</b>                                                                  | <b>-4,112,863</b> | <b>-6,829,651</b>        |
| Earnings per share (dilluted)                                                      | -1.94             | -3.32                    |
| Earnings per share (basic)                                                         | -2.11             | -3.61                    |
| Number of shares (weighted) as of 28/09/2012 dilluted: 2,123,166                   |                   |                          |
| Number of shares (weighted) as of 28/09/2012 basic: 1,949,278                      |                   |                          |
| <b>Consolidated Statement of Recognized Income and Expenses in EUR (condensed)</b> | <b>9M/2012</b>    | <b>9M/2011</b>           |
| <b>Net income</b>                                                                  | <b>-4,112,865</b> | <b>-6,829,651</b>        |
| Unrealized gains from currency translation                                         | 24,922            | -20,315                  |
| Changes in fair value of financial assets                                          | 0                 | 141                      |
| <b>Other loss / income</b>                                                         | <b>24,922</b>     | <b>-20,174</b>           |
| <b>Comprehensive income</b>                                                        | <b>-4,087,943</b> | <b>-6,849,825</b>        |

<sup>\*1</sup> Since the reporting year 2012 the total revenues of the Media segment are calculated net after the deduction of agency commissions. As comparison the figures of 2011 have been adapted by agency commissions of 766 kEUR resulting in reduced revenues and other operating expenses.

► The figures are not subject to an auditor's review.

Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

| Consolidated Income Statement in EUR (condensed)                      | 9M/2012                                     | 9M/2011                  | 9M/2012                                        | 9M/2011           |
|-----------------------------------------------------------------------|---------------------------------------------|--------------------------|------------------------------------------------|-------------------|
|                                                                       | Media and Holding<br>(continued operations) |                          | Mobile Technology<br>(discontinued operations) |                   |
| Revenues                                                              | 15,637,921                                  | 13,187,415 <sup>*1</sup> | 10,340,149                                     | 9,238,693         |
| Internally produced and capitalized assets                            | 190,274                                     | 284,887                  | 352,000                                        | 808,973           |
| Other operating income                                                | 348,027                                     | 111,309                  | 514,297                                        | 138,232           |
| <b>Total performance</b>                                              | <b>16,176,223</b>                           | <b>13,583,611</b>        | <b>11,206,445</b>                              | <b>10,185,898</b> |
| Purchased goods and services                                          | 11,867,697                                  | 9,310,120                | 2,076,347                                      | 2,479,908         |
| Personnel expenses                                                    | 5,921,451                                   | 4,112,399                | 5,900,164                                      | 6,490,274         |
| Other operating expenses                                              | 2,267,536                                   | 2,028,854 <sup>*1</sup>  | 1,647,047                                      | 1,813,785         |
| <b>Earnings before interest, taxes, depreciation and amortization</b> | <b>-3,880,462</b>                           | <b>-1,867,763</b>        | <b>1,582,887</b>                               | <b>-598,069</b>   |
| Depreciation and amortization                                         | 776,751                                     | 1,077,314                | 496,723                                        | 4,921,625         |
| <b>Earnings before interest and taxes</b>                             | <b>-4,657,213</b>                           | <b>-2,945,076</b>        | <b>1,086,164</b>                               | <b>-5,519,694</b> |
| Financial income                                                      | 102,974                                     | 138,344                  | 125                                            | 231               |
| Financial expenses                                                    | 218,109                                     | 315,914                  | 2,915                                          | 2,756             |
| <b>Financial result</b>                                               | <b>-115,135</b>                             | <b>-177,570</b>          | <b>-2,790</b>                                  | <b>-2,525</b>     |
| <b>Earnings before taxes</b>                                          | <b>-4,772,348</b>                           | <b>-3,122,646</b>        | <b>1,083,374</b>                               | <b>-5,522,220</b> |
| Income taxes                                                          | 28,290                                      | -1,171,846               | 395,599                                        | -643,369          |
| <b>Net income</b>                                                     | <b>-4,800,638</b>                           | <b>-1,950,801</b>        | <b>687,775</b>                                 | <b>-4,878,851</b> |
| Earnings per share (dilluted)                                         | -2.26                                       | -0.95                    | 0.32                                           | -2.37             |
| Earnings per share (basic)                                            | -2.46                                       | -1.03                    | 0.35                                           | -2.58             |

<sup>\*1</sup> Since the reporting year 2012 the total revenues of the Media segment are calculated net after the deduction of agency commissions. As comparison the figures of 2011 have been adapted by agency commissions of 766 kEUR resulting in reduced revenues and other operating expenses.

- The figures are not subject to an auditor's review.  
Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

# Consolidated Statement of Financial Position

| in EUR (condensed)            | 30/09/2012<br>unaudited | 31/12/2011<br>audited |
|-------------------------------|-------------------------|-----------------------|
| <b>Assets</b>                 |                         |                       |
| <b>Non-current assets</b>     | <b>8,894,838</b>        | <b>20,070,406</b>     |
| Property, plant and equipment | 814,203                 | 1,175,895             |
| Goodwill                      | 3,193,205               | 10,648,063            |
| Intangible assets             | 3,624,368               | 7,175,139             |
| Deferred taxes                | 1,263,062               | 1,071,309             |
| <b>Current assets</b>         | <b>19,945,098</b>       | <b>10,533,010</b>     |
| Advanced payments made        | 106,489                 | 140,198               |
| Inventories                   | 0                       | 0                     |
| Trade receivables             | 3,734,343               | 8,606,232             |
| Other assets                  | 342,566                 | 173,805               |
| Tax receivables               | 48,083                  | 14,518                |
| Securities                    | 13,390                  | 26,888                |
| Cash and cash equivalents     | 729,452                 | 1,571,368             |
| Assets held for sale          | 14,970,775              | -                     |
| <b>Total assets</b>           | <b>28,839,935</b>       | <b>30,603,415</b>     |

► The figures are not subject to an auditor's review.

Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

# Consolidated Statement of Financial Position

| in EUR(condensed)                   | 30/09/2012<br>unaudited | 31/12/2011<br>audited |
|-------------------------------------|-------------------------|-----------------------|
| <b>Equity and Liabilities</b>       |                         |                       |
| <b>Equity</b>                       | <b>8,653,446</b>        | <b>10,981,376</b>     |
| Subscribed capital                  | 2,190,000               | 1,915,000             |
| Capital reserve                     | 16,498,968              | 15,013,956            |
| Retained earnings                   | -10,068,362             | -5,955,498            |
| Currency translation                | 83,159                  | 58,237                |
| Treasury shares                     | -50,319                 | -50,319               |
| <b>Non-current liabilities</b>      | <b>2,422,700</b>        | <b>943,839</b>        |
| Provisions                          | 39,373                  | 39,470                |
| Bank loans                          | 1,362,290               | 0                     |
| Other liabilities                   | 379,954                 | 103,337               |
| Other financial liabilities         | 46,328                  | 213,127               |
| Deferred taxes                      | 594,755                 | 587,905               |
| <b>Current liabilities</b>          | <b>17,763,790</b>       | <b>18,678,200</b>     |
| Advances received                   | 1,822,495               | 2,328,033             |
| Trade payables                      | 3,442,225               | 4,379,199             |
| Bank loans                          | 2,320,657               | 3,126,145             |
| Other liabilities                   | 5,112,253               | 6,646,150             |
| Other financial liabilities         | 357,780                 | 1,781,493             |
| Tax liabilities                     | 120,468                 | 256,667               |
| Provisions                          | 127,513                 | 160,513               |
| Non-current assets held for sale    | 4,460,398               | -                     |
| <b>Total equity and liabilities</b> | <b>28,839,935</b>       | <b>30,603,415</b>     |

► The figures are not subject to an auditor's review.

Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

# Consolidated Statement of Cash Flows (unaudited)

| in EUR (condensed)                                              | 9M/2012           | 9M/2011           |
|-----------------------------------------------------------------|-------------------|-------------------|
| <b>Net income from continued operations</b>                     | <b>-4,800,638</b> | <b>-1,950,801</b> |
| <b>Net income from discontinued operations</b>                  | <b>687,775</b>    | <b>-4,878,851</b> |
| Depreciation and amortization                                   | 1,273,474         | 5,998,939         |
| Taxes recognized in the income statement                        | 423,889           | -1,815,214        |
| Interests recognized in the income statement                    | -117,925          | 180,095           |
| Non-cash income and expenses                                    | -2,566            | 104,655           |
| <b>Cash-Earnings</b>                                            | <b>-2,535,993</b> | <b>-2,361,176</b> |
| Losses from disposal of assets                                  | 138,696           | 76                |
| Changes in inventories                                          | 0                 | 0                 |
| Changes in receivables, advance payments made and other assets  | 1,024,703         | 836,277           |
| Changes in liabilities, advances received and other liabilities | -35,056           | 1,426,753         |
| Changes in current provisions                                   | -30,721           | 15,000            |
| Interests received                                              | 1,158             | 8,033             |
| Interests paid                                                  | -177,181          | -275,290          |
| Income tax payments / refunds                                   | -33,066           | -47,250           |
| <b>Cash flow from operating activities</b>                      | <b>-1,647,460</b> | <b>-397,576</b>   |
| Cash inflow/outflow from sale/buy of trade securities           | 0                 | 0                 |
| Acquisition of subsidiaries                                     | -294,157          | -1,018,879        |
| Purchase of property, plant and equipment                       | -610,166          | -355,592          |
| Purchase of intangible assets                                   | -15,556           | -43,433           |
| Cash outflow for self-provided intangible assets                | -542,274          | -1,093,860        |
| <b>Cash flow from investing activities</b>                      | <b>-1,462,152</b> | <b>-2,511,765</b> |
| Proceeds from capital increase                                  | 1,787,500         | 0                 |
| Transaction costs from the issuance of equity                   | -37,067           | 0                 |
| Reissuance of debts from finance lease                          | -29,847           | -31,679           |
| Repayment of bank loans                                         | -410,500          | -2,499,000        |
| Issuance of bank loans                                          | 957,610           | 1,000,000         |
| <b>Cash flow from financing activities</b>                      | <b>2,267,696</b>  | <b>-1,530,679</b> |
| <b>Net increase / decrease</b>                                  | <b>-841,916</b>   | <b>-4,440,020</b> |
| Exchange- rate- related changes in cash and cash equivalents    | 0                 | -2,411            |
| Expansion of the scope of consolidation                         | 0                 | 434,458           |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>1,571,368</b>  | <b>5,175,390</b>  |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>729,452</b>    | <b>1,167,418</b>  |

► The figures are not subject to an auditor's review.

Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

# Consolidated Statement of Changes in Equity (unaudited)

| in EUR (condensed)                                                     | Subscribed capital | Capital reserve   | Retained earnings  | Revaluation surplus | Currency translation | Treasury shares | Total             |
|------------------------------------------------------------------------|--------------------|-------------------|--------------------|---------------------|----------------------|-----------------|-------------------|
| <b>as of 01/01/2012</b>                                                | <b>1,915,000</b>   | <b>15,013,956</b> | <b>-5,955,498</b>  | <b>0</b>            | <b>58,237</b>        | <b>-50,319</b>  | <b>10,981,376</b> |
| Net income                                                             |                    |                   | -4,112,865         |                     |                      |                 | -4,112,865        |
| Currency translation                                                   |                    |                   |                    |                     | 24,922               |                 | 24,922            |
| Unrealized gains                                                       |                    |                   |                    | 0                   |                      |                 | 0                 |
| <b>Comprehensive income</b>                                            |                    |                   | <b>-4,112,865</b>  | <b>0</b>            | <b>24,922</b>        |                 | <b>-4,087,943</b> |
| Issuance of equity                                                     | 275,000            | 1,512,500         |                    |                     |                      |                 | 1,787,500         |
| Stock option program                                                   |                    | -27,488           |                    |                     |                      |                 | -27,488           |
| Investment made for the implementation of the decided capital increase |                    |                   |                    |                     |                      |                 | 0                 |
| <b>as of 30/09/2012</b>                                                | <b>2,190,000</b>   | <b>16,498,968</b> | <b>-10,068,363</b> | <b>0</b>            | <b>83,159</b>        | <b>-50,319</b>  | <b>8,653,445</b>  |

| in EUR (condensed)             | Subscribed capital | Capital reserve   | Retained earnings | Revaluation surplus | Currency translation | Treasury shares | Total             |
|--------------------------------|--------------------|-------------------|-------------------|---------------------|----------------------|-----------------|-------------------|
| <b>as of 01/01/2011</b>        | <b>1,887,000</b>   | <b>13,559,450</b> | <b>1,925,586</b>  | <b>0</b>            | <b>47,418</b>        | <b>-263,839</b> | <b>17,155,615</b> |
| Net income                     |                    |                   | -6,829,651        |                     |                      |                 | -6,829,651        |
| Currency translation           |                    |                   |                   |                     | -20,315              |                 | -20,315           |
| Unrealized gains               |                    |                   |                   | 141                 |                      |                 | 141               |
| <b>Comprehensive income</b>    |                    |                   | <b>-6,829,651</b> | <b>141</b>          | <b>-20,315</b>       |                 | <b>-6,849,825</b> |
| Issuance of equity             | 28,000             | 953,120           |                   |                     |                      |                 | 981,120           |
| Stock option program           |                    | 113,187           |                   |                     |                      |                 | 113,187           |
| Divestiture of treasury stocks |                    | 352,130           |                   |                     |                      | 213,520         | 565,650           |
| <b>as of 30/09/2011</b>        | <b>1,915,000</b>   | <b>14,977,887</b> | <b>-4,904,065</b> | <b>141</b>          | <b>27,103</b>        | <b>-50,319</b>  | <b>11,965,747</b> |

Minority interests do not exist.

- The figures are not subject to an auditor's review.  
Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

# Notes to the financial statements (unaudited)

## 1. General information

YOC AG, with headquarters in Karl-Liebknecht-Straße 1, Berlin, Germany, is an international provider of mobile technology (development of mobile internet portals and mobile marketing campaigns) and media (marketing of media packages and advertising formats).

YOC AG is listed in the Prime Standard of the Frankfurt Stock Exchange under the identification number WKN 593273 / ISIN DE 0005932735.

## 2. Basis of preparation of the financial statements and accounting and valuation principles

### Basis of preparation of the financial statements

Pursuant to Section 290 II HGB (German Commercial Code), YOC AG is required to prepare consolidated financial statements. The interim consolidated financial statements as of 30 September 2012 were prepared by applying Section 315a HGB in accordance with the rules of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, Great Britain, in effect on the reporting date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they must be applied within the European Union (EU). Therefore, YOC AG's interim consolidated financial statements as of 30 September 2012 comply with the IFRS as they must be applied in the European Union as from 1 January 2012.

The condensed and unaudited interim consolidated financial statements of YOC AG were prepared in accordance with the rules of the International Accounting Standard (IAS) 34. Changes to the accounting and valuation principles applied in the consolidated financial statements for 2011, as well as the applied methods of estimation, are presented under the accounting and valuation principles. The interim consolidated financial statements should be read in conjunction with the audited IFRS consolidated financial statements as of 31 December 2011.

The interim consolidated financial statements as of 30 September 2012 were not reviewed by the auditor.

At the end of July 2012, the YOC Group decided to further pursue its efforts regarding the company's strategic focus. In this context, the Management Board is currently engaged in talks with interested parties regarding a possible disposal of the Mobile Technology segment. No decision has been made as yet with respect to a possible sale. Therefore, the segment in question has been classified as discontinued operations in terms of IFRS 5.

### Accounting and valuation methods

With the exception of the following principles, the accounting principles applied in the preparation of the consolidated financial statements as of 31 December 2011 were adopted without changes in the preparation of the condensed interim consolidated financial statements of YOC AG.

Agency discounts ("AE Provisionen") are reported as reductions in sales. The previous year was adjusted accordingly. Since 1 January 2012, the Mobile B2C business unit is operated in the scope of a factoring business model. The YOC Group receives a fixed amount for 2012, which it recognises as sales pro rata over the term of 12 months, for granting the contractual partner the right to use its Belgian customer base.

The YOC Group did not apply the standards, interpretations or changes presented in the consolidated financial statements as of 31 December 2011 which had already been adopted by the IASB and the IFRIC, but the application of which had not been compulsory or which had not been adopted by the EU Commission yet, in the interim consolidated financial statements as of 30 September 2012.

## 3. Mergers

### Acquisitions from previous years

On 23 March 2011, YOC AG acquired MobilADdict SAS, Paris, France, a French mobile advertising service provider marketing advertising space on the mobile Internet. For the YOC Group, this acquisition means expanding its position in the French market, thus promoting international growth.

In addition to non-variable purchase price elements in the amount of EUR 2.165 million, the acquisition cost of EUR 2.888 million includes variable purchase price components with a fair value at the acquisition date of 723 kEUR. Incidental acquisition costs in the amount of 100 kEUR were posted in other operating expenses.

The variable purchase price component is measured on the basis of the EBITDA generated by MobilADdict SAS in the 2011 and 2012 financial years and is payable on 1 July of the respective subsequent year. YOC AG assumes that this liability from variable purchase price components amounts to 735 kEUR at the time of preparing the consolidated financial statements, measured at a fair value of EUR 729 kEUR at the time of acquisition.

If the company exceeds the earnings targets for 2011 and 2012, the sales agreement provides for conditional purchase price payments of up to 776 kEUR for 2011 and 2012 each, equalling a maximum variable purchase price of EUR 1.552 million. A conditional purchase price payment of 588 kEUR is payable for the 2011 financial year.

The purchase price allocation for the acquisition of MobilADdict SAS in accordance with IFRS 3 is available in its final form. Adjustment of the acquisition costs within the 12-month period resulted in a goodwill increase of 141 kEUR compared to the value as of 31 December 2011.

The following table shows the final purchase price allocation of MobilADdict SAS at the date of acquisition:

| <b>Purchase price allocation<br/>MobilADdict SAS (in kEUR)</b> | <b>Fair values at the<br/>time of acquisition</b> |
|----------------------------------------------------------------|---------------------------------------------------|
| <b>Non-current assets</b>                                      | <b>1,854</b>                                      |
| Intangible assets                                              | 1,811                                             |
| Tangible assets                                                | 7                                                 |
| Deferred taxes                                                 | 36                                                |
| <b>Current assets</b>                                          | <b>1,476</b>                                      |
| Receivables and other assets                                   | 1,042                                             |
| Securities                                                     | 13                                                |
| Cash and bank deposits                                         | 421                                               |
| <b>Liabilities</b>                                             | <b>1,974</b>                                      |
| Liabilities                                                    | 1,371                                             |
| Deferred taxes                                                 | 603                                               |
| <b>Net assets</b>                                              | <b>1,356</b>                                      |

#### Reconciliation of Goodwill (in kEUR)

|                                           |              |
|-------------------------------------------|--------------|
| <b>Fair value of the acquisition cost</b> | <b>2,888</b> |
| Net assets                                | 1,356        |
| <b>Remaining goodwill</b>                 | <b>1,532</b> |

At the time of preparing the interim consolidated financial statements for the 2012 financial year, YOC AG expects that MobilADdict SAS will miss its targets. As such, subsequent purchase price liabilities are reduced to EUR 0. The purchase price liability was reduced with effect on earnings via the other operating income item, amounting to 134 kEUR.

#### 4. Segment Reporting

##### Reportable segments

Segment reporting is in line with the internal management structure. The Group is made up of the following reportable business segments:

1. Media
2. Mobile Technology (discontinued operations)

The following table shows the results of the individual business segments. In line with the Group's internal reporting structure, EBITDA is used as a measure of earnings:

| in kEUR (condensed)            | continued operations |               | discontinued operations |               |               |
|--------------------------------|----------------------|---------------|-------------------------|---------------|---------------|
|                                | Media                | Overhead      | Mobile Technology       | Consolidation | YOC Group     |
| <b>01/01/2012 - 30/09/2012</b> |                      |               |                         |               |               |
| External revenues              | 15,638               |               | 10,340                  |               | 25,978        |
| Internal revenues              | 107                  |               | 201                     | -307          |               |
| Total revenues                 | 15,745               |               | 10,541                  | -307          | 25,978        |
| Own work capitalized           | 190                  |               | 352                     |               | 542           |
| Other operating income         | 348                  |               | 514                     |               | 862           |
| Total output                   | 16,176               |               | 11,206                  |               | 27,383        |
| Cost of goods sold             | 11,868               |               | 2,076                   |               | 13,944        |
| Personnel expenses             | 4,327                | 1,594         | 5,900                   |               | 11,822        |
| Other operating expenses       | 1,477                | 790           | 1,647                   |               | 3,915         |
| <b>EBITDA</b>                  | <b>-1,496</b>        | <b>-2,385</b> | <b>1,583</b>            |               | <b>-2,298</b> |

| in kEUR (condensed)            | continued operations |               | discontinued operations |               |               |
|--------------------------------|----------------------|---------------|-------------------------|---------------|---------------|
|                                | Media                | Overhead      | Mobile Technology       | Consolidation | YOC Group     |
| <b>01/01/2011 - 30/09/2011</b> |                      |               |                         |               |               |
| External revenues              | 13,187               |               | 9,239                   |               | 22,426        |
| Internal revenues              | 1,462                |               | 1,944                   | -3.406        |               |
| Total revenues                 | 14,649               |               | 11,183                  | -3.406        | 22,426        |
| Own work capitalized           | 285                  |               | 809                     |               | 1,094         |
| Other operating income         | 111                  |               | 138                     |               | 250           |
| Total output                   | 13,584               |               | 10,186                  |               | 23,770        |
| Cost of goods sold             | 9,310                |               | 2,480                   |               | 11,790        |
| Personnel expenses             | 2,342                | 1,771         | 6,490                   |               | 10,603        |
| Other operating expenses       | 701                  | 1,328         | 1,814                   |               | 3,843         |
| <b>EBITDA</b>                  | <b>1,231</b>         | <b>-3,098</b> | <b>-598</b>             |               | <b>-2,466</b> |

EBITDA is reconciled to net income as follows:

| Reconciliation (in kEUR)                   | 9M/2012       | 9M/2011       |
|--------------------------------------------|---------------|---------------|
| <b>EBITDA</b>                              | <b>-2,298</b> | <b>-2,466</b> |
| <b>EBITDA from discontinued operations</b> | <b>1,583</b>  | <b>-598</b>   |
| <b>EBITDA from continued operations</b>    | <b>-3,881</b> | <b>-1,868</b> |
| Depreciation                               | -1,273        | -5,999        |
| Financing result                           | -118          | -180          |
| Taxes                                      | -424          | 1,815         |
| <b>Net income</b>                          | <b>-4,113</b> | <b>-6,830</b> |

External sales in the amount of EUR 13.021 million (previous year: EUR 12.045 million) are attributable to Germany, while EUR 12.957 million (previous year: EUR 10.381 million) were generated abroad.

## 5. Taxes on income

Income taxes in the period under review are comprised as follows:

| Taxes on income    | 9M/2012    | 9M/2011       |
|--------------------|------------|---------------|
| Income taxes       | 22         | 121           |
| Deferred taxes     | 402        | -1,936        |
| <b>Tax expense</b> | <b>424</b> | <b>-1,815</b> |

Due to negative assessment of the recoverability, no deferred tax assets were recognised for losses that accrued in the first nine months of the current financial year.

## 6. Notes to the balance sheet

The following information refers to continued business operations:

### Property, plant and equipment

In the first three quarters of 2012, the YOC Group acquired property, plant and equipment totalling 610 kEUR, pertaining primarily to acquisitions in connection with the expansion of the Berlin and London offices. On the other hand, the Group disposed of property, plant and equipment in the amount of 19 kEUR.

### Intangible assets

At 192 kEUR, nearly all additions to intangible assets totalling 208 kEUR in the first three quarters of 2012 are attributable to in-house software. There were no disposals.

### Equity

YOC AG placed 275,000 new no par value bearer shares with institutional European investors in the period under review; each of these have an arithmetic share of EUR 1.00 in the company's share capital. The new shares were issued at EUR 6.50 per share. The number of shares in the company thus increased from 1,915,000 to 2,190,000. 4,000 of the 2,190,000 no par value shares with an arithmetic share in the company's share capital of EUR 1.00 are held by YOC AG as treasury shares. Treasury shares are shown as one-line adjustment in the treasury shares balance sheet item in equity.

### Other financial assets and financial liabilities

### Loans

Since the lending bank waived the right of termination resulting from the breach of covenants in a letter in the first quarter of 2012, the loans are recognised in the balance sheet as of 30 September 2012 in accordance with the respective remaining term of the loan.

In March 2012, the Group and the lending bank agreed on a term of respite for a loan payment of 400 kEUR that was due in 2011, while another respite was granted for a due payment worth 400 kEUR in September. The term of the respective loan was extended until 31 March 2014. If the Mobile Technology segment is sold, the company will redeem the deferred loan payments early. In this event, the term of the loan is shortened accordingly to 30 September 2013.

In addition, YOC AG drew funds on a credit line in the amount of 958 kEUR during the reporting period. The rate of interest charged for the use of the credit line is 5.16% per year.

YOC AG furnished the bank with a blanket assignment referring to all YOC AG and Sevenval GmbH's domestic trade receivables as security for its liabilities towards credit institutions including the funds drawn on the credit line, in the total amount of EUR 3.683 million as of 30 September 2012.

#### Purchase price obligation MobilADdict SAS

As part of the acquisition of MobilADdict SAS of 23 March 2011, a variable purchase price component was agreed with the sellers of the company, the amount of which is calculated based on the EBITDA generated by the acquired company.

The fair value at the time of acquisition was adjusted from 582 kEUR to 723 kEUR during the period under review.

#### **7. Information in the cash flow statement**

The following information refers to continued and discontinued business operations.

On the reporting date, the YOC Group's cash and cash equivalents added up to 730 kEUR, down by 842 kEUR compared to 31 December 2011.

Payments for property, plant and equipment totalled 610 kEUR in the three quarters of 2012. 205 kEUR thereof pertained to acquisitions made in the previous year.

Cash flow from financing activities reflects loan redemption in the amount of 411 kEUR and use of a credit line in the amount of 958 kEUR.

For information on the cash flow of discontinued operations, please refer to item 8 „Discontinued operations“.

#### **8. Discontinued operations**

##### Result of discontinued operations

The result of discontinued operations as of 30 September is as follows:

| in kEUR                                                          | 9M/2012    | 9M/2011       |
|------------------------------------------------------------------|------------|---------------|
| Revenues                                                         | 11,206     | 10,186        |
| Expenses                                                         | 10,120     | 15,706        |
| Gross profit                                                     | 1,086      | -5,520        |
| Financial result                                                 | -3         | -3            |
| Earnings before tax from discontinued operations                 | 1,083      | -5,522        |
| Income tax                                                       | 396        | -643          |
| <b>Net income from discontinued operations Mobile Technology</b> | <b>688</b> | <b>-4,879</b> |

The result from discontinued operations pertains to the Mobile Technology segment. Extraordinary write-downs on goodwill and other intangible assets were not required.

##### Assets and liabilities of the discontinued operations

The main components of the discontinued operations' assets and liabilities as of 30 September are comprised as follows:

| in kEUR                                                    | 30/09/2012    |
|------------------------------------------------------------|---------------|
| Property, plant and equipment                              | 424           |
| Goodwill                                                   | 7,595         |
| Intangible assets                                          | 3,198         |
| Deferred Taxes                                             | 62            |
| Advanced payments made                                     | 158           |
| Trade receivables                                          | 3,500         |
| Other assets                                               | 35            |
| <b>Assets held for sale</b>                                | <b>14,971</b> |
| Provisions                                                 | 2             |
| Deferred taxes                                             | 640           |
| Advances received                                          | 564           |
| Trade payables                                             | 651           |
| Other liabilities                                          | 1,931         |
| Other financial liabilities                                | 672           |
| <b>Liabilities in connection with assets held for sale</b> | <b>4,460</b>  |

As a consequence of the classification as discontinued operations, an impairment test was performed as of 30 September 2012. Because no concrete purchase offers were at hand, this was done by means of the discounted cash flow method and did not result in any need for impairment.

##### Cash flow from discontinued operations

| in kEUR                                         | 9M/2012    | 9M/2011     |
|-------------------------------------------------|------------|-------------|
| Operating cash flow                             | 1,075      | 556         |
| Investing cash flow                             | -463       | -920        |
| Financing cash flow                             | -15        | -16         |
| <b>Cash flow of the discontinued operations</b> | <b>597</b> | <b>-380</b> |

**Employees of the discontinued operations**

111 employees were attributable to discontinued operations (as of 30 September 2012).

**9. Contingencies, warranties, contingent liabilities and similar obligations**

There are no significant changes compared to the contingent liabilities shown in the consolidated financial statements as of 31 December 2011.

**10. Related party disclosures**

At the end of July 2012, YOC AG was granted two shareholder loans, one from DIH Deutsche Industrie-Holding GmbH in the amount of 100 kEUR and one from dkam GmbH in the amount of 200 kEUR that bears interest at a rate customary in the market. Both loans including interests were redeemed in August.

**11. Events after the interim reporting period**

The following significant events occurred between 30 September 2012 and publication of the interim consolidated financial statements:

**Capital increase resolution**

On 24 October, the Management Board of YOC AG passed a resolution and obtained the consent of the Supervisory Board to effect a capital increase from authorized capital in the amount of EUR 190,000.00 and at a price of EUR 7.00 per new share, which it has placed and implemented. Upon registration of the capital increase in exchange for cash, the company's share capital rises from EUR 2,190,000.00 to EUR 2,380,000.00. The shareholder subscription right was excluded. The new shares will be fully entitled to profits as from 1 January 2012. The proceeds from the capital increase are meant to strengthen the equity basis of YOC AG.

The new shares were admitted to trading on the regulated market (Prime Standard) at the Frankfurt Stock Exchange on 30 October 2012. The new shares were included in the existing listing at the aforementioned stock exchange on 31 October 2012.

**12. Other information**

Dirk Kraus resigned from the YOC AG Management Board as of 11 September 2012. The former duties of Mr Kraus will be assumed by the other Board members. Provisions in the appropriate amount were set aside for any claims resulting from the changes to the Board.

# Statement of Responsibility made by the Management Board

(Pursuant to Sect. 37w No. 1 Securities Trading Act (WpHG) in conjunction with Sect. 297 Para. 2 Sent. 4 and Sect. 315 Para. 1 Sent. 6 German Commercial Code (HGB))

To the best of our knowledge we assure that the consolidated financial statements conveys a true and fair view of the net assets, financial position and results of operations of the group according to the applicable accounting principles and the conduct of business including the business results and the situation of the group are described in the Group Management Report so as to convey a true and fair view of the facts and circumstances as well as the material risks and opportunities of the group's probable development.

Berlin, 12 November 2012



Patrick Feller,  
Spokesman of the  
Management Board  
of YOC AG



Alex Sutter,  
Management Board  
of YOC AG



Jan Webering,  
Management Board  
of YOC AG



Joachim von Bonin,  
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# Financial Calendar

22/03/2013

Publication of the provisional annual results for 2012

30/04/2013

Press conference

15/05/2013

Interim Report First Quarter 2013

14/08/2013

Report First Half of 2012

14/11/2013

Interim Report Third Quarter 2012

► Provisional dates. An updated version can be found at: <http://ir.yoc.com>



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