

UNITED INTERNET AG

Annual Shareholders' Meeting

Alte Oper,
Frankfurt am Main

May 19, 2016



AGENDA

Ralph Dommermuth

Company Development 2015
Q1 2016 and Outlook

Frank Krause

Results FY 2015
Share & Dividend

COMPANY DEVELOPMENT 2015

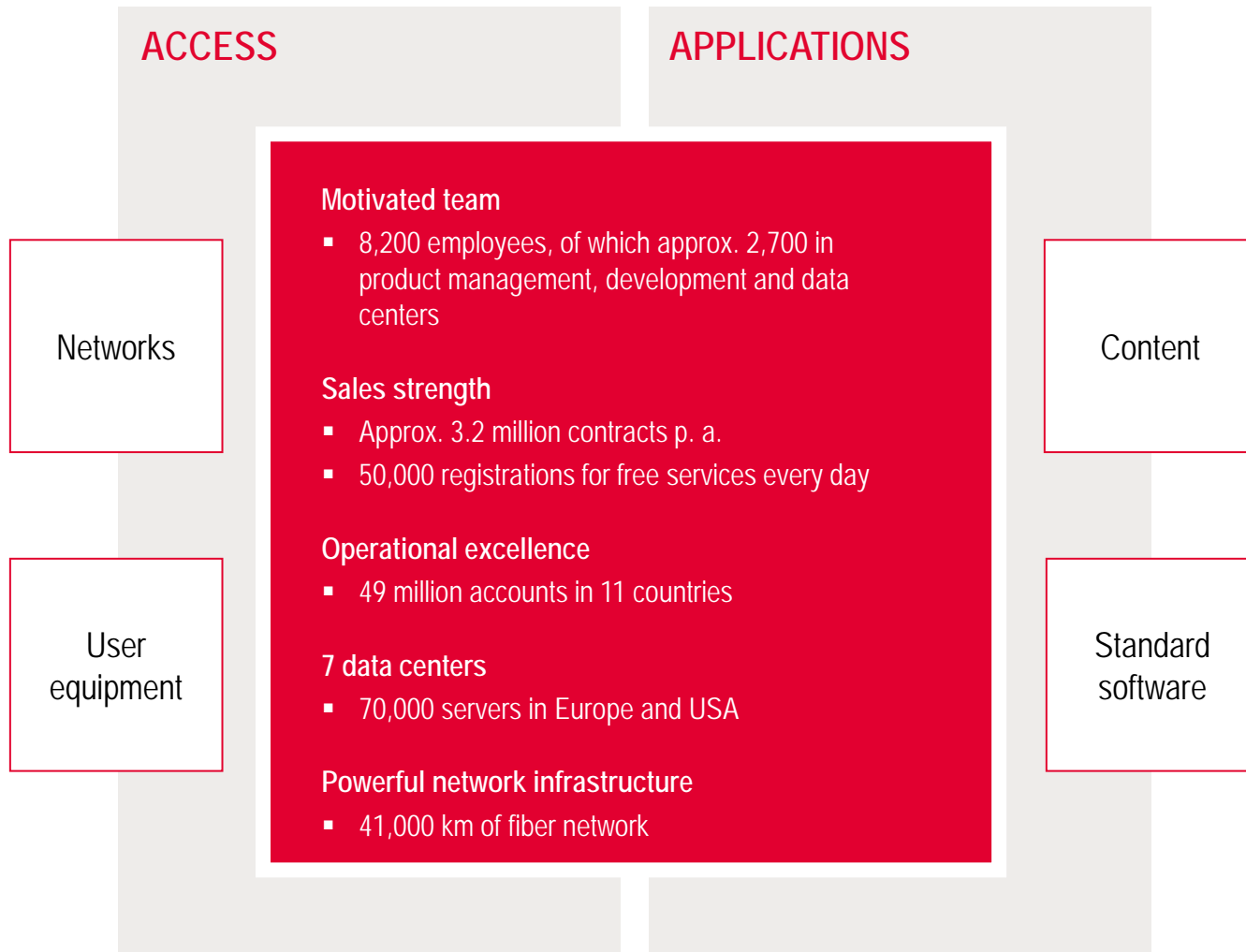
HIGHLIGHTS 2015

- Customer growth well above target: +1.19 million contracts (thereof +0.93 million organic growth) to 15.97 million
- Strong growth in sales and earnings

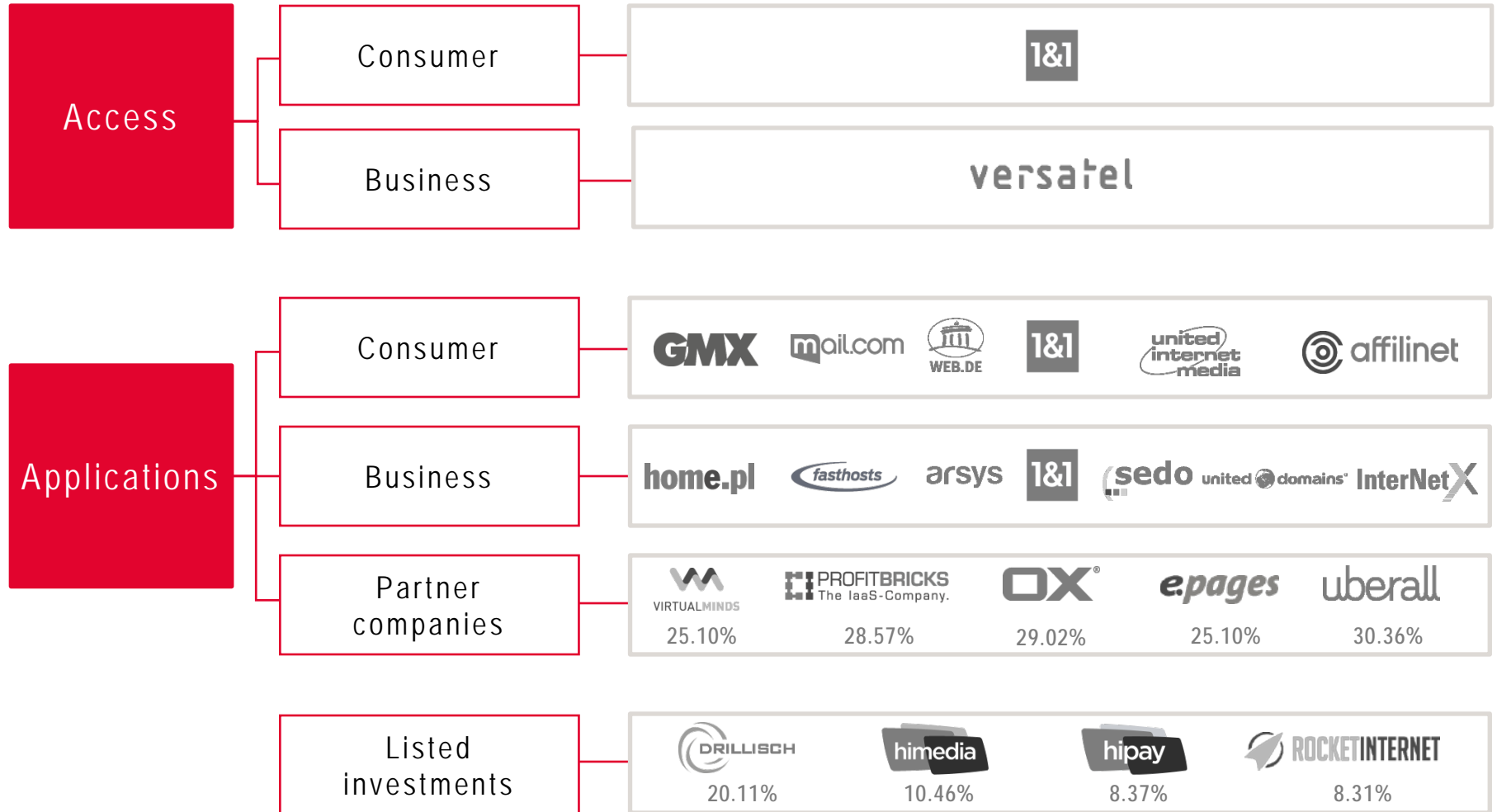
	2014	2015	Change
Sales	€ 3.065bn	€ 3.716bn	+ 21.2%
EBITDA	€ 551.5m	€ 771.2m	+ 39.8%
EBIT	€ 430.6m	€ 555.7m	+ 29.1%
EPS	€ 1.46	€ 1.80	+ 23.3%
EPS before PPA amortization	€ 1.52	€ 1.96	+ 28.9%

- Earnings contain proceeds of € 14.0 million from the sale of Goldbach shares and part of stake in virtual minds
- Acquisition of 20.11% stake in Drillisch AG for € 415.8 million
- Acquisition of further 1.2 million Rocket shares for € 58.8 million in the course of capital increase
- Acquisition of home.pl for € 154.5 million

2 SEGMENTS: ACCESS & APPLICATIONS



BRANDS & INVESTMENTS



"ACCESS" IN FISCAL YEAR 2015

- CONSUMER ACCESS
- BUSINESS ACCESS

- CONSUMER APPLICATIONS
- BUSINESS APPLICATIONS

CONSUMER ACCESS

- Largest alternative German DSL provider
- “Inventor” of All-Net-Flat tariff

1&1 DSL
100.000 kBit/s
INTERNET
UND TELEFON
19,99 €/Monat*
Sonderpreis für 12 Monate, danach 29,99 €/Monat.

1&1 ALL-NET-FLAT

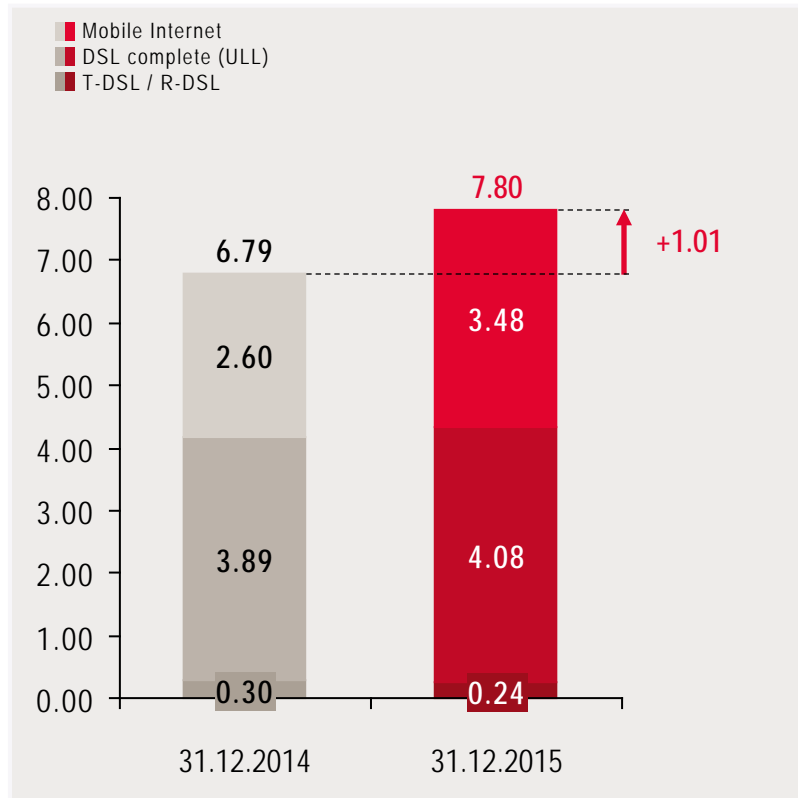
- ✓ **FLAT** FESTNETZ
- ✓ **FLAT** ALLE HANDY-NETZE
- ✓ **FLAT** INTERNET

D-NETZ

The advertisement is split into two main sections. The left section features a dark blue background with white and yellow text. It prominently displays '1&1 DSL' and '100.000 kBit/s' in yellow. Below this, it says 'INTERNET UND TELEFON' and '19,99 €/Monat*'. A small note at the bottom indicates a special price for 12 months. A black DSL router is shown in the foreground. The right section has a blue background with the title '1&1 ALL-NET-FLAT' in large white letters. Below the title are three checkmarks followed by 'FLAT' in yellow and the service type in white: 'FESTNETZ', 'ALLE HANDY-NETZE', and 'INTERNET'. At the bottom, a smartphone displays 'D-NETZ' and a signal strength indicator. Several other smartphones are shown in the background, representing various mobile networks.

CONSUMER ACCESS: CUSTOMER CONTRACTS

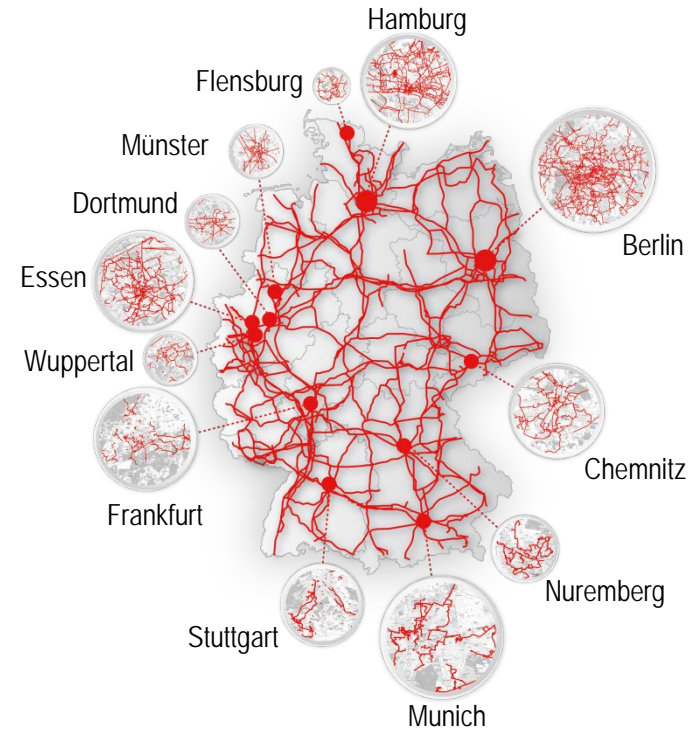
(in million)



- 7.80 million customer contracts (+ 1.01 million), of which
 - 3.48 million Mobile Internet (+ 880,000)
 - 4.08 million DSL complete (+ 190,000)
 - 0.24 million T-DSL/R-DSL connections
 - old business being phased out (- 60,000)

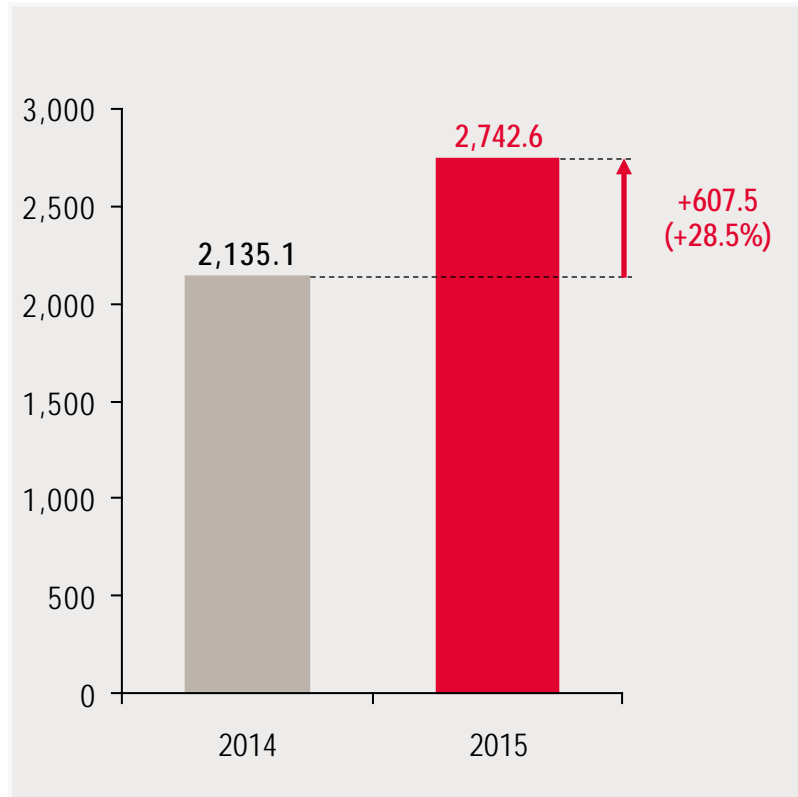
BUSINESS ACCESS VIA VERSATEL

- Data and network solutions for SMEs and infrastructure services for large corporations
- Second-largest German fiber-optic network with a length of 40,825 km (prior year: 39,318 km)
- Network infrastructure in 250 German cities (prior year: 226), including 19 of the 25 largest cities
- 6,212 locations connected to the network (prior year: 5,481)



ACCESS: SALES

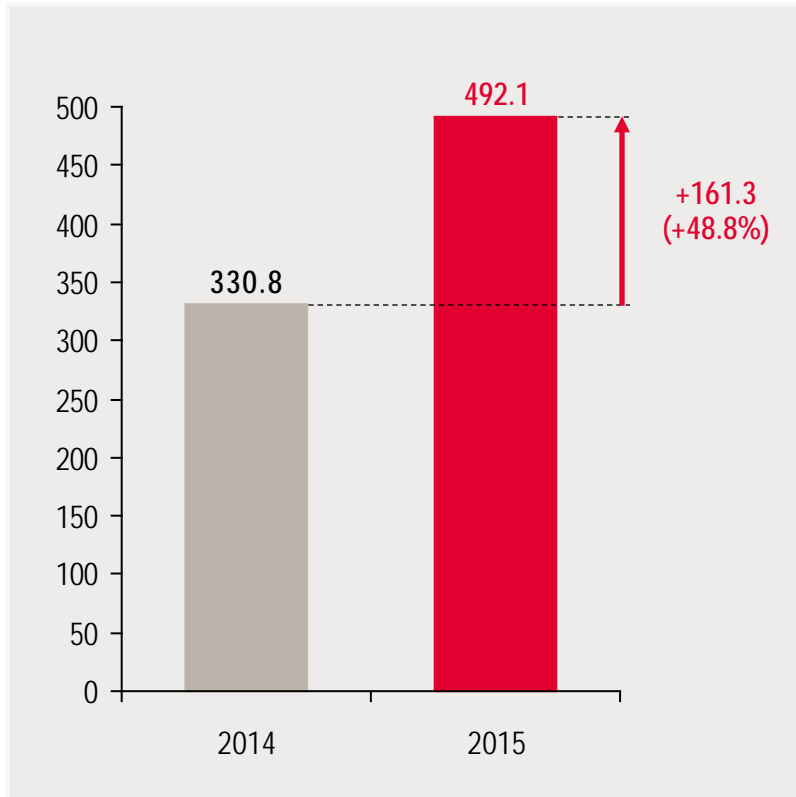
(acc. to IFRS in € million)



- € 2.743 billion sales (+ 28.5%)
 - of which € 517.9 million Versatel sales in 2015 (€ 130.6 million in Q4 2014)

ACCESS: EBITDA

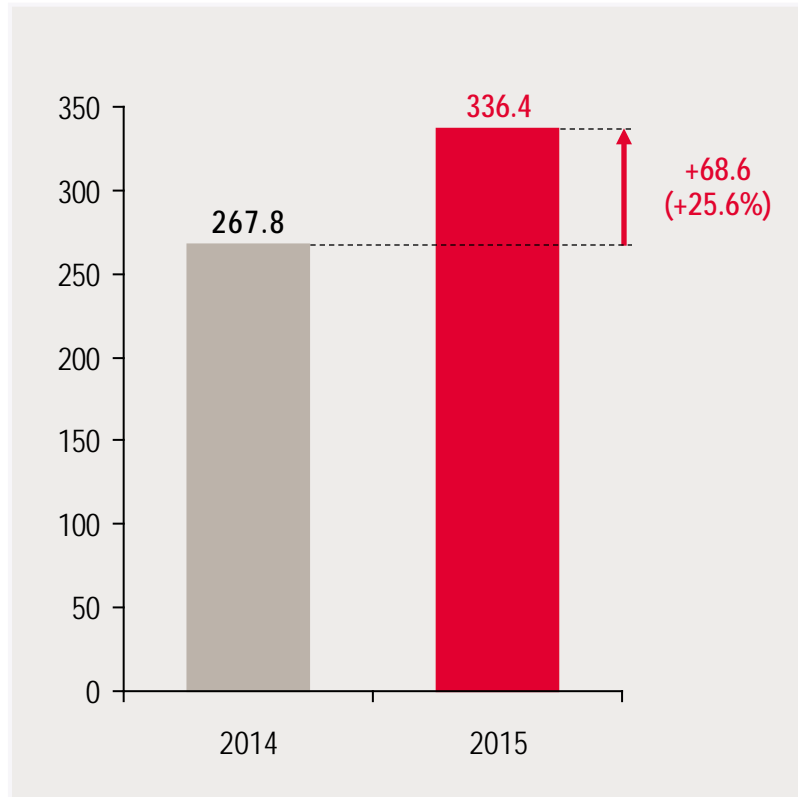
(acc. to IFRS in € million)



- € 492.1 million EBITDA (+ 48.8%)
 - of which € 146.1 million Versatel EBITDA in 2015 (€ 33.3 million in Q4 2014)
- 17.9% EBITDA margin (prior year: 15.5%)

ACCESS: EBIT

(acc. to IFRS in € million)



- € 336.4 million EBIT (+ 25.6%)
 - of which € 17.2 million Versatel EBIT in 2015 (€ 0.9 million in Q4 2014)
- 12.3% EBIT margin (prior year: 12.5%)

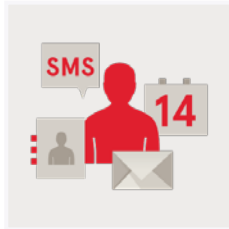
"APPLICATIONS" IN FISCAL YEAR 2015

- CONSUMER ACCESS
- BUSINESS ACCESS

- CONSUMER APPLICATIONS
- BUSINESS APPLICATIONS

CONSUMER APPLICATIONS: FROM E-MAIL SERVICE TO COMMAND CENTER FOR COMMUNICATION, INFORMATION AND IDENTITY MANAGEMENT

Communication and organization
E-mail, calendar, contacts, SMS, fax



Online office
Texts, spreadsheets, presentations



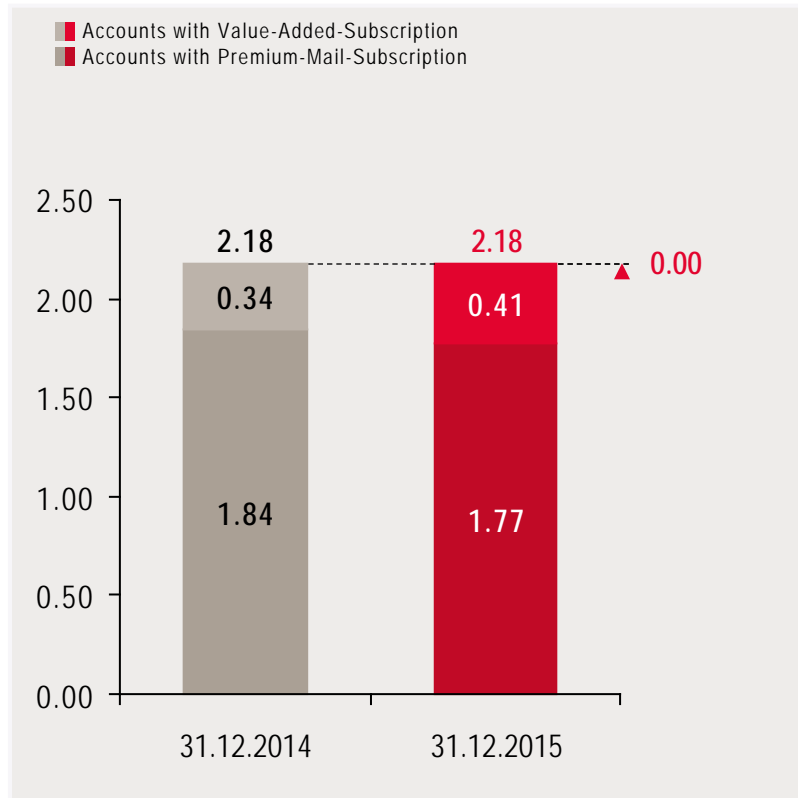
Cloud storage
For photos, videos, music and documents



De-Mail
Legally secure communication and identity management

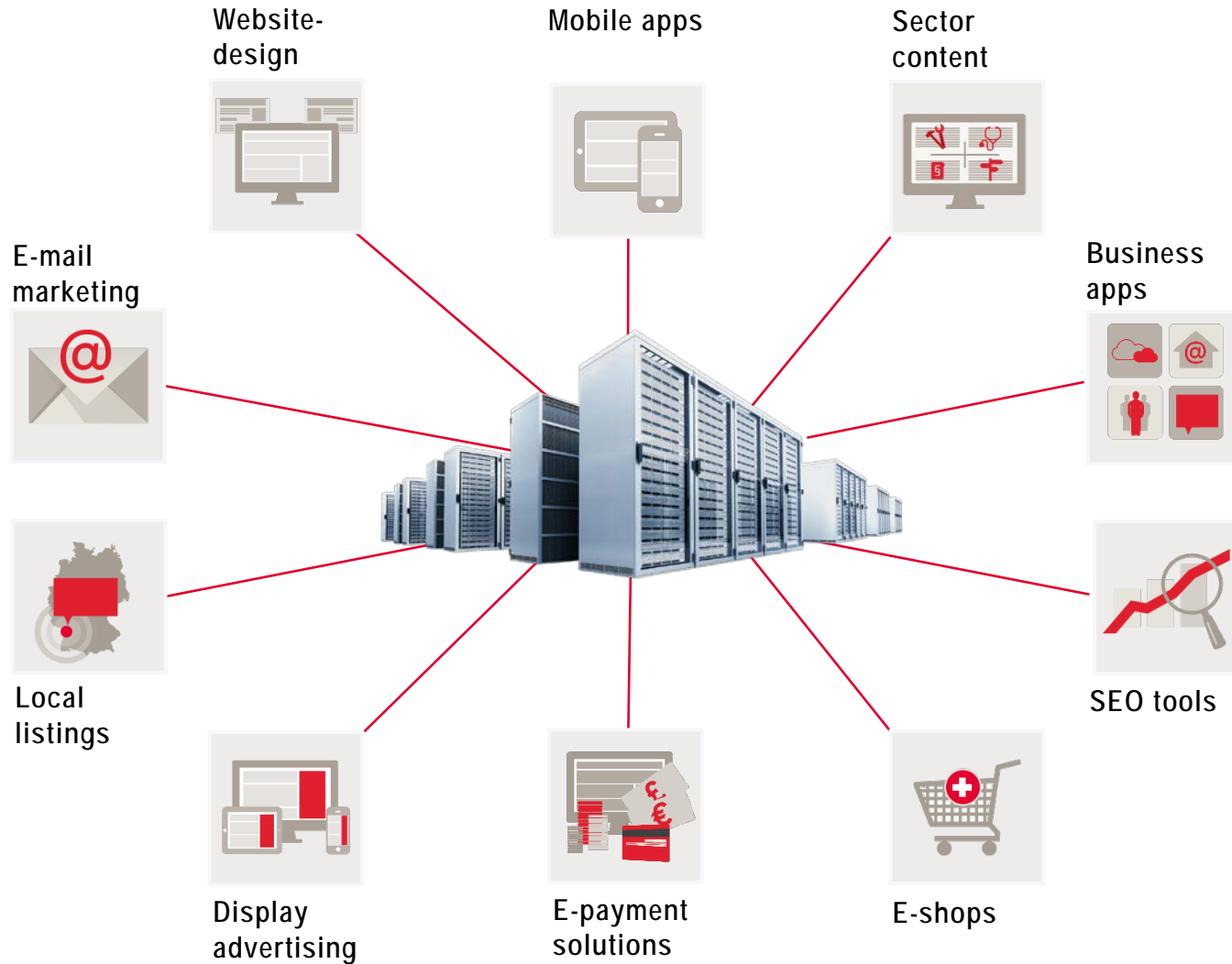
CONSUMER APPLICATIONS: CUSTOMER CONTRACTS

(in million)



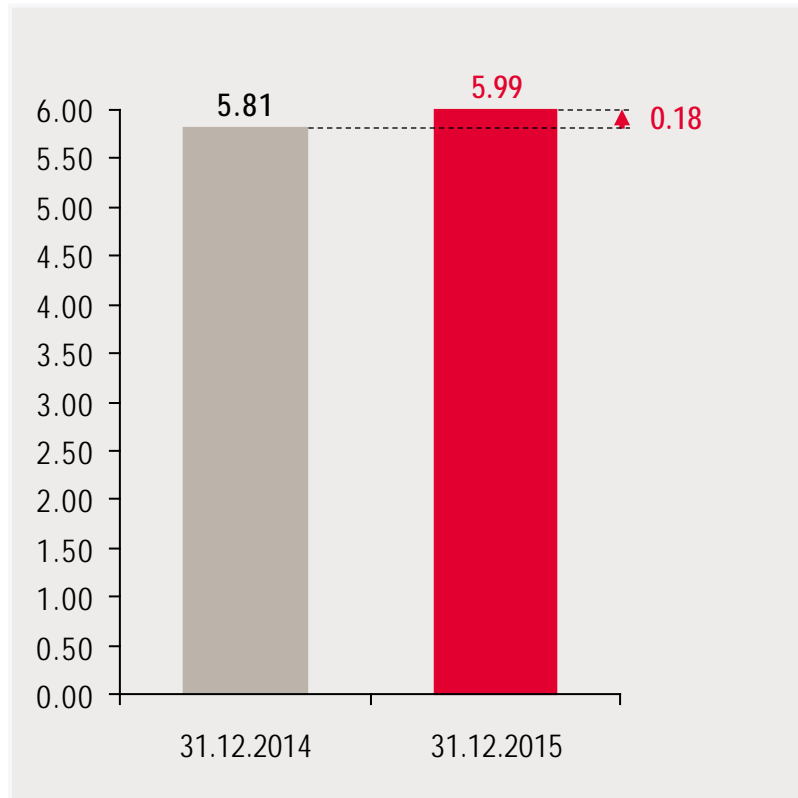
- Pay products stable at 2.18 million contracts
- In addition 33.15 million free accounts (+ 1.03 million), of which
 - 15.9 million with mobile usage (+ 2.3 million)
 - 17.2 million with cloud storage (+ 1.0 million)

BUSINESS APPLICATIONS: FROM WEBHOSTER TO E-BUSINESS SOLUTIONS PROVIDER



BUSINESS APPLICATIONS: CUSTOMER CONTRACTS

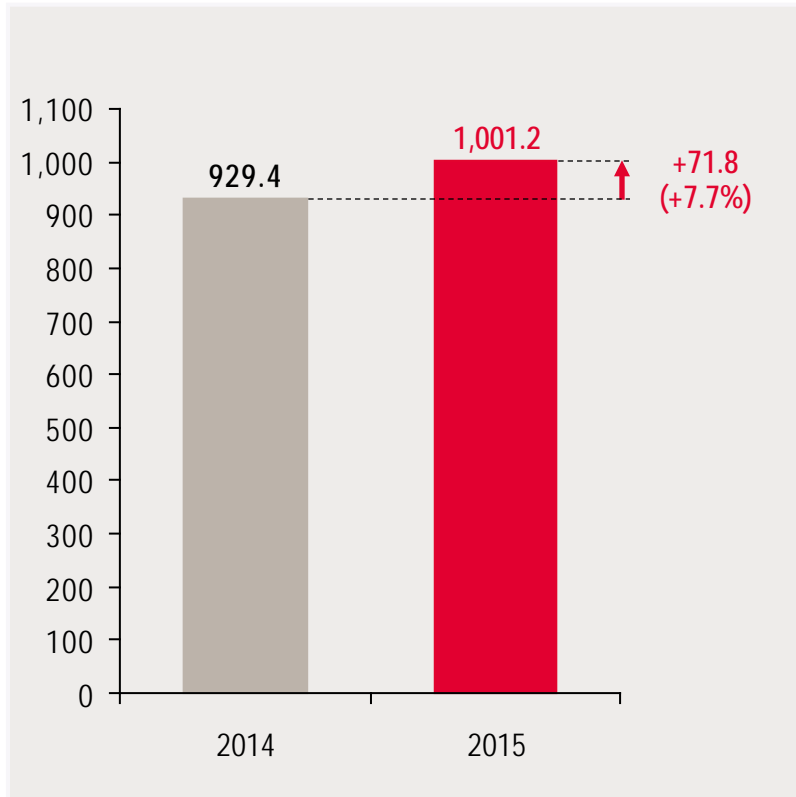
(in million)



- 5.99 million customer contracts (+ 0.18 million)
 - Organic contract development
 - -0.08 million contracts due to price increases for low-margin domain accounts
 - One-off effects at year-end
 - -0.08 million contract streamlining of further low-margin domain accounts
 - +0.34 million contracts from home.pl acquisition

APPLICATIONS: SALES

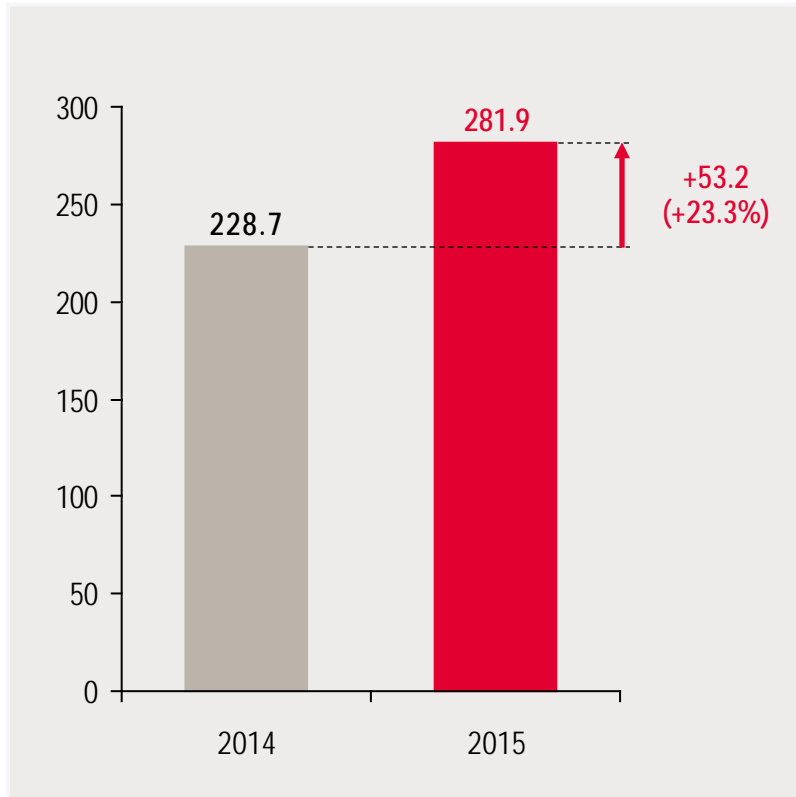
(acc. to IFRS in € million)



- € 1.001 billion sales (+ 7.7%)
 - Focus on high-quality customers
 - Good monetization of free accounts

APPLICATIONS: EBITDA

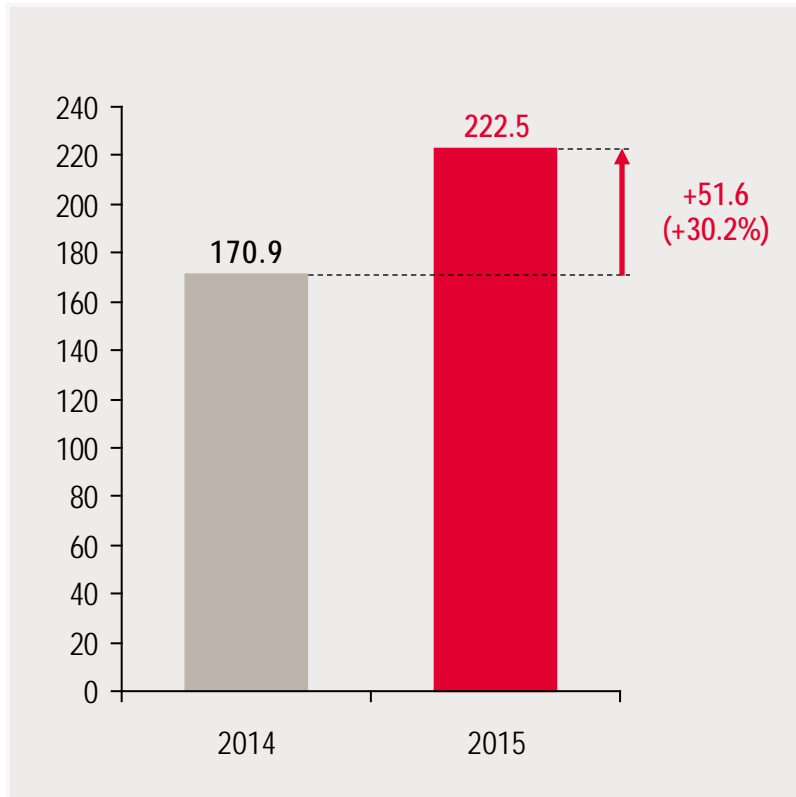
(acc. to IFRS in € million)



- € 281.9 million EBITDA (+ 23.3%)
- 28.2% EBITDA margin (prior year: 24.6%)

APPLICATIONS: EBIT

(acc. to IFRS in € million)



- € 222.5 million EBIT (+ 30.2%)
- 22.2% EBIT margin (prior year: 18.4%)

Q1 2016 AND OUTLOOK

Q1 2016

- Good start to the new year
 - 16.24 million customer contracts (+ 270,000)
 - € 968.6 million sales (+ 7.0%)
 - € 202.7 million EBITDA (+ 16.8%)
 - € 154.0 million EBIT (+ 29.3%)
 - Writedown on Rocket Internet shares of € 156.7 million (non-cash effective)
 - EPS € -0.27, without Rocket writedown € 0.50 (+ 28.2%)

- 25.11% stake in Tele Columbus AG for a total of € 295.4 million

OUTLOOK 2016

- Continuation of sustainable growth
 - Approx. € 4 billion sales
 - Approx. € 850 million EBITDA
 - Approx. 800,000 new contracts

RESULTS 2015

GROUP: CUSTOMERS, SALES AND EARNINGS AS OF DEC. 31, 2015

(Contracts in million / key financial figures acc. to IFRS in € million)

	2014	2015*	Change
Mobile Internet contracts	2.60	3.48	+ 0.88m
DSL contracts	4.19	4.32	+ 0.13m
Business Applications contracts	5.81	5.99	+ 0.18m
Consumer Applications contracts	2.18	2.18	+/- 0.00m
Free accounts	32.12	33.15	+ 1.03m
Sales	3,065.0	3,715.7	+ 21.2%
EBITDA	551.5	771.2	+ 39.8%
EBIT	430.6	555.7	+ 29.1%
EBT	412.9	535.1	+ 29.6%
EPS (in €)	1.46	1.80	+ 23.3%
EPS before PPA amortization (in €)	1.52	1.96	+ 28.9%

* Earnings include special items of € 14.0 million from the sale of Goldbach shares and part of stake in virtual minds

GROUP: BALANCE SHEET AS OF DEC. 31, 2015 (I)

(acc. to IFRS in € thousand)

Assets	31.12.2014	31.12.2015	Comments
Property, plant and equipment / intangible assets	1,074,776	1,009,228	▪ Capex: € 140.4m; D&A: € 215.5m
Goodwill	977,043	1,137,795	▪ Increase due in particular to home.pl acquisition
Financial assets	730,219	917,325	▪ Stock exchange value Hi-Media, Hi-Pay and Rocket Internet, carrying value Drillisch and 5 other strategic investments
Accounts receivable	216,648	255,505	▪ Due to expansion of business
Inventories, prepaid expenses and other assets	623,910	473,507	▪ Prepaid expenses: € 185.1m; inventories: € 42.5m; deferred tax assets: € 108.5m; tax refund claims: € 114.6m
Cash and cash equivalents	50,829	84,261	
Total	3,673,425	3,877,621	

GROUP: BALANCE SHEET AS OF DEC. 31, 2015 (II)

(acc. to IFRS in € thousand)

Liabilities and equity	31.12.2014	31.12.2015	Comments
Equity	1,204,729	1,149,758	▪ Equity ratio: 29.7% (PY 32.8%)
Liabilities due to banks	1,374,002	1,536,502	▪ Bank liabilities (net): € 1,452.2m (PY 1,323.2m)
Trade accounts payable	360,334	399,904	▪ Due to expansion of business
Accrued taxes and deferred tax liabilities	212,822	218,666	
Other accrued liabilities	48,455	60,044	
Other liabilities	238,202	252,855	▪ Thereof non-current: € 95.5m (IRUs / leased network of Versatel)
Deferred revenues	234,881	259,892	
Total	3,673,425	3,877,621	

GROUP: CASH FLOW AS OF DEC. 31, 2015

(acc. to IFRS in € thousand)

	31.12.2014	31.12.2015	Comments
Operative cash flow	380,563	554,464	
Cash flow from operating activities	453,997	533,204	▪ Without capital gains tax payment in previous year and refund in 2015
Cash flow from investing activities	-1,349,811	-766,039	▪ Increase due in particular to Versatel capex, Drillisch investment and Rocket capital increase
Free cash flow*	386,573	400,494	

* Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from the disposal of intangible assets and property, plant and equipment

SHARE AND DIVIDEND

SHARE AND DIVIDEND

- Share

- Share price at end of 2015: € 50.91 (issuance price 1998: € 1.02)
- Share performance 2015: + 35.8%
- Share price on May 18, 2016: € 45.47

- Dividend

- Dividend proposal for Annual Shareholders' Meeting: € 0.70 per share (prior year: € 0.60)
- Total dividend payment: € 142.9 million (prior year: € 122.3 million)
- This corresponds to 39.0% of consolidated net income after tax 2015

AGENDA

AGENDA

1. Financial statements and consolidated financial statements for fiscal year 2015
2. Resolution on the allocation of unappropriated profit
3. Resolution on the ratification of Management Board actions
4. Resolution on the ratification of Supervisory Board actions
5. Resolution on the appointment of the external auditors
6. Resolution on amendments to the company's by-laws

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