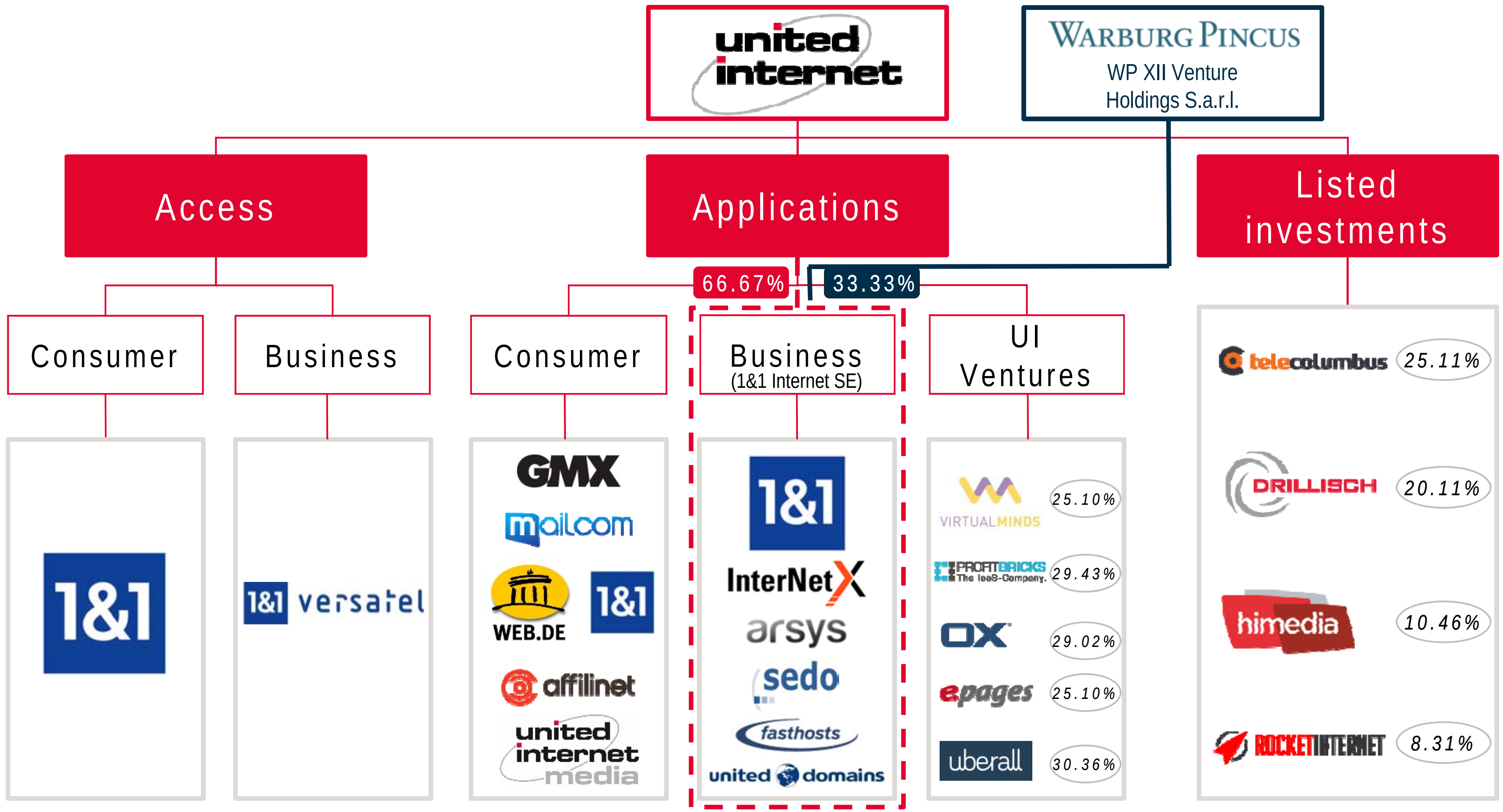
UNITED INTERNET

Business Applications – Strategic Partnership with Warburg Pincus

November 8, 2016

1&1 INTERNET SE WITHIN UNITED INTERNET GROUP



Transaction perimeter

KEY TRANSACTION HIGHLIGHTS

- United Internet announced today the formation of a strategic partnership with WP XII Venture Holdings S.a.r.l., an affiliate of private equity funds managed by Warburg Pincus LLC (collectively "Warburg Pincus" and "WP") in its Business Applications segment ("1&1 Internet SE"), as part of which WP will acquire a 33.33% stake in 1&1 Internet SE
  - Enterprise value of €2.55bn represents a premium multiple of ~12.5x FV / EBITDA 2016E
  - As part of the transaction structure United Internet is granting an intercompany loan of €1.2bn on terms in line with market conditions for a standalone loan for comparable assets
  - The agreed equity purchase price is up to €450m for the 33.33% stake
  - An initial amount of €334m is expected to be paid in the first half of 2017
  - Up to a further €116m will be paid at later stages subject to certain performance milestones and foreign exchange rate movements
  - René Obermann (Managing Director, Warburg Pincus International LLC) will become a member of the Supervisory Board of 1&1 Internet SE post closing of the transaction
  - The transaction is subject to anti-trust approval by the relevant bodies
- 1&1 Internet will benefit from Warburg Pincus's strong sector experience in the technology and internet space and its access to senior industry experts
- 1&1 Internet has a clear strategy to build its position as the leading European web hosting company and to strengthen its position amongst the leading players globally through accelerating organic growth and M&A
- The transaction provides 1&1 Internet SE with the flexibility for future strategic options including a potential IPO within the next years

TRANSACTION RATIONALE

1 WP experience	▪ Benefit from WP's deep and global sector experience in hosting, online and relevant software sectors ▪ Active supervisory board & committee members ▪ Access to senior industry experts
2 Expand leading product offering for customers in Europe	▪ Jointly expand 1&1 Internet's leading product offering across its footprint ▪ #1 in Germany, Spain and Poland ▪ #2 in France and the UK ▪ Good market positions in Mexico, Austria, Italy and the US
3 Investment in future growth	▪ Further invest in product portfolio to drive acceleration of organic growth momentum ▪ Jointly assess efficiency improvements and consolidate existing technology platforms ▪ Further roll-out and ramp-up of cloud-based infrastructure and products
4 M&A consolidation platform	▪ Leverage M&A platform to participate in consolidation of the highly fragmented European web hosting market ▪ Ongoing market monitoring and evaluation of potential acquisition targets
5 Jointly assess potential IPO	▪ The transaction provides 1&1 Internet SE with the flexibility for future strategic options including a potential IPO within the next years

1&1 AS EUROPEAN MARKET LEADER

Complementary brands

Assets

Leading webhosting brands in Europe including international operations in the US, Canada and Mexico

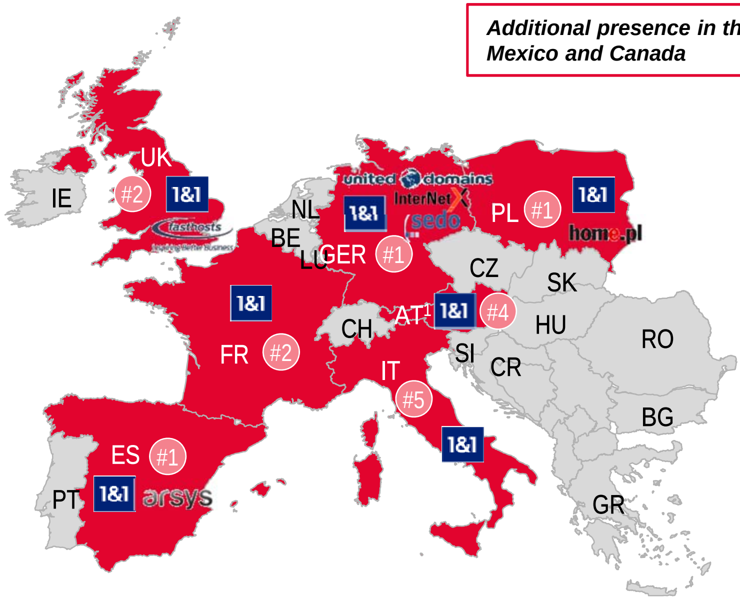
Broad product portfolio

7 data centres and 70,000 servers

Approximately 6m customers

International footprint

Additional presence in the US, Mexico and Canada



¹ Austria served via Germany

1&1 Internet footprint

\# Market position

Product portfolio

Webhosting

Website builder

eCommerce

VPS

Dedicated server

Cloud server

Domains

Productivity

Online marketing

ATTRACTIVE ORGANIC AND INORGANIC GROWTH OPPORTUNITIES IN THE EUROPEAN WEBHOSTING MARKET

- 33 million SMBs (< 20 FTE) need a trusted partner

- Supporting of digital transformation of SMBs: from digital marketing to back-office applications

- Increase customer base and value through expansion of service offering, demand-based up- and cross-selling and continuous improvements of customer satisfaction

- Further market consolidation in the highly fragmented European webhosting market via M&A

[1] Companies with less than 20 FTEs

SUMMARY TERMS OF THE TRANSACTION

Perimeter	▪ Divestment of 33.33% stake in 1&1 Internet SE to WP XII Venture Holdings S.a.r.l., an affiliate of private equity funds managed by Warburg Pincus LLC ▪ Participation will be implemented through newly founded holding structure
Enterprise value	▪ Enterprise value of €2.55bn represents premium multiple of c.12.5x EBITDA 16E
Intercompany leverage	▪ As part of the transaction structure United Internet is granting an intercompany loan of €1.2bn at closing ▪ Both quantum and interest rate are in line with market standards for comparable assets
Equity purchase price	▪ Equity purchase price of up to €450m for the 33.33% stake
Transaction structure	▪ An initial amount of €334m is expected to be paid in the first half of 2017 ▪ Up to a further €116m will be paid at later stages subject to certain performance milestones and foreign exchange rate movements
Governance	▪ Warburg Pincus will have representation on Supervisory Board of 1&1 Internet SE in proportion to its ownership
Conditions & closing	▪ Subject to regulatory approval by relevant anti-trust authorities
Impact on United Internet	▪ United Internet will continue to fully consolidate 1&1 Internet post transaction in its quarterly and annual accounts

Our success story

continues!