

Press release

Successful first nine months of 2013 for United Internet

- Sales up 10.7% to new all-time high of EUR 1.955 billion
- EBITDA grows 18.0% to EUR 280.5 million
- EPS improves 25.5% to EUR 0.69
- Customer growth, sales and earnings guidance confirmed

Montabaur, November 14, 2013. United Internet AG continued its growth course as Europe's leading internet specialist in the first nine months of 2013. There were further strong improvements in sales, the number of customer contracts and key earnings ratios. At the same time, the company once again invested heavily in the establishment and development of new business fields in order to tap sustainable growth potential for the future.

Development of the Group

In the first nine months of 2013, consolidated sales of United Internet AG were increased to EUR 1.955 billion – representing year-on-year growth of 10.7%.

There was also a strong increase in United Internet's customer figures during the first nine months of 2013: with the addition of 1.23 million contracts (of which 900,000 organic and around 330,000 from the acquisition of Spanish webhoster Arsys) to 13.27 million customer contracts, the company even surpassed its strong growth of the first nine months of 2012 (860,000 contracts).

At the same time, United Internet continued to invest heavily in the establishment and development of new business fields in the first nine months of 2013. The main focus was placed on De-Mail services, the internationalization of the 1&1 MyWebsite product, and the marketing launch for new top-level domains (nTLDs). A total of 420,000 De-Mail usage contracts were completed as of September 30, 2013, of which 170,000 users could be subsequently identified and activated. With regard to the 1&1 MyWebsite product, the number of contracts was increased by 110,000 during the period under review and international brand awareness was increased strongly. In addition, around 3.4 million non-binding pre-registrations of nTLDs had been received as of September 30, 2013. Therefore customers will have the possibility to convert their pre-registrations into binding domain orders in future, and thus into fee-based customer contracts, on availability of new domain endings.

Despite further heavy investments in new business fields – albeit at a lower level thanks to rising customer figures – (EBITDA-effective start-up losses of EUR 87.0 million in the first nine month of 2013 compared to EUR 96.8 million in the previous year), the Group's key earnings figures improved strongly: earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 18.0%, from EUR 237.7 million last year to EUR 280.5 million. Earnings before interest and taxes (EBIT) climbed 24.5%, from EUR 169.2 million in the previous year (comparable prior-year figure without Sedo impairment charges) to EUR 210.6 million. Earnings per share (EPS) improved by 25.5%, from EUR 0.55 (comparable prior-year figure) to EUR 0.69.

Free cash flow* underlines the entire Group's ability to generate very healthy levels of cash – while at the same time achieving strong qualitative growth. Despite consistently high start-up losses in new business fields and costs for expanding the customer base, this figure was above the prior-year level at EUR 155.3 million (prior year: EUR 143.2 million).

Group development (in EUR million)	Jan. – Sept. 2013	Jan. – Sept. 2012**	Change
Sales	1,955.1	1,766.6	+ 10.7%
EBITDA	280.5	237.7	+ 18.0%
EBIT	210.6	169.2	+ 24.5%
EPS (in EUR)	0.69	0.55	+ 25.5%

* 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 special items (Sedo impairment charges) of Q2 2012: EBIT effect: EUR -46.3 million; EPS effect: EUR -0.24

“With the key figures for customer contracts, sales and earnings already achieved in the first nine months of 2013, we are well on course to meet our targets,” commented Ralph Dommermuth, CEO of United Internet, and added: “Against this backdrop, we can also confirm our full-year guidance for 2013. We still expect sales growth of around 10%. Despite raising our forecast to 1.1 million new fee-based contracts (+100,000) in August 2013 and around five million nTLD pre-registrations, with the resulting increase in marketing and selling expenses we continue to expect an EBITDA result of around EUR 500 million from established business fields. Around 20% of this amount is to be used to finance the planned start-up losses in new business fields. Earnings per share are expected to be between EUR 1.00 and EUR 1.10.”

The report on the first nine months of 2013 and an overview of all key performance indicators can be accessed at www.united-internet.de in the Investor Relations / Publications section.

About United Internet

With 13.27 million fee-based customer contracts and 31.28 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 6,845 employees, of which more than 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, Arsys, united-domains, fasthosts, InterNetX, Sedo and affilinet), United Internet stands for outstanding operational excellence with over 44 million customer accounts worldwide.

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