

telegate Group

Financial Results 9M 2013

Munich,
November 7, 2013

Agenda



- **Business update**

- Financials 9M 2013

Media KPIs 9M 2013



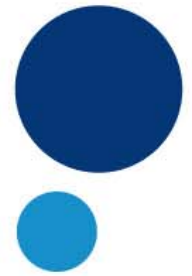
ARPA	Up by 5% yoy
Customer retention	Churn down by 19% yoy
Website penetration	Up to 55% (9M 2012: 25%)
24 months contracts penetration	Up to 68% (9M 2012: 40%)
Mobile traffic ** / product innovation	Up by 41% yoy



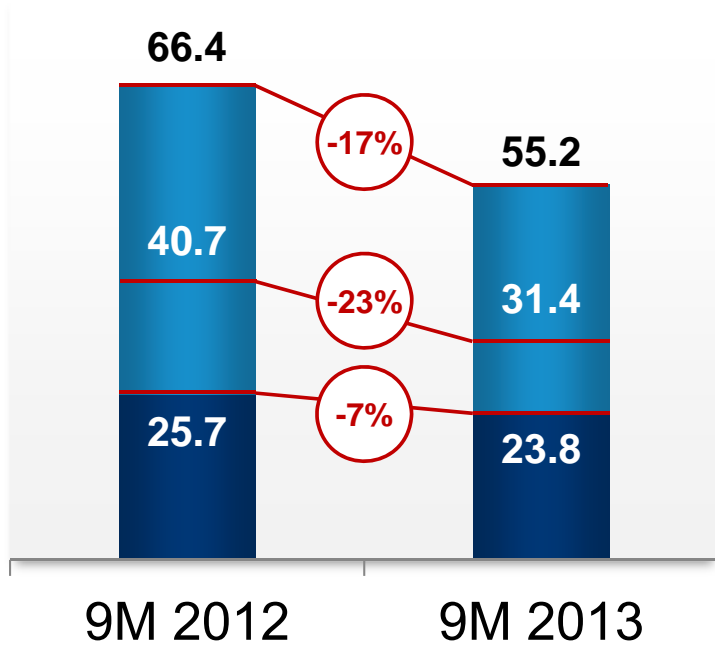
EBITDA*
improvement
Media of 44% yoy

* Before non-recurring items
** incl. cooperations

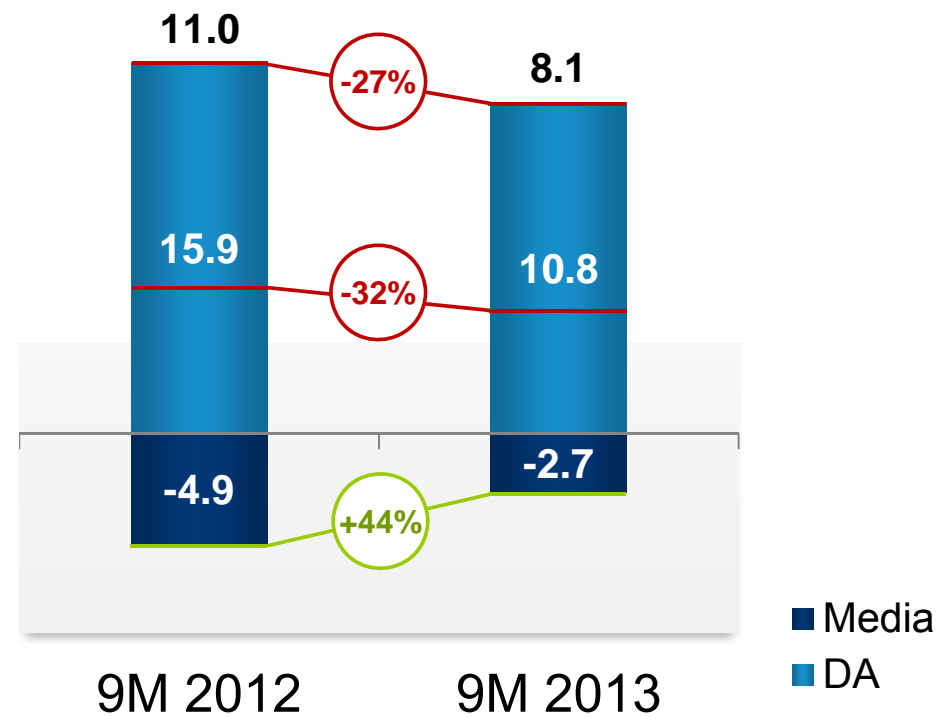
Media Profitability on track towards break even



Group Revenues (m€)



Group EBITDA* (m€)



* Before non-recurring items

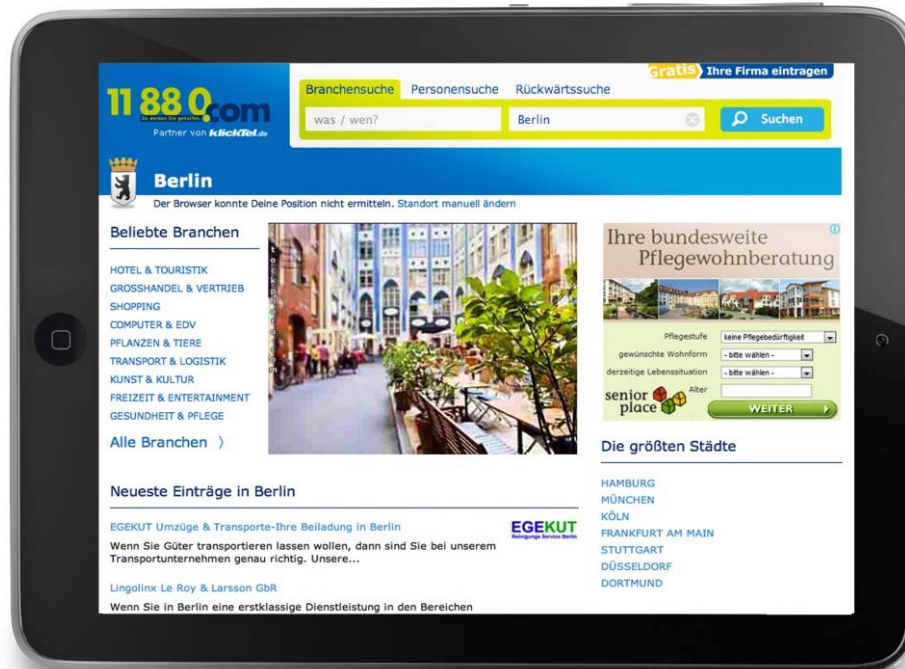
Usage* of our channels is constantly growing



SMEs benefit from approx. 400m searches in 2013!

* full-year estimation 2013

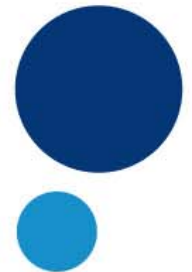
Actions to further strengthen traffic



- **Partner Cylex.de (Oct. 2013)**
-> +7.7 m (E) search audience per month
- **Relaunch, Local content (Q1-Q2 2014)**
-> +3.0 m (E) SEO and content searches per month
- **Likely additional partner (Q1 2014)**

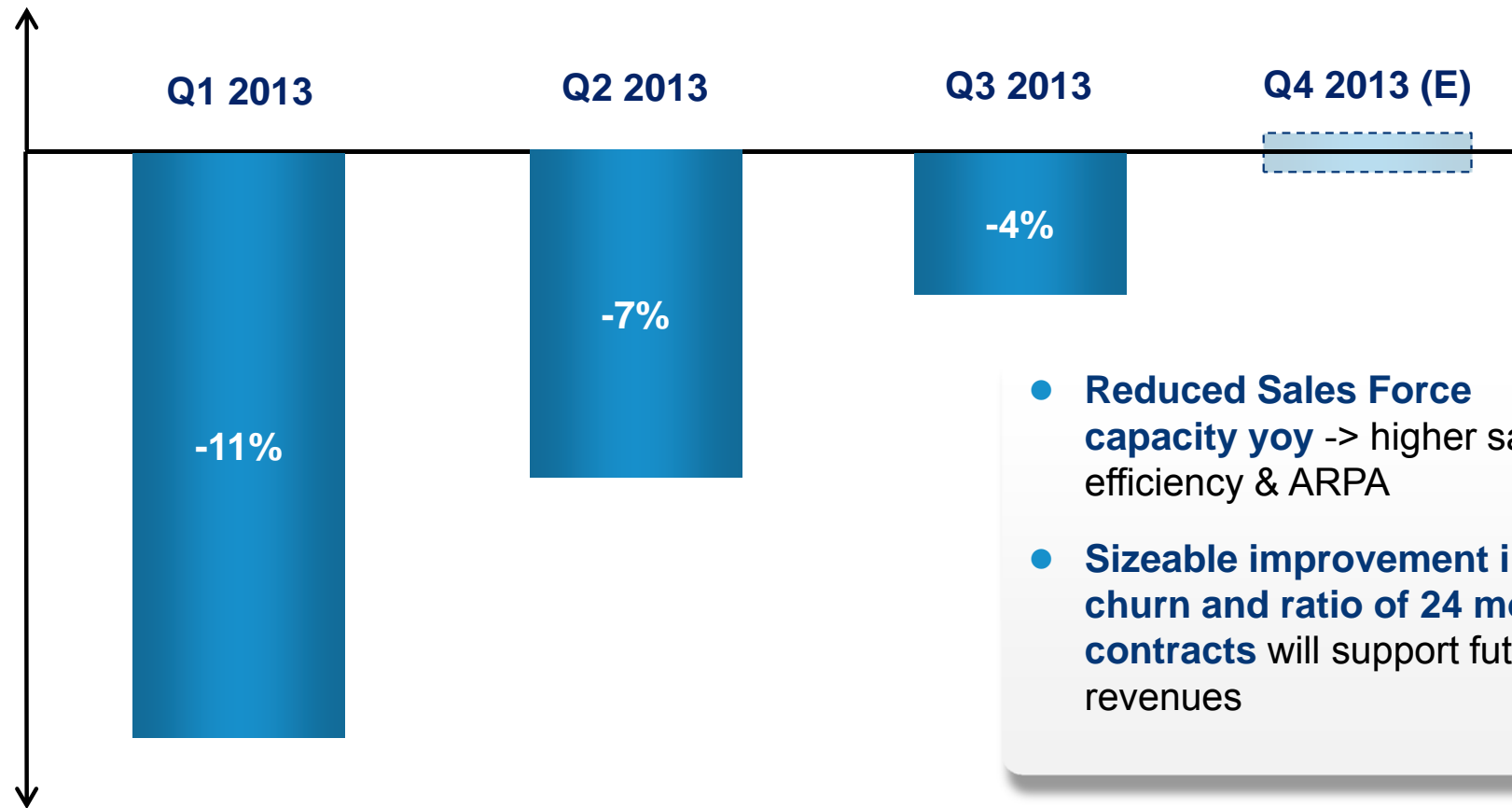
Various measures will ensure a significant traffic growth also in 2014

A very successful journey



(KPIs: Sep YTD 2013 yoy)

Media Revenues yoy 2013

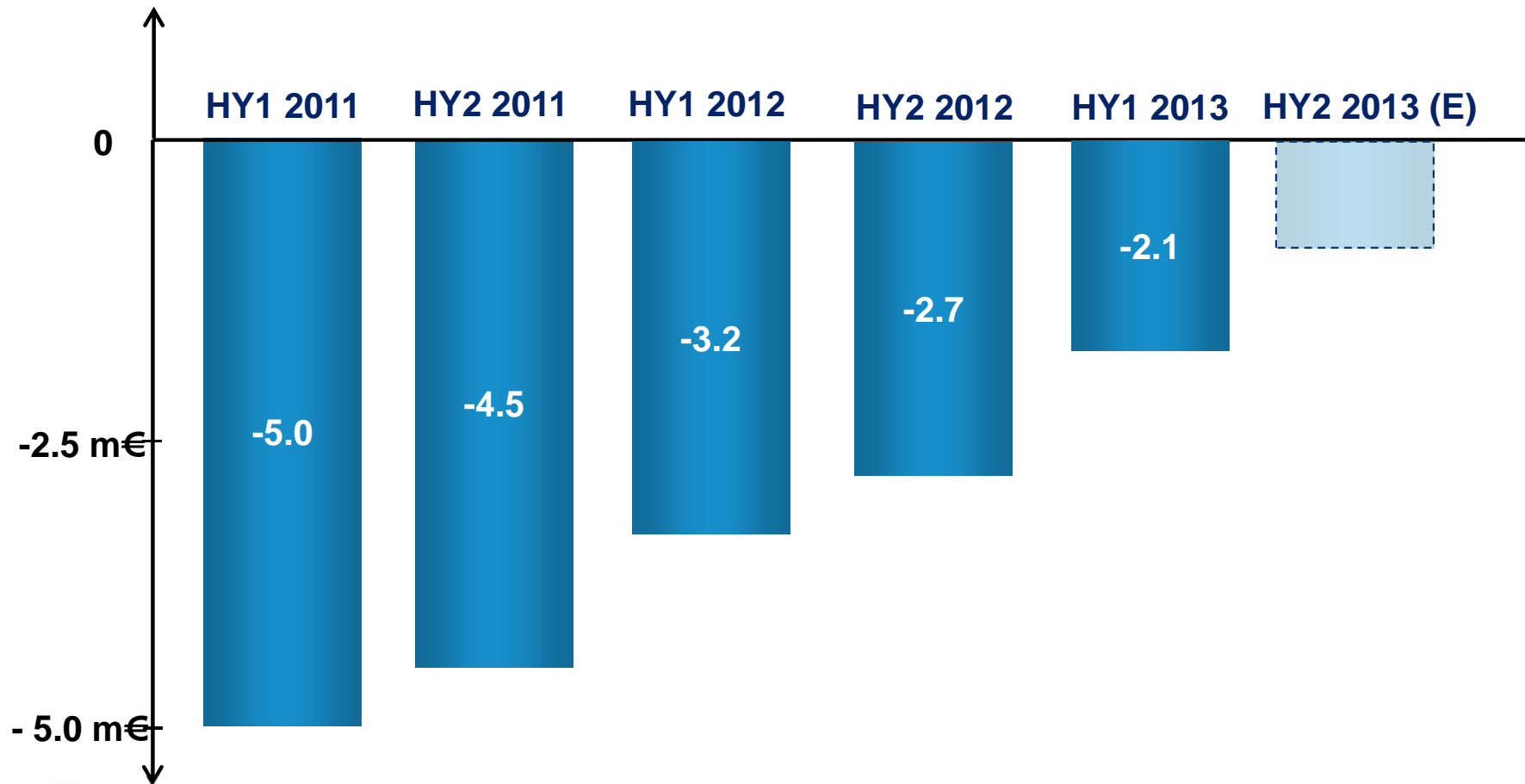


- **Reduced Sales Force capacity yoy** -> higher sales efficiency & ARPA
- **Sizeable improvement in churn and ratio of 24 month-contracts** will support future revenues

Negative trend reduced step-by-step during 9M & stabilization within Q4

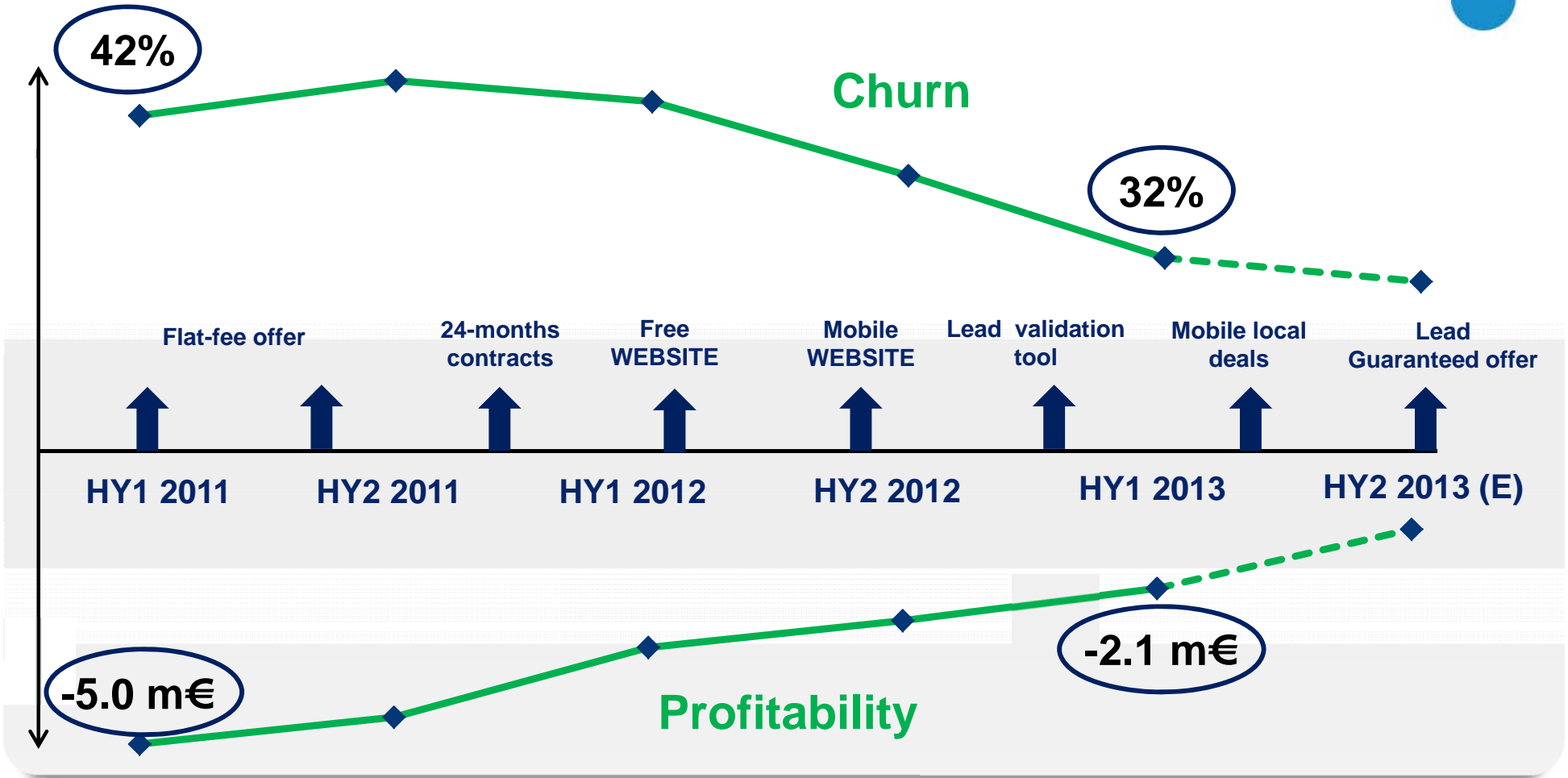
Clear pathway to profitability

(EBITDA at full cost, segment Media, in m€)



Media EBITDA break-even (at full cost) expected by 2013 year end

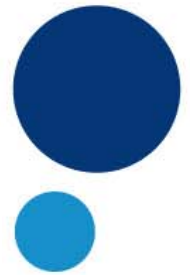
Media Milestones





EBITDA*-improvement Media yoy Sep. by 44%






* Before non-recurring items

... with SMEs getting a perfect digital presence ...



All products with **mobile versions!**



 <p>Website more than 7.000 Websites</p>	 <p>MEDIA Entry more than 27.000 MEDIA Entries</p>	 <p>Local Offers nearly 1.000 Offers</p>
 <p>Video Clips nearly 10.000 company videos</p>	 <p>Google more than 7.000 Google AdWords customers</p>	

... and a customized full service: We do it for you!

Agenda



- Business update

- **Financials 9M 2013**

Revenue & EBITDA in line with expectations

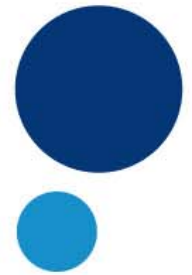
(excl. non-recurring items)



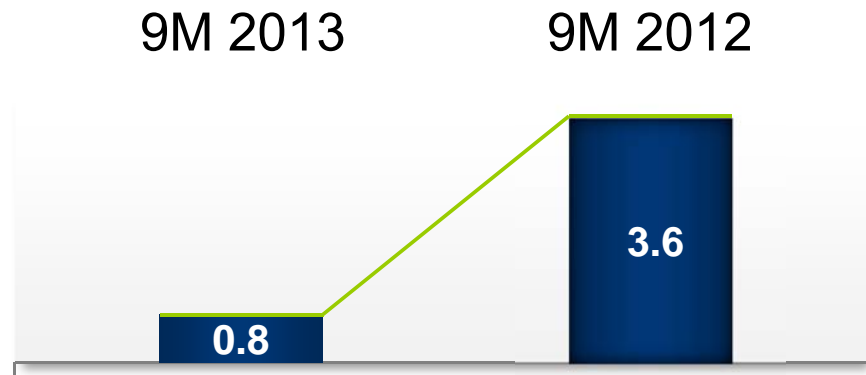
m€	9M 2013	9M 2012	%
<i>Continuing operations</i>			
Revenues	55.2	66.4	-17%
Cost of revenues	-24.4	-26.8	-9%
Gross profit	30.7	39.6	-22%
Gross profit in %	55.7%	59.6%	
Selling and distribution costs	-22.1	-28.0	-21%
General administrative expenses	-8.5	-9.2	-7%
Other operating income/expense	0.0	0.0	
EBITDA w/o non-recurring effects	8.1	11.0	-27%
non-recurring effects	2.7	-29.7	

- **Focus on cost-optimization** with visible results
- Efforts related to the offer as well as to customer-retention expected to become **more visible in the top-line** development of the Media business over the coming quarters

Net Cash Flow influenced by high investments for next-generation Voice Technology

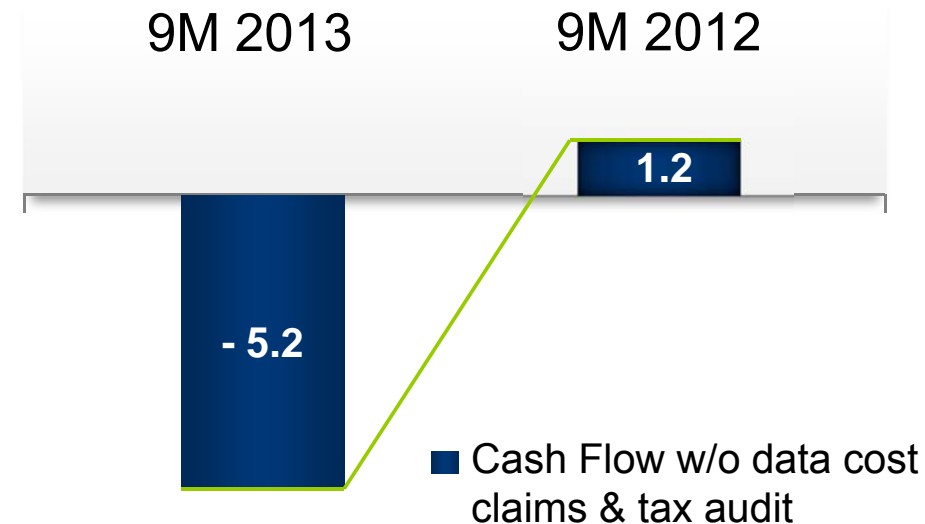


Operating Cash Flow* (m€)



- **Lower operating cash flow (w/o data cost & tax items)** follows lower operating profit
- Q4 usually significantly higher than 9M

Net Cash Flow** (m€)

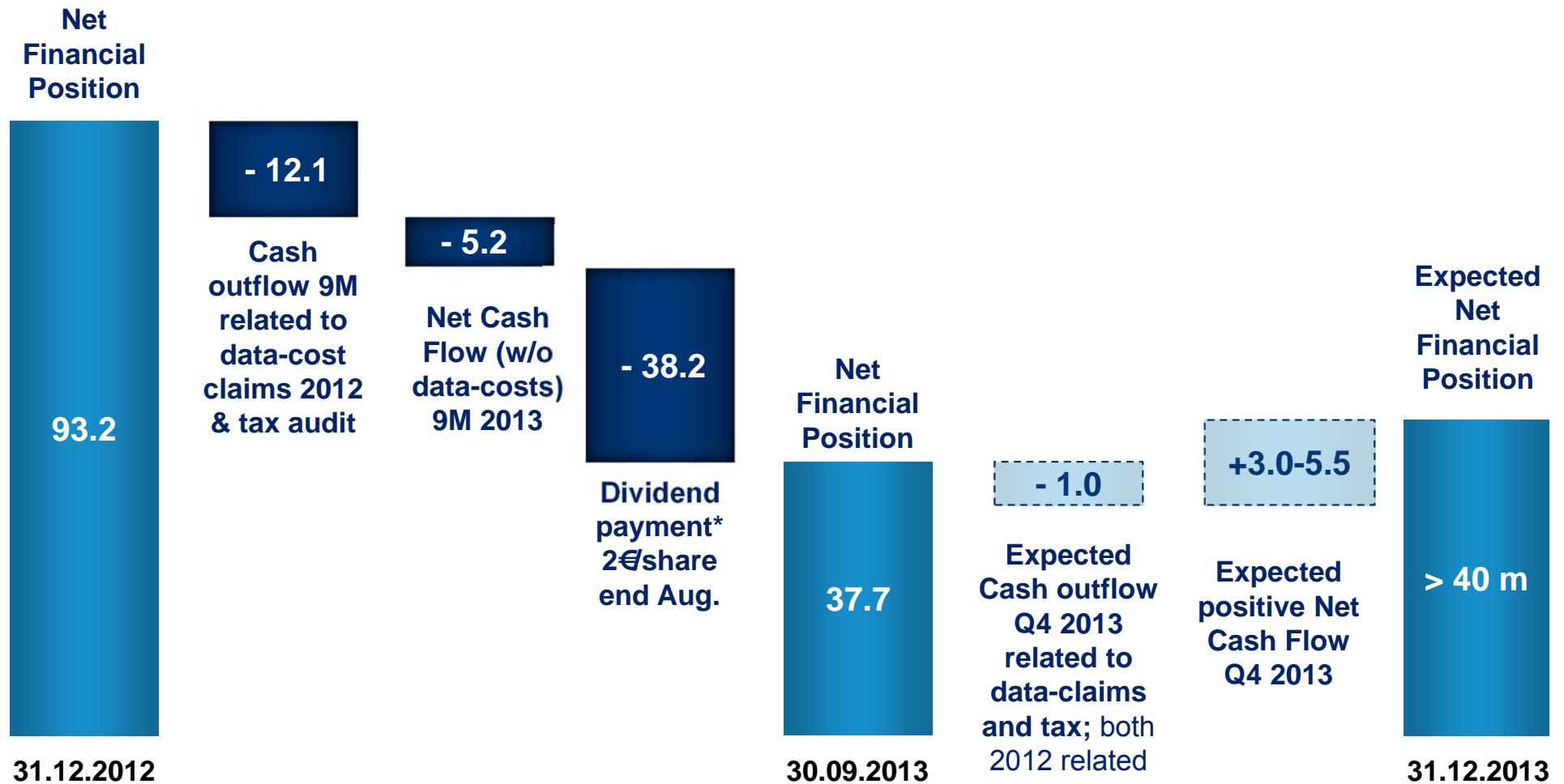
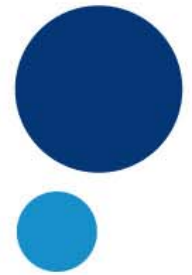


- **Net Cash-flow below previous year level** driven by lower operating profit & by temporarily high investments for replacing the voice-technology -> **2014 on much lower level**
- Positive Net Cash Flow for year 2013 will be challenging

* adjusted by effects from data cost claims and tax audit

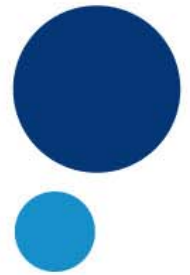
** Net Cash Flow: Operating CF + investing CF +/- interest income/expenses

NFP 9M 2013 affected by cash-out related to successful data-cost claims & tax audit from 2012 (m€)



* incl. the 24.2 m€ held in a separated account for Seat Pagine Gialle

Group guidance 2013: Stabilized EBITDA and ensured positive cash flow



Profitability

EBITDA* of 10-12** m€ for 2013

Positive Net Cash Flow in 2013:
challenging

Cash Flow

Media EBITDA break-even (at full cost) expected by 2013 year end

*before non-recurring items

**adjusted for the expected profit contribution of 1 m€ from the Spanish subsidiaries that have been divested in June 2013

Contacts and financial calendar



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Financial Calendar

November 7, 2013 | 9-months results 2013

November 12, 2013 | Equity-Forum Frankfurt

March 13, 2014 | Annual results 2013

May 7, 2014 | 3-months results 2014

June 25, 2014 | Annual General Meeting 2014

Disclaimer



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Backup

Consolidated P&L



k€	Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
<i>Continuing operations</i>						
Revenues	18,212	21,361	-15%	55,171	66,426	-17%
Revenues DA solutions	10,232	13,047	-22%	31,389	40,744	-23%
Revenues Media	7,980	8,314	-4%	23,782	25,682	-7%
Cost of revenues	-8,021	-9,878	-19%	-25,544	-29,189	-12%
Gross profit	10,191	11,483		29,627	37,237	-20%
Gross profit in %	56.0%	53.8%		53.7%	56.1%	
Selling and distribution costs	-7,720	-9,576	-19%	-22,942	-28,885	-21%
General administrative expenses	-2,915	-3,653	-20%	-9,690	-10,657	-9%
Other operating income	69	40,872		453	40,874	
Other operating expense	-10	-6,536		-33	-6,548	
EBITDA incl. non-recurring effects	2,243	35,421	-94%	5,361	40,702	-87%
non-recurring effects	586	-31,911		2,695	-29,693	
EBITDA w/o non-recurring effects	2,829	3,510	-19%	8,056	11,009	-27%
Financial income	7	8,631		23	8,829	
Income before tax	-378	41,221		-2,562	40,850	
Income tax	253	-17,682		802	-17,551	
Income from continuing operations	-125	23,539		-1,760	23,299	
<i>Discontinued operations</i>						
Income from discontinued operations	155	502		-175	-44	
Net Income	30	24,041		-1,935	23,255	
Earnings per share (in Euro)	0.00	1.26		-0.10	1.22	

Non-recurring items



non-recurring items – cost items

m€	Q3 2013	Q3 2012	Δ	9M 2013	9M 2012	Δ
Cost of revenues	0.2	1.3	-1.1	1.1	2.3	-1.2
Selling and distribution costs	0.3	0.5	-0.1	0.8	0.8	0.0
General administrative expenses	0.4	0.7	-0.3	1.2	1.5	-0.3
Other operating income/expense	-0.3	-34.3	34.1	-0.4	-34.3	33.9
total	0.6	-31.9	32.5	2.7	-29.7	32.4

non-recurring items – topics

m€	Q3 2013	Q3 2012	Δ	9M 2013	9M 2012	Δ
Data-cost claims	-0.1	-32.7	32.6	0.3	-32.7	33.0
Structural costs	0.7	0.7	-0.1	2.4	3.0	-0.6
total	0.6	-31.9	32.5	2.7	-29.7	32.4

Consolidated balance sheet



in kEUR	Sept 30, 2013	Sept 30, 2012	Dec 31, 2012
Assets			
<i>Cash and cash equivalents</i>	12,621	74,795	93,250
<i>Trade accounts receivable</i>	13,485	15,538	16,266
<i>Current tax assets</i>	336	1,154	27
<i>Available for sale financial assets</i>	25,054	0	0
<i>Other financial assets</i>	25,600	1,085	1,162
<i>Other current assets</i>	4,230	6,396	7,926
<i>Assets of disposal group classified as held for sale</i>	0	2,683	0
Total current assets	81,326	101,651	118,631
<i>Tangible and intangible assets</i>	24,555	24,732	24,950
<i>Other non-current assets</i>	28	593	469
Total non-current assets	24,583	25,325	25,419
Total Assets	105,909	126,976	144,050
Liabilities & Shareholders' equity			
Current liabilities	41,077	43,923	38,489
Non-current liabilities	3,866	5,795	4,484
Shareholders' equity	60,966	77,258	101,077
Total liabilities & shareholders' equity	105,909	126,976	144,050

Consolidated cash flow statement



in kEUR	9M 2013	9M 2012
Income from continuing operations	-2,562	40,850
Income from discontinued operations	-160	449
Income before income tax	-2,722	41,299
Depreciation & amortisation	5,246	5,409
Changes in operating assets & liabilities	-1,416	-1,141
Interest income / expense	-2	-8,827
Income taxes paid	-11,302	-350
Other items	-279	-159
Cash provided by (used in) operating activities	-10,476	36,232
Purchase of assets	-6,723	-2,661
disposal of subsidiaries	555	0
Purchase of short-term fixed deposit investments	-24,209	0
Purchase of available for sale financial assets	-52,981	0
Disposal of available for sale financial assets	28,012	0
Cash used in investing activities	-55,346	-2,661
Dividend paid	-14,014	-6,690
Interest received	96	8,882
Interest paid	-889	-10
Cash provided by financing activities	-14,807	2,182
Change in cash and cash equivalents	-80,629	35,751
Cash and cash equivalents at the beginning of reporting period	93,250	39,048
Cash and cash equivalents at the end of reporting period	12,621	74,799
Cash and cash equivalents as well as short-term available for sale financial assets at the end of reporting period	37,675	74,799

Thank you for
your attention!

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