

Ad hoc announcement acc. to Art. 17 MAR

United Internet acquires hosting specialist Strato

Montabaur, December 15, 2016. United Internet AG today signed an agreement with the owner of Strato AG, Deutsche Telekom AG, regarding the acquisition of Strato AG.

Based in Berlin, Strato employs over 500 people with operations mainly in Germany and the Netherlands and has over 2 million customer contracts. Strato's annual revenue for fiscal year 2016 is forecasted to be around EUR 127 million with anticipated EBITDA 2016 of around EUR 48.5 million.

The Strato product portfolio ranges from domains, e-mail packages, complete website packages, webshops, servers, to online storage and individual high-end hosting solutions. The business operates from the company's two own high-performance data centers in Berlin and Karlsruhe.

The purchase price for 100% of Strato's shares is around EUR 600 million and will be paid in cash. An initial amount of approx. EUR 566 million is payable after the expected closing in the first half of 2017. A further amount of up to EUR 34 million is due at a later point subject to certain performance goals.

The acquisition of 100% of shares in Strato AG will be made via a holding structure to be established as part of the recently announced investment of Warburg Pincus* in United Internet's Business Applications division. The initial consideration of EUR 566 million due in 2017 on the level of the holding structure will be funded by an internal loan of United Internet amounting to EUR 350 million and by equity capital to be provided by United Internet and Warburg Pincus pro-rata in accordance to the shareholdings. Following the acquisition of Strato AG, Warburg Pincus will hold an unchanged stake of around 33% in the Business Applications division in accordance with the partnership.

The share purchase is still subject to the usual approval by the German Federal Cartel Office ("Bundeskartellamt").

* WP XII Venture Holdings S.a.r.l., an affiliate of private equity funds managed by Warburg Pincus LLC (collectively: "Warburg Pincus")

About United Internet

With 16.75 million fee-based customer contracts and 33.44 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 approx. 8,000 employees, of which around 2,700 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, home.pl, InterNetX, Sedo, affilinet and 1&1 Versatel), United Internet stands for outstanding operational excellence with around 50 million customer accounts worldwide.

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