MOBILE

TECHNOLOGY

& MEDIA

ANNUAL REPORT
2012

YOC Group Overview

Segment Media and Holding (continued operations) (in TEUR)	2012	2011 adjusted*1	Change	Change in %
Revenue and earnings				
Total revenue	21,720	19,079	2,641	14%
Germany	9,119	9,935	-816	-8%
Other countries	12,601	9,144	3,457	+38%
Total	22,602	19,548	3,054	16%
EBITDA	-4,773	-2,564	-2,209	-86%
EBITDA margin (in%)	-21%	-13%	n.n.	n.n.
Earnings after tax	-11,058	-6,998	-4,060	-58%
Earnings per share (diluted in EUR)	-5,39	-3,72	-1,67	-45%
Earnings per share (basic in EUR)	-5,40	-3,72	-1,68	-45%
Employees				
Average number of employees*2	109	87	22	25%
Number of employees at year end	105	95	10	11%
Total output per employee (in EUR thousand)	207	225	-17	-8%

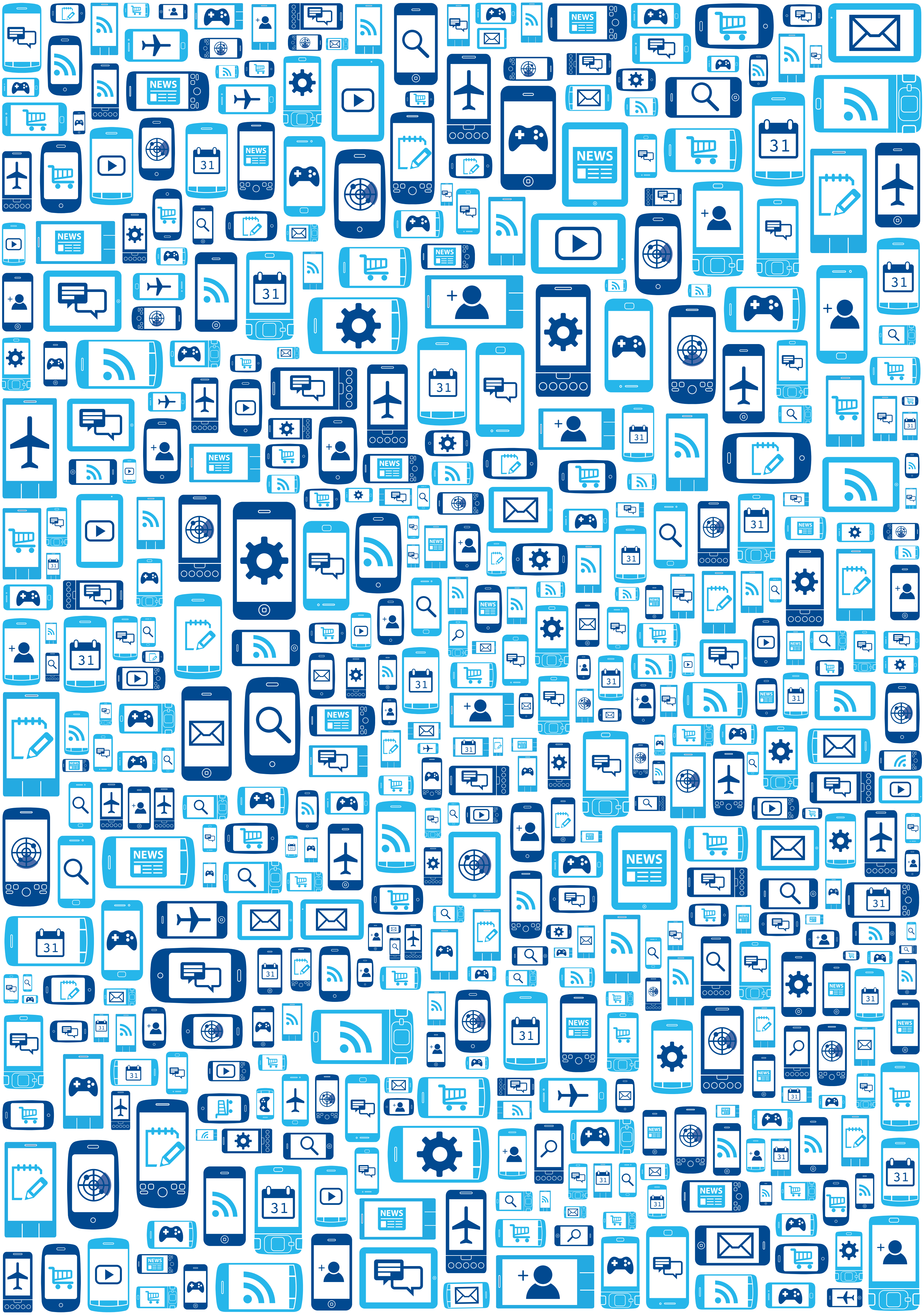
Segment Mobile Technology (discontinued operations) (in TEUR)	2012	2011 adjusted*1	Change	Change in %
Revenue and earnings				
Total revenue	12,896	13,019	-123	-1%
Germany	8,452	7,369	1,083	15%
Other countries	4,444	5,650	-1,206	-21%
Total	13,995	14,262	-267	-2%
EBITDA	1,545	-440	1,985	n.n.
EBITDA margin (in%)	11%	-3%	n.n.	n.n.
Earnings after tax	-286	-883	597	68%
Earnings per share (diluted in EUR)	-0,14	-0,47	0,33	-68%
Earnings per share (basic in EUR)	-0,14	-0,47	0,33	-68%
Employees				
Average number of employees*2	113	128	-15	-12%
Number of employees at year end	115	132	-17	-13%
Operating cash flow (in EUR thousand)	124	111	12	11%

Group (in kEUR)	2012	2011 adjusted*1	Change	Change in %
Financial position and liquidity				
Total assets	23,061	30,603	-7,542	-25%
Equity ration (in %)	12%	36%	n.n.	n.n.
Operativer Cash–Flow	-2,697	676	-3,373	<-100%

*1 Agency provisions have been restructured from other operating expenses to slaes deductions (see point 3.1)

*2 On the basis of permanent employees

Where rounded amounts are used, differences may occur due to commercial rounding.



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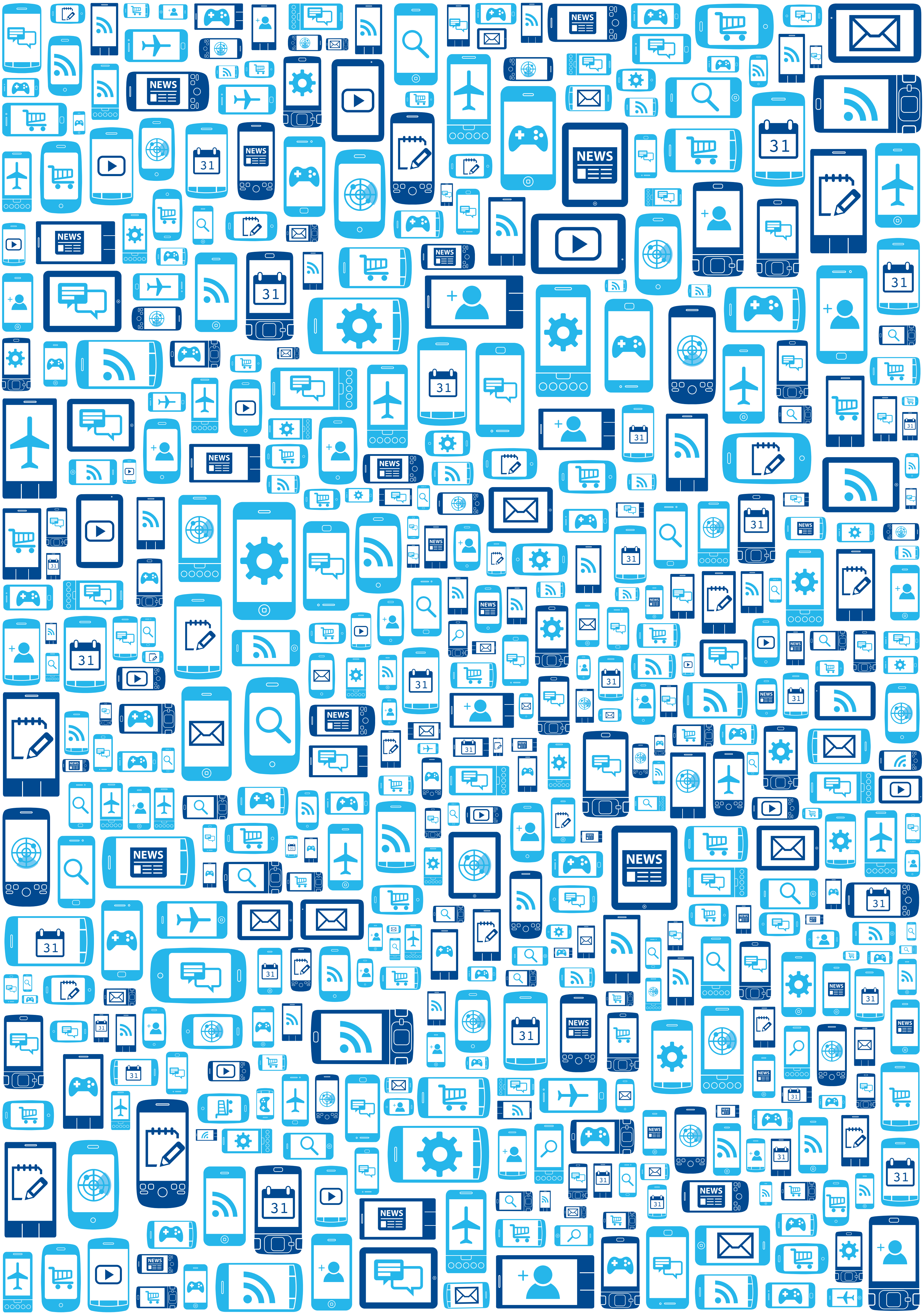

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TO OUR SHAREHOLDERS

Letter to Shareholders

Dear Shareholders,

Nearly six months have gone by since I took over as CEO of YOC AG.

Looking back at a challenging financial year

Since I started in December 2012, I have had numerous discussions with my colleagues and our shareholders and have come to quickly understand that both the company and you as investors have been through a stormy financial year. The year 2012 was marked by change at YOC AG: changing members of the Management Board, two capital increases and the strategic concentration of our business activities.

Looking at the numbers, we reported sales of EUR 36.6 million in the financial year 2012. That corresponds to around 8% growth for YOC Group, a thoroughly unsatisfactory result. Our sluggish progress was mainly attributable to the performance of our sites in Germany, Spain and France, which are all trailing behind general market growth. On the other hand, our team in the UK posted extremely healthy growth of around 20%.

Our EBITDA amounted to EUR -3.2 million in 2012. Depreciation and amortisation of EUR 7.2 million left us with an overall operating result of EUR -10.4 million. This EUR 7.2 million figure includes both D&A of 1.5 million and impairments of EUR 5.7 million.

Liquidity at YOC AG

As of 31 December 2012 the company held cash and cash equivalents equal to EUR 0.2 million. Liquidity therefore decreased by EUR 1.4 million year-on-year, due to investment in self-developed software and in property, plant and equipment, as well as to cash outflows related to variable purchase price components in 2012.

The liquidity at YOC AG remains tight, which is why we and the Supervisory Board decided to carry out another capital increase from authorised capital in April 2013. We are also examining other options for outside financing to better secure the operations of the company sustainably over the long term.

Positive start into 2013

When you consider our situation at the start, we began the new financial year on the right foot. In the first three months alone, we succeeded in attracting numerous publishers such as E! Entertainment, Formel1.de, niiu, Europa Press and kleinezeitung.at. Thanks to gratifying developments in the individual countries, we are projecting stronger sales growth and much better profitability in 2013.

Mobile internet is going to reach the majority of consumers in 2013. In the US alone, 125 million people have a smartphone and 50 million have a tablet. Smartphones are spreading rapidly in Europe as well. It's no coincidence that media budgets are shifting more and more toward mobile. For the full year 2013, we anticipate gross sales of more than EUR 60 million in Germany alone.

Our common interest is the future success of YOC AG
It's our mission to expand YOC into a mobile advertising provider that reaches users with minimum wastage all over, all the time. I can promise you this: transparency and open dialogue. Your comments and feedback are immensely important to leading YOC AG toward success and sustainable profitability.

As I finish, I would like to take this opportunity to thank our Supervisory Board members, who have stood by the company in general and me personally with their advice and encouragement.

As for you, dear shareholders, I offer my warmest gratitude for the trust you have shown in me and I look forward to continuing our cooperation in the future.

Kind regards,

Dirk Freytag
CEO of YOC AG

Report from the Supervisory Board

The Supervisory Board carried out the tasks and duties incumbent upon it under law, the Articles of Association and the Rules of Procedure comprehensively and diligently during the financial year 2012. It intensively dealt with the situation of the company, regularly advised the Management Board on the management of the company and continuously monitored its activities.

In particular, it monitored whether appropriate steps were being taken in respect to risk provisions and compliance. The Supervisory Board also monitored whether the Management Board was fulfilling its duties pursuant to Sect. 91 Para. 2 Stock Corporation Act (AktG) in compliance with the law.

The Supervisory Board was directly involved in all decisions of fundamental importance to the company and discussed them in detail. In fulfilling its obligations, the Supervisory Board dealt with revenues and results of operations of the company, the business performance as well as the intended corporate policy and planning by means of regular written and verbal reports of the Management Board.

After scrutinising the respective documents submitted and discussing approval in detail, the Supervisory Board approved Management Board decisions and measures subject to Supervisory Board approval pursuant to the law or the Management Board Rules of Procedure.

In addition to covering a wide range of technical issues, measures subject to approval and the company's business development, Supervisory Board meetings also extensively discussed basic corporate planning issues and an adjustment of the corporate strategy to the changing framework conditions, the continued expansion of the company's international business, the safeguarding of the company's competitiveness, as well as personnel decisions in the financial year 2012. Short-term, medium-term and long-term issues were treated in the same way.

Composition of the Supervisory Board

The General Meeting of 21 August 2012 elected Mr Oliver Bormann as a member of the Supervisory Board, supporting his earlier court appointment as a member of the Supervisory Board for a period of five years. In addition, Mr Gerd Schmitz-Morkramer and Mr Peter Zühlsdorff, whose terms came to an end at the 2012 General Meeting, were re-elected for a five-year term as members of the Supervisory Board.

Material issues of the Supervisory Board activities

The Supervisory Board held a total of eight meetings in the period under report; moreover, further written resolutions of the Supervisory Board were passed in writing. In doing so, the Supervisory Board engaged in a detailed consultation with the Management Board. Furthermore, the Supervisory Board as a whole was in close communication with the Management Board and was kept informed by the latter about the current business development and all important business transactions. The Supervisory Board was also kept abreast of matters of particular significance between meetings; in addition, the chairman of the Supervisory Board and the Chief Executive Officer met regularly to share information and advice. The Supervisory Board also took advantage of the option to discuss issues without the presence of the Management Board. All Supervisory Board members participated in the meetings and other resolutions in 2012; no Supervisory Board committees were established. There were no indications for potential conflicts of interest among the Supervisory Board members in the financial year 2012.

The Supervisory Board paid special attention to the two capital increases in July and October 2012 as well as the strategic focusing of the company on the business units Mobile Technology and Media. The supervisory body also advised the Management Board on these matters between Supervisory Board meetings.

At the Supervisory Board meeting on 19 April 2012, in the presence of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, the Management Board presented the financial statements and consolidated financial statements for the year ending 31 December 2011 (with executive summaries of the management report and consolidated management report) and the current developments in the first six months of 2012, and discussed them with the Supervisory Board. After in-depth discussion, with the participation of the auditor, the Supervisory Board approved the financial statements for the year ending 31 December 2011 at its meeting on 19 April 2012. The Supervisory Board also passed a resolution regarding the report on financial year 2011 which it was to share with the General Meeting.

At its meeting on 11 June 2012, the Supervisory Board considered the current situation of the company. It also discussed the issues of the ordinary General Meeting 2012, including the resolutions it would propose. The agenda was discussed with the Management Board and subsequently approved.

At its meeting on 19 July 2012, the Supervisory Board dealt with the current development of the liquidity of YOC Group and discussed various options for increasing it. After in-depth discussions, it approved the proposal of the Management Board to increase the share capital of YOC AG in return for cash in order to raise the necessary capital in the form of equity. As part of the capital increase, the shareholders of YOC AG were granted their legal subscription rights and the capital increase was executed at an appropriate price equal to the trading price of the YOC shares in the days prior to the resolution to execute the capital increase. The capital increase entailed the issuance of 275,000 new shares and raised EUR 1,787,000.

At the General Meeting on 21 August 2012, all members of the Supervisory Board were re-elected. At the constitutive meeting of the Supervisory Board, which directly followed the General Meeting, Chairman Gerd Schmitz-Morkramer and Deputy Chairman Peter Zühlsdorff were confirmed in their offices. During this meeting the Supervisory Board dealt intensively with the financial situation of YOC AG among other issues.

During a special meeting on 11 September 2012, after extensive discussion and consideration of all of the consequences, the Supervisory Board decided to relieve Mr Dirk Kraus from his office as CEO and member of the Management Board and terminate his employment contract with the company.

At its meeting on 24 September 2012, the Supervisory Board discussed the search for a new chief executive officer. Mr Patrick Feller was appointed interim CEO for the period of transition. The Supervisory Board also dealt with the development of the company and the current status of the Sevenval divestment process. The Supervisory Board approved the proposal of the Management Board to carry out another capital increase. The capital increase, which excluded shareholders' subscription rights, was executed at an issue price of EUR 7.00, i.e. close to the market price. Altogether the share capital was increased by EUR 190,000 and the stock issuance raised EUR 1,330,000.

At its special meeting on 19 November 2012, the Supervisory Board appointed Mr Dirk Freytag as CEO and member of the Management Board to replace his predecessor Dirk Kraus.

At its meeting on 3 December 2012, the Management Board explained the performance and the preliminary results of the third quarter to the Supervisory Board. The newly appointed Chief Executive Officer Dirk Freytag furthermore gave a detailed description of the current situation in individual countries and explained various aspects of the strategic alignment to the Supervisory Board.

Moreover, the annual Declaration of Conformity in accordance with Sect. 161 Stock Corporation Act (AktG) presented and approved by common agreement by the Management Board of YOC AG was unanimously adopted following detailed examination and discussion. Within the scope of this discussion, the Supervisory Board also dealt with revisions to the German Corporate Governance Code (DCGK) which took effect on 15 June 2012, in particular with the more specific recommendations regarding the independence of members of the Supervisory Board.

Audit of the annual and consolidated financial statements

The annual and consolidated financial statements as well as the summarised Management Report and Consolidated Management Report were audited and given an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, branch office Berlin, the auditor appointed by the General Meeting on 21 August 2012 and commissioned by the Supervisory Board. During the course of its audit, the auditor found, in summary, that the Management Board had set up a risk management system compliant with legal requirements and that this system is suitable, in principle, for recognising developments which might put the company as a going concern at risk.

The documents listed above and the audit reports were duly provided to all members of the Supervisory Board. The documentation was examined and discussed in-depth in the presence of the auditor during the meeting on the balance sheet on the 23rd of April 2013. The auditor reported the main findings of its audit and answered all questions in this respect. The auditor also gave details regarding the scope, focus and costs of the audit. The auditor did not encounter any potentially troublesome conflicts of interest.

The Supervisory Board acknowledged the report of the auditor and approved the findings of the audit. As its own examination did not lead to any objections, the Supervisory Board approved the annual and consolidated financial statements as well as the summarised Management Report and Consolidated Management Report prepared by the Management Board. Thus, the annual financial statements of YOC AG were adopted.

Corporate governance

The Supervisory Board also studied the recommendations of the German Corporate Governance Code in the financial year

2012. In this context, the Supervisory Board also reviewed whether the Management Board remuneration was adequate and customary. Furthermore, the Supervisory Board discussed the efficiency of its activities as well as the contents of the Declaration on Corporate Governance, including the Declaration of Conformity with regard to the German Corporate Governance Code in accordance with Sect. 161 Stock Corporation Act (AktG). The Management Board and the Supervisory Board delivered their joint Declaration of Conformity in December 2012. The company largely complies with the recommendations of the German Corporate Governance Code. As part of the Declaration on Corporate Governance, the Declaration of Conformity together with explanations of deviations from the recommendations can be found on pages 35-38 of the Annual Report and was made permanently accessible on the company's website. Further information about corporate governance at YOC AG can be obtained from the Corporate Governance Report published on page 11 of the Annual Report.

Personnel changes in the Management Board and Supervisory Board

Dirk Kraus left the Management Board of the company effective 11 September 2012. His responsibilities were handled by the other members of the Management Board during the interim.

Dirk Freytag was appointed Chairman of the YOC AG Management Board effective 1 December 2012. He is the member of the Management Board responsible for corporate strategy and organisation, for the future of the central Media business unit, and for investor and public relations.

Patrick Feller left the Management Board of YOC AG on 31 December 2012. Alex Sutter also resigned as a member of the YOC AG Management Board effective 31 December 2012.

After the end of the financial year, Joachim von Bonin resigned from his position on the Management Board of YOC AG effective 31 March 2013.

The Supervisory Board wishes to thank the departing members of the Management Board for their commitment and their work.

Thanks to the members of the Management Board and all YOC AG staff

The Supervisory Board would like to thank the Management Board and all staff of YOC AG and all other companies in the group for their great commitment and the work accomplished over the past financial year.

Berlin, April 2013

The Supervisory Board

Gerd Schmitz-Morkramer
Chairman

Corporate Governance

YOC AG attaches great importance to corporate governance, the principles of which aim to ensure the responsible and long-term value-driven management and control of our company. Efficient cooperation between the Management Board and the Supervisory Board, respect for the interests of the shareholders as well as open and transparent corporate communications are key aspects of good and responsible company management and corporate governance.

The Management Board and Supervisory Board report as follows on corporate governance at YOC AG:

YOC AG complies with the recommendations of the "Government Commission of the German Corporate Govern-ance Code" (hereinafter also referred to as "Code" or "DCGK") in the version of 15 May 2012 with the exception of Sections 2.3.2, 3.8 Para. 3 4.1.5, 4.2.3 Para. 2 Sent. 2 and Para. 5, 5.1.2 Para. 1, 5.4.1 Para. 2 and Para. 3, 5.1.2 Para. 2 Sent. 3, 5.3.1, 5.3.2 and 5.3.3, 5.4.1 Para. 2 Sent. 1, 5.4.3 Sent. 3, 5.4.6 Para. 1 Sent. 3, 5.4.6 Para. 2 and 7.1.2 Sent. 4. The Management Board and the Supervisory Board of YOC AG have adopted the declara-tion on the Corporate Governance Code (Declaration of Conformity 2012) attached to the end of this report. It has been published on the website of YOC AG at www.yoc.com (Investor Relations section).

1. Shareholders and General Meeting

YOC AG reports to its shareholders four times in the financial year on business developments and the net assets, financial position and results of operations of the consolidated companies. Matters upon which the General Meeting decides include the appropriation of profit, discharge of the Management Board and the Supervisory Board as well as the election of the auditor. Amendments to the Articles of Association and corporate actions are resolved upon by the General Meeting alone and implemented by the Management Board. Shareholders may submit countermotions to resolutions proposed by the Management Board or the Supervisory Board and challenge resolu-tions of the General Meeting.

Unless the law or the Articles of Association stipulate otherwise, a majority of the votes is required for the General Meeting to pass resolutions. The Articles of Association can be viewed on the website of YOC AG at www.yoc.com (Investor Relations section).

The Management Board makes use of electronic communication channels, in particular the internet, to facilitate shareholder access to information on the General Meeting and allow shareholders to vote in absentia, for example by appointing a proxy. Shareholders are provided with all necessary reports and documentation beforehand, and such information is also available on the website.

2. Management and control structure

As required by the German stock corporation law, YOC AG has a two-tier management and control structure comprising a Management Board and a Supervisory Board. There is a strict personnel separation of management (Management Board) and corporate control (Supervisory Board) within this two-tier management system. It is not legally possible to simultaneously sit on both the Management Board and the Supervisory Board. Each of these two bodies has its own duties and responsibilities which are clearly defined by law. The Management Board is responsible for the management of the company while the Supervisory Board advises and monitors the Management Board.

2.1 Management Board

The Management Board consisted of three members as of 31 December 2012: More information on the members of the Management Board and their areas of responsibility can be found on page 84 of this Annual Report. Furthermore, information about functions and CVs is available online at http://group.yoc.com/Management-Board.

The Management Board has sole responsibility for the management of the company and exercises control over the consolidated companies. It has a duty to act in the interests of the company and is committed to increasing the sustainable company value. It is responsible for defining the company's strategic direction in consultation with the Supervisory Board.

The Management Board works in close cooperation with the Supervisory Board, informing the latter regularly, promptly and in detail on all company issues concerning strategy, strategy implementation, planning, business development, financial position and results of operations, compliance and corporate risks.

The Management Board is responsible for drawing up the quarterly reports, half-year and annual financial statements of YOC AG as well as the consolidated financial statement. It ensures compliance with statutory provisions and appropriate risk management within the company.

2.2 Supervisory Board

In accordance with Section 101 AktG [German Stock Corporation Act] in conjunction with Section 10 Para. 2 of the Articles of Association, the Supervisory Board of YOC AG consists of three members elected by the General Meeting for the term of office ending with the conclusion of the General Meeting that resolves on the discharge for the fourth financial year following their election. More information on the members of the Supervisory Board can be found on page 85 of this Annual Report. Furthermore, their CVs are available online at http://group.yoc.com/Supervisory-Board.

The Supervisory Board monitors and advises the Management Board with regard to the management of the busi-ness. The Supervisory Board discusses the business development and planning as well as the strategy and its implementation with the Management Board at regular intervals. The Supervisory Board approves the annual financial statement and takes note of and approves the consolidated financial statement following discussion with the auditor and own examination. Moreover, it appoints the members of the Management Board. Fundamental decisions affecting YOC AG require Supervisory Board approval. These include decisions or measures that would significantly change the net assets, financial position or results of operations of the company. The information and reporting obligations of the Management Board were defined by the Supervisory Board.

The members of the Supervisory Board make their decisions independently and are not bound by the demands or instructions of third parties. Furthermore, consultancy, service and other agreements between YOC AG and its subsidiaries on the one hand and members of the Supervisory Board on the other hand must be approved by the Supervisory Board.

3. Remuneration Report

The Remuneration Report is based on the recommendations in the German Corporate Governance Code. It sets out principles which are applied in setting the remuneration of the Management Board of YOC AG and explains the amount and structure of these payments. It also describes the principles applied to and the amount of Supervisory Board remuneration.

The Remuneration Report further contains details which German commercial law requires to be part of the notes to the consolidated financial statements pursuant to Sect. 314 German Commercial Code (HGB) as well as the Group Management Report pursuant to Sect. 315 German Commercial Code (HGB).

3.1 Management Board remuneration

The Supervisory Board is responsible for setting the Management Board remuneration. Its decision takes account of the size and activities of the company, the company's economic and financial position, the tasks of the respective Management Board member as well as the amount and structure of management board remuneration at other companies in the sector. Management Board remuneration is performance-related. Remuneration is determined in such a way that it remains at a level competitive within the market for highly qualified management personnel and offers a performance incentive.

In the financial year 2012, it consisted of a fixed basic component, a variable component and the participation in the YOC Management Incentive Programme and the phantom stock option programme.

- The basic remuneration is a fixed cash remuneration for the entire year based on the area of responsibility of the respective Management Board member and paid out in twelve monthly instalments.

- The variable component consists of a cash remuneration as profit-sharing based on the results of operations according to IFRS (EBITDA) of YOC AG and is subject to an upper limit.

- With the participation in the YOC Management Incentive Programme initiated in 2009, the members of the Management Board – and other employees of the company – receive subscription rights to shares in YOC AG. The subscription rights granted in this respect are subject to a holding period of several years. The exercise of subscription rights requires an own investment of the subscription right owners at an exercise price derived from the stock market price of the YOC share at the time of issuance of the respective subscription rights (market value) (also see Section 6 below). The participation of the Management Board in the YOC Management Incentive Programme is intended to reward the contribution of the Management Board for increasing the shareholder value and to promote the long-term success of the company. This element of remuneration and the long-term incentive it offers create a useful link between the interests of the management and those of the shareholders.

- Through participating in the phantom stock option programme initiated in 2012, specific members of the company's Management Board selected by the Supervisory Board receive phantom stocks. For the selected members, the phantom stock option programme simulates the actual holding of shares in the company's equity capital. The difference between these phantom stock options and 'actual' stock options is that exercising the phantom options does not entitle the holder to subscribe to company shares; ra-ther, the options grant the option holder a claim against the company for the payment of a specific cash sum as further defined in the option conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.

As a contractual fringe benefit, Dirk Freytag, Jan Webering and Alexander Sutter had the right to a company car.

3.2 Supervisory Board remuneration

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed. The fixed remuneration amounts to kEUR 12.5 for one financial year. The chairman of the Supervisor Board receives 2 times and the deputy chair 1.5 times this fixed amount. For each meeting of the Supervisory Board held in person, each member of the Supervisory Board present receives kEUR 1.0; the chairman of the Supervisory Board receives 2 times and the deputy chair 1.5 times this amount.

Remuneration of the Supervisory Board in 2012

Name	Fixed renumeration (in kEUR)
Gerd Schmitz–Morkramer	33.00
Peter Zühlsdorff	24.75
Oliver Borrmann	16.50
Total	**74.25**

There was no remuneration of personally rendered services outside the board activities, particularly with regard to any consulting and referral services.

The remuneration is paid out following the ordinary General Meeting at which the approved consolidated financial statement for the last financial year is presented.

Supervisory Board remuneration for the financial year 2012 totalled kEUR 74.25.

4. Accounting and auditing

The consolidated financial statements and interim reports are drawn up in accordance with the IFRS. The consolidated financial statements are drawn up by the Management Board and reviewed by the auditor and the Supervisory Board. The consolidated financial statements for the financial year 2012 were not completed by the deadline for public disclosure of 90 days after the end of the financial year as defined in Sect. 7.1.2 Sent. 4 of the German Corporate Governance Code. The company shall make every effort to comply with the recommendation pursuant to Sect. 7.1.2 Sent. 4 of the German Corporate Governance Code, but cannot guarantee compliance for 2013.

It was agreed with the auditor, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin branch, that the chairman of the Supervisory Board would immediately be informed of any reasons precluding the employment of the auditor and any conflicts of interest arising during the audit. It was furthermore agreed that the auditor would immediately report on all issues and events significant for the tasks of the Supervisory Board which are revealed during the conduct of the audit.

5. Transparency

All participants of the capital market are provided with information by YOC AG on a uniform, comprehensive, prompt and simultaneous basis. Reporting on the business situation and results of YOC AG and YOC Group takes place through the annual report, the half-year report and the interim reports. Furthermore, information is passed on through ad-hoc communications, if this is legally necessary, and through press releases and the company's website.

In order to ensure that all capital market participants receive equal treatment, YOC AG publishes all relevant information simultaneously in German and English on the company website. The financial reporting dates are published on the financial calendar with sufficient preliminary notice. Changes in the make-up of the shareholder structure which have to be reported in accordance with Sect. 26 Securities Trading Act (WpHG) as well as the purchase and sale of shares of individuals who hold management positions within YOC AG (Directors' Dealings according to Sect. 15a Securities Trading Act (WpHG)) are also published by the Management Board.

The tables below list all holdings of members of the Management Board and the Supervisory Board which directly or indirectly exceed 1% of shares issued by the company:

Management Board holdings as of 31 December 2012

Name	Number of shares
Dirk Freytag	10,000
Alex Sutter	56,463

Supervisory Board holdings as of 31 December 2012

Name	Number of shares
Peter Zühlsdorff	308,566

6. 6. Further information about the YOC AG share option programme

2009 saw the launch of the YOC Management Incentive Programme with a total of 175,000 subscription rights. One subscription right entitles the holder to acquire one share in YOC AG. The subscription rights for the acquisition of YOC shares can be granted to members of the Management Board (up to 115,500 subscription rights) and to employees (up to 59,500 subscription rights). The YOC Management Incentive Programme ran until 31 December 2012. As of 31 December 2012, subscription rights for the acquisition of 114,590 shares had been granted to members of the Management Board and subscription rights for the acquisition of 53,275 shares had been granted to employees.

The subscription rights may only be acquired during precisely specified acquisition periods. The first acquisition period in the year is based on the timing of the company's annual press conference on financial results and lasts ten stock trading days. The second acquisition period in the year is based on the publication of the first half-year report for the financial year and also lasts ten stock trading days. The final acquisition period for subscription rights was in the year 2012.

The subscription rights may be exercised by the holders no earlier than three years from the respective issue date. The exercise price of the subscription rights is based on the average Xetra closing price of the YOC share for the last eight stock trading days before the beginning of the acquisition period. However, the exercise price must be at least equal to the closing price of the YOC share on the day on which the subscription rights were issued. The prerequisites for the exercise of subscription rights include the holder's ongoing employment with the company at the time of exercise and the fulfilment of certain performance targets. The performance targets in-clude an increase in the YOC share price.

The subscription rights may only be exercised during the precisely specified exercise periods. Exercise periods are also based on the timing of the company press conference on the annual result and the publication of the report on the first half of the year. Each exercise period comprises 17 stock trading days. All holders of subscrip-tion rights must comply with the provisions of insider trading laws. No subscription rights had been exercised before the end of the financial year 2012.

7. Further information about the YOC AG phantom share option programme

The Supervisory Board resolved to establish the YOC AG Phantom Share Option Programme in 2012. The phan-tom share option programme allows the Supervisory Board to issue phantom stocks to designated members of the Management Board. During any given allocation year, the option recipient may receive a maximum number of phantom stocks equal to 2% of the company's share capital on the date of allocation. No option recipient may obtain a greater number of phantom stocks than the equivalent of 5% of the company's share capital. The total number of phantom stocks issued may at no time exceed 10% of the company's share capital.

Phantom stocks may be issued up to twice per year but must be issued within one month following the publication of the interim report for the third quarter and/or the annual financial statements. The last time phantom stocks may be acquired will be the issuance period following the financial year 2017.

The phantom options may be exercised by the holders no earlier than three years from the respective issue date. The exercise price is based on the average Xetra closing price of the YOC share for the final 30 days prior to the allocation date.

The phantom stocks may only be exercised during the precisely specified exercise periods. The exercise periods are also based on the publication of the report on the first half of the year or the annual report, and on the compa-ny's General Meeting. Each exercise period consists of 19 banking days.

8. Declaration by the Management Board and Supervisory Board of YOC AG in accordance with Sect. 161 Stock Corporation Act (AktG) on the German Corporate

Governance Code in the version of 15 May 2012 (Declaration of Conformity 2012)

Pursuant to Sect. 161 Stock Corporation Act (AktG), the Management Board and the Supervisory Board of a listed stock company shall annually declare that the recommendations made by the "Government Commission of the German Corporate Governance Code" in the official part of the electronic Federal Gazette published by the Federal Ministry of Justice were or are complied with, or shall state which recommendations were not or are not applied including the respective reasons. The declaration shall be made publicly accessible on the website of the company.

The German Corporate Governance Code (DCGK) contains regulations with different binding effects. Aside from representations of the applicable corporation law, it contains recommendations from which companies may deviate; however, in this case they are obliged to disclose their deviations annually. In accordance with Sect. 161 Stock Corporation Act (AktG), deviations from the recommendations of the DCGK shall also be justified. Furthermore, the DCGK contains suggestions from which companies may deviate without disclosure. The following declaration concerns the period of time since the last Declaration of Conformity of December 2011 and refers to the requirements of the DCGK in its current version of 15 May 2012.

The Management Board and the Supervisory Board of YOC AG declare that the recommendations made by the "Government Commission of the German Corporate Governance Code" are and were principally complied with in the past. The Management Board and the Supervisory Board also intend to remain compliant in the future. Only the following recommendations of the German Corporate Governance Code were not and are not applied:

- **Sect. 2.3.2 of the Code:** The company regards the announcement of the invitation to attend the General Meeting in the electronic Federal Gazette as sufficient.

- **Sect. 3.8 Para 3 of the Code:** The company believes that the motivation and responsibility with which the members of the Supervisory Board carry out their duties will not be improved by a deductible. The D&O liability insurance serves to safeguard against the company's material own risks; it serves only in a secondary capacity to protect the assets of the members of those bodies. Therefore, the D&O insurance for the Supervisory Board was concluded without a deductible.

- **Sect. 4.1.5 of the Code:** When filling their managerial positions within the company, the Management Board considers company-specific realities as well as an appropriate level of diversity. In our opinion, however, the guidelines of the DCGK inappropriately restrict the Management Board in its selection of suitable candidates for managerial positions which need to be filled.

- **Sect. 4.2.3 Para. 2 Sent. 2 of the Code:** The remuneration structure of the Management Board members is intended to foster sustainable corporate development. However, in case of a temporary appointment of a Management Board member for a period of less than one year, the granting of variable remuneration components was waived. This decision was based on the fact that, in such a case, neither such components, nor an agreement on a multi-annual assessment basis were considered reasonable.

- **Sect. 4.2.3 Para 5 of the Code:** In deviation from the recommendation of the German Corporate Governance Code, payments in the event of a change of control are not generally limited to 150% of the severance cap. Such a limit could affect the ability to attract highly qualified employees. According to the Management Board remuneration structure, a change of control case could also have the effect of increasing the YOC share price if Management Board members participate in the share option programme of the company. In addition to the beneficiaries of the share option programme, however, the shareholders also profit from the rise in the share price, so that the interests of the Management Board and the shareholders coincide in this respect.

- **Sect. 5.1.2 Para. 1 as well as Sect. 5.4.1 Para. 2 and Para. 3 of the Code:** A guideline for the structure of the Management Board as stipulated in Sect. 5.1.2, Para 1 of the Code inappropriately restricts the Supervisory Board in its selection of suitable members of the Management Board. The same applies to an objective for the composition structure of the Supervisory Board as stated in Sect. 5.4.1, Para. 2 and 3 of the Code. We are fundamentally of the opinion that this constitutes an excessive limitation as regards the selection of suitable candidates for the Supervisory Board on an individual case basis. Moreover, such an objective also compromises the right of our shareholders to elect the members of the Supervisory Board.

- **Sect. 5.1.2 Para. 2 Sent. 3 of the Code:** The Supervisory Board has not set an age limit for members of the Management Board. The members of the Supervisory Board believe that suitability for a company management position depends first and foremost on individual ability and performance.

- **Sect. 5.3.1, 5.3.2 and 5.3.3 of the Code:** As the Supervisory Board of YOC AG has only three members, it would not be practical to set up committees, and especially not an audit committee or a nomination committee. The purpose of the audit committee as proposed by the Code is to increase the efficiency of auditing. This aim would not be achieved at YOC AG as nearly all members of the plenum would have to sit on the audit committee. Similarly, nearly all plenum members would sit on the nomination committee, which would not bring any improvement in the preparation of Supervisory Board recommendations regarding candidates proposed by the shareholders.

- **Sect. 5.4.1 Para. 2 Sent. 1 of the Code:** No age limit has been set for Supervisory Board members. A candidate's ability to, as a member of the Supervisory Board, monitor the Management Board and advise it on an equal footing depends first and foremost on individual capabilities.

- **Sect. 5.4.3 Sent. 3 of the Code:** The recommendation that proposed candidates for the chairmanship of the Supervisory Board be announced to shareholders has not been adopted. Pursuant to Sect. 11 Para. 1 of the company's Articles of Association, the Supervisory Board elects its chair from amongst its members. According to the Supervisory Board's Rules of Procedure, the selection of a chairperson takes place during the first meeting after the selection of the Supervisory Board without having to specially call for a meeting. With that said, the announcement of proposed candidates is not practical.

- **Sect. 5.4.6 Para. 1 Sent. 3 of the Code:** The company meets the recommendations of the Code regarding the remuneration of the chair and deputy chair of the Supervisory Board, with the exception that chairmanship and membership of committees are not considered separately due to the lack of formed committees.

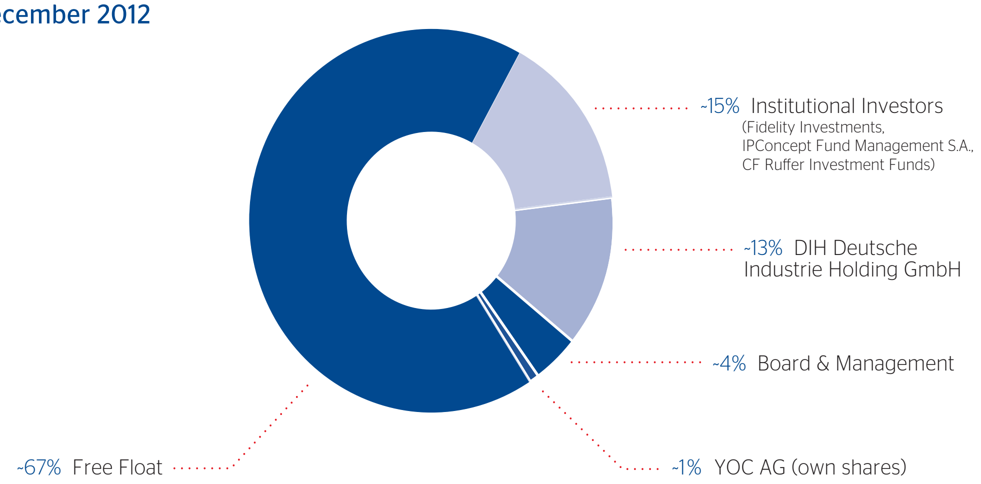
- **Sect. 7.1.2 Sent. 4 of the Code:** The company will endeavour to comply with the recommendation that the consolidated financial statements are to be made available to the public within 90 days of the end of the financial year and the interim reports within 45 days of the end of the reporting period, but cannot guarantee this due to the large scope of consolidation.

Berlin, December 2012

YOC AG
The Management Board
The Supervisory Board

The YOC Share

Shareholder Structure as of 31 December 2012



*The share of DIH Deutsch Industrie Holding GmbH is imputed to Peter Zühlsdorff

Entwicklung YOC-Aktie und TecDAX Performance Index

- YOC AG -39,72%
- TecDAX 20,96%

Development of the Yoc-share and the TecDAX Performance Index	YOC AG	TecDAX Performance Index
02.01.2012	14.10	684.61
31.12.2012	8.50	828.11
Change	-39.72%	+20.96%

Information about the share (in Euro)	2012	2011	Change
Annual closing price	8.50	15.15	-45.16%
Maximum price	19.42	41.44	-53.14%
Minimum price	5.59	14.00	-60.07%

Information on the listing	
Stock type	Inlandsaktie
Trading place	Xetra
Stock exchange segment	Prime Standard
Security identification number	593273
ISIN	DE0005932735
Number of shares as of 31 December 2012	2.380.000

YOC Group

Business Unit **MOBILE TECHNOLOGY**	Business Unit **YOC MEDIA**	
sevenval	yoc MOBILE **ADVERTISING** A YOC Group Company	belboon A YOC GROUP COMPANY

2

GROUP MANAGEMENT REPORT

Market environment

International mobile phone market: the new digital world is becoming a real - mobile internet is becoming the preferred internet channel

The new age of fragmented media usage became real in 2012 and reached the majority of consumers. In the US alone, 125 million people have a smartphone and 50 million have a tablet. Smartphones are spreading rapidly in Europe as well. Market penetration has reached 66% in Spain, 64% in the UK, 53% in France and 51% in Germany (comScore, Mobile Future in Focus 2013).

In Germany, mobile internet is also becoming more and more of a mass market; more than 30 million people go mobile online nowadays (2011: 14 million). About 50% of these internet users are going online using their smartphone (2011: 18%) and 17% are using their tablet (2011: 3%) according to Accenture Mobile Web Watch 2012. Around 21.3 million Germans from the age of 14 onwards are among the mobile internet users. For comparison: only 16.5 million German citizens used the mobile internet in 2011 (AGOF mobile facts, 2012).

Mobile advertising on a trajectory for continued success

The gross Unit Mobile Advertising (MAC) statistics for the first half of 2012 indicated strongly rising sales for mobile display ads and mobile ads in Germany. In gross terms, compared to the nearly EUR 35.9 million which was invested in 2011, the figure already came to EUR 23.0 million in the first half of 2012 (increase of 76.5% year-on-year). The 2012 full year gross revenues are projected to amount to more than EUR 60 million (MAC Mobile Report 2012/02).

With respect to individual campaign types, mobile rich media ads, where defined, uniform market standards are increasingly being established, have been bookable across the entire mobile advertising market since 2012 (MRAID definitions, IAB, 2012). Such advertising formats facilitate the creation of brand settings with excellent performance values, which are still within customers' budgets. Rich media campaigns provide the option of advertising experiences beyond those of text, graphics and animation. They allow elements which expand across the page which incorporate video, real time information, product availability and possibilities for interaction such as click-to-call and the GPS-based localisation (MAC Mobile Report 2012/02).

YOC was able to use a study which measured the advertising effectiveness of a rich media campaign to prove the specific impact on branding parameters. Mobile has a strong positive influence on how people remember advertising, on the brand image, and on people's interest in buying the goods (Nikon Coolpix Case Study, YOC 2012).

Numerous other studies show the effectiveness of mobile advertising campaigns, especially within the context of cross-media advertising strategies. The BVDW's cross-marketer Unit Mobile Advertising study was the first to examine the advertising effectiveness of a combined online and mobile campaign. The main results were that, while online and mobile significantly increase the advertising effectiveness of a campaign individually, together the two channels are most effective and have the greatest advertising impact. Furthermore, the mobile channel has a powerful activation mechanism: advertising placed on mobile sites seems especially effective at motivating the user to spend more time on the acquired product (Mobile und Online – Cross-media success strategies for digital advertising campaigns, BVDW, MAC, 2013).

Online and affiliate marketing: current developments

Looking at total ICT revenues, Germany accounts for around 5% of the global market, making it the fourth largest ICT nation among the 15 countries compared. Whereas most industrialised countries reported decreases, Germany posted a 2.6% increase in IT revenues (Monitoring Report Digital Economy 2012, German Federal Ministry of Economics and Technology).

The German internet advertising market is highly developed in a worldwide comparison: Accounting for 24% of total advertising revenues, Germany comes fifth among the fifteen countries compared in terms the percentage of internet revenues in the advertising market. The greatest share of revenues in the advertising market went to online advertising in the United Kingdom, which accounted for 34.7%. Total revenues with online advertising are forecast to amount to EUR 65 billion in 2012, with an average growth rate of 15.9% through 2016 (Monitoring Report Digital Economy 2012, German Federal Ministry of Economics and Technology).

The field of e-commerce is also expanding around the globe, with global online purchasing expected to total EUR 692 billion in 2013. Revenues in Germany came to EUR 21.7 billion in 2011 and the German E-Commerce and Distance Selling Trade Association forecasts EUR 23.5 billion in 2012 (Monitoring Report Digital Economy 2012, German Federal Ministry of Economics and Technology).

Scope of Service

Media

Mobile Advertising

In the mobile advertising business area, YOC Group marIn the mobile advertising business area, YOC Group markets the mobile internet portals and applications of media companies, publishing groups and independent portal operators as well as the applications for internet-enabled end devices and generates advertising sales from these. Throughout the course of targeted mobile marketing, YOC works particularly closely with media and advertising agencies, and directly with advertising companies from the consumer goods, services and financial industries.

It is operated on a CPM (cost per mille), reach and performance basis. YOC offers its customers the complete spectrum of mobile marketing solutions. With a portfolio of several hundred international publishers, YOC Group has the largest premium media network in Europe. Premium pages such as The Sun, krone.at, MTV and Europa Press are marketed at a fixed price.

Premium-based campaigns focus above all on branding and image, but also factor in the advertiser's awareness targets. Today media agencies use high-profile rich media advertising formats such as the YOC Mystery Ad to achieve these objectives and create maximum visibility. The ad took home the much-coveted Gold Lion at the Cannes Lions 2012. In addition to creativity and execution, the jury evaluated the advertising effectiveness and customer loyalty of the submitted rich media campaign, which advertised the new Nokia Lumia 800 smartphone. The YOC Mobile Advertising Format Mystery Ad also won an Effective Mobile Marketing Award. These awards improve the reputation of the company.

Affiliate Marketing

YOC offers its affiliate network belboon via its subsidiary company belboon GmbH (formerly belboon-adbutler GmbH), which is one of the top three affiliate networks on the German speaking market. The expansion of international operations is focused on the French market in particular.

An affiliate network provides an independent internet-based platform, which acts as a marketplace for advertisers, merchants and sales partners. In this marketplace, advertisers and merchants provide their offers for publishers within the scope of partner programmes. These partner programmes define the commission rates for the publisher for meeting targeted benchmarks with the end consumer (sales or leads). The available advertising material is also stored in the partner programme. Publishers conclude contracts to participate in these partner programmes and incorporate the provided advertising material into their digital media mix such as websites, newsletters or via search engine ranking and therefore generate profit and commissions.

The affiliate network of YOC Group is responsible for the financial interactions between business partners and the administrative technology. This includes the tracking and classification of generated commissions via tracking technologies and the provision of sophisticated management and controlling platforms for advertisers and publishers. In line with the industry standards, belboon operates its services according to a performance-based pricing model, mainly based on generated sales and leads.

Mobile Technology

Mobile Internet

Mobile internet forms the core of YOC's operations in mobile technology. This is where YOC develops its own technology, implements and hosts mobile internet portals and applications on the basis of Sevenval's FIT Technology and licenses the necessary software to its customers. Pure internet portals that are not optimised for calls via mobile telephone devices are often unsuitable for calls on mobile phones due to the volume, processing and display of data. However, mobile internet portals created on the basis of Sevenval's FIT Technology from YOC, are specifically designed to be used on mobile devices. In this way, YOC offers to create individual mobile websites, with content that may partially or significantly differ from the customer's stationary internet website, as well as the automated conversion of stationary websites for mobile use. The FIT Technology developed by the YOC subsidiary Sevenval GmbH allows for the automatic optimisation of stationary content for mobile end devices and is able to react quickly to market innovations, for example, tablets.

Several hundred renowned mobile portal companies including the Handelsblatt publishing group, Postbank, FAZ, T-Online, Air Berlin and Mercedes-Benz use the mobile internet technology from YOC Group. Whilst just a few years ago, mobile internet exclusively consisted of simple informative services such as stock exchange information, weather and travel information, today the focus is on complex interactive transaction systems, for example, mobile commerce, mobile banking and mobile social community networks. In these data-sensitive areas, particularly sophisticated technology is essential as the necessary security standards for account access, transfers or transactions can only be guaranteed through the combination of different technological building blocks.

Sevenval FIT Technology is frequently used by customers for security-critical applications within the area of mobile banking. This software product is hereby used with the existing bank IT infrastructure and optimises access for the mobile sales channel. High internet banking security standards are also guaranteed on mobile internet devices using this software.

Mobile Marketing

The product portfolio in the mobile marketing business area ranges from the combination of advertising communication from the areas of television, print media, radio and outdoor advertising with mobile devices (mobile response marketing), to direct communication with consumers via mobile networks and the internet (mobile or e-mail push marketing) and the development of technological applications such as mobile websites, native applications and location-based services. The services offered in the Mobile Technology segment are used across all industries and include companies from the consumer goods, retail, services, financial and car manufacturing industries. YOC therefore implements its products for brands such as Microsoft, HRS, Postbank, Austrian Airlines and Jigsaw.

Today, there are a number of different technologies available for mobile marketing to implement highly emotive multi-media communication concepts on mobile phones. YOC offers solutions and products that help combine all available technology individually. Thus, YOC develops individual solutions for each project that are specific to the target group in question and its media use.

Business development

YOC Group is present within the key markets in Europe with offices in Germany, Austria, the United Kingdom, Spain and France. The Group offers its Mobile Technology services in all of these markets except for France. With such a broad international footprint, YOC Group was able to solidify its position as the leading provider of mobile technology in Europe and expand in some international markets in financial year 2012 as well.

Altogether, YOC Group grew by approximately 8%, an unsatisfactory figure which is particularly due to the offices in Germany, Spain and France under-performing market growth. Growth of around 20% was achieved in the UK.

The priority for YOC in 2012 was to further focus on its core business of media. At the same time, the company underwent significant changes to its Management Board. First came the resignation of Alexander Sutter, who shared responsibility for the Mobile Technology (Sevenval) business area with Jan Webering. Then the Supervisory Board appointed Dirk Freytag as the new CEO of YOC AG as of December 2012 after Dirk Kraus resigned. Lastly, Patrick Feller left the Management Board as planned as of 31 December 2012.

As part of this concentration process, the company decided during the second half of the year to dispose of its Mobile Technology business area, mainly consisting of its subsidiaries Sevenval GmbH and Sevenval Ltd. This business area continues to work towards increasing recurring revenues and license income and focuses on licensing the Sevenval FIT software and implementing related solutions.

Media

Mobile Advertising

The performance of the Media segment has not met the targeted market growth. This was partly caused by investment in central product and technology management and the failure of volumes in the YOC Performance Network to materialise as planned. The shift in market conditions, such as the increasingly more digital business, and new mobile market participants with powerful reach, such as the classic online marketers, has drastically changed the competitive environment in no time at all. YOC was not focused enough on its business activities in 2012 to keep up with the market growth of mobile advertising.

None the less, a large number of new Mobile Advertising customers have been gained in the last financial year. Notable among them are companies such as Deutsche Bahn, Fiat, Nokia, Warner Brothers and Sky as well as renowned publishers like Formel1.de. The reach expanded internationally, particularly in the area of news but also in the lifestyle and sport segments.

Affiliate Marketing

International studies show that mobile affiliate marketing is demonstrably becoming an increasingly important part of the marketing mix. This is due to the new user-friendliness of devices such as tablets and smartphones. Similar to what is happening in online marketing, the remuneration of TKP in mobile marketing is shifting to become purely performance-based.

The successful revenue drivers during the last financial year were Re-targeting, Performance Display Advertising and Couponing. Though sales stagnated at home, development abroad was extremely satisfying; compared to 2011, belboon managed to increase international sales by 85%.

Business development in the Mobile Technology segment

The company acquired several well-known new customers in financial year 2012 looking to benefit from the platforms and products of YOC Group. Furthermore, existing national and international customers including The Coca-Cola Company, Kraft Foods, Adam Opel HRS and Deutsche Post also use the mobile technology products offered by YOC Group. Numerous new mobile portals on the basis of the Sevenval FIT technology were implemented internationally by YOC Group in 2012.

Other factors positively influencing the market and demand in this segment are the increasing popularity of mobile phone devices, the faster transfer rates due to the rising use of UMTS and LTE as well as the rapidly increasing use of smartphones and the ensuing more frequent use of the mobile internet. At the end of 2012, mCommerce accounted for 11% of global eCommerce revenues.

Internationalisation

YOC Group was able to further strengthen its position on the European market in the financial year 2012. This is thanks to the company's strong presence on Europe's core markets, its broad range of products and its many years of market expertise. In addition to its headquarters in Berlin and office in Cologne, the company has four branch offices abroad in London (England), Madrid (Spain), Vienna (Austria) and Paris (France).

The UK and Austria sites in particular grew in line with the mobile market as anticipated. The Spanish team offset the loss of key publishers by acquiring numerous renowned publishers such as Mediaset, G+J Espana, Cosmopolitan und Marie Claire. The subsidiary MobilADdict in France lost important customers in December, and the negative impact of this will mainly affect performance in 2013. With its affiliate network, the subsidiary belboon GmbH continuously pursues the safeguarding of corporate growth within YOC Group by means of increasing its range of action at home in Germany, Austria and Switzerland and abroad in France – based on the increasing market requirements in the online and mobile market.

Further development of the IT infrastructure and technological integration

YOC has a high-performance IT system landscape and YOC-developed software products that can be used for mobile and internet-based services. The underlying technology platforms were developed entirely by YOC and are very flexible, powerful, reliable and scalable. They have numerous interfaces that enable the integration of networked multi-media applications. YOC has its own IT departments for the support and further development of each software product (e.g. FIT Technology).

Of all the different technologies used by YOC, the following are of particular importance:

With the YOC Multi-Channel Platform, YOC developed its own software platform that links the varying technologies to create individual solutions for every mobile marketing project that are specific to the target group in question and its media use.

In the mobile internet segment it is the FIT Technology which is mainly used, and on the foundation of which stationary websites can be automatically transformed into mobile websites. YOC's technology platform now also includes a content management system (CMS) for the operation of internet portals, which can be used to quickly and easily implement portals, microsites and landing pages as part of mobile marketing and mobile internet campaigns. YOC Group's device database that is updated on a daily basis ensures the best representation of WAP portals possible on a huge number of commonly-used mobile end devices. This database is also used for MMS and text message-based mobile marketing projects.

The affiliate marketing network belboon is among the leading affiliate marketing networks in Europe. The latest second generation network technology guarantees successful multi-channel online and mobile performance advertising. Alongside the market-leading standard of the network platform, belboon has the latest tracking technology in order to reliably measure sales. The success of the publisher is guaranteed through the combination of fingerprint, session, cookie, post-view and flash tracking.

The database and application servers used by YOC are set up at the offices in Berlin and Cologne and managed by the YOC IT department. It operates additional servers in other TÜV-certified data centres for security reasons.

Development of Profit

Revenues trend and overall performance

In financial year 2012 YOC Group continued to focus on and develop its core business. As such, the Management Board is into discussions regarding the sale of the Mobile Technology segment. Consequently, in accordance with IFRS 5, this segment will be reported as a discontinued operation in the financial statements for the year ending 31 December 2012, as it was in the previous year's figures.

YOC Group's revenues rose by 8% from EUR 32.1 million to EUR 34.6 million in the period under report. Revenues in the Media segment are reported net of agency commissions beginning with the financial year 2012. For easier comparison, the previous year's revenues were adjusted by the agency fees of EUR 1.2 million, which have so far been reported under other operating expenses.

Total operating performance rose by 8% in 2012 to EUR 36.6 million.

Revenues by segment

The business segment Media reported growth of 14% in the financial year 2012. Due to the increase in revenues from EUR 19.1 million to EUR 21.7 million, the share of total turnover was 63% in the period under report (previous year: 59%). The main contribution to this growth came from YOC Media Network (+30%), but YOC Performance Network and belboon remained flat year-on-year. Revenues in the Media segment rose by around EUR 0.2 million due to the completed acquisition of the now wholly-owned French subsidiary MobilADdict SAS, Paris, in March 2011. Organic growth in the segment amounted to 13% after adjusting for this effect.

The Mobile Technology (Sevenval) segment generated revenues of EUR 12.9 million in the financial year 2012. This corresponds to a decrease of 1%. The previous year's revenues include a one-off item of around EUR 1.0 million from the disposal of a licence. Adjusting for this, one-off increases revenues by 7%. This segment accounts for 37% of the total revenues of YOC Group (previous year: 41%). The order backlog remains stable at EUR 2.3 million as at 31 December 2012, nearly the same as in 2011.

Revenues by region

Revenues generated in our international markets climbed by 10% in the financial year 2012 from EUR 15.5 million to EUR 17.1 million, accounting for around 49% of total revenues (previous year: 48%). EUR 0.2 million of this revenue growth is attributed to the acquisition of MobilADdict SAS in March 2011. The UK remains the most important international market with a share of EUR 8.9 million in revenues. France (EUR 2.6 million), Austria (EUR 1.7 million), Spain (EUR 1.4 million), Switzerland (EUR 0.8 million) and the US (EUR 0.4 million) are also important markets. Revenues totalling EUR 1.3 million were generated in the other foreign markets consisting mainly of Belgium, Italy and Luxembourg.

Revenues in the domestic market Germany rose during the year under report from EUR 13.0 million to EUR 16.6 million in comparison with the previous year.

Gross income

Compared to the increase in revenues, expenses for goods and services received increased proportionately by 8% to EUR 18.4 million. The Mobile Technology segment managed to further reduce the share of external resources used on customer projects. This improved the gross margin in this segment significantly to 84% (previous year: 76%). The gross margin in the Media segment was 28% (previous year: 31%). For the company as a whole, the gross margin remained constant year-on-year at 50%.

Personnel expenses and personnel development

Compared to the previous year, YOC Group increased the average number of group employees by 7 to 221 (+3%) through organic growth. As of 31 December 2012, YOC Group had 220 permanent staff. Due to the increase in staff as well as changes in the Management Board, personnel costs also rose by around EUR 1.0 million to a total of EUR 15.6 million (+7%) in 2012. Investments in employee development were particularly pronounced in the Media segment. The expansion of a central product and technology management system laid the foundation for establishing standardised business processes and developing new markets.

The personnel cost ratio, which sets the personnel costs in relation to total output, remained constant at 43%.

The costs for the changes in the Management Board are reflected appropriately in the personnel costs.

Other operating expenses

Other operating expenses increased to EUR 5.8 million (previous year: EUR 5.3 million). The increase in staff led to higher expenses, such as the EUR 0.6 million rise in rental costs incurred due to the expansion of office space. Foreign exchange items contributed EUR 0.1 million more to costs than in the previous year. Write-downs on trade receivables came out EUR 0.2 million lower in the financial year 2012 than in 2011. YOC Group reduced the cost of external services by EUR 0.1 million. Altogether, the other operating income ratio to total output is 16% (previous year: 15%).

EBITDA

Earnings before interest, tax, depreciation and amortisation amounted to EUR -3.2 million in the financial year 2012 (previous year: EUR -3.0 million). Investment in the central production and technology management system and the further development of YOC Performance Network was a burden on earnings. Furthermore, expenses relating to the changes in the Management Board were reflected in lower earnings.

After its realignment at the end of 2011, the Mobile Technology segment again reported a positive earnings contribution of EUR 1.6 million in the financial year 2012 (previous year: EUR -0.4 million). Structural and operating measures had an especially positive impact on profitability in the second half of the year.

In contrast to the previous year, the Media segment reported an operating loss of EUR -1.4 million (previous year: EUR 1.5 million). In spite of renewed growth, business volumes were insufficient to cover investments in increasing staff and other operating expenses in this segment.

Added to the expenses of EUR -3.4 million from the holding company (previous year: EUR -4.0 million), these resulted in an overall operating loss in 2012.

EBITA

Due to the impairment of intangible assets (EUR 5.7 million), EBIT came to EUR -10.4 million in the period under report (previous year: EUR -9.4 million). The main impaired items were the goodwill (EUR 1.5 million) and customer bases (EUR 1.5 million) of MobilADdict S.A.S due to the loss of an important publisher at the end of the financial year and due to the current debatable perspectives of the business in France The goodwill of the Mobile Technology segment (EUR 0.8 million) was impaired because of adjustments of the NAV to the projected sales revenues from the business area on the balance sheet date.

EBIT

Due to the impairment of the abovementioned intangible assets as well as the negative business performance in the Mobile Technology segment EBIT decreased to EUR -9.4 million in the period under report (previous year: EUR 1.5 Mio).

Financial result

The financial result amounted to EUR -0.2 million in the financial year 2012, as in the previous year. Interest income of EUR 0.1 million were offset against interest expenses of EUR 0.3 million, which resulted mainly from interest paid on for loans taken out to finance acquisitions.

Earnings before tax

Earnings before tax (EBT) amounted to EUR -10.6 million (previous year: EUR -9.7 million) in the period under report.

Net income

Net income amounted to EUR -11.3 million (previous year: EUR -7.9 million) in the financial year 2012. The income tax effect is mainly attributable to tax loss carry-forwards of EUR 0.7 million.

Development of the financial position and net assets

Financial position and net assets

YOC Group's total assets fell by 25% compared to the financial year 2011 and amounted to EUR 23.1 million as of 31 December 2012. The decline in total assets mainly reflects the impairment of intangible assets and goodwill.

Non-current assets

As of 31 December 2012, non-current assets amounted to EUR 3.8 million, which is a reduction of EUR 16.3 million compared to the previous year (EUR 20.1 million). The main reason is the classification of the Mobile Technology segment as a discontinued operation and the reporting of related assets as current assets held for sale.

The goodwill came to EUR 1.6 million on 31 December 2012, a decline of EUR 9.1 million compared to the previous year (EUR 10.7 million on 31 December 2011). MobilADdict SAS was subject to an additional impairment test due to the loss of an important customer at the end of the year. This led to a full impairment of the investment's goodwill of EUR 1.5 million. An influx of EUR 0.1 million was reported from adjusting the variable purchase price components from the acquisition of MobilADdict SAS. When the Mobile Technology segment was classified as a discontinued operation, it was valued at the lower of the carrying amount or the fair value less disposal costs. The expected resulting loss includes the devaluation of the segment's goodwill by EUR 0.8 million. The remaining goodwill of the Mobile Technology segment was reclassified to the asset held for sale.

The remaining intangible assets amounted to EUR 0.8 million as of 31 December 2012 (EUR 7.2 million as of 31 December 2011). The impairment of MobilADdict SAS affected more than the subsidiary's goodwill; its customer base was also fully impaired by EUR 1.5 million. Furthermore, the Management Board decided certain software components would no longer be used in connection with the planned product portfolio. This software, which should no longer create any economic benefit for YOC Group in future, was written off to the amount of EUR 0.7 million in the Media segment and EUR 0.5 million in Mobile Technology. The adbutler brand belonging to the Affiliate Marketing network belboon was fully impaired for EUR 0.5 million due to a management decision in 2012 to no longer use the brand in future. Depreciation and amortisation amounted to EUR 1.1 million in the financial year 2012. Impairments of around EUR 0.1 million based on shortened product lifetimes for self-developed software capitalised in previous years impacted the financial year. The capitalisation of self-developed software solutions amounting to EUR 0.7 million as of 31 December 2012 had an opposite effect. The remaining intangible assets in the Mobile Technology segment were reclassified to the assets held for sale.

Property, plant and equipment decreased by EUR 0.5 million to EUR 0.7 million. Investments in office furniture and rental fixtures (EUR 0.2 million), computers and accessories (EUR 0.1 million) as well as low-value fixed assets (EUR 0.1 million) were more than compensated for by depreciation and amortisation.

Deferred taxes assets mainly contain capitalised loss carry-forwards as well as temporary differences due to valuation differences amounting to EUR 0.7 million (previous year: EUR 1.1 million).

Current assets

Current assets amounted to EUR 19.3 million on the balance sheet date and declined by EUR 8.8 million as compared to the previous year. Assets held for sale in connection with the reporting criteria under IFRS 5 accounted for EUR 13.9 million of this.

Trade receivables came to EUR 4.8 million as of 31 December 2012. This is a year-on-year decline of EUR 3.8 million. Trade receivables in the Mobile Technology segment amounted to EUR 3.7 million.

Other items under current assets amounting to EUR 0.6 million consist of cash and cash equivalents, securities, tax assets and other assets.

Equity

The equity of YOC Group amounted to EUR 2.7 million (previous year: EUR 11.0 million) as of 31 December 2012. This corresponds to an equity ratio of 12% (previous year: 36%).

The drop can be attributed to the net loss for the year of EUR 11.3 million. Opposite effects resulted from the capital increase in August 2012 involving the issue of 275,000 new shares with a nominal price of EUR 1.00 per share, and from the related increase in additional paid-in capital of EUR 1.8 million, as well as from the capital increase implemented in October 2012 involving the issue of 190,000 new shares with a nominal price of EUR 1.00 share, and the related increase in additional paid-in capital of EUR 1.3 million. Together, the additional paid-in capital from the two capital increases amounted to EUR 3.1 million. The representation of the Management Incentive Programme also had an increasing effect on additional paid-in capital.

The currency translations of the financial statements of the British subsidiaries into Euro led to other comprehensive income which also slightly increased equity.

Non-current liabilities

In a year-on-year comparison, the non-current liabilities of YOC Group fell from EUR 0.5 million to EUR 0.4 million as of 31 December 2012. It is to be considered that YOC Group did not fulfil the financial covenants of the lending bank as of 31 December 2012. Consequently, non-current liabilities to financial institutions amounting to EUR 1.2 million are disclosed as current liabilities as of 31 December 2012. Further information, especially regarding the remaining terms, is included in the liabilities section of the notes to the consolidated financial statements.

Due to the depreciation of self-developed software capitalised in accordance with IFRS, deferred tax liabilities fell by EUR 0.6 million.

Current liabilities

Current liabilities totalled EUR 20.0 million as of 31 December 2012, a year-on-year increase of EUR 1.3 million in the financial year 2012. Altogether, liabilities related to the disposal of certain assets came to EUR 4.1 million. An additional EUR 3.5 million was attributed to liabilities to financial institutions. The EUR 0.4 million increase in loan liabilities was mainly due to the EUR 1.0 million drawdown on a credit line on the date of the balance sheet.

Trade liabilities equalled EUR 3.9 million as of 31 December 2012 (previous year: EUR 4.4 million).

Other current financial liabilities were EUR 4.1 million and primarily resulted from liabilities for outstanding purchase invoices.

Other current liabilities decreased by EUR 0.9 million to EUR 2.0 million as of 31 December 2012 and mainly consist of liabilities for personnel matters totalling EUR 1.1 million and value-added tax liabilities of EUR 0.8 million.

Prepayments received include upfront payments connected to the operating business and fell by a slight EUR 0.4 million to EUR 1.9 million as of the reporting date.

Tax liabilities and current provisions each decreased by EUR 0.1 million.

Investments (without company acquisitions)

In the financial year 2012, additions to investments amounted to EUR 1.1 million. Around EUR 0.4 million accounted for investments in property, plant and equipment and EUR 0.7 million for development costs for self-developed software. In the previous year, YOC Group invested EUR 0.7 million in property, plant and equipment and EUR 1.4 million in self-developed software.

Cash Flow

On the balance sheet date, YOC Group's cash and cash equivalents amounted to EUR 0.2 million. Therefore, the decline in liquidity amounted to EUR 1.4 million in comparison to the previous year. The cash outflow is particularly due to the group's negative earnings before depreciation and amortization. The closely related operating cash flow of EUR -2.7 million is therefore EUR 3.4 million lower than in the previous year. The negative cash flow reflects the group's negative operating earnings.

The cash flow from investment activities amounted to EUR -2.0 million in the reporting period, which was mainly attributed to investments in self-developed software within the scope of the further development or new development of existing platforms and solutions amounting to EUR 0.7 million. Investments in property, plant and equipment accounted for EUR 0.7 million. Furthermore there were cash outflows of EUR 0.6 million to meet variable purchase price components in connection with acquisitions made in the year under report.

Altogether YOC Group reported cash outflows from financing activities totalling EUR 3.3 million. Two capital increases were executed in the reporting year to finance company growth and investments with total additional paid-in capital of EUR 3.1 million. It also opened a credit line of EUR 1.0 million. The ordinary repayment of loan liabilities to financial institutions of EUR 0.6 million had an opposite effect.

Financial management

YOC Group has a credit line of 1.0 million at its disposal that was not utilised as of the balance sheet on 31 December 2012.

Research and development

Expenses for the research and development of new products or technological innovations totalled EUR 0.9 million in the financial year 2012 (previous year: EUR 2.0 million). Of this amount, EUR 0.6 million was accounted for by developments in the Mobile Technology segment and EUR 0.3 million in the Media segment.

Summary of the results of operations, financial position and net assets

The losses in financial years 2011 and 2012 eroded the equity ratio from 52% in 2010 to 36% in 2011 and only 12% at present, which puts it below the average equity ratio for German companies. Shareholder's equity was strengthened by the capital increase executed in February 2013, which was oversubscribed. The Management Board is contemplating additional capital increases in 2013. It expects the sale of the Mobile Technology business segment to reduce total assets and thereby increase the equity ratio.

Liquidity is tight at YOC Group; delays in turning receivables into cash could have a negative impact on the solvency of the company. In addition to the corporate actions mentioned above, the Management Board is reviewing its options for outside financing, such as taking out additional loans, and factoring.

Forecast report

Economic framework conditions

After an upswing for much of the financial year 2012, the German economy dipped steeply at the end, primarily due to the sovereign debt crisis among the EU Member States (IFO Institute for Economic Research). The experts behind the IFO Business Climate Index anticipate economic recovery in 2013 due to increasing domestic demand, provided the debt crisis does not escalate. The German Federal Statistics Office found the German economy to be resistant to the European recession in 2012. Adjusted for prices, it states that the gross domestic product (GDP) rose by 0.7% in spite of the European economic crisis. This once again put Germany well above the average for all of Europe in terms of economic growth in 2012. The major growth drivers were consumption and exports.

The German Institute for Economic Research (DIW) projects a positive economic outlook for Germany in 2013. It finds the economic recovery here to still be significantly stronger than in the rest of the economic union, although the currently weak demand in neighbouring countries like France and the Netherlands is weighing on the German economy. According to DIW estimates, the economic performance in Germany is primarily supported by domestic demand. Gross output in the euro zone is not expected to improve again until 2014. There are plans to strengthen the confidence of the financial markets in the countries under crisis by sustainably consolidating national budgets through austerity measures and tax hikes. These significant austerity measures are having a visible dampening effect on the economy. Excluding the fiscal consolidation efforts, the GDP in the euro zone would be expected to grow by 1.5-2% in 2013.

Media

According to Nielsen Research, the gross advertising market in Germany remained stable in 2012. In comparison to the previous year, gross advertising spending rose by 0.9% to EUR 26.2 billion, but it varied strongly intra-year. It got off to a dynamic start, but the third quarter proved to be the weakest in spite of the Olympic Games. In the fourth quarter, companies again invested far more heavily in advertising than in the same period in 2011 (EUR 278.7 million, an increase of 14.9%). The monitoring report "Deutschland Digital 2011" published by the Federal Ministry of Economic and Technology has confirmed that with the growing use of mobile data services "mobile" has been incorporated more fully into the communication mix of advertisers. The Federal Association for Information Technology, Telecommunications and New Media (BITKOM) is proclaiming Germany to be the digital society in 2013 due to the development of mobile services here, based on the calculations of its own market research institute EITO. EITO forecasts that the global market for mobile data services will grow by 15% in 2013 to EUR 288 billion.

Numerous other studies show the effectiveness of mobile advertising campaigns, especially within the context of cross-media advertising strategies. Advertising placed on mobile sites seems especially effective at motivating the user to spend more time on the advertised product (Mobile and Online – Cross-media strategies for successful digital advertising campaigns, BVDW, MAC, 2013). Within the Mobile Advertising product area, YOC Group is therefore committed to both shoring up its excellent market position and working diligently on international expansion in order to exploit its opportunities in the mobile advertising market.

The online advertising market in Germany grew to EUR 6.47 billion in 2012 according to OVK - Circle of Online Marketers (a growth rate of 13% year-on-year). Classic online advertising reported the greatest share of this growth, EUR 3.775 billion, followed by search engine marketing accounting for EUR 2.284 billion and affiliate networks for EUR 411 million (2011: EUR 374 million). The Online Advertising segment is expected to grow by 11% to a gross advertising volume of more than EUR 7 billion in 2013 and the Affiliate Marketing segment to EUR 440 million (OVK Online Report 2013/01). YOC Group is therefore constantly expanding its affiliate network, developing new platform features and acquiring new exclusive partner programmes.

Mobile Technology

The new age of fragmented media use became real in 2012. The market penetration of smartphones in Europe is rising rapidly: Germany 51%, France 53%, UK 64% and Spain 66%. In the US alone, 125 million people have a smartphone and 50 million have a tablet (comScore, Mobile Future in Focus 2013).

In Germany, mobile internet is also becoming more and more of a mass market; more than 30 million people go mobile online nowadays (2011: 14 million). About 50% of these internet users are going online using their smartphones (2011: 18%) and 17% are using their tablet (2011: 3%) according to Accenture Mobile Web Watch 2012. In Germany, around 21.3 billion people from the age of 14 onwards are among the mobile internet users. For comparison: only 16.5 million German citizens used the mobile internet in 2011 (AGOF mobile facts, 2012).

The LTE mobile phone standard LTE (Long Term Evolution) is spreading around the world more quickly than expected. In the last three years the number of users has climbed from 600,000 in 2010 to nearly 100 million in 2012. Market researchers anticipate that this figure will more than double by 2013 (IHS iSuppli). By 2016 it should surpass the one billion threshold. There is a general expectation that this rapid introduction will drive design innovations, especially for smartphones. The LTE industry is focused on laying the foundation for sustainable growth across the entire LTE landscape. Particularly data-intensive services such as multiplay gaming and video as well as audio streaming benefit from this development, as large data volumes can be delivered to mobile end devices in real time. Deutsche Telekom has plans to invest up to EUR 4.5 billion annually over the next few years in Germany alone. More than simply faster broadband connections, this has to do with a new, more powerful mobile network with the so-called LTE standard.

Outlook

The company estimates that, overall, sales revenues will increase in the two segments of Mobile Technology and Media in the coming two financial years. Accelerated market growth and its market position make it expect disproportionate growth in the Media segment. The sale of its Mobile Technology business expected in the near future will allow the company to focus exclusively on its Media business. Investments are therefore planned to further develop innovative technologies and products as well as promote further internationalisation in the Media segment. YOC Group is projecting another operating loss in 2013 to allow it to grow the Media business and, at the same time, invest in this dynamic market.

The constricted liquidity is a risk to the future of the company as a going concern. Two primary measures are being taken to ameliorate this situation. For starters, the Management Board anticipates that the purchase contract for the Mobile Technology business will be signed soon. The incoming proceeds from the sale in 2013 would be enough to cover the company's liquidity needs until the end of the year. Moreover, the Management Board is planning additional corporate actions to finance the further growth of the Media business and handle any unexpected delays in the sales process. The future of the company as a going concern depends upon this divestment and the success of these actions, as well as on achieving the planned business development.

Opportunities and Risk report

Principles of risk and opportunity management

YOC Group uses a comprehensive, systematic opportunity and risk management system to achieve its goals in this regard. It ensures that the company can recognise and diligently seize opportunities without disregard for the related risks.

The continuous development of the opportunity and risk management system to adapt to rapidly changing market and business conditions is the foundation for sustainable growth. 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.

A key element of this system is the internal reporting of operational key performance indicators. This allows risks and opportunities to be detected and evaluated early. The Management Board monitors the implementation of risk controlling measures and the exploitation of opportunities in the operating units.

The appropriateness of the methods and processes of risk management for the identification, evaluation, control, monitoring and communication of risks is regularly inspected and adjusted to internal and external developments.

Market risks and risks of competition

YOC Group acts in a dynamic, very rapidly developing market. This environment requires highly flexible processes and structures. Changes in market and competition conditions, such as the market appearance of a new competitor, for example, count among the risks which YOC Group responds to through constant market and company monitoring. The detection of trends and new developments is mainly guaranteed by the market research department and the business development department.

Changes in economic factors may also have an impact on the development of YOC Group because of decreased orders, particularly in the advertising sector. Given its wide-ranging offer of products and services as well as its diversified customer base, YOC Group is in a good position, so that the risk of a decrease in turnover as a result of overall economic factors can be estimated as low.

Risks from acquisitions

The acquisitions of subsidiaries did not only constitute financial risks, but also involved challenges to the organisational consolidation of the companies. YOC Group has focused on the different company structures and the arrangement of organisational interdependencies so that it can exploit synergies. In the course of this, there is a risk that the synergies will not reach the planned amounts and subsidiary companies will not achieve the proposed yield on turnover. Not all acquisitions in the history of YOC Group have brought about the desired results. More thorough personnel and organisational integration within the group will be used to less the likelihood of this in future.

The conducted acquisitions of subsidiary companies did not only constitute financial risks, but also involved challenges to the organisational consolidation of the companies. We have focused on the different company structures and the arrangement of organisational interdependencies so that synergies can ultimately be used optimally.

Technological risks

YOC Group pursues a uniform IT strategy which involves constant monitoring and further development of the IT systems. The speed of technological innovation in the market demands a lot of flexibility and increasingly represents a risk. A large part of the problem is the lack of standards in some areas of the technological environment. Substitutes or products from competitors could negatively impact the competitive position of YOC. Therefore, technological innovations must be promoted to be successful in the long term and strengthen the market position. Due to the highly dynamic nature of the market, investments in developing new products and technologies also bear the risk that such investments will prove to be unprofitable.

Concerning the selection of IT systems, YOC Group predominantly chooses sector-specific standard software from renowned providers. The arrangements for information security encompass the implementation of encryption mechanisms, firewalls and virus scanners. Precautionary measures to protect against the breakdown of technical equipment were taken by the parallel operation of technical applications so that the processing of client orders takes place smoothly at all times. Furthermore, back-up systems protect the database against possible loss of data and guarantee consistent availability.

Financial and treasury risks

YOC Group set up its own treasury function to plan and monitor cash flows. The liquidity management assists the Management Board through the control of business trends and fluctuations in cash flows by monitoring liquidity hedging measures. Control takes place using operating numbers, amongst other things, which provide information on the company's capital structure.

The risk of bad debt is counteracted through strict accounts management which is aligned toward the monitoring of the age distribution of accounts and the management of dubious accounts.

The operating loss and investments were responsible for cash outflows of the same amount. With liquidity of EUR 0.3 million as of 31 December 2012, the company has a low liquidity reserve compared to other companies of its size. Liquidity is tight at YOC Group; delays in turning receivables into cash could have a negative impact on the solvency of the company. For this reason, and to strengthen the capital base, the Management Board carried out another capital increase in February 2013. Subscription rates were healthy and brought in additional liquidity of around EUR 1.8 million.

YOC Group plans to finance additional growth primarily through the proceeds from the sale of the Mobile Technology business. Furthermore, additional corporate actions are possible in future to cover any short-term and medium-term financing needs.

To offset the potential risk of later or lower cash inflows resulting from the sale of the Mobile Technology segment, and to counteract the liquidity risks this would entail, the Management Board is currently preparing a securities prospectus to fulfill the stock exchange requirements for implementing a larger-scale corporate action to raise capital. As the capital increase in February 2013 was oversubscribed, the Management Board expects investor interest to be sufficient.

In addition to the corporate actions mentioned above, the Management Board is reviewing other options for outside financing, such as taking out additional loans, and factoring.

Legal risks and liability risks

To prevent legal risks, important legal transactions are exaTo prevent legal risks, important legal transactions are examined through the engagement of external lawyers. Thanks to extensive insurance cover which is subject to ongoing examination, YOC Group is secured against cases of loss and a possible risk of liability. The concluded Directors & Officers Liability Insurance provides for the safeguarding of the management against possible financial losses which affect the company.

In the financial year 2012, a former member of the Management Board filed a lawsuit against the company to continue paying the remunerations set in his employment contract. The costs for the changes to the Management Board during the financial year 2012 are adequately reflected. Other than that, neither YOC Group nor one of its subsidiary companies was involved in an ongoing or foreseeable lawsuit or arbitration procedure in 2012 which could have a material impact on the corporation's economic position. In addition, no negative development is expected for the coming financial year.

Legal restrictions made by legislators, such as the change in the data protection law, for example, could have a negative influence on the business activity of YOC Group. At the time of preparing the financial statements, there is no information concerning changes to the law planned for the foreseeable future that might be relevant to YOC Group.

Personnel risks

The attraction and lasting loyalty of qualified employees to the company is necessary for the successful development of YOC Group. Due to the strong growth in the markets relevant to YOC Group, the labour market for personnel with the needed experience is especially competitive. The risk of staff shortages is reduced through corporation-wide monitoring and staff planning. Measures for staff development and a performance-related remuneration system regularly reviewed by the Management Board ensure our ability to compete in the market for personnel. Training and further education measures also guarantee that several key members of staff work in each company segment. Rules on replacement and succession ensure the safeguarding of business procedures and decision-making processes.

Employees who work with confidential information are obligated to adhere to the corresponding regulations and are to deal with confidential information in a responsible manner.

Planning risks

Forecasts for revenues and expenses involve planning risks. Considering the highly dynamic nature of the market, short-term and medium-term forecasts are mainly based on estimates and assumptions, particularly sales forecasts. The regular examination of assumptions allows the Management Board to react to deviations from forecasts and to initiate countermeasures accordingly.

We furthermore refer the reader to the Outlook section, which illustrates how constricted liquidity puts the future of the company as a going concern at risk, and gives an overview of future performance.

Inspection and risk management report on the accounting process

(Sect. 289 Para. 5 and Sect. 315 Para. 2 No. 5 German Commercial Code (HGB))

For both YOC AG and YOC Group, the control and risk management system consists entirely of all organisational regulations and measures for the identification, evaluation and communication of risks, as well as dealing with the risks of entrepreneurial activity. Concerning the (group's) accounting process, the organisation and constant further development of the internal control system, the observance of relevant accounting regulations and standards and the correctness of the accounting shall be guaranteed so that the financial reporting provides a true and fair view of the real circumstances of YOC AG's and YOC Group's net assets, financial position and results of operations.

The Management Board is completely responsible for the internal control and risk management system with regard to the (group's) accounting process. All companies included in the group financial statement are involved in a firmly defined management and reporting organisation. Operational responsibility rests with the member of the Management Board in charge of finance together with the accounting department.

The following elements of the internal control and risk system of YOC Group are considered essential with regard to the (group's) accounting process.

- Procedures for the identification, assessment and documentation of all essential business processes and areas of risk relating to accounting, including corresponding key controls. These encompass finance and accounting processes as well as administrative and operational business processes which generate essential information for the compilation of the annual and consolidated .

- Process-integrated controls (EDP-assisted controls and access restrictions, principle of dual control, separation of functions, analytical controls).

Standardised financial accounting processes.

- Guaranteeing uniform balancing through group-wide guidelines and procedures.

- Monthly internal group reporting, profit and loss accounting as well as monthly result reporting including the analysis and reporting of essential developments and target-performance deviations.

The effectiveness of the (group's) accounting-related internal control and risk management system is systematically examined and evaluated through regular preventive control tests. A group-wide report system guarantees the ongoing and timely information of the Management Board and the Supervisory Board. The current risk situation as well as the functioning, effectiveness and adequacy of the internal control and risk management system are regularly reported to the Management Board and the Supervisory Board.

Information on shares

(Disclosures pursuant to Sect. 289 Para. 4 and Sect. 315 Para. 4 of the German Code of Commercial Law (HGB) and explanatory report of the Management Board)

Subscribed capital

As of 31 December 2012, YOC AG's subscribed capital amounts to EUR 2,380,000 and is divided into 2,380,000 bearer no-par ordinary shares. Each share has one vote. Different classes of shares do not exist.

The same rights and obligations are associated with all shares. Each share guarantees a vote at the General Meeting and is decisive for the shareholder's proportion of the company's profits. This does not include shares held by the company, which confer no rights on the company.

Restrictions of voting rights or transfer of shares

There are no restrictions to the voting rights concerning shares of YOC AG or the ability to trade shares of YOC AG.

Participation in capital which exceeds 10% of the voting rights

The following direct or indirect participations in YOC AG capital which exceed 10% of the voting rights are based on voting rights announcements pursuant to Sect. 21 of the Securities Trading Act (WpHG) notified to and published by the company in the financial year 2012 and earlier.

- dkam GmbH, Frankfurt am Main: around 5.69% of the nominal capital. This participation is attributable to Mr Dirk Kraus. The participation directly and indirectly controlled by Mr Dirk Kraus amounts to an overall total of 18.96% of the voting rights as of the last voting rights announcement received by the company.

- DIH Deutsche Industrie-Holding GmbH, Frankfurt am Main: 12.88% of the nominal capital. This participation is attributable to Mr Peter Zühlsdorff, Berlin. The participation directly and indirectly controlled by Mr Peter Zühlsdorff amounts to an overall total of 12.88% of the voting rights as of the last voting rights announcement received by the company.

Shares with special rights which give supervisory powers

Shares with special rights which give supervisory powers do not exist.

Type of voting power if employees participate in capital and do not immediately exercise their supervisory rights

The General Meeting of YOC AG concluded the requirements of the YOC Management Incentive Programme on 15 July 2009. Purchase rights were first distributed to members of the Management Board and company employees under this programme in autumn 2009. As the waiting period for the YOC Management Incentive Programme has not yet expired, no shares have been transferred to the members of the Management Board and the company's employees.

If YOC AG issues shares to employees under the YOC Management Incentive Programme, the shares will be immediately transferred to the employees. Employees receiving shares are able to exercise the rights that come with the employee shares just like other shareholders in accordance with legal regulations and the provisions of the Articles of Association of the company.

Rules for the appointment and dismissal of members of the Management Board and on the amendment of the Articles of Association

The legal regulations on the appointment and dismissal of members of the Management Board are found in Sect. 84 and 85 of the German Stock Corporation Act (AktG). Sect. 7 Para. 2 of YOC AG's Articles of Association provides a corresponding arrangement.

The Articles of Association can be amended by resolution of the General Meeting pursuant to Sect. 119 Para. 1 No. 5, 133, 179 Para. 1 and Para. 2 AktG; this requires a simple majority of the votes and a majority of three-quarters of the share capital represented at the vote.

The Supervisory Board is authorised to make decisions on amendments to the Articles of Association relating only to the wording (Sect. 17 of the Articles of Association of YOC AG).

The authority of the Management Board concerning the possibility of distributing or buying back shares

Acquisition of own shares

The resolution passed by the General Meeting on 16 June 2010 authorises the company to purchase its own shares until 15 June 2015. This authorisation allows for a total volume of shares to be purchased of up to 10% of the share capital at the time of the resolution. Other shares in the company's possession or attributed to it pursuant to Sect. 71a et seq. of the German Stock Corporation Act (AktG) count against this limit of 10% of the share capital. The details of the authorisation can be read in the invitation to the General Meeting on 16 June 2010, which is available on the YOC AG website (see agenda item 5 as well as the related report of the Management Board).

The company held 4,000 of its own shares at the end of the financial year 2012, equal to around 0.17% of the share capital.

Authorised capital

Sect. 6 Para. 5 of the Articles of Association of YOC AG provides for authorised capital 2011/I:

The resolution passed by the General Meeting on 6 June 2011 authorises the Management Board to increase the share capital of the company on one or several occasions up to a total of EUR 943,000 until 5 June 2016 by issuing new bearer shares against cash contributions and/or contributions in kind with the approval of the Supervisory Board.

The Management Board is also authorised to exclude subscription rights of shareholders under certain conditions if approved by the Supervisory Board.

The details of the authorisation can be read in the invitation to the General Meeting on 6 June 2011, which is available on the YOC AG website (see agenda item 5 as well as the related report of the Management Board).

The Management Board exercised its authorisation two times in the financial year 2012 with the approval of the Supervisory Board. At the end of 2012, additional authorised capital 2011/I of EUR 478,000 was provided for.

Conditional capital

According to Sect. 6 Para 7 of YOC AG's Articles of Association, the share capital of the company was increased by up to EUR 175,000 through the issue of up to 175,000 new bearer no-par value shares. The conditional capital provides for the operation of the YOC Management Incentive Programme and the subscription rights issued under this programme. Conditional capital is only increased if the holders of subscription rights exercise these rights. The new shares resulting from the exercise of subscription rights shall participate in the profits from the start of the financial year for which - at the time of the subscription being exercised - no resolution of the General Meeting has been reached regarding the use of the net income. The Management Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Essential agreements of the company subject to the condition of a change in control resulting from a takeover bid

There are no essential agreements of the company which are subject to the condition of a change in control resulting from a takeover bid.

Company agreements regarding compensation concluded with members of the Management Board or employees in the event of a takeover bid

In the event of a takeover bid described in Sect. 29, 35 of the German Securities Acquisition and Takeover Act (WpÜG), the YOC Management Incentive Programme envisages that subscription rights already granted in an option contract may be exercised by the subscription right holders, i.e. the members of the Management Board and the employees of the company, within an additional exercise period starting on the fifth day of trading and extending for the following ten stock exchange trading days after the publication of the takeover bid, provided that the statutory waiting period for the initial exercise of the subscription rights of at least two years is respected.

In case of a takeover bid being submitted before the statutory waiting period of two years has expired, the company will compensate the members of the Management Board in cash for the value of their subscription rights. There are no such corresponding compensation agreements for the employees of the company.

Declaration on Corporate Governance

(Sect. 289a German Commercial Code (HGB))

The Declaration on Corporate Governance in accordance with Sect. 289a of the German Commercial Code (HGB) includes the Declaration of Conformity in accordance with Sect. 161 of the German Stock Corporation Act (AktG), relevant information concerning company management practices and a description of the working methods of the Management Board and the Supervisory Board.

This declaration forms part of the Management Report of YOC AG and Group Management Report of YOC Group for the financial year 2012 According to Sect. 317 Para. 2 Sent. 3 German Commercial Code (HGB), information pursuant to Sect. 289a German Commercial Code (HGB) does not have to be included in the audit.

Declaration by the Management Board and Supervisory Board of YOC AG in accordance with Sect. 161 Stock Corporation Act (AktG) on the German Corporate Governance Code in the version of 15 May 2012 (Declaration of Conformity 2012)

Pursuant to Sect. 161 Stock Corporation Act (AktG), the Management Board and the Supervisory Board of a listed company shall annually declare that the recommendations of the "Government Commission of the German Corporate Governance Code" in the official part of the electronic Federal Gazette published by the Federal Ministry of Justice were or are complied with, or which recommendations were or are not applied including the respective reasons. The declaration shall be made publicly accessible on the website of the company.

The German Corporate Governance Code (hereinafter also referred to as the "Code" or "DCGK") contains regulations with different binding effects. Aside from representations of the applicable corporation law, it contains recommendations from which companies may deviate; however, in this case they are obliged to disclose their deviations annually. In accordance with Sect. 161 Stock Corporation Act (AktG), deviations from the recommendations of the DCGK shall also be justified. Furthermore, the DCGK contains suggestions from which companies may deviate without disclosure. The following declaration concerns the period of time since the last Declaration of Conformity of December 2011 and refers to the requirements of the DCGK in its current version of 15 May 2012.

The Management Board and the Supervisory Board of YOC AG declare that the recommendations made by the "Government Commission of the German Corporate Governance Code" are and were principally complied with in the past. The Management Board and the Supervisory Board also intend to remain compliant in the future. Only the following recommendations of the German Corporate Governance Code were not and are not applied:

- **Sect. 2.3.2 of the Code:** The company regards the announcement of the invitation to attend the General Meeting in the electronic Federal Gazette as sufficient.

- **Sect. 3.8 Para 3 of the Code:** The company believes that the motivation and responsibility with which the members of the Supervisory Board carry out their duties will not be improved by an excess. The D&O liability insurance serves to safeguard against the company's material own risks and at most serves as a second-line defence of the assets of the members of those bodies. Therefore, the D&O insurance for the Supervisory Board was concluded without excess.

- **Sect. 4.1.5 of the Code:** When filling their managerial positions within the company, the Management Board considers company-specific realities as well as an appropriate level of diversity. In our opinion, however, the guidelines of the DCGK inappropriately restrict the Management Board in its selection of suitable candidates for managerial positions which need to be filled.

- **Sect. 4.2.3 Para. 2 Sent. 2 of the Code:** The remuneration structure of the Management Board members focuses on sustainable corporate development. In case of a temporary appointment of a Management Board member for a period of less than one year, however, the granting of variable remuneration components was renounced as these did not appear reasonable in the same way as a multi-annual assessment basis to be agreed in this individual case.

- **Sect. 4.2.3 Para 5 of the Code:** In deviation from the recommendation of the German Corporate Governance Code, payments in the event of a change of control are not generally limited to 150% of the severance cap. Such a limit could affect the ability to attract highly qualified employees. According to the Management Board remuneration structure, a change of control case could also have the effect of increasing the YOC share price when Management Board members participate in the share option programme of the company. In addition to the beneficiaries of the share option programme, however, the shareholders profit from the rise in the share price, so that the interests of the Management Board and the shareholders coincide in this respect.

- **Sect. 5.1.2 Para. 1 as well as Sect. 5.4.1 Para. 2 and Para. 3 of the Code:** A guideline for the structure of the Management Board as stipulated in Sect. 5.1.2 Para. 1 of the Code inappropriately restricts the Supervisory Board in its selection of suitable members of the Management Board. The same applies to an objective for the composition structure of the Supervisory Board as stated in Sect. 5.4.1 Para. 2 and 3 of the Code. We are fundamentally of the opinion that this constitutes an excessively extensive limitation in the selection of suitable candidates for the Supervisory Board on an individual case basis. Moreover, such an objective also compromises the right of our shareholders to elect the members of the Supervisory Board.

- **Sect. 5.1.2 Para. 2 Sent. 3 of the Code:** The Supervisory Board has not set an age limit for members of the Management Board. The members of the Supervisory Board believe that suitability for a company management position depends first and foremost on individual ability and performance.

- **Sect. 5.3.1, 5.3.2 and 5.3.3 of the Code:** As the Supervisory Board of YOC AG has only three members, it would not be practical to set up committees, and especially not an audit committee or a nomination committee. The purpose of the audit committee as proposed by the Code is to increase the efficiency of auditing. This aim would not be achieved at YOC AG as nearly all members of the plenum would have to sit on the audit committee. Similarly, nearly all plenum members would sit on the nomination committee, which would not bring any improvement in the preparation of Supervisory Board recommendations regarding candidates proposed by the shareholders.

- **Sect. 5.4.1 Para. 2 Sent. 1 of the Code:** No age limit has been set for Supervisory Board members. A candidate's ability to monitor and act as a fit contact for the Management Board depends first and foremost on individual capabilities.

- **Sect. 5.4.3 Sent. 3 of the Code:** The recommendation that proposed candidates for the chairmanship of the Supervisory Board be announced to shareholders has not been adopted. Pursuant to Sect. 11 Para. 1 of the company's Articles of Association, the Supervisory Board elects its chair from amongst its members. According to the Supervisory Board's Rules of Procedure, the selection of the chairperson takes place during the first meeting after the selection of the Supervisory Board without having to specially call for a meeting. However, the company intends to comply with the recommendation for future elections to the Supervisory Board.

- **Sect. 5.4.6 Para. 1 Sent. 3 of the Code:** The company complies with the recommendations of the Code as regards the remuneration of the chairperson of the Supervisory Board and the deputy chairperson, with one exception: the chair and the members of the committees are not considered as there are no committees formed.

- **Sect. 7.1.2 Sent. 4 of the Code:** The company will endeavour to comply with the recommendation that the consolidated financial statements are to be made available to the public within 90 days of the end of the financial year and the interim reports within 45 days of the end of the reporting period, but cannot guarantee this due to the large scope of consolidation.

Berlin, December 2012

YOC AG
The Management Board
The Supervisory Board

The declaration has been made permanently available to the public on YOC AG's website (www.yoc.com) under "Investor Relations". Earlier versions of the Declaration of Conformity can also be found there.

Information concerning company management practices

BASIC PRINCIPLES

Sustainable economic, ecological and social actions form a defining element of the company culture at YOC AG. This also includes integrity in the treatment of employees, investors, customers, suppliers, authorities, interest groups and other stakeholders as well as the public.

YOC AG is a stock corporation with its registered office in Germany. Therefore, German law is the basis for the scope of corporate governance, particularly the stock corporate law and the law on capital markets as well as the Articles of Association.

As a service company, YOC AG is compelled to win and maintain the trust of its customers and business partners through exemplary behaviour. The objective is to act in a credible, trustworthy and reliable manner and to convey a corresponding image.

TRANSPARENCY

A uniform, comprehensive and prompt information policy in relation to employees, investors, customers, suppliers, authorities, interest groups and other stakeholders is of high importance to YOC AG. All those mentioned above are provided with information by YOC AG on a uniform, comprehensive, prompt and simultaneous basis. Reporting on the business situation and results of YOC AG and YOC Group takes place through the annual report, the mid-year report and interim reports. Furthermore, information is passed on through ad-hoc communications, where legally necessary, and through the company's websites. All messages, presentations and notices as well as the current financial calendar can be viewed on the company's website (www.yoc.com) under "Investor Relations".

Changes in the make-up of the shareholder structure which have to be reported (Announcements of Voting Rights, Sect. 21 et seq. of the Securities Trading Act (WpHG)) and the purchase and sale of shares of individuals holding management positions within YOC AG (Directors' Dealings according to Sect. 15a of the Securities Trading Act (WpHG)) are also published by the Management Board.

YOC AG also holds the stipulated insider registers in accordance with Sect. 15b of the Securities Trading Act (WpHG). The individuals this relates to were and are informed of the legal duties and sanctions.

RISK MANAGEMENT

YOC Group is one of the world's leading providers of mobile technology and media and is as such exposed to many of the opportunities and risks specific to the sector and the companies. YOC AG has an established, comprehensive and effective system which allows the company to detect, assess, report on and deal with opportunities and risks involving all functions and business processes at an early stage. The aim of this system is to systematically detect risks at the earliest possible time, assess the likelihood of them occurring, estimate the potential qualitative and quantitative impact and initiate effective countermeasures. Risk management is regularly discussed and further developed at Management Board and Supervisory Board level.

Further information on the company's risk management, the particular risks to which the company is exposed and the accounts-related internal control and risk management system can be found in the Risk Report that forms part of the company's Group Management Report.

Description of the working methods of the Management Board and the Supervisory Board

As a German stock corporation, YOC AG is governed by the German Stock Corporation Act. Therefore, a two-tier management system is legally prescribed. The Management Board and Supervisory Board have autonomous powers and collaborate closely and in confidence concerning the fulfilment of their statutory tasks.

MANAGEMENT BOARD

The Management Board has sole responsibility for the management of the company. It has a duty to act in the interests of the company and is committed to the sustainable development of the company. The tasks of the Management Board encompass the determination of the company's strategic focus in consultation with the Supervisory Board and the exercise of the company management. The Management Board manages the company in accordance with the relevant laws, the Articles of Association and its Rules of Procedure. The members of the Management Board bear joint responsibility for corporate governance, work together cooperatively, and keep each other regularly informed about important actions and events in their business areas. Notwithstanding the overall responsibility of all members of the Management Board, members bear individual responsibility for their own business area – aside from those matters requiring the decision of the Management Board in plenum. Management conduct is further regulated by the Rules of Procedure enacted by the Management Board in consultation with the Supervisory Board. The members of the Management Board are appointed by the Supervisory Board. The periods in office of the members of the Management Board may last up to a maximum of five years, but a member may serve for several periods. The Supervisory Board can nominate a member of the Management Board to be the chairperson of the Management Board. Mr Dirk Freytag was appointed Chairman of the YOC AG Management Board effective 1 December 2012.

The Management Board reports to the Supervisory Board regularly, promptly and completely on issues relating to the Group's business development, strategy and planning, risk situation and compliance. It also consults the Supervisory Board prior to all important strategic decisions. Management Board meetings are normally held every two weeks for joint votes. In addition to this, the Management Board regularly consults the members of the company's second level of management. The Management Board did not form any committees.

SUPERVISORY BOARD

The Supervisory Board has to advise and supervise the Management Board. It is involved in the strategy and planning as well as all issues which are of fundamental importance for the company. Its approval has to be obtained for major decisions to be taken by the Management Board. This includes the corporate planning for the year ahead prepared by the company once a year (the budget), which is submitted to the Supervisory Board by the Management Board, discussed with the Supervisory Board and adapted where necessary. The Supervisory Board also assigns the audit mandate to the auditor appointed by the General Meeting. The Supervisory Board holds at least four meetings per year.

The YOC AG Supervisory Board consists of three members, none of whom were previously on the company's Management Board. The Supervisory Board is elected by the General Meeting. The Supervisory Board did not form any committees. With Mr Oliver Borrmann, the Supervisory Board has an independent member fulfilling the requirements as to independence and expertise in the fields of financial reporting and auditing within the meaning of Sect. 100 Para. 5 Stock Corporation Act (AktG).

The way the Supervisory Board works is set out formally in the Rules of Procedure. Resolutions of the Supervisory Board are normally passed in meetings with the physical presence of its members. Furthermore, meetings and resolutions held in writing, via telephone, telex or other means of telecommunication, are also possible. The company's Management Board attends the meetings regularly and other members of the extended company management are also invited to attend if required. The first in-person meeting of the year to be held after the preparation and auditing of the annual financial statements (the so-called "balance sheet meeting") is also attended by the company's auditors, who present their report of the recent audit to the Supervisory Board.

The agenda and applications for resolution for the Supervisory Board meetings are communicated to all participants in writing before the respective meetings, allowing for sufficient notice. When decisions are needed at short notice, they may be dealt with through a written circulation procedure. All meetings of the Supervisory Board are recorded in writing.

The chairman of the Supervisory Board explains the activities of the Supervisory Board at the General Meeting each year as well as in his report to the shareholders, which is printed in the company's Annual Report.

Berlin, April 2013

YOC AG
The Management Board
The Supervisory Board

Renumeration Report

The Remuneration Report is based on the recommendations in the German Corporate Governance Code. It sets out principles which are applied in setting the remuneration of the Management Board of YOC AG and explains the amount and structure of these payments. It also describes the principles applied to and the amount of Supervisory Board remuneration.

The Remuneration Report also contains details which German commercial law requires to be part of the notes to the consolidated financial statements pursuant to Sect. 314 German Commercial Code (HGB) as well as the Group Management Report pursuant to Sect. 315 German Commercial Code (HGB).

Management Board remuneration

The Supervisory Board is responsible for setting the Management Board remuneration. Its decision takes account of the size and activities of the company, the company's economic and financial position, the tasks of the respective Management Board member as well as the amount and structure of management board remuneration at other companies in the sector. Management Board remuneration is performance-related. Remuneration is determined in such a way that it remains at a level competitive within the market for highly qualified management personnel and offers a performance incentive.

In the financial year 2012, it consisted of a fixed basic component, a variable component and the participation in the YOC Management Incentive Programme as well as the participation in the phantom stock option programme.

- The basic remuneration is a fixed cash remuneration referring to the entire year based on the area of responsibility of the respective Management Board member and paid out in twelve monthly instalments.

- With the participation in the YOC Management Incentive Programme initiated in 2009, the members of the Management Board and other employees of the company receive subscription rights to shares in YOC AG. The subscription rights granted in this respect are subject to a holding period of several years. The exercise of subscription rights requires an own investment of the subscription right owners at an exercise price derived from the stock market price of the YOC share at the time of issuance of the respective subscription rights (market value) (also see Section 6 below).The participation of the Management Board in the YOC Management Incentive Programme is intended to reward the contribution of the Management Board to increase the shareholder value and to promote the long-term success of the company. This element of remuneration and the long-term incentive it offers create a useful link between the interests of the management and those of the shareholders.

- With the participation in the YOC Management Incentive Programme initiated in 2009, the members of the Management Board – and other employees of the company – receive subscription rights to shares in YOC AG. The subscription rights granted in this respect are subject to a holding period of several years. The exercise of subscription rights requires an own investment of the subscription right owners at an exercise price derived from the stock market price of the YOC share at the time of issuance of the respective subscription rights (market value) (also see Section 6 below).The participation of the Management Board in the YOC Management Incentive Programme is intended to reward the contribution of the Management Board for increasing the shareholder value and to promote the long-term success of the company. This element of remuneration and the long-term incentive it offers create a useful link between the interests of the management and those of the shareholders.

- With the participation in the phantom stock option programme initiated in 2012, members of the Management Board of the company determined by the Supervisory Board receive phantom stocks. For the selected members, the phantom stock option programme simulates the actual holding of shares in the company's equity capital. The difference between these phantom stock options and ‚actual' stock options is that exercising the phantom options does not entitle the holder to subscribe to company shares; rather, the options grant the option holder a claim against the company for the payment of a specific cash sum as further defined in the option conditions. The phantom stocks do not give the holder any participation rights in the company under commercial law, in particular no claim based on stock corporation law to information or participation rights, voting rights or participation in the net profit for the year

As a contractual fringe benefit, Dirk Freytag, Jan Webering and Alexander Sutter had the right to a company car.

Management Board remuneration in 2012

Name	Fixed renumeration (in kEUR)	Termination of employment relationship (in kEUR)	Subscription rights granted in 2009 and 2011 (in units)	Phantom stock options granted in 2012 (in units)
Dirk Freytag (CEO from 1 December 2012)	21	0	0	40,000
Dirk Kraus (CEO until 11 September 2012)	129	0	32,655	0
Alexander Sutter (until 31 December 2012)	200		32,655	0
Jan Webering	200	150	32,655	0
Joachim von Bonin (until 31 March 2013)	193	0	16,650	0
Patrick Feller (until 31 December 2012)	150	0	0	0
Total	**893**	**150**	**114,590**	**40,000**

Remuneration received by the Management Board in the financial year 2012 totalled kEUR 1,070. The Management Board held a total of 114,590 subscription rights in 2009 and 2011. The Management Board held a total of 40,000 phantom stocks in 2012.

Supervisory Board remuneration

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed and amounts to kEUR 12.5 for one financial year. The chairman of the Supervisory Board receives twice this fixed amount and the deputy chair 1.5 times this fixed amount. For each meeting of the Supervisory Board held in person, each member of the Supervisory Board present receives kEUR 1.0; the chairman of the Supervisory Board receives 2 times and the deputy chair 1.5 times this amount.

Supervisory Board remuneration in 2012

Name	Fixed renumeration(in kEUR)
Gerd Schmitz-Morkramer	33.00
Peter Zühlsdorff	24.75
Oliver Borrmann	16.50
Total	**74.25**

There was no remuneration of personally rendered services outside the board activities, particularly with regard to any consulting and referral services.

The remuneration is paid out following the ordinary General Meeting at which the approved consolidated financial statements for the last financial year are presented.

Supervisory Board remuneration for the financial year 2012 totalled kEUR 74.25.

Events after the balance sheet reporting date

On 18 January 2013 YOC AG announced that it would continue to focus its strategy on its Media business. The Management Board is deeply engaged in negotiations with parties interested in purchasing the Mobile Technology segment. These parties have been granted access to the data room. Draft agreements have been exchanged with the bidders to move the negotiations forward.

YOC AG carried out a capital increase through the issue of 220,000 new shares with a nominal price of EUR 1.00 per share in February 2013 to strengthen its equity ratio. The new shares were issued at EUR 8.50 per share.

As of 31 December 2012 YOC Group was unable to fulfil the financial covenants of the lending bank. After the balance sheet reporting date but before disclosure of the consolidated financial statements, the lender declared in writing that it waived its right of termination due to the breach of the financial covenants until presentation of the consolidated financial statements for the financial year 2013.

In 2012 the Management of YOC AG decided to no longer use the adbutler brand, which resulted in an impairment of kEUR 546 arising from the legal name change from belboon-adbutler GmbH to belboon GmbH which was resolved upon and entered into the commercial register in March 2013.

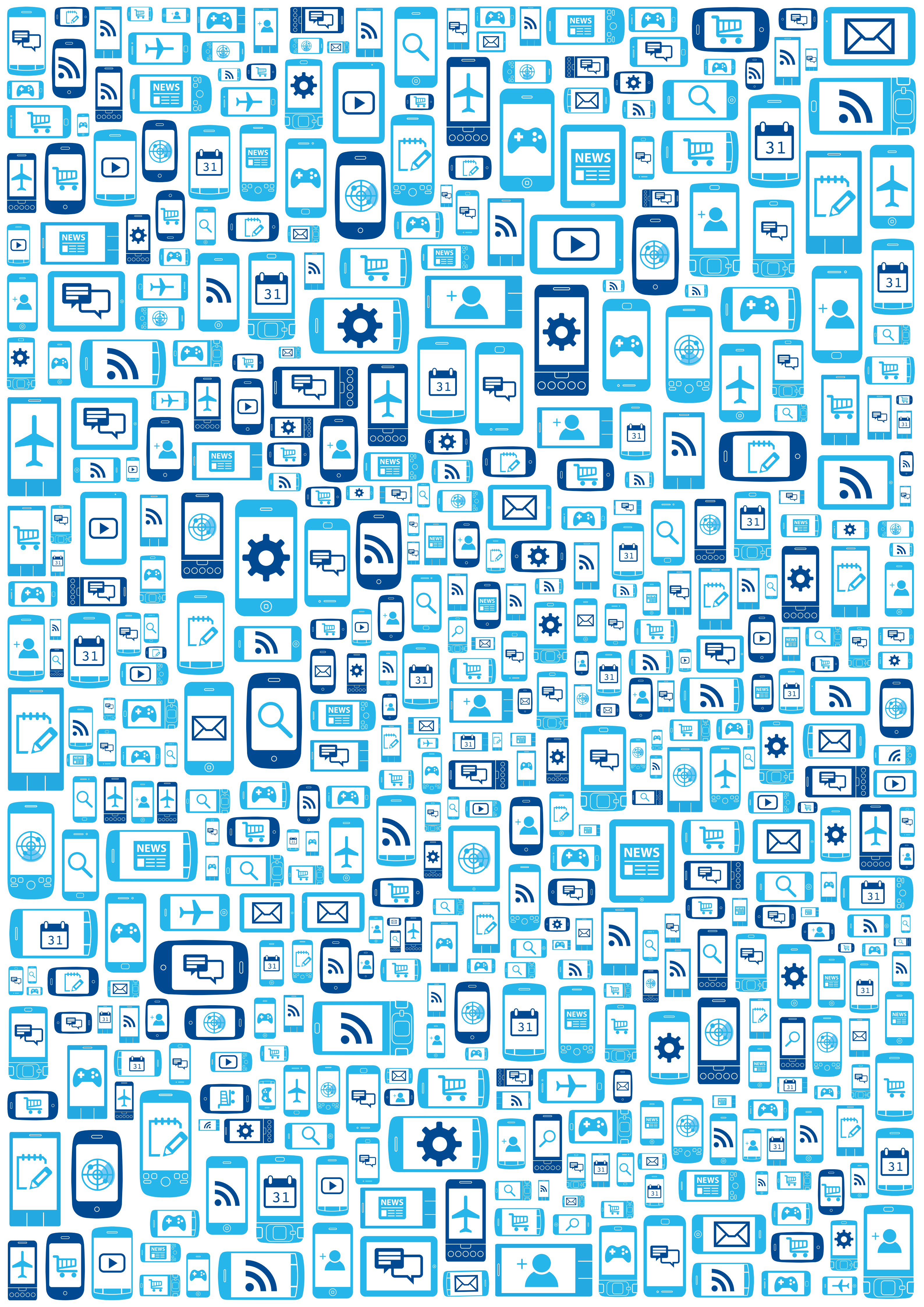
Joachim von Bonin resigned from his position as member of the Management Board of YOC AG with the agreement of the Supervisory Board effective 31 March 2013. He had been part of the Management of YOC AG since June 2010. In June 2011 he was appointed to the Management Board of the company as the member responsible for Finance and Controlling, Personnel and Central Purchasing.

No other events which could have a material impact on the net assets, financial position or result of operations took place after the balance sheet reporting date.

Berlin, 9 April 2013
The Management Board

Dirk Freytag
CEO of YOC AG

Jan Webering
Management Board
of YOC AG



3

CONSOLIDATED FINANCIAL STATEMENT

Consolidated Statement of Comprehensive Income 2012

Consolidated Income Statemtent 2012 (in EUR)	**Note #**	**Media and Holding (continued operations)**	**Mobile Technology (discontinued operations)**	**Total**
Revenue	5.1	**21,720,335**	**12,896,226**	**34,616,561**
Own work capitalised	5.2	237,782	421,821	659,603
Other operating income	5.3	644,309	677,077	1,321,386
Total output		**22,602,426**	**13,995,124**	**36,597,550**
Expenses for goods and services	5.4	16,151,310	2,270,584	18,421,894
Personnel expenses	5.5	7,728,197	7,874,049	15,602,246
Other operating expenses	5.6	3,495,781	2,305,085	5,800,866
EBITDA		**-4,772,862**	**1,545,406**	**-3,227,456**
Depreciation and amortisation	6.1/6.2/6.3	5,331,451	1,829,682	7,161,133
EBIT		**-10,104,313**	**-284,276**	**-10,388,589**
Interest income	5.7	103,874	832	104,706
Interest expenses	5.7	269,546	3,152	272,698
Financial result		**-165,672**	**-2,320**	**-167,992**
Earnings before tax		**-10,269,985**	**-286,596**	**-10,556,581**
Income taxes	5.8	787,769	-935	786,834
Net income		**-11,057,754**	**-285,661**	**-11,343,415**
Earnings per share diluted	5.9	-5.39	-0.15	-5.53
Earnings per share basic	5.9	-5.40	-0.15	-5.54

Consolidated Statement of Recognised Income and Expenses 2012 (in EUR)	**Note #**	**Media and Holding (continued operations)**	**Mobile Technology (discontinued operations)**	**Total**
Net income		**-11,057,754**	**-285,661**	**-11,343,415**
Changes from currency translation		-23,894	52,157	28,263
Other income/loss	5.11	-23,894	52,157	28,263
Comprehensive income		**-11,081,648**	**-233,504**	**-11,315,152**

Consolidated Statement of Comprehensive Income 2011

Consolidated Income Statemtent 2012 (in EUR)	Note #	Media and Holding (continued operations)	Mobile Technology (discontinued operations)	Total
Revenue	5.1	**19,078,647**	**13,019,344**	**32,097,991**
Own work capitalised	5.2	373,044	983,738	1,356,782
Other operating income	5.3	96,028	258,777	354,804
Total output		**19,547,719**	**14,261,859**	**33,809,577**
Expenses for goods and services	5.4	13,565,440	3,429,403	16,994,843
Personnel expenses	5.5	5,654,856	8,906,868	14,561,723
Other operating expenses	5.6	2,891,292	2,365,693	5,256,985
EBITDA		**-2,563,868**	**-440,106**	**-3,003,974**
Depreciation and amortisation	6.1/6.2/6.3	5,599,820	830,851	6,430,671
EBIT		**-8,163,688**	**-1,270,957**	**-9,434,645**
Interest income	5.7	186,802	117	186,919
Interest expenses	5.7	417,004	4,763	421,767
Financial result		**-230,202**	**-4,646**	**-234,848**
Earnings before tax		**-8,393,890**	**-1,275,603**	**-9,669,493**
Income taxes	5.8	-1,395,433	-392,978	-1,788,410
Net income		**-6,998,458**	**-882,625**	**-7,881,083**
Earnings per share diluted	5.9	-3.72	-0.47	-4.19
Earnings per share basic	5.9	-3.72	-0.47	-4.19

Consolidated Statement of Recognised Income and Expenses 2012 (in EUR)	Note #	Media and Holding (continued operations)	Mobile Technology (discontinued operations)	Total
Net income		**-6,998,458**	**-882,625**	**-7,881,083**
Changes from currency translation		-24,858	35,677	10,819
Other income/loss	5.11	-24,858	35,677	10,819
Comprehensive income		**-7,023,316**	**-846,948**	**-7,870,264**

Consolidated Statement of Financial Position

(in EUR)	Note #	31.12.2012	31.12.2011
Assets			
Non-Current Assets		**3,772,769**	**20,070,406**
Property, plant and equipment	6.1	679,748	1,175,895
Goodwill	6.2	1,639,739	10,648,063
Intagible assets	6.3	756,613	7,175,139
Deferred tax assets	5.8	696,668	1,071,309
Current Assets		**19,288,287**	**10,533,009**
Trade receivables	6.4	4,828,697	8,606,232
Other receivables	6.4	282,009	314,003
Tax assets	6.4	43,951	14,518
Securities	6.5	14,101	26,888
Cash and cash equivaltents	6.6	235,737	1,571,368
Long-term assets held-for-sale	8	13,883,792	0
Total Assets		**23,061,055**	**30,603,415**
Equity and Liabilities			
Equity		**2,702,568**	**10,981,377**
Subscribed capital	6.7	2,380,000	1,915,000
Additional paid in capital	6.7	17,585,298	15,013,956
Retained earnings	6.7	-17,298,913	-5,955,498
Currency translation	6.7	86,501	58,237
Own shares	6.7	-50,319	-50,319
Langfristige Schulden		**404,999**	**943,839**
Rückstellungen	6.8	52,297	39,470
Sonstige Verbindlichkeiten	6.9	289,488	103,337
Sonstige finanzielle Verbindlichkeiten	6.9	35,671	213,127
Latente Steuern	5.8	27,542	587,905
Current Liabilities		**19,953,489**	**18,678,200**
Prepayments received	6.9	1,945,002	2,328,033
Trade liabilities	6.9	3,867,915	4,379,199
Loans	6,9	3,493,677	3,126,145
Other liabilities	6.9	2,045,098	2,919,152
Other financial liablilties	6.9	4,288,505	4,386,277
Liabilities from application of POC	6,9	0	1,122,214
Tax liabilities	6.9	157,912	256,667
Provisions	6.8	75,000	160,513
Liabilities regarding long-term assets held-for-sale	8	4,080,379	0
Summe Eigenkapital und Schulden		**23,061,055**	**30,603,415**

Consolidated Cash flow Statement

(in EUR)	Note #	2012	2011
Earnings after tax out of continued operations		**-11,057,754**	**-6,998,458**
Earnings after tax out of discontinued operations		**-285,661**	**-882,625**
Depreciation, amortisation and impairements		7,161,133	6,430,671
Taxes recognised in the income statement		786,834	-1,788,410
Interests recognised in the income statement		-167,992	234,848
Non-cash income and expenses		39,674	161,255
Cash-Earnings		**-3,523,766**	**-2,842,719**
Result from disposal of assets		3,242	7,016
Changes in receivables, prepayments made and other receivables		-15,874	-373,278
Changes in liabilities, prepayments received and other liabilities		1,228,729	4,195,210
Changes in provisions		-70,671	102,130
Interests received		1,354	26,575
Interests paid		-225,678	-338,776
Income taxes paid		-93,958	-100,587
Cash flow from operating activities	7.1	**-2,696.622**	**675,571**
Akquisition of subsidiaries		-588,314	-1,016,557
Purchase of property, plant and equipment		-706,504	-493,706
Purchase of intangible assets		-18,556	-51,562
Outflow from development costs		-659,603	-1,356,782
Cash flow from investing activities	7.1	**-1,972,978**	**-2,918,607**
Inflows from capital increase		3,117,500	0
Transaction costs related to issuance of own shares		-92,567	-12,000
Repayments of liabilities under finance lease		-21,503	-42,431
Repayment of bank loans		-603,000	-2,719,500
Issuance of bank loans		957,610	1,000,000
Cash flow from financing activities	7.1	**3,358,040**	**-1,773,931**
Net increase/decrease		**-1.311,560**	**-4,016,967**
Changes in cash and cash equivalents due to exchange rates		0	-8,528
Changes in cash and cash equivalents due to changes in the scope of consolidation		0	421,473
Cash and cash equivalents at the beginning of the period	7.2	**1,571,368**	**5,175,390**
Cash and cash equivalents at the end of the period	7.2	**259,808**	**1,571,368**

Consolidated Statement of Changes in Equity

(in EUR)	Note #	Subscribed Capital	Additional paid in capital	Retained Earnings	Currency translation	Own shares	Total
per 01.01.2010		**1,887,000**	**13,559,450**	**1,925,586**	**47,418**	**-263,839**	**17,155,615**
Net income				-7,881,083			-7,881,083
Currency translation	5.11/9				10,819		10,819
Comprehensive income				**-7,881,083**	**10,819**		**-7,870,264**
Issuance of subscribed capital		28,000	953,120				981,120
Stock option programme			352,130			213,520	565,650
Issuance of own shares	6.7/9		161,255				161,255
Transaction costs including tax benefits			-12,000				-12,000
per 31.12.2010		**1,915,000**	**15,013,955**	**-5,955,498**	**58,237**	**-50,319**	**10,981,376**
Net income				-11,343,415			-11,343,415
Currency translation	5.11/9				28,264		28,264
Comprehensive income				**-11,343,415**	**28,264**		**-11,315,152**
Issuance of subscribed capital	6.7/9	465,000	2,652,500				3,117,500
Issuance of own shares	6.7/9		9,080				9,080
Transaction costs including tax benefits	9		-90,237				-90,237
per 31.12.2011		**2,380,000**	**17,585,298**	**-17,298,913**	**86,501**	**-50,319**	**2,702,568**

No shares are held by non-controlling shareholders.

Notes to the Financial Statements

1. General Information

YOC AG with headquarters at Karl-Liebknecht-Straße 1, Berlin, Germany is an international service provider in the field 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.

The consolidated financial statements of YOC AG as of 31 December 2012 have been prepared pursuant to Sect. 315a German Commercial Code (HGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), London, United Kingdom, and the IFRS Interpretations Committee (IFRIC), as applicable in the European Union (EU), as effective on the closing date of the financial statements.

The consolidated financial statements of YOC AG conform to the IFRS as mandatory in the European Union from 1 January 2012.

The consolidated financial statements provide a fair presentation of YOC net assets, financial position and results.

At the end of July 2012, the YOC Group decided to further pursue its efforts regarding the company's strategic focus. In this connection, the Management Board of YOC AG decided to sell the Mobile Technology segment. This segment has therefore been classified as a discontinued operation in terms of IFRS 5. The information on the statement of financial position and the income statement contained in the Notes to the Financial Statements relate solely to Media segment that will be continued.

The Management Board of YOC AG prepared the consolidated financial statements on 9 April 2013 and authorised their submission to the Supervisory Board of the company.

1.1 Application of new and modified standards

STANDARDS AND INTERPRETATIONS TO BE APPLIED IN THE CURRENT FINANCIAL YEAR

The following new or revised standards and interpretations were applicable for the first time in the financial year 2012:

- **Amendment of IAS 12 Income taxes – Deferred Tax Liabilities:** Realisation of the underlying assets. Introduction of a ‚probable profits' test, namely that the recovery of the carrying amount will normally be through sale.

- **IFRS 7 Financial Instruments:** Disclosures - Improving Disclosures concerning Transfers of Financial Assets. The amendments expand the disclosures required for transfers of financial assets in which the transferor retains a continuing involvement with regard to the transferred assets.

The impact of the new and amended standards and interpretations was evaluated. There is little or no material impact on the consolidated financial statements of YOC Group.

1.2 Published standards and interpretations not yet mandatory

As of the approval date of these financial statements for publication, the following standards, interpretations and amendments to standards and interpretations have already been published but their application is not yet mandatory and/or recognised as part of the EU endorsement process.

The impact of the following new and amended standards and interpretations on the consolidated financial statements of YOC Group is currently being evaluated:

- **Amendment of IAS 32:** Offsetting of financial assets and financial liabilities: clarifies the existing requirements and is binding for financial years beginning on or after 1 January 2014.

- **Amendment of IFRS 7:** Financial instruments: Disclosures: "Financial Instruments: Disclosures: Balancing of Financial Assets and Financial Liabilities" extends the disclosure requirements concerning financial instruments in connection with certain offsetting agreements. The amendments are mandatory for financial years starting on or after 1 January 2013.

- **IFRS 9:** Financial Instruments replaces the previous IAS 39 regarding the classification and measurement of financial instruments (first phase of the IASB project to replace IAS 39). The application of IFRS 9 (revised 2011) becomes mandatory for financial years beginning on or after 1 January 2015. Early application is permitted. Future phases of the IASB will address hedge accounting and the impairment of financial assets.

- **IFRS 13:** "Fair Value Measurement" combines uniform guidelines concerning the valuation at the fair value and the respective information contained in the Notes. The application of IFRS 13 becomes mandatory for financial years beginning on or after 1 January 2013.

Selected improvements of IFRS (May 2012):

- **IAS 1 Presentation of Financial Statements:** Clarification of the distinction between voluntary additional comparative information and mandatory comparative information covering, in most cases, the previous reporting period.

- **IAS 16 Property, Plant, Equipment:** Clarification that major replacement parts and servicing equipment that are eligible as Property, Plant, Equipment do not fall under the provisions applicable to inventories.

- **IAS 32 Financial instruments:** Presentation: Clarification that income taxes on distributions to holders of equity instruments fall within the scope of IAS 12 Income Taxes.

The changes resulting from this clarification are not expected to have any material impact on the consolidated financial statements.

The following new and amended standards and interpretations not yet mandatory in the financial year 2012 and/or not yet recognised as part of the EU endorsement process are expected to have no material impact on the YOC Group's consolidated financial statements:

- **Amendment to IAS 1** - Presentation of Items of Other Comprehensive Income[1].

- **IFRS 10:** Consolidated Financial Statements[2] replaces the provisions on consolidated financial statements in IAS 27 „Consolidated and Separate Financial Statements", establishes the control approach as a unified principle and includes the issues raised in SIC-12 Consolidation - Special Purpose Entities.

- **IFRS 11:** Joint Arrangements[2] replaces IAS 31 Interests in Joint Ventures and results in the removal of the option of using proportionate consolidation for joint ventures.

- **IFRS 12:** Disclosure of Interests in Other Entities[2] regulates as a new and comprehensive standard the disclosure requirements relating to all forms of interests in other entities.

- **Amendment of IAS 19:** Employee Benefits: Employee Benefit Accounting[2]: Comprehensive revision of the standard, particularly with regard to defined benefit plans.

- **New version of IAS 28:** Investments in Associates and Joint Ventures: Amendments resulting from the publication of IFRS 11 and IFRS 12[3].

The Management Board of YOC AG assumes that the standards and interpretations mentioned above will be applied in the consolidated financial statements for the financial year in which their application becomes mandatory. IFRS 10 has no impact on the consolidated group. There are currently no applications relevant to YOC Group pursuant to IFRS 11 and IFRS 12.

1 applicable for financial years starting on or after 01 July 2012
2 applicable for financial years starting on or after 01 January 2014
3 applicable for financial years starting on or after 01 January 2013

2. Consolidation

2.1 Consolidation principles

The consolidated financial statements include those companies in which YOC AG holds a direct or indirect majority of the voting rights (subsidiaries) or in which YOC AG, by virtue of its controlling position, obtains the majority of the economic benefits and bears the majority of the risks arising from their operations.

The inclusion of subsidiaries in the consolidated financial statements begins from the date on which YOC AG acquires control. The separate financial statements of the consolidated companies are prepared as of the reporting date of the consolidated financial statements. The results of subsidiaries acquired during the year are recorded in the consolidated income statement beginning on the actual date of acquisition.

Investments are consolidated using the purchase method by offsetting the carrying amounts of the investments against the revalued equity of the subsidiaries at the date of their acquisition. Assets and liabilities that meet the recognition criteria of IFRS 3 are recorded at their fair values. Any residual amounts are reported as goodwill.

At the time of the loss of control of the subsidiary, the subsidiary was deconsolidated for the first time.

Intra-group profits and losses, revenues, expenses and income as well as intercompany receivables, other assets and liabilities are eliminated.

2.2 Scope of consolidation

The companies of the YOC Group that were consolidated as of 31 December 2012 are as follows:

	Fully consolidated companies	Share in %	Held via No.	Since
Domestic				
1	YOC AG, Berlin	-	-	-
2	Moustik GmbH, Berlin	100%	1	01.02.2007
3	Sevenval GmbH, Cologne	100%	1	25.09.2007
4	belboon GmbH, Berlin (formerly belboon adbutler GmbH)	100%	1	12.03.2008
5	YOC Mobile Advertising GmbH, Berlin	100%	1	11.03.2009
Foreign				
6	YOC Mobile Advertising Ltd., London, United Kingdom	100%	1	01.01.2007
7	Moustik Sprl., Brussels, Belgium	100%	1	01.02.2007
8	Sevenval Ltd., London, UK (previously YOC Ltd.)	100%	1	27.05.2009
9	YOC Central Eastern Europe GmbH, Vienna, Austria	100%	1	01.06.2009
10	YOC Spain, S.L., Madrid, Spain	100%	1	22.09.2009
11	MobilADdict SAS, Paris, France	100%	1	23.03.2011

On 19 December 2012, the closure of the 100% subsidiary and distribution company ubiyoo Ltd., London, United Kingdom, was registered with Companies House. As a result, the company was deconsolidated. There are no off-balance sheet commitments or risks arising from the closure of the company. No liquidation proceeds are expected.

All other subsidiaries of YOC AG are included in the consolidated financial statements through full consolidation.

3. Accounting and valuation principles

3.1 General principles

YOC AG functions as the parent company of the group and directly holds 100% of all companies of the YOC Group. The financial years for all subsidiaries coincide with the calendar year.

In preparing the consolidated financial statements, the Management Board has presumed that all the companies included in the consolidated financial statements are going concerns. Therefore, accounting and measurement were performed according to the going-concern principle. Regarding the liquidity risks, we refer the reader to the section 3.3 on equity management below, as well as to the sections "Net Assets and Financial Position" and "Opportunities and Risk Report" within the Group Management Report.

The consolidated balance sheet is structured according to IAS 1 "Presentation of Financial Statements" and the principle of maturity. Consequently, the balance sheet items are divided into non-current and current assets or liabilities respectively. As a matter of principle, assets and liabilities are classified as current when they have a remaining term to maturity or circulation of less than one year within the scope of ordinary business operations. Accordingly, assets and liabilities are classified as non-current when they remain within the company for more than one year.

The annual financial statements of the companies included in these consolidated financial statements are based on uniform accounting and valuation principles. Tax bases are not used as carrying amounts in the consolidated financial statements. The consolidated financial statements were prepared in euro. For purposes of clarity and comparability, all amounts are generally (unless otherwise stated) indicated in kEUR.

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

Total income is presented in two separate statements: the income and loss statement according to the nature of expense method and the statement of comprehensive income.

The accounting and valuation principles described below were applied to the consolidated financial statements:

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is assessed at historical or production cost and depreciated on a straight-line basis over expected economic life as follows:

Property, plant and equipment	Useful life in years
Fixtures added by the tenants	8 - 10
Operating and business equipment	3 - 3

If there is an indication of impairment, an impairment test is also performed.

Gains and losses from asset disposals are recorded in other operating income and/or in other operating expenses respectively.

Investment subsidies and grants provided by public authorities for the acquisition and production of property, plant and equipment are recorded on the grant date by deducting the grant from the cost, and are depreciated over the useful life of the assets in the form of reduced depreciation or recorded in income upon disposal of the grant-supported assets.

INTANGIBLE ASSETS

Goodwill

Goodwill which arises from the acquisition of a subsidiary corresponds to the excess of the acquisition costs measured at the fair value, above the fair net value of unidentifiable assets, liabilities and possible liabilities of the subsidiary.

Goodwill is not subject to scheduled depreciation. Impairment tests on goodwill are carried out once annually, or at any other time should there be any indication of depreciation. If an intrinsic value no longer exists, goodwill is depreciated to its recoverable amount.

If company acquisitions have been undertaken pursuant to IFRS 3 (2004) in the financial years prior to 1 July 2009, the variable purchase price liabilities are adjusted after expiration of the one year limit via goodwill with no effect on profit or loss. Incidental acquisition costs are capitalised.

For company acquisitions which took place in financial years beginning after 1 July 2009, the revised IFRS 3 (2008) is applicable. Incidental acquisition costs as well as adjustments of purchase price liabilities were recorded after the expiration of the one year limit as expenses with effect on profit or loss.

Other intangible assets

Other intangible assets include both acquired and self-developed intangible assets.

Acquired intangible assets are valued at the acquisition costs and, if applicable, minus the accumulated write-downs and impairment losses. This includes both intangible assets which have been acquired as part of a business combination, as long as this fulfils the recognition criteria of IFRS 3, as well as those intangible assets which have been acquired separately.

Self-developed intangible assets, from which future economic benefits are likely to accrue to the group, and which meet the recognition criteria of IAS 38 "Intangible Assets", are valued at the production costs which were incurred during the development phase of the assets. Capitalised development costs only encompass directly attributable costs. Research costs as well as development costs that cannot be capitalised are fully recorded as expenses in the periods in which they are incurred.

Unless intangible assets have an indefinite useful life, they are written down linearly over the respective expected economic life. In the case of internally generated intangible assets, amortization begins from the date of completion of the assets.

Intangible assets	**Useful life in years**
Self-developed software	3 - 9
Purchased software and licences	3 - 5
Customer bases	7 - 10

If there is an indication of impairment, an impairment test is also performed.

Intangible assets with an indefinite useful life are not systematically written down. Instead, these assets are regularly tested for their intrinsic value in the course of annual impairment tests and additionally if there are indications of an impairment loss. If there are impairment losses, the intangible assets are written down to the recoverable amount.

PREPAYMENTS MADE, RECEIVABLES AND TAX RECEIVABLES

Trade receivables and other financial assets in the category "credits and receivables" are reported in the balance sheet on the settlement date. They are subsequently valued at the continued acquisition costs - if necessary - using the effective interest method minus any impairment losses which result from the difference between the book value of the receivable and the estimated future cash flows which are expected of this receivable. Losses arising from the impairment loss are recorded under other operating expenses.

Other receivables that are not financial instruments as defined by IFRS 7, are initially recorded at the acquisition costs. They are subsequently valued at continued acquisition costs with consideration of impairment losses. All recognised receivables and other assets are non-current.

For the first time in the financial year 2012, prepayments were posted to the item other assets and no longer reported as a separate item „Advance payments". The previous year's figures have been adjusted accordingly.

SECURITIES

Current securities are categorised as financial instruments available for sale as they have not been acquired for trade purposes. They are reported in the balance sheet on the settlement date. The initial and subsequent measurement is at fair value. The valuation of the fair value is carried out according to prices quoted on active markets for identical financial liabilities (level 1) or is derived from such prices (level 2). If market values cannot be reliably determined, the fair value is calculated on the basis of recognised financial calculation models (level 3).

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised and subsequently valued at the fair value at all times. Market values of comparable listed derivatives are used as fair values (level 1). If there are no market values, then the fair values are calculated on the basis of recognised financial calculation models (level 3). Changes to the fair value are recorded in income. The derivatives available in the Group up until 2012 were not in hedging relationships.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, including means of payment encompassing cheques, are organised in the category "Credits and receivables". Short-term deposits with a term of up to 90 days which display only minimal risk of value fluctuation are summarised under cash equivalents. Cash and cash equivalents are valued at their nominal value

DEFERRED TAX LIABILITIES

Deferred taxes are calculated on temporary differences between the financial carrying values of assets and liabilities and the carrying values in the consolidated financial statement as well as on losses carryforwards, in order to accurately account for future tax liability and relief.

Deferred taxes were valued using the expected tax rates on the basis of current legislation at the end of the financial year. In doing so, the individual circumstances of each legal entity were considered for the tax calculations. For foreign companies, the respective tax rates specific to that country were used.

Deferred tax liabilities are recorded for all taxable temporary differences. Deferred tax assets are recorded in those cases in which their feasibility seems to be sufficiently probable in the near future. The tax effect of tax loss carryforwards was capitalised to the extent to which the future use of such loss carryforwards is expected.

Deferred tax assets and liabilities are offset to the extent to which a legal right of set-off against the same tax authority exists.

EQUITY

Own shares are valued at the acquisition costs and deducted from the equity capital with no effect on the net income. The statement is reported in the balance as one separate item.

Purchases and sales as well as expenses and redemption of own shares are recorded without affecting the net income.

PROVISIONS

Provisions are made for present legal and actual obligations to third parties if the obligation is likely to lead to a future outflow of resources and the amount of the obligation can be reliably estimated. Short-term provisions are recorded on the expected settlement date. Long-term provisions are recorded at the present value. To calculate the present value, provisions are discounted to the balance sheet date on the basis of a risk-adequate and duration-appropriate market interest rate.

PREPAYMENTS RECEIVED, LIABILITIES AND TAX LIABILITIES

Liabilities described in the Notes cover prepayments received, trade payables, other financial and non-financial liabilities as well as tax liabilities.

Prepayments received are recorded at their settlement values.

Financial liabilities as defined by IFRS 7 are trade accounts payable, financial liabilities, variable purchase price components and derivative financial instruments, amounts owed from purchase invoices not yet received and amounts owed arising from application of the POC method.

These are initially recorded at the fair value. Transaction costs that can be directly attributed to the purchase of financial liabilities (which are valued at the fair value with no effect on the net income) are taken into consideration in other comprehensive income, without affecting the net income. Non-current liabilities are subsequently valued at the continued acquisition costs using the effective interest method. Current liabilities are subsequently valued at the settlement amount, without discount.

In accordance with IFRS 3, liabilities arising from variable purchase prices are valued at the fair value of the likely settlement amount which is discounted to the present value when the term is longer than one year.

Some other payables and other financial liabilities are reclassified for the purpose of improved presentation of net assets. Liabilities for purchase invoices not yet received are reported for the first time in 2012, under Other financial liabilities. Liabilities arising from the application of the percentage-of-completion method are reported for the first time, in contrast to their previous presentation, under Other financial liabilities as a separate item. Previous year's amounts have been adjusted for the purposes of improved comparability.

The estimate of tax liabilities ensues in the amount of the anticipated payment of taxes.

SHARE-BASED REMUNERATIONS

ⓐ with settlement by means of equity instruments

For the purposes of the YOC Management Incentive Programme, subscription rights to YOC shares are granted to the first and second management levels of YOC Group.

These are valued at the fair value of the equity instruments on the day of being granted and are recorded linearly as personnel expenditure over the time period until non-forfeiture via the capital reserves.

On every balance date the estimation regarding the number of equity instruments which become non-forfeitable is checked. Where available, the effects of modifications of the original estimations are to be recorded in the net income statement, subject to the adjustment of the capital reserve, over the remaining period until non-forfeiture.

ⓑ with cash-settlement

The first management level of the YOC Group was for the first time in the current financial year granted share-based remuneration with cash settlement.

These options are valued at the fair value at the date of being granted and are recorded linearly as personnel expenditure over the time period until the date of settlement. The debt is revalued on each reporting date and at the date of settlement with an effect on income.

REVENUES AND EXPENDITURE

YOC Group mainly generates its revenues by the provision of services. The recognition of sales proceeds takes place at the time of the service provision so that the economic benefit of the group resulting from the services is assigned on an accrual basis.

Revenues are valued at the fair value of the counter performance and net of the amounts of bonus agreements with customers and net of any discounts or similar deductions that have been granted.

In the Media segment revenues are recognized net of agency commissions for the purpose of fairer presentation of the financial position, starting with the 2012 financial year. For improved comparability and pursuant to IAS 8.42, the agency commissions in the amount of kEUR 1,234 were reclassified in the previous year's consolidated financial statements from Other operating expenses to Reductions in sales. In the current year there is an effect of kEUR 1,673.

Service agreements for customer-specific software

Sales revenues from service agreements for customer-specific software which can be reliably estimated are recorded according to the percentage-of-completion method depending on the degree of completion. In 2012, this applies only to discontinued operations.

The order costs of the service rendered are pro-rated with the estimated total order costs in order to determine the degree of completion.

If the result of an order cannot be reliably estimated, the sales revenues are only recorded to the amount of the already incurred and probably recoverable order costs.

If the estimated total order costs exceed the total order proceeds, this estimated loss is recorded as expenditure. Order costs are recorded on an accrual basis.

If the order costs incurred plus accounted gains minus accounted losses exceed the value of the settlement according to the degree of completion, the surplus is shown as an asset under trade receivables. Liability items are recorded within other financial obligations if the value of the settlement according to the degree of completion exceeds the incurred order costs plus accounted gains and minus accounted losses.

If orders that have not yet been started have already been paid for, the amount is recorded as advance payment received. Partial settlements for already rendered services from a service agreement which the customer has not paid for yet are recorded as trade accounts receivable in the balance sheet.

License revenues

Furthermore, YOC Group generates sales with the licensing of software solutions. They are collected on an accrual basis over the term of the licence agreement in the case of surrender of use. In the case of a sale of licences, sales are considered as realised at the date of the sale.

Revenues in the field of Media and other sales

Revenues in the field of Affiliate Marketing and Mobile Advertising are recorded at the date of service provision and as a gross sum. The respective publisher remunerations are recorded in the cost of materials on an accrual basis as services obtained.

INTEREST

Interest expenses on loans are recognized as an effect on income using the effective interest method.

LEASING

Both finance and operating leases exist within the YOC Group.

Within the scope of operating leases, expenditures incurred are recorded linearly as expenditure over the duration of the contract. When incentives are granted for the purposes of entering into an operating lease, these are distributed linearly over the term of the lease, unless there is another systematic basis corresponding to actual use over the course of time.

Assets which are acquired within the scope of a finance lease are set at their fair value or the lower cash value of the minimum leasing payments at the beginning of the lease. For the liability to the lessor, a corresponding amount is recorded under liabilities.

3.2 Use of estimates and discretion

The creation of the consolidated financial statement in accordance with IFRS requires assumptions and discretionary decisions to be made which concern the future and must not naturally correspond to prospective circumstances. Such assumption and assessment affects the inclusion and valuation of assets and liabilities as well as revenues and expenses. Assessment and assumption of this consolidated financial statement is based on empirical values as well as other factors that are considered plausible and commercially reasonable under the given circumstances. As assessments and assumptions may differ from actual values and could have a significant effect on the net assets, financial position and results of operations, these assumptions and assessments are subject to regular review. Essential estimations and assumptions have been made in particular regarding the following issues:

REVENUE RECOGNITION WITH REGARD TO PERFORMANCE CONTRACTS

For long-term contractual performance, revenue is recognized using the percentage-of-completion method. To determine the progress of performance, an assessment is made of the total contract costs that will be incurred before completion, total contract revenue as well as contract risks. The relevant values are assessed on an ongoing basis by the managers of the operational departments and adjusted if necessary.

TRADE RECEIVABLES AND OTHER RECEIVABLES

The allowance for doubtful accounts takes into account estimates and assessments carried out by management with regard to individual amounts receivable.

IMPAIRMENT

YOC AG carries out an impairment test with regard to the company's goodwill once a year and additionally if there are indications of an impairment loss. The calculation for determining the recoverable amount of a payment-generating unit that has been classified as ‚goodwill' takes into account the estimates carried out by management. The recoverable amount is the higher of a) the fair value of the cash-generating unit's net selling price and b) its value in use. The company generally calculates these figures using the discounted cash flow valuations. These discounted cash flows are based on five-year forecasts, which are established by financial budgets. The main assumptions underlying the calculation of the fair value of the net selling price and value in use are as follows: estimated growth rates, weighted average cost of capital and tax rates (see also Section 6.2).

If intangible assets are reviewed for impairment, the calculation of the recoverable amount is equally associated with estimates.

LONG-TERM ASSETS HELD-FOR-SALE

Long-term assets held-for-sale are carried at the lower of the carrying amount and fair value less-selling costs (see Section 8). The calculation of fair value, minus selling costs takes into account estimates and assumptions by management that are subject to some uncertainty. At the end of July 2012 it was decided that YOC Group would further progress the strategic focus of the company by selling the Mobile Technology segment. The Mobile Technology segment has therefore been classified as held-for-sale, because it is considered highly probable that it will be sold within a year. Tangible and intangible assets that are classified as held-for-sale have not been subject to planned amortization since July 2012. The statement of comprehensive income includes a separate presentation of discontinued operations.

DEFERRED TAX ASSETS

Deferred tax assets are recognized if there sufficient taxable income will be available in the future (see also Section 5.8). Recognition takes into account projected results from operations and the earnings effects from the reversal of taxable timing differences. Based on projected future taxable income, the company's management assesses at each balance sheet date, the recoverability of deferred tax assets. As future business developments are uncertain and to some extent beyond the control of the company's management, it is necessary to make assumptions in order to estimate the amount of taxable income in the future, as well as the date of realization of deferred tax assets. Estimated values are adjusted in the period when there is sufficient information available for such an adjustment. If the management proceeds from the assumption that deferred tax assets will not be fully or partially realized, an impairment charge is made in the corresponding amount.

3.3 Equity management

In the financial year 2012, as has also been the case in previous years, YOC Group focused on financing its business activity using its own equity.

To finance the company's growth as well as investments, two capital increases were successfully implemented in the past financial year.

The Management Board is informed of the development of YOC Group's own equity through the reporting of key figures such as the equity ratio. The aim is to cover the company's short- to medium-term financing needs through equity and to pay back borrowed funds in full.

Within the framework of outside financing, financial covenants have been agreed with the bank that grants loans. In the process, the minimum own resources and the net accumulation of debt/EBITDA form the basis of assessment. The financial covenants were not met as of 31 December 2011 and 2012. However, after the balance sheet date but before the publication of the consolidated financial statements, the lender waived in writing its right of termination resulting from the breach of the financial covenants for the period up until the time of presenting the 2013 consolidated financial statements. Therefore, these amounts are recorded as of 31 December 2011 and 2012 under current loan liabilities

In March of 2012, the deferral of an instalment of kEUR 400 which was due was agreed with the lending bank. In September, another instalment of the same loan amounting to kEUR 400 was deferred. The term of the respective loan was extended by six months 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 kEUR 1,000 during the reporting period. It was valued at balance sheet date at kEUR 958. The line of credit accrues a variable rate of interest. In the fourth quarter of 2012, the interest rate was 2.69%.

3.4 Currency effects and currency conversion

The functional currency of the parent company and the presentation currency of the group is the euro.

If the transactions are invoiced in a foreign currency, receivables and payables will be converted into the particular functional currency at the exchange rates applicable on the closing date of the transaction and entered in the accounting records. Receivables and payables existing on the balance sheet date will be correspondingly adjusted to take into account any currency fluctuations.

The conversion of currency for the annual financial statements of foreign subsidiary companies is effected in accordance with the functional currency concept. The functional currency of the respective investment is the respective national currency.

Assets and liabilities of affiliated companies, whose functional currency is other than the euro, are converted into euro according to the currency rate valid on the balance sheet closing date Changes during the year as well as expenses and income are converted into euro using the annual average exchange rates. Equity is converted using the respective historical rate. Differences resulting from the conversion at end-of-period exchange rates are recorded as currency conversion differences in equity.

The following exchange rates form the basis of currency conversion:

	Closing rate		Average rate	
	31.12.12	31.12.11	2012	2011
1 EUR = GBP	0,8174	0,8378	0,8112	0,8678
1 EUR = USD	1,3215	1,2949	1,2858	1,3924

The following table indicates the sensitivity of the group's consolidated pre-tax earnings in comparison to a fundamentally possible exchange rate modification after reasonable assessment, in percentage points of the Pound Sterling (GBP) and the US Dollar (USD). All monetary assets in foreign currency are factored into the sensitivity. All other variables remain constant in the analysis.

Foreign currency	Foreign currency market trend in percentage points	Effect on earnings before taxes (in kEUR)
2012		
Pound Sterling (GBP)	+5%	-50
	- 5%	55
US Dollar (USD)	+5%	-29
	- 5%	32
2011		
Pound Sterling (GBP)	+5%	-47
	- 5%	53
US Dollar (USD)	+5%	-21
	- 5%	23

The fully consolidated subsidiary companies YOC Mobile Advertising Ltd. and YOC Ltd. have receivables in USD. Currency fluctuations resulting from the currency conversion from USD to GBP have an effect of 18 kGBP where the exchange rate changes by +5% and -18 kGBP where it changes by -5%.

4. Acquisitions

In the financial 2012, YOC Group did not make any acquisitions.

On 23 March 2011, YOC AG acquired 100% of the shares in MobilADdict SAS, Paris, France (media segment). MobilADdict SAS is a French mobile advertising provider marketing advertising space in the mobile internet.

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 kEUR 141,000 compared to the value as of 31 December 2011.

In addition to non-variable purchase price elements in the amount of kEUR 2,165, the acquisition cost of kEUR 2,888 includes variable purchase price components with a fair value at the acquisition date of kEUR 723.

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

Preliminary purchase price allocation of MobilADdict SAS (in kEUR)	**Fair values at the date of acquisition**
Non-current assets	**1,854**
Intangible assets	1,811
Property, plant and equipment	7
Deferred assets	36
Current assets	**1,476**
Trade receivables and other receivables	1,042
Securities	13
Cash and cash equivalents	421
Liabilities	**1,974**
Liabilities	1,371
Deferred tax liabilities	603
Net assets	**1,356**

Reconciliation goodwill (in kEUR)

Fair value of the acquisition costs	**2,888**
Net assets	1,356
Goodwill	**1,532**

The variable purchase price component is based on the EBITDA of MobilADdict SAS generated in the financial years 2011 and 2012 and is due for payment in the respective subsequent year.

For the financial year 2011, a conditional purchase price payment of kEUR 588 was paid out in 2012. In the financial 2012, MobilADdict SAS did not achieve the EDITDA targets on which the purchase price agreement was based. For 2012, there is correspondingly no subsequent purchase price obligation. The adjustment of the purchase price obligation was recorded with an effect on the net income at kEUR 162 in Other operating revenues.

In the 2012 financial year, the change to goodwill resulted from the additional impairment test carried out on MobilADdict SAS based on the loss of important customers. This leads to a complete impairment of the goodwill value of MobilADdict SAS in the amount of kEUR 1,532.

The assessment of conditional purchase price liabilities to be implemented regularly led to an adjustment of the variable purchasing prices from the acquisition of YOC Spain, S.L. in 2012. In financial 2012, the conditions for the achievement of the agreed variable purchase price components in share packages were not fulfilled. The variable purchase price component was adjusted in accordance with IFRS 3 (2004) - which has been binding as of the date of acquisition - by means of adjusting goodwill in the sum of kEUR -22.

The item ‚Acquisition of subsidiaries' in the cash flow statement in the amount of kEUR 588 results exclusively from the conditional purchase price payment for SAS MobilADdict in 2012.

5. Notes to the Statement of Comprehensive Income

5.1 Sales Revenues

YOC Group generated revenues in the amount of kEUR 21,720 (2011: kEUR 19,079) in the financial year 2012, primarily arising from the provision of services in the Media segment.

Sales Revenues (in kEUR)	2012	2011
Sales Revenues	26,572	21,404
Reductions in Sales	4,852	2,325
Total	**21,720**	**19,079**

Sales deductions increased significantly by kEUR 2,527 to kEUR 4,852 due to new framework contracts with advertising agencies and the increase in sales revenues.

5.2 Internally generated and capitalised assets

In 2012, development costs of self-developed software amounting to kEUR 238 (2011: kEUR 373) were capitalized. In the product area Mobile Advertising, mainly software for the YOC Media Network and YOC Performance Network was developed, which is used in the context of service provision.

The recognition criteria of IAS 38 were met. The directly attributable individual costs were capitalised in the balance sheet as production costs for self-developed software. Production costs were determined on the basis of hourly logs and measured at daily rates for each employee.

The costs for the research and development of new products and technical innovations in the financial year 2012 amounted to kEUR 332 (2011: kEUR 560).

5.3 Other operational yield

Other operating income (in kEUR)	2012	2011
income from adjustment of the variable purchase price component MobilADdict SAS	162	0
Foreign exchange and currency conversion gains	98	12
Income from the reversal of specific allowances	97	0
Income from the rental of office space	78	0
Derecognition of personnel costs	36	0
Income from adjustment of the share option programme	36	0
Derecognition of purchase invoices not received	32	0
Income from investment subsidies	17	0
Other remuneration in kind	13	0
Reversal of provisions	2	70
Other income	73	14
Total	**644**	**96**

The item Other operating income includes income from the adjustment of purchase price liabilities for MobilADdict in the amount of kEUR 162 (see Section 4). The item Income from the rental of office space relates to income from the first-time sublease of an office in London in the amount of kEUR 78. The item Income from the derecognition of personnel costs includes in particular income from the derecognition of liabilities for bonuses that were recorded in the previous year.

The item Other income includes income from the refund of other taxes from previous years as well as income from construction subsidies.

5.4 Cost of material

The Costs of external services amounting to 16,151 kEUR (2011: 13,565 kEUR) primarily includes the costs of the infrastructure for providing services as well as for publishing expenses.

Expenses for goods and services (in kEUR)	2012	2011
Goods	0	8
Received services	16,151	13,557
Total	**16,151**	**13,565**

5.5 Personnel costs

Personnel expenses (in kEUR)	2012	2011
Wages and salaries	6,666	4,837
Social security	1,062	818
Total	**7,728**	**5,655**

In the financial year 2012, the increase of personnel expenses by kEUR 2,073 to kEUR 7,728 primarily resulted from the increase in the average number of employees by 22 people in the context of focussing on the core business, as well as an increase in the obligatory amounts of severance payments.

A sum amounting to kEUR 13 (2011: kEUR 9) for direct insurance policies and contributions to the statutory / public pension fund (contribution-oriented scheme) amounting to kEUR 184 (2011: kEUR 134) are included in the social security payments. The item "Wages and salaries" includes expenses for the share option programme introduced in the financial year 2009 amounting to kEUR 139 (2011: 161 kEUR).

Number of employees	2012	2011
Annual average	109	87
Year-end number	105	95

5.6 Other operating expenses

The item Running expenses of the business primarily includes rental, leasing and ancillary expenses amounting to kEUR 704 (2010: 403 kEUR). The increase in the amount of kEUR 301 results from the additional rental of office space at the beginning of 2012. In addition, expenses for repairs, maintenance and servicing of plant, equipment and software in the amount of kEUR 87 (2011: kEUR 66) and expenses for contributions, insurance and taxes in the amount of kEUR 71 (2011: kEUR 63) are included.

The item Legal and consulting costs includes expenses for corporate advice in the amount of kEUR 123 (2011: kEUR 10) and for tax advice in the amount of kEUR 105 (2011: 72 kEUR). It also includes the costs of preparing and auditing the financial statements amounting to kEUR 256 (2011: kEUR 232).

The item Marketing, communication, media placement primarily includes the costs of marketing and public relations amounting to kEUR 229 (2011: kEUR 422) as well as communication costs amounting to kEUR 191 (2011: 127 kEUR). During the financial year, with simultaneous adjustment of the previous year, agency commissions were reclassified as reductions in sales.

The item Other operating expenses includes expenses for other taxes from previous years in the amount of kEUR 154 (2011: kEUR 14), expenses for the remuneration of the Supervisory Board in the amount of kEUR 74 (2011: kEUR 38), secondary costs for money transfers in the amount of kEUR 44 (2011: kEUR 35), and the cost of licences and concessions in the amount of kEUR 6 (2011: 7 kEUR).

Other operating expenses (in kEUR)	2012	2011
Running expenses of the business	895	577
Legal and professional fees	721	618
Marketing, communication, media placement	503	540
Travel expenses	244	291
Outside services	214	245
Recruiting and training expenses	171	150
Stock price losses	148	47
Value adjustments to receivables	143	133
Stock exchange listing fees	47	62
All other operating expenses	410	229
Total	**3,496**	**2,892**

5.7 Interest

The item Interest and similar expenses primarily includes interest expenses on loans. Interest expenses on loans which have a final maturity of more than one year are accounted for underinterest expenses for non-current liabilities.

The recognition of fair values for the variable purchase price components of the business acquisitions resulted in the associated liabilities being discounted to the date of the business acquisition. Subsequent valuation (accumulation) led to interest expenses amounting to kEUR 14 (2011: 19 kEUR).

The item Interest expenses on long-term liabilities also includes an amount of kEUR 10 (2011: kEUR 12) attributable to long-term financing leasing.

Net interest (in kEUR)	2012	2011
Security income and other interest income	2	54
Income from interest rate swap valuation	102	133
Interest Income	**104**	**187**
Interest and similar expenses	228	380
Interest expenses from long-term liabilities	42	37
Interest expenses	**270**	**417**
Financial results	**-166**	**-230**

5.8 Income taxes

The tax expenses for the financial year 2012 consist of the following:

Income taxes (in kEUR)	2012	2011
Actual income taxes		
Continuing operations in Germany	27	0
Continuing operations outside Germany	24	138
Current income taxes from continued operations	**51**	**138**
Discontinued operations within Germany	32	87
Discontinued operations outside Germany	0	6
Actual income taxes from discontinued operations	**32**	**93**
Total actual income taxes	**83**	**231**
Deferred tax liabilities		
Continuing operations in Germany	1,201	-1,530
Continuing operations outside Germany	-497	-4
Deferred tax from discontinued operations	**704**	**-1,534**
Discontinued operations within Germany	-35	-125
Discontinued operations outside Germany	34	-360
Current income taxes from discontinued operations	**-1**	**-485**
Total actual income taxes	**703**	**-2,019**
Taxes on income and earnings from continued operations	**755**	**-1,396**
Taxes on income from discontinued operations	**31**	**-392**
Income taxes in total	786	**-1,788**

The actual taxes on income consist of corporate income tax, trade tax, solidarity surcharge and the foreign taxes on income and earnings. The actual domestic taxes on income are regarded as tax expenses for other accounting periods.

The deferred taxes recorded in the income statement are as follows: The deferred taxes recorded as income for the financial year amounted to kEUR -703 (2011: -2,019 kEUR).

Deferred tax assets recorded as income/expense (in kEUR)	2012	2011
Arising from timing differences from continued operations	-896	-143
Airisng from timing differences from discontinued operations	-95	-408
Arising from timing differences	**-991**	**-551**
Arising from loss carryforwards and tax credits from discontinued operations	1,600	-1,391
Arising from loss carryforwards and tax credits from discontinued operations	94	-77
Arising from loss carryforwards and tax benefits	**1,694**	**-1,468**
Deferred tax from continued operations recorded as income/expense	704	-1,534
Deferred tax from discontinued operations recorded as income/expense	-1	-485
Total deferred tax redorded in the income statement	**703**	**-2,019**

The tax expense in the amount of kEUR 1,694 resulted from the impairment of capitalized tax loss carryforwards.

The item Deferred tax recorded as income/expense includes effects in the amount of kEUR 40 resulting from deferred tax originally not recorded as income/expense, which was then reversed with recognition as income/expense.

The following table shows the reconciliation between expected and actual income tax expenses:

	2012		2011	
A reconciliation statement (in kEUR)	kEUR	%	kEUR	%
Earnings before tax	**-10,557**		**-9,669**	
Relevant tax rate		**31%**		**31%**
Expected tax expenditure	**-3,243**		**-2,960**	
Changes due to deviations from tax assessment basis				
Tax-free earnings, tax allowances and benefits	-16		0	
Non tax-deductible expenses	48		119	
Tax effect at group level				
Deconsolidation	-67		0	
Non tax-deductible depreciation on goodwill	756		571	
Tax rate deviations				
Diverging tax rate effects	11		-2	
Diverging foreign tax rate effects	-26		4	
Recognition and evaluation of deferred tax assets				
Deferred tax value correction on loss carryforwards	1,594		0	
Non-recognition of deferred tax assets on loss carry-forwards	1,672		325	
Use of non-deferred loss carryforwards	-31		0	
Tax rate deviations on deferred taxes				
Tax rate deviations on deferred taxes	9		23	
Non-periodic effects				
Taxes from previous years	60		93	
Other				
Other	20		39	
Actual tax expenditure according to the Income Statement	**787**		**-1,788**	

The expected tax expenses result from the multiplication of the consolidated result before taxes with the tax rate of the parent company amounting to 30.72% (2011: 30.61%). The relevant tax rate is calculated according to the tax regulations valid on the closing date of the financial statement. The corporate income tax, the solidarity surcharge and the trade tax will be considered accordingly.

The following deferred tax assets and liabilities were recognised on differences and on tax loss carryforwards:

Deferred tax assets/liabilities (in kEUR)	**2012** Continued Business Unit		**2012** Discontinued operations		**2011**	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	74	196	206	800	332	2,135
Work progress	0	0	390	0	762	0
PPE	0	0	0	0	0	8
Receivables	0	0	0	421	0	376
Provisions	0	0	0	21	0	93
Liabilities	0	9	226	428	331	777
Tax loss carryforwards and benefits	800	0	0	0	2,447	0
Total	**874**	**205**	**822**	**1,670**	**3,872**	**3,389**
Offsetting	-177	-177	-807	-807	-2,801	-2,801
Recorded in the balance sheet	**697**	**28**	**15**	**863**	**1,071**	**588**

For the calculation of deferred taxes for German tax purposes a corporate tax rate of 15% and a solidarity surcharge of 5.5% was used. The trade tax is calculated using a 3.5% base rate and the respective tax rate specific to each municipality.

Deferred taxes on balance sheet items relating to foreign equity investments are determined in consideration of the tax conditions applicable to the respective company.

Deferred taxes on tax loss carryforwards are determined taking their future feasibility into consideration. On 31 December 2012, deferred tax assets on tax loss carryforwards which amounted to kEUR 12,040 (2011: 1,417) were not reported. The loss carryforwards in the amount of kEUR 1,630 are attributable to discontinued operations.

The amount to be specified in accordance with IAS 12.82 in deferred taxes attributable to continuing operations amounts to kEUR 670 (2011: kEUR 1,071) and it is expected that this amount can be realized according to plan by means of corresponding future profits. The usage of tax loss carryforwards has no time limits in Germany.

Tax receivables amounting to 44 kEUR (2011: kEUR 15) are attributable to continuing operations and include the following items:

Tax receivables (in kEUR)	2012	2011
Reclaims for:		
Corporate tax	29	0
Trade tax	9	9
Capital yields tax	6	6
Solidarity surcharge		
Total	**44**	**15**

Tax liabilities amount to kEUR 158 (2011: kEUR 257) as of 31 December 2012.

5.9 Earnings per share

The registered share capital as of 31 December 2012 is divided into 2,380,000 bearer shares (2011: 1,915,000 bearer shares) each with a nominal value of EUR 1.00 per share. To calculate the undiluted earnings per share, the earnings attributed to ordinary shareholders of YOC AG were divided by the weighted average number of ordinary shares in circulation during the year.

The following amounts were used as the basis for the calculation of diluted earnings per share and the basic earnings:

	2012	2011
Weighted average number of common shares used to calculate the undiluted results per share	2,045,973	1,879,299
Dilutive effect of share options	6,920	0
Weighted average number of common shares adjusted by the dilutive effect	2,052,893	1,879,299

5.10 Segment reporting

Segment reporting takes place on the basis of the internal management structure. The Group is made up of the following reportable business segments:

1. Media
2. Mobile Technology (discontinued operation)

The Media segment encompasses the product areas Mobile Advertising and Affiliate Marketing. Mobile Advertising includes the marketing of mobile internet portals and applications operated on a CPM (cost per mille), reach and performance basis. An internet-based independent platform is operated within the product area Affiliate Marketing in which advertisers and distribution partners are brought together.

The product areas Mobile Internet Marketing and Mobile are assigned to the Mobile Technology segment. Mobile Technology also includes the licensing and implementation of technological products for target-oriented communication via mobile end devices.

The following table shows the earnings of the individual segments. EBITDA is used as the measure of earnings, in accordance with the internal reporting structure:

	continued operations	discontinued operations			
Segment reporting in kEUR (abridged)	**Media***	**Mobile Technology**	**Overhead**	**Consolidation**	**YOC Group**
01.01.2012 - 31.12.2012					
External sales	21,720	12,896			34,617
Internal sales	146	201		-347	
Total sales	21,867	13,097		-347	34,617
Internally generated and capitalised assets	238	422			660
Other operational yield	644	677			1,321
Overall performance	22,603	13,995			36,598
Cost of material	16,151	2,271			18,422
Personnel cost	5,667	7,874	2,061		15,602
Other operational costs	2,158	2,305	1,337		5,801
EBITDA	**-1,375**	**1,546**	**-3,398**		**-3,227**
01.01.2011-31.12.2011					
External sales	19,079	13,019			32,098
Internal sales	2,458	3,016		-5,473	
Total sales	21,536	16,035		-5,473	32,098
Internally produced and capitalised assets	373	984			1,357
Other operational yield	96	259			355
Overall performance	19,548	14,262			33,810
Cost of material	13,565	3,429			16,995
Personnel cost	3,420	8,907	2,235		14,562
Other operational costs	1,102	2,365	1,790		5,257
EBITDA	**1,459**	**-438**	**-4.025**		**-3,004**

The balancing and valuation methods of the segments obligated to report follow the balancing and valuation methods used in the consolidated financial statements.

EBITDA can be reconciled to earnings after tax as follows:

(in kEUR)	2012	2011
EBITDA	**-4,773**	**-2,564**
Amortisation and impairments	-5,331	-5,599
Financial result	-166	-230
Taxes	-787	1,395
Income from discontinued operations	-286	-883
Net income	**-11,343**	**-7,881**

External sales in the Media segment of kEUR 9,119 (2011: kEUR 9,935) are attributed to Germany and kEUR 12,601 (2011: kEUR 9,144) are attributed to international sales. 5,901 kEUR (2011: 4.336) of international sales are attributed to the United Kingdom.

Sales revenues are essentially allocated to the country in which the service is provided. If such an allocation is not possible, then the revenue is allocated to the country in which the provision of the service was commissioned.

Of long-term assets, kEUR 765 (2011: 6,136 kEUR) are attributable to countries other than Germany and 3,007 kEUR (2011: 13,934 kEUR) are attributable to Germany.

5.11 Other Comprehensive income

Other comprehensive income in the financial year 2012 includes changes arising from currency conversions amounting to kEUR -24 (2011: -25 kEUR).

No amounts have been reversed via the Income Statement with an effect on income in the financial year 2012.

6. Notes to the individual balance sheet items

6.1 PPE

Tangible assets primarily encompass operating and office equipment and IT infrastructure such as server systems.

On 31 December 2012, the consolidated balance sheet showed a tangible assets inventory amounting to kEUR 680 (2011: kEUR 1,176). Scheduled depreciation on tangible assets amounted to kEUR 432 for the financial year (2011: 328 kEUR).

There were no restraints on disposal or restrictions for individual tangible assets. Likewise, no tangible assets were pledged or issued as security in any other way.

Changes to tangible assets in the financial year 2012 is as follows:

Changes to property, plant and equipment (in kEUR)

Acquisition costs	
as of 01.01.11	**1,913**
Changes in the scope of consolidation	7
Additions	734
Disposals	79
Currency translation effects	3
per 31.12.2011	**2,578**
Amortisation and impairments	
as of 01.01.11	**1,144**
Additions	328
Disposals	72
Currency translation effects	2
per 31.12.2011	**1,402**
Net book value on 31.12.2011	**1,176**
Acquisition costs	
as of 01.01.12	**2,578**
Additions	392
Disposals	37
Currency translation effects	4
Reclassification to "held for sale“	1,310
as of 31.12.2012	**1,627**
Amortisation and impairments	
as of 01.01.12	**1,402**
Additions	432
Disposals	33
Currency translation effects	2
Reclassification to "held for sale“	856
per 31.12.2012	**947**
Net book value on 31.12.2012	**680**

6.2 Goodwill

The development of the goodwill is represented as follows:

Goodwill (in kEUR)

as of 01.01.2011	**11,359**
Additions	1,446
Disposals	346
Impairment	1,811
per 31.12.2011	**10,648**
Additions	141
Disposals	22
Impairment	2,332
Reclassification to "held for sale"	6,795
as of 31.12.2012	**1,640**

In the 2012 financial year, the change to goodwill resulted primarily from the additional impairment test carried out on MobilADdict SAS (region of France in the Media segment) based on the loss of important customers. This results in a complete impairment of the goodwill value of MobilADdict SAS in the amount of kEUR 1,532. In the course of this impairment test, the customer base was fully impaired in the amount of kEUR 1,488. An addition in the amount of kEUR 141 is recorded resulting from the adjustment of the variable purchase price components resulting from the acquisition in 2011 of MobilADdict SAS (see also Chapter 4, „Acquisitions").

With the classification of the Mobile Technology segment as discontinued operations, it was valued at the lower of its carrying amount and fair value minus selling costs. The associated loss includes the impairment of goodwill of the segment in the amount of kEUR 800.

The regular review of earn-out liabilities resulted in 2012 in an adjustment to the variable purchase price components relating to the acquisition of YOC Spain S.L. In the financial year 2012, the conditions for achieving the agreed variable purchase price components in share packages were not fulfilled. The adjustment of the variable purchase price was carried out by means of an adjustment of goodwill amounting to kEUR 22 on the basis of IFRS 3 (2004), which has been binding as of the acquisition date.

Goodwill (in kEUR)	**2012**	**2011**
Mobile Technology	7,595	9,406
Media	3,053	1,953
Total	**10,648**	**11,359**

To carry out the recoverability test, the goodwill was allocated to the cash generating units (reporting units) that are expected to profit from the synergies of the company acquisitions. These reporting units represent the lowest level at which the goodwill is monitored for management control purposes. They correspond to the Mobile Technology segment (discountinued operations), as well as to the regions of Germany, UK, France and Austria in the Media segment.

The impairment test involves determining the use value of the reporting units with the help of estimated future cash flows which are derived from medium-term planning. Medium-term planning is based on experienced data relating to the past and takes into account market growth expectations for specific business segments. The medium-term planning horizon amounts to five years provided that the company continues to be a going concern. The cash flows beyond the five year period have been extrapolated by applying a growth rate of 2% (2011: 2%) that does not exceed the assumed average market growth of the respective reporting units. Discount rates are determined based on the industry average weighted cost of capital and amount to 9.5% before tax for the detailed planning period and 7.5% before tax for the perpetuity, in the current financial year (2011: 9.6% resp. 7.8%).

The impairment tests did not lead to any other impairment requirements of the goodwill apart from the impairment stated above.

The following table provides an allocation of the goodwill to the business segments:

(in kEUR)	**2012**	**2011**
Mobile Technology	6,795	7,595
Media	1,640	3,053
Total	**8,435**	**10,648**

kEUR 1,188 of the goodwill value in the Media segment is allocated to Germany and kEUR 452 to Spain.

6.3 Other intangible assets

The balance of other intangible assets as of 31 December 2012 in the amount of kEUR 757 (2011: kEUR 7,175) is as follows:

Other intangible assets (in kEUR)	**2012**	**2011**
with indefinite useful lives	0	572
with finite useful lives	757	6,603
Total	**757**	**7,175**

Intangible assets with an indefinite useful life were written off in full during the year in the amount of kEUR 572.

The initial valuation of the adbutler brand as well as impairment tests carried out in subsequent years were carried out according to the relief-from-royalty method. A royalty fee of 1% was applied to brand-related revenue for the last time in 2011. The discount rates for 2011 ranged between 7.8% and 9.6% before tax. In 2012 the adbutler brand was written off in full in the amount of kEUR 546 due to a decision by management to stop using this brand.

The item Intangible assets with a definite useful life includes the following items:

(in kEUR)	2012	2011
Self-developed software	165	3,198
Software and Licences	135	230
Customer bases	457	3,175
Total	**757**	**6,603**

Those parts of the software that are already completed and that are valued at kEUR 165 (2011: kEUR 3,198), are amortized linearly over a useful life of 3 years.

Due to shortening the useful life of self-developed software, that in previous years has been capitalized, the figure for impairments in the Media segment rose by kEUR 68.

As of 31 December 2012, the remaining useful lives were between 1.0 and 3.0 years (2011: between 2.75 and 5.75 years).

Software that is no longer used in the planned product portfolio and that therefore does not generate future economic benefits for YOC Group was written down by kEUR 782 in the Media segment and by kEUR 433 in discontinued operations.

Customer bases amounting to kEUR 457 (2011: kEUR 3,175) include customer bases that were acquired at the time of acquiring subsidiaries. Due to the loss of key customers, the customer base of MobilADdict SAS was fully impaired in the amount of kEUR 1,488.

The scheduled depreciation of intangible assets amounted to kEUR 1,054 in the financial year (2011: kEUR 1,412), of which kEUR 623 in the Media segment and kEUR 431 in discontinued operations.

There were no restraints on disposal or restrictions for individual intangible assets. Likewise, no intangible assets were pledged or issued as security in any way.

The development of other intangible assets is as follows:

(in kEUR)	Self developed Software	Websites and trademark rights	Purchased software and licenses	Customer bases	Total
Acquisition costs					
as of 01.01.11		**1,542**	**1,020**	**4,856**	**11,481**
Changes in the scope of consolidation	0	0	3	1,808	1,811
Additions	1,357	0	34	0	1,391
Disposals	0	0	0	0	0
Currency translation effects	0	0	0	20	20
per 31.12.2011	**5,420**	**1,542**	**1,057**	**6,684**	**14,703**
Amortisation and impairments					
as of 01.01.11	**911**	**0**	**704**	**1,613**	**3,228**
Additions	757	0	101	554	1,412
Disposals	0	0	0	0	0
Impairment	554	970	22	1,336	2,882
Currency translation effects	0	0	0	6	6
as of 31.12.2011	**2,222**	**970**	**827**	**3,509**	**7,528**
Carrying amount as of 31.12.20101	**3,198**	**572**	**230**	**3,175**	**7,175**
Acquisition costs					
as of 01.01.12	**5,420**	**1,542**	**1,057**	**6,684**	**14,703**
Additions	728	0	24	0	752
Disposals	0	0	5	0	5
Currency translation effects	0	0	0	22	22
Reclassification to "held for sale“	3,694	911	536	4,059	9,200
as of 31.12.2012	**2,454**	**631**	**540**	**2,647**	**6,272**
Amortisation and impairments					
as of 01.01.12	**2,222**	**970**	**827**	**3,509**	**7,528**
Additions	628	0	79	347	1,054
Disposals	0	0	2	0	2
Impairment	1,283	572	0	1,488	3,343
Currency translation effects	0	0	0	6	6
Reclassification to "held for sale“	1,844	911	499	3,160	6,414
as of 31.12.2012	**2,289**	**631**	**405**	**2,190**	**5,515**
Carrying amount as of 31.12.2012	**165**	**0**	**135**	**457**	**757**

6.4 Trade receivables and other receivables

On 31December 2012, trade receivables amounted to kEUR 4,829 (2011: 8,606 kEUR). They consist of the following:

Trade receivables (in kEUR)	2012	2011
Trade receivables before impairment	5,080	8,957
Individual allowances	-251	-351
Total	**4,829**	**8,606**

The write-downs that have been formed on trade have changed as follows:

Change of bad debt allowance (in kEUR)	2012	2011
As of 01.01	**351**	**170**
Additions	157	321
Reversal	-127	-10
Utilisation	-51	-130
Reclassification to "held for sale"	-79	0
As of 31.12.	**251**	**351**

The management of receivables accommodates a balanced age structure of receivables by continuously analysing the receivables amount. Trade receivables older than 60 days are subject to a detailed analysis. If the need for specific provisions has been indicated earlier, the respective trade receivables are impaired accordingly.

The following table shows the analysis of the age structure of receivables which are recorded in the balance sheet on the end of period date:

Post-due trade receivables (in kEUR)	2012	2011
up to 30 days*	4,089	7,956
31 days to 90 days	470	361
91 days to 180 days	154	163
after 180 days	21	100
Value-adjusted receivables mature as of 31.12.2012	346	377
Total trade receivables	**5,080**	**8,957**

* of which as of 31.12.2012 receivables in the amount of kEUR 2,969 (2011: kEUR 6,988) are neither past due nor impaired

The item Other assets in the amount of kEUR 282 (2011: kEUR 314) includes advance payments in the amount of kEUR 79 (2011: kEUR 140), receivables from tax authorities of tax revenue amounting to kEUR 52, debit balances in the amount of kEUR 29, security deposits in the amount of kEUR 18 and receivables from employees in the amount of kEUR 4. Some of the advance payments relate to insurance, membership fees, rents and royalties.

As in the previous year, impairments on other assets did not appear.

All trade receivables and other receivables are short-term items.

As in the previous year, there were no particular non-payment risks or concentrations of non-payment risks for the receivables of YOC Group. The book values represented above reflect the maximum non-payment risk of the group with regard to such receivables and assets.

Of the trade receivables as of 31 Dezember 2012 kEUR 2,090 were pledged as security for loans amounting to kEUR 3,494.

6.5 Securities

On 31 December 2012, YOC Group held securities with a fair value of kEUR14 (2011: 27 kEUR).

6.6 Cash in hand, balances with banks, cheques

Cash and cash equivalents encompass all bank and cash assets and short-term fixed term deposits and cheques amounting to a total of kEUR 236 (2011: kEUR 1,571). On the balance sheet date, the credit balances held with various banks were earning interest rates of between 0% and 0.5%. Bank accounts held in a foreign currency were converted using the end-of-period exchange rate. On 31 December 2012, no cash assets had been pledged as security.

6.7 Equity

In the reporting year, YOC AG implemented a capital increase amounting to 465,000 bearer shares with a nominal value of the share capital of EUR 1 per share in order to shore up its capital base. The first tranche of the share issue took place in the third quarter with the issue of of 275,000 shares at EUR 6.50 per share; the second tranche took place in the fourth quarter with the issue of 190,000 shares at EUR 7,00 per share. The number of shares of the company has, therefore, increased from 1,915,000 to 2,380,000. 4,000 of the 2,380,000 shares with a nominal value of the share capital of EUR 1.00, have been kept by YOC AG as own shares (see explanations below). Treasury shares are presented as a deduction from the share capital.

With the approval of the Supervisory Board, the Management Board may have at its disposal an approved capital of kEUR 479 until 5 June 2016. The approved capital can be used on one or more occasions to increase the share capital by issuing new bearer shares.

The following table shows the shareholder structure of YOC AG as of 31 December 2012:

Shareholders in YOC AG	Shares in %
Institutional investors (Fidelity Funds SICAV, IP Concept Fund Management S.A., CF Ruffer Investment Funds)	15.34%
DIH Deutsche Industrie Holding GmbH*	12.96%
Board and Management	3.71%
YOC AG (own shares)	0.17%
Free float	67.82%
Total	**100,00%**

As early as the financial year 2009, contingent capital was created so that subscription rights within the framework of the share option programme could for the first time be granted to the management and employees of the company and their affiliates.

Of the total volume of 175,000 subscription rights, 115,500 shares, i.e. up to 66% of the total volume, may be granted to members of YOC AG's Management Board. A total of 59,500 shares, i.e. up to 34% of the total volume, may be granted to employees of YOC AG and employees of affiliates. Each subscription right entitles the holder to purchase one share in YOC AG at the exercise price.

The exercise price corresponds to 100% of the unweighted average Xetra closing rate of YOC shares in the last eight trading days before the beginning of the subscription period in which the subscription rights are granted, but not less than the closing price of the share on the date when the subscription rights are granted. The subscription rights may only be exercised during specific exercise periods, at the earliest however, three years after they have been granted, and at the latest in 2017.

Exercising the subscription rights is therefore linked to an increase in the stock market price of YOC shares of at least 15% in the third year following the granting of the subscription rights, at least 20% in the fourth year and at least 25% in the fifth year. In addition, the person exercising their rights must have been continuously employed by YOC AG or an affiliate since the subscription rights were granted. The right to exercise the subscription rights remains intact if the employment contract is terminated due to long-term illness, inability to work, retirement or if the employment contract is mutually terminated or is terminated due to parental leave.

New subscription rights may be granted within the limits of the total volume for subscription rights which have expired due to cancellations.

In the event of a takeover bid for the shares of YOC AG in accordance with Sect. 29, 35 German Securities Acquisition and Takeover Act (WpÜG), the subscription rights can be exercised within an additional exercise period as long as the statutory waiting period of two years is preserved.

The following table shows the number and the weighted average exercise price (WAEP) as well as the performance of the share options in the financial year:

	2012		2011	
	Number	WAEP (in EUR)	Number	WAEP (in EUR)
Oustanding at the beginning of the period	165,590	15.77	158,340	14.27
Granted in the period	34,025	10.52	18,625	27.00
Lapsed in the period	9,875	19.06	11,375	13.25
Bought back in the period	21,875	14.79	0	0.00
Outstanding at the end of the period	167,865	14.64	165,590	15.77
Exercisable at the end of the period	0	0.00	0	0.00

On 31 December 2012, the weighted average remaining term amounted to 0.8 years (2011: 1.25 years). The weighted average fair value of the options on the balance sheet date amounted to 4.98 EUR (2011: EUR 5.17). The exercise prices for the options outstanding at the end of the current financial year range between EUR 7.37 and EUR 35.90.

In the current financial year, 21,875 options were bought back from employees in discontinued operations. The expense for the remaining vesting period of these options was brought forward and recognized in full in the reporting year.

The fair value of the share options was ascertained by means of a MonteCarlosimulation, taking the following assumptions as a basis:

	Options					
	September 2012	May 2012	September 2011	August 2010	May 2010	September 2009
Expected dividend yield	0%	0%	0%	0%	0%	0%
Riskless assets interest rate	0,47%	0,61%	0,97%	1,23%	1,43%	2,40%
Vesting period	3,3 years	3,3 years	3,3 years	3,3 years	3,3 years	3,3 years
Volatility	50%	50%	45%	40%	40%	35%

The volatility was ascertained in previous years using historical changes in share prices of a group of companies which are comparable with YOC AG.

On 31 December 2012, additional paid-in capital includes an amount of kEUR 17,585 (2011: 15,014 kEUR). The change in the paid-in capital arises on the one hand from recognition of the surcharge on the capital increases, less attributable costs totalling kEUR 2,562. On the other hand, the additional paid-in capital includes liabilities amounting to kEUR 9 (2011: kEUR 161) as part of the share option programme in accordance with IFRS 2.

The item Retained earnings reflect the cumulative results of former financial years and amount to kEUR -17,299 as of 31 December 2012 (2011: -5,955 kEUR). The changes in reserves are shown in the statement of changes in equity.

In 2012, as in the previous year, YOC AG held the same number of own shares amounting to 4,000 shares valued at an average of EUR 12.56.

6.8 Provisions

The provisions consist of the following:

Provisions (in kEUR)	Status 01.01.12	Utilization	Reversal	Input	Reclassification to "held for sale"	Status 31.12.12
Archiving provisions	**39**	**0**	**2**	**15**	**2**	**50**
Provisions for virtual stock option program	0	0	0	2	0	2
Lawsuit provisions	8	8	0	0	0	0
Provisions	153	112	0	75	-41	75
Total	**200**	**120**	**2**	**92**	**-39**	**127**

On 31 December 2012, YOC Group had provisions amounting to a total of kEUR 127 (2011: kEUR 200). Of this, an amount of kEUR 52 (2011: kEUR 39) to be classified as long term. The position of the long-term provisions mainly includes provisions for archiving. These provisions arise from the obligation to keep business records. The discount rate applied is based on the interest rates published by the Bundesbank for the respective maturities. In 2012, the interest rate was on average 4.25% (2011: 4.39%).

An amount of kEUR 75 (2011: kEUR 161) is reported as current concerns and other provisions the obligation for premium payments for the acquisition of MobilADdict. The decline of the position is in the absence of provision for tax of previous years (2011: kEUR 66) founded.

6.9 Liabilities

On 31 December 2012, liabilities of YOC Group totalled kEUR 16,123 (2011: 18,834 kEUR). They include advance payments received, trade accounts payable, amounts owed to financial institutions, tax liabilities, other liabilities as well as other financial liabilities.

On 31 December 2012, Trade accounts payable amounted to kEUR 3,868 (2011: 4,379 kEUR).

The item Other liabilities as of 31 December 2012 amounting to Keur 2,335 (2011: 3,022 kEUR) includes current liabilities amounting to kEUR 2,045 (2011: 2,919 kEUR). They are broken down as follows:

	2012		2011	
(in kEUR)	Total	thereof short-term	Total	thereof short-term
Liabilities personnel matters	1,125	1,125	1,673	1,673
Liabilities from business taxes	852	852	646	646
Liabilities to supervisory boards	24	24	78	78
Liabilities operating leasing	192	0	18	18
Miscellaneous other liabilities	141	44	607	504
Total	**2,335**	**2,045**	**3,022**	**2,919**

Liabilities arising from personnel matters mainly include liabilities arising from severance pay in the amount of kEUR 455 (2011: kEUR 199), liabilities to employees relating to deferred bonus and commission claims in the amount of kEUR 346 (2011: kEUR 972), liabilities from income tax and church tax obligations to the trade association and obligations to pay the disabled persons levy in the amount of kEUR 162 (2011: kEUR 294) and liabilities for unused vacation days in the amount of kEUR 59 (2011: 116 kEUR).

The item Other liabilities mainly comprises an amount of kEUR 113 (2011: kEUR 127) for obligations arising from a construction subsidy that was granted for the offices of YOC AG, of which an amount of kEUR 97 (2011: kEUR 103) is recorded as other long-term liabilities in the balance sheet.

The item Other liabilities as of 31 December 2012 amounting to kEUR 4,324 (2011: 4,600 kEUR) includes current liabilities amounting to kEUR 4,288 (2011: 4,386 kEUR). They are broken down as follows:

	2012		2011	
Sonstige Verbindlichkeiten (in TEUR)	Total	thereof short-term	Total	thereof short-term
Liabilities purchase invoices not received	4,076	4,076	3,727	3,727
Liabilities variable purchase prices	0	0	626	465
Negative market value derivates	0	0	102	102
Liabilities financial leasing	77	41	145	92
Miscellaneous other financial liabilities	171	171	0	0
Total	**4,324**	**4,288**	**4,600**	**4,386**

Liabilities arising from personnel matters mainly include liabilities arising from severance pay in the amount of kEUR 455 (2011: kEUR 199), liabilities to employees relating to deferred bonus and commission claims in the amount of kEUR 346 (2011: kEUR 972), liabilities from income tax and church tax obligations to the trade association and obligations to pay the disabled persons levy in the amount of kEUR 162 (2011: kEUR 294) and liabilities for unused vacation days in the amount of kEUR 59 (2011: 116 kEUR).

The item Other liabilities mainly comprises an amount of kEUR 113 (2011: kEUR 127) for obligations arising from a construction subsidy that was granted for the offices of YOC AG, of which an amount of kEUR 97 (2011: kEUR 103) is recorded as other long-term liabilities in the balance sheet.

The item Other liabilities as of 31 December 2012 amounting to kEUR 4,324 (2011: 4,600 kEUR) includes current liabilities amounting to kEUR 4,288 (2011: 4,386 kEUR). They are broken down as follows:

Financial liabilities (in TEUR)	Drawdown	Interest rate	Maturity
Long-term loan	1,598	Euribor +1.0%-points	biannual amortisation until 31.03.2014
thereof short-term	1,598		
Long-term loan	562	Euribor +1.5%-points	quarterly amortisation until 31.01.2015
thereof short-term	562		
Long-term loan	376	4.80%	quarterly amortisation until 30.06.2014
thereof short-term	376		
Short-term line of credit	958	in Q4 2.69%	due on 30.4.2013
thereof short-term	958		
Total	**3,494**		

YOC Group did not meet the financial covenants of the lending banks as of 31 December 2012. Thus, the non-current percentage of the relevant loans concerned must be recorded as current - in the same way as in the previous year - in accordance with IAS 1.74. At the time of the preparation of the consolidated financial statements, YOC Group expects that the lending banks will not request early repayment of the loans. The lenders declared a respective waiver of the right of termination towards YOC Group after the balance sheet date and before the completion of the annual financial statements in writing (see Section 10.2 Events after the balance sheet date).

In the financial year 2012, the loan (kEUR 1,598), which was included as part of the financing of the acquisition of Sevenval GmbH, was extended. The term of the loan is extended by half a year and will end on 31 March 2014.

YOC AG has at its disposal a credit line amounting to kEUR 1,000 from the commercial bank. At the balance sheet date, the credit line drawdown was kEUR 958.

Due to the credit agreements that YOC AG concluded in the financial years 2007 and 2008, the company agreed an interest rate hedge covering 100% of the respective credit volume with the help of two interest rate swaps on the date that the credit agreements were concluded The interest rate swaps expire on 30 September 2012 and 29 February 2012 respectively.

The interest rate swaps lead to economic interest rates of 5.48% (2010: 5.48%) for the loan that was redeemed on 29 February 2012 (2011: kEUR 93) and interest of 5.30% (2011: 5.30%) for the long-term loan in the amount of kEUR 1,598 (2011: kEUR 1,595).

These are not recognised for hedging relationships.

Overall, the amounts owed to financial institutions increased during the financial year by kEUR 368 (2011: kEUR -1,707).

6.10 Other financial liabilities

As of 31 December 2012, there were financial obligations for outstanding leasing instalments for office space, operating and office equipment and vehicle leases.

Of the leasing obligations from operating leases, the following is to be achieved in the coming years:

Other financial liabilities (in kEUR)	2012	2011
Up to 1 year	389	464
1-5 years	1,402	1,439
More than 5 years	0	29
Total	**1,791**	**1,932**

The new lease agreement for the business premises of YOC AG was signed in the financial year 2011. The minimum term of the lease agreement is five years and ends on 31 January 2017.

Rent-free periods are recognised over the lease term linearly as a reduction of ongoing rental expenses.

In the financial year 2012, the minimum lease payments recognized as income/expense from operating leases from discontinued operations amounted to kEUR 228 (2011: 260 kEUR). There were no lease commitments pursuant to IFRIC 4.

The YOC Group has entered into a sub-lease for an office building in London and is therefore a lessor. As of 31 December 2012, future lease receivables existed in the amount of kEUR 205 arising from future lease payments under non-cancellable leases (including kEUR 123 up to 1 year).

Furthermore, on 31 December 2012, the company had commitments under finance lease agreements for tenant improvements, office equipment and hardware with maturities of 5 years in total. Of the obligations under finance leases amounting to kEUR 79 (2011: kEUR 158) are due in the following years:

Minimum lease payments (in kEUR)	2012	2011
Up to 1 year	41	105
1-5 years	38	53
Total	**79**	**158**

The present value of the minimum lease payments is shown in the following table:

Present value minimum lease payment (in kEUR)	2012	2011
Up to 1 year	41	92
1-5 years	36	53
Total	**77**	**145**

The minimum lease payments can be reconciled with the present value as follows:

Tax reconciliation
(in kEUR)

	31.12.2012	31.12.2011
Minimum lease payments at the balance sheet date	79	158
- Future financing cost	-2	-13
= Present value minimum lease payment	**77**	**145**

The commitments under finance lease agreements are included under the following balance sheet items:

Lease obligations
(in kEUR)

	2012	2011
Short-term financial obligations	41	92
Long-term financial obligations	36	53
Total	**77**	**145**

The fair value of the commitments under finance lease agreements essentially corresponds to the book value.

Lending and similar forms of financing did not apply in the business year 2012.

6.11 Other disclosures to financial instruments

The following table shows the book values and fair values of the financial assets and liabilities reported in the consolidated financial statements and their breakdown in accordance with IAS 39:

	Financial instruments measured at fair value		Financial instruments recognised at amortised cost					
	Held for trading	Available-for-sale assets	Loans and receivables		Financial liabilities		non-financial assets/ Liabilities	Total
2012 (in kEUR)			Book value	Fair value	Book value	Fair value		
Trade receivables			4,829	4,829				4,829
Other assets			29	29			253	282
Securities		14						14
Cash and cash equivalents			236	236				236
Loans					3,494	3,494		3,494
Trade payables					3,868	3,868		3,868
Other liabilities					4,324	4,324	2,335	6,659
of which finance-leasing obligations					77	77		
2011			Book value	Fair value	Book value	Fair value		
Trade receivables			8,606	8,606				8,606
Other assets			28	28			286	314
Securities		27						27
Cash and cash equivalents			1,571	1,571				1,571
Loans					3,126	3,105		3,126
Trade payables					4,379	4,379		4,379
Liabilities arising from PoC					1,122	1,122		1,122
Other liabilities					4,557	4,562	2,818	7,622
thereof derivates with no financial hedge relationship	102							
of which finance-leasing obligations					145	144		

The current market value of the derivative financial instruments and the securities is ascertained on the basis of market-driven, directly deducible values (level 2 of the Fair Value Evaluation).

The fair value of non-current liabilities towards credit institutions was determined on the basis of the discounted-cash-flow method and the 3-month Euribor as of 31 December 2012 (level 3 of the Fair Value Evaluation). On the reporting date, the book values of the remaining financial assets and debts concur almost exactly with the current market values.

The following table shows the future, non-discounted, contractually agreed cash outflows in relation to the financial instruments:

		Undiscounted cash outflow		
Maturity analysis (in kEUR)	**Book value as of 31.12.2012**	**Up to 1 year**	**1-5 years**	**More than 5 years**
Liabilities financial institutions	3,494	3,510	0	0
Other liabilities	2,335	2,045	290	0
Other financial liabilities	4,324	4,288	36	0
Trade payables	3,868	3,868	0	0

	Book value as of 31.12.2012	**Up to 1 year**	**1-5 years**	**More than 5 years**
Liabilities financial institutions	3,126	4,156*	0	0
Other liabilities	3,016	2,887	104	0
Financial derivates	102	102	0	0
Other financial liabilities	4,606	4,417	221	0
Trade payables	4,379	4,379	0	0
Liabilities arising from PoC	1,122	1,122	0	0

* this includes the credit line amounting to kEUR 1000 that was not made use of as of 31 December 2011.

Due to the breach of the financial covenants of the lending bank, the non-current percentage of the loan is recorded as current. For this reason, the long-term repayment rates of the loans are categorised under "maturity of up to one year".

The YOC Group has a group-wide cash management system with which the liquidity of the group companies is monitored on a daily basis.

As of 31 December 2012, as in the previous year, the maximum contingency risk was equal to the book value of all financial assets owed to third parties.

The revenues and expenditures as well as profits and losses from financial instruments which are recorded in the profit and loss statement are presented in the table below:

	2012		2011	
(in kEUR)	**Net profit/ losses**	**Total interest income and interest expense**	**Net profit/ losses**	**Total interest income and interest expense**
Credits and receivables (including means of payment and credit with credit institutions)	-51	-43	-284	0
Financial liabilities valued at the fair value	-178	0	-265	-48
Financial instruments valued at the fair value affecting the net income	102	0	133	0
Total	**-127**	**-43**	**-416**	**-48**

7. Notes to the cash flow statement

7.1 Cash flow from individual activities

OPERATING CASH FLOW

The operating cash flow is determined using the indirect method. The starting point for determining the operating cash flow is the profit after taxes of the financial year, the amount of which is kEUR -11,343 (2011: -7,881 kEUR).

The operating cash flow amounting to kEUR -2697 million (2011: kEUR 676) includes all cash transactions of the financial year that are not attributable to investing or financing activities.

CASH FLOW FROM INVESTMENT ACTIVITIES

Cash flow from investment activities for the financial year resulted in a cash outflow of kEUR -1,973 (2011: 2,919 kEUR). The acquisition of property and intangible assets resulted in a cash outflow of kEUR -725 in the financial year 2012 (2011: 545 kEUR).

Furthermore, there were expenses in the amount of kEUR 660 (2011: kEUR 1,357) for the development of software.

Variable purchase price liabilities relating to the acquisition in 2011 of the French mobile advertising provider MobilADdict SAS led to cash outflows of kEUR 588.

CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities in the financial year 2012 amounted to kEUR 3,358 (2011: -1,774 kEUR).

To finance the company's growth and investment, two capital increases were successfully implemented with net issue proceeds amounting to kEUR 3,025.

The scheduled repayment of acquisition loans in the amount of kEUR 603 and the short-term utilization of the credit line with the company's bank in the amount of kEUR 958 results an increase in liabilities to banks at the closing of kEUR 355.

The repayment of finance lease liabilities caused a cash outflow of kEUR 22 in the reporting year.

7.2 Cash and cash equivalents

Cash and cash equivalents comprises cheques, cash assets and bank deposits as well as short-term financial investments with a maturity of up to 90 days which have only a slight value fluctuation risk. On 31 December 2012, cash and cash equivalents amounted to kEUR 260 (2011: kEUR 1,571).

8. Discontinued operations

The Mobile Technology segment is classified as a discontinued operation (discontinued operations) in accordance with IFRS 5.

The main components of the discontinued operations assets and liabilities as of 31 December are as follows:

(in Euro)	31.12.2012
PPE	454,162
Goodwill	6,795,018
Intangible assets	2,785,989
Deferred tax assets	15,795
Trade receivables	3,614,854
Other assets	193,903
Cash and cash equivalents	24,072
Available-for-sale assets	**13,883,792**
Provisions	2,014
Deferred tax liabilities	863,126
Prepayments received	331,894
Trade payables	601,585
Other liabilities	1,065,745
Other financial liabilities	393,054
Liabilities arising from PoC	822,961
Liabilities associated with assets held-for-sale	**4,080,379**

With its reclassification as assets held-for-sale, the Mobile Technology segment was valued at the lower of its previous carrying amount and fair value. The fair value was estimated on the basis of the available purchase offers. The associated loss of kEUR 800 is attributable to the impairment of goodwill of the cash-generating unit Mobile Technology. In addition, value adjustments were carried out for self-developed software in the amount of kEUR 433 and deferred tax assets in the amount of kEUR 314. The earnings effect from the revaluation to fair value minus costs minus selling costs amounts to kEUR 1,547 before taxes.

Cash flow from discontinued operations is as follows

(in kEUR)	2012	2011
Cash flows from ongoing operating activities	1,182	389
Cash flow from investment activities	-604	-1,074
Cash flow from financing activities	-11	-21
Cash flow from discontinued operations	**567**	**-706**

9. Notes to the statement of Changes in Equity

In addition to the annual net loss of kEUR 11,343, which was added to retained earnings, the following items had an effect on shareholders' capital:

Currency translation effects from the consolidation of the foreign subsidiaries, YOC Mobile Advertising Ltd. and Sevenval Ltd., led to an increase in shareholders' capital amounting to kEUR 28 (2011: 11 kEUR).

The appropriation of personnel expenses within the scope of the share option programme led to an increase in the capital reserve of kEUR 9 (2011: 161 kEUR).

The first capital increase took place in the third quarter of the financial year with an issue of 275,000 no-par value bearer shares at EUR 6.50 per share; the second capital increase took place in the fourth quarter with an issue of 190,000 shares at EUR 7.00 per share. This led to an increase in the capital reserve of kEUR 2,652, whereby the direct costs of the capital increase amounted to kEUR 90.

10. Other disclosures

10.1 Guarantees, contingent liabilities and similar obligations

YOC AG furnished the bank with a blanket assignment naming all YOC AG and Sevenval GmbH's domestic trade receivables as security for the amounts owed to credit institutions existing as of 31 December 2012, including the draw down on the line of credit in the amount of kEUR 3,494.

There are no other contingent liabilities.

10.2 Events after the balance sheet reporting date

On 18 January 2013 YOC AG announced that it will keep the company's strategic focus on promoting the Media business. The Management Board is in extensive discussions with parties interested in buying the Mobile Technology division. These parties have been granted access to the data room. Draft contracts have been swapped with the bidders in order to move the negotiations forward.

In February 2013, YOC AG implemented a capital increase amounting to 220,000 bearer shares with a nominal value of the share capital of EUR 1 per share in order to shore up its capital base. The issue was at EUR 8.50 per share.

YOC Group was unable to meet the financial covenants of the lending banks as of 31 December 2012. However, after the balance sheet date but before the publication of the consolidated financial statements, the lenders waived in writing their right of termination resulting from the breach of the financial covenants for the period up until the time of presenting the 2013 consolidated financial statements.

In 2012 the management of YOC AG decided to discontinue use of the adbutler brand, resulting in a write-down of kEUR 546 (see Point 6.3). The reasoning behind this was the decision to change the name of belboon-adbutler GmbH to belboon GmbH, which was recorded in the commercial register in March 2013.

Joachim von Bonin, member of the YOC AG Management Board, resigned from the Management Board with effect on 31 March 2013, with the agreement of the Supervisory Board. He had been a member of management with YOC AG since June 2010. In June 2011, he was appointed to the company's Management Board and in this position, was responsible for Finance and Controlling, Human Resources and Central Purchasing.

There were no further events which could have had a significant effect on the net assets, financial position and results of operations of YOC Group after the balance sheet reporting date.

10.3 Report on risks and opportunities

Information on company and industry-specific as well as financial risks of YOC Group and its management is stated in the risk report of the Group Management Report, which is subject to auditing.

10.4 Related party disclosures

Under IAS 24, related companies and persons include members of the Management Board and of the Supervisory Board of YOC AG and their family members as well as companies managed by these persons. Furthermore, persons in key positions and their close family members are considered related parties.

dkam GmbH, Frankfurt/Main, granted to YOC AG in July 2012 a short-term loan amounting to 200 kEUR according to the usual third-party terms and conditions. The scheduled repayment took place in August 2012. Dirk Kraus is the Managing Partner of dkam GmbH.

DIH Deutsche Industrie-Holding GmbH, Frankfurt/Main, granted to YOC AG in July 2012 a short-term loan amounting to 100 kEUR according to the usual third-party terms and conditions. The scheduled repayment took place in August 2012.

With the exception of the business transaction stated above and the subsequent remuneration of the Supervisory Board and the Management Board, no other related party transactions took place in the financial year 2012.

10.5 Remuneration of the Supervisory Board and the Management Board

REMUNERATION OF THE MANAGEMENT BOARD

The Management Board in the financial year 2012:
Dirk Freytag, CEO from 2012 December 2012
Dirk Kraus, CEO until 2012 September 2012
Alexander Sutter, member of the
Management Board until December 2012
Jan Webering, member of the
Management Board since July 2008
Joachim von Bonin, member of the
Management Board until March 2013
Patrick Feller, member of the
Management Board until December 2012

In the financial year 2012, the remuneration of the Management

Board of YOC AG includes a fixed salary component totalling kEUR 920 (2011: 620 kEUR). As in the previous year, there was no variable component based on the operating result of YOC Group in the current financial year. In the financial year 2009, the Management Board received 97,965 stock options with a fair value at the time of granting of kEUR 403 within the framework of the YOC Management Incentive Programme In the financial year 2011, further 16,625 stock options with a fair value at the time of granting of kEUR 170 were granted.

In the financial year 2012, a total of kEUR 895 (2011: kEUR 573) was paid to the Management Board as ongoing remuneration. In the current year and the previous year no variable remuneration was paid.

The following table shows the breakdown of the remuneration for each member of the Management Board:

Name	Fixed remuneration* (in kEUR)	Subscription rights granted in 2009 and 2011 (in units)	Virtual share options granted in 2012 (in units)
Dirk Freytag (Chief Executive Officer)	21	0	40,000
Dirk Kraus (former Chief Executive Officer)	126	32,655	0
Alexander Sutter (until 31 December 2012)	216	32,655	0
Jan Webering	213	32,655	0
Joachim von Bonin (until 31 March 2013)	194	16,625	0
Patrick Feller (31 December 2012)	150	0	0
Total	**920**	**114,590**	**40,000**

*Includes contractual fringe benefits

As a contractual fringe benefit, Dirk Freytag (from December 2012), Jan Webering as well as Alexander Sutter (up to November 2012) have the right to a company car for both business and personal use.

With regard to the benefits payable to Mr Dirk Kraus arising from the termination of his employment, a reasonable amount is recorded as a liability. The final amount is subject to a legal dispute. To avoid a possible mischief for the Group in the current lawsuit, there are no further disclosures, with reference to IAS 37.92. Mr Alexander Sutter receives kEUR 150 arising from the termination of his employment, of which kEUR 75 was paid out in the financial year 2012. Remuneration received by the Management Board in 2012 totalled kEUR 1,070.

Other than this no advances, loans, bailouts, pension promises or similar benefits were granted to the Management Board.

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of YOC AG's Supervisory Board consists of a fixed remuneration totalling kEUR 56 in total (2011: kEUR 38) and an attendance allowance of kEUR 18 (2011: 0 kEUR).

The following table shows the breakdown of the remuneration for each member of the Supervisory Board in 2012:

Remuneration of the Supervisory Board for 2012 (in kEUR)

Name	Fixed remuneration	Attendance allowance	Total
Gerd Schmitz-Morkramer (Chairman of the Supervisory Board)	25	8	33
Peter Zühlsdorff	19	6	25
Oliver Borrmann	12	4	16
Total	**56**	**18**	**74**

No advances, loans, bailouts, pension promises or similar benefits were granted to the Supervisory Board.

Similarly, other than their Supervisory Board activities, the Supervisory Board members did not perform any advisory or referral services for YOC Group.

10.6 Auditor's fees

The following fees were incurred for the services performed by the auditor Ernst & Young:

(in kEUR)	2012	2011
Annual audit	110	91
Other reports	11	15
Total	**121**	**106**

10.7 Declaration of Conformity with the German Corporate Government Code

The Declaration of Conformity with the German Corporate Government Code (Deutsche Corporate Governance Kodex) in accordance with Sect. 161 Stock Corporation Act (AktG) was issued by the Management Board and the Supervisory Board and was made accessible to YOC AG's shareholders on the website www.yoc.com in the "Investor Relations" section. www.yoc.com

Berlin, 9 April 2013
The Management Board

Dirk Freytag
CEO of YOC AG

Jan Webering
Management Board
of YOC AG

Statement of Responsibility made by the Management Board

(Pursuant to Sect. 37y 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))

We assure, to the best of our knowledge, that the consolidated financial statement 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 that 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 expected development.

Berlin, 9 April 2013

Dirk Freytag
CEO of YOC AG

Jan Webering
Management Board
of YOC AG

Audit Opinion

We have issued the following opinion on the consolidated financial statements and the group management report:

„We have audited the consolidated financial statements prepared by the YOC AG, Berlin, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January to 31 December 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [„Handelsgesetzbuch": „German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion, we draw attention to the information provided in the management report by the management board of YOC AG. In the section "Forecast Report" it is stated that the constricted liquidity is a risk to the future of the company as a going concern. Two primary measures are being taken to ameliorate this situation. For starters, the Management Board anticipates that the purchase contract for the Mobile Technology business will be signed soon. The incoming proceeds from the sale in 2013 would be enough to cover the company's liquidity needs until the end of the year. Moreover, the Management Board is planning additional corporate actions to finance the further growth of the Media business and handle any unexpected delays in the sales process. The future of the company as a going concern depends upon this divestment and the success of these actions, as well as on achieving the planned business development.

Berlin, 10 April 2013
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Roeders
Wirtschaftsprüfer
[German Public Auditor]

Klemm
Wirtschaftsprüfer
[German Public Auditor]

Management Board

The Management Board was composed as follows in the financial year 2012 (as of 31 December 2012):

DIRK FREYTAG

Dirk Freytag was appointed CEO of YOC AG in December 2012. On the Managing Board he is responsible for corporate strategy and organization, the business unit of media, investor and public relations.

Before joining YOC, Dirk Freytag worked in a double role as CEO of ADTECH AG and also Senior Vice President at AOL Inc. He successfully implemented the restructuring, the sale to AOL, including local implementation of ADTECH, and the establishment of the company in the USA. At AOL Dirk Freytag was in charge of global product management for AOL Advertising and ad.com.

JAN WEBERING

In July 2008, Jan Webering was appointed to the Management Board of YOC AG and in this position he is responsible for the business segment Mobile Technology in close cooperation with Alexander Sutter.

In his previous position as CEO of Sevenval AG, Jan Webering was responsible for sales, marketing and professional services. Before Sevenval was founded, Jan Webering managed several companies, including the internet consultancy company net-consulting. Prior to this, he graduated from the University of Cologne with a degree in law.

Since YOC AG acquired Sevenval in September 2007, Jan Webering has continued to successfully manage the company.

ALEXANDER SUTTER (until 31 December 2012)

In July 2008, Alexander Sutter was appointed to the Management Board of YOC AG and in this position he is responsible for the business segment Mobile Technology in close cooperation with Jan Webering.

Since 2006 he has held the position of Managing Director and been in charge of the product segment Mobile Marketing. Prior to this, he was in charge of acquisition and key account management. He has been a member of the company management team since the company was founded in 2001. Before joining YOC, Alexander Sutter worked for Fidelity Investment Services based in Frankfurt on Main, where he was responsible for building and maintaining customer relations.

JOACHIM VON BONIN (unitl 31 March 2013)

Joachim von Bonin was appointed CFO of YOC AG in June 2011 and is in charge of finances and controlling, human resources as well as central purchasing. Since joining the company in June 2010, Joachim von Bonin has been the Business Administration Manager of YOC Group.

After completing his studies in business informatics and several stays abroad in the USA, Mexico and Spain, Joachim von Bonin spent several years working for the KPMG auditing company in Germany and abroad, where he was in charge of international DAX companies and medium-sized enterprises from different industries. Before joining YOC, he held several executive positions in the commercial department of the Heineken Group. Most recently, he was CFO of Heineken Deutschland GmbH.

PATRICK FELLER (until 31 December 2013)

Patrick Feller was appointed to the Management Board of YOC AG in September 2011. He is responsible for organisation, strategy, strategic human resources development and change management.

Patrick Feller studied electrical engineering at the University of Zurich and the University of Tokyo. He also completed a master's degree in Business Administration at Harvard University in Boston. After working as a consultant for McKinsey & Co. and Goldman Sachs International, he went on to join HMD Partners LP, London, where he served as a Principal between 2002 and 2008. He was responsible for transaction, strategy and operations support for European medium-sized companies from the consumer goods industry, the luxury goods industry and the trade sector. Between 2006 and 2010 Patrick Feller was Speaker of the Management Board at SinnLeffers GmbH. Since 2009 he has held the position of Managing Partner of DIH - Deutsche Industrie Holding GmbH.

Supervisory Board

The Supervisory Board was composed as follows in the financial year 2012 (as of 31 December 2012):

GERD SCHMITZ-MORKRAMER

Seats in other mandatory supervisory boards

- YOC AG: Chairman of the Supervisory Board
- bmp media investors AG (former bmp AG): Chairman of the Supervisory Board
- Ernst Max von Grunelius Stiftung: Management Board
- SSC Savelberg Schmidt & Company GmbH & Co. KG: Member of the Advisory Board

PETER ZÜHLSDORFF

Seats in other mandatory supervisory boards

- YOC AG: Member of the Supervisory Board
- Tengelmann Verwaltungs- und Beteiligungs GmbH: Member of the Advisory Board
- Kaiser's Tengelmann AG: Member of the Supervisory Board
- GfK e.V.: President
- OBI Group: Member of the Supervisory Board
- ALBA Group: Vice chairman of the Supervisory Board
- KMS Group Management GmbH: Member of the Advisory Board

OLIVER BORRMANN

Seats in other mandatory supervisory boards

- YOC AG: Member of the Supervisory Board
- bmp media investors AG: Member of the Board
- bmp Beteiligungsmanagement AG: Chief Executive Officer
- König & Cie. Private Equity Management GmbH: Managing Director
- König & Cie. II. Private Equity Beteiligungs- und Treuhand GmbH: Managing Director
- Cavy Capital GmbH: Managing Director
- Newtron AG: Chairman of the Supervisory Board
- Heliocentris Fuel Cells AG: Chairman of the Supervisory Board
- brand eins Medien AG: Chairman of the Supervisory Board
- Revotar Biopharmaceuticals AG: Chairman of the Supervisory Board

Financial Calendar

30 May 2013
Interim Report First Quarter 2013

06 June 2013
Annual General Meeting

29 August 2013
Report First Half of 2013

29 November 2013
Third Interim Report 2013

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