United Internet AG

EANS-Adhoc: Successful 1st half-year 2010 for United Internet

26.08.2010 - 20:56 Uhr, United Internet AG

6-month report

26.08.2010

• Sales up 14.1% to EUR 930.8 million. • EBITDA improves 4.8% to EUR 182.0 million. • Operative cash flow grows 13.9% to EUR 143.7 million.

Montabaur, August 26, 2010. The Management Board of United Internet AG (ISIN DE0005089031) today announced the consolidated results according to IFRS for the first six months of 2010.

Group development

In the first six months of 2010, consolidated sales of United Internet AG grew by 14.1% from EUR 815.7 million to EUR 930.8 million. Despite high expenses for the current DSL quality drive and the development of new business fields (together EUR 19.2 million), consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 4.8% from EUR 173.7 million to EUR 182.0 million.

Due to a scheduled increase in depreciation of EUR 10.8 million following the acquisition of freenet´s DSL customers, earnings before interest and taxes (EBIT) were 3.7% down on the previous year at EUR 142.2 million (prior year: EUR 147.6 million). Earnings per share (EPS) fell accordingly from EUR 0.36 to EUR 0.34. Operative cash flow rose by 13.9% from EUR 126.2 million last year to EUR 143.7 million.

Group development Half-year comparison (in EUR million)	Jan.-June 2009	Jan.-June 2010	Change
Sales	815.7	930.8	+ 14.1%
EBITDA	173.7	182.0	+ 4.8%
EBIT	147.6	142.2	- 3.7%

Segment development

"Access" segment In the "Access" segment, sales in the first six months of 2010 grew by 20.7% to EUR 602.2 million. EBITDA improved by 15.9% to EUR 66.2 million, while EBIT was 4% down on the previous year at EUR 53.2 million due to a scheduled increase of EUR 10.8 million in depreciation for the acquired freenet DSL customer base.

Development of Access segment Half-year comparison (in EUR million)	Jan.-June 2009	Jan.-June 2010	Change
Sales	498.8	602.2	+ 20.7%
EBITDA	57.1	66.2	+ 15.9%
EBIT	55.4	53.2	- 4.0%

Compared to December 31, 2009, the number of fee-based contracts in this segment remained stable at a total of 3.50 million, of which 3.31 million were DSL contracts. 190,000 complete DSL contracts (of particular importance for customer retention) were added in the period under review.

Customer contracts in Access segment (in million)	June 30, 2010	Dec. 31, 2009	June 30, 2009
Access, total	3.57	3.50	3.50
of which DSL	3.35	3.31	3.31
of which DSL complete	1.57	1.82	2.01
of which resale DSL / T-DSL	1.78	1.49	1.30
of which narrowband / mobile	0.22	0.19	0.19

"Applications" segment

In the "Applications" segment, significant investments were made in customer growth during the first six months of 2010 - the number of fee-based contracts grew by 290,000 to 5.94 million. In the same period, the number of ad-financed accounts increased from 26.3 million to over 26.6 million. Growth in this segment was slowed, however, by the contract conversion of a major customer of Sedo subsidiary affilinet in late 2009. As a result, the listed subsidiary Sedo Holding AG (formerly AdLINK Internet Media AG) posted a fall in sales of 22.1% in the first six months of 2010 - whereas the rest of the segment enjoyed growth of 11.0%. Against this backdrop, total segment sales therefore grew by just 3.7% from EUR 316.6 million to EUR 328.2 million. Despite increased marketing expenses and high development and pre-launch costs for new applications and further international expansion, segment EBITDA and EBIT improved by 6.9% to EUR 118.9 million and by 6.1% to EUR 92.3 million, respectively.

Development of Applications segment Half-year comparison (in EUR million)	Jan.-June 2009	Jan.-June 2010	Change
Sales	316.6	328.2	+ 3.7%
EBITDA	111.2	118.9	+ 6.9%
EBIT	87.0	92.3	+ 6.1%

The growth in customer contracts during the first half-year resulted from the addition of 170,000 new Business Applications contracts (total: 4.18 million) and 120,000 new Consumer Applications contracts (total: 1.76 million). The number of customer contracts in foreign markets (UK, France, USA, Spain, Austria, Switzerland) grew by 130,000 to 2.35 million contracts in the first six months of 2010.

Customer contracts in Applications segment (in million)	June 30, 2009	Dec. 31, 2009	June 30, 2010
Total fee-based contracts	5.36	5.65	5.94
of which domestic	3.29	3.43	3.59
of which foreign	2.07	2.22	2.35
Ad-financed accounts	25.4	26.3	26.6

Outlook

In view of the successful development in the first six months of 2010, the company has confirmed its forecasts: consolidated sales are expected to grow by approx. 15% to EUR 1.9 billion. Despite further high expenses for the current DSL quality drive and increased development and marketing costs for new business fields and further foreign expansion, EBITDA is expected to remain at the record level of 2009 (EUR 356.1 million - without positive special items).

end of announcement euro adhoc
-- Further inquiry note:

Marcus Schaps
Head of PR
United Internet AG
Elgendorfer Straße 57
56410 Montabaur
Tel: 02602/96-1076
Fax: 02602/96-1013
E-Mail: mschaps@united-internet.de
Internet: www.united-internet.de

Branche: Telecommunications Services
ISIN: DE0005089031
WKN: 508903
Index: Midcap Market Index, TecDAX, CDAX, HDAX, Prime All Share, Technology All Share
Börsen: Frankfurt / regulated dealing/prime standard
Berlin / free trade
Hamburg / free trade
Stuttgart / free trade
Düsseldorf / free trade
Hannover / free trade
München / free trade

Pressemappe als RSS: http://presseportal.de/rss/pm_16556.rss2