

Press release

Successful H1 2016 for United Internet

- 490,000 new customer contracts in the first half-year
- Sales up 7.0% to EUR 1,951.2 million
- EBITDA grows 15.8% to EUR 400.3 million and EBIT by 28.2% to EUR 303.4 million
- EUR 254.6 million non-cash-effective writedown on Rocket Internet shares
- EPS of EUR -0.25, without Rocket impairment EUR 1.00 (up 22.0% on comparable prior-year figure of EUR 0.82)
- Sales and earnings guidance for full-year 2016 confirmed, contract guidance raised

Montabaur, August 11, 2016. United Internet continued its growth trajectory in the first half 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 six months of 2016. As a result, it raised the number of fee-based customer contracts by 490,000 contracts in the reporting period – and thus by an even greater amount than in the first half of 2015 (430,000 contracts) – to 16.46 million. This growth was driven in particular by the company's Access business, which generated 380,000 new Mobile Internet contracts and 70,000 DSL contracts. In the Applications segment, 40,000 new contracts and 210,000 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 1,951.2 million (prior year: EUR 1,823.4 million).

Despite heavy investment in the above mentioned customer growth, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 15.8%, from EUR 345.7 million (comparable prior-year figure) to EUR 400.3 million. Earnings before interest and taxes (EBIT) increased by 28.2%, from EUR 236.7 million (comparable prior-year figure) to EUR 303.4 million.

Group development (in EUR million)	H1 2015*	H1 2016	Change
Sales	1,823.4	1,951.2	+ 7.0%
EBITDA	345.7	400.3	+ 15.8%
EBIT	236.7	303.4	+ 28.2%

* Key earnings figures without special items from sale of Goldbach shares (EBITDA and EBIT effect: EUR +5.6 million)

Special items

In the first and second quarters of 2016, United Internet wrote down the value of shares held in Rocket Internet SE in its non-operating business. In view of the closing price (Xetra) for Rocket Internet shares of EUR 17.47 on June 30, 2016, the impairment charges had a total non-cash effect on pre-tax earnings (EBT) of EUR -254.6 million and of EUR -1.25 on EPS in the first half of 2016. United Internet is still convinced that Rocket Internet has significant market opportunities. The impairment charges do not impact United Internet's dividend policy nor guidance for 2016, as these are based on earnings from operating activities.

Earnings per share

Operating earnings per share (operating EPS) improved by 22.0%, from EUR 0.82 in the previous year (comparable prior-year figure) to EUR 1.00. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, operating EPS rose by 20.0% from EUR 0.90 (comparable prior-year figure) to EUR 1.08. As a result of the Rocket impairment charge, EPS for the first half of 2016 as a whole fell to EUR -0.25 and EPS before PPA to EUR -0.17

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 half of 2016. “Due to the good performance of our operating business in the first half of 2016, we are upholding our sales and earnings guidance for 2016 with expected sales of approx. EUR 4 billion and EBITDA of approx. EUR 850 million. As our acquisition of new customers made better progress than expected, we are raising our contract guidance by 100,000 new contracts to approx. 900,000.”

As of August 11, 2016, an overview of all key figures and the 6-Month Report 2016 will be available at www.united-internet.de.

About United Internet

With 16.46 million fee-based customer contracts and 33.36 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. 8,100 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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