Interim Statement
Q1 2016

SELECTED KEY FIGURES

	March 31, 2016	March 31, 2015	Change
NET INCOME (IN € MILLION)			
Sales	968.6	905.1	+ 7.0%
EBITDA	202.7	173.5	+ 16.8%
EBIT	154.0	119.1	+ 29.3%
EBT[1]	146.1	112.3	+ 30.2%
EBT after impairment	- 10.8	112.3	
EPS (in €)[1]	0.50	0.39	+ 28.2%
EPS after impairment (in €)	- 0.27	0.39	
BALANCE SHEET (IN € MILLION)			
Current assets	586.9	643.5	- 8.8%
Non-current assets	3,502.1	2,956.7	+ 18.4%
Equity	1,192.8	1,230.6	- 3.1%
Equity ratio	29.2%	34.2%	- 14.6%
Total assets	4,089.0	3,600.2	+ 13.6%
CASH FLOW (IN € MILLION)			
Operative cash flow	148.6	133.1	+ 11.6%
Cash flow from operating activities[2]	4.0	43.5	- 90.8%
Cash flow from investing activities	- 294.2	- 139.1	
Free cash flow[2] [3]	- 28.0	17.1	
Adjusted free cash flow[4]	72.0	17.1	
EMPLOYEES AT THE END OF MARCH			
Total	8,162	7,902	+ 3.3%
thereof in Germany	6,460	6,379	+ 1.3%
thereof abroad	1,702	1,523	+ 11.8%
SHARE (IN €)			
Share price at end of March (Xetra)	44.11	42.41	+ 4.0%

CUSTOMER CONTRACTS (IN MILLION)	March 31, 2016	March 31, 2015	Change
Access, total contracts	8.04	7.01	+ 1.03
thereof Mobile Internet	3.68	2.78	+ 0.90
thereof DSL complete (ULL)	4.14	3.95	+ 0.19
thereof T-DSL / R-DSL	0.22	0.28	- 0.06
Business Applications, total contracts	6.02	5.82	+ 0.20
thereof in Germany	2.35	2.40	- 0.05
thereof abroad	3.67	3.42	+ 0.25
Consumer Applications, total accounts	35.67	34.47	+ 1.20
thereof with Premium Mail subscription (contracts)	1.75	1.83	- 0.08
thereof with Value-Added subscription (contracts)	0.43	0.35	+ 0.08
thereof free accounts	33.49	32.29	+ 1.20
Fee-based customer contracts, total	16.24	15.01	+ 1.23

(1) Q1 2016 without writedowns on financial assets (esp. Rocket impairment: EBT effect = € -156.7 million; EPS effect = € -0.77)
(2) Cash flow from operating activities and free cash flow in Q1 2015 without capital gains tax refund of € 326.0 million
Cash flow from operating activities and free cash flow in Q1 2016 including an income tax payment of around € 100.0 million originally planned for Q4 2015
(3) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
(4) Adjusted free cash flow Q1 2016 without income tax payment of around € 100.0 million originally planned for Q4 2015

CONTENT

Dear shareholders, employees and business associates of United Internet,

United Internet AG got off to a successful start in its fiscal year 2016 and remained firmly on its growth trajectory in the first quarter of the year. Once again we achieved strong improvements in our customer contract figures, sales revenues, and key earnings ratios based on operating activities.

We continued to invest heavily in new customer relationships in the first quarter of 2016. As a result, we raised the number of fee-based customer contracts by 270,000 in the reporting period – and thus by an even greater amount than in the first quarter of 2015 (230,000 contracts) – to 16.24 million. This customer growth was driven in particular by our Access business which generated 200,000 new Mobile Internet contracts and 40,000 DSL contracts. In the Applications segment, we added 30,000 fee-based contracts and 340,000 ad-financed accounts during the reporting period.

Thanks to the further strong year-on-year increase in customer figures, there was a 7.0% increase in consolidated sales from € 905.1 million in the previous year to the new record figure of € 968.6 million.

Despite heavy investment in the above mentioned customer growth, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 16.8%, from € 173.5 million to € 202.7 million, while earnings before interest and taxes (EBIT) increased by 29.3%, from € 119.1 million to € 154.0 million. Earnings per share (EPS) from operating activities improved by 28.2%, from € 0.39 in the previous year to € 0.50. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, EPS rose by 25.6% from € 0.43 to € 0.54.

As announced in the Subsequent Events section of our Annual Financial Statements 2015, we wrote down the value of shares held in Rocket Internet SE in our non-operating business in the first quarter of 2016 by the projected amount. Due to the Xetra closing price for Rocket Internet shares of € 24.61 as of March 31, 2016, the impairment charge had a non-cash effect on EBT of € -156.7 million and on EPS of € -0.77. United Internet is still convinced that Rocket Internet has significant market opportunities. The impairment does not impact our dividend policy nor our guidance for 2016 as these are based on earnings from operating activities. As a result of the impairment charge EPS for the first quarter amounted to € -0.27 and EPS before PPA to € -0.23.

With the figures for customer contracts, sales, and earnings achieved in the first quarter of 2016 and the investments already made, we are well on track to meet our targets and forecasts. Against this backdrop, we can confirm our full-year guidance for 2016 and continue to expect an increase in consolidated sales to approx. € 4 billion. EBITDA is still expected to rise to approx. € 850 million. At the same time, the number of fee-based customer contracts is likely to grow by approx. 800,000 contracts.

We are very well prepared for the next steps in our company's development and upbeat about our prospects for the remaining months of the fiscal year. In view of the company's successful start to the year, we would like to express our particular gratitude to all employees for their dedicated efforts as well as to our shareholders and customers for the trust they continue to place in United Internet AG.

Montabaur, May 17, 2016

Ralph Dommermuth

INTERIM STATEMENT ON THE FIRST QUARTER OF 2016

Business development

Development of the Access segment

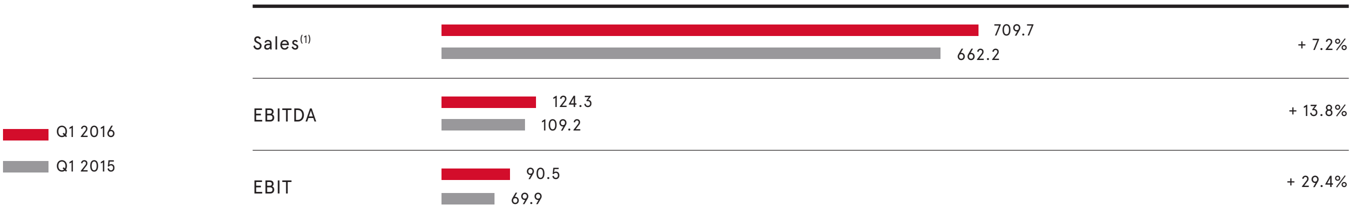
As a result of dynamic customer growth, **sales of the Access segment** rose by 7.2% in the first quarter of 2016, from € 662.2 million in the previous year to € 709.7 million.

Despite heavy investment in customer growth and the full expensing of smartphone subsidies in the ever faster growing Mobile Internet business (+200,000 contracts in the first quarter of 2016 compared to +180,000 in the first quarter of 2015), there was further strong growth in key earnings figures.

Segment EBITDA increased by 13.8%, from € 109.2 million in the previous year to € 124.3 million, while **segment EBIT** rose by 29.4% from € 69.9 million to € 90.5 million.

All **customer acquisition** costs for DSL and Mobile Internet products, as well as costs for the migration of resale DSL connections to complete DSL packages (ULL = Unbundled Local Loop), continue to be charged directly as expenses.

Key sales and earnings figures in the Access segment (in € million)



(1) Sales Q1 2015 adjusted in the 6-Month report 2015

Quarterly development (in € million); change over prior-year quarter

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015[1]	Change
Sales	676.5	696.5	707.4	709.7	662.2	+ 7.2%
EBITDA	108.4	127.0	147.5	124.3	109.2	+ 13.8%
EBIT	68.6	88.4	109.5	90.5	69.9	+ 29.4%

(1) Sales Q1 2015 adjusted in the 6-Month report 2015

Historical development of key sales and earnings figures (in € million)

	Q1 2012	Q1 2013	Q1 2014	Q1 2015[1]	Q1 2016
Sales	375.6	421.7	477.2	662.2	709.7
EBITDA	41.3	54.8	55.3	109.2	124.3
EBITDA margin	11.0 %	13.0 %	11.6 %	16.5 %	17.5 %
EBIT	34.8	47.2	47.6	69.9	90.5
EBIT margin	9.3%	11.2%	10.0%	10.6%	12.8%

(1) Sales Q1 2015 adjusted in the 6-Month report 2015

The number of fee-based **Access contracts** rose by 240,000 to 8.04 million contracts in the first quarter of 2016. Of this total, the segment added 200,000 new customer contracts in its Mobile Internet business and thus raised the number of customers to 3.68 million. There was also growth in the important complete DSL contract business with the addition of 60,000 customer contracts to reach a total of 4.14 million. As expected, the number of customer contracts for those business models being phased out (T-DSL and R-DSL) continued to fall (-20,000 customer contracts). The total number of DSL contracts therefore grew by a further 40,000 contracts to 4.36 million.

Development of Access contracts in the first quarter of 2016 (in million)

	March 31, 2016	Dec. 31, 2015	Change
Access, total contracts	8.04	7.80	+ 0.24
thereof Mobile Internet	3.68	3.48	+ 0.20
thereof DSL complete (ULL)	4.14	4.08	+ 0.06
thereof T-DSL / R-DSL	0.22	0.24	- 0.02

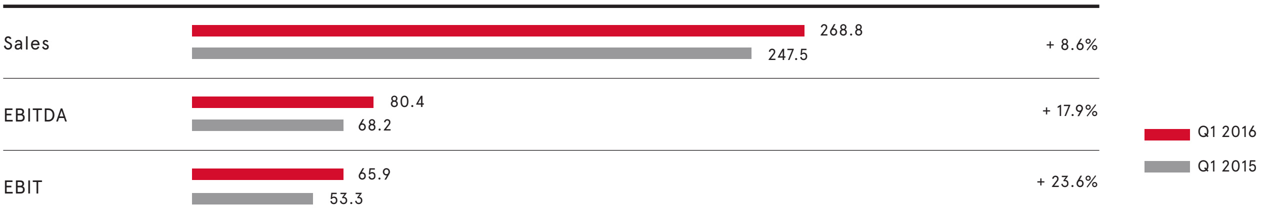
Development of the Applications segment

By successfully expanding business with existing customers, focusing on high-quality customer relationships, and increasingly monetizing our free accounts via advertising, **sales of the Applications segment** rose by 8.6% in the first quarter of 2016, from € 247.5 million in the previous year to € 268.8 million. Of this total, **sales generated abroad** increased by 15.0%, from € 93.5 million to € 107.5 million – due in part to the initial consolidation of home.pl.

Key earnings figures easily outpaced this growth in sales. **Segment EBITDA** rose by 17.9%, from € 68.2 million in the previous year to € 80.4 million, while **segment EBIT** increased by 23.6% from € 53.3 million to € 65.9 million.

Customer acquisition costs were once again charged directly as expenses, also in this segment.

Key sales and earnings figures in the Applications segment (in € million)



Quarterly development (in € million); change over prior-year quarter

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015	Change
Sales	249.3	244.9	259.5	268.8	247.5	+ 8.6%
EBITDA	67.8	72.6	73.3	80.4	68.2	+ 17.9%
EBIT	53.0	57.3	58.9	65.9	53.3	+ 23.6%

Historical development of key sales and earnings figures (in € million)

	Q1 2012	Q1 2013	Q1 2014	Q1 2015	Q1 2016
Sales	201.2	207.9	232.6	247.5	268.8
EBITDA	30.7	38.5	58.6	68.2	80.4
EBITDA margin	15.3%	18.5%	25.2%	27.6%	29.9%
EBIT	14.9	23.1	43.9	53.3	65.9
EBIT margin	7.4%	11.1%	18.9%	21.5%	24.5%

In the Applications segment, United Internet already made changes to its sales and marketing measures for Business Applications in fiscal year 2014. As part of this change, the focus is still less on the acquisition of new customers and more on the sale of additional features to existing customers (e.g. further domains, e-shops and business apps), as well as the acquisition of high-value customer relationships. Nevertheless, the number of fee-based **contracts for Business Applications** rose by 30,000 contracts to 6.02 million in the first quarter of 2016.

Development of Business Applications contracts in the first quarter of 2016 (in million)

	March 31, 2016	Dec. 31, 2015	Change
Business Applications, total contracts	6.02	5.99	+ 0.03
thereof Germany	2.35	2.35	+/- 0.00
thereof abroad	3.67	3.64	+ 0.03

In the field of Consumer Applications, the main focus is still on monetizing ad-financed accounts – in view of further strong demand for online advertising. United Internet therefore limited the ad space for its own pay products once again in the first quarter of 2016. Despite this limitation, the number of pay accounts remained stable at 2.18 million. At the same time, the number of free accounts rose strongly by 340,000 to 33.49 million in the reporting period – due in part to the usual seasonal fluctuations. As a result, **Consumer Accounts** also rose in total by 340,000 to 35.67 million accounts in the first quarter of 2016.

Development of Consumer Applications accounts in the first quarter of 2016 (in million)

	March 31, 2016	Dec. 31, 2015	Change
Consumer Applications, total accounts	35.67	35.33	+ 0.34
thereof with Premium Mail subscription	1.75	1.77	- 0.02
thereof with Value-Added subscription	0.43	0.41	+ 0.02
thereof free accounts	33.49	33.15	+ 0.34

Significant changes in investments

United Internet becomes largest shareholder of Tele Columbus AG

Via its subsidiary United Internet Ventures AG, United Internet contractually secured the acquisition of a share package amounting to approx. 15.31% of shares in Tele Columbus AG, Berlin, Germany on February 10, 2016. At the time, the closing of the acquisition was subject to approval by the German anti-trust authority ("Bundeskartellamt"). This approval was granted on March 7, 2016.

After closing the acquisition, United Internet has a total indirect shareholding – together with further shares acquired – of 25.11% in Tele Columbus.

United Internet believes that Tele Columbus AG is a well positioned company with attractive market opportunities. As a strategic investor, it plans to accompany the company's ongoing development and benefit from its growth in value.

United Internet AG does not, however, currently intend to acquire an equity stake of 30% or more in Tele Columbus AG – which would oblige it to submit a mandatory bid to all other shareholders of Tele Columbus AG – nor to make a voluntary takeover bid.

Position of the Group

Earnings position

United Internet AG can look back on a successful first quarter of its fiscal year 2016. Thanks to the further strong year-on-year increase in customer figures, **consolidated sales** grew by 7.0% in the first quarter of 2016, from € 905.1 million in the previous year to € 968.6 million. Sales of the Access segment improved by 7.2%, from € 662.2 million to € 709.7 million, while sales of the Applications segment rose by 8.6%, from € 247.5 million to € 268.8 million. **Sales outside Germany** (exclusively in the Applications segment) were increased by 15.0%, from € 93.5 million to € 107.5 million.

In the first quarter of 2016, United Internet once again invested heavily in new customer relationships and the expansion of its existing customer relationships. As a result, the number of **fee-based customer contracts** rose in total by 270,000 in the reporting period – and thus by an even greater amount than in the previous year (+230,000) – to 16.24 million customer contracts. All **customer acquisition costs** for Access and Applications products, as well as costs for the migration of resale DSL connections to complete DSL packages, continue to be charged directly as expenses.

Due to economies of scale and improved conditions for the purchase of pre-services, the **cost of sales** increased more slowly than sales in the first quarter of 2016, from € 603.0 million (66.6% of sales) in the previous year to € 635.7 million (65.6% of sales). Consequently, **gross margin** rose from 33.4% in the previous year to 34.4%. As a result, the 10.2% increase in **gross profit** from € 302.1 million in the previous year to € 332.8 million even exceeded sales growth (7.0%).

Sales and marketing expenses fell from € 143.2 million (15.8% of sales) in the previous year to € 133.9 million (13.8% of sales).

Administrative expenses rose from € 42.4 million (4.7% of sales) in the previous year to € 46.1 million (4.8% of sales).

Development of key cost items (in € million)

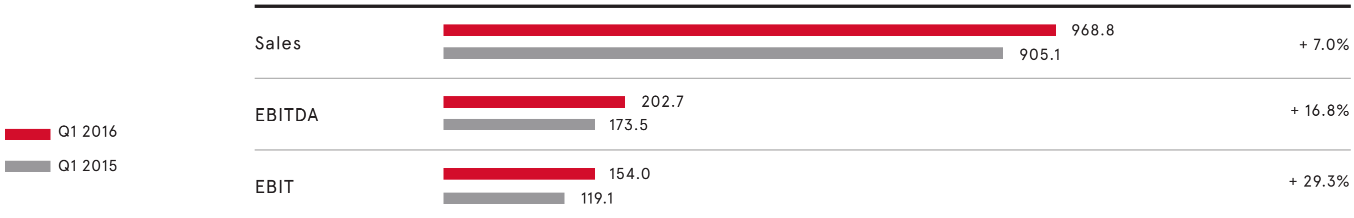
	Q1 2012	Q1 2013	Q1 2014	Q1 2015(1)	Q1 2016
Cost of sales	380.7	413.2	464.5	603.0	635.7
Cost of sales ratio	66.0%	65.6%	65.4%	66.6%	65.6%
Gross margin	34.0%	34.4%	34.6%	33.4%	34.4%
Selling expenses	119.5	115.9	126.2	143.2	133.9
Selling expenses ratio	20.7%	18.4%	17.8%	15.8%	13.8%
Administrative expenses	24.6	28.5	31.9	42.4	46.1
Administrative expenses ratio	4.3%	4.5%	4.5%	4.7%	4.8%

(1) Sales Q1 2015 adjusted in the 6-Month report 2015

Consolidated earnings from operating activities grew even faster than sales: **EBITDA** rose by 16.8% in the first quarter of 2016, from € 173.5 million in the previous year to € 202.7 million. **EBIT** improved by 29.3%, from € 119.1 million to € 154.0 million, and **EBT** by 30.2% from € 112.3 million to € 146.1 million. **EPS** rose by 28.2%, from € 0.39 to € 0.50. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, EPS rose by 25.6% from € 0.43 to € 0.54.

As announced in the Subsequent Events section of the Annual Financial Statements 2015, United Internet wrote down the value of shares held in Rocket Internet SE in its non-operating business in the first quarter of 2016 by the projected amount. Due to the Xetra closing price for Rocket Internet shares of € 24.61 as of March 31, 2016, the impairment charge had a non-cash effect on EBT of € -156.7 million and on EPS of € -0.77. United Internet is still convinced that Rocket Internet has significant market opportunities. The impairment does not impact the company's dividend policy nor its guidance for 2016 as these are based on earnings from operating activities. As a result of the writedowns on financial assets (especially the aforementioned impairment of Rocket Internet shares) EBT for the first quarter amounted to € -10.8 million, EPS to € -0.27, and EPS before PPA to € -0.23.

Key sales and earnings figures of the Group (in € million)



Quarterly development (in € million); change over prior-year quarter

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015	Change
Sales	918.3	931.4	960.9	968.6	905.1	+ 7.0%
EBITDA	172.2(1)	195.3(2)	216.2	202.7	173.5	+ 16.8%
EBIT	117.6(1)	141.3(2)	163.7	154.0	119.1	+ 29.3%

(1) Q2 2015 without effects from sale of Goldbach shares (EBITDA and EBIT effect: € +5.6 million)
(2) Q3 2015 without effects from sale of partial stake in virtual minds (EBITDA and EBIT effect: € +8.4 million)

Historical development of key sales and earnings figures (in € million)

	Q1 2012	Q1 2013	Q1 2014	Q1 2015	Q1 2016
Sales	576.9	629.7	709.9	905.1	968.6
EBITDA	70.5	91.3	112.1	173.5	202.7
EBITDA margin	12.2%	14.5%	15.8%	19.2%	20.9%
EBIT	48.3	68.3	89.7	119.1	154.0
EBIT margin	8.4%	10.8%	12.6%	13.2%	15.9%

Financial position

Thanks to the positive development of earnings, **operative cash flow** rose from € 133.1 million in the previous year to € 148.6 million in the first quarter of 2016.

Cash flow from operating activities in the first quarter of 2015 and the first quarter of 2016 were dominated by various tax effects. Whereas in the first quarter of 2015, there was a tax refund of € 326.0 million on a capital gains tax payment made in late 2014 in connection with corporate restructuring, an income tax payment of around € 100.0 million was made in the first quarter of 2016 (originally planned for the fourth quarter of 2015). Without consideration of these opposing tax effects, cash flow from operating activities rose from € 43.5 million (comparable prior-year figure) to € 104.0 million in the first quarter of 2016.

Cash flow from investing activities amounted to € 294.2 million in the reporting period (prior year: € 139.1 million). This resulted mainly from disbursements of € 33.4 million (prior year: € 31.4 million) for capital expenditures, as well as from payments for the purchase of shares in associated companies totaling € 262.5 million (investment in Tele Columbus). In addition to the aforementioned capital expenditures, cash flow from investing activities in the previous year was dominated by investments in other financial assets of € 111.9 million (especially for the increase in shares held in Rocket Internet SE during the company's capital increase and for the initial acquisition of shares in Drillisch AG).

Without consideration of the above mentioned opposing tax effects, **free cash flow** (i.e. cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment) rose from € 17.1 million (comparable prior-year figure) to € 72.0 million in the first quarter of 2016.

Cash flow from financing activities in the first quarter of 2016 was dominated by the assumption of loans amounting to € 281.9 million, especially for the acquisition of shares in Tele Columbus and the income tax payment (prior year: repayment of loans totaling € 27.6 million), as well as the redemption of finance lease liabilities of € 4.0 million (prior year: € 4.0 million).

Cash and cash equivalents amounted to € 69.9 million as of March 31, 2016 – compared to € 251.1 million on the same date last year.

Historical development of key cash flow figures (in € million)

	Q1 2012	Q1 2013	Q1 2014	Q1 2015	Q1 2016
Operative cash flow	44.9	69.5	79.7	133.1	148.6
Cash flow from operating activities	19.4	86.5	125.6	43.5[2]	4.0[3]
Cash flow from investing activities	–8.4	–9.7	–22.2	–139.1	–294.2
Free cash flow[1]	13.9	77.8	115.9	17.1[2]	72.0[3]
Cash flow from financing activities	–3.8	–26.9	–88.5	–31.6	277.9
Cash and cash equivalents on March 31	72.1	92.1	57.6	251.1	69.9

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
(2) Without capital gains tax refund of € 326.0 million
(3) Without the income tax payment of around € 100.0 million originally planned for the fourth quarter of 2015; including this income tax payment, free cash flow amounted to € -28.0 million

Asset position

The **balance sheet total** rose from € 3.878 billion as of December 31, 2015 to € 4.089 billion on March 31, 2016.

Current assets increased from € 564.9 million as of December 31, 2015 to € 586.9 million on March 31, 2016. **Cash and cash equivalents** disclosed under current assets fell from € 84.3 million to € 69.9 million. **Trade accounts receivable** decreased slightly from € 218.1 million to € 211.9 million. Due to closing-date effects and the expansion of business, **current prepaid expenses** rose from € 82.6 million to € 107.4 million. **Other non-financial assets** increased from € 114.6 million to € 124.9 million and mainly comprise receivables from the tax office.

Non-current assets rose from € 3,312.7 million as of December 31, 2015 to € 3,502.1 million on March 31, 2016. This was mainly due to the increase in **shares in associated companies**, which rose strongly from € 468.4 million to € 765.3 million mainly as a result of the investment in Tele Columbus. The non-current **other financial assets** fell from € 449.0 million to € 363.5 million – due to the subsequent valuation of listed shares in Rocket Internet, Hi-Media and HiPay as of December 31, 2015. Within the items **property, plant and equipment and intangible assets**, additions of € 33.4 million (mainly for furniture and fixtures, as well as software), were opposed by depreciation and amortization of € 48.7 million. Due to currency effects, there was a slight change in **goodwill** from € 1,137.8 million to € 1,132.4 million.

Current liabilities decreased from € 969.0 million as of December 31, 2015 to € 855.2 million on March 31, 2016. Due in particular to closing-date effects, current **trade accounts payable** fell from € 395.9 million to € 358.1 million. Short-term **bank liabilities** declined from € 29.3 million to € 21.8 million. As a result of the income tax payment in the first quarter of 2016, **income tax liabilities** fell strongly from € 129.6 million to € 38.2 million. The increase in **other financial liabilities** from € 105.4 million to € 135.4 million is mainly due to closing-date effects and the expansion of business.

Non-current liabilities increased from € 1,758.9 million as of December 31, 2015 to € 2,041.1 million on March 31, 2016. This was mainly due to the rise in **long-term bank liabilities** from € 1,507.2 million to € 1,796.6 million caused by the investment in Tele Columbus and the income tax payment in the first quarter of 2016.

The Group's **equity capital** rose from € 1,149.8 million as of December 31, 2015 to € 1,192.8 million on March 31, 2016. Due to the strong increase in total assets, the **equity ratio** fell slightly from 29.7% to 29.2%. At the end of the reporting period on March 31, 2016, United Internet's stock of **treasury shares** was unchanged at 917,859 shares.

Due in particular to the investment in Tele Columbus and the income tax payment, **net bank liabilities** (i.e. the balance of bank liabilities and cash and cash equivalents) increased from € 1,452.2 million as of December 31, 2015 to € 1,748.5 million on March 31, 2016.

Historical development of key balance sheet items (in € million)

	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	March 31, 2016
Total assets	1,107.7	1,270.3	3,673.4	3,877.6	4,089.0
Cash and cash equivalents	42.8	42.8	50.8	84.3	69.9
Shares in associated companies	90.9(1)	115.3	34.9(1)	468.4(1)	765.3(1)
Other financial assets	70.1	47.6	695.3(2)	449.0	363.5(2)
Property, plant and equipment	109.2	116.2	689.3(3)	665.2	658.0
Intangible assets	151.8	165.1	385.5(3)	344.0	334.2
Goodwill	356.2(4)	452.8(4)	977.0(4)	1,137.8(4)	1,132.4
Liabilities due to banks	300.3(5)	340.0	1,374.0(5)	1,536.5(5)	1,818.4(5)
Capital stock	215.0	194.0(6)	205.0(6)	205.0	205.0
Treasury stock	263.6	5.2(6)	35.3	26.3	26.3
Equity	198.1	307.9	1,204.7(7)	1,149.8	1,192.8
Equity ratio	17.9%	24.2%	32.8%	29.7%	29.2%

(1) Repurchase of Versatel shares via Versatel's holding company (2012); decrease due to contribution of the GFC and EFF funds to Rocket and complete takeover of Versatel (2014); increase due to investment in Drillisch (2015); increase due to investment in Tele Columbus (2016)
(2) Increase due to investment in Rocket (2014), decrease due to sale of Goldbach shares and subsequent valuation of shares in listed companies (2015); decrease due to subsequent valuation of shares in listed companies (2016)
(3) Increase due to complete takeover of Versatel (2014)
(4) Decrease due to impairment charges for Sedo Holding (2012); increase due to Arsys acquisition (2013); increase due to complete takeover of Versatel (2014); increase due to acquisition of home.pl
(5) Decrease due to repayment of loans (2012); increase due to Rocket investment and takeover of Versatel (2014); increase due to increased stake in Rocket, Drillisch investment, and acquisition of home.pl; increase due to investment in Tele Columbus (2016)
(6) Decrease due to share cancellations (2013); increase due to capital increase (2014)
(7) Increase due to capital increase (2014)

Subsequent events

There were no significant events subsequent to the reporting date of March 31, 2016 which had a material effect on the financial position and performance of United Internet AG or affected its accounting and reporting.

On May 2, 2016, United Internet sold its stake (8.37%) in the listed company Hipay Group S.A., France. The share sale resulted in proceeds of around € 4.5 million.

Risk and opportunity report

The risk and opportunity policy of United Internet AG is based on the objective of maintaining and sustainably enhancing the company's value by utilizing opportunities while at the same time recognizing and managing risks from an early stage in their development. The risk and opportunity management system regulates the responsible handling of those uncertainties which are always involved with economic activity.

Management Board's overall assessment of the Group's risk and opportunity position
The assessment of the overall level of risk is based on a consolidated view of all significant risk fields and individual risks, also taking account of their interdependencies.

In the first quarter of 2016, the overall risk and opportunity situation remained mostly stable compared with the risk and opportunity report provided in the Annual Financial Statements 2015. There were no recognizable risks which directly jeopardized the continued existence of the United Internet Group during the reporting period nor at the time of preparing this Interim Statement, neither from individual risk positions nor from the overall risk situation.

From the current perspective, the main challenges focus on the areas of "potential threats via the internet", "complexity and manipulability of hardware and software used", "political and legal" risks, as well as risks from the fields of "market" and "fraud".

The further expansion of its risk management system enables United Internet to limit such risks to a minimum, where sensible, by implementing specific measures.

In United Internet's non-operating business, non-cash burdens from impairment may arise – as in the first quarter of 2016 – depending on the further performance of the company's listed investments.

Forecast report

Forecast for fiscal year 2016

With the figures for customer contracts, sales and earnings achieved in the first quarter of 2016 and the investments already made, United Internet AG is well on track to meet its targets. Against this backdrop, the company can confirm its guidance for the full year 2016 and continues to expect growth in consolidated sales to approx. € 4 billion. EBITDA is still expected to rise to approx. € 850 million. At the same time, the number of fee-based customer contracts is expected to grow by approx. 800,000 contracts.

Following a successful start to the year, the company's Management Board believes that the company is still on track (at the time of preparing this Interim Statement) to reach its forecasts for the full year 2016 – as presented in the table below.

Full-year 2016 forecast for United Internet AG

	Forecast 2016	12/2015
Fee-based customer contracts	+ approx. 800,000	15.97 million
Sales	approx. € 4 billion	€ 3.716 billion
EBITDA	approx. € 850 million	€ 771.2 million[1]

(1) Including special items of € 14.0 million from sale of Goldbach shares and part of stake in virtual minds

Forward-looking statements
This Interim Statement contains forward-looking statements based on current expectations, assumptions, and projections of the Management Board of United Internet AG and currently available information. These forward-looking statements are subject to various risks and uncertainties and are based upon expectations, assumptions, and projections that may not prove to be accurate. United Internet AG does not guarantee that these forward-looking statements will prove to be accurate and does not accept any obligation, nor have the intention, to adjust or update the forward-looking statements contained in this Interim Statement.

EXPLANATIONS FOR THE INTERIM STATEMENT

Information on the company

United Internet AG is a service company operating in the telecommunication and information technology sector with registered offices at Elgendorfer Strasse 57, 56410 Montabaur, Germany. The company is registered at the district court of Montabaur under HR B 5762.

Information on this Interim Statement

With its Interim Statement on the First Quarter of 2016, United Internet AG is reporting for the first time on the company's performance and development during a quarter in the form of an interim statement.

United Internet is thus utilizing the new opportunities created by German legislation, as well as the German stock exchange operator "Deutsche Börse": comprehensive interim reports are now no longer required for the first and third quarters of a fiscal year. Instead, interim statements on the development of a company's business activities during the reporting period are sufficient.

United Internet has developed a new format and now provides much shorter and more concise reports on the first quarter and first nine months of each fiscal year than was previously the case.

Significant accounting, valuation and consolidation principles

As was the case with the Consolidated Financial Statements as of December 31, 2015, the Interim Statement of United Internet AG as of March 31, 2016 was prepared in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU).

The Interim Statement does not constitute an interim report as defined by IAS 34. With the exception of the mandatory new standards, the accounting and valuation principles applied in the Interim Statement comply with the methods applied in the previous year and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2015.

Use of estimates and assumptions

The preparation of the Interim Statement requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, the uncertainty associated with these assumptions and estimates could lead to results which require material adjustments to the carrying amount of the asset or liability affected in future periods.

Mandatory adoption of new accounting standards

The Annual Improvement Project 2012-2014 had no material impact on the Interim Statement of the Company. There were also no significant effects from other IFRS amendments.

Miscellaneous

The Consolidated Interim Financial Statements include all subsidiaries and associated companies.

The following company was founded in the reporting period 2016:
- 1&1 Energy GmbH, Montabaur (100%)

Shares were acquired in the following associated company during the reporting period 2016:
- Tele Columbus AG, Berlin (25.11%)

Otherwise, the consolidated group remained largely unchanged from that stated in the Consolidated Financial Statements as at December 31, 2015.

This Interim Statement was not audited according to Sec. 317 HGB nor reviewed by an auditor.

FINANCIAL STATEMENTS

BALANCE SHEET

as of March 31, 2016 in €k

	March 31, 2016	December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	69,917	84,261
Trade accounts receivable	211,926	218,074
Inventories	46,626	42,509
Prepaid expenses	107,419	82,633
Other financial assets	26,104	22,840
Other non-financial assets	124,914	114,575
	586,906	564,892
Non-current assets		
Shares in associated companies	765,310	468,366
Other financial assets	363,486	448,959
Property, plant and equipment	657,998	665,195
Intangible assets	334,187	344,033
Goodwill	1,132,448	1,137,795
Trade accounts receivable	40,403	37,431
Prepaid expenses	99,730	102,438
Deferred tax assets	108,556	108,512
	3,502,118	3,312,729
Total assets	**4,089,024**	**3,877,621**

	March 31, 2016	December 31, 2015
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade accounts payable	358,092	395,862
Liabilities due to banks	21,839	29,332
Advance payments received	12,663	15,084
Income taxes liabilities	38,225	129,586
Deferred revenue	239,848	233,036
Other accrued liabilities	23,386	23,835
Other financial liabilities	131,655	105,445
Other non-financial liabilities	25,715	36,805
	851,423	968,985
Non-current liabilities		
Liabilities due to banks	1,796,568	1,507,170
Deferred tax liabilities	87,887	89,080
Trade accounts payable	4,120	4,042
Deferred revenue	25,811	26,856
Other accrued liabilities	36,251	36,209
Other financial liabilities	94,210	95,521
	2,044,847	1,758,878
Total liabilities	**2,896,270**	**2,727,863**
Equity		
Capital stock	205,000	205,000
Capital reserves	372,959	372,203
Accumulated profit	640,179	695,799
Treasury stock	-26,318	-26,318
Revaluation reserves	9,089	-96,021
Currency translation adjustment	-8,729	-1,443
Equity attributable to shareholders of the parent company	**1,192,180**	**1,149,220**
Non-controlling interests	574	538
Total equity	**1,192,754**	**1,149,758**
Total liabilities and equity	**4,089,024**	**3,877,621**

NET INCOME

from January 1 to March 31, 2016 in €k

	2016 January – March	2015 January – March
Sales	968,552	905,079
Cost of sales	-635,711	-602,983
Gross profit	**332,841**	**302,096**
Selling expenses	-133,855	-143,172
General and administrative expenses	-46,053	-42,360
Other operating expenses / income	1,078	2,533
Operating result	**154,011**	**119,097**
Financial result	-8,803	-5,773
Amortization of financial assets	-156,941	0
Result from associated companies	924	-1,062
Pre-tax result	**-10,809**	**112,262**
Income taxes	-44,775	-33,706
Net income before non-controlling interests	**-55,584**	**78,556**
Attributable to		
non-controlling interests	36	16
shareholders of United Internet AG	-55,620	78,540

	2016 January – March	2015 January – March
Result per share of shareholders of United Internet AG (in €)		
- basic	-0.27	0.39
- diluted	-0.27	0.38
Weighted average shares (in million units)		
- basic	204.08	203.77
- diluted	205.42	205.54
Statement of comprehensive income		
Net income	-55,584	78,556
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	-7,286	9,701
Market value changes of available-for-sale financial instruments before taxes - unrealized	-1,786	-64,142
Tax effect	26	962
Market value changes of available-for-sale financial instruments before taxes - realized	106,873	0
Tax effect	0	0
Other comprehensive income	97,824	-53,479
Total comprehensive income	**42,240**	**25,077**
Attributable to		
non-controlling interests	36	16
shareholders of United Internet AG	42,204	25,061

CASH FLOW

from January 1 to March 31, 2016 in €k

	2016 January – March	2015 January – March
Cash flow from operating activities		
Net income	-55,584	78,556
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of intangible assets and property, plant and equipment	36,999	42,653
Amortization of intangible assets resulting from company acquisitions	11,652	11,741
Amortization of financial assets	156,941	0
Share-based payment expense	756	825
Share of profit of associated companies	-924	1,062
Change in deferred taxes	-1,237	-1,711
Operative cash flow	**148,603**	**133,126**
Change in assets and liabilities		
Change in receivables and other assets	-10,427	-16,581
Change in inventories	-4,117	-1,033
Change in deferred expenses	-22,078	-8,298
Change in trade accounts payable	-37,675	-82,477
Change in advance payments received	-2,421	3,609
Change in other accrued liabilities	-408	-174
Change in liabilities income taxes	-91,361	-3,895
Change in other liabilities	15,540	7,692
Change in deferred income	8,377	11,571
Change in assets and liabilities, total	**-144,570**	**-89,586**
Cash flow from operating activities (before capital gains tax refund)	**4,033**	**43,540**
Capital gains tax refund	0	326,013
Cash flow from operating activities	**4,033**	**369,553**

	2016 January – March	2015 January – March
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	-33,359	-31,393
Payments from disposals of intangible assets and property, plant and equipment	1,300	4,915
Payments for company acquisitions less cash received	309	0
Purchase of shares in associated companies	-262,539	0
Investments in other financial assets	0	-111,851
Payments for loans granted	0	-1,067
Payments from loans granted	50	250
Refunding from other financial assets	86	0
Cash flow from investing activities	**-294,153**	**-139,146**
Cash flow from financing activities		
Taking out / repayment of loans	281,903	-27,598
Repayment of loans	-3,954	-3,971
Cash flow from financing activities	**277,949**	**-31,569**
Net increase in cash and cash equivalents	-12,171	198,838
Cash and cash equivalents at beginning of fiscal year	84,261	50,829
Currency translation adjustments of cash and cash equivalents	-2,173	1,432
Cash and cash equivalents at end of fiscal year	**69,917**	**251,099**

CHANGES IN SHAREHOLDERS' EQUITY

from January 1 to March 31, 2016 in €k

	Capital stock		Capital reserves	Accumulated profit	Treasury stock	
	Share	€k	€k	€k	Share	€k
Balance as of January 1, 2015	**205,000,000**	**205,000**	**369,353**	**460,671**	**1,232,338**	**-35,335**
Net income				78,540		
Other comprehensive income						
Total comprehensive income				**78,540**		
Employee stock ownership program			825			
Balance as of March 31, 2015	**205,000,000**	**205,000**	**370,178**	**539,211**	**1,232,338**	**-35,335**
Balance as of January 1, 2016	**205,000,000**	**205,000**	**372,203**	**695,799**	**917,859**	**-26,318**
Net income				-55,620		
Other comprehensive income						
Total comprehensive income				**-55,620**		
Issue of treasury stock						
Employee stock ownership program			756			
Dividend payments						
Profit distributions						
Balance as of March 31, 2016	**205,000,000**	**205,000**	**372,959**	**640,179**	**917,859**	**-26,318**

Revaluation reserves	Currency translation adjustments	Equity attributable to shareholders of United Internet AG	Non-controlling interests	Total equity
€k	**€k**	**€k**	**€k**	**€k**
216,745	**-12,446**	**1,203,988**	**741**	**1,204,729**
		78,540	16	78,556
-63,180	9,701	-53,479		-53,479
-63,180	**9,701**	**25,061**	**16**	**25,077**
		825		825
153,565	**-2,745**	**1,229,874**	**757**	**1,230,631**
-96,021	**-1,443**	**1,149,220**	**538**	**1,149,758**
		-55,620	36	-55,584
105,110	-7,286	97,824		97,824
105,110	**-7,286**	**42,204**	**36**	**42,240**
		0		0
		756		756
		0		0
		0		0
9,089	**-8,729**	**1,192,180**	**574**	**1,192,754**

SEGMENT REPORTING

from January 1 to March 31, 2016 in €k

January – March 2016	Access segment €k	Applications segment €k	Corporate €k	Reconciliation €k	United Internet Group €k
Segment revenues	709,696	268,812	47	-10,003	968,552
- thereof domestic	709,696	161,292	47	-	871,035
- thereof non-domestic	0	107,520	0	-	107,520
EBITDA	124,318	80,418	-2,074	0	202,662
EBIT	90,451	65,872	-2,312	0	154,011
Financial result			-1,901	-6,902	-8,803
Writedowns on investments			-156,941	0	-156,941
Result from at-equity companies			-800	1,724	924
EBT			-161,954	151,145	-10,809
Tax expense				-44,775	-44,775
Net income					**-55,584**
Investments in intangible assets, property, plant and equipment (without goodwill)	26,679	8,643	262	-	35,584
Amortization/depreciation	33,867	14,546	238	-	48,651
- thereof intangible assets and property, plant and equipment	24,084	12,677	238	-	36,999
- thereof assets capitalized during company acquisitions	9,783	1,869	0	-	11,652
Number of employees	3,179	4,794	189	-	8,162
- thereof domestic	3,179	3,092	189	-	6,460
- thereof non-domestic	0	1,702	0	-	1,702

January – March 2015					
Segment revenues	662,153	247,455	33	-4,562	905,079
- thereof domestic	662,153	153,968	33	-	816,154
- thereof non-domestic	0	93,487	0	-	93,487
EBITDA	109,206	68,220	-3,935	0	173,491
EBIT	69,864	53,261	-4,028	0	119,097
Financial result			3,794	-9,567	-5,773
Result from at-equity companies			-1,110	48	-1,062
EBT			-1,344	113,606	112,262
Tax expense				-33,706	-33,706
Net income					**78,556**
Investments in intangible assets, property, plant and equipment (without goodwill)	21,101	12,428	0	-	33,529
Amortization/depreciation	39,342	14,959	93	-	54,394
- thereof intangible assets and property, plant and equipment	29,510	13,050	93	-	42,653
- thereof assets capitalized during company acquisitions	9,832	1,909	0	-	11,741
Number of employees	2,772	5,023	107	-	7,902
- thereof domestic	2,772	3,409	107	-	6,288
- thereof non-domestic	0	1,614	0	-	1,614

FINANCIAL CALENDAR

March 17, 2016	Annual financial statements for fiscal year 2015 press and analyst conference
May 17, 2016	Interim Statement for the first quarter 2016
May 19, 2016	Annual Shareholders' Meeting, Alte Oper, Frankfurt/Main
August 11, 2016	6-Month Report 2016 press and analyst conference
November 15, 2016	Interim Statement for the first 9 months 2016

IMPRINT

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May 2016
Registry court: Montabaur HRB 5762

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

This Interim Statement is available in German and English. Both versions can also be downloaded from www.united-internet.de. In all cases of doubt, the German version shall prevail.

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