

AD-HOC NOTICE PURSUANT TO ART. 17 OF THE MARKET ABUSE REGULATION (MAR)

United Internet Subsidiary 1&1 Drillisch has decided to take part in 5G spectrum auction

Montabaur, January 24, 2019. The Management Board of 1&1 Drillisch AG, a subsidiary of United Internet AG, has decided today with the consent of its Supervisory Board to apply for admission to the auction on the allocation of mobile frequencies in the 2 GHz and 3.6 GHz frequency bands in accordance with the decision BK1-17/001 with the Bundesnetzagentur, and, in the event of a successful acquisition of spectrum at the auction, to establish and operate a 5G mobile network. The applicant will be Drillisch Netz AG, a wholly-owned subsidiary of 1&1 Drillisch AG.

The company is confident that this step will establish the basis for a successful and lasting positioning of the 1&1 Drillisch Group as the fourth mobile network operator in Germany, and to make a substantive contribution to enabling Germany to become Europe's leading 5G market.

Furthermore, 1&1 Drillisch has today agreed with a European banking consortium - in addition to group-internal credit lines with United Internet AG - on credit lines of its own in the amount of EUR 2.8 billion. In addition to its available liquidity and the sustainable cash flows from its operative business, these credit lines are available as of now to 1&1 Drillisch.

In the event of a successful acquisition of spectrum at the auction, the Management Board and the Supervisory Board of 1&1 Drillisch AG will review whether the company's dividend policy ought to be adjusted so as to provide the company with additional investment resources for setting-up a high performance mobile network and to reduce the distribution rate accordingly. The current dividend policy of 1&1 Drillisch stipulates that approx. 80% of the Group's net operating results be distributed as dividend provided that the funds are not needed for the further development of the company. A dividend adjustment, if any, at 1&1 Drillisch AG might also lead to a review of the dividend policy at the level of United Internet AG.

About United Internet

With more than 23 million fee-based customer contracts and over 36 million ad-financed free accounts, United Internet AG is a leading European internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with approx. 9,000 employees, of which around 3,000 are engaged in product management, development and data centers. In addition to the high sales strength of its established brands (such as 1&1, GMX, WEB.DE, STRATO, 1&1 Versatel and the brands of Drillisch Online), United Internet stands for outstanding operational excellence with around 60 million customer accounts worldwide.

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