

PRESS RELEASE

United Internet AG

Successful H1 2017 for United Internet

- 19.24 million customer contracts: 1.87 million from Strato takeover, organic growth + 400,000, Q2 + 210,000
- Sales of EUR 1.954 billion (+ 3.9%), Q2 + 5.7%
- EBITDA of EUR 429.9 million (+ 8.0%), Q2 + 10.3%
- EBIT of EUR 325.3 million (+ 7.9%), Q2 + 7.3%

Montabaur, August 10, 2017. United Internet AG continued its growth trajectory in the first half of 2017. The company once again posted improvements in its customer contract figures, sales revenues, and key earnings ratios from operating activities. Moreover, the investment of Warburg Pincus in the Business Applications division and the complete takeover of Strato were successfully closed and a merger agreed with Drillisch AG during the reporting period.

The Management Board of United Internet AG also resolved to combine the affiliate marketing business of Group subsidiary affilinet GmbH with AWIN AG – controlled by Axel Springer – in return for new shares.

In the first six months of 2017, growth was mainly driven by the company's subscription business. The number of fee-based customer contracts was increased organically by 400,000 contracts. The company added 260,000 Mobile Internet contracts and 40,000 DSL connections in its Access segment. 100,000 fee-based customer contracts were also added in the Applications segment during the reporting period. The initial consolidation of Strato as of April 1, 2017 resulted in the addition of a further 1.87 million contracts, taking the total stock as of June 30, 2017 to 19.24 million contracts.

In the first half of 2017, consolidated sales grew by 3.9% to EUR 1,954.1 million (comparable prior-year figure: EUR 1,880.7 million). The first-time sales contribution of Strato (EUR 31.7 million) was offset in part by expected regulatory effects (EUR -23.7 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 8.0% to EUR 429.9 million (comparable prior-year figure: EUR 398.0 million). The first-time EBITDA contribution of

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Strato (EUR 13.1 million) was opposed by regulation, migration and currency effects of EUR -3.1 million.

Earnings before interest and taxes (EBIT) rose by 7.9% to EUR 325.3 million (comparable prior-year figure: EUR 301.5 million).

Group development (in EUR million)	H1 2016	H1 2017	Change
Sales	1,880.6	1,954.1	+ 3.9%
EBITDA	398.0	429.9	+ 8.0%
EBIT	301.5	325.3	+ 7.9%

Group development (in EUR million)	Q2 2016	Q2 2017	Change
Sales	947.1	1,001.4	+ 5.7%
EBITDA	196.6	216.9	+ 10.3%
EBIT	148.6	159.4	+ 7.3%

EPS / special items

Despite the strong increase in minority interests, especially as a result of the now completed 33.33% stake of Warburg Pincus in the Business Applications division, earnings per share from operating activities (operating EPS) rose by 6.1%, from EUR 0.99 (comparable prior-year figure) to EUR 1.05. Before amortization of purchase price allocations (PPA), especially from the Versatel and Strato takeovers, operating EPS rose by 6.5% from EUR 1.07 to EUR 1.14.

Due to the writedowns on shares in Rocket Internet SE held by United Internet in its non-operating business during the first quarter of 2017 (EPS effect: EUR -0.09), as well as one-off tax effects from the Warburg Pincus investment in the Business Applications division and the investment of Drillisch in 1&1 Telecommunication SE (EPS effect: EUR -0.09), EPS fell in total to EUR 0.87.

An overview of all key figures and the 6-Month Report 2017 are available at www.united-internet.de.

About United Internet

With 19.24 million fee-based customer contracts and 34.29 million ad-financed free accounts (as of June 30, 2017), United Internet AG is Europe's leading internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with approx. 8,400 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, Strato, united-domains, Fasthosts, Arsys, home.pl, InterNetX, Sedo, affilinet and 1&1 Versatel), United Internet stands for outstanding operational excellence with over 53 million customer accounts worldwide.

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