

## Press release

### Successful first nine months of 2016 for United Internet

- 780,000 new customer contracts in the first nine months
- Sales up 6.4% to EUR 2,932.2 million
- EBITDA grows by 13.4% to EUR 613.3 million and EBIT by 23.9% to EUR 468.2 million
- Operating EPS up 21.3% to EUR 1.54

**Montabaur, November 15, 2016.** United Internet AG continued its growth trajectory in the first nine months of 2016. The company once again posted strong improvements in customer contracts, sales, and key earnings ratios from operating activities.

#### Development of Group's operating business

United Internet continued to invest heavily in new customer relationships in the first nine months of 2016. As a result, it raised the number of fee-based customer contracts by 780,000 contracts in the reporting period – and thus by an even greater amount than in the first nine months of 2015 (650,000 contracts) – to 16.75 million. This growth was driven in particular by the company's Access business, which generated 620,000 new Mobile Internet contracts and 80,000 DSL contracts. In the Applications segment, 80,000 fee-based contracts and 290,000 ad-financed free accounts were added during the reporting period.

Consolidated sales rose by 6.4% to the new record figure of EUR 2,932.2 million. Adjusted for currency fluctuation, percentage sales growth was thus on a par with the previous quarters.

Despite heavy investment in customer growth, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 13.4%, from EUR 541.0 million (comparable prior-year figure) to EUR 613.3 million. Earnings before interest and taxes (EBIT) increased by 23.9%, from EUR 378.0 million (comparable prior-year figure) to EUR 468.2 million.

Group development (in EUR million)	Jan. – Sept. 2015*	Jan. – Sept. 2016	Change
Sales	2,754.8	2,932.2	+ 6.4% (currency-adjusted: + 6.9%)
EBITDA	541.0	613.3	+ 13.4% (currency-adjusted: + 14.1%)
EBIT	378.0	468.2	+ 23.9% (currency-adjusted: + 24.8%)

\* Key earnings figures 2015 without special items from sale of Goldbach shares and partial stake in virtual minds (EBITDA, EBIT effect = EUR +14.0 million)

#### EPS / special items

Operating earnings per share (EPS) improved by 21.3%, from EUR 1.27 (comparable prior-year figure) to EUR 1.54. Before amortization from purchase price allocations (PPA), which mainly relate to the Versatel acquisition, EPS rose by 19.4% from EUR 1.39 to EUR 1.66.

As already reported in the Half-Yearly Financial Report 2016, United Internet has written down the value of shares it holds in Rocket Internet SE in its non-operating business (EPS effect: EUR -1.25). As a result, EPS fell in total to EUR 0.29 and EPS before PPA to EUR 0.41. United Internet is still convinced that Rocket Internet has significant market opportunities. The impairment charges do not impact United Internet's dividend policy nor its guidance for 2016, as these are based on earnings from operating activities.

## **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 fiscal year so far. “After completing the first nine months of 2016, we can provide more specific guidance for the year as a whole: sales are expected to reach EUR 3.94 – EUR 3.96 billion (currency-adjusted: EUR 3.96 – EUR 3.98 billion). EBITDA is likely to improve to EUR 835 – EUR 845 million (currency-adjusted: EUR 845 – EUR 855 million). We expect the number of fee-based customers contracts to rise by 940,000 - 960,000 contracts.”

An overview of all key figures and the Interim Statement Q3 2016 is available at [www.united-internet.de](http://www.united-internet.de).

## **About United Internet**

With 16.75 million fee-based customer contracts and 33.44 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. 8,000 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 1&1 Versatel), United Internet stands for outstanding operational excellence with around 50 million customer accounts worldwide.

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