

Press release

Successful fiscal year 2013 for United Internet

- Sales up 10.8% to new all-time high of EUR 2.656 billion
- EBITDA grows 24.9% to EUR 407.2 million, EBIT up 34.3% to EUR 312.5 million
- EPS improves 50.7% to EUR 1.07
- Guidance 2014: 800,000 new contracts, sales up approx. 10% to over EUR 2.9 billion, EBITDA growth to approx. EUR 520 million, EPS rise to EUR 1.40 - 1.50

Montabaur, March 26, 2014. United Internet AG continued its growth course in fiscal year 2013. The company once again significantly improved sales, customer contract figures, and earnings to reach its full-year forecasts for fiscal year 2013. At the same time, further considerable investments were made in the establishment and development of new business fields in order to tap sustainable future growth potential.

Development of the Group

In fiscal year 2013, consolidated sales of United Internet AG were increased to EUR 2.656 billion – representing year-on-year growth of 10.8% (forecast: approx. 10%).

There was also a strong increase in United Internet's customer figures in fiscal year 2013 with the addition of 1.08 million new customer contracts (forecast: approx. 1.1 million). Including customers gained from the acquisition of Spanish company Arsys, the total number rose by 1.41 million to 13.45 million customer contracts.

As in the preceding years, United Internet again invested heavily in the establishment of new business fields in fiscal year 2013. The main focus was placed on De-Mail, 1&1 MyWebsite and the introduction of new top-level domains. Thanks to the better-than-expected performance of established business fields (EBITDA of EUR 515.1 million instead of the planned EUR 500 million), EBITDA-effective investments of EUR 107.9 million (forecast: approx. EUR 100 million) could be made in new business fields.

As a result, EBITDA rose in total by 24.9%, from EUR 325.9 million (comparable prior-year figure) to EUR 407.2 million, and EBIT by 34.3% from EUR 232.7 million to EUR 312.5 million. Earnings per share (EPS) increased by 50.7%, from EUR 0.71 (comparable prior-year figure) to EUR 1.07 (forecast: EUR 1.00 - 1.10).

Despite high investments in new business fields and very strong customer growth, free cash flow* remained high at EUR 212.0 million (prior year: EUR 204.7 million).

“United Internet can look back on a very successful year,” commented Ralph Dommermuth, CEO of United Internet, in his assessment of the company's fiscal year 2013. “And by investing in new business fields in 2013, we were able to widen the base for future growth.”

Group development (in EUR million)	2012**	2013	Change
Sales	2,396.6	2,655.7	+ 10.8%
EBITDA from established business fields	450.0	515.1	+ 14.5%
EBITDA-effective start-up losses in new business fields	124.1	107.9	- 13.1%
EBITDA	325.9	407.2	+ 24.9%
EBIT	232.7	312.5	+ 34.3%
EPS (in EUR)	0.71	1.07	+ 50.7%

* Free cash flow is defined as net cash inflows from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment

** Without negative effects from Sedo impairments (EBIT and EBT effect: EUR -46.3 million; EPS effect: EUR -0.24) and without positive effects from the sale of freenet shares (EBITDA, EBIT and EBT effect: EUR 17.9 million; EPS effect: EUR 0.09)

Dividend

At the Annual Shareholders' Meeting on May 22, 2014, the Management Board and Supervisory Board will propose a dividend of EUR 0.40 per share (prior year: EUR 0.30).

Outlook

United Internet AG will continue to pursue its policy of sustainable growth in future. Specifically, United Internet expects that the number of fee-based customer contracts will grow by over 800,000 from a level of 13.45 million contracts on December 31, 2013. Consolidated sales in fiscal year 2014 are likely to grow by approx. 10% to over EUR 2.9 billion (prior year: EUR 2.656 billion). Taking into account start-up losses in new business fields of approx. EUR 40 million and advertising expenses of around EUR 10 million for the "E-Mail made in Germany" initiative, EBITDA is expected to grow to approx. EUR 520 million (prior year: EUR 407.2 million). Earnings per share are likely to be between EUR 1.40 and EUR 1.50 (prior year: EUR 1.07).

Key figures and Annual Financial Statements 2013 (as of March 27, 2014) under Investor Relations at www.united-internet.de.

About United Internet

With 13.45 million fee-based customer contracts and 31.51 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 6,900 employees, of which around 2,000 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, InterNetX, Sedo and affilinet), United Internet stands for outstanding operational excellence with around 45 million customer accounts worldwide.

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