

**telegate closes first quarter of 2014:
Digital business with further increased revenue share and improved profitability**

Munich / Planegg, 7 May 2014 – telegate AG today announced that its digital business recorded revenues of EUR 8,9 million in the first quarter of 2014. The digital segment is developing well and contributed already 54% to the company's total revenue (Q1 2013: 48%). Also the EBITDA before non-recurring items improved significantly year-on-year, coming in at EUR 0.2 million in the first three months of the current financial year after still being negative at EUR -0.1 million in the previous year.

At Group level results have been respectively: Revenues at EUR 16.4 million versus EUR 18.7 million in the first quarter of 2013. The top line is still heavily affected by the declining of Directory Assistance. Nevertheless, in the first quarter of 2014 revenues dropped overall by only 12% while in the same period in 2013 the reduction was still of about 16%. The EBITDA before non-recurring effects is at EUR 2.6 million (Q1 2013: EUR 2.9 million), a result which is well on schedule to meet the guidance of EUR 7 to 9 million for 2014.

Due to non-recurring expenses for an adaptation of internal cost structures, the financial result after tax amounted to EUR -1.7 million (Q1 2013: EUR 0.1 million) in the first quarter of 2014. In this period, telegate AG focused both its product portfolio and its service processes even more on customers' needs. A further increase in customer retention and the growing number of long-standing customers are evidence of a successful turnaround process. In the next months, telegate AG will continue to work on establishing itself as a long-term marketing partner for small and medium-sized enterprises.

The full report of telegate AG on the first quarter of 2014 is available at:
<http://www.telegate.com/investor-relations/english/reports.html>

telegate AG is the second-largest German service provider for regional advertising and directory inquiries. Via the www.11880.com and www.klicktel.de online directories, the corresponding smart phone and iPad apps as well as Klicktel's software products, consumers can access contact details for private subscribers, business information and regional news. These online and mobile services are accessed by more than one million users in Germany each day, making them effective advertising platforms for businesses. In addition to prominently placed entries in the digital directories, telegate offers small and medium-sized enterprises numerous opportunities for marketing their products and services on the Internet via its telegate MEDIA subsidiary. Following the liberalisation of the telecommunications market at the end of the 1990s, telegate rapidly became Germany's second-largest provider of directory assistance services through the country's best known telephone number 11 88 0*. With a market share of nearly 40 percent, it is now the leading alternative provider of such services. telegate AG has around 1,000 employees at nine sites in Germany. The company's share is listed in the Prime Standard of the Frankfurt Stock Exchange.

* EUR 1.99 per minute from a Deutsche Telekom land line. Other prices may apply to calls made from mobile networks. Text message inquiries are just EUR 1.99 (Vodafone D2 portion: EUR 0.12) in Germany.