

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

### United Internet acquires 100% of Versatel shares

**Montabaur, September 3, 2014.** United Internet AG today signed an agreement with the private equity company Kohlberg Kravis Roberts & Co. L.P. (referred to collectively with its affiliates as “KKR”) to acquire the 74.9% of shares in Versatel GmbH, Berlin held indirectly by funds managed by KKR and thus to raise its holding of Versatel shares to 100%. The share purchase is to be effected via a complete takeover of Versatel’s holding company VictorianFibre Holding Beteiligungs-GmbH, Düsseldorf, Germany.

United Internet has held an indirect stake in Versatel of 25.1% since the end of 2012. For the remaining 74.9% of shares, United Internet will pay around EUR 586 million in cash. The purchase price and repayment of the Versatel Group’s existing net bank liabilities of EUR 361 million is to be financed by new loans.

In cooperation with staff and KKR, the current Versatel management team has developed a profitable company over the past few years. This positive trend was also accompanied by United Internet via the company’s Advisory Board. For the fiscal year 2014, the Management Board expects revenues of approx. EUR 548 million (prior year: EUR 547 million) and an EBITDA result of approx. EUR 164 million (prior year: EUR 155 million). Free cash flow is expected to be around EUR 79 million (prior year: EUR 75 million).

With the acquisition of Versatel, United Internet will gain access to Germany’s second-largest fiber-optic network with a length of around 37,000 km. It can be accessed in 226 cities, including 19 of the 25 largest cities in Germany.

Over 5,000 locations (companies, institutions etc.) are directly connected to Versatel’s fiber-optic network. In addition, Versatel operates approx. 440,000 ADSL and SDSL connections – which raises the number of DSL customers in the United Internet Group to a total of 4.12 million. United Internet will thus strengthen its market position as Germany’s second-largest DSL provider after Deutsche Telekom (12.36 million broadband connections).

Versatel’s current management team will continue to head the company on its own. The Versatel brand will be retained and the company’s B2B business is to be expanded further. In addition, corporate clients are also to be gained in future via the United Internet brand 1&1. Due to its many years of market leadership in webhosting, 1&1 has a strong standing with small to mid-size companies and freelancers.

United Internet is also planning to source DSL pre-services produced by Versatel in future and thus save up to approx. EUR 55 million per year. The planned investments for the years up to 2019 – especially for the expansion of Versatel’s DSL infrastructure – are likely to total approx. EUR 145 million.

The share purchase with economic effect on July 1, 2014 is subject to the usual approval procedures of the relevant anti-trust authorities. The transaction is expected to be closed in October 2014.

The carrying value of the 25.1% stake in Versatel currently held by United Internet is EUR 66 million at present. On completion of the transaction, Versatel will be fully consolidated as a wholly-owned subsidiary in the financial statements of the United Internet Group. After taking transaction costs into account, the accounting changes will lead to one-off, non-cash income of approx. EUR 100 million in fiscal year 2014.

**About United Internet**

With 13.87 million fee-based customer contracts and 31.44 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 6,700 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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