



SERVICE LEADERSHIP

INTERIM REPORT  
FIRST QUARTER 2007  
TELEPLAN INTERNATIONAL N.V.

**Teleplan**

## Key data

<b>EUR m (unless stated otherwise)</b>	<b>3M 2007</b>	<b>3M 2006</b>	<b>3M 2005</b>
Revenue	65.3	59.5	63.6
EBITDA	5.0	4.6	4.2
Depreciation and amortization	1.5	2.1	2.3
EBIT (operating income)	3.5	2.5	1.9
Financial Expenses	2.4	1.8	2.2
Income tax expense / (income)	0.2	-	(0.3)
Net income	0.9	0.7	0.0
Operating cash flow	4.2	2.8	(2.3)
Weighted average number of shares (x 1,000)	43,244	33,772	32,220
Earnings per share (EUR); Basic	0.02	0.02	0.00
Earnings per share (EUR); Fully Diluted	0.02	0.01	0.00
Operating cash flow per share (EUR)	0.10	0.08	(0.07)
Book value per share (EUR)	0.48	0.68	1.01
<b>Selected Balance Sheet Data</b>	<b>31 March 2007</b>	<b>31 March 2006</b>	<b>31 March 2005</b>
Cash and cash equivalents	13.14	21.16	17.84
Net debt	51.31	52.36	58.45
Balance sheet total	151.08	168.88	183.49
Total equity	20.70	22.96	32.69
Equity Ratio (%)	13.70	13.59	17.81
Number of employees at end of period	5,384	4,874	5,092

## Company Profile / Markets Served

Teleplan International N.V. ("Teleplan", "Company", "Group") is a leading provider of total service management solutions for the Computer, Communication and Consumer Electronics industry. Teleplan offers its customers services ranging from repairs to complex value-added and integrated after-sales services and solutions, including the total outsourcing of their warranty responsibilities. The Company also renders services to retail operators or end-users that do not have the benefit of warranties. Teleplan offers servi-

ces to a wide range of nine product groups including: storage, personal computers & notebooks, displays, printers, mobile phones, network equipment, video-com, gaming, and imaging. Teleplan has a global presence with 21 operationally active sites in Europe, North America, Asia and Australia and employs more than 5,300 service-oriented people worldwide, including its lean management structure headquartered in Zoetermeer, The Netherlands.

## Letter to Our Shareholders, Customers and Stakeholders of the Company

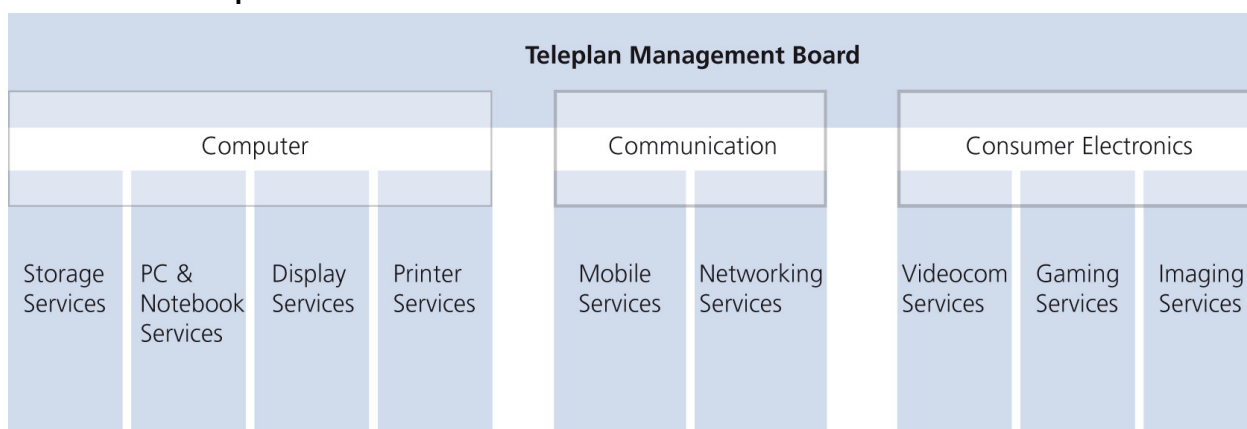
The hard work from the year 2006 starts to pay off in fiscal 2007. Overall Teleplan has significantly grown by approximately 10% above the market growth rate of 5% on average. The digital convergence of the electronics industry continues on its path of acceleration, thus constantly introducing numerous new opportunities at a time when rapid product introductions are changing the landscape with new players. These players are emerging in more and more regions and introducing new innovative service models. Teleplan's goal is therefore to continue utilizing and improving on its strengths in order to tap into the potential the digital convergence within the sector has to offer.

Teleplan's focus in 2006 was placed on reorganizing the business model from a regional-based management to one centered around the three target segments of Computer, Communication and Consumer

Electronics, or what we refer to as the "3C's". In doing so, we have emphasized our focus on nine products groups: storage, personal computers & notebooks, displays, printers, mobile phones, networks, video-com, gaming and imaging.

In 2006 we continued the company's restructuring to prepare for the transition to the new "3C's" model with a clear focus on the bottom line. The effects of the restructuring, however, hit the company somewhat harder than we had expected and communicated to the capital market. The restructuring, which proved difficult to plan and implement in a specific timeframe, took longer than we had anticipated overall. Moreover, the earlier shutdown of plants in Western Europe among other regions with the goal of improving the efficiency of the business structure and boosting profitability made immediate, simultaneous growth more difficult.

### Global Product Groups within the "3C's"



During the first quarter 2007 all our stakeholders, especially customers, lenders, bondholders, shareholders, and of course our employees have shown their continuous support to the Company.

Teleplan has won additional new contracts besides the already new contract wins in 2006 which starts to pay off now. We even have decided to open up a new facility in Indonesia for our Communication segment to serve the improved Company performance. The Group's borrowings facility has been extended until 10 July 2008 together with a revised payment schedule. Bonds outstanding were fully converted into shares by the end of March 2007, resulting in a

total number of outstanding shares, of 54,322,301 compared to the figure of 42,295,012 shares at year end 2006. In April 2007, a great majority of Teleplan's shareholders (approx. 87%) participated in the offer to subscribe for new shares in the Company. Teleplan's four major shareholders participated in this and also subscribed for those shares which were not subscribed for by other share-holders. A total of 5,432,225 new shares were issued on 24 April 2007, resulting in a number of outstanding shares of 59,754,526.

Zoetermeer, 3 May 2007  
The Management Board

## **Business Development in the First Three Months 2007**

The new contract wins from 2006 are starting to pay off and resulted in an organic top line growth in all segments significantly above market growth rate of 5%. Notebook, mobile and gaming services showed the strongest revenue growth in the first quarter 2007. On a like-for-like basis – eliminating the exchange rate effects – the company's growth has been 15%.

Lower gross margin of 59% compared to the same period last year (62%) is due to some service-mix

changes. Price increases on the one hand were eaten up by price erosions on the other hand.

Earnings increase in absolute terms was mainly driven by the Computer and Communication segment and an ongoing strict cost control on personnel expenses which are further down to 37% of revenue in the first quarter.

Revenues suffered by approx. EUR 3.6 million due to exchange rate effects and profitability was burdened in the amount of EUR 364,000.

## **Analysis of the Profit & Loss Account of the First Three Months 2007**

Revenue for the first three months 2007 increased by approximately 10% to EUR 65.3m compared to EUR 59.5m achieved in the year before.

The comprehensive restructuring program during the past two years yielded a greatly improved cost structure. Personnel costs were reduced by approximately 2% or EUR 0.4m in absolute terms despite the increase of 510 employees representing a more than 10% increase in a Q1 to Q1 comparison. Costs of raw materials and consumables increased by EUR 4.2m due to the changed service mix and higher revenue of EUR 5.8m. Earnings before interest, taxes, depreciation and amortization (EBITDA) increase of 10% in line with revenue growth resulted in EUR 5.0m compared to EUR 4.6m the year before.

Depreciation of property, plant & equipment declined to EUR 1.4m in first quarter 2007, after EUR 2.1m previous year, mainly due to the reduced volume of capital expenditure during the restructuring phase.

Operating income (EBIT) increased by more than 40% to EUR 3.5m, after EUR 2.5m the year before.

Net income for the first quarter 2007 was EUR 0.9m versus EUR 0.7m in the same period 2006. Earnings per share (EPS) amount to EUR 0.02 and equals the EPS in the first quarter of 2006.

The year 2006 has been the year of transition from a regional structure to a structure following the Group's line of business and customer needs. With effect from January 2006, Teleplan has implemented a business unit structure ("3C's"). The three business segments, Computer, Communication and Consumer Electronics, operate nine product groups. As a result, the Group is now able to offer its services and expertise on a global scale. The Group has also introduced key account management for international customers, which will further support total customer service management. All "3C's" have delivered a profit in the first quarter.

## Segment Information (Un-Audited)

(Amounts in thousands of EUR unless stated otherwise)	Period ended 31 March 2007 Un-audited	Period ended 31 March 2006 Un-audited	Period ended 31 March 2005 Un-audited
<b>Computer</b>			
Revenue	35,004	33,170	30,042
EBITDA	3,098	3,053	4,737
EBIT	2,039	1,506	2,963
Number of employees	3,485	3,333	2,982
<b>Communication</b>			
Revenue	14,769	13,098	23,317
EBITDA	734	(418)	(1,425)
EBIT	583	(679)	(1,724)
Number of employees	713	604	1,131
<b>Consumer</b>			
Revenue	15,548	13,271	10,244
EBITDA	1,182	1,925	911
EBIT	944	1,689	641
Number of employees	1,186	938	979
<b>Total</b>			
Revenue	65,321	59,539	63,603
EBITDA	5,014	4,560	4,223
EBIT	3,566	2,516	1,880
Number of employees	5,384	4,874	5,092

## Discussion of Cash Flow and the Balance Sheet of the First Three Months 2007

Cash generated from operations increased to EUR 4.2m in the first quarter 2007; after a cash generation of EUR 2.8m the year before. This positive effect of approximately 50% resulted mainly from changes in working capital.

Cash used for investments in property, plant and equipment amounted again to only EUR 0.5m in the current year rather similar to last years EUR 0.6m.

Repayment of borrowings in the amount of EUR 1.9m after EUR 2.1m the year before provides evidence of the operating cash and earnings power of the new Teleplan. On the bottom line, cash and cash equivalents rose by EUR 2.5m to EUR 13.1m in the

first three months 2007 including a positive effect of foreign exchange rate changes of EUR 0.7m.

Total assets at 31 March 2007 increased slightly by approximately 2% to EUR 151.1m, from EUR 148.4m at 31 December 2006. Conversion of outstanding bonds increased issued capital by approximately EUR 3.0m and resulted in an increase of total equity of EUR 7.4m. As a result the Group's equity ratio of 13.7% is nearly unchanged compared to the 13.6% in the quarter to quarter comparison but increased significantly compared to the 8% at the balance sheet date 2006.

## Events after the end of the First Quarter 2007

The Management Board of Teleplan International N.V. offered up to 5,432,225 new bearer shares in its share capital for the aggregate amount of approximately EUR 5,900,000 (the "Offering"). The Offering was structured as a non public offering of non-transferable pre-emptive rights to existing shareholders. The subscription price for the new shares was EUR 1.10. The size of the Offering was less than 10% of the number of ordinary shares already admitted to trading on the Frankfurt stock exchange. The Offering was subscribed for by 87% of our existing shareholders. Teleplan's four major

shareholders fully exercised their own subscription rights before also subscribing for those shares which were not subscribed for by other share-holders. The 5,432,225 new shares were issued on 24 April 2007, resulting in a number of outstanding shares of 59,754,526.

The net proceeds of the Offering will be used to facilitate profitable growth with Teleplan's key customers.

## Outlook

The global electronics equipment market is expected to have grown with 5% in 2006 to USD 1.3 trillion. Teleplan's "3C's" sales split corresponds to the world market split.

The global IT & telecommunications industry is and will remain one of the key growth markets of the world economy. With an established market position, a visible market share and a portfolio of blue chip customers Teleplan is in an excellent position to benefit from these prospects.

At the beginning of 2006 Teleplan introduced the "3C's" business unit structure. This has resulted in more focus to develop the business on a world wide basis. Together with a strengthened corporate structure and focus on business segments whose profitability is below the Group's standard, Teleplan is ready for future growth. Improved efficiency and substantially lower costs as a result of the transition from high-cost to low-cost countries will contribute to sustainable profit growth.

While these general prospects are promising, significant efforts are still required in the short-term to arrive at these targets. Lasting profitability is the result of daily management focus. In particular in the two largest regions, the Americas and EMEA, there continues to be major work to attain satisfactory

levels of profitability. Short-term earnings development can therefore still be characterized by some volatility.

Revenue growth in 2007 will come from organic growth, including the opening of a site in Jakarta, Indonesia. In 2007, management will continue to review the profitability of the sites in the high-cost countries and have a further focus on fine tuning and streamlining the business. Management is not aware of national legislation or other external factors which could substantially delay growth in 2007.

Nevertheless 2007 will be a year with significant improvement over 2006 on the top and bottom line. Management expects and the first quarter already supports a mid to high single digit growth percentage for the top line as well as a high single digit EBITDA margin.

Management expects headcount to increase to 5,500 to support revenue growth in the near term. Capital expenditure is expected to be in line with 2006. The full conversion in March 2007 of the convertible bonds outstanding at 31 December 2006 and the injection of capital of EUR 5.9 million in April 2007 will further strengthen the balance sheet in 2007.

## Other Information

### General principles

The Group has adopted the provisions of the International Financial Reporting Standards (IFRS), formerly known as International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB). The list of subsidiaries of Teleplan International N.V., which are included in the consolidated information presented in this report, remains unchanged from the table presented in the 2006 annual report. There have been no changes to the accounting and valuation methods since the date of the annual report 2006.

This report is un-audited.

### Consolidated Income Statement (Un-Audited)

(Amounts in thousands of EUR)	Period ended 31 March 2007 Un-audited	Period ended 31 March 2006 Un-audited
Revenue	65,321	59,539
Raw materials and consumables used	26,609	22,408
Personnel costs	23,940	24,359
Other operating costs	9,758	8,212
EBITDA	<b>5,014</b>	<b>4,560</b>
Amortization of intangible fixed assets	263	548
Depreciation of property plant & equipment	1,185	1,496
Operating income (EBIT)	<b>3,566</b>	<b>2,516</b>
Financial expenses	2,408	1,757
Income before taxes	1,158	759
Income tax	228	39
Result for the period	930	720
Attributable to:		
Equity holders of the company	930	720
Minority interests	-	-
	<b>930</b>	<b>720</b>

## Consolidated Cash Flow Statement (Un-Audited)

(Amounts in thousands of EUR unless stated otherwise)	Period ended 31 March 2007 Un-audited	Period ended 31 March 2006 Un-audited
<b>Cash flow from operating activities</b>		
Revenue	65,321	59,539
Operating expenses	60,307	54,979
	<hr/> 5,014	<hr/> 4,560
Changes in assets and liabilities		
Inventories	(1,194)	(1,161)
Trade and other receivables	(514)	5,969
Trade and other payables	5,405	(5,731)
Other tax and social security	(1,012)	225
Provisions and other	(1,225)	(313)
Cash from operations	<hr/> 6,474	<hr/> 3,549
Interest paid	1,453	930
Other financial expenses	556	112
Income taxes (paid) / received	(233)	272
<b>Net cash from operating activities</b>	<hr/> <b>4,232</b>	<hr/> <b>2,779</b>
Investment in property, plant and equipment	(550)	(585)
Disposal of property, plant and equipment	29	-
Investment in intangible assets	(1)	(3)
<b>Net cash (used in) investing activities</b>	<hr/> <b>(522)</b>	<hr/> <b>(588)</b>
Repayment of borrowings	1,872	2,192
Exercise of warrants	-	120
<b>Net cash (used in) financing activities</b>	<hr/> <b>(1,872)</b>	<hr/> <b>(2,072)</b>
Net increase in cash and cash equivalents	1,838	119
Cash and cash equivalents at beginning of period	10,626	20,918
Effect of foreign exchange rate changes	675	126
<b>Cash and cash equivalents at end of period</b>	<b>13,139</b>	<b>21,163</b>

## Consolidated Balance Sheet (Un-Audited)

(Amounts in thousands of EUR)

	31 March 2007 Un-audited	31 December 2006
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	48,292	48,729
Property, plant & equipment	14,088	14,710
Deferred tax assets	6,838	6,915
Total non-current assets	69,218	70,354
<b>Current assets</b>		
Inventories	16,663	15,565
Trade and other receivables	51,559	51,273
Current income tax	500	589
Cash and cash equivalents	13,139	10,626
Total current assets	81,861	78,053
<b>Total Assets</b>	<b>151,079</b>	<b>148,407</b>
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>		
Issued capital	13,581	10,574
Share premium	145,923	141,579
Retained earnings	(93,375)	(100,067)
Currency translation reserve	(46,832)	(46,777)
Convertible bonds – equity component	-	5,450
Share warrants	1,400	1,400
<b>Total Equity</b>	20,697	12,159
<b>Non-current liabilities</b>		
Long-term borrowings	52,480	-
Convertible bonds – debt component	-	7,123
Retirement benefit obligations	3,357	3,327
Provisions	1,688	1,688
Total non-current liabilities	57,525	12,138
<b>Current liabilities</b>		
Short-term borrowings	11,971	66,196
Trade and other payables	51,094	46,903
Current income tax	1,819	1,732
Provisions	7,973	9,279
Total current liabilities	72,857	124,110
<b>Total Liabilities</b>	130,382	136,248
<b>Total Equity and Liabilities</b>	<b>151,079</b>	<b>148,407</b>

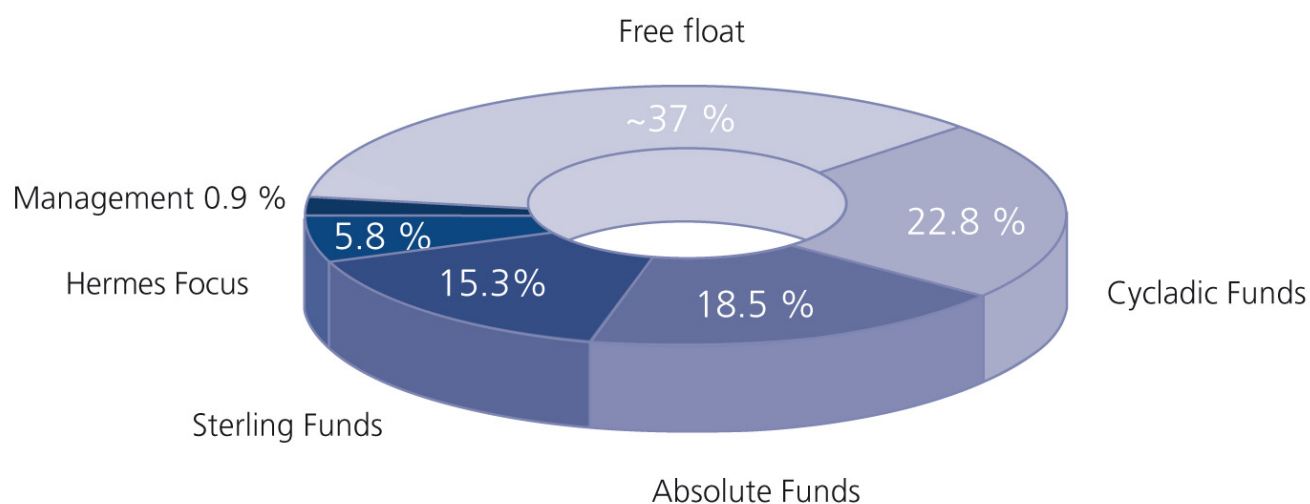
## Consolidated Statement of Changes in Shareholders' Equity (Un-Audited)

(Amounts in thousands of EUR unless stated otherwise)	Share capital	Share premium	Retained earnings	Currency translation reserve	Convertible bonds	Share warrants	Total	Minority interests	Total equity
Balance at 1 January 2006	8,388	134,717	(93,494)	(40,045)	9,273	1,520	20,359	-	20,359
Net income	-	-	(8,078)	-	-	-	(8,078)	-	(8,078)
Currency translation adjustments	-	-	-	(6,732)	-	-	(6,732)	-	(6,732)
Issuance of shares	29	246	-	-	-	-	275	-	275
Conversion of bonds into shares	2,124	6,529	-	-	(3,823)	-	4,830	-	4,830
Exercise of warrants	33	87	120	-	-	(120)	120	-	120
Share-based payment	-	-	1,385	-	-	-	1,385	-	1,385
Balance at 1 January 2007	10,574	141,579	(100,067)	(46,777)	5,450	1,400	12,159	-	12,159
Net income	-	-	930	-	-	-	930	-	930
Currency translation adjustments	-	-	-	(55)	-	-	(55)	-	(55)
Issuance of shares	-	-	-	-	-	-	-	-	-
Conversion of bonds into shares	3,007	4,344	5,450	-	(5,450)	-	7,351	-	7,351
Exercise of warrants	-	-	-	-	-	-	-	-	-
Share-based payment	-	-	312	-	-	-	312	-	312
Balance at 31 March 2007	13,581	145,923	(93,375)	(46,832)	-	1,400	20,697	-	20,697

## Actual Shareholders' Structure

The number of shares issued and outstanding as of 31 March 2007 was 54,322,301 with a par value of EUR 0.25. As of this date the Company held no own shares. The current and former members of the Management Board held 1,800,000 share options; the Management Board held 450,000 shares. At 31 March 2007 the members of the Supervisory Board did not hold ordinary shares of Teleplan International N.V.

The charts sets forth information regarding the ownership of the shares as of 31 March 2007 as estimated by the Company.



## Investor Relations / Teleplan Share

The positive results of a successful turn-around in 2007, will reinforce interest in Teleplan. To regain trust in the company's perspectives and enhance the attraction of the Teleplan share the management board will intensify investor relations activities in 2007. This will include an extension of the coverage from sell and buy side analysts as well as continuing participation in capital market events such as capital market conferences. The main focus of attention will be on analysts and investors who primarily cover technology stocks and small and mid-cap companies.

A close and open dialogue with the financial community will help to provide insight into the Group's operational business and support the positioning of Teleplan as a transparent and capital market oriented company. The Management Board will continue to

intensify contacts with shareholders, potential investors, financial analysts, and business journalists in continental Europe and the UK.

Our website offers a platform containing a wide range of detailed and up to date information. Combined with regular conference calls following the announcement of quarterly figures we consider this as a basis for increasing demand of institutional investors and more intensive research coverage. Similar to last year the medium-term target is to re-enter the SDAX.

In the interests of restarting and rebuilding ongoing contact with our investors we are going to organize road shows at the main financial centers across Europe from Zurich to London, backed up by additional sessions in Germany.

### Key share data

ISIN	NL0000229458
Ticker Symbol	TPL
Reuters Instrument Code	TELP.DE
Bloomberg Instrument Code	TPL:GR
Trading Segment	Prime Standard
Prime Sector	Industrial
Industry Group	Industrial Products & Services
Indices	Prime All Share, Classic All Share
Designated Sponsor	VEM Aktienbank AG
Subscribed Capital as of 31 December 2006	10,573,753 EUR
Subscribed Capital as of 31 March 2007	13,580,575 EUR
Class of Shares	Bearer Shares

## Financial Calendar

3 May 2007	Release of first quarter figures 2007 Release of three-month-report 2007
16 May 2007	Annual General Shareholders Meeting (AGM), Amsterdam
26 July 2007	Release of half year figures 2007 Release of six-month-report 2007
25 October 2007	Release of nine-month-report 2007

## Corporate Office

### Teleplan International N.V.

#### Gotthard Haug, CFO

Werner von Siemensstraat 17

2712 PN Zoetermeer

The Netherlands

Phone: +31 - (0) 79 - 330 44 - 55

Fax: +31 - (0) 79 - 330 44 - 66

mailto: [investor\\_relations@teleplan.com](mailto:investor_relations@teleplan.com)

home: [www.teleplan.com](http://www.teleplan.com)

## „Safe Harbor“ statement for the Private Securities Litigation Act of October 1995

### Cautionary Note Regarding Forward-Looking Statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Teleplan International and certain of the plans and objectives of Teleplan International with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events in the future and depend on circumstances that are then valid. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, levels of consumer and business spending in major economies, changes in consumer tastes and preferences, the levels of marketing and promotional expenditures by Teleplan International and its competitors, raw materials and employee costs, changes in future exchange and interest rates, changes in tax rates and future business combinations, acquisitions or dispositions and the rate of technical changes. Market share estimates contained in this report are based on outside sources such as specialized research institutes, industry and dealer panels, etc. in combination with Management estimates.

### No duty to update

The company assumes no obligation to update any information contained herein.