

Issue 03/2007

IR-Newsletter

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Germany/Austria

Dear Newsletter Subscriber,

Please find below the latest information on our group.

We hope you will enjoy reading our Newsletter !

Your telegate Investor Relations Team

Verdict to be announced for data cost reclaim trials

On May 9, 2007, the Higher Regional Court Düsseldorf had rescheduled the publication of verdict regarding telegate AG's reclamation suit against Deutsche Telekom AG until May 16, 2007. The verdict for the second part of the reclamation suit filed by Datagate GmbH is scheduled to be published on June 27, 2007.

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IR-Calendar

Roadshow Switzerland	05/14/2007
Roadshow in Italy	05/24/2007
Roadshow USA	06/11-12/2007
Publication of 6-Months Results 2007	08/29/2007
Publication 9-Months Results 2007	11/07/2007

Analyst Coverage

Institute	Analyst	Recommendation	Target Price (in Euro)		Date
			New	Old	
DZ Bank	Marcus Pratsch	Buy	22.00	22.00	05/08/2007
Berenberg Bank	Thomas Wissler	Buy	24.50	22.00	05/03/2007
Cheuvreux	Felix Braune	Outperform	23.50	22.50	04/18/2007
Sal Oppenheim	Wolfgang Specht	Buy	23.00	22.00	04/13/2007
HVB Equity Research	Thomas Friedrich	Buy	22.00	21.00	04/03/2007

Fiscal year 2007 starts in line with plan

In the first quarter of 2007, telegate has continued to increase its profits, following the trend of the second half of 2006. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased significantly to 11.0 million Euro (previous year: 0.3 million Euro). The main drivers behind this performance were a gross margin climbing to 59 percent (previous year: 48 percent) and - compared with last year's figure - substantially lower advertisements costs. As a consequence, the annual profit after taxes rose substantially from the -2.5 million Euro recorded for the first quarter of 2006 to 7.3 million Euro in the first quarter of 2007. Revenues in the period under review were slightly receding to 44.0 million Euro (previous year: 47.2 million Euro). If the figure for Q1 2006 is adjusted by the outsourcing sales totaling 9.5 million Euro made in France prior to the liberalization with SFR and Bouygues Telecom DA services at no margin, this would lead to a 17 percent growth in revenues. The Free Cash Flow of 9.9 million Euro for the first quarter 2007 (previous year: -3.9 million Euro) underlines the company's financial power and in turn raises freely available liquidity to 28.8 million Euro. This gives telegate a solid basis for the successful continuation of business this year.

All business segments of telegate also expanded their respective positions. The segment Germany/Austria managed to keep sales stable in a quarter-on-quarter comparison and substantially boosted earnings. Here, telegate generated revenues of 28.5 million Euro (previous year: 28.6 million Euro) with earnings before interest, taxes, depreciation and amortization (EBITDA) of 11.0 million Euro (previous year: 9.3 million Euro). Particularly gratifying was the performance of the business segment Italy/Spain, where revenues grew by almost 28 percent from 7.5 million Euro in comparison period to 9.6 million Euro in reporting period. At the same time, the segment's profitability rose significantly, recording an EBITDA of 2.4 million Euro (previous year: 1.0 million Euro). Revenues made with the '118 000' DA service within the French segment were also markedly higher, generating a total of 5.9 million Euro (previous year: 1.7 million Euro, if restated for the outsourcing sales made with SFR and Bouygues Telecom prior to French market full liberalization). In line with this general development the negative earnings from this segment were further cut from -10.1 million Euro recorded for the first quarter of 2006 to -2.4 million Euro in the first quarter of 2007.

Based on these results, telegate maintains its target for fiscal year 2007 and reckons to generate an EBITDA of approximately 50 million Euro for the period.

Dividend Announcement 2007

The Annual Shareholders' Meeting of telegate AG, held on May 9, 2007, resolved to distribute a dividend of 0.65 Euro per no-par share for the eligible share capital of 20,987,045 Euro for the fiscal year 2006.

The dividend payment will be paid out without deducting capital yield tax or solidarity surcharge due to distribution out of the taxable deposit account. The dividend is distributed by Clearstream Banking AG, Frankfurt am Main, to the single custodian accounts on May 10, 2007.

If you have further questions, please visit us at our website www.telegate.com or send an email to Investor.Relations@telegate.com.

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