telegate group:
6-months results 2009

Munich,
July 30, 2009

telegate

Agenda

- H1 highlights: Transformation towards local search provider
- H1 financials
- Business development & objectives

Transformation towards local search provider: Short-term achievements

Highlights first half year

- **Advertising sales:** growth of Media business in Germany in line with internal expectation (+7 % like for like) despite worsening economic environment and influenced by:
  - **Successful sales force - integration:**
    Build up of field sales capacity on track (with improving KPIs whilst extension)
  - **Integration of product portfolio for advertiser:**
    "One-stop-advertising" for SMEs under the roof of telegate MEDIA;
    Google AdWords well progressing
- **Product portfolio for user:** Innovation leadership in mobile internet (e.g. 200.000 users of klickTel for iPhone*) and further growth of online searches (all-time high in visits of telegate MEDIA portals in June 2009)
- **Directory assistance solutions:** Continued strong growth of comfort services (> 50 % growth yoy) allows to partly compensate ongoing decline in classic DA

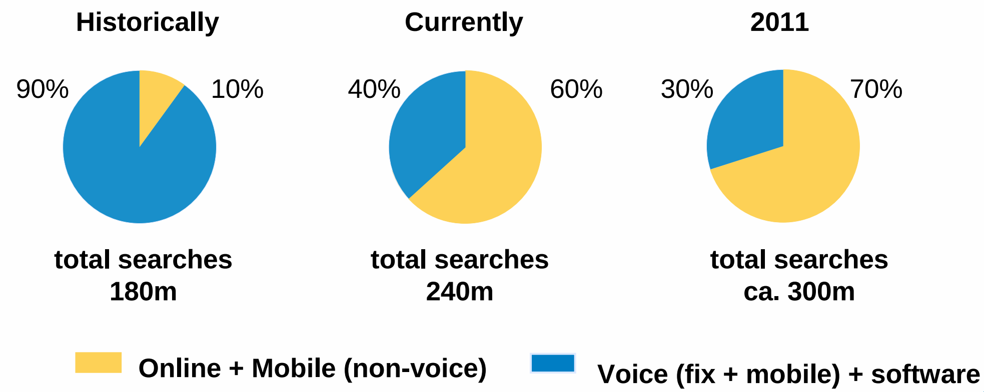
* tg is the only provider in Germany that offers a local search application for all mobile operating systems

Transformation towards local search provider: Long-term perspective

A. User-mix Germany

- Searches constantly growing with digital media as key driver
- Of all searches, 70 % are expected to be online and via mobile-internet in 2011

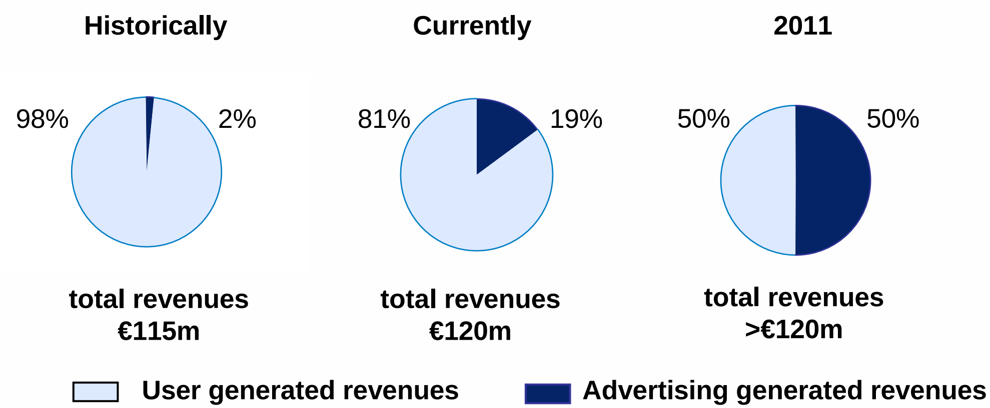
→ **Transformation towards digital media**



B. Revenue-mix Germany

- Advertising generated revenues to account for about 50 % of total in 2011
- Advertising revenues are expected to overcompensate reduction in directory service revenues by 2011

→ **Transformation towards advertising generated revenues**



Source: internal data and GfK study

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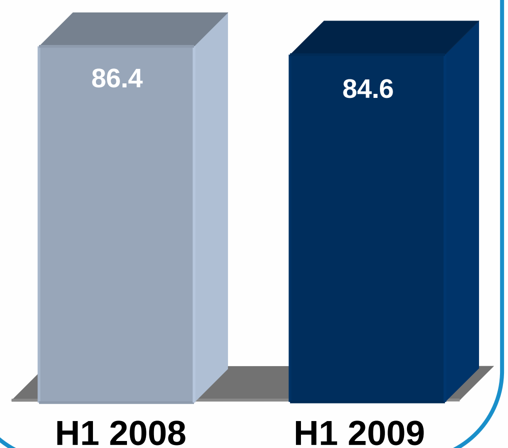
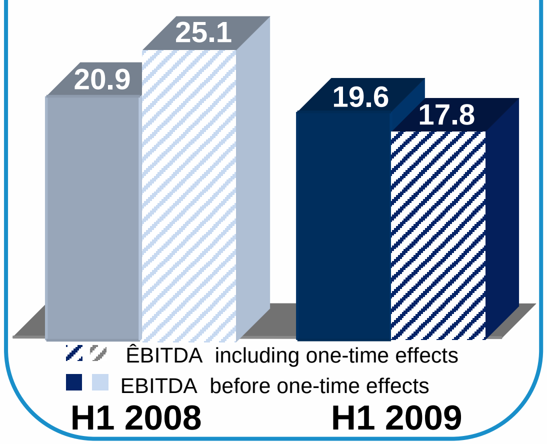
Strong operational performance despite worsening economic environment in H1

Revenues (in m €)



Internal and external growth of Media business has almost compensated decline in classic DA

EBITDA[1] (in m €)



Profitability before non-recurring items nearly at strong H1 '08 level

[1] one time effects are: a) in 2009 integration costs of -0.4 m€ and CC-combination -1.4 m€
b) in 2008 integration costs of -1.4 m€ and data cost litigation of +5.5 m€

Consolidated profit and loss statement

in kEUR	Quarterly Report Q2 2009	Q2 2008	Half year report 6M 2009	6M 2008
Revenue	**42.262**	**46.734**	**84.579**	**86.440**
Revenue DA solutions	36.055	41.105	72.621	79.693
Revenue Media	6.207	5.629	11.958	6.747
Gross profit	23.027	27.325	46.804	48.812
Gross profit in %	*54,5%*	*58,5%*	*55,3%*	*56,5%*
Advertising costs	-3.102	-5.073	-6.776	-10.479
Personnel costs	-7.323	-7.447	-14.266	-12.501
Depreciation and amortisation	-5.888	-2.847	-8.775	-4.692
Other administrative expenses	-4.723	-2.607	-8.217	-5.232
Other operating income	142	4.355	259	4.516
EBITDA before one-time effects	**9.658**	**12.379**	**19.595**	**20.942**
EBITDA after one-time effects	**8.021**	**16.553**	**17.804**	**25.116**
EBIT	**2.133**	**9.532**	**9.029**	**20.424**
Income tax - current	-3.025	-4.726	-3.927	-6.494
Income tax - deferred	346	739	346	739
Net income	**-76**	**10.226**	**6.537**	**16.020**
Earnings per share (in Euro)	**0,00**	**0,48**	**0,31**	**0,75**

Continued growth of Media business both against previous quarter as well as prior-year quarter

Depreciation & amortization, personnel costs & other admin. expenses influenced by sizeable one-time costs in Q2 `09 resulting in -76 k€ net income

Non-recurring effects ytd 06/'09

Valuation of French subsidiary

- Decision by French government to make price announcement before the call mandatory as of 01/'10
- Current asset valuation vs. future expected cash-generation of the French subsidiary thus has been assessed
- Assessment resulted in total 2.9 m€ extraordinary write off (assets & goodwill)

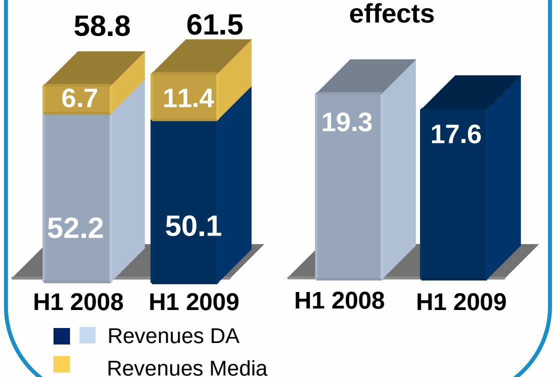
Call center merger in Germany

- In order to reduce infrastructure cost, call center Schwedt has been merged with 2 closest locations effective July 2009 → 5 rather than 6 call center locations
- Non-recurring costs for that measure have been fully accrued in 06/'09, with total impact of 1.35 m€
- Impacts the cost-lines COGS, Personnel OVH and other administrative expenses
- Savings thanks to that measure as of 07/'09

Satisfactory performance throughout all countries against difficult economic environment

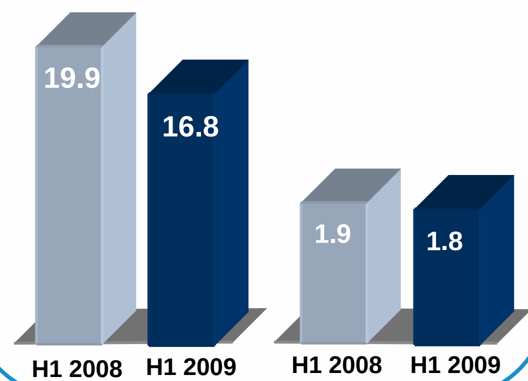
Germany/Austria

Revenues | **EBITDA** before one-time effects



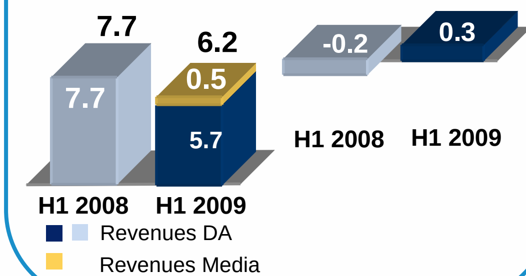
Italy/Spain

Revenues | **EBITDA**



France

Revenues | **EBITDA**



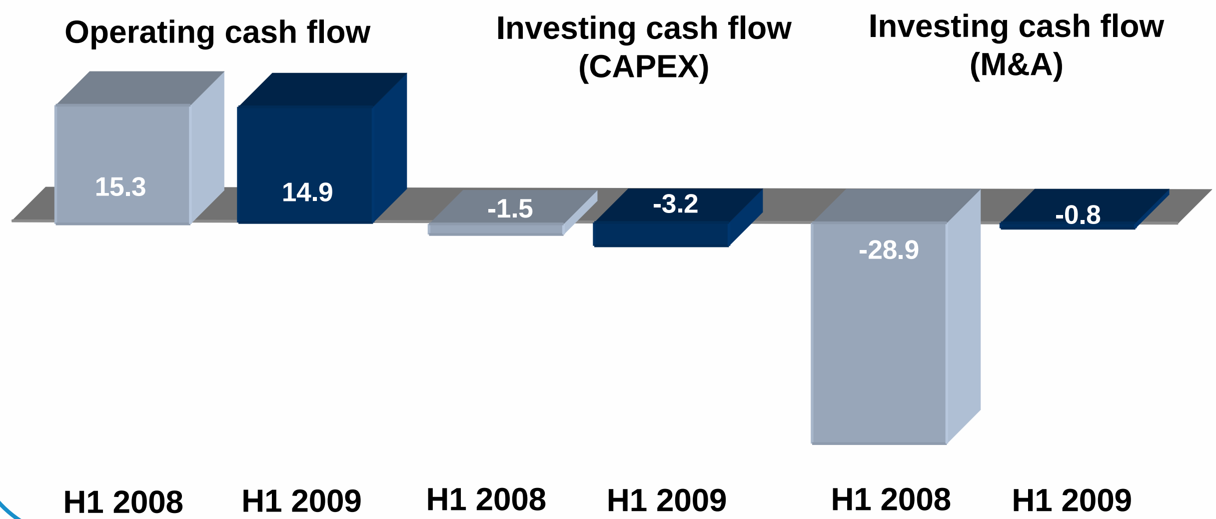
- Significant increase of Media revenues thanks to internal and external growth
- Market decline in classic DA partly compensated by growth of comfort services and higher RpC

- Difficult market conditions in both the Italian & Spanish market
- Rigid focus on all cost – items to optimise profitability

- Media business with first sizeable contribution and further optimisation of operations result in positive contribution from France
- Broad assessment of future options for telegate 118000 currently underway

Solid free cash flow generation underlines robust business model

Cash flow (in m€)



- Operating cash flow: Additional tax payment in 2009 from previous year
- Investing cash flow: Investments in system integration following integration of klickTel
- 0,8 m€ cash-out (M&A) in H1 '09 for the increase of the stake in tg MEDIA AG to now 100 %; 1.5 m final cash-out at 30.09.09 for release of escrow-account
- Net financial position (30.06.09): 51 m€ despite dividend payment of 14.9 m€ in May '09

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Transformation towards local search provider with focus on Germany

Focus areas moving forward

- **Audience:**
  - Further extension of product portfolio towards user (esp. mobile applications)
  - Enhancement of partner network (expected closure of a major agreement within coming weeks)
- **Monetization:**
  - Continued growth of sales force, esp. field sales
  - Improvement of sales force efficiency (“learning curve effect”)
- **Increased focus:**
  - Further focusing and broadening the presence in German core market
  - Resources that are tied-up in integration-work will reduce over time, allowing for more resources allocated to R&D

  → 3 concrete business development initiatives to be launched within coming 12 months

Status: Data cost-proceedings DTAG

Reclamation claims

Proceedings:

- 1st case finally judged by the Federal Court of Justice in 2008
- 3 remaining cases at the Federal Court of Justice[1]
- Indicative court order admits the reclamation claims on the merits. However, evidence required in which size DTAG delivered additional information & if tg has been forced to accept unbundled data packet
- Oral hearing at the Federal Court of Justice scheduled in October

102 m € (incl. interest)[2]

Damage claims

Proceedings:

- 1st instance: 2nd oral hearing in February 2008 confirms our confidence in a positive ruling
- Expert opinion (causality & amount) currently in drafting due to assignment by court

140 m € (incl. interest)

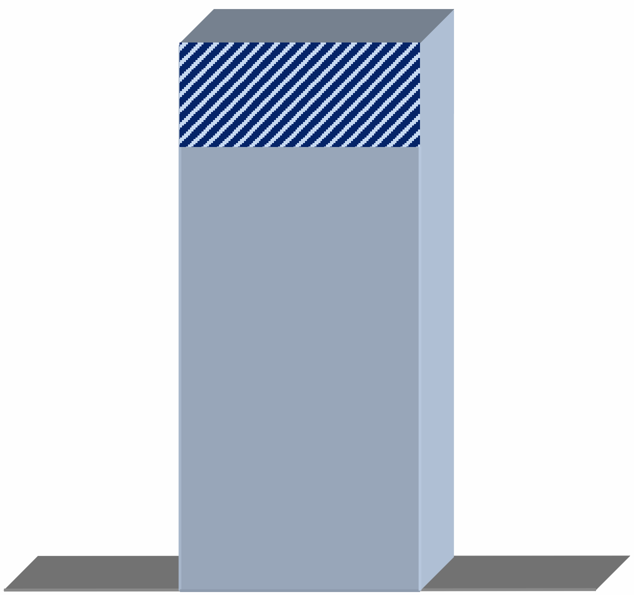
[1] incl. telegate MEDIA AG

[2] 72 m€ net of tax; 12.3 m€ already paid in 2007, no P&L impact yet

Business dynamics and profit guidance 2009

EBITDA[1] 2009

32 - 37 m€



[1] before non-recurring items

Profit driver	Profit impact
DA solutions	
• Market decline in classic DA	- -
• Development of comfort services and increase of revenue per call	+
Media	
• Growth of Media business	+ +
Overall	
• Investment in Media business vs. cost savings following telegate MEDIA AG integration	+ -
• Impact of economical downturn on Media business to be monitored	?

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Financial calendar

Jul 30, 2009	6-months results 2009
Sep 22, 2009	Unicredit German Investment Conference
Oct 14, 2009	Roadshow Italy
Oct 28, 2009	9-months results 2009
Nov 11, 2009	German Equity Forum

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Backup

Consolidated balance sheet

in kEUR	June 30, 2009	June 30, 2008
Assets		
Cash & cash equivalents	50.870	38.085
Tangible, intangible & financial assets	55.010	65.126
Trade accounts receivable	57.220	63.350
Other assets	11.989	11.533
Total Assets	**175.089**	**178.094**
Liabilities & Shareholders' equity		
Current liabilities	72.746	72.770
Non-current liabilities	14.705	16.495
Shareholders' equity attributable to the parent	87.638	88.829
Total liabilities & shareholders' equity	**175.089**	**178.094**

Consolidated cash flow statement

in kEUR	June 30, 2009	June 30, 2008
Net income before income tax	10.118	21.775
Depreciation & amortisation	8.775	4.692
Changes in operating assets & liabilities	630	-2.549
Income taxes paid	-5.936	-2.144
Other items	1.277	-6.466
Cash flows from operating activities	**14.864**	**15.307**
Capital expenditures	-3.167	-1.525
Acquisition/purchase of a subsidiary, net of cash acquired/purchased	158	-28.070
Acquisition of minority interests	-952	-797
Cash flows used in investing activities	**-3.961**	**-30.392**
Dividend paid	-14.864	-14.864
Interests received	1.437	1.386
Interests paid	-67	-130
Cash flows provided by (used in) financing activities	**-13.494**	**-13.608**
Increase in cash and cash equivalents	**-2.591**	**-28.693**
Cash and cash equivalents at beginning of reporting period	**53.461**	**66.778**
Cash and cash equivalents at end of reporting period	**50.870**	**38.085**