



**Interim Statement  
Q3 2016**

## SELECTED KEY FIGURES

|  | September 30, 2016 | September 30, 2015 | Change  |
|--|--------------------|--------------------|---------|
| <b>NET INCOME (IN € MILLION)</b>                   |                    |                    |         |
| Sales  | 2,932.2            | 2,754.8            | + 6.4%  |
| EBITDA <sup>(1)</sup>                              | 613.3              | 541.0              | + 13.4% |
| EBIT <sup>(1)</sup>                                | 468.2              | 378.0              | + 23.9% |
| EBT <sup>(1)</sup>                                 | 448.5              | 368.9              | + 21.6% |
| EBT after impairment                               | 193.6              | 368.9              | - 47.5% |
| EPS (in €) <sup>(1)</sup>                          | 1.54               | 1.27               | + 21.3% |
| EPS after impairment (in €) <sup>(1)</sup>         | 0.29               | 1.27               | - 77.2% |
| <b>BALANCE SHEET (IN € MILLION)</b>                |                    |                    |         |
| Current assets                                     | 595.6              | 447.9              | + 33.0% |
| Non-current assets                                 | 3,446.9            | 3,119.4            | + 10.5% |
| Equity   | 1,076.2            | 1,053.2            | + 2.2%  |
| Equity ratio                                       | 26.6 %             | 29.5 %             |         |
| Total assets                                       | 4,042.5            | 3,567.3            | + 13.3% |
| <b>CASH FLOW (IN € MILLION)</b>                    |                    |                    |         |
| Operative cash flow                                | 464.2              | 394.2              | + 17.8% |
| Cash flow from operating activities <sup>(3)</sup> | 329.6              | 394.7              | - 16.5% |
| Cash flow from investing activities                | -371.3             | -535.2             |         |
| Free cash flow <sup>(2) (3)</sup>                  | 215.9              | 305.2              | - 29.3% |
| Adjusted free cash flow <sup>(4)</sup>             | 315.9              | 305.2              | + 3.5%  |
| <b>EMPLOYEES (HEADCOUNT)</b>                       |                    |                    |         |
| Total at the end of September                      | 8,038              | 7,873              | + 2.1%  |
| thereof in Germany                                 | 6,379              | 6,377              | + 0.0%  |
| thereof abroad                                     | 1,659              | 1,496              | + 10.9% |
| <b>SHARE (IN €)</b>                                |                    |                    |         |
| Share price at end of September (Xetra)            | 39.39              | 45.27              | - 13.0% |

|  | September 30, 2016 | September 30, 2015 | Change |
|--|--------------------|--------------------|--------|
| <b>CUSTOMER CONTRACTS (IN MILLION)</b>             |                    |                    |        |
| Access, total contracts                            | 8.50               | 7.52               | + 0.98 |
| thereof Mobile Internet                            | 4.10               | 3.25               | + 0.85 |
| thereof DSL complete (ULL)                         | 4.20               | 4.02               | + 0.18 |
| thereof T-DSL / R-DSL                              | 0.20               | 0.25               | - 0.05 |
| Business Applications, total contracts             | 6.05               | 5.77               | + 0.28 |
| thereof in Germany                                 | 2.34               | 2.37               | - 0.03 |
| thereof abroad                                     | 3.71               | 3.40               | + 0.31 |
| Consumer Applications, total accounts              | 35.64              | 34.75              | + 0.89 |
| thereof with Premium Mail subscription (contracts) | 1.73               | 1.78               | - 0.05 |
| thereof with Value-Added subscription (contracts)  | 0.47               | 0.36               | + 0.11 |
| thereof free accounts                              | 33.44              | 32.61              | + 0.83 |
| Fee-based customer contracts, total                | 16.75              | 15.43              | + 1.32 |

(1) Key earnings figures 9M 2015 without special items from sale of Goldbach shares and partial sale of virtual minds shares (EBITDA, EBIT, EBT effect = € +14.0 million; EPS effect = € +0.07); Key earnings figures 9M 2016 without special items from writedowns on financial assets (especially Rocket impairment) (EBT effect = € -254.9 million; EPS effect = € -1.25)

(2) 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

(3) Cash flow from operating activities and free cash flow in 9M 2015 without capital gains tax refund of € 326.0 million

(4) Free cash flow 9M 2016 adjusted for income tax payment of around € 100.0 million originally due in Q4 2015

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## 29 FINANCIAL CALENDAR / IMPRINT

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**Dear shareholders, employees and business associates of United Internet,**

United Internet AG can look back on a successful first nine months of its fiscal year 2016. Once again, we achieved 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 nine months of 2016. As a result, we raised the number of fee-based customer contracts by 780,000 in the reporting period – and thus by an even greater amount than in the same period last year (650,000 contracts) – to 16.75 million. This customer growth was driven in particular by our Access business which generated 620,000 new Mobile Internet contracts and 80,000 DSL contracts. In the Applications segment, we added 80,000 pay contracts and 290,000 ad-financed accounts during the reporting period.

Consolidated sales rose by 6.4% (currency-adjusted: 6.9%) – despite the further decline in the value of the British pound following the Brexit decision – from € 2,754.8 million in the previous year to the new record figure of € 2,932.2 million. Adjusted for currency fluctuation, percentage sales growth was thus on a par with the previous quarters.

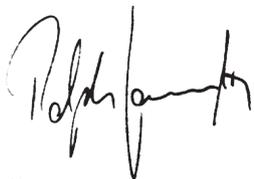
Despite heavy investment in customer growth, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 13.4% (currency-adjusted: 14.1%), from € 541.0 million (comparable prior-year figure without effects from the sale of our Goldbach shares and partial sale of our virtual minds shares) to € 613.3 million. Earnings before interest and taxes (EBIT) increased by 23.9% (currency-adjusted: 24.8%), from € 378.0 million (comparable prior-year figure) to € 468.2 million. Earnings per share from operating activities (operating EPS) improved by 21.3%, from € 1.27 (comparable prior-year figure) to € 1.54. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, operating EPS rose by 19.4% from € 1.39 to € 1.66.

As already reported in our Half-Yearly Financial Report 2016, we wrote down the value of shares we hold in Rocket Internet SE in our non-operating business in the first and second quarters of 2016. As a result, EPS for the first nine months of 2016 fell in total to € 0.29 and EPS before PPA to € 0.41. The impairment charges do not impact our dividend policy nor our guidance for 2016, as these are based on results from operating activities (without special items).

After completing the first nine months of 2016, we can now provide more specific guidance for the full year 2016: sales are expected to increase to € 3.94 - € 3.96 billion (currency-adjusted: € 3.96 - € 3.98 billion). EBITDA is expected to improve to € 835 - € 845 million (currency-adjusted: € 845 - € 855 million). The number of fee-based customers contracts is expected to rise by 940,000 - 960,000 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 successful first nine months, 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, November 15, 2016

A handwritten signature in black ink, appearing to read 'Ralph Dommermuth', written in a cursive style.

Ralph Dommermuth

## INTERIM STATEMENT AS OF SEPTEMBER 30, 2016

### Business development

#### Development of the Access segment

United Internet continued to invest heavily in new customer relationships in the first nine months of 2016. As a result, the number of **fee-based contracts** in the Access segment rose by 700,000 contracts to 8.50 million during the reporting period. A total of 620,000 customer contracts were added in the company's Mobile Internet business in the period under review, thus raising the total number of customers to 4.10 million. There was also growth in the important complete DSL contracts (ULL = Unbundled Local Loop) with the addition of 120,000 customer contracts. As expected, the number of customer contracts for those business models being phased out (T-DSL and R-DSL) continued to fall slightly (-40,000 customer relationships). The total number of DSL contracts therefore grew by a further 80,000 contracts to 4.40 million.

#### Development of Access contracts in the first nine months of 2016 (in million)

|                            | Sept. 30, 2016 | Dec. 31, 2015 | Change |
|----------------------------|----------------|---------------|--------|
| Access, total contracts    | 8.50           | 7.80          | + 0.70 |
| thereof Mobile Internet    | 4.10           | 3.48          | + 0.62 |
| thereof DSL complete (ULL) | 4.20           | 4.08          | + 0.12 |
| thereof T-DSL / R-DSL      | 0.20           | 0.24          | - 0.04 |

#### Development of Access contracts in the third quarter of 2016 (in million)

|                            | Sept. 30, 2016 | June 30, 2016 | Change |
|----------------------------|----------------|---------------|--------|
| Access, total contracts    | 8.50           | 8.25          | 0.25   |
| thereof Mobile Internet    | 4.10           | 3.86          | 0.24   |
| thereof DSL complete (ULL) | 4.20           | 4.18          | 0.02   |
| thereof T-DSL / R-DSL      | 0.20           | 0.21          | -0.01  |

Thanks to this dynamic customer growth, **sales of the Access segment** rose in line with expectations by 6.5% in the first nine months of 2016, from € 2,035.2 million in the previous year to € 2,167.2 million.

There was even stronger growth in the key earnings figures: **segment EBITDA** increased by 11.6%, from € 344.6 million in the previous year to € 384.5 million, and **segment EBIT** by 24.5%, from € 226.9 million to € 282.5 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) and upgrades to VDSL connections, continue to be charged directly as expenses.

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

|        |   |         |         |
|--------|---|---------|---------|
| Sales  |  | 2,167.2 | + 6.5%  |
| EBITDA |  | 384.5   | + 11.6% |
| EBIT   |  | 282.5   | + 24.5% |

 9M 2016  
 9M 2015

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

|        | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q3 2015 | Change  |
|--------|---------|---------|---------|---------|---------|---------|
| Sales  | 707.4   | 709.7   | 725.0   | 732.5   | 696.5   | + 5.2%  |
| EBITDA | 147.5   | 124.3   | 124.7   | 135.5   | 127.0   | + 6.7%  |
| EBIT   | 109.5   | 90.5    | 90.6    | 101.4   | 88.4    | + 14.7% |

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

|               | 9M 2012 | 9M 2013 | 9M 2014 | 9M 2015 | 9M 2016 |
|---------------|---------|---------|---------|---------|---------|
| Sales         | 1,169.0 | 1,321.9 | 1,481.7 | 2,035.2 | 2,167.2 |
| EBITDA        | 145.5   | 175.9   | 213.9   | 344.6   | 384.5   |
| EBITDA margin | 12.4%   | 13.3%   | 14.4%   | 16.9%   | 17.7%   |
| EBIT          | 125.2   | 154.7   | 193.3   | 226.9   | 282.5   |
| EBIT margin   | 10.7%   | 11.7%   | 13.0%   | 11.1%   | 13.0%   |

## Development of the Applications segment

In the field of Business Applications, the main focus is currently 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. In the first nine months of 2016, the number of fee-based **contracts for Business Applications** rose by 60,000 contracts to 6.05 million.

### Development of Business Applications contracts in the first nine months of 2016 (in million)

|  | Sept. 30, 2016 | Dec. 31, 2015 | Change |
|--|----------------|---------------|--------|
| Business Applications, total contracts | 6.05           | 5.99          | + 0.06 |
| thereof in Germany                     | 2.34           | 2.35          | - 0.01 |
| thereof abroad                         | 3.71           | 3.64          | + 0.07 |

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

|  | Sept. 30, 2016 | June 30, 2016 | Change   |
|--|----------------|---------------|----------|
| Business Applications, total contracts | 6.05           | 6.03          | + 0.02   |
| thereof in Germany                     | 2.34           | 2.34          | +/- 0.00 |
| thereof abroad                         | 3.71           | 3.69          | + 0.02   |

In the Consumer Applications business, revenues from online advertising were weaker than expected in the third quarter of 2016. The company therefore increased advertising again for its own pay products. As a result, the number of pay accounts was raised by 20,000 contracts to 2.20 million in the third quarter of 2016 – following a stable development in the first half of the year. At the same time, the number of free accounts rose by 290,000 to 33.44 million in the reporting period. Consequently, the total number of **Consumer Accounts** increased by 310,000 to 35.64 million accounts in the first nine months of 2016.

**Development of Consumer Applications accounts in the first nine months of 2016 (in million)**

|  | Sept. 30, 2016 | Dec. 31, 2015 | Change |
|--|----------------|---------------|--------|
| Consumer Applications, total accounts  | 35.64          | 35.33         | + 0.31 |
| thereof with Premium Mail subscription | 1.73           | 1.77          | - 0.04 |
| thereof with Value-Added subscription  | 0.47           | 0.41          | + 0.06 |
| thereof free accounts                  | 33.44          | 33.15         | + 0.29 |

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

|  | Sept. 30, 2016 | June 30, 2016 | Change |
|--|----------------|---------------|--------|
| Consumer Applications, total accounts  | 35.64          | 35.54         | + 0.10 |
| thereof with Premium Mail subscription | 1.73           | 1.74          | - 0.01 |
| thereof with Value-Added subscription  | 0.47           | 0.44          | + 0.03 |
| thereof free accounts                  | 33.44          | 33.36         | + 0.08 |

By successfully expanding business with existing customers and focusing on high-quality customer relationships, **sales of the Applications segment** rose by 7.0% in the first nine months of 2016 from € 741.7 million in the previous year to € 793.6 million. After adjustment for currency fluctuations – especially the falling value of the British pound – sales growth amounted to 8.6%. **Sales generated abroad** increased by 11.0% (currency-adjusted: 15.2%), from € 285.3 million to € 316.8 million – due in part to the initial consolidation of home.pl.

Key earnings figures outpaced this growth in sales: **segment EBITDA** rose by 13.4% (currency-adjusted: 15.3%), from € 208.6 million in the previous year to € 236.6 million, while **segment EBIT** increased by 18.8% (currency-adjusted: 20.9%) from € 163.6 million to € 194.4 million. With an improvement in the EBITDA margin from 28.1% last year to 29.8%, and in the EBIT margin from 22.1% last year to 24.5%, the positive trend of the past few years was continued.

In order to ensure comparability with the guidance issued at the beginning of the year, currency-adjusted sales and earnings figures are calculated by converting the sales and earnings figures of the current reporting period with the standard conversion rates used at year-end 2015.

**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)

|        |   |       |         |
|--------|---|-------|---------|
| Sales  |  | 793.6 | + 7.0%  |
| EBITDA |  | 236.6 | + 13.4% |
| EBIT   |  | 194.4 | + 18.8% |

 9M 2016  
 9M 2015

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

|        | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q3 2015 | Change  |
|--------|---------|---------|---------|---------|---------|---------|
| Sales  | 259.5   | 268.8   | 266.2   | 258.5   | 244.9   | + 5.6%  |
| EBITDA | 73.3    | 80.4    | 75.0    | 81.2    | 72.6    | + 11.9% |
| EBIT   | 58.9    | 65.9    | 61.1    | 67.5    | 57.3    | + 17.8% |

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

|               | 9M 2012 | 9M 2013 | 9M 2014 | 9M 2015 | 9M 2016 |
|---------------|---------|---------|---------|---------|---------|
| Sales         | 597.4   | 633.0   | 688.7   | 741.7   | 793.6   |
| EBITDA        | 92.1    | 111.8   | 171.6   | 208.6   | 236.6   |
| EBITDA margin | 15.4%   | 17.7%   | 24.9%   | 28.1%   | 29.8%   |
| EBIT          | 44.0    | 63.2    | 126.1   | 163.6   | 194.4   |
| EBIT margin   | 7.4%    | 10.0%   | 18.3%   | 22.1%   | 24.5%   |

## Significant changes in investments

### United Internet becomes largest shareholder of Tele Columbus AG

Following the purchase of a 9.8% stake in Tele Columbus AG, United Internet contractually secured the acquisition of a share package amounting to approx. 15.31% of shares in Tele Columbus on February 10, 2016 via the subsidiary United Internet Ventures AG. 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 now has a total indirect shareholding of 25.11% in Tele Columbus.

United Internet believes that Tele Columbus AG is well positioned 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.

### Sale of Hipay shares

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.

## Position of the Group

### Earnings position

United Internet AG can look back on a successful first nine months of its fiscal year 2016.

**Consolidated sales** rose by 6.4% (currency-adjusted: 6.9%) – despite the further decline in the value of the British pound following the Brexit decision – from € 2,754.8 million in the previous year to the new record figure of € 2,932.2 million. Adjusted for currency fluctuation, percentage sales growth was thus on a par with the previous quarters. **Sales outside Germany** increased by 11.0% (currency-adjusted: 15.2%), from € 285.3 million to € 316.8 million.

In the first nine months 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 780,000 in the reporting period – and thus by an even greater amount than in the previous year (+650,000) – to 16.75 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 and upgrades to VDSL connections, 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 nine months of 2016, from € 1,834.6 million (66.6% of sales) in the previous year to € 1,944.4 million (66.3% of sales). Consequently, **gross margin** rose from 33.4% in the previous year to 33.7%. As a result, the 7.3% increase in **gross profit** from € 920.2 million in the previous year to € 987.8 million even surpassed sales growth (6.4%).

**Sales and marketing expenses** fell from € 423.0 million (15.4% of sales) in the previous year to € 395.6 million (13.5% of sales).

At € 137.3 million, or 4.7% of sales, **administrative expenses** were unchanged as a ratio of sales.

#### Development of key cost items (in € million)

|                               | 9M 2012 | 9M 2013 | 9M 2014 <sup>(1)</sup> | 9M 2015 | 9M 2016 |
|-------------------------------|---------|---------|------------------------|---------|---------|
| Cost of sales                 | 1,166.5 | 1,292.7 | 1,424.9                | 1,834.6 | 1,944.4 |
| Cost of sales ratio           | 66.0%   | 66.1%   | 65.6%                  | 66.6%   | 66.3%   |
| Gross margin                  | 34.0%   | 33.9%   | 34.4%                  | 33.4%   | 33.7%   |
| Selling expenses              | 340.5   | 351.6   | 340.6                  | 423.0   | 395.6   |
| Selling expenses ratio        | 19.3%   | 18.0%   | 15.7%                  | 15.4%   | 13.5%   |
| Administrative expenses       | 79.7    | 87.2    | 98.2                   | 129.5   | 137.3   |
| Administrative expenses ratio | 4.5%    | 4.5%    | 4.5%                   | 4.7%    | 4.7%    |

(1) 9M 2014 retroactively adjusted (see Annual Report 2014, 2.2 Effects of new or amended IFRS standards, p. 145 ff.)

Consolidated earnings from operating activities developed even faster than sales: without consideration of special items from the sale of Goldbach shares and the partial sale of virtual minds shares in the previous year (EBITDA, EBIT, EBT effect = € +14.0 million; EPS effect = € +0.07), **EBITDA** rose by 13.4% (currency-adjusted: 14.1%) in the first nine months of 2016, from € 541.0 million to € 613.3 million, while **EBIT** increased by 23.9% (currency-adjusted: 24.8%), from € 378.0 million to € 468.2 million. **EBT** was up 21.6% from € 368.9 million to € 448.5 million. Operating **EPS** improved by 21.3% from € 1.27 to € 1.54. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, operating EPS rose by 19.4% from € 1.39 to € 1.66.

As already reported in the Half-Yearly Financial Report 2016, the value of shares held in Rocket Internet SE in the company's non-operating business has been written down without affecting cash flow (EBT effect: € -254.6 million; EPS effect: € -1.25). As a result, EBT in the first nine months of 2016 was reduced to € 193.6 million, while EPS fell in total to € 0.29 and EPS before PPA to € 0.41. The impairment charges do not impact United Internet's dividend policy nor guidance for 2016, as these are based on earnings from operating activities (without special items).

In order to ensure comparability with the guidance issued at the beginning of the year, currency-adjusted sales and earnings figures are calculated by converting the sales and earnings figures of the current reporting period with the standard conversion rates used in late 2015 and for planning.

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

|        |         |                      |         |
|--------|---------|----------------------|---------|
| Sales  | 2,932.2 | 2,754.8              | + 6.4%  |
| EBITDA | 613.3   | 541.0 <sup>(1)</sup> | + 13.4% |
| EBIT   | 468.2   | 378.0 <sup>(1)</sup> | + 23.9% |

■ 9M 2016  
■ 9M 2015

(1) 9M 2015 without effects from sale of Goldbach shares and partial stake in virtual minds (EBITDA and EBIT effect: € +14.0 million)

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

|        | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q3 2015              | Change  |
|--------|---------|---------|---------|---------|----------------------|---------|
| Sales  | 960.9   | 968.6   | 982.6   | 981.1   | 931.4                | + 5.3%  |
| EBITDA | 216.2   | 202.7   | 197.6   | 212.9   | 195.3 <sup>(1)</sup> | + 9.0%  |
| EBIT   | 163.7   | 154.0   | 149.4   | 164.8   | 141.3 <sup>(1)</sup> | + 16.6% |

(1) 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)

|               | 9M 2012              | 9M 2013 | 9M 2014              | 9M 2015              | 9M 2016 |
|---------------|----------------------|---------|----------------------|----------------------|---------|
| Sales         | 1,766.6              | 1,955.1 | 2,170.9              | 2,754.8              | 2,932.2 |
| EBITDA        | 261.1                | 237.7   | 280.5 <sup>(2)</sup> | 541.0 <sup>(3)</sup> | 613.3   |
| EBITDA margin | 17.0%                | 13.5%   | 14.3%                | 19.6%                | 20.9%   |
| EBIT          | 198.8 <sup>(1)</sup> | 169.2   | 210.6 <sup>(2)</sup> | 378.0 <sup>(3)</sup> | 468.2   |
| EBIT margin   | 12.9%                | 9.6%    | 10.8%                | 13.7%                | 16.0%   |

(1) 9M 2012 without Sedo impairment (EBIT effect: € -46.3 million)

(2) 9M 2014 without one-off effect from contribution of GFC investments to Rocket (EBITDA and EBIT effect: € +71.5 million)

(3) 9M 2015 without effects from sale of Goldbach shares and partial stake in virtual minds (EBITDA and EBIT effect: € +14.0 million)

## Financial position

Thanks to the positive development of earnings, **operative cash flow** rose from € 394.2 million in the previous year to € 464.2 million in the first nine months of 2016.

**Cash flow from operating activities** in the first nine months of 2015 and the first nine months of 2016 were dominated by various tax effects. Whereas in the first nine months 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 nine months of 2016 (originally planned for the fourth quarter of 2015). Without consideration of these opposing tax effects, **cash flow from operating activities rose** from € 394.7 million (comparable prior-year figure) to € 429.6 million in the first nine months of 2016.

**Cash flow from investing activities** amounted to € 371.3 million in the reporting period (prior year: € 535.2 million). This resulted mainly from disbursements of € 117.2 million (prior year: € 98.7 million) for capital expenditures, as well as from payments for the purchase of shares in associated companies totaling € 264.2 million (investment in Tele Columbus). In addition to the aforementioned capital expenditures, cash flow from investing activities in the previous year was dominated by payments of € 417.8 million for the purchase of shares in associated companies (especially Drillisch), as well as investments in other financial assets of € 58.9 million (especially for the increase in shares held in Rocket Internet SE during the company's capital increase).

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 € 305.2 million (comparable prior-year figure) to € 315.9 million in the first nine months of 2016.

**Cash flow from financing activities** in the first nine months of 2016 was dominated by the buyback of treasury shares totaling € 112.2 million (prior year: € 0), the assumption of loans amounting to € 311.6 million, especially for the acquisition of shares in Tele Columbus and the income tax payment (prior year: repayment of loans totaling € 18.0 million), as well as the dividend payment of € 142.9 million (prior year: € 122.3 million).

**Cash and cash equivalents** amounted to € 87.7 million as of September 30, 2016 – compared to € 85.2 million on the same date last year.

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

|   | 9M 2012 | 9M 2013 | 9M 2014 | 9M 2015              | 9M 2016              |
|---|---------|---------|---------|----------------------|----------------------|
| Operative cash flow                       | 168.4   | 185.2   | 285.2   | 394.2                | 464.2                |
| Cash flow from operating activities       | 184.9   | 196.9   | 274.0   | 394.7 <sup>(2)</sup> | 429.6 <sup>(3)</sup> |
| Cash flow from investing activities       | -39.3   | -192.4  | -384.5  | -535.2               | -371.3               |
| Free cash flow <sup>(1)</sup>             | 143.2   | 155.3   | 239.8   | 305.2 <sup>(2)</sup> | 315.9 <sup>(3)</sup> |
| Cash flow from financing activities       | -165.6  | 6.8     | 235.6   | -152.1               | 49.3                 |
| Cash and cash equivalents on September 30 | 45.5    | 53.8    | 169.5   | 85.2                 | 87.7                 |

(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 € 215.9 million

## Asset position

The **balance sheet total** increased from € 3.878 billion as of December 31, 2015 to € 4.043 billion as of September 30, 2016.

**Current assets** increased from € 564.9 million as of December 31, 2015 to € 595.6 million as of September 30, 2016. **Cash and cash equivalents** disclosed under current assets rose slightly from € 84.3 million to € 87.7 million. **Trade accounts receivable** increased from € 218.1 million to € 228.0 million. Due to closing-date effects and the expansion of business, **current prepaid expenses** rose from € 82.6 million to € 115.5 million. **Other non-financial assets** decreased from € 114.6 million to € 97.6 million and mainly comprise receivables from the tax office.

**Non-current assets** rose from € 3,312.7 million as of December 31, 2015 to € 3,446.9 million on September 30, 2016. This was mainly due to the increase in **shares in associated companies**, which rose strongly from € 468.4 million to € 753.7 million, largely as a result of the investment in Tele Columbus. There was an opposing decrease in non-current **other financial assets** from € 449.0 million to € 286.8 million – due to the subsequent valuation of listed shares in Rocket and Hi-Media as of September 30, 2016 and the sale of Hipay. Within the items **property, plant and equipment and intangible assets**, additions of € 117.2 million (mainly for furniture and fixtures, as well as software), were opposed by depreciation and amortization of € 145.1 million. Due to currency effects, there was a slight change in **goodwill** from € 1,137.8 million to € 1,126.5 million.

**Current liabilities** increased from € 969.0 million as of December 31, 2015 to € 1,261.6 million on September 30, 2016. Current **trade accounts payable** rose slightly from € 395.9 million to € 399.8 million. Short-term **bank liabilities** increased from € 29.3 million to € 394.2 million. The increase mainly results from the planned reclassification of non-current bank liabilities to current bank liabilities for a tranche due in August 2017 to reduce bank liabilities. As a result of the planned income tax payment made in the first quarter of 2016, **income tax liabilities** fell strongly from € 129.6 million to € 46.9 million. The increase in **other financial liabilities** from € 105.4 million to € 118.8 million is mainly due to closing-date effects and the expansion of business.

Non-current liabilities decreased from € 1,758.9 million as of December 31, 2015 to € 1,704.7 million on September 30, 2016. This was mainly due to the decline in long-term bank liabilities from € 1,507.2 million to € 1,453.9 million. The above mentioned reclassification to current bank liabilities was opposed in particular by the investment in Tele Columbus, the income tax payment, and the acquisition of treasury stock.

Due in particular to the dividend payment and acquisition of treasury stock, the Group's **equity capital** fell from € 1,149.8 million as of December 31, 2015 to € 1,076.2 million on September 30, 2016. There was a corresponding decline in the **equity ratio** from 29.7% to 26.6%. At the end of the reporting period on September 30, 2016, United Internet held 3,412,918 **treasury shares** (December 31, 2015: 917,859 shares).

Mainly as a result of the investment in Tele Columbus, the income tax payment, and the acquisition of treasury stock, **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 € 1,760.4 million on September 30, 2016.

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

|                                | Dec. 31, 2012 | Dec. 31, 2013        | Dec. 31, 2014          | Dec. 31, 2015          | Sept. 30, 2016         |
|--------------------------------|---------------|----------------------|------------------------|------------------------|------------------------|
| Total assets                   | 1,107.7       | 1,270.3              | 3,673.4                | 3,877.6                | 4,042.5                |
| Cash and cash equivalents      | 42.8          | 42.8                 | 50.8                   | 84.3                   | 87.7                   |
| Shares in associated companies | 90.9          | 115.3                | 34.9 <sup>(1)</sup>    | 468.4 <sup>(1)</sup>   | 753.7 <sup>(1)</sup>   |
| Other financial assets         | 70.1          | 47.6                 | 695.3 <sup>(2)</sup>   | 449.0 <sup>(2)</sup>   | 286.8 <sup>(2)</sup>   |
| Property, plant and equipment  | 109.2         | 116.2                | 689.3 <sup>(3)</sup>   | 665.2                  | 655.4                  |
| Intangible assets              | 151.8         | 165.1                | 385.5 <sup>(3)</sup>   | 344.0                  | 328.3                  |
| Goodwill                       | 356.2         | 452.8 <sup>(4)</sup> | 977.0 <sup>(4)</sup>   | 1,137.8 <sup>(4)</sup> | 1,126.5                |
| Liabilities due to banks       | 300.3         | 340.0                | 1,374.0 <sup>(5)</sup> | 1,536.5 <sup>(5)</sup> | 1,848.1 <sup>(5)</sup> |
| Capital stock                  | 215.0         | 194.0 <sup>(6)</sup> | 205.0 <sup>(6)</sup>   | 205.0                  | 205.0                  |
| Treasury stock                 | 263.6         | 5.2 <sup>(6)</sup>   | 35.3                   | 26.3                   | 124.0 <sup>(6)</sup>   |
| Equity                         | 198.1         | 307.9                | 1,204.7 <sup>(7)</sup> | 1,149.8                | 1,076.2                |
| Equity ratio                   | 17.9%         | 24.2%                | 32.8%                  | 29.7%                  | 26.6%                  |

(1) 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) Increase due to Arsys acquisition (2013); increase due to complete takeover of Versatel (2014); increase due to acquisition of home.pl (2015)

(5) Increase due to Rocket investment and takeover of Versatel (2014); increase due to increased stake in Rocket, Drillisch investment, and acquisition of home.pl (2015); increase due to investment in Tele Columbus (2016)

(6) Decrease due to share cancellations (2013); increase due to capital increase (2014); increase due to share buybacks (2016)

(7) Increase due to capital increase (2014)

## Subsequent events

On November 8, 2016, United Internet AG and WP XII Venture Holdings S.a.r.l., a subsidiary of private equity funds advised by Warburg Pincus LLC (together: "Warburg Pincus"), signed an agreement regarding a 33.33% stake of Warburg Pincus in the United Internet division Business Applications.

The transaction values the business currently pooled by United Internet within the company 1&1 Internet SE at € 2.55 billion. This corresponds to approx. 12.5 times the division's planned EBITDA result for fiscal 2016.

The "Business Applications" division pooled under 1&1 Internet SE (part of the overall "Applications" segment of United Internet) includes the hosting business with domains, home pages, webhosting, servers and e-shops, professional e-mail solutions, online storage and marketing tools. 1&1's Business Applications products are mainly targeted at freelancers and SMEs in numerous European countries (Germany, France, UK, Italy, Austria, Poland, Spain) as well as North America (Canada, Mexico, USA). The "Business Applications" division also comprises the foreign companies belonging to 1&1 Internet SE as well as their subsidiaries (e.g. Fasthosts, Arsys, home.pl, InterNetX, united-domains and Sedo) and the respective service companies.

The investment of Warburg Pincus is to be made via a holding company still to be founded. A purchase price of up to € 450 million has been agreed for the 33.33% stake of Warburg Pincus. This is based on the division's equity value of € 1.35 billion. This corresponds to the division's enterprise value after deducting internal loan receivables of United Internet AG totaling € 1.20 billion which arose from United Internet's transfer of the business to the new structure and are subject to standard market interest rates. A partial amount of approx. € 334 million is expected in the first half of 2017. A further amount of up to € 116 million is to be paid if certain performance targets are met and exchange rates change at later dates.

After closing the transaction, United Internet AG will remain the majority shareholder with a 66.67% stake in the newly founded holding company and will continue to fully consolidate its Business Applications division in its annual and quarterly financial statements.

As part of its strategic alliance, Warburg Pincus will support the management team of the "Business Applications" division. To this end, Mr. René Obermann, Managing Director of Warburg Pincus International LLC, will join the Supervisory Board of the Business Applications division.

The common goal of the partnership is to extend the division's market leadership in Europe with top-quality and innovative webhosting products and cloud applications, as well as first-class customer service. With its global market expertise and access to experts in the sector, Warburg Pincus is expected to make a valuable contribution to the division's organic growth, its development of new products and services, and any potential mergers and acquisitions in the future.

The transaction offers 1&1 Internet SE flexibility with regard to its future strategic options, including a potential IPO in the coming years.

The transaction is subject to approval by the relevant antitrust authorities.

There were no other significant events subsequent to the reporting date of September 30, 2016 which had a material effect on the financial position and performance of United Internet AG or affected its accounting and reporting.

## 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 nine months 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 half of 2016 – depending on the further performance of the company’s listed investments.

## Forecast report

### Forecast for fiscal year 2016

After completing the first nine months of 2016, United Internet AG can now provide more specific guidance for the full year 2016: sales are expected to increase to € 3.94 – € 3.96 billion (currency-adjusted: € 3.96 – € 3.98 billion). EBITDA is expected to improve to € 835 – € 845 million (currency-adjusted: € 845 – € 855 million). The number of fee-based customer contracts is expected to rise by 940,000 – 960,000 contracts (previously: approx. 900,000).

At the time of preparing this Interim Statement, the Management Board of United Internet AG believes that the company is still well on track to reach its forecasts for the full year 2016 – as specified in the table below.

#### Full-year 2016 forecast for United Internet AG

|                              | 12/2015                        | Forecast 2016         | Specification August 2016 | Specification November 2016  |
|------------------------------|--------------------------------|-----------------------|---------------------------|--|
| Fee-based customer contracts | 15.97 million                  | + approx. 800,000     | + approx. 900,000         | 940,000 – 960,000  |
| Sales                        | € 3.716 billion                | approx. € 4 billion   |                           | € 3.94 – € 3.96 billion (currency-adjusted: € 3.96 – € 3.98 billion) |
| EBITDA                       | € 771.2 million <sup>(1)</sup> | approx. € 850 million |                           | € 835 – € 845 million (currency-adjusted: € 845 – € 855 million)     |

(1) Including special items of € 14.0 million from the sale of Goldbach shares and partial 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

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 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 September 30, 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.

## Use of business-relevant key financial performance indicators

In order to ensure the clear and transparent presentation of United Internet's business trend, the financial statements include key financial performance indicators – in addition to the disclosures required by International Financial Reporting Standards (IFRS) – such as EBITDA, the EBITDA margin, EBIT, the EBIT margin and free cash flow. Insofar as required for clear and transparent presentation, these indicators are adjusted for special items. Such special items usually refer solely to those effects capable of restricting the validity of the key financial performance indicators with regard to the company's financial and earnings performance – due to their nature, frequency and/or magnitude. All special items are presented and explained for the purpose of reconciliation with the unadjusted financial figures in the relevant section of the financial statements.

## 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

Shares were acquired in the following associated companies during the reporting period 2016:

- Tele Columbus AG, Berlin (25.11%)
- 1&1 Internet Holding SE, Montabaur (formerly: Atrium 93. Europäische VV SE)

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.

# INTERIM FINANCIAL STATEMENTS

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## GROUP BALANCE SHEET

as of September 30, 2016 in €k

|                                | September 30, 2016 | December 31, 2015 |
|--------------------------------|--------------------|-------------------|
| <b>ASSETS</b>                  |                    |                   |
| <b>Current assets</b>          |                    |                   |
| Cash and cash equivalents      | 87,705             | 84,261            |
| Trade accounts receivable      | 227,967            | 218,074           |
| Inventories                    | 41,238             | 42,509            |
| Prepaid expenses               | 115,455            | 82,633            |
| Other financial assets         | 25,649             | 22,840            |
| Other non-financial assets     | 97,595             | 114,575           |
|                                | 595,608            | 564,892           |
| <b>Non-current assets</b>      |                    |                   |
| Shares in associated companies | 753,670            | 468,366           |
| Other financial assets         | 286,780            | 448,959           |
| Property, plant and equipment  | 655,399            | 665,195           |
| Intangible assets              | 328,347            | 344,033           |
| Goodwill                       | 1,126,518          | 1,137,795         |
| Trade accounts receivable      | 49,781             | 37,431            |
| Prepaid expenses               | 129,673            | 102,438           |
| Deferred tax assets            | 116,760            | 108,512           |
|                                | 3,446,927          | 3,312,729         |
| <b>Total assets</b>            | <b>4,042,534</b>   | <b>3,877,621</b>  |

|  | September 30, 2016 | December 31, 2015 |
|--|--------------------|-------------------|
| <b>LIABILITIES AND EQUITY</b>                                    |                    |                   |
| <b>Liabilities</b>   |                    |                   |
| <b>Current liabilities</b>                                       |                    |                   |
| Trade accounts payable   | 399,754            | 395,862           |
| Liabilities due to banks   | 394,199            | 29,332            |
| Advance payments received  | 12,799             | 15,084            |
| Income taxes liabilities   | 46,855             | 129,586           |
| Deferred revenue   | 234,536            | 233,036           |
| Other accrued liabilities  | 21,585             | 23,835            |
| Other financial liabilities                                      | 118,755            | 105,445           |
| Other non-financial liabilities                                  | 33,121             | 36,805            |
|  | 1,261,605          | 968,985           |
| <b>Non-current liabilities</b>                                   |                    |                   |
| Liabilities due to banks   | 1,453,935          | 1,507,170         |
| Deferred tax liabilities   | 89,235             | 89,080            |
| Trade accounts payable   | 6,840              | 4,042             |
| Deferred revenue   | 25,514             | 26,856            |
| Other accrued liabilities  | 36,780             | 36,209            |
| Other financial liabilities                                      | 92,420             | 95,521            |
|  | 1,704,723          | 1,758,878         |
| <b>Total liabilities</b>   | <b>2,966,329</b>   | <b>2,727,863</b>  |
| <b>Equity</b>  |                    |                   |
| Capital stock  | 205,000            | 205,000           |
| Capital reserves   | 376,420            | 372,203           |
| Accumulated profit   | 602,954            | 695,799           |
| Treasury stock   | -124,007           | -26,318           |
| Revaluation reserves   | 31,205             | -96,021           |
| Currency translation adjustment                                  | -15,696            | -1,443            |
| <b>Equity attributable to shareholders of the parent company</b> | <b>1,075,875</b>   | <b>1,149,220</b>  |
| Non-controlling interests  | 330                | 538               |
| <b>Total equity</b>  | <b>1,076,205</b>   | <b>1,149,758</b>  |
| <b>Total liabilities and equity</b>                              | <b>4,042,534</b>   | <b>3,877,621</b>  |

## GROUP NET INCOME

from January 1 to September 30, 2016 in €k

|  | 2016<br>January – Sept. | 2015<br>January – Sept. |
|--|-------------------------|-------------------------|
| Sales  | 2,932,212               | 2,754,822               |
| Cost of sales                                      | -1,944,453              | -1,834,582              |
| <b>Gross profit</b>                                | <b>987,759</b>          | <b>920,240</b>          |
| Selling expenses                                   | -395,578                | -423,048                |
| General and administrative expenses                | -137,294                | -129,501                |
| Other operating expenses / income                  | 13,342                  | 24,354                  |
| <b>Operating result</b>                            | <b>468,229</b>          | <b>392,045</b>          |
| Financial result                                   | -20,778                 | -7,913                  |
| Amortization of financial assets                   | -254,905                | 0                       |
| Result from associated companies                   | 1,081                   | -1,267                  |
| <b>Pre-tax result</b>                              | <b>193,627</b>          | <b>382,865</b>          |
| Income taxes                                       | -135,058                | -108,859                |
| <b>Net income before non-controlling interests</b> | <b>58,569</b>           | <b>274,006</b>          |
| Attributable to                                    |                         |                         |
| non-controlling interests                          | 148                     | 73                      |
| shareholders of United Internet AG                 | 58,421                  | 273,933                 |

|  | <b>2016</b><br><b>January – Sept.</b> | <b>2015</b><br><b>January – Sept.</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Result per share of shareholders of United Internet AG (in €)</b>                       |                                       |                                       |
| - basic  | 0.29                                  | 1.34                                  |
| - diluted  | 0.29                                  | 1.33                                  |
| <b>Weighted average shares (in million units)</b>  |                                       |                                       |
| - basic  | 203.82                                | 203.88                                |
| - diluted  | 204.59                                | 205.21                                |
| <b>Statement of comprehensive income</b>   |                                       |                                       |
| Net income   | 58,569                                | 274,006                               |
| Items that may be reclassified subsequently to profit or loss                              |                                       |                                       |
| Currency translation adjustment - unrealized   | -14,253                               | 7,408                                 |
| Market value changes of available-for-sale financial instruments before taxes - unrealized | 20,319                                | -318,004                              |
| Tax effect   | 34                                    | 4,780                                 |
| Market value changes of available-for-sale financial instruments before taxes - realized   | 106,873                               | 0                                     |
| Tax effect   | 0                                     | 0                                     |
| Other comprehensive income   | 112,973                               | -305,816                              |
| <b>Total comprehensive income</b>  | <b>171,542</b>                        | <b>-31,810</b>                        |
| Attributable to  |                                       |                                       |
| non-controlling interests  | 148                                   | 73                                    |
| shareholders of United Internet AG   | 171,394                               | -31,883                               |

## GROUP CASH FLOW

from January 1 to September 30, 2016 in €k

|   | 2016<br>January – Sept. | 2015<br>January – Sept. |
|---|-------------------------|-------------------------|
| <b>Cash flow from operating activities</b>  |                         |                         |
| Net income  | 58,569                  | 274,006                 |
| <b>Adjustments to reconcile net income to net cash provided by operating activities</b> |                         |                         |
| Depreciation and amortization of intangible assets and property, plant and equipment    | 110,958                 | 127,866                 |
| Amortization of intangible assets resulting from company acquisitions                   | 34,135                  | 35,112                  |
| Amortization of financial assets  | 254,905                 | 0                       |
| Share-based payment expense   | 3,303                   | 2,575                   |
| Result from equity accounted investments  | -1,081                  | 1,267                   |
| Share of profit of associated companies   | 19,272                  | 0                       |
| Change in deferred taxes  | -8,094                  | -12,140                 |
| Other non-cash positions  | -7,752                  | -34,532                 |
| <b>Operative cash flow</b>  | <b>464,215</b>          | <b>394,154</b>          |
| <b>Change in assets and liabilities</b>   |                         |                         |
| Change in receivables and other assets  | -11,981                 | -1,791                  |
| Change in inventories   | 1,271                   | 10,416                  |
| Change in deferred expenses   | -60,057                 | -79,160                 |
| Change in trade accounts payable  | 6,690                   | -5,657                  |
| Change in advance payments received   | -2,285                  | 3,337                   |
| Change in other accrued liabilities   | -1,679                  | -2,507                  |
| Change in liabilities income taxes  | -82,731                 | 46,228                  |
| Change in other liabilities   | 11,561                  | 20,811                  |
| Change in deferred income   | 4,604                   | 8,825                   |
| <b>Change in assets and liabilities, total</b>  | <b>-134,607</b>         | <b>502</b>              |
| <b>Cash flow from operating activities (before capital gains tax refund)</b>            | <b>329,608</b>          | <b>394,656</b>          |
| Capital gains tax refund  | 0                       | 326,013                 |
| <b>Cash flow from operating activities</b>  | <b>329,608</b>          | <b>720,669</b>          |

|  | 2016<br>January – Sept. | 2015<br>January – Sept. |
|--|-------------------------|-------------------------|
| <b>Cash flow from investing activities</b>                                     |                         |                         |
| Capital expenditure for intangible assets and property, plant and equipment    | -117,234                | -98,697                 |
| Payments from disposals of intangible assets and property, plant and equipment | 3,575                   | 9,227                   |
| Payments for company acquisitions less cash received                           | -238                    | 0                       |
| Purchase of shares in associated companies                                     | -264,226                | -417,781                |
| Investments in other financial assets  | 0                       | -58,852                 |
| Payments for loans granted   | -472                    | -953                    |
| Payments from loans granted  | 2,874                   | 250                     |
| Payments from disposals of at-equity companies                                 | 0                       | 13,303                  |
| Proceeds from sale of financial assets   | 4,464                   | 18,165                  |
| Refunding from other financial assets  | 0                       | 159                     |
| <b>Cash flow from investing activities</b>                                     | <b>-371,257</b>         | <b>-535,179</b>         |
| <b>Cash flow from financing activities</b>                                     |                         |                         |
| Purchase of treasury shares  | -112,167                | 0                       |
| Sale of treasury shares in connection with an employee stock ownership program | 6,983                   | 0                       |
| Taking out / repayment of loans  | 311,632                 | -17,968                 |
| Redemption of finance lease liabilities  | -13,980                 | -11,861                 |
| Dividend payments  | -142,857                | -122,260                |
| Profit distributions to non-controlling interests                              | -329                    | 0                       |
| <b>Cash flow from financing activities</b>                                     | <b>49,282</b>           | <b>-152,089</b>         |
| Net increase in cash and cash equivalents                                      | 7,633                   | 33,401                  |
| Cash and cash equivalents at beginning of fiscal year                          | 84,261                  | 50,829                  |
| Currency translation adjustments of cash and cash equivalents                  | -4,189                  | 978                     |
| <b>Cash and cash equivalents at end of fiscal year</b>                         | <b>87,705</b>           | <b>85,208</b>           |

## GROUP CHANGES IN SHAREHOLDERS' EQUITY

from January 1 to September 30, 2016 in €k

|   | Capital stock      |                | Capital reserves | Accumulated profit | Treasury stock   |                 |
|---|--------------------|----------------|------------------|--------------------|------------------|-----------------|
|   | Share              | €k             | €k               | €k                 | Share            | €k              |
| <b>Balance as of January 1, 2015</b>    | <b>205,000,000</b> | <b>205,000</b> | <b>369,353</b>   | <b>460,671</b>     | <b>1,232,338</b> | <b>-35,335</b>  |
| Net income                              |                    |                |                  | 273,933            |                  |                 |
| Other comprehensive income              |                    |                |                  |                    |                  |                 |
| <b>Total comprehensive income</b>       |                    |                |                  | <b>273,933</b>     |                  |                 |
| Issue of treasury stock                 |                    |                |                  | -7,788             | -265,320         | 7,788           |
| Employee stock ownership program        |                    |                | 2,575            |                    |                  |                 |
| Dividend payments                       |                    |                |                  | -122,260           |                  |                 |
| <b>Balance as of September 30, 2015</b> | <b>205,000,000</b> | <b>205,000</b> | <b>371,928</b>   | <b>604,556</b>     | <b>967,018</b>   | <b>-27,547</b>  |
| <b>Balance as of January 1, 2016</b>    | <b>205,000,000</b> | <b>205,000</b> | <b>372,203</b>   | <b>695,799</b>     | <b>917,859</b>   | <b>-26,318</b>  |
| Net income                              |                    |                |                  | 58,421             |                  |                 |
| Other comprehensive income              |                    |                |                  |                    |                  |                 |
| <b>Total comprehensive income</b>       |                    |                |                  | <b>58,421</b>      |                  |                 |
| Capital Increase                        |                    |                |                  |                    |                  |                 |
| Purchase of treasury shares             |                    |                |                  |                    | 3,000,000        | -112,167        |
| Issue of treasury stock                 |                    |                | 914              | -8,409             | -504,941         | 14,478          |
| Employee stock ownership program        |                    |                | 3,303            |                    |                  |                 |
| Dividend payments                       |                    |                |                  | -142,857           |                  |                 |
| Profit distributions                    |                    |                |                  |                    |                  |                 |
| <b>Balance as of September 30, 2016</b> | <b>205,000,000</b> | <b>205,000</b> | <b>376,420</b>   | <b>602,954</b>     | <b>3,412,918</b> | <b>-124,007</b> |

| 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    |
|                      |                                  | 273,933   | 73                        | 274,006      |
| -313,224             | 7,408                            | -305,816  |                           | -305,816     |
| -313,224             | 7,408                            | -31,883   | 73                        | -31,810      |
|                      |                                  | 0   |                           | 0            |
|                      |                                  | 2,575   |                           | 2,575        |
|                      |                                  | -122,260  |                           | -122,260     |
| -96,479              | -5,038                           | 1,052,420   | 814                       | 1,053,234    |
| -96,021              | -1,443                           | 1,149,220   | 538                       | 1,149,758    |
|                      |                                  | 58,421  | 148                       | 58,569       |
| 127,226              | -14,253                          | 112,973   |                           | 112,973      |
| 127,226              | -14,253                          | 171,394   | 148                       | 171,542      |
|                      |                                  | 0   |                           | 0            |
|                      |                                  | -112,167  |                           | -112,167     |
|                      |                                  | 6,982   |                           | 6,982        |
|                      |                                  | 3,303   |                           | 3,303        |
|                      |                                  | -142,857  |                           | -142,857     |
|                      |                                  | 0   | -356                      | -356         |
| 31,205               | -15,696                          | 1,075,875   | 330                       | 1,076,205    |

# SEGMENT REPORTING

from January 1 to September 30, 2016 in €k

| January - September 2016   | Access<br>segment<br>€k | Applications<br>segment<br>€k | Corporate<br>€k | Recon-<br>ciliation<br>€k | United Internet<br>Group<br>€k |
|--|-------------------------|-------------------------------|-----------------|---------------------------|--------------------------------|
| Segment revenues   | 2,167,230               | 793,600                       | 136             | -28,754                   | 2,932,212                      |
| - thereof domestic   | 2,167,230               | 476,752                       | 136             | -28,754                   | 2,615,364                      |
| - thereof non-domestic   | 0                       | 316,848                       | 0               | 0                         | 316,848                        |
| EBITDA   | 384,517                 | 236,594                       | -7,789          | 0                         | 613,322                        |
| EBIT   | 282,498                 | 194,434                       | -8,703          | 0                         | 468,229                        |
| Financial result   |                         |                               | 5,584           | -26,362                   | -20,778                        |
| Writedowns on investments  |                         |                               | -254,905        | 0                         | -254,905                       |
| Result from at-equity companies  |                         |                               | -132            | 1,213                     | 1,081                          |
| EBT  |                         |                               | -258,156        | 451,783                   | 193,627                        |
| Tax expense  |                         |                               |                 | -135,058                  | -135,058                       |
| <b>Net income</b>  |                         |                               |                 |                           | <b>58,569</b>                  |
| Investments in intangible assets, property, plant and equipment (without goodwill) | 95,833                  | 29,777                        | 569             | -                         | 126,179                        |
| Amortization/depreciation  | 102,019                 | 42,160                        | 914             | -                         | 145,093                        |
| - thereof intangible assets and property, plant and equipment                      | 72,302                  | 37,742                        | 914             | -                         | 110,958                        |
| - thereof assets capitalized during company acquisitions                           | 29,717                  | 4,418                         | 0               | -                         | 34,135                         |
| Number of employees  | 3,420                   | 4,422                         | 196             | -                         | 8,038                          |
| - thereof domestic   | 3,420                   | 2,763                         | 196             | -                         | 6,379                          |
| - thereof non-domestic   | 0                       | 1,659                         | 0               | -                         | 1,659                          |

| January - September 2015   |           |         |        |          |                |
|--|-----------|---------|--------|----------|----------------|
| Segment revenues   | 2,035,245 | 741,678 | 162    | -22,263  | 2,754,822      |
| - thereof domestic   | 2,035,245 | 456,372 | 162    | -22,263  | 2,469,516      |
| - thereof non-domestic   | 0         | 285,306 | 0      | 0        | 285,306        |
| EBITDA   | 344,647   | 208,608 | 1,768  | 0        | 555,023        |
| EBIT   | 226,857   | 163,643 | 1,545  | 0        | 392,045        |
| Financial result   |           |         | 7,845  | -15,758  | -7,913         |
| Result from at-equity companies  |           |         | -3,332 | 2,065    | -1,267         |
| EBT  |           |         | 6,058  | 376,807  | 382,865        |
| Tax expense  |           |         |        | -108,859 | -108,859       |
| <b>Net income</b>  |           |         |        |          | <b>274,006</b> |
| Investments in intangible assets, property, plant and equipment (without goodwill) | 54,912    | 25,148  | 119    | -        | 80,179         |
| Amortization/depreciation  | 79,063    | 29,710  | 244    | -        | 109,017        |
| - thereof intangible assets and property, plant and equipment                      | 59,399    | 26,471  | 244    | -        | 86,114         |
| - thereof assets capitalized during company acquisitions                           | 19,664    | 3,239   | 0      | -        | 22,903         |
| Number of employees  | 3,105     | 4,647   | 123    | -        | 7,875          |
| - thereof domestic   | 3,079     | 3,127   | 123    | -        | 6,329          |
| - thereof non-domestic   | 26        | 1,520   | 0      | -        | 1,546          |

## FINANCIAL CALENDAR

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

## IMPRINT

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United Internet AG  
Elgendorfer Straße 57  
56410 Montabaur  
Germany  
[www.united-internet.com](http://www.united-internet.com)

### **Contact**

Investor Relations  
Phone: +49(0) 2602 96-1100  
Fax: +49(0) 2602 96-1013  
E-mail: [investor-relations@united-internet.com](mailto:investor-relations@united-internet.com)

November 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](http://www.united-internet.de). In all cases of doubt, the German version shall prevail.

### **Disclaimer**

This Interim Statement contains certain forward-looking statements which reflect the current views of United Internet AG's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. The forward-looking statements made in this Interim Statement are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of United Internet AG. United Internet does not intend to revise or update any forward-looking statements set out in this Interim Statement.





**United Internet AG**

Elgendorfer Straße 57  
56410 Montabaur  
Germany

[www.united-internet.com](http://www.united-internet.com)