

## **Ad hoc announcement acc. to Sec. 15 WpHG**

### **Successful fiscal year 2012 for United Internet**

- Record growth of 1.18 million new customer contracts to 11.85 million
- Sales up 14.4% to new all-time high of EUR 2.397 billion
- Strong earnings growth in established business fields
- Heavy investment in new business fields as basis for future growth
- Guidance 2013: approx. 1 million new contracts, approx. 10% sales growth, rise in EPS to EUR 1.00 - EUR 1.10

**Montabaur, March 20, 2013.** The Management Board of United Internet AG (ISIN DE0005089031) today announced the consolidated financial results according to IFRS for the fiscal year 2012.

In 2012, the company succeeded in raising both sales and customer contract figures to new record levels and significantly improved earnings in its established business fields. At the same time, considerable investments were made in the establishment and development of new business fields in order to tap further growth potential for the future.

### **Development of the Group**

In fiscal year 2012, consolidated sales of United Internet AG reached EUR 2.397 billion – representing year-on-year growth of 14.4%.

Sales in established business fields rose by 13.2% to EUR 2.356 billion. There was particularly strong sales growth of 15.9% to EUR 1.586 billion in the Access segment. In the Applications segment, sales in established business fields also rose sharply by EUR 57.3 million to EUR 769.4 million.

In addition, there was revenue from new business fields of EUR 40.8 million (prior year: EUR 13.7 million) due to the encouraging international growth of the 1&1 MyWebsite. All in all, sales of the Applications segment rose by 11.6%.

There was also a sharp rise in United Internet's customer contract figures in fiscal year 2012: with the total addition of 1.18 million new contracts (Access: +670,000, Applications: +510,000), the strong growth of the previous year (+910,000 new contracts) was exceeded. In addition to a total of 11.85 million pay contracts, United Internet had some 31.8 million free accounts at the end of 2012 (+1.0 million year on year).

As in 2011, earnings in fiscal year 2012 were influenced by various special items. In 2011, there was a positive effect on earnings at Group level from the sale of Versatel shares. In the second quarter of 2012, there was a negative effect on earnings from impairment charges of United Internet's subsidiary Sedo Holding AG and an – opposing – positive effect on earnings from the sale of freenet shares in the fourth quarter of 2012.

In its established business fields (without consideration of the above mentioned special items), United Internet improved earnings significantly in fiscal year 2012. Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 17.0%, from EUR 384.5 million previous year to EUR 450.0 million, while earnings before interest and taxes (EBIT) improved by 21.1%, from EUR 296.7 million previous year to EUR 359.2 million.

As already announced, this strong growth in earnings of the Group's established business fields was used to invest heavily in the development of new business fields in the Applications segment. The main focus was placed on the international marketing campaign for 1&1 MyWebsite with 220,000 new contracts (120,000 in the previous year) and the development of De-Mail applications. Total EBIT-effective start-up losses of EUR 126.5

million (prior year: EUR 43.7 million) were incurred for these activities in fiscal year 2012.

As a result of these start-up losses, there was an expected overall decline in earnings (without the above mentioned special items) of United Internet AG compared to the comparative figures of the previous year. EBITDA amounted to EUR 325.9 million (prior year: EUR 341.8 million) and EBIT totaled EUR 232.7 million (prior year: EUR 253.0 million). Pre-tax earnings (EBT) stood at EUR 221.4 million (prior year: EUR 231.9 million), while earnings per share (EPS) reached EUR 0.71 (prior year: EUR 0.72).

Including all special items (2011: positive EPS effect of EUR 0.07 from the sale of Versatel shares; 2012 negative EPS effect of EUR 0.24 from Sedo impairments and an opposing positive effect of EUR 0.09 from the sale of freenet shares), EPS fell to EUR 0.56 in 2012 (prior year: EUR 0.79).

Consistently strong free cash flow underlines the entire Group's ability to generate high levels of cash – while at the same time achieving strong qualitative growth. Despite high start-up costs in new business fields, free cash flow reached EUR 214.3 million (without proceeds from the sale of freenet shares) and was thus 8.9% above the prior-year figure of EUR 196.8 million (without proceeds from the sale of Versatel shares).

Group development (in EUR million)	2012	2011	Change
<b>Established business fields</b>			
Sales	2,355.8	2,080.4	+ 13.2%
EBITDA*	450.0	384.5	+ 17.0%
EBIT*	359.2	296.7	+ 21.1%
<b>New business fields</b>			
Sales	40.8	13.7	+ 197.8%
EBITDA	-124.1	-42.7	
EBIT	-126.5	-43.7	
<b>Total</b>			
Sales	2,396.6	2,094.1	+ 14.4%
EBITDA*	325.9	341.8	- 4.7%
EBIT*	232.7	253.0	- 8.0%

\* Without positive special items 2011 (sale of Versatel shares): EBITDA and EBIT effect: EUR 24.8 million  
 Without negative special items 2012 (Sedo impairments): EBIT effect: EUR - 46.3 million  
 Without positive special items 2012 (sale of freenet shares): EBITDA and EBIT effect: EUR 17.9 million

### Dividend

At the Annual Shareholders' Meeting on May 23, 2013, the Management Board and Supervisory Board will propose an unchanged dividend of EUR 0.30 per share.

### Outlook

United Internet AG will continue to pursue its policy of sustainable growth in future.

The number of fee-based customer contracts is expected to grow by approx. 1 million in 2013. Sales growth of approx. 10% is forecast. Strong growth is also forecast for earnings.

EBITDA from established business fields is expected to improve to around EUR 500 million in 2013. Approximately 20% of this amount (around EUR 100 million) is to be used to finance start-up losses from the further expansion of new business fields (1&1 MyWebsite and De-Mail). EPS is expected to rise strongly to EUR 1.00 - EUR 1.10.

An overview of all key performance indicators can be accessed at [www.united-internet.de](http://www.united-internet.de) in the Investor Relations / Info-Center section. The annual financial statements 2012 of United Internet AG will be available as of March 21, 2013 in the Investor Relations / Reports section.

### **About United Internet**

With over 11.8 million fee-based customer contracts and over 31 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 6,250 employees, of which more than 1,750 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, InterNetX, Sedo and affilinet), United Internet stands for outstanding operational excellence with around 43 million customer accounts worldwide. United Internet also holds equity interests in listed companies and owns numerous investments in young internet companies.

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