

Management Presentation Q1/2012 Results

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Successful Q1 shows continuity in performance improvement

- Customer ownership 8,157,000 (+37,000)
- Postpaid ARPU increased to 23.4 € compared to 23.3 € Q1/11
- EBITDA is up to 85.1 m€
- Free Cash Flow amounts 72.4 m€
- Revenue is in line with expectations
- Confirmation of guidance

freenet AG changes its agenda from internal to external focus

Q1/2012

- Optimization of product and tariff portfolio mainly in the flat segment
- Change in purchase model for no frills towards a back-end model sacrificing SAC support
- Restraint in marketing expenses due to launch of new brand campaign early April
- Continuation of sales channel optimization
- Test of new loyalty campaigns
- Test of mobilcom-debitel smart home

Q2 - Q4/2012

- Launch and penetration of new branding campaign with significant investment into TV and online advertising
- Expansion of flat tarif landscape into Eplus network and no-frills
- Careful exploitation of new price point including renegotiation of respective purchase models with leading network operators
- Test of additional adjacent business continued
- Analysis of mobilcom-debitel smart home test and preparation of potential launch

mobilcom debitel shops rolemodell for the entire company

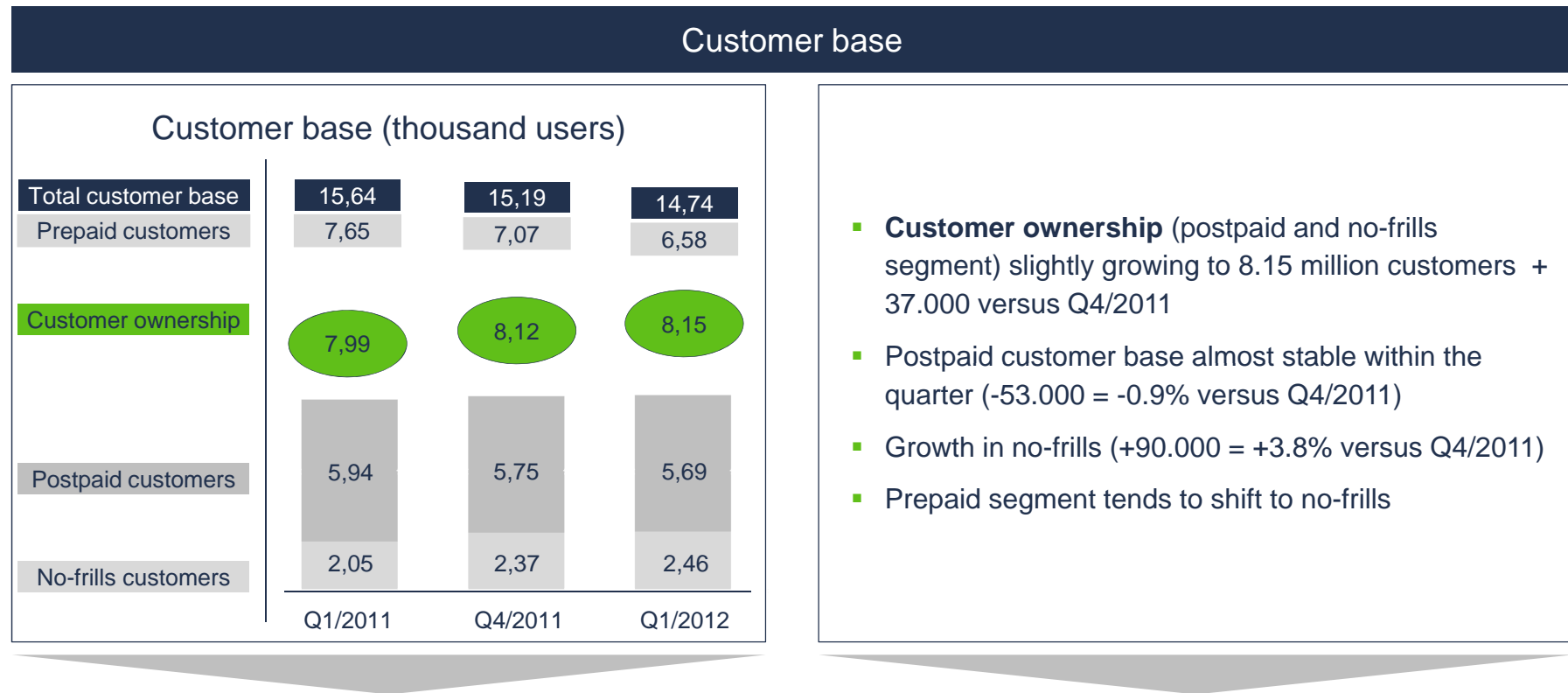
Situation 2008

- 98% of contribution comes from postpaid and prepaid contracts
- No hardware sales
- Low cross-selling
- Almost no accessory sales
- No testing of new products or services

Situation 2012

- >25% contribution from other than postpaid and prepaid contracts
- 10 relevant portfolios
 - Postpaid, Prepaid
 - strong renewal business
 - No-frills
 - Hardware repair services
 - Invoice payments in the shops
 - Handset insurance
 - Hardware-only sales
 - Accessories incl. Gravis/Apple
 - DSL, cable...
 - Systematic tests i.e. of Smart Home

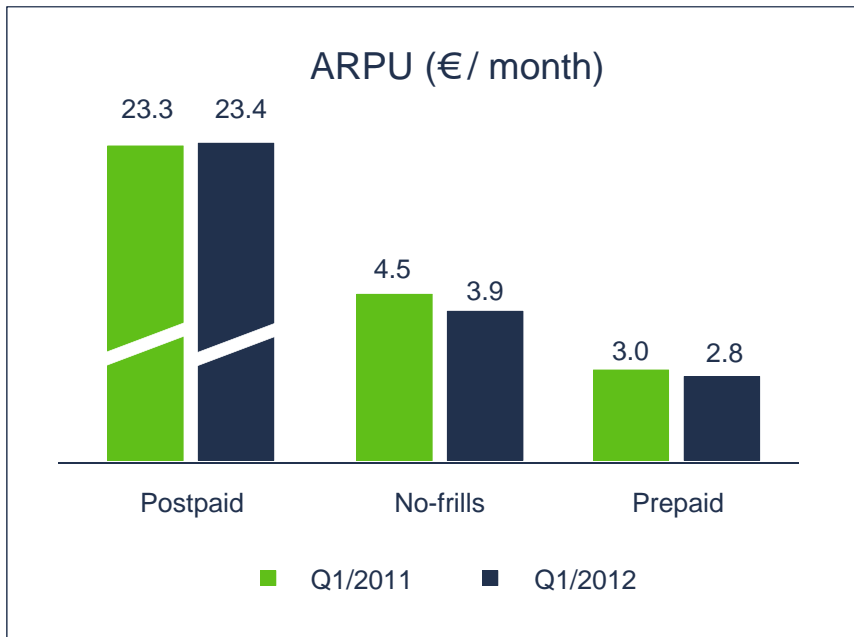
Management confident about stable customer base in 2012



Overall ownership customer base slightly growing in Q1/2012
Stable postpaid customer base expected for full year 2012

Seasonal comparison shows strong postpaid ARPU

ARPU



- Postpaid ARPU with slight uplift to 23.4 Euro
- Data share still growing with 18.1%
- No-frills ARPU going down due to migratory movements with a long term profitability improvement
- Prepaid ARPU shows weakness of the product proposition, but decrease is within freenet expectation

Stable Postpaid ARPU expected for full year 2012

Financial statements – income statement (1/2)

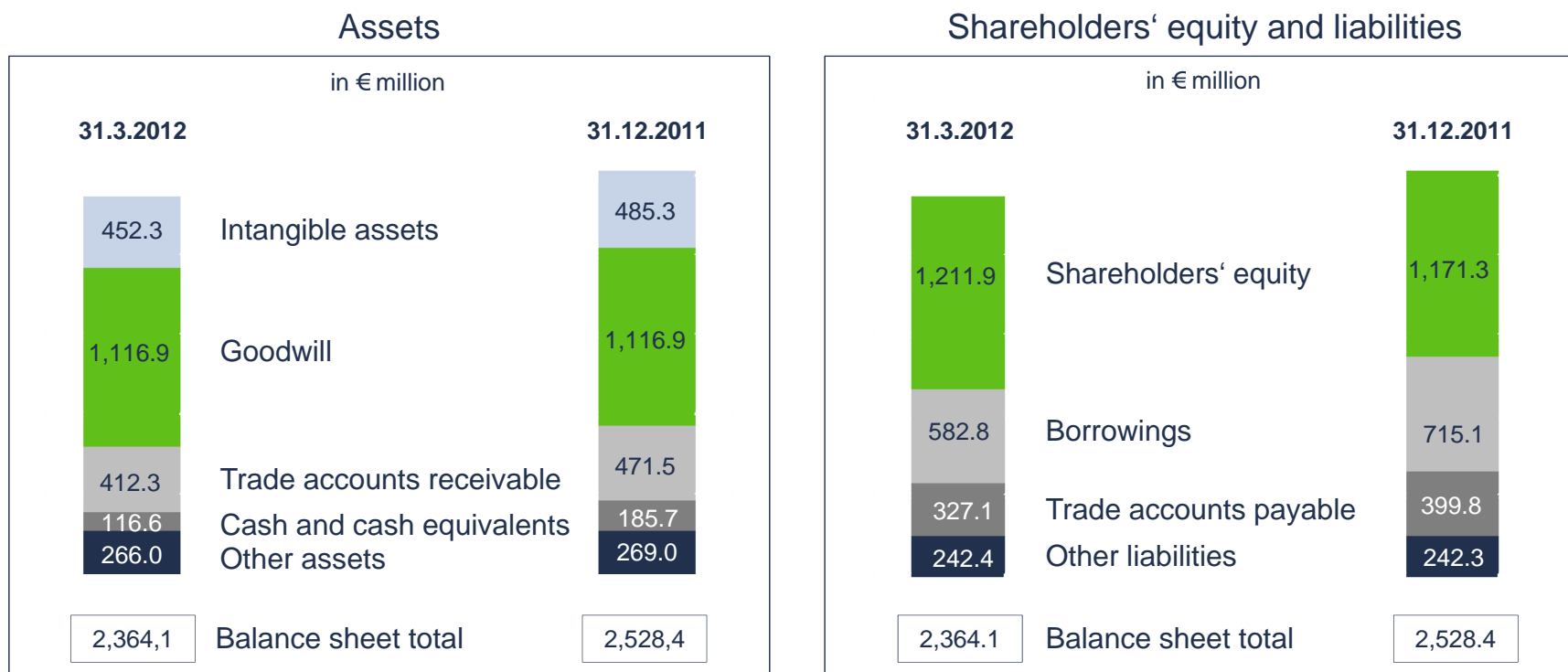
In € million	Q1/2012	Q1/2011	Δ	Δ in %
Revenue	744,193	788,811	-44,618	-5.7%
Gross profit	166,852	164,709	2,143	1.3%
EBITDA	85,092	78,441*	6,651	8.5%
Depreciation and amortisation	-37,070	-45,815	8,745	19.1%
EBIT	48,022	32,626	15,396	47.2%
Interest receivable and similar income	785	1,308	-523	-40.0%
Interest payable and similar expenses	-11,241	-10,594	-647	-6.1%
EBT	37,566	23,340	14,226	61.0%

*Recurring EBITDA: Q1/11: 84.1 m€

Financial statements – income statement (2/2)

In € million	Q1/2012	Q1/2011	Δ	Δ in %
EBT	37,566	23,340	14,226	61.0%
Taxes on income	3,069	2,564	505	19.7%
Group result from continued operations	40,635	25,904	14,731	56.9%
Group result from discontinued operations	0	140	-140	-100,0%
Group result	40,635	26,044	14,591	56.0%
Group result attributable to shareholders of freenet AG	40,604	25,966	14,638	56.4%
Group result attributable to non-controlling interest	31	78	-47	-60,3%
Earnings per share (€)	0,32	0.20	0.12	60.0%

Financial statements – balance sheet



Comment

- Equity ratio improved from 46.3% (31 December 2011) to 51.3% (31 March 2012)
- Net debt of 466.2 m€ as of 31 March 2012 (31 December 2011: 529.4 m€)

Financial statements – cash flow statement

In € million	Q1/2012	Q1/2011	Δ	Δ in %
Cash flow from operating activities	74.7	76.3	-1.6	2.1%
Cash flow from investing activities	-1.6	-3.4	1.8	52.9%
Cash flow from financing activities	-42.1	-43.3	1.2	2.8%
Change in cash and cash equivalents	30.9	29.6	1.3	4.4%
Free cash flow¹	72.4	72.5	-0.1	-0.1%

1) Free cash flow is defined as cash flow from operating activities, minus investments in property, plant and equipment and intangible assets, plus proceeds from the disposal of property, plant and equipment and intangible assets.

Detailed bridge from EBITDA to free cash flow



Guidance 2012 and outlook 2013 – Continuation of the current strategy

	Results 2011	Guidance 2012	Outlook 2013
Contract customer base	-366,000 customers		
Postpaid ARPU	Stable at 23.8 €		
Group revenue	3.22 bn€		
Group EBITDA	337.4 m€	340 m€	340 m€
Free cash flow (FCF) ¹	241.0 m€	240 m€	240 m€
Dividend	1.20 €	40-60% of FCF	40-60% of FCF

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Summary

- The first quarter of 2012 makes the management very confident about the business performance
- Relevant KPIs performed within the expectation of the management
- New purchase plans provide additional opportunities to ensure business performance
- New tests i.e. mobilcom debitel smart home underlines the strategy towards freenet becoming the leading digital home provider for German's end consumers

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