

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

### **FY 2014 figures set records in customer contracts, sales and earnings**

- Sales up 15.4% to EUR 3.065 billion
- EBITDA grows by 35.5% to EUR 551.5 million, EBIT by 37.9% to EUR 430.6 million
- EPS improves by 36.4% to EUR 1.46
- Additional EUR 186.1 million one-off income from Versatel acquisition and portfolio optimization (EPS effect: EUR +0.82)
- Dividend increased to EUR 0.60 per share
- Guidance 2015: approx. 800,000 new contracts, approx. 20% sales growth, approx. 40% increase in EBITDA

**Montabaur, March 25, 2015.** United Internet AG is continuing its growth trajectory. The company once again posted strong improvements in sales, customer contracts and key earnings ratios in 2014 and reached its targets. At the same time, the company made further heavy investments in new customer acquisition, the expansion of existing customer relationships, and new business fields. In addition to these operating foundations, United Internet acquired an equity stake in Rocket Internet AG in fiscal year 2014 and ensured further potential with the complete takeover of Versatel as of October 1, 2014 – and with it ownership of Germany's second-largest fiber-optic network.

### **Development of the Group**

United Internet invested heavily in new customer relationships in 2014. Organic growth in fee-based customer contracts amounted to 910,000 while a further 420,000 contracts were added from the Versatel takeover. All in all, the number of fee-based customer contracts rose by 1.33 million to 14.78 million.

This customer growth was mainly driven by the Access segment where the company gained 620,000 Mobile Internet contracts and 630,000 DSL connections (including 420,000 from the Versatel takeover).

In the Applications segment, the company made changes to sales and marketing measures for its Business Applications in 2014 – as previously announced. As part of this change, there was less focus on new customer acquisition and more on expanding existing customer business. Nevertheless, the company also raised the number of customer contracts in this segment by 80,000. The number of ad-financed accounts grew by 610,000 to 32.12 million in the reporting period. Start-up losses from new business fields and initiatives (De-Mail, 1&1 MyWebsite and E-mail made in Germany) amounted to EUR 47.6 million (prior year: EUR 107.9 million).

Consolidated sales from traditional business activities reached a new all-time-high of EUR 2.934 billion in 2014 – representing year-on-year growth of 10.5%. In addition to this organic growth, a further EUR 130.6 million resulted from new business activities (full consolidation of Versatel as of October 1, 2014). As a result, total consolidated sales rose by 15.4% to EUR 3.065 billion.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 27.4%, from EUR 406.9 million<sup>(1)</sup> to EUR 518.2 million, and earnings before interest and taxes (EBIT) by 37.6%, from EUR 312.2 million<sup>(1)</sup> to EUR 429.7 million. Earnings per share (EPS) improved by 37.4%, from EUR 1.07 to EUR 1.47. In addition to this organic growth, the initial consolidation of Versatel (4th quarter 2014) resulted in a further EUR 33.3 million in EBITDA, EUR 0.9 million in EBIT and EUR -0.01 in EPS. In total, EBITDA rose by 35.5% to EUR 551.5 million, EBIT by 37.9% to EUR 430.6 million and EPS by 36.4% to EUR 1.46.

The Group's ability to generate very healthy levels of cash – while at the same time achieving strong qualitative growth – is illustrated by the adjusted free cash flow position. This improved strongly by 67.8% in 2014, from EUR 211.6 million to EUR 355.1 million for the Group's traditional business activities. Versatel contributed an additional EUR 31.5 million to free cash flow, thus raising total free cash flow to EUR 386.6 million.

Group development (in EUR million)	2013 <sup>(1)</sup>	2014 <sup>(2)</sup>	Change
Sales	2,655.7	3,065.0	+ 15.4%
EBITDA	406.9	551.5	+ 35.5%
EBIT	312.2	430.6	+ 37.9%
EPS (in EUR)	1.07	1.46	+ 36.4%
Free cash flow <sup>(3)</sup>	211.6	386.6	+ 82.7%

<sup>(1)</sup> EBITDA, EBIT and free cash flow 2013 adjusted retrospectively due to new mandatory accounting standard

<sup>(2)</sup> Without one-off income from Versatel acquisition and optimization of investment portfolio

<sup>(3)</sup> 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

### One-off income

Earnings were influenced by additional one-off income from the Versatel takeover and the optimization of the investment portfolio, especially the contribution of the GFC/EFF funds to Rocket Internet. In total, this one-off income amounted to EUR 186.1 million of EBITDA and EBIT, as well as EUR 0.82 of EPS. Including this one-off income, EBITDA amounted to EUR 737.6 million, EBIT to EUR 616.7 million and EPS to EUR 2.28.

### Dividend

At the Annual Shareholders' Meeting on May 21, 2015, the Management Board and Supervisory Board will propose a dividend of EUR 0.60 per share (prior year: EUR 0.40).

### Outlook

United Internet AG will continue to pursue its policy of sustainable growth in future. For 2015, the company expects the number of fee-based customer contracts to grow by approx. 800,000. Consolidated sales are likely to rise by approx. 20%. An increase of approx. 40% is expected for EBITDA (adjusted prior-year figure without one-off income: EUR 551.5 million).

Key figures and Annual Financial Statements 2014 (as of March 26, 2015) at [www.united-internet.de](http://www.united-internet.de).

**About United Internet**

With 14.78 million fee-based customer contracts and 32.12 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 over 7,800 employees, of which around 2,500 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, affilinet and Versatel), United Internet stands for outstanding operational excellence with around 47 million customer accounts worldwide.

**Contact**

Maika-Alexander Stangenberg  
Head of Corporate Communications & Public Affairs  
United Internet AG  
Elgendorfer Straße 57  
56410 Montabaur  
Germany  
Tel: 02602/96-1616  
Fax: 02602/96-1013  
E-mail: [presse@united-internet.de](mailto:presse@united-internet.de)  
Internet: [www.united-internet.de](http://www.united-internet.de)