

Report of the Supervisory Board for Fiscal Year 2014

The members of the Supervisory Board are:

- Kurt Dobitsch, Chairman of the Supervisory Board of United Internet AG, Markt Schwaben
- Kai-Uwe Ricke, Chairman of the Board of Directors of Delta Partners / Dubai, Stallikon/Switzerland
- Michael Scheeren, Member of the Supervisory Board of United Internet AG, Frankfurt

In fiscal year 2014, the Supervisory Board of United Internet AG fulfilled its legal and statutory duties to regularly advise the Management Board and monitor its management of the Company. The Supervisory Board was directly involved in all decisions of fundamental significance for the Company. The Management Board provided the Supervisory Board with regular and comprehensive reports, both written and oral, and also between meetings, about all relevant questions concerning corporate strategy and planning, as well as the associated risks and opportunities, the development and progress of business, planned and current investments, the status of the Company, its exposure to risk, the risk management system, and issues of compliance. The Management Board discussed the Company's strategic alignment with the Supervisory Board and presented it with a comprehensive report every quarter about the state of business, the development of sales and earnings, and the position of the Company and its business policy. With regard to both content and scope, these reports met all statutory requirements, the standards of good corporate governance, and the criteria set by the Supervisory Board. The Management Board's reports were made available to all members of the Supervisory Board. The Chairman of the Supervisory Board was also kept regularly informed by the Management Board on all business activities, also between the meetings, and gave advice on questions of business policy. The Supervisory Board critically analyzed and verified the plausibility of the reports and information provided by the Management Board.

The Supervisory Board was regularly informed by the Management Board about the internal control system, the group-wide risk management system and the Internal Audit system which it had introduced. On the basis of its own reviews, the Supervisory Board came to the conclusion that the internal control system, the group-wide risk management system and the internal audit system are fully functional and effective.

The Supervisory Board comprises three members and has formed no committees. There was no indication of any conflicts of interest involving Supervisory Board members.

In addition to the regular statutory reports, the Supervisory Board discussed and reviewed the following issues in greater detail:

- The annual financial statements and consolidated financial statements for fiscal year 2013.
- The Report of the Supervisory Board to the Annual Shareholders' Meeting for fiscal year 2013 and the updated Declaration of Conformity with the German Corporate Governance Code.

- Determining the Management Board's target achievement in fiscal year 2013 and approving the payment of variable compensation components, as well as agreeing new targets for the Management Board for fiscal year 2014.
- Group planning and the investment projects for fiscal year 2014.
- Sales and earnings planning 2014 of United Internet AG (parent company)
- The invitation to the Annual Shareholders' Meeting 2014, as well as the agenda and motions for resolutions.
- The dividend proposal for the Annual Shareholders' Meeting.
- The launch of a new share buyback program for up to 2 million treasury shares
- The guidance upgrade for customer growth in the half-yearly financial report
- The issue of subscription rights as part of the employee stock ownership plan.
- Audit planning and the quarterly reports of the Internal Audit department.
- The quarterly reports on risk management
- The prolongation of the existing syndicated loan
- The purchase of 10.7% of shares in Rocket Internet AG in exchange for the contribution of investments in the portfolio companies of the Global Founders Capital Funds and a capital increase for cash of Rocket Internet AG
- The purchase of the remaining 74.9% of shares in the Versatel Group
- The conclusion of a loan agreement (bridging loan) to refinance company acquisitions
- The increase in capital stock of € 11 million to € 205 million via a capital increase for cash and decision on the procedure (accelerated bookbuilding and exclusion of shareholders' subscription rights), the decision on the issuance price of the new shares and the necessary adjustments to the company's articles
- The terms and conclusion of a promissory note loan for general company funding and to partially redeem the bridging loan
- The appointment of Mr. Jan Oetjen and Mr. Martin Witt to the Management Board of United Internet AG as of October 1, 2014
- The strategic alignment and structuring of the Group and Company organization
- Group planning and the investment projects for fiscal year 2015
- The setting of dates for the Supervisory Board's meetings and the financial calendar for fiscal year 2015

Meetings and participation

The Supervisory Board held four meetings during fiscal year 2014 during which the Management Board presented detailed information about the business situation and the development of the Company and Group, as well as about significant business events. The meetings were each attended by all members. In addition to the meetings, further resolutions on current topics were adopted by means of circular written consent.

Corporate Governance

The Supervisory Board once again discussed the German Corporate Governance Code in detail during fiscal year 2014. The Management Board and Supervisory Board issued an updated Declaration of Conformity pursuant to Sec. 161 AktG on March 5, 2015 which is permanently available on the corporate website and in the Federal Newsletter (Bundesanzeiger).

In view of the uncertainties in the regulatory environment until recently, the Supervisory Board has not yet specified any concrete objectives regarding its composition. These uncertainties were removed by the German parliament with the passing on March 6, 2015, of the *Law for the equal participation of women and men in leadership positions in the private sector and the public sector*. Among other things, the law includes an obligation to set targets for raising the proportion of women on management boards and supervisory boards. The law is expected to come into force in the first half of 2015. The Supervisory Board intends to set specific targets regarding the proportion of women on the Supervisory Board before the legal deadline (September 30, 2015).

Supervisory Board remuneration

The current remuneration system of the Supervisory Board consists of a fixed annual component as well as a variable component linked to earnings per share (EPS). The variable component is divided in such a way that in addition to an amount determined on an annual basis, there is also an amount based on the Company's long-term success.

The recommendations of the German Corporate Governance Code regarding the remuneration system for supervisory boards have changed since the last compensation resolution of the Annual Shareholders' Meeting of United Internet AG on June 2, 2010. The German Corporate Governance Code now recommends that supervisory board members receive only a fixed compensation in order to strengthen their independence and that variable compensation should no longer be granted. Against this backdrop, the Supervisory Board and Management Board will present to the Annual Shareholders' Meeting to be held on May 21, 2015, a new compensation system which is fully compliant with the latest German Corporate Governance Code. It comprises a fixed annual remuneration component and an attendance fee per meeting.

In view of the various (net) positive special items in fiscal 2014 and against the background of the planned new remuneration system, the Supervisory Board of United Internet AG has opted for voluntary self-restraint in its compensation for 2014 based on the amounts of the previous year.

Discussion of the annual financial statements 2014 for the Company and the Group

The Annual Shareholders' Meeting of United Internet AG on May 22, 2014 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, based in Eschborn/Frankfurt am Main, as auditors for the fiscal year 2014. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft audited the accounting system, the annual financial statements of United Internet AG, the consolidated financial statements according to IFRS and the combined management report for United Internet AG and the Group for the fiscal year 2014. As part of its audit of the annual financial statements, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft also audited and analyzed the Company's risk management system. The auditor did not detect any major weaknesses in the internal control system, Group-wide risk management system or Internal Audit system. The auditor awarded an unqualified certificate in each case.

The Supervisory Board satisfied itself as to the independence of the auditors and received a written declaration to this end.

The aforementioned annual financial statement documents, the proposal for the appropriation of profit and the auditor's report were presented to all members of the Supervisory Board in due time. The chief auditor attended the relevant meeting of the Supervisory Board on March 25, 2014, where he reported on his audits and their results, elaborated on the audit report, and answered the Supervisory Board's questions. Following its own inspection, the Supervisory Board came to the conclusion that the annual financial statements, the combined management report, the consolidated financial statements and the auditor's report gave no cause for objections. The Supervisory Board concurs with the auditor that there are no major weaknesses in the internal control and risk management system, especially with regard to the accounting process. With a resolution on March 25, 2015, the Supervisory Board approved the annual financial statements of United Internet AG, as prepared by the Company on March 20, 2015 and the consolidated annual financial statements according to IFRS for fiscal 2014, also prepared by the Company on March 20, 2015. The annual financial statements are therefore adopted pursuant to Sec. 172 AktG. The Supervisory Board supports the proposal of the Management Board concerning the allocation of retained earnings.

Audit of the Management Board's report on relations with affiliated companies

The Management Board presented its report on relations with affiliated companies (Dependent Company Report) for fiscal year 2014 to the Supervisory Board in good time.

The report prepared by the Management Board about relations with affiliated companies was also audited by the external auditors. The following certificate was awarded in this respect:

"On the basis of our statutory examination and evaluation, we can confirm that

1. the details made in the report are accurate,
2. the Company was compensated adequately for each transaction mentioned in the report,
3. in the case of those measures mentioned in the report, there is no evidence to suggest a significantly different assessment to that provided by the Management Board."

The external auditors submitted the audit report to the Supervisory Board. The Dependent Company Report and Audit Report were made available to the Supervisory Board in good time. The Supervisory Board reviewed the Management Board's Dependent Company Report and the Audit Report. The Supervisory Board performed the final review at its meeting on March 25, 2015. The external auditors also attended this meeting and reported on their audit of the Dependent Company Report and their main audit results, explained their Audit Report, and answered questions from members of the Supervisory Board. On the basis of our final examination, we concur with the Management Board's Dependent Company Report and the Audit Report and have no objections to raise regarding the Management Board's declaration at the end of the Dependent Company Report.

Changes in the Management Board

As of October 1, 2014, the Supervisory Board appointed Mr. Jan Oetjen and Mr. Martin Witt to the Company's Management Board, which previously comprised three members.

Mr. Oetjen joined the United Internet Group in October 2008 and has since been responsible for the E-Mail and Portal businesses of the WEB.DE and GMX brands. Mr. Witt joined the United Internet Group in July 2009 and was responsible for the Access business of United Internet AG.

The Supervisory Board thanks the Management Board and all employees for their outstanding commitment to the Company in fiscal year 2014.

Montabaur, March 25, 2015

For the Supervisory Board
Kurt Dobitsch

This document is a convenience translation of the German original. In case of discrepancy between the German and the English version, the German version shall prevail.