

Press release

United Internet gets off to successful start in fiscal year 2016

- 270,000 new customer contracts in the first quarter
- Sales up 7.0% to EUR 968.6 million
- EBITDA grows 16.8% to EUR 202.7 million and EBIT by 29.3% to EUR 154.0 million
- Non-cash effective writedown on Rocket Internet shares of EUR 156.7 million completed as announced
- EPS of EUR -0.27, without Rocket impairment EUR 0.50 (up 28.2% on prior-year figure of EUR 0.39)
- Guidance confirmed for full-year 2016

Montabaur, May 17, 2016. United Internet continued its growth trajectory in the first quarter of 2016. The company once again posted strong improvements in customer contracts, sales, and key earnings ratios from its operating activities.

Development of Group's operating business

United Internet continued to invest heavily in new customer relationships in the first quarter of 2016. As a result, it raised the number of fee-based customer contracts by 270,000 contracts in the reporting period – and thus by an even greater amount than in the first quarter of 2015 (230,000 contracts) – to 16.24 million. This growth was driven in particular by the company's Access business which generated 200,000 new Mobile Internet contracts and 40,000 DSL contracts. In the Applications segment, 30,000 fee-based contracts and 340,000 ad-financed accounts were added during the reporting period.

Thanks to the further strong year-on-year increase in customer figures, there was a 7.0% increase in consolidated sales to the new record figure of EUR 968.6 million (prior year: EUR 905.1 million).

Despite heavy investments in the above mentioned customer growth, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 16.8% to EUR 202.7 million (prior year: EUR 173.5 million). Earnings before interest and taxes (EBIT) increased by 29.3%, from EUR 119.1 million to EUR 154.0 million.

Group development (in EUR million)	Jan. – March 2015	Jan. - March 2016	Change
Sales	905.1	968.6	+ 7.0%
EBITDA	173.5	202.7	+ 16.8%
EBIT	119.1	154.0	+ 29.3%

Special items

As announced in the Subsequent Events section of its Annual Financial Statements 2015, United Internet wrote down the value of shares held in Rocket Internet SE in its non-operating business in the first quarter of 2016 by the projected amount. Due to the Xetra closing price for Rocket Internet shares of EUR 24.61 as of March 31, 2016, the impairment charge had a non-cash effect on EBT of EUR -156.7 million and on EPS of EUR -0.77. United Internet is still convinced that Rocket Internet has significant market opportunities. The impairment does not impact United Internet's dividend policy nor its guidance for 2016, as these are based on earnings from operating activities.

Earnings per share

Earnings per share (EPS) before special items improved by 28.2%, from EUR 0.39 in the previous year to EUR 0.50. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, EPS rose by 25.6% from EUR 0.43 to EUR 0.54. As a result of the Rocket impairment charge, EPS for the first quarter amounted to EUR -0.27 and EPS before PPA to EUR -0.23.

Outlook 2016

“With the figures we achieved for customer contracts, sales, and earnings, we are well on track to meet our targets,” says Ralph Dommermuth, CEO of United Internet, commenting on the figures for the first quarter of 2016. “Against this backdrop, we can confirm our full-year guidance for 2016 and continue to expect an increase in consolidated sales to approx. EUR 4 billion. EBITDA is still expected to rise to approx. EUR 850 million. At the same time, the number of our fee-based customer contracts is likely to grow by approx. 800,000 contracts.”

An overview of all key figures and the Interim Statement for the First Quarter 2016 can be found at www.united-internet.de.

About United Internet

With 16.24 million fee-based customer contracts and 33.49 million ad-financed free accounts, United Internet AG is Europe’s leading internet specialist. At the heart of United Internet is a high-performance “Internet Factory” with approx. 8,200 employees, of which around 2,700 are engaged in product management, development and data centers. In addition to the high sales strength of its established brands (1&1, GMX, WEB.DE, united-domains, Fasthosts, Arsys, home.pl, InterNetX, Sedo, affilinet and Versatel), United Internet stands for outstanding operational excellence with around 50 million customer accounts worldwide.

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