



freenet AG

Büdelsdorf

ISIN: DE000A0Z2ZZ5

WKN: A0Z2ZZ

Invitation to the Annual General Meeting 2011

The shareholders of our company are hereby invited to attend the **Annual General Meeting** to be held on **Thursday, 30 June 2011, at 10:00 hours** (doors open 09:00 hours) in the **Congress Center Hamburg, Saal G, Am Dammtor/Marseiller Straße, 20355 Hamburg**.

Agenda

- 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements as well as the management reports of freenet AG and the Group, the Supervisory Board report and the explanatory report of the Executive Board regarding the disclosures in accordance with §§ 289 (4) and (5), 315 (4) of the German Commercial Code (HGB) for the financial year 2011**

Because it is the intended effect of legislation that the presentation of the above-mentioned documents should be provided only for purposes of the notification of the Annual General Meeting, no resolutions will be passed concerning this agenda item. The annual financial statements 2010 have already been approved by the Supervisory Board and are hence established. Effective from the announcement of convening of the Annual General Meeting up until closure of the Annual General Meeting, the above-mentioned documents are accessible on our company's website on <http://www.freenet-group.de/investor/annual-general-meeting/2011>. Moreover, the documents are on display for perusal at the Annual General Meeting of freenet AG. From the date of announcement of convening of the Annual General Meeting onwards, they will also be on display for perusal at the business premises of the company (Hollerstraße 126, 24782 Büdelsdorf; Deelbögenkamp 4c, 22297 Hamburg). On request, a copy of these documents will be sent promptly and free of charge to each shareholder.

2. Resolution regarding the appropriation of cumulative profit

The Executive Board and the Supervisory Board propose that the cumulative profit of € 282,259,767.48 should be applied as follows:

Distribution of a dividend of € 0.80 per dividend-entitled share, i.e. € 102,408,812.80 as the total amount of the dividend, the remainder being carried forward in the sum of € 179,850,954.68 to new account. The dividend is payable on 1 July 2011.

Total amount of dividend	€ 102,408,812.80
Carried forward to new account	€ 179,850,954.68
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Cumulative profit	€ 282,259,767.48

On the date of announcement of convening of the Annual General Meeting, the company indirectly holds 50,000 of its own shares - which are not dividend-entitled. Up until the Annual General Meeting, the quantity of dividend-entitled shares may vary as the result of acquisition, retirement or sale of own shares. In this eventuality, with an unchanged distribution of € 0.80 per dividend-entitled share, the Annual General Meeting will be presented with an adapted proposed resolution concerning the appropriation of profit, which will envisage a corresponding adaptation of the amount of dividend to be distributed overall to the shareholders, together with a corresponding adaptation of the amount to be carried forward to new account.

3. Resolution regarding approval of the actions of the members of the Executive Board of the company for the financial year 2010

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board of the company who were in office in the financial year 2010 should be approved for this period.

4. Resolution regarding approval of the actions of the members of the Supervisory Board of the company for the financial year 2010

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board of the company who were in office in the financial year 2010 should be approved for this period.

5. Resolution regarding the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements for the financial year 2011, and the appointment of the auditor for a possible examination by auditors of the half-year financial report

The Supervisory Board proposes to resolve that:

- a) PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as the auditor of the financial statements and the consolidated financial statements for the financial year 2011.
- b) PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as the auditor for a possible examination by auditors of the financial statements and of the interim management report for the first half of the financial year 2011.

6. Resolution regarding the approval of the compensation system for members of the Executive Board

The Supervisory Board has recently passed a resolution on a new compensation system for members of the company's Executive Board. The new compensation system is presented in a report that is available to the shareholders on the website from the convening of the Annual General Meeting.

The Executive Board and the Supervisory Board propose that the compensation system for members of the Executive Board should be approved.

7. Supervisory Board by-elections

The shareholder representatives on the Supervisory Board, Mr. Thorsten Kraemer and Prof. Dr. Helmut Thoma, have stepped down from their offices with effect from the conclusion of the Annual General Meeting 2011. The company's Supervisory Board is made up of six members elected from the Annual General Meeting and six members elected from the employees in accordance with § 7 (1) of the articles of association, §§ 95, 96 (1), 101 (1) of the German Stock Corporation Act (AktG) and §§ 1 (1), 5 (1) sentence 1, 7 (1) sentence 1 number 1 of the Codetermination Act of 1976. The shareholder representatives on the Supervisory Board are appointed up to the conclusion of the Annual General Meeting that decides over the formal approval of the actions for the financial year 2011.

The Supervisory Board proposes to elect, for the period beginning with the conclusion of the Annual General Meeting 2011 until the conclusion of the Annual General Meeting that decides over the formal approval of the actions of the Supervisory Board for the financial year 2011,

- a) Mr. Niclas Rauscher, Leipzig,
Auditor and Tax Advisor,
Member of the Executive Board of BDO AG Wirtschaftsprüfungsgesellschaft

- b) Dr. Hartmut Schenk, Saarbrücken,
Tax Advisor,
Managing Partner at Casaplan Seeliger GmbH

as members of the Supervisory Board in place of members Mr. Thorsten Kraemer and Prof. Dr. Helmut Thoma, who are resigning at the conclusion of the Annual General Meeting 2011.

The Annual General Meeting is not bound to nominations in the election of shareholder representatives.

The other current seats of the proposed shareholders' Supervisory Board members are listed below in the information on the agenda.

8. Resolution concerning adaptation of § 2 of the articles of association (Purpose of the company)

The provision in the articles of association for the purpose of the company (§ 2) shall be adapted in order to accommodate for future developments.

To date, § 2 of the articles of association has read as follows:

- “(1) The purpose of the company is the development and provision of communication, internet and online services as well as of communication technology devices, the rental and leasing of communication technology devices, trading of devices in this field, services in the areas of market research, marketing, advertising, design, promotion, telecommunication, trade fairs and events, the development and sale of software solutions and other products, the operation of information technology, telecommunication systems, training facilities and consultancy services as well as publishing activities and brokerage.

- (2) The company may establish branches at home and abroad, establish other companies, acquire them or take a holding in them and also conclude enterprise

agreements. The purpose of subsidiary and holding companies may also be different from the company purpose specified in the preceding paragraph (1) provided it appears likely to promote the company's business purpose.

- (3) The company is entitled to carry out any transactions and measures that appear likely to serve the purpose of the company. To this end, it may also manage companies or limit itself to administering the holding. It may hive off its business wholly or partly into associated companies. It can also limit its activity to individual areas from amongst those specified in paragraph 1 or to individual business fields."

The Executive Board and the Supervisory Board propose to resolve as follows:

§ 2 of the articles of association shall be rewritten as follows:

"§ 2

Purpose of the company

- (1) The company manages a group of companies that are active particularly in the following areas and business fields:
- the entire area of telecommunication, internet, and online services, including the operation of telecommunication systems as well as the development, manufacturing, provision, rental, leasing, trade and sale of software solutions, mobile payment and billing systems, products and devices in the area of communications or for online use or via internet or in connection with or in the overall field of information technology;
 - the delivery of services in the areas of market research, marketing, advertising, design, promotion, trade fairs and events, as well as the operation of training facilities and consultancy services, as well as publishing activities and brokerage;
 - the distribution and procurement of third-party products and services in the field of supply and disposal, in the segments of electricity, gas, heating, water, energy networks among others;
 - the delivery, procurement, marketing and operational implementation of communications services in the fields of telemarketing, telesales, and decentralised customer support, as well as the implementation of other services in the area of sales as well as electronic and other customer communication; and additionally
 - the sale of products and services via the Group's distribution channels, particularly in the areas of communication, hardware and customer service.

- (2) The company is entitled to engage in all transactions relating to the purpose of the company or which are directly or indirectly suited to serve the purpose of the company. It may also act in the business fields specified in paragraph 1 or limit its activity or that of the affiliated companies to individual areas from amongst those specified in paragraph 1 or to individual business fields.
- (3) The company may establish, acquire, or administer companies at home and abroad, particularly those that are active in the areas specified in paragraph 1, and also take a holding in such companies on an equity basis or with minority shares, or sell them. It may consolidate companies in which it has a holding under its centralised management or limit itself to administering the holdings. It may confer its operation wholly or partly upon affiliated companies or surrender it to affiliated companies.”

9. Resolution regarding the cancellation of approved capital 2005 according to § 4 (6) of the articles of association, the cancellation of approved capital 2009 according to § 4 (7) of the articles of association, the cancellation of contingent capital according to § 4 (8) of the articles of association as well as the underlying resolution from the Annual General Meeting from 20 July 2007, as well as the resolution regarding the creation of new approved capital with the authorisation to exclude subscription rights as well as the corresponding revision of the articles of association

The authorisation period for the approved capital 2005 (§ 4 (6) of the articles of association) expired on 18 August 2010, the authorisation period for the approved capital 2009 (§ 4 (7) of the articles of association) will expire on 6 July 2011. All stock options that were continued by the company as the legal successor to mobilcom AG and for which contingent capital was created by the Annual General Meeting from 20 July 2007 (§ 4 (8) of the articles of association) have expired.

The Executive Board and the Supervisory Board propose to resolve as follows:

- a) § 4 (6) of the articles of association, § 4 (7) of the articles of association, as well as the resolution by the Annual General Meeting from 20 July 2007 under agenda item 11 for the creation of contingent capital for the continuation of the stock options of mobilcom AG as well as § 4 (8) of the articles of association shall be cancelled.
- b) New approved capital in the amount of € 19,000,000 will be created.

For this, § 4 (6) of the articles of association shall be rewritten as follows:

”(6) The Executive Board is authorised, for a duration of four years from the time this authorisation is entered into the commercial register, with the agreement of the Supervisory Board, to increase the share capital once or several times by a total of up to € 19,000,000 (in words: euros nineteen million) by the issue of new shares in return for cash deposits and/or stock (approved capital 2011). The legal right to subscription can also be awarded to the share-holders to the extent that the new shares are offered to one or more credit institutions or equivalent enterprises in accordance with § 186 (5) AktG with the provision that they offer them to shareholders for subscription (indirect subscription right). The Executive Board is authorised, with the agreement of the Supervisory Board, to exclude the shareholders’ subscription rights when issuing shares in return for stock. The Executive Board is also authorised, with agreement of the Supervisory Board, to exclude fractional amounts of the subscription right. Additionally, the Executive Board, with agreement of the Supervisory Board, can exclude the shareholders’ subscription rights if the new shares are issued in return for cash deposit at an issue price that does not substantially fall below the exchange price of company shares of equivalent terms. The authorisation to exclude subscription rights pursuant to the preceding sentence may only be used insofar as the proportional amount of the new shares to the share capital does not exceed 10% of the share capital at the time this authorisation is entered into the commercial register or – if less – at the respective time of the exercising of this authorisation. From the 10% limit is to be deducted the proportional amount of the share capital that is allotted to shares which were issued, if applicable, since the resolution by the Annual General Meeting on this authorisation based on the authorisation to issue new shares under the exclusion of subscription rights according to §§ 202 (2), 203 (1), 186 (3) sentence 4 AktG or which were sold, if applicable, since the resolution by the Annual General Meeting on this authorisation based on the authorisation to acquire own shares under the exclusion of subscription rights according to §§ 71 (1) number 8, 186 (3) sentence 4 AktG. Also to be deducted is the proportional amount of the share capital that is allotted to shares which can be issued based on bonds with an option right or conversion privilege or an option obligation or a conversion obligation or the company’s right of delivery of shares insofar as these bonds were issued according to §§ 221 (4) sentence 2, 186 (3) sentence 4 AktG since the resolution by the Annual General Meeting on this authorisation.

- c) Paragraph (9) from § 4 of the articles of association will become paragraph (7).
- d) The Executive Board will be instructed to enter in the commercial register the cancellation of the existing approved capital and the contingent capital pursuant to letter a), the amended version of § 4 (6) of the articles of association pursuant to letter b), and the renumbering of paragraphs pursuant to letter c) provided that the entry occurs in the above order and that the entry of the cancellation of the existing approved capital pursuant to letter a) only occurs if it is ensured that the amended version of § 4 (6) of

the articles of association pursuant to letter b) will subsequently be immediately recorded.

INFORMATION ABOUT AGENDA ITEM 7

The proposed Supervisory Board candidates up for election listed in agenda item 7 currently have the following memberships in other statutory Supervisory Boards or memberships in similar domestic and foreign control committees:

a) Mr. Niclas Rauscher,

Seats in other statutory Supervisory Boards:

None

Memberships in similar domestic and foreign control committees:

None

b) Dr. Hartmut Schenk,

Seats in other statutory Supervisory Boards:

- Chairman of the Supervisory Board of Drillisch AG, Maintal
- Chairman of the Supervisory Board of Drillisch Telecom GmbH, Maintal
- Chairman of the Supervisory Board of Optima Gruppe Aktiengesellschaft, Saabrücken

Memberships in similar domestic and foreign control committees:

None

Dr. Hartmut Schenk has irrevocably declared that, in the event of his election to the Supervisory Board of freenet AG, he will abdicate all of his positions on the board of Drillisch AG as well as its affiliated companies no later than the conclusion of the Annual General Meeting of freenet AG and will not accept a position on the board of Drillisch AG as well as its affiliated companies for the duration of his membership on the Supervisory Board of freenet AG.

DOCUMENTS FOR THE ANNUAL GENERAL MEETING; PUBLICATION ON COMPANY'S WEBSITE

The approved consolidated financial statements and Group management report as at 31 December 2010, the adopted annual financial statements and management report of freenet AG for the financial year 2010, the explanatory report of the Executive Board regarding the disclosures in accordance with §§ 289 (4) and (5), 315 (4) HGB, the Supervisory Board report for the financial year 2010, the proposal from the Executive Board for appropriation of cumulative profit, the report of the Executive Board concerning agenda item 9 – which is printed in its entirety above – as well as the separate report on the compensation system of the Executive Board concerning agenda item 6 are accessible, from the time of the announcement of convening of the Annual General Meeting up until the closure of the Annual General Meeting, at our company's website on <http://www.freenet-group.de/investor/annual-general-meeting/2011>. Moreover, the documents are on display for perusal at the Annual General Meeting of freenet AG.

From the date of announcement of convening of the Annual General Meeting onwards, said documents will also be on display for perusal at the business premises of the company (Hollerstraße 126, 24782 Büdelsdorf; Deelbögenkamp 4c, 22297 Hamburg). On request, a copy of these documents will be sent promptly and free of charge to each shareholder.

Furthermore, the information and documents additionally mentioned in § 124a AktG are accessible on the company's website on <http://www.freenet-group.de/investor/annual-general-meeting/2011> effective from the date of announcement of convening of the Annual General Meeting.

PREREQUISITES FOR ATTENDING THE ANNUAL GENERAL MEETING AND FOR THE EXERCISE OF THE RIGHT OF VOTING

Entry on share register and registration

In accordance with § 13 (1) of the articles of association, only such shareholders as are entered on the share register on the date of the Annual General Meeting and who have registered in good time shall be entitled to attend the Annual General Meeting and to exercise the right of voting. Registration must reach the company at the following address in accordance with § 13 (2) of the articles of association in conjunction with § 123 (2) sentence 2 AktG at latest by the expiry of the date of 23 June 2011 (midnight by Central European Time):

Hauptversammlung freenet AG
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg

Telefax: +49 (0)69/256 270 49
E-mail: hv-2011@freenet.ag

Following punctual receipt of registration, shareholders will be sent admission tickets for the Annual General Meeting.

Free disposal of shares despite registration

Shares are not blocked by registration for the Annual General Meeting. Shareholders hold the right of free disposal of their shares, even after registration has been conducted. In respect of the right of attendance and voting, only the stock of shares entered on the share register on the date of the Annual General Meeting shall be authoritative.

Applications for transfer on share register

Only a party entered as a shareholder on the share register can stand as a shareholder in relation to the company. Consequently, the status of registration on the share register on the date of the Annual General Meeting is authoritative in relation to the right of attendance and concerning the quantity of voting rights held in the Annual General Meeting by any given party entitled to attend. In order to make certain that entry on the share register is conducted by the date of the Annual General Meeting, the application for transfer and the registration for the Annual General Meeting must reach the company on the last day of the deadline for registration, i.e. by the expiry of the date of 23 June 2011 (midnight by Central European Time) at the latest. Any applications for transfer which reach the company after that time can only be entertained effective from 1 July 2011.

Shares carrying attendance and voting rights

On the date of announcement of convening of the Annual General Meeting, the company's share capital comes to € 128,061,016, divided up into 128,061,016 registered no-par shares (shares), each of which carries one vote. On the date of announcement of convening of the Annual General Meeting, the company indirectly holds 50,000 shares. These shares do not carry any voting rights. The total number of shares with voting rights of freenet AG at the date of announcement of convening of the Annual General Meeting is accordingly 128,011,016.

PROCEDURE FOR THE PASSING OF VOTES BY AUTHORISED REPRESENTATIVES

Shareholders may appoint as their representative a credit institution, an association of shareholders or any other party of their choice for the exercise of voting rights. For the issuance of the power of attorney and for any revocation of the same, written form shall be adequate unless a more stringent form is required under law; this does not affect § 135 AktG. If the power of attorney is issued to a credit institution, to an association of shareholders or to any persons, institutions or companies placed in a similar status with regard to the exercise of voting rights in pursuance of § 135 (8) AktG or §§ 135 (10), 125 (5) AktG, the regulations on powers of attorney shall – in the absence of a specific provision in the articles of association – be governed by the statutory provisions of § 135 AktG, i.e. in particular that the power of attorney must be established in a provable form, and in accordance with the characteristics of the respective representative, which may be enquired by addressing the representative. Voting rights for shares that do not belong to such a person or such an institution or company, but for which he/she is recorded on the company's share register as its bearer, may only be exercised based on the authorisation of the shareholder for which the provisions on the power of attorney apply accordingly.

As a particular service, we still offer to our shareholders, as before, the facility for being represented at the Annual General Meeting by a voting representative appointed by the company. For this purpose, said voting representative must be issued with a power of attorney and instructions for the exercise of the voting right; however, no other shareholder rights may be exercised by the voting representative. The voting representative is under obligation to vote as instructed. It should however be noted that the voting representative can neither receive instructions concerning applications for procedure either before or during the Annual General Meeting. He may exercise the voting right only in respect of agenda items for which he has received instructions from the shareholders. Should individual voting be held in respect of a given agenda item, then any instruction issued in respect of it shall apply as appropriate to each individual sub-item.

The power of attorney and instructions invested with the voting representative appointed by the company must reach the following address by midnight by Central European Time on 29 June 2011, in written form, by fax, by E-mail or otherwise in text form:

Hauptversammlung freenet AG
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg

Telefax: +49 (0)69/256 270 49
E-mail: hv-2011@freenet.ag

Shareholders wishing to issue a power of attorney to the party of their choice, a credit institution, an association of shareholders or other persons, institutions or companies placed in a similar status in pursuance of § 135 (8) AktG or §§ 135 (10), 125 (5) AktG or to the voting representative appointed by the company, also require an admission ticket to the Annual General Meeting. Consequently they should register in good time for attendance. The admission ticket includes a form which can be used for the issuance of a power of attorney.

Proof of the appointment of an authorised representative can be sent to the company until midnight by Central European Time on 29 June 2011, by E-mail at: hv-2011@freenet.ag.

If a shareholder appoints more than one party as its representative, then the company may reject one or several of them.

Shareholders will also receive the details of attendance at the Annual General Meeting and concerning the issuance of powers of attorney and instructions together with the admission ticket.

PETITIONS, VOTING PROPOSALS, RIGHTS OF INFORMATION

Supplementary petitions to the agenda (as per § 122 (2) AktG)

Shareholders whose shares together amount to the proportional sum of € 500,000 may require that items be placed on the agenda and announced. Each new item must be accompanied by grounds or a proposed resolution. Such a request must reach the company in writing and at the following address, by the expiry of the date of 30 May 2011, at midnight by Central European Time:

freenet AG
HV-Management
Hollerstraße 126
24782 Büdelsdorf

or be e-mailed to the following address together with statement of the name of the issuer and a qualified electronic signature: hv-2011@freenet.ag. Parties presenting petitions have to prove that they are the holders of an adequate number of shares for the duration of the minimum possession period of 3 months required by law (§§ 122 (2), 122 (1) sentence 3, 142 (2) sentence 2 AktG and § 70 AktG) and hold them up until the time of decision-making concerning the petition.

Counter-petitions and voting proposals from shareholders (§§ 126 (1), 127 AktG)

Counter-petitions from shareholders concerning given agenda items, and shareholders' proposals for the appointment of the auditor or the appointment of members of the Supervisory Board will be published, including the shareholder's name, statement of grounds and any comment from administration, online at <http://www.freenet-group.de/investor/annual-general-meeting/2011>, provided that the following requirements are fulfilled:

Any counter-petitions concerning a proposal from the Executive Board and/or the Supervisory Board concerning any given agenda item and any voting proposals must reach the company by midnight by Central European Time, on 15 June 2011. They should be addressed with proof of shareholder status exclusively to:

freenet AG
HV-Management
Hollerstraße 126
24782 Büdelsdorf

Telefax: +49 (0)4331/43 44 555

E-mail: hv-2011@freenet.ag

No petitions bearing a different address or arriving late can be entertained.

The grounds for any counter-petitions must be indicated. A counter-petition does not need to be made accessible by the company if one of the criteria for exclusion as per § 126 (2) AktG is fulfilled. Nor do the grounds have to be made accessible if they total more than 5,000 characters in all.

It is not necessary to indicate grounds for voting proposals from shareholders for the appointment of the auditor or the appointment of members of the Supervisory Board. A voting proposal does not need to be made accessible by the company if one of the criteria for exclusion as per §§ 127 sentence 1, 126 (2) AktG is fulfilled. Voting proposals for the appointment of the auditor or the appointment of members of the Supervisory Board also do not need to be made accessible if they do not include the nominee's name, profession and place of residence (§ 127 sentence 3 in conjunction with § 125 (1) sentence 3, 4 AktG) or – with regard to the appointment of the members of the Supervisory Board – the information about the candidate's membership in statutory Supervisory Boards (§ 127 sentence 3 in conjunction with § 125 (1) sentence 5 AktG). Otherwise the prerequisites and provisions concerning making counter-petitions accessible shall apply.

This does not affect each shareholder's right, even without prior notice to the company, to submit counter-petitions concerning the various agenda items during the course of the Annual General Meeting, or to submit voting proposals. We should indicate that counter-petitions and voting proposals which were

promptly sent to the company in advance can be covered in the Annual General Meeting only if they are introduced verbally at the meeting.

Shareholders' rights of information (as per § 131 (1) AktG)

At the Annual General Meeting, each shareholder and shareholder representative may require information concerning the company's business to be disclosed by the Executive Board to the extent that the information is necessary for a material assessment of the respective agenda item (§ 131 (1) AktG). The right of information also extends to the company's legal and commercial dealings with an associated company and also extends to the situation of the group and of companies included in the consolidated financial statements. Under certain circumstances, the Executive Board may refuse to disclose such information (§ 131 (3) AktG).

Further explanatory notes

Further explanatory notes concerning shareholders' rights as defined by §§ 122 (2), 126, 127, 131 AktG as well as restrictions to these rights can be consulted on the internet address of <http://www.freenet-group.de/investor/annual-general-meeting/2011>.

Büdelsdorf, May 2011

freenet AG
The Executive Board

Important note:

The English version of the Invitation to the Annual General Meeting is a translation of the German version of the Invitation to the Annual General Meeting. The German version of this Invitation to the Annual General Meeting is legally binding.