# QUARTERLY REPORT
# 2012 Q4

## TwigoNet Europe, SE
For the period 1.10.2012 – 31.12.2012

January 14th 2013
Prague, Czech Republic

Contents

## 1. Selected financial data consolidated for the group

| thousands of EUR | Quarter | | Cumulative | |
|---|---|---|---|---|
| | 1.10.-31.12.2011 | 1.10.-31.12.2012 | 31.12.2011 | 31.12.2012 |
| Equity | 0 | 0 | 1674 | 1403 |
| Long-term receivables | 0 | 0 | 0 | 10 |
| Short-term receivables | 0 | 23 | 0 | 13 |
| Cash and cash equivalents | 1576 | -171 | 1684 | 1308 |
| Long-term liabilities | 13 | 9 | 0 | 5 |
| Short-term liabilities | 3 | 9 | 13 | 21 |
| Depreciation and amortization | 0 | 0 | 0 | 2 |
| Net sales revenue | 0 | 0 | 0 | 0 |
| Gross profit (loss) on sales | 0 | 0 | 0 | 0 |
| Operating profit (loss) | -17 | -67 | -31 | -270 |
| Gross profit (loss) | -17 | -67 | -31 | -271 |
| Net profit (loss) | -17 | -67 | -31 | -271 |

Exchange rate EUR/CZK 25,140 as of December 31, 2012 was used for calculation.

**2. Factors and events that affected the financial results:**

The event influencing financial result was the construction of FTTH fiber networks at several places (Olomouc, Tábor, Brandýs nad Labem), which is represented by increased cash outflow.

**3. Actions taken by TwigoNet to develop its activities during the period covered by the report, in particular through actions aimed to implement innovative solutions at the enterprise**

*Because of strategic reasons and NDA conditions, in our reports we do not disclose the names of the our (potential) customers (ISPs), towns where we prepare the building of the network and the names of the existing networks/companies we plan to acquire.*

In the fourth quarter TwigoNet:

- received new permission to build next network in another town
- installed more than 40 km of HDPE ducts

- continues in discussion with major telecommunication operator in order to define the first pilot locality for the operation
- continued the negotiation about possible cooperation with another five middle sized telecommunication operators (ISP) and continues the more detailed discussion with other medium sized ISPs
- concentrated mainly on building of FTTH and put on hold all the acquisition efforts.
- started preparation of new 10 additional building projects on Moravia and Bohemia
- started the tender for supply of optical cables. The tender should continue place during the 1th quarter 2013.
- Started the selection of the "Network documentation SW"
- TwigoNet Moravia s.r.o. has been established as the next 100% subsidiary of the company.
- Finished the digging works in Brandys nad Labem
- Started the internat FTTH installation in all localities
- Started the preparation of Area PoP
- Secured permissions to install the internal FTTH installations for another 1000 Homes Passed.
- Started the selection of cable locator tool

The company has made no financial forecasts. Ground works currently undertaken are in compliance with plans and expectations of management.

**Issuer´s shareholding structure as of reporting day**

Management of the company has no information about the change in the shareholding structure of the company. But only minor part of the shares issued by the company is traded on the public market and therefore is registered in the electronic form. The rest of the issued shares is held privately in the paper form.

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