

## Corporate News

### freenet AG confirms preliminary figures for financial year 2017

- **Total revenue increases by 4.3 per cent to 3.507 billion euros (previous year: 3.362 billion euros)**
- **Strong increase of 23.3 per cent in EBITDA<sup>1</sup> to 541.2 million euros (previous year: 438.8 million euros)**
- **Free cash flow<sup>2</sup> increases slightly to 342.8 million euros (previous year: 341.5 million euros)**
- **Continuation of dividend policy based on shareholder value, with a proposed dividend increase to 1.65 euros for 2017**

**Büdelsdorf, 21 March 2018** – Following verification of the annual financial statements of freenet AG [ISIN DE000A0Z2ZZ5] as at 31 December 2017 and approval of the consolidated financial statements as at 31 December 2017 by the Supervisory Board, the Executive Board has confirmed the preliminary figures already announced on 01 March 2018 in full.

With the publication of the financial report 2017 freenet AG confirms the preliminary figures for the financial year 2017 published on 01 March 2018 and presents its successful business development in which the targets for 2017 have been met or even exceeded. At 3.507 billion euros, **total revenue** was 4.3 per cent higher than the corresponding previous year figure (3.362 billion euros). The growth is mainly attributable to the revenue of 294.8 million euros generated by the excellent performance of the TV and Media segment (an increase of 34.7 per cent compared with the previous year figure of 218.9 million euros) as well as higher revenue generated by the sale of hardware and digital lifestyle products. **EBITDA** increased strongly by 102.4 million euros to 541.2 million euros especially due to the one-off effect of the “Sunrise Tower Deal”, and was thus considerably higher than the previous year figure of 438.8 million euros. EBITDA exclusive Sunrise amounted to 408.0 million euros, representing an increase of 5.7 million euros compared with the previous year. The **gross profit**, which increased by 5.7 per cent to 949.8 million euros (previous year: 898.7 million euros) made a major contribution in this respect. There was also a positive development in **group result**, which in the reporting year increased by 27.3 per cent compared with the previous year, to 275.6 million euros (previous year: 216.4 million euros). At 2.24 euros, earnings per share (diluted and undiluted) are also higher than the corresponding previous year figure (1.78 euros per share diluted and undiluted).

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**Net debt**<sup>3</sup> declined considerably, falling by 29.7 per cent from 725.8 million euros as of 31 December 2016 to the current figure of 510.0 million euros at the end of the financial year 2017. The debt ratio<sup>4</sup> declined accordingly to 0.9 (previous year: 1.7) – which was even slightly lower than the target range (1.0-2.5). The decline in net debt and debt ratio is primarily attributable to the increase in the Sunrise share price as well as its much higher EBITDA contribution.

In the reporting period, the generated **free cash flow** was stable at 342.8 million euros (previous year: 341.5 million euros). Even if the dividend payment of 34.4 million euros received from Sunrise is eliminated, the forecast figure of approximately 310.0 million euros is attained.

The Executive Board and the Supervisory Board resolved to propose a dividend of 1.65 euros per eligible share for financial year 2017 to the annual general meeting that will take place on 17 May 2018 in Hamburg. This corresponds to a pay-out ratio of approximately 61.6 per cent of the free cash flow generated in financial year 2017. In this connection, the Executive Board has confirmed its constant dividend policy which is based on shareholder value and which provides for a dividend payment of 50 to 75 per cent of the annual free cash flow.

The complete annual report 2017 including the audited consolidated financial statements is available for download at [www.freenet-group.de/investor](http://www.freenet-group.de/investor).

*1) Earnings before interest and taxes, including the earnings element of companies included using the equity method (EBIT), excluding depreciation and deferred taxes resulting from the subsequent recognition of companies included using the equity method and including write-downs and impairments.*

*2) Cash flow from operating activities, minus investments in property, plant and equipment and intangible assets, plus proceeds from the disposals of property, plant and equipment and intangible assets.*

*3) Long-term and short-term financial debt, less liquid assets, less the interest of the freenet Group in the market value of Sunrise Communications Group AG as of the reference date (source of price data: Bloomberg).*

*4) Ratio between net debt and EBITDA generated in the last 12 months.*

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