

Mandatory disclosure pursuant to  
Section 27(3) in conjunction with Section 14(3) Sentence 1 of the Wertpapiererwerbs-  
und Übernahmegesetz (WpÜG – German Securities Acquisition and Takeover Act)



**Joint Statement of  
the Management Board and the Supervisory Board**

of

**Drillisch Aktiengesellschaft**

Wilhelm-Röntgen-Strasse 1-5  
63477 Maintal

**pursuant to Section 27(1) WpÜG**

**Regarding the Voluntary Public Tender Offer**

by

**United Internet AG**

Elgendorfer Strasse 57  
56410 Montabaur

to the

**Shareholders of Drillisch Aktiengesellschaft**

of June 7, 2017

Shares of Drillisch Aktiengesellschaft:

ISIN DE 0005545503  
DE 000A2E4L26

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Convenience Translation

## I. GENERAL INFORMATION ON THIS STATEMENT

On May 12, 2017, United Internet AG (the “**Bidder**” and, together with its affiliated companies within the meaning of the Aktiengesetz (“**AktG**” – German Stock Corporation Act), “**United Internet**”, or the “**United Internet Group**”) announced that it will submit a voluntary public tender offer (the “**Offer**”) for all shares in the Drillisch Aktiengesellschaft (“**Drillisch**”) as part of an overall transaction. On May 26, 2017, the Bidder published in accordance with Sections 34 and 14(2) and (3) of the Wertpapiererwerbs- und Übernahmegesetz (“**WpÜG**” – German Securities Acquisition and Takeover Act) an offer document within the meaning of Section 11 WpÜG (“**Offer Document**”) for the Offer addressed to all shareholders of Drillisch to acquire all no-par bearer shares of Drillisch (irrespective of the time that they were issued, the “**Drillisch Shares**” and individually a “**Drillisch Share**”), to the extent listed, ISIN DE 0005545503, WKN 554550, which are not already held by the Bidder or by persons acting in concert with it within the meaning of Section 2(5) Sentences 1 and 3 WpÜG in return for payment of a cash consideration in the amount of EUR 50.00 per share of Drillisch (“**Offer Price**”).

The Offer Document was sent to the Management Board of Drillisch (“**Management Board**”) on May 26, 2017 and forwarded by the Management Board on the same day to the Supervisory Board of Drillisch (“**Supervisory Board**”), the existing works councils, and the employees.

The Management Board and the Supervisory Board issue this joint reasoned statement (“**Statement**”) on the Offer from the Bidder in accordance with Section 27 WpÜG. The Management Board and the Supervisory Board unanimously decided to issue this Statement on June 7, 2017. For more information on this, please see Sections IX. and **Error! Reference source not found.** of this Statement.

In connection with the Statement, the Management Board and Supervisory Board refer to the following to begin with:

### 1. Legal principles

In accordance with Section 27(1) Sentence 1 WpÜG, the management board and the supervisory board of a target company have to issue a reasoned statement on a takeover offer and any amendments.

In accordance with Section 27(1) Sentence 2 WpÜG, the Management Board and the Supervisory Board have in particular to discuss in their Opinion (i) the type and amount of the consideration offered, (ii) the expected consequences of a successful offer for Drillisch, the employees of Drillisch and their representative bodies, the terms and conditions of employment, and the locations of Drillisch, (iii) the objectives pursued by the Bidder through the Offer, and (iv) the intention of the members of the management board and the members of the supervisory board, insofar as they hold shares in Drillisch, to accept the Offer.

The Management Board and the Supervisory Board have decided to issue a joint statement in relation to the Offer from the Bidder.

The attention of the Drillisch Shareholders is drawn to the fact that this Statement is based on information that is available to the members of the Management Board and of the Supervisory Board in their respective capacity as Supervisory Board and Management Board members of Drillisch. They reflect their evaluations and assumptions existing at this time, which may change after the Statement is published. Unless otherwise stated, information, opinions, assessments, expectations, and forward-looking statements in this Statement are based on or derived from the Offer Document, the agreement in principle entered into on May 12, 2017 between the Bidder and Drillisch (“**Business Combination Agreement**”, as described in Section 8.1 of the Offer Document), and other publicly accessible information. Furthermore, the members of the Management Board and of the Supervisory Board do not have the possibility of assessing whether the opinions and intentions of the Bidder presented in the Offer Document are correct or of influencing the implementation of these intentions.

## 2. Facts

References in this Statement to a “work day”, “stock market day”, or “trading day” mean any day on which the banks in Frankfurt am Main, Germany, are open for general business with customers. References to “EUR” mean euros. References to “subsidiaries” mean subsidiary companies within the meaning of Section 2(6) WpÜG. If terms such as “at this time”, “on this date”, “as of today’s date”, “currently”, “at the moment”, “now”, “at present”, or “today” are used, these indications refer to the date on which this document is published, i.e. June 7, 2017, unless expressly stated otherwise.

All information, forecasts, opinions, assessments, forward-looking statements, and declarations of intent contained in this Statement are based on the information available to the Management Board and the Supervisory Board on the date that this Statement is published and reflect their evaluations or intentions existing at this time, which may change after this Statement is published. Forward-looking statements express intentions, views, or expectations and include known or unknown risks and uncertainties, as these statements refer to events and depend on circumstances that are in the future. Words such as “may”, “should”, “tend”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “determine” or similar expressions indicate forward-looking statements. The Management Board and the Supervisory Board assume that the expectations contained in forward-looking statements of this kind are based on reasoned and reproducible assumptions and are accurate and complete as of today's date to the best of their knowledge and belief. However, the underlying assumptions can change after the date on which this Statement is published on account of political, economic, or legal events.

The Management Board and the Supervisory Board do not intend to make any updates to this Statement and assume no obligation to update this Statement if such updates are not obligatory under German law. Drillisch Shareholders who wish to accept the Offer should examine whether this acceptance is compatible with any legal obligations that result from their personal circumstances (e.g. security interests in the shares, sales restrictions). The Management Board and the Supervisory Board can neither assess individual obligations of this kind nor take them into consideration in connection with this Statement. The Management Board and the Supervisory Board recommend to all persons who receive the



Offer Document outside the Federal Republic of Germany or who would like to accept the Offer, but who are subject to the securities legislation of a legal system other than that of the Federal Republic of Germany, that they inform themselves of and act in accordance with the relevant legal situation. The Management Board and the Supervisory Board recommend that, if necessary, shareholders obtain individual tax and legal advice.

**3. Statement of the employees**

The Offer Document was sent to existing works councils and to the employees of Drillisch on May 26, 2017. In accordance with Section 27(2) WpÜG, the competent works council or the employees of Drillisch, respectively, can send to the Management Board a statement on the Offer which the Management Board has to append to its statement in accordance with Section 27(2) WpÜG without prejudice to its obligation pursuant to Section 27(3) Sentence 1 WpÜG. A statement of the employees of Drillisch or of a works council within the Drillisch Group (as defined in Section II.1.4 of this Statement) had not been provided to the Management Board by the date on which this Statement is published.

**4. Publication of this Statement and possible changes to the Offer**

This Statement as well as any supplements and/or additional opinions on possible changes to the Offer are published in accordance with Section 27(3) and Section 14(3) Sentence 1 WpÜG by announcement on the Internet on the homepage of Drillisch (<http://www.drillisch.de/investor-relations/uebernahmeangebot>). Copies of the Statement will be kept available at Drillisch Aktiengesellschaft, Investor Relations, Wilhelm-Röntgen-Strasse 1-5, 63477 Maintal, Germany, Tel: +49 (0) 6181 412-200, Fax: +49 (0) 6181 412-183, for distribution free of charge. The publication and also the information on the availability of the Statement for free distribution will be announced by notification in the German Federal Gazette.

This Statement and any supplements and/or additional opinions on possible changes to the Offer are published in German and a non-binding English translation. In this regard, however, the Bidder has undertaken in the Business Combination Agreement not to amend the terms and conditions and details of the Offer after the decision to publish the Offer has been taken without the consent of Drillisch, where this consent may not be unreasonably refused. No warranty is undertaken for whether the English translations are correct and complete. Exclusively the German versions are binding.

## 5. Independent examination by the Drillisch Shareholders

The description of the Offer of the Bidder contained in this Statement makes no claim to be complete. The provisions of the Offer Document alone determine the contents and the implementation of the Offer. The evaluations and recommendations of the Management Board and of the Supervisory Board contained in this Statement are not binding in any way on the Drillisch Shareholders. If this Statement refers to quotes, summarizes, or reproduces the Offer or the Offer Document, this shall be construed merely as references, and by making them the Management Board and the Supervisory Board do not adopt the Offer or the Offer Document as their own, nor do they assume any liability for whether the Offer and the Offer Document are correct and complete. It is the individual responsibility of each Drillisch Shareholder to take note of the Offer Document, to take note of all available sources of information (including the report of the Management Board pursuant to Section 186(4) Sentence 2 AktG on the reason for excluding the subscription right as well as the justification for the proposed issuing amount that was published on May 12, 2017 as an annex to the invitation to the Drillisch Extraordinary General Meeting (as defined below), the “**Management Board Report**”), to form an Opinion on the Offer, and, if necessary, to take the action required of them. Irrespective of whether the Drillisch Shareholders accept the Offer, each Drillisch Shareholder is individually responsible for complying with the requirements and terms and conditions set out in the Offer Document.

All things considered, each Drillisch Shareholder has to assess the general situation of their individual circumstances (including their personal tax situation) and their personal evaluation of the future performance of the value and the price of the Drillisch Shares and make an independent decision on whether and, if necessary, to what extent he or she will accept the Offer. In reaching this decision, the Drillisch Shareholders should make use of all sources of information available to them and give sufficient consideration to their individual interests.

In their Statement the Management Board and the Supervisory Board have not taken into consideration the individual circumstances (including the personal tax situation) of individual Drillisch Shareholders. The Management Board and the Supervisory Board do not assume any responsibility for the decision of the Drillisch Shareholders.

## II. GENERAL INFORMATION ON DRILLISCH AND ON THE BIDDER

### 1. Drillisch Aktiengesellschaft

#### 1.1. Legal background

Drillisch Aktiengesellschaft is a listed German stock corporation with its registered office in Maintal, Germany. It is registered in the Commercial Register of the Local Court of Hanau under number HRB 7384. The business address of Drillisch is Wilhelm-Röntgen-Strasse 1-5, 63477 Maintal. The fiscal year of Drillisch corresponds to the calendar year.

The object of Drillisch is the development, sale, and provision of services and products, especially in the fields of communication, software, and the Internet, as well as the trade in these products. In addition to the development, sale, and provision of and the trade in communication technology devices, the object of the company also includes the leasing of and the leasing business involving these devices. The object of the company also includes the acquisition, holding, and management of associated companies, subsidiaries, and joint ventures. The object of the associated companies, subsidiaries, and joint ventures may differ from the object of Drillisch, if it appears suitable for furthering the business purpose of Drillisch. Drillisch is entitled to conduct all business and take all measures that appear suitable for serving the object of the company. To this end, it can also exercise its business activity through associated companies, subsidiaries, and joint ventures as well as enter into inter-company and cooperation agreements with other companies.

The Drillisch Share (to the extent listed, ISIN DE 0005545503) has been admitted for trading on the regulated market of the Frankfurt Stock Exchange since April 22, 1998 and is listed in the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (*Prime Standard*). Furthermore, the shares are traded over the counter on the stock exchanges in Berlin, Düsseldorf, Munich, and Stuttgart as well as within the framework of the Tradegate Exchange. The Drillisch Share is furthermore listed on the “TecDAX” stock index. The Drillisch Shares acquired by the Bidder in the course of the capital increase in kind I (as defined in Section III.1 of this Statement, see Sections 6.7 and 8.1 of the Offer Document) are not yet admitted for trading at the moment.

#### 1.2. Members of the Management Board and of the Supervisory Board

The Management Board of Drillisch currently comprises Mr. Vlasios Choulidis (Management Board Spokesman) and Mr. André Driesen (Director of Finances).

The Supervisory Board currently consists of the following members: Mr. Marc Brucherseifer (Supervisory Board Chairman), Dr. Susanne Rückert (Deputy Supervisory Board Chair), Mr. Norbert Lang, Dr. Horst Lennertz, Mr. Frank A. Rothauge. By declaration of May 1, 2017, the Supervisory Board member Dr. Bernd H. Schmidt resigned from the Supervisory Board for personal reasons effective May 31, 2017.]

### 1.3. Share capital and shareholder structure

At the time that this Statement is published (after the effective date of the Capital Increase in Kind I from authorized capital to be described below in Section III.1 of this Statement), the registered share capital of Drillisch amounts to EUR 70,209,499.80 and is divided into 63,826,818 no-par value bearer shares (common shares), each with a proportionate interest in the share capital of EUR 1.10. In addition, 3,827,591 more Drillisch Shares have been issued since January 1, 2017 up to the banking day before publication of this Statement from contingent capital to the holders of convertible bonds who have made use of their conversion right. Consequently, 67,654,409 voting rights at Drillisch are currently outstanding.

#### 1.3.1. Shareholder structure

Based on the voting rights notifications pursuant to Sections 21 ff. of the Wertpapierhandelsgesetz (“WpHG” – German Securities Trading Act), notifications pursuant to Art. 19 MAR, received by Drillisch up to the time that this Statement is published, and the statements of the Bidder in the Offer Document, as well as the publications pursuant to Section 23(1) No. 1 WpÜG, the shareholder structure of Drillisch can be presented as follows:

#### Overview II.1.3: Shareholder structure of Drillisch at the time that this Statement is published

Shareholder	Equity interest	
	Total %	of which attributed
United Internet AG .....	29.67%	
• United Internet Investments Holding GmbH .....		16.28 %
Allianz Global Investors Europe GmbH.....	min. 5%*	
Marc Brucherseifer .....	1.51%	
Vlasios Choulidis.....	0.69%	
• MV Beteiligungs GmbH.....		0.10%

(related to 67.654.409 issued Drillisch Shares and without consideration of instruments within the meaning of Section 25 WpHG)

\* cf. publication pursuant to Section 26(1) WpHG for Allianz Global Investors Fund SICAV as notifying shareholder of 05/23/2017.

The largest shareholder in Drillisch is the Bidder, which directly and indirectly holds an equity interest in Drillisch amounting to an ownership stake of 29,67% in total. The Bidder holds 16,28% of this indirectly through its wholly owned subsidiary United Internet Investments Holding GmbH with its registered office in Montabaur.

1.3.2. Authorized Capital

(i) Authorized Capital 2014/I

In accordance with Article 4(2) of the Articles of Association of Drillisch, the Management Board is authorized at the time this Statement is published to increase the share capital of Drillisch on one occasion or in partial amounts by up to EUR 11,701,583.30 in total by issuing new no-par value bearer shares in return for contributions in cash and/or in kind (“**Authorized Capital 2014/I**”). The Authorized Capital 2014/I was registered in the Commercial Register on June 24, 2014 and was partially used most recently to issue 9,062,169 new Drillisch Shares, while excluding the subscription right, upon registration of the capital increase in kind I (as defined in Section III.1 of this Statement).

In principle, a subscription right has to be granted to the shareholders when the Authorized Capital 2014/I is used. The Management Board is authorized, however, subject to the consent of the Supervisory Board, to exclude the subscription right of the shareholders (a) in order to exclude fractional amounts from the subscription right, (b) if the capital increase is carried out in return for cash contributions and the issuing price of the new shares is not significantly lower than the stock market price of the shares already listed with the same terms at the time of the final determination of the issuing price by the Management Board, where the number of shares issued subject to the exclusion of the subscription right pursuant to Section 186(3) Sentence 4 AktG may not in total exceed 10% of the share capital either at the time this authorization becomes effective or at the time it is exercised. Shares that are or have to be issued to service subscription rights arising from warrant or convertible bonds have to be counted towards this figure if the bonds are issued during the term of this authorization in application mutatis mutandis of Section 186(3) Sentence 4 AktG when the subscription right is excluded; furthermore, shares that are issued or sold during the term of this authorization on the basis of an authorization to use treasury shares pursuant to Sections 71(1) No. 8 and 186(3) Sentence 4 AktG when the subscription right is excluded also have to be counted towards this figure; (c) if for the purposes of protecting against dilution it is necessary in order to grant to holders or creditors of option or conversion rights arising from warrant or convertible bonds that have been or are issued by Drillisch and/or subordinate group companies a subscription right to the extent to which they would be after exercising their conversion or option right or after fulfilling the conversion obligation; (d) if the capital increase in return for contributions in kind is made to grant shares as part of business combinations or for the purpose of acquiring companies, parts of companies, equity interests in companies, or other assets; (e) in order to issue new shares up to a proportionate amount of the share capital of EUR 2,925,395.00 as employee shares to employees of Drillisch or affiliated companies within the meaning of Sections 15 ff. AktG.

The authorization is limited for cases (b) and (c) mentioned above insofar as the sum of the shares issued under this authorized capital while the subscription right is excluded may not after the authorization is exercised exceed 20% of the share capital existing at the time the authorization came into effect or at the time the authorization is used, whichever of these values is smaller. This 20% limit also includes those shares that are issued from any other authorized capital during the term of the authorization while excluding the sub-

scription right, as well as those shares that have to be issued as a result of the exercise of option and/or conversion rights and obligations attached to warrant and convertible bonds if the relevant warrant and convertible bonds are issued during the term of the authorization while excluding the subscription right; exclusions of subscription rights that are performed for the reasons stated under (a), (c), and (e) are excepted from this inclusion.

The Management Board is further authorized to define the further contents of the share rights and the terms and conditions of the share issue, subject to the approval of the Supervisory Board.

### (ii) Authorized Capital 2015/II

The Management Board of Drillisch is further authorized in accordance with Article 4(3) of the Articles of Association of Drillisch to increase the share capital of Drillisch on one occasion or in partial amounts by up to EUR 5,850,791.65 in total by May 20, 2020, subject to the approval of the Supervisory Board, by issuing new no-par value bearer shares in return for contributions in cash and/or in kind (“**Authorized Capital 2015/II**”). The Authorized Capital 2015/II was originally registered on June 30, 2015 (last corrected on July 7, 2015) and has not been used as of today’s date. A subscription right has to be granted to the shareholders in principle. The Management Board is authorized, however, to exclude the subscription right of the shareholders for new no-par shares, subject to the approval of the Supervisory Board, if the capital increase is made in return for contributions in kind in order to grant shares within the framework of business combinations or for the purpose of acquiring companies, parts of companies, equity interests in companies, or other assets.

The Management Board is further authorized to define the further contents of the share rights and the terms and conditions of the share issue, subject to the approval of the Supervisory Board.

### 1.3.3. Contingent Capital

#### (i) Contingent Capital 2013

In accordance with Article 4(4) of the Articles of Association of Drillisch, the company’s share capital is contingently increased by up to EUR 5,500,000.00 by issuing up to 5,000,000 no-par value bearer shares with profit-sharing rights from the beginning of the fiscal year in which they are issued. The contingent capital increase serves the purpose of granting shares to the holders or creditors of warrant and/or convertible bonds that are issued in return for a cash consideration on the basis of the authorization under Item 11 of the agenda of the Annual General Meeting of May 16, 2013 by Drillisch or by a company in which Drillisch directly or indirectly holds a majority interest. The contingent capital increase is to be implemented only insofar as option and/or conversion rights under the bonds are used or conversion obligations arising from the bonds are satisfied and if a cash settlement is not granted or treasury shares are not used to service the rights. The Management Board of Drillisch is authorized to define the further details of the implementa-

tion of the contingent capital increase (“**Contingent Capital 2013**”) subject to the approval of the Supervisory Board.

The Contingent Capital 2013 is used to service the convertible bond issued by Drillisch in 2013 described in Section II.1.3.4 below of this Statement.

(ii) Contingent Capital 2015

Furthermore, in accordance with Article 4(5) of the Articles of Association of Drillisch, the company’s share capital is contingently increased by up to EUR 17,600,000.00 by issuing up to 16,000,000 no-par value bearer shares with profit-sharing rights from the beginning of the fiscal year in which they are issued. The contingent capital increase serves the purpose of granting shares to the holders or creditors of warrant bonds, convertible bonds, profit participation rights and/or participating bonds or combinations of these instruments that are issued in return for a cash consideration on the basis of the authorization under Item 10 of the agenda of the Annual General Meeting of May 21, 2015 by Drillisch or by a company in which Drillisch directly or indirectly holds a majority interest and that grant a conversion or option right to no-par value bearer shares of the company or stipulate a conversion / option obligation. The contingent capital increase is to be implemented only insofar as option and/or conversion rights under the bonds are used or option or conversion obligations arising from the bonds are satisfied and if a cash settlement is not granted or treasury shares or shares of another listed target company are not used to service the rights. The Management Board of Drillisch is authorized to define the further details of the implementation of the contingent capital increase (“**Contingent Capital 2015**”) subject to the approval of the Supervisory Board.

1.3.4. Drillisch convertible bond

On December 5, 2013, Drillisch issued non-subordinated and unsecured convertible bonds with a total nominal amount of EUR 100 million, divided into bearer notes ranking pari passu in the nominal amount of EUR 100,000 (“**Drillisch Convertible Bond**”). In accordance with the terms and conditions of the Drillisch convertible bond (the “**Bond Terms and Conditions**”), the Drillisch convertible bonds have accrued interest at a rate of 0.75% p.a. each since the beginning of their interest period on December 12, 2013. The final maturity date of the Drillisch convertible bonds is December 12, 2018. It has been possible to convert them in principle at any time at a certain conversion price, i.e. exchanged for Drillisch Shares, since January 22, 2014.

3,827,591 Drillisch Shares have been issued since January 22, 2014, the first day of the conversion period, up to the banking day before publication of this Statement from the Contingent Capital 2013 to holders of Drillisch Convertible Bonds who have made use of their conversion right in accordance with the bonds terms and conditions. As they have been carried out in the course of the 2017 fiscal year, the relevant increases from contingent capital have not yet been completed in the Commercial Register or in the Articles of Association and an application for them to be entered in the Commercial Register is scheduled to be made only after the end of the fiscal year.

1.3.5. Treasury shares

Drillisch does not currently hold any treasury shares.

**1.4. Structure and business activity of the Drillisch Group**

Drillisch is a group holding company. The operating business is carried out by various subsidiary companies (these, together with Drillisch, referred to as the “**Drillisch Group**”).

Measured by revenue, the Drillisch Group is currently one of the largest mobile virtual network operators (“**MVNO**”) in Germany. As a virtual network operator, the Drillisch Group creates flexible offers designed according to its own product concepts on the basis of standardized and unbundled advance services from the network operators Telefónica Germany GmbH & Co. OHG (“**Telefónica Germany**”) and Vodafone GmbH (“**Vodafone**”).

Drillisch works as a mobile communications provider and virtual network operator and sells a comprehensive portfolio of services and products from the field of mobile voice and data services both online and offline. Adopting a multi-brand strategy, the Drillisch Group offers mobile communications products and rates for various user groups and profiles through the brands smartmobil.de and yourfone as well as hellomobil, DeutschlandSIM, maxxim, McSIM, simply and winSIM, among others. Within the framework of this business strategy, the Drillisch Group concentrates exclusively on the German market. As at December 31, 2016, the Drillisch Group had a customer base of 3.430 million subscribers in total.

The mobile communications offers are based on services provided on the networks of Telefónica Germany and Vodafone. On the basis of a mobile bitstream access contract entered into with Telefónica Germany in June 2014 for the acquisition of network capacities (“**MBA MVNO Contract**”), the Drillisch Group has access to up to 30% of the network capacity of Telefónica Germany. Under the MBA MVNO Contract, Drillisch undertakes to purchase and to pay for fixed network capacities. The network capacities are based on a capacity and start-up plan filed with the EU as well as on the network capacity that the customers of Telefónica Germany actually use. The MBA MVNO Contract includes regulations that determine the actual conditions and thus the conditions per customer / month.

1.4.1. Network capacities and network access

The Drillisch Group does not operate any physical mobile communications network of its own. On the basis of the MBA MVNO Contract, Drillisch is the only virtual network operator in Germany to be entitled to a specific proportion, rising to up to 30%, of the utilized network capacity of Telefónica Germany and thus enjoys wide-ranging access to Germany’s largest mobile communications network. In this respect, Drillisch enjoys contractually agreed access to LTE, the fourth-generation network technology, as well as to all other technologies of the future. In return, Drillisch has taken on a purchase commitment; the capacity to be purchased rises on a glide path over the basic term for all new



customers from July 2014 onward to up to 20% of the entire capacity of the Telefónica Germany network. Moreover, Drillisch has the obligation to purchase a fixed quota for existing customers irrespective of the network usage. Any unused capacity under the MBA MVNO Contract cause costs that are not accompanied by any direct revenues.

### 1.4.2. Sales

The Drillisch Group markets for its own account mobile communication services (telephone, SMS, MMS and mobile data services) of the Telefónica Germany and Vodafone network operators and provides these services to mobile communications customers on the basis of mobile phone contracts. The most important sales channels are the Internet and the group's own shops under the brand name yourfone as well as a network of independent distributors and cooperation partners.

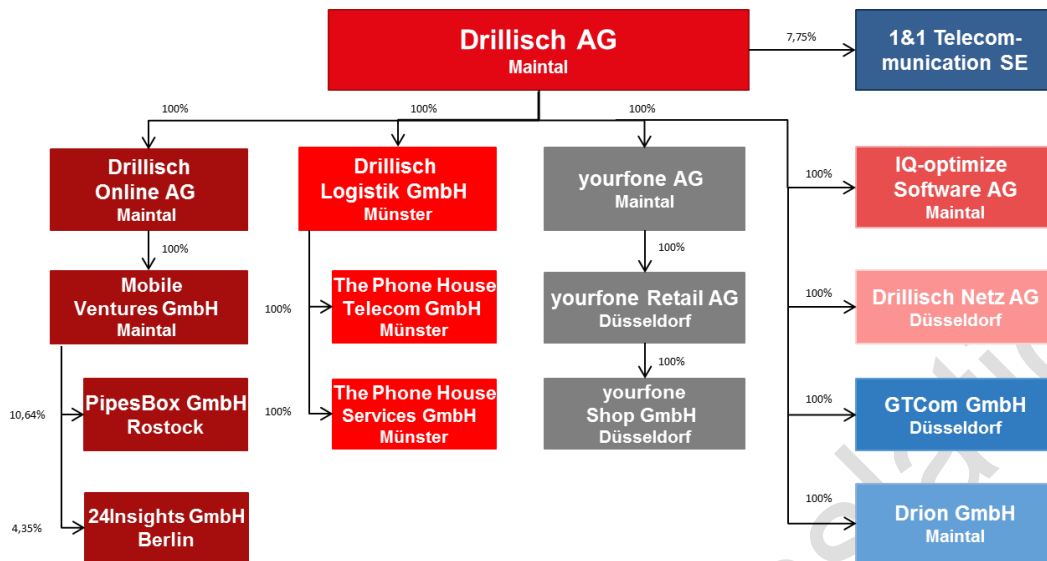
Against this background, the sales structure of the Drillisch Group is divided into the online and offline segments. In the online segment, Drillisch Online AG takes care of the mobile communications operating business with a large number of established online brands. To this end, it offers mobile phone tariffs tailored to customer requirements with different data packages and sells modern mobile phones and related accessories in its own online shops.

In the offline segment, yourfone AG and its subsidiaries is responsible for all of the offline sales. Under the premium brand that yourfone represents, a broad range of mobile phone tariffs – also in combination with current mobile phones – are marketed predominantly in the company's own shops and partner shops, which can be found in especially attractive retail locations. Drillisch Logistik GmbH (formerly: The Phone House Deutschland GmbH), a subsidiary of Drillisch, supplies both yourfone partners and the Group's own yourfone shops with mobile phones and related accessories.

In light of the equity interest in 1&1 Telecommunication acquired by Drillisch in the course of the capital increase in kind I, United Internet and Drillisch have agreed a sales partnership in the DSL area with a term of five years as well as the parameters of cooperation in the purchasing of hardware. The subject matter of these cooperation projects will be the sale in the Drillisch offline shops of 1&1 DSL products, concepts, and tariffs that Drillisch does not itself offer at the moment. Furthermore, it is intended to bundle the purchase of hardware by Drillisch and 1&1 Telecommunication (these cooperation projects together referred to as the “**DSL Sales Cooperation / Purchasing Cooperation**”).

The following overview shows the structure of the Drillisch Group at the time this Statement is published:

Overview II.1.3.5: Corporate structure



1.5. Business performance and selected key financial figures

EBITDA of the Drillisch Group in the 2016 fiscal year amounted to EUR 120.2 million (growth of +13.9% in comparison with the same period in the previous year). Furthermore, total group revenue of the Drillisch Group amounted to EUR 710.0 million (+12.8% in comparison with the same period in the previous year), cash flow from current business operations to EUR 80.5 million (+5.6%), and gross earnings to EUR 278.9 million (+9.6%). Unadjusted consolidated profit fell to EUR 26.4 million in the 2016 fiscal year (-42.7%), where this development could essentially be attributed to extraordinary effects that did not have an impact on liquidity arising in the course of a restructuring of The Phone House Group. Adjusted consolidated profit amounted to EUR 45.1 million (-2.1%).

The MVNO customer base comprised 3.43 million subscribers (+28.1%) at the end of the last fiscal year, where the average contribution margin per MVNO customer reached EUR 7.58 (+3.3%).

For further information on Drillisch and on the business performance of the Drillisch Group, please see the annual and quarterly reports, which are published on the Internet at <http://www.drillisch.de/investor-relations/berichte>.

2. Bidder

The Bidder has published the following information in the Offer Document. This information has not been reviewed by the Management Board and the Supervisory Board.

2.1. Current legal background and shareholder structure of the Bidder

According to Section 6.1 of the Offer Document, the Bidder, United Internet AG, is a stock corporation founded under German law with its registered office in Montabaur,

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Germany, and registered in the Commercial Register of the Local Court of Montabaur under HRB 5762. The fiscal year of the Bidder is the calendar year.

The object of the Bidder is to perform marketing, sales, and other services, especially in the fields of telecommunications, information technology, including the Internet, and data processing or related areas. The object of the company also includes the acquisition, holding, and administration of equity interests in other companies, in particular in those working in the business fields mentioned above.

According to the information of the Bidder, which is based on the voting rights notifications pursuant to Sections 21 ff. WpHG available to the Bidder as evidenced in the Offer Document, it is aware of the following shareholders (as of May 23, 2017):

### Overview II.2.1: Shareholder structure of the Bidder as of May 23, 2017

Shareholder	Equity interest	
	Total %	of which attributed
Ralph Dommermuth.....	40%	
• Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft		39.02%
• RD Holding GmbH & Co. KG		0.98%
Allianz Global Investors Fund.....	4.78%	
Flossbach von Storch.....	3.09%	
Blackrock.....	3.00%	
United Internet (treasury shares).....	2.62%	

### 2.2. Structure and business activity of the Bidder

The Bidder is the group parent company of the United Internet Group.

The operating business of the United Internet Group is divided into the two reporting segments / business fields “Access” and “Applications”.

*Access segment* The Access segment comprises the fee-based landline and mobile access products of the United Internet Group, including related applications (such as home networking, online storage, telephone services, and video-on-demand). In addition to these products for home users and small firms, United Internet also offers data and network solutions for SMEs as well as infrastructure services for large corporations. United Internet has the second largest fiber-optic network in Germany, stretching 41,644 km in length.

In the Access segment, United Internet is active exclusively in Germany, where it is one of the leading service providers. The company uses its fixed network and additionally purchases standardized network services from various advance service providers. These are enhanced with end devices, applications developed in-house, and services from its

own “Internet factory” in order to differentiate the company from the competition in this way.

The Access products are marketed through the brands GMX, WEB.DE and 1&1 (for the impacts of the transaction of the Access business operated by United Internet, see Section III.2 of this Statement and in particular Sections 6.4.1 and 6.4.3 of the Offer Document).

*Applications segment* The Applications segment comprises the application business of the United Internet Group – whether ad-financed or subscription-based. These applications include domains, home pages, web hosting, servers and e-shops, personal information management applications (e-mail, to-do lists, appointments, addresses), group work, online storage, and office applications, which are developed in the company's own “Internet Factory” or in cooperation with partner firms and operated in the Bidder's data centers. The United Internet Group additionally offers its customers performance-based advertising and sales platforms on the Internet through its Sedo and affilinet brands.

Based on its own information, the United Internet Group is one of the leading international companies in the Applications segment, with activities in European countries (Germany, France, the UK, Italy, Austria, Poland, Switzerland and Spain) and in North America (Canada, Mexico and the US). The applications are marketed at specific target groups among private consumers and business customers through differently positioned brands such as GMX, mail.com, WEB.DE, Strato (since April 2017), 1&1, Arsys, Fasthosts, home.pl, InterNetX, and united-domains.

According to the information in the annual report for the 2016 fiscal year, the United Internet Group employed a total of 8,082 employees at around 40 German and foreign locations as at December 31, 2016. If the acquisition of Strato AG and the planned consolidation of Strato AG in the financial statements of the United Internet Group as of April 1, 2017, are taken into account, another 549 employees can be added. Sales revenues based on IFRS amounted in the 2016 fiscal year to approximately EUR 3.949 billion. In the 2016 fiscal year, United Internet generated group EBITDA of EUR 840.6 million. The number of subscription-based customer contracts amounted as at December 31, 2016 to 16.97 million, while the number of ad-financed free accounts totaled 34.29 million as of the same date.

### **2.3. Persons acting in concert with the Bidder**

As evidenced by the Offer Document, Mr. Ralph Dommermuth holds 82,000,000 shares in the Bidder (corresponding to 40% of the share capital and of the voting rights in the Bidder) via two companies that he controls, Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft and RD Holding GmbH & Co. KG (together the “**Affiliated Companies**”) at the time the Offer Document is published. As a result of his 40% shareholding, Mr. Ralph Dommermuth controls the Bidder by way of a factual majority at the Annual General Meeting, and he is one of the persons acting in concert with the Bidder – as are his Affiliated Companies – within the meaning of Section 2(5) WpÜG, who are described in more detail in Annex 1 of the Offer Document. Mr. Ralph Dommermuth founded the Bidder in 1988 and is the Chief Executive Officer of the Bidder.

The Bidder directly or indirectly holds the companies listed in more detail in Annex 2 to the Offer Document (these companies held directly or indirectly by United Internet AG referred to as the “**United Internet Subsidiaries**”). The Bidder and the United Internet Subsidiaries are persons acting in concert within the meaning of Section 2(5) Sentence 3 WpÜG. According to the information from the Bidder, there are no other persons acting in concert within the meaning of Section 2(5) WpÜG.

#### **2.4. Equity interest of the Bidder and of persons acting in concert with it in Drillisch**

The Bidder states in the Offer Document (Section 6.6) that it has directly held 9,062,169 Drillisch Shares since the capital increase in kind I (as described in Section III.1 of this Statement) was registered in the Commercial Register of Drillisch on May 16, 2017, which corresponds to a shareholding of 13,39% at the time of the publication of this Statement. As evidenced in Section 6.6 of the Offer Document, the Bidder indirectly holds through United Internet Investments Holding GmbH, a United Internet subsidiary, an equity interest of 11,012,730 Drillisch Shares, which are attributed to it by United Internet Investments Holding GmbH in accordance with Section 30(1) Sentence 1 No.1 WpÜG. On the basis that the total number of Drillisch Shares that have been issued amounts to 67,654,409, this corresponds to an indirect shareholding of 16,28% in total at the time of the publication of this Statement. This produces an overall equity interest of the Bidder or of United Internet totaling 29,67% in Drillisch at the time of the publication of this Statement (see above, Section II.1.3 of this Statement).

Moreover, the Bidder states in the Offer Document (Section 6.6) that neither it nor any persons acting in concert with it nor their subsidiaries hold other Drillisch Shares and no voting rights resulting from Drillisch Shares are attributable to them pursuant to Section 30 WpÜG.

The Bidder holds instruments pursuant to Section 25 WpHG relating to up to 575,001 voting rights arising from Drillisch Shares on the basis of the acceptance undertaking (see Section II.3. of this Statement directly below). These correspond to around 0.85 % of Drillisch’s share capital and voting rights at the time of the publication of this Statement.

### **3. Information on securities transactions of the Bidder**

In the period during the last six months before the decision to issue the Offer was published on May 12, 2017 in accordance with Section 10(1) Sentence 1 WpÜG and ending with the publication of the Offer Document on May 26, 2017, the Bidder agreed the securities transactions set out below as evidenced by the Offer Document (cf. Sections 6.7 and 10.1.2):

- *Acceptance undertaking* On May 11, 2017, the Bidder entered into an agreement regarding an irrevocable acceptance undertaking (the “**Acceptance Undertaking**”) with (i) Ms. Marianne and Mr. Vlasios Choulidis, the Management Board Spokesman of Drillisch, together, (ii) Mr. Marc Brucherseifer, the Supervisory Board Chairman of Drillisch, and (iii) Mr. Paschalis Choulidis, the former Man-

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agement Board Spokesman of Drillisch (collectively the “**Obligated Parties**”) as the obligated parties. Within the framework of the Acceptance Undertaking, the Obligated Parties have irrevocably undertaken, if the share of the Bidder in Drillisch would not otherwise reach the 30% threshold, to accept the Offer under its terms and conditions for a total of up to 575,000 Drillisch Shares (and each of the Obligated Parties (i)-(iii) for up to 191,667 Drillisch Shares each), where Mr. Paschalis Choulidis is required to tender his shares only if the share of the Bidder in Drillisch would not otherwise reach the 30% threshold when the Acceptance Undertaking is fulfilled by the other Obligated Parties. The price for Drillisch Shares that are tendered on the basis of the Acceptance Undertaking in connection with the tender offer corresponds to the Offer Price.

- Capital increase in kind I and capital increase in kind II. In addition, the Bidder agreed a phased acquisition of 1&1 Telecommunication, associated with an increase in the equity interest in Drillisch, with Drillisch on May 12, 2017.
  - As part of the capital increase in kind I (as defined in Section III.1 of this Statement), the Bidder contributed to Drillisch 9,372 1&1 shares (as defined in Section III.1 of this Statement), corresponding to approximately 7.75% of the share capital and of the voting rights in 1&1 Telecommunication) in return for the issue of 9,062,169 new Drillisch Shares from authorized capital upon the entry in the Commercial Register conducted on May 16, 2017.
  - Furthermore, as part of the Business Combination Agreement entered into on May 12, 2017 and described in more detail in the Offer Document (cf. in particular Section 8.1), the Bidder and Drillisch provided for the implementation of the capital increase in kind II (as defined in Section III.1 of this Statement). To this end, on May 12, 2017 the Management Board of Drillisch convened the Drillisch Extraordinary General Meeting for July 25, 2017, where the only item on the agenda is the resolution on the proposal of the Management Board and the Supervisory Board of Drillisch to increase the share capital of Drillisch registered in the Commercial Register, while excluding the subscription right of the shareholders, by way of a contribution in kind involving the contribution of further 1&1 shares. In detail, the proposed resolution provides that the Bidder contribute to Drillisch its remaining 111,628 1&1 shares (corresponding to approximately 92.25% of the share capital and of the voting rights in 1&1 Telecommunication) in return for the issue of 107,937,831 new Drillisch Shares. Against the background of the agreement in the Business Combination Agreement and also of the proposed resolution for the Drillisch Extraordinary General Meeting, the Bidder and Drillisch have entered into a contribution agreement, in which the Bidder has undertaken to contribute the 1&1 shares to be contributed as part of the capital increase in kind II and to assign these to Drillisch subject to the condition precedent that the implementation of the capital increase II is registered in the Commercial Register. In return, Drillisch has undertaken in the

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contribution agreement, subject to the condition precedent that a resolution of the Drillisch Extraordinary General Meeting approving the capital increase in kind II is adopted by the majority required by law, to granted to the Bidder the 107,937,831 new Drillisch Shares to be issued in the course of the capital increase in kind II.

Furthermore, according to the information in the Offer Document (Section 6.7), neither the Bidder nor any person acting in concert with it have acquired Drillisch Shares or entered into agreements on the basis of which the transfer of further Drillisch Shares can be demanded within the last six months before the decision to issue the Offer was published on May 12, 2017 in accordance with Section 10(1) Sentence 1 WpÜG.

#### **4. Possible parallel acquisitions**

The Bidder reserves the right pursuant to Section 6.8 of the Offer Document, to the extent permitted by law, to directly or indirectly acquire additional Drillisch Shares outside of the Offer on the stock exchange or over the counter. If necessary, information on acquisitions of this kind will be published on the Internet at <http://www.united-internet.de/investor-relations/uebernahme/> and in the Federal Gazette.

### III. THE OFFER AS PART OF AN OVERALL TRANSACTION

#### 1. Structure of the overall transaction

The offer coordinated with Drillisch pursuant to the Business Combination Agreement (as described in Section 8.1 of the Offer Document) is part of an intended overall transaction that has the aim of combining the landline and mobile communications businesses of Drillisch and United Internet (see Section IV.5 of this Statement on the background to the Offer). On May 12, 2017, the date on which (i) the invitation to the Drillisch Shareholders to attend an Extraordinary General Meeting on July 25, 2017 where it is planned to adopt a resolution on the increase of the share capital of Drillisch by EUR 118,731,614.10 (the “**Drillisch Extraordinary General Meeting**”) and (ii) the decision of the Bidder to issue the Offer were published, the Management Board of Drillisch announced by way of an ad hoc disclosure pursuant to Article 17(1) of Regulation (EU) 596/2014 of the European Parliament and the Council of April 16, 2014 on Market Abuse (“**MAR**”) that a Business Combination Agreement with the Bidder and a “shareholder agreement for 1&1 Telecommunication SE” (the “**Shareholder Agreement**”) had been concluded.

Upon registration on May 16, 2017, Drillisch initially acquired by using part of the Authorized Capital 2014/I of Drillisch 9,372 no-par registered shares of 1&1 Telecommunication (irrespective of the time of issue, the “**1&1-Shares**” and each one “**1&1 Share**”) or 7.75% of the share capital of 1&1 Telecommunication in return for issuing 9,062,169 new no-par bearer shares of Drillisch to United Internet while excluding the statutory subscription right (“**Capital Increase in Kind I**”).

In a further step, Drillisch intends to be able to acquire 1&1 Telecommunication as a result of the contribution to Drillisch of the remaining 111,628 1&1 Shares or 92.25% of the share capital of 1&1 Telecommunication in return for issuing a further 107,937,831 new Drillisch Shares. These new Drillisch Shares are to be created as a result of the increase in the share capital of Drillisch to be decided on in accordance with the agenda of the Extraordinary General Meeting in return for contributions, where exclusively the Bidder is to be permitted to subscribe for them and the subscription right of the other shareholders is to be excluded. In this process, the share capital of Drillisch in the amount of EUR 70,209,499.80, divided into 63,826,818 Drillisch Shares, registered in the Commercial Register at the time this Statement is published, will be increased by EUR 118,731,614.10 to EUR 188,941,113.90 through the issue of 107,937,831 Drillisch Shares (“**Capital Increase in Kind II**” and, together with the Capital Increase in Kind I and the Offer, the “**Transaction**”).

The Business Combination Agreement has a term of three years – subject to further regulations – describes the principles of the Transaction, and regulates in particular the acquisition of 1&1 Telecommunication by Drillisch by way of the Capital Increase in Kind I and the Capital Increase in Kind II as well as the basic parameters of the tender offer.



## 2. Acquisition of the restructured 1&1 Group

In the Business Combination Agreement, the Bidder has undertaken to Drillisch in connection with the intended overall Transaction to adjust the company structure of the 1&1 sub-group to the parameters of the intended overall Transaction. The key goal of these restructuring measures is for Drillisch to be able to acquire as the net assets contributed a one hundred per cent equity interest in the operating business of the Access segment of the United Internet Group, without at the same time taking over the business operations conducted by the Versatel group companies (with the exception of the retail customer business). It has therefore been ensured through a number of structuring measures (the “**1&1 Restructuring**”) that (i) 1&1 Telecommunication obtains full indirect access to the entire share capital of 1&1 Telecom GmbH, the most important operating company of the 1&1 sub-group, (ii) Versatel group companies (with the exception of the retail customer business) do not become the object of the merger of Drillisch and 1&1 Telecommunication, and (iii) the cash pool existing between 1&1 Telecommunication and the Versatel group companies is ended. Please see the Offer Document (Section 6.4.3) for further details of this restructuring.

## 3. Consideration for the acquisition of 1&1 Telecommunication

As consideration for the acquisition of 9,372 1&1 Shares as part of the Capital Increase in Kind I, Drillisch has granted the Bidder as the subscriber 9,062,169 Drillisch Shares, with full rights to participate in the profits from January 1, 2017, upon registration of the Capital Increase in Kind I on May 16, 2017.

As consideration for the acquisition of 111,628 1&1 Shares as part of the Capital Increase in Kind II, Drillisch would in the event of the approval of the Extraordinary General Meeting and the registration of the Capital Increase in Kind II in the Commercial Register grant the Bidder as subscriber a further 107,937,831 Drillisch Shares with full rights to participate in the profits for the financial year 2017.

The basis for the capital increase through contributions in kind I and the capital increase through contributions in kind II is formed in each case by the same value ratio between Drillisch and 1&1 Telecommunication, namely 1 to 1.96, as a result of which it is implied that Drillisch is valued at approximately EUR 2.988 billion and 1&1 Telecommunication is valued at EUR approximately 5.85 billion.

The Management Board Reported on the reason for excluding the subscription right and the justification for the proposed issuing amount on May 12, 2017 together with the invitation to the Drillisch Extraordinary General Meeting. In this connection, the Management Board has received an expert opinion of ValueTrust Financial Advisors SE, Munich (“**ValueTrust**”), in order to assess the adequacy of the exchange ratio between the shares of Drillisch and of 1&1 Telecommunication for the Capital Increase in Kind I and the Capital Increase in Kind II. Furthermore, the Management Board has obtained a Fairness Opinion addressed to the Management Board and the Supervisory Report from Bank of America Merrill Lynch International Limited, Frankfurt am Main Branch (“**BofA Merrill Lynch**”). The Supervisory Board of Drillisch has been consulted independently by and

obtained a separate Fairness Opinion from PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf (“PwC”).

#### **4. Completion of the Capital Increase in Kind II**

##### **4.1. Drillisch Extraordinary General Meeting**

The only agenda item of the Drillisch Extraordinary General Meeting convened for July 25, 2017 is the resolution on the proposal to increase the share capital of Drillisch in the course of the Capital Increase in Kind II (see Section III.1 of this Statement above). The key resolution for the Capital Increase in Kind II requires a majority pursuant to Section 186(3) Sentence 2 AktG that includes no less than three quarters of the share capital represented in the resolution.

After the completion of the Capital Increase in Kind I has been registered, the Bidder will hold an equity interest in the share capital of Drillisch of 29,67% (as described in Section II.1.3 of this Statement). Between 2012 and 2017, the presence of the represented share capital at the Annual General Meetings of Drillisch was between 32.84% (2014) and – without taking into account the shares arising from the Capital Increase in Kind I that were created after the *record date* and thus not yet entitled to a vote at the Annual General Meeting on May 18, 2017 – 52.02% (2017). Against this background, the Management Board and the Supervisory Board point out that it is possible – by way of calculation – that United Internet will have a majority at the Drillisch Extraordinary General Meeting, on the basis of which it will be possible for it to procure the resolution required for the implementation of the Capital Increase in Kind II without or with only little support of the other shareholders of Drillisch. At a higher presence significant support by other Drillisch shareholders is necessary in order to achieve the majority of a minimum of three quarters of the share capital represented in the resolution. Please refer to the invitation published in the Federal Gazette on May 12, 2017 for the details concerning the registration of Drillisch Shareholders for the Drillisch Extraordinary General Meeting.

##### **4.2. Impacts of the completion of the Capital Increase in Kind II**

As a result of the registration of the Capital Increase in Kind II, the direct and indirect equity interest of United Internet would increase from currently 29.67% to approximately 72.75% (taking into account the diluting effect on account of possible conversions of the Drillisch Convertible Bonds). Taking into consideration the dilutive effect of the conversions of the Drillisch Convertible Bonds already exercised at the time of this Statement the Bidder’s direct and indirect shareholding in Drillisch would increase from currently 29.67 % to approximately 72.90 %. The Management Board and the Supervisory Board expressly point to the fact, that registration of the Capital Increase in Kind II necessarily leads to a dilution of the share of the other Drillisch Shareholders in the equity. Depending on the acceptance ratio in the Offer, the free float would be further reduced.

#### IV. INFORMATION ON THE OFFER

Some selected information on the Offer, taken exclusively from the Offer Document or from other publications of the Bidder, is summarized in the following. As explained in more detail in Section IV.8 of this Statement, Drillisch Shareholders should carefully examine the Offer Document in its entirety and not rely on the following summary of the terms and conditions of offer when making their decision to accept or reject the Offer of the Bidder.

##### 1. Implementation of the Offer

The offer is conducted by the Bidder in the form of a voluntary public tender offer (cash offer) for the acquisition of all Drillisch Shares in accordance with Section 29(1) WpÜG as well as the provisions of the Angebotsverordnung zum Wertpapiererwerbs- und Übernahmegesetz (“**WpÜG-AngebotsVO**” – Offer Regulations of the Securities Acquisition and Takeover Act). The Management Board and the Supervisory Board in connection with this Statement have not carried out their own review of the Offer in terms of its compliance with the relevant statutory regulations.

##### 2. Publication of the decision to issue the Offer

The Bidder published its decision to issue the Offer in accordance with Section 10(1) Sentence 1 WpÜG on May 12, 2017. The publication is available on the Internet at <http://www.united-internet.de/investor-relations/uebernahme> and also in the form of a non-binding English translation at <http://www.united-internet.de/en/investor-relations/takeover-offer>.

##### 3. Review by BaFin and publication of the Offer Document

The Bundesanstalt für Finanzdienstleistungsaufsicht (“**BaFin**” – German Federal Financial Supervisory Authority) reviewed the Offer Document within its powers under German law and in the German language and permitted its publication on May 26, 2017 according to the information of the Bidder. In the Offer Document the Bidder states that no publications, registrations, approvals or authorizations for the Offer Document and the Offer have been carried out or are intended under any law other than the law of the Federal Republic of Germany. The Bidder therefore points out that the Drillisch Shareholders cannot rely on the application of foreign investor protection legislation.

The Bidder published the Offer Document on May 26, 2017 (i) by announcing it on the Internet at <http://www.united-internet.de/investor-relations/uebernahme> and (ii) by providing copies of the Offer Document for distribution free of charge at Commerzbank Aktiengesellschaft, CC-APM ECM Technical Execution, Mainzer Landstrasse 151, 60327 Frankfurt am Main, Germany (inquiries by telefax to +49 (69) 136 – -23449 with indication of a complete mailing address). According to the Offer Document (Section 1.5), the Bidder published the announcement that the Offer Document was available for distribution free of charge and the Internet address at which the Offer Document is published in the Federal Gazette on May 26, 2017. A non-binding English translation of the

Offer Document as well as of the announcement referred to is available at <http://www.united-internet.de/en/investor-relations/takeover-offer>.

According to the information of the Bidder, no other publications of the Offer Document have been arranged or are planned in addition to these publications.

#### **4. Acceptance of the Offer outside the Federal Republic of Germany**

The Bidder states in Section 1.6 of the Offer Document that the Offer can be accepted by all domestic and foreign Drillisch Shareholders in accordance with the terms set out in the Offer Document and the legal provisions applicable in each case. The Bidder points out that the acceptance of the Offer may be subject to statutory restrictions outside the Federal Republic of Germany or the USA.

The Management Board and the Supervisory Board of Drillisch recommend that Drillisch Shareholders who come into possession of this Offer Document outside the Federal Republic of Germany or the USA, who wish to accept the Offer outside the Federal Republic of Germany or the USA and/or are subject to legal provisions other than those applicable in the Federal Republic of Germany inform themselves of and comply with the legal provisions applicable in each case. The Management Board and the Supervisory Board further highlight the fact that the enforcement of rights or claims on account of possible breaches of foreign investor protection legislation in connection with the Offer Document in Germany or abroad could be accompanied by difficulties, as the Offer Document is subject exclusively to German law.

#### **5. Background to the Offer**

The tender offer coordinated with Drillisch in accordance with the Business Combination Agreement should be seen in the context of the intended bundling of the landline and mobile communications businesses of Drillisch and United Internet and the implementation of the 1&1 Restructuring, the Capital Increase in Kind I and the Capital Increase in Kind II. The Bidder and Drillisch aim here to contribute to Drillisch the Bidder's Access business with private customers pooled in 1&1 Telecommunication, i.e. in particular the business involving landline-based access products (DSL connections) and the business with mobile communication-based access products (mobile Internet products) and as a result to create an even more powerful full-service telecommunications provider with high potential for synergies and growth.

Following the completion of the Capital Increase in Kind I by registration in the Commercial Register on May 16, 2017, the overall Transaction intended by United Internet and Drillisch provides that the Drillisch Extraordinary General Meeting on July 25, 2017 approves the Capital Increase in Kind II with the exclusion of the subscription right, in the course of which the remaining 92.25% 1&1 Shares held by United Internet are to be contributed to Drillisch in return for the issue of a total of 107,937,831 new Drillisch Shares.

The acquisition of 1&1 Telecommunication by Drillisch is supplemented by the Offer. It enables Drillisch Shareholders to sell their shares at a cash price that corresponds to at

least the Three-Month Average Price (as defined in Section V.2 of this Statement) up until the announcement of the decision of the Bidder pursuant to Section 10(1) Sentence 1 WpÜG or the publication of the transaction by way of ad hoc releases by the Bidder and Drillisch, respectively, and virtually amounts to the previous highest level of the stock price of the Drillisch Share. The Business Combination Agreement contains provisions governing the right of Drillisch, subject to corporate duties, e.g. in case of a Competing Offer (as defined in Section IV.6.2 of this Statement), to refrain from supporting the Offer. On account of the implementation of the Offer in connection with the registration of the Capital Increase in Kind I, the Bidder will in future be exempt from its obligation to issue a mandatory offer pursuant to Section 35(1) and (2) WpÜG. Drillisch Shareholders, however, may not assume that the Bidder will submit to them another public takeover offer.

On May 12, 2017, United Internet and Drillisch entered into the Business Combination Agreement, which defines the principles of the Transaction and regulates in particular the acquisition of 1&1 Telecommunication by Drillisch by way of the Capital Increase in Kind I and the Capital Increase in Kind II as well as the basic parameters of the tender offer, for the duration of three years, unless stated otherwise. On the same date, United Internet and Drillisch entered into the Shareholder Agreement in respect of their joint position as shareholders of 1&1 Telecommunication arising in the course of the implementation of the Capital Increase in Kind I, which ends, however, once the Capital Increase in Kind II and the related consolidation of all 1&1 Shares in the hands of Drillisch are completed.

The Bidder has given Drillisch certain guarantees in the Business Combination Agreement regarding the 1&1 Shares contributed and/or to be contributed by the Bidder. In the event that the Drillisch Extraordinary General Meeting should not approve the Capital Increase in Kind II, the registration of the Capital Increase in Kind II is delayed or cannot be implemented for other reasons, the Business Combination Agreement and the Shareholder Agreement contain framework conditions under which the collective use of certain network capacities can be possible. In accordance with the contents of the Shareholder Agreement, the Bidder and Drillisch can each demand under certain conditions that the 1&1 Shares contributed within the framework of the Capital Increase in Kind I are sold back.

The Bidder and Drillisch have agreed within the framework of the Business Combination Agreement that neither the Bidder nor a company affiliated with it will enter into a control agreement and/or profit and loss transfer agreement with Drillisch for a period of three years after the Capital Increase in Kind II has been registered. Should, however, the Bidder hold more than 70% of the share capital and of the voting rights of Drillisch before the Capital Increase in Kind II has been registered as a result of the execution of the tender offer or otherwise, the Bidder has reserved the right in the Business Combination Agreement to enter into a control and profit and loss transfer agreement with Drillisch either itself or through a subsidiary. In this case Drillisch intends to the extent legally possible to try to arrange for a control and profit and loss transfer agreement to be concluded. This scenario of a shareholding of 70% in Drillisch even before the Capital Increase in Kind II is registered requires that the Offer is accepted in a considerable volume

by the shareholders of Drillisch and/or that the Bidder purchases a considerable volume of additional Drillisch Shares outside the Offer or after the Offer has been executed. Irrespective of that, the Bidder has undertaken in principle in the Business Combination Agreement to hold the Drillisch Shares to be granted within the framework of the Capital Increase in Kind I and of the Capital Increase in Kind II in each case for a period of nine months from the time that the Capital Increase in Kind I and the Capital Increase in Kind II, respectively, are registered.

The Shareholder Agreement contains regulations governing the minority shareholding of Drillisch in 1&1 Telecommunication that arises in the course of the Capital Increase in Kind I. These include basic rights to information in particular. In addition, specific basic decisions relating to 1&1 Telecommunication, such as changes to the object of the company, capital increases or similar measures in which subscription rights are excluded, as well as the conclusion of inter-company agreements, are made subject to the approval of Drillisch. Finally, the Shareholder Agreement governs the minimum amount of dividend to be paid by 1&1 Telecommunication.

## **6. Key contents of the Offer**

### **6.1. Offer price**

The Bidder makes an offer to the Drillisch Shareholders to acquire their Drillisch Shares at the Offer Price of EUR 50.00 per share in accordance with the provisions of the Offer Document.

### **6.2. Acceptance period and additional acceptance period**

The period for accepting the Offer started on May 26, 2017 with the publication of the Offer Document and ends on June 23, 2017, 24:00 (local time in Frankfurt am Main) (“**Acceptance Period**”). The Acceptance Period for the Offer is extended automatically in the circumstances detailed in the following:

- In the event of an amendment to the Offer pursuant to Section 21 WpÜG within the last two weeks before the Acceptance Period expires, the Acceptance Period is extended by two weeks (Section 21(5) WpÜG) and would consequently end on July 7, 2017, 24:00 (local time in Frankfurt am Main). This applies even if the amended offer violates legal regulations. In this regard, however, the Bidder has undertaken in the Business Combination Agreement not to amend the terms and conditions and details of the Offer after the decision to publish the Offer has been taken without the consent of Drillisch, where this consent may not be unreasonably refused.
- If a third party makes a competing offer for the Drillisch Shares during the Acceptance Period for the Offer (“**Competing Offer**”) and if the Acceptance Period for the present offer expires before the Acceptance Period for the Competing Offer expires, the expiry of the Acceptance Period for the Offer shall be determined pursuant Section 22(2) WpÜG by the expiry of the Ac-

ceptance Period for the Competing Offer. This applies even if the Competing Offer is amended or prohibited or violates legal regulations.

- If Drillisch convenes a general meeting in connection with the Offer after the Offer Document has been published, the Acceptance Period ends ten weeks after the Offer Document is published regardless of the above statements concerning the extension of the Acceptance Period (Section 16(3) WpÜG). The Drillisch Extraordinary General Meeting was already convened before the Acceptance Period commenced and therefore does not result in an extension of the Acceptance Period in this sense.

Regarding the conditions of the right of withdrawal in the event of an amendment to the Offer or the issue of a Competing Offer and the requirements for exercising the right of withdrawal, please see the statements in Section 16 of the Offer Document.

Drillisch Shareholders who have not accepted the Offer within the Acceptance Period can still accept the Offer within two weeks after the results of the Offer have been published by the Bidder pursuant to Section 23(1) Sentence 1 No. 2 WpÜG (“**Additional Acceptance Period**”) unless the condition for completion set out in Section 13 of the Offer Document that has not been fulfilled at the time this Statement is published (see Section IV.6.3 of this Statement) has not occurred within the periods specified there or has become impossible to fulfill at an earlier time. As indicated in the Offer Document, the Additional Acceptance Period is expected to start on June 29, 2017 and end on July 12, 2017, 24:00 (local time in Frankfurt am Main). The offer can no longer be accepted after the Additional Acceptance Period.

### **6.3. Condition of completion**

The Management Board and the Supervisory Board point out that, according to Section 13.1 of the Offer Document, the following condition precedent apply in accordance with the terms of the Gesetz gegen Wettbewerbsbeschränkungen (“**GW**B” – German Act against Restraints of Competition) as a result of one of the following cases occurring by May 31, 2018 for the completion of this offer and for the contracts coming into effect upon the acceptance of this offer (“**Condition of Completion**”).

- The Bundeskartellamt (German Federal Cartel Office) has cleared the intended merger in accordance with Section 40(2) Sentence 1 GWB; or
- the Bundeskartellamt has notified the notifying company or companies in writing that the requirements for a prohibition pursuant to Section 36(1) GWB do not exist, or the one-month period pursuant to Section 40(1) Sentence 1 GWB has elapsed and the Bundeskartellamt has not informed the notifying company or companies that the main examination proceedings have been initiated; or
- the prohibition period pursuant to Section 40(2) Sentence 2 GWB has elapsed and the Bundeskartellamt (x) has not prohibited the proposed concentration pursuant to Section 40(2) Sentence 1 GWB or (y) has not agreed an extension

of the time limit with the parties involved in the concentration pursuant to Section 40(2) Sentence 4 No. 1 GWB; or

- an extension of the time limit agreed pursuant to Section 40(2) Sentence 4 No. 1 GWB has expired and none of the events stated in (c) (x) or (y) (lettering in accordance with Section 13.1 of the Offer Document) have occurred; or
- the Bundeskartellamt has notified the notifying company or companies that the planned concentration is not subject to merger controls.

The Bidder has advised that it submitted the application for the merger to the Bundeskartellamt on May 12, 2017. According to Section 13.2 of the Offer Document, the Offer expires if the clearance under antitrust law has not been issued by May 31, 2018 or is already definitively refused by this date.

The contracts that have come into effect as a result of the acceptance of the Offer are not effective in this case and will therefore not be completed. Accordingly, the Bidder is not required to purchase or to acquire the Drillisch Shares tendered in the Offer during the Acceptance Period or the Additional Acceptance Period or to pay the Offer Price if the Condition of Completion has not occurred.

#### **6.4. Stock exchange trading in Drillisch Shares tendered in the Offer**

According to Section 11.9 of the Offer Document, the Bidder intends to take the necessary steps to ensure that the Drillisch Shares tendered for sale (“**Drillisch Shares Tendered for Sale**”) can be traded under ISIN DE 000A2E4S11 after the Acceptance Period has commenced. This trading will be terminated with the expiration of the last day of the Acceptance Period, provided that the Condition of Completion (as defined in Section 6.3 of this Statement) is fulfilled up until that date. Generally, stock exchange trading in the Additional Acceptance Period (as defined in Section 6.3 of this Statement) is not provided. However, such trading takes place if the Condition of Completion is not fulfilled up until the expiration of the Acceptance Period. In this case, stock exchange trading will be terminated three trading days prior to the expected execution of the Offer.

The Management Board and the Supervisory Board point out that the trading volume for the Drillisch Shares offered depends on the relevant acceptance ratio. Against the background that Drillisch Shares that are not tendered for sale will be traded at the time this Statement is published at a price that is higher than the Offer Price, it seems possible or even probable in the view of the Management Board and the Supervisory Board that a liquid market will not develop for the Drillisch Shares Tendered for Sale and that the Drillisch Shares Tendered for Sale will be subject to greater price fluctuations than the Drillisch Shares not tendered for sale.

The terms and conditions of acceptance and settlement of the Offer are described in Section 11 of the Offer Document.



According to the information of the Bidder, Drillisch Shares that are not tendered for sale can continue to be traded under the original ISIN DE0005545503.

#### **6.5. Applicable law**

According to Section 21 of the Offer Document, the Offer and the contracts that come into effect between the Drillisch Shareholders and the Bidder as a result of the acceptance of the Offer are subject to German law. The exclusive venue for all legal disputes arising from or in connection with the Offer (and any contracts that come into effect as a result of the acceptance of the Offer) is, if permitted by law, Frankfurt am Main, Germany.

#### **6.6. Publications**

The Bidder has described in Section 13.3 of the Offer Document that it will announce on the Internet on the website at <http://www.united-internet.de/investor-relations/uebernahme> and in the Federal Gazette without delay if (i) the Condition of Completion has occurred or (ii) the Offer will not be executed as the condition of conclusion has ultimately not occurred.

According to the information in the Offer Document, the Bidder will publish all publications and announcements in connection with the Offer that are required under the WpÜG on the Internet at <http://www.united-internet.de/investor-relations/uebernahme> and, if required in accordance with the WpÜG, in the Federal Gazette. The Bidder expects to publish notices pursuant to Section 23(1) WpÜG as follows: (i) on a weekly basis after this Offer Document has been published and on a daily basis in the last week before the Acceptance Period expires, (ii) immediately after the Acceptance Period expires on June 28, 2017, (iii) immediately after the Additional Acceptance Period expires, and (iv) if necessary, immediately after the threshold necessary to squeeze out the remaining shareholders pursuant to Section 39a(1) and (2) WpÜG has been reached. Publications of the Bidder pursuant to Section 23(1) and (2) WpÜG and all other publications and announcements required under the WpÜG in connection with the Offer will be published by the Bidder in German and additionally in a non-binding English translation on the Internet at <http://www.unitedinternet.de/investor-relations/uebernahme>. Furthermore, notices and announcements will be published in German in the Federal Gazette.

#### **7. Financing of the Offer**

According to Section 14.2 of the Offer Document, the Bidder has taken all the necessary measures to ensure that it has at its disposal the necessary funds to satisfy the Offer in full and at the due time. The necessary funds will be provided to it by a consortium of banks. According to the information of the Bidder, the maximum costs for the Transaction (including satisfaction of the payment obligations under the Offer and the Transactions costs) total EUR 2,523.7 million.

According to Section 14.3 of the Offer Document, Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany, an investment services company that is independent of the Bidder, has issued the necessary confirmation of financing pursuant to Section 13(1) Sentence 2 WpÜG, which is attached to the Offer Document as Annex 4.

**8. Authority of the Offer Document**

For further information and details (especially details regarding the terms and conditions of the Offer, the Acceptance Periods, the terms and conditions of acceptance and implementation, and the statutory rights of withdrawal), the Drillisch Shareholders are referred to the statements in the Offer Document. The above information summarizes only individual items of information contained in the Offer Document. Each Drillisch Shareholder is individually responsible for informing themselves of the Offer Document in its entirety and for taking the measures that are necessary from their point of view.

Convenience Translation

**V. TYPE AND AMOUNT OF THE CONSIDERATION OFFERED**

**1. Type and amount of the consideration**

The Bidder is offering an Offer Price, i.e. a consideration within the meaning of Section 27(1) Sentence 2 No. 1 WpÜG, in the amount of EUR 50.00 per Drillisch Share.

**2. Statutory minimum price**

Insofar as the Management Board and the Supervisory Board are able to verify this on the basis of the information provided, the Offer Price is consistent with the provisions for minimum prices within the meaning of Section 31(1) WpÜG and Sections 4 and 5 WpÜG-AngebotsVO:

- In accordance with Section 5 WpÜG-AngebotsVO, the consideration within the meaning of Section 27(1) Sentence 2 No. 1 WpÜG must correspond in the event of a takeover offer within the meaning of Sections 29 ff. WpÜG to no less than the weighted average domestic stock market price of the Drillisch Share during the period of three months before the decision of the Bidder to issue the Offer is published (“**Three-Month Average Price**”). The decision to issue the Offer was published on May 12, 2017.
- In accordance with Section 4 WpÜG-AngebotsVO, the consideration for the shares of the target company must correspond in a takeover offer pursuant to Sections 29 ff. WpÜG to no less than the value of the highest consideration granted or agreed for the acquisition of Drillisch Shares by the Bidder, a person acting in concert with it within the meaning of Section 2(5) WpÜG, or its subsidiaries within the last six months before the Offer Document is published. The Offer Document was published on May 26, 2017.

**2.1. Lowest price determined by the Three-Month Average Price**

According to the Offer Document, BaFin advised that the Three-Month Average Price up to and including May 12, 2017 amounted to EUR 46.18. The Offer Price exceeds this amount by EUR 3.82, i.e. by 8.28%.

**2.2. Lowest price determined by prior acquisitions**

Pursuant to Section 31(1) and (7) WpÜG in conjunction with Section 4 WpÜG-AngebotsVO, the following acquisition transaction took place within the last six months before the Offer Document was published in accordance with Section 14(2) Sentence 1 WpÜG for the acquisition of Drillisch Shares by the Bidder, a person acting in concert with it within the meaning of Section 2(5) WpÜG or their subsidiaries:

*Agreement on capital increases in kind and Capital Increase in Kind I.*

## TYPE AND AMOUNT OF THE CONSIDERATION OFFERED

In the contribution agreements entered into on May 12, 2017 concerning the Capital Increase in Kind I and the Capital Increase in Kind II (see Sections 6.7 and 10.1.2 of the Offer Document on this), it was agreed that 9,062,169 Drillisch Shares will be issued as for the contribution of 9,372 1&1 Shares within the framework of the Capital Increase in Kind I and 107,937,831 Drillisch Shares will be issued for the contribution of 111,628 1&1 Shares within the framework of the Capital Increase in Kind II. It results from this that in an exchange ratio of 967:1, i.e. 967 Drillisch Shares for one 1&1 Share has been agreed in both contribution agreements.

With regard to the valuations in connections with the capital increases the Management Board and the Supervisory Board of Drillisch have been consulted by external experts.

In order to prepare the Capital Increase in Kind I and the Capital Increase in Kind II, Drillisch engaged the consulting firm ValueTrust to draw up a valuation report (“**Valuation Report**”) to assess the adequacy of the exchange ratio for the shares of Drillisch and 1&1 Telecommunication as of the valuation date of May 12, 2017. In this context, ValueTrust determined the enterprise value of Drillisch and the enterprise value of 1&1 Telecommunication, each on a stand-alone basis.

In performing the assignment, ValueTrust took into account the pronouncements of the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW – Institute of Public Auditors in Germany), in particular the IDW Standard “Grundsätze zur Durchführung von Unternehmensbewertungen” (Principles for the Performance of Business Valuations) (IDW S 1 as amended in 2008, updated: April 2, 2008, “**IDW S 1**”). ValueTrust as unbiased expert has calculated an objectified business value after personal taxes within the meaning of this pronouncement. In addition, the objectified business value was determined before personal taxes. Furthermore, ValueTrust took into account the “Best-Practice-Recommendations Corporate Valuation” of the Society of Investment Professionals in Germany (as of December 2012, “**DVFA Recommendations**”). ValueTrust issued the expert opinion in its capacity as independent expert within the meaning of the DVFA Recommendations.

The Bidder has engaged the auditing firm Deloitte to verify the plausibility of the valuation of 1&1 Telecommunication drawn up after personal taxes by ValueTrust pursuant to IDW S 1 within a predetermined framework. Deloitte has not prepared its own Valuation Report.

If the range of values for one 1&1 Share from EUR 44,373 to EUR 47,706 that has been determined by ValueTrust in accordance with IDW S 1 after personal taxes is taken as the basis and the exchange ratio established in the contribution agreements is taken into account (967 Drillisch Shares for one 1&1 Share), a theoretical purchase price per Drillisch Share in the amount of EUR 45.89 to EUR 49.33 (EUR 44,373 divided by 967 Drillisch Shares and EUR 47,706 divided by 967 Drillisch Shares) is produced. Accordingly, the maximum value for one Drillisch Share derived from the above range is EUR 49.33. This

## TYPE AND AMOUNT OF THE CONSIDERATION OFFERED

is less than the Offer Price of EUR 50.00; this was confirmed in connection with the plausibility check by Deloitte.

According to the information in the Offer Document, Deloitte informed the Bidder in the course of its plausibility check that the stated values and ranges as at May 16, 2017 (the day on which the consideration in connection with the Capital Increase in Kind I agreed on May 12, 2017 was granted) had changed only insignificantly from the values established on the valuation date of May 12, 2017 and that the maximum value pursuant to IDW S 1 after personal taxes remained less than the Offer Price of EUR 50.00. The valuation range determined by ValueTrust as of May 12, 2017 pursuant to IDW S 1 after personal taxes was compounded by Deloitte as of May 16, 2017. The resulting maximum value according to IDW S 1 after personal taxes as of May 16, 2017 amounts by way of calculation to EUR 49,36 for one Drillisch Share.

### *Capital Increase in Kind II*

The Management Board assumes that the valuation of 1&1 Telecommunication will be updated as of the date that the Capital Increase in Kind II is registered (the time at which the consideration in connection with the Capital Increase in Kind II agreed on May 12, 2017 is granted) if this falls within a period relevant for the calculation of the minimum price.

The valuation of 1&1 Telecommunication by ValueTrust is presented in the Offer Document (Section 10.1.2) in view of the valuation methodology, planning, sales, gross profit, EBIT, write-downs and CAPEX as well as net working capital and cost of capital. On the basis of the information in the Offer Document corresponds in the opinion of the Management Board and the Supervisory Board to the (highest) consideration paid or agreed that has been paid for Drillisch Shares in earlier acquisitions within the meaning of Section 4 WpÜG-AngebotsVO in conjunction with Sections 29 ff. WpÜG.

### **3. Assessment of the adequacy of the consideration offered**

The cash consideration enables Drillisch Shareholders to give up their shareholdings against a present value that is not subject to market fluctuations. The Management Board and the Supervisory Board have carefully and intensively analyzed and assessed the adequacy of the consideration offered for the Drillisch Shares from a financial perspective based on the current strategy and financial planning of Drillisch, i.e. on a stand-alone basis without taking into consideration any synergies resulting from the completion of the Transaction, the historical price performance of the Drillisch Shares, the valuation methods used in the Valuation Report, and by means of other assumptions and information.

Furthermore, the Management Board has obtained for the valuation dates May 12, 2017 and July 25, 2017 the Valuation Report of ValueTrust already referred to in the course of the valuation of the prior acquisitions of the Bidder. This Valuation Report was drawn up in connection with the Management Board Report for the implementation of the Capital

Increase in Kind II and published on the homepage of Drillisch as part of the documents for the Drillisch Extraordinary General Meeting. It includes a derivation of the enterprise value of Drillisch and allows conclusions to be drawn on the adequacy of the Offer Price.

### 3.1. Fairness opinions

In this context, the Management Board and the Supervisory Board have engaged external experts to prepare reports on the assessment of the adequacy of the Offer Price as the consideration offered in the Offer from a financial perspective.

#### *Fairness opinion of BofA Merrill Lynch*

The Management Board has engaged BofA Merrill Lynch to prepare a fairness opinion addressed to the Management Board and the Supervisory Board (“**BofA Fairness Opinion**”). The valuation by BofA Merrill Lynch of the adequacy of the consideration for the Offer within the framework of the BofA Fairness Opinion is limited to the assessment of a *stand-alone* evaluation of Drillisch and takes into consideration the interests of the Drillisch Shareholders who have a short-term investment profile. BofA Merrill Lynch has assessed the adequacy of the consideration for the Offer irrespective of whether the Capital Increase in Kind II as described in the Business Combination Agreement is implemented or not and irrespective of the synergies that may result within the framework of the Transaction.

The Management Board and the Supervisory Board point out that it has not issued to BofA Merrill Lynch any other instructions with regard to the production or the outcome of the BofA Fairness Opinion. The BofA Fairness Opinion is intended exclusively for the benefit and the use of the Management Board and the Supervisory Board (in its function as such) and exclusively for the assessment of the Offer and of the Capital Increase in Kind I and the Capital Increase in Kind II and is not addressed to any persons other than the members of the Management Board and the Supervisory Board, and it is not issued for the benefit of another person, nor may another person derive rights or means of legal recourse from it. The Fairness Opinion may not be published, distributed, or referred to either as a whole or in part for any purpose unless BofA Merrill Lynch has given its prior written consent.

In the event that BofA Merrill Lynch gives its prior consent that this Fairness Opinion may be forwarded to other persons (“**Third-Party Recipients**”), or in the event that it is published, or in other cases in which the BofA Fairness Opinion has been made available to Third-Party Recipients, neither BofA Merrill Lynch nor any of its affiliated companies shall be liable either directly or indirectly to the Third-Party Recipient in relation to the BofA Fairness Opinion. A contractual relationship between BofA Merrill Lynch and the Third-Party Recipient is not established, and a Third-Party Recipient shall not in any circumstances fall under the scope of protection of the BofA Fairness Opinion.

## TYPE AND AMOUNT OF THE CONSIDERATION OFFERED

The BofA Fairness Opinion is necessarily based on the current financial, economic, currency, market, and other conditions and circumstances and on the information that was available to BofA Merrill Lynch at the time the BofA Fairness Opinion was issued. A variety of future developments can have an influence on the BofA Fairness Opinion and the assumptions made in the course of its preparation. BofA Merrill Lynch is under no obligation to update, revise, confirm, or reissue the BofA Fairness Opinion on account of circumstances that arise after the issue date of May 11, 2017. The BofA Fairness Opinion is subject to certain assumptions and reservations, and it is necessary to read the BofA Fairness Opinion in full in order to understand the investigations forming the basis of this Fairness Opinion and its result. The BofA Fairness Opinion is based in particular on the general economic conditions and market conditions at the time the BofA Fairness Opinion is issued and the information available to BofA Merrill Lynch at this time. Events occurring after this time can have impacts on the assumptions made during the preparation of the BofA Fairness Opinion and on its result. BofA Merrill Lynch is not required to update or to reconfirm its Fairness Opinion in view of events occurring after the time that the BofA Fairness Opinion is issued.

When determining the importance of the “adequacy” for the purposes of the BofA Fairness Opinion, BofA Merrill Lynch has taken into account the facts, events, and other circumstances, together with their assumptions and limitations, that are presented in the BofA Fairness Opinion. When drawing up the BofA Fairness Opinion, BofA Merrill Lynch has assumed that all financial and other information and data that is publicly available or to which it was granted access are correct, accurate and complete. BofA Merrill Lynch relies on the forecasts and assurances of the Management Board of Drillisch, according to which the Management Board is not aware of any circumstances that suggest that this information or data are materially incorrect or misleading. BofA Merrill Lynch has not taken the circumstances of individual shareholders into account for the purposes of the BofA Fairness Opinion and in connection with the Transaction.

The Fairness Opinion is not a Valuation Report as is typically drawn up by auditors. The Fairness Opinion accordingly does not follow the standards for such reports as they are defined by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW – Institute of Public Auditors in Germany) (IDW S 1 for business valuations; IDW S 8 for the production of fairness/inadequacy opinions). The Fairness Opinion differs in important aspects from a business valuation performed by an auditor.

Furthermore, BofA Merrill Lynch has not issued any assessment of whether the terms and conditions of the Offer are consistent with the requirements of the WpÜG or satisfy other legal requirements.

BofA Merrill Lynch has acted as a financial consultant to the Management Board in connection with the Transaction and receives the standard market remuneration for its services, a significant proportion of which is dependent on the conclusion of the Capital Increase in Kind I, the Capital Increase in Kind II and the announcement of the Offer. Moreover, Drillisch has agreed to reimburse expenses of BofA Merrill Lynch and to re-

## TYPE AND AMOUNT OF THE CONSIDERATION OFFERED

lease BofA Merrill Lynch from certain liabilities that result from its engagement. Furthermore, BofA Merrill Lynch and some of its affiliated companies have proposed on the request of the Management Board that financing be conducted in connection with the replacement of the revolving credit facility of Drillisch that could become necessary upon the announcement of the Transaction, for which BofA Merrill Lynch and its affiliated companies would receive remuneration. BofA Merrill Lynch or companies affiliated with it perform investment banking, commercial banking and other financial services for Drillisch, have performed these in the past and would also do so in the future. BofA Merrill Lynch has received a fee for performing these services and would also receive fees in the future.

In the BofA Fairness Opinion dated May 11, 2017, BofA Merrill Lynch comes to the conclusion that the consideration for the Offer that the holders of Drillisch Shares are to receive within the framework of the Offer is adequate from a financial perspective, based on a stand-alone assessment, for the holders of Drillisch Shares (with the exception of United Internet) who have a short-term investor profile. The Fairness Opinion dated May 11, 2017 is attached to this Statement as Annex 1.

### *Fairness opinion of PwC*

The Supervisory Board of Drillisch has on its own engaged PwC as an independent and unbiased expert to prepare a Fairness Opinion according to IDW Guidelines: Principles for the Preparation of Fairness Opinions (IDW S 8) („**PwC Fairness Opinion**“). The audit or audit review of the information provided to PwC by Drillisch or third parties was not part of the assessment by PwC.

Subject matter of the PwC Fairness Opinion was, among others, to assess whether the exchange ratio underlying the Capital Increase in Kind 1 and the Capital Increase in Kind 2 of Drillisch Shares for 1&1 Shares and the consideration offered in the Offer to the Drillisch Shareholders of EUR 50.00 are financially adequate within the meaning of IDW S 8. Pursuant to IDW S 8 financial adequacy is given when the offered consideration is within a range of net-present-value-orientated calculated values and transaction prices used for comparison. To determine this range, which underlies the financial adequacy, a discounted cash flow process was applied as net-present-value-orientated analysis both for the company value of Drillisch as well as for the company value of 1&1 Telecommunication. The multiplier method on the basis of comparable listed companies (so-called trading multipliers) was applied as a market-based-orientated analysis. In addition, further capital market- and transaction market-related information were analyzed.

The PwC Fairness Opinion exclusively serves for the information of the Supervisory Board of Drillisch. It does not replace any independent assessment of the Offer Price by the corporate bodies. It does not contain any recommendation for consent to or refusal of the Offer. It also does not contain an evaluation whether the Statement pursuant to Sec.



27 WpÜG is complete and accurate and whether the transaction conditions meet the legal requirements.

PwC performed the assessment considering IDW S 8. Accordingly, it is PwC's task, considering the above mentioned processes, to evaluate whether the Offer Price is financially adequate within the meaning of IDW S 8. In this regard, PwC has assumed a case of sale pursuant to paragraphs 41 et seqq. of IDW S 8. Pursuant to the applied processes and analyses and the consulted supplementary information the Offer Price is within the upper half of the value range for the price per Drillisch Share determined by PwC.

In the PwC Fairness Opinion dated May 23, 2017, PwC reached the conclusion that the offered consideration is financially adequate within the meaning of IDW S 8 on the basis of the performed activities by PwC considering IDW S 8. Thereby, the consideration was evaluated on its adequacy on a stand-alone basis without consideration of possible synergies as a result of the contribution of 1&1 Telecommunication to Drillisch. The fairness opinion dated May 23, 2017 is attached to his Statement as Annex 2.

### **3.2. Valuation report**

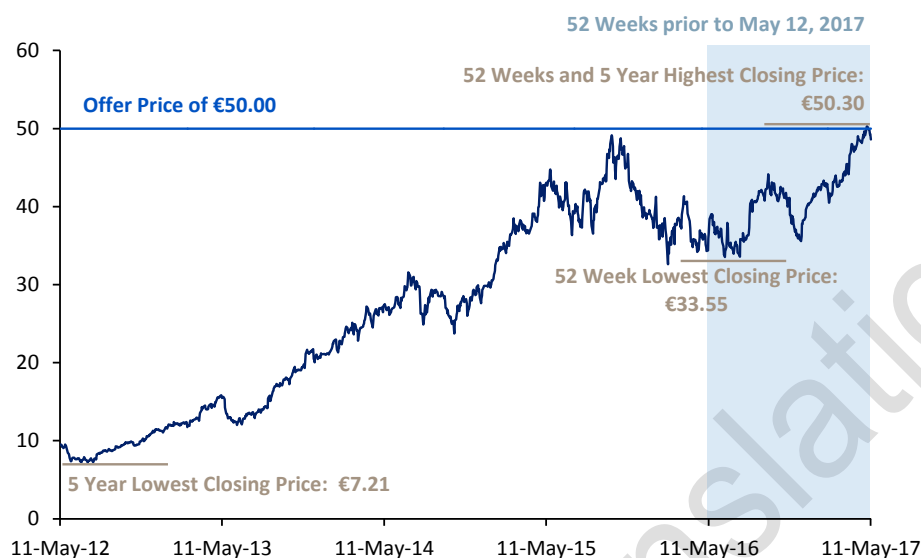
The Management Board and the Supervisory Board have furthermore taken the contents and results of the Valuation Report into consideration in the assessment of the adequacy of the Offer Price. The Valuation Report was drawn up in connection with the Management Board Report for the implementation of the Capital Increase in Kind II and includes a derivation of the enterprise value of Drillisch that confirms the Management Board and the Supervisory Board in their assessment that the Offer Price is adequate.

The range of value of a Drillisch Share that has been determined by ValueTrust in accordance with IDW S 1 and the DVFA Recommendations amounts for the valuation date of May 12, 2017 to EUR 43.39 to EUR 49.05 and for the valuation date of July 25, 2017 to EUR 44.55 to EUR 49.61. The Offer Price is thus EUR 0.95 and EUR 0.39 or 1.90% and 0.78% higher than the highest fundamental value determined in the Valuation Report of the value of ranges calculated for a Drillisch Share.

### **3.3. Comparison with historical stock exchange prices**

For the purposes of assessing the adequacy of the consideration offered from a financial viewpoint, the Management Board and Supervisory Board have also taken into consideration the performance of the stock market price of the Drillisch Share.

**Overview V.3.3: Historical price performance of the Drillisch Share**



- Within the last five years before the Transaction was announced, the lowest price for Drillisch Shares has been EUR 7.18 (lowest closing price: EUR 7.21) and the highest price has been EUR 50.65 (highest closing price: EUR 50.30).
- The closing price of the Drillisch Share in XETRA trade on the Frankfurt Stock Exchange on May 11, 2017, the last trading day before the notice pursuant to Section 10(1) Sentence 1 WpÜG was published and the Transaction was announced, was EUR 48.60. The Offer Price contains a premium of EUR 1.40 (2.9%) on this price (Source: Deutsche Börse).
- The Offer Price contains a premium in the amount of EUR 3.82 (8.3%) on the Three-Month Average Price of EUR 46.18 determined by BaFin.
- Compared with the highest (EUR 50.30) and the lowest (EUR 33.55) price of the Drillisch Share in the 52 weeks before May 12, 2017, the Offer Price contains a markdown of EUR 0.30 per Drillisch Share (-0.6%) and a premium of EUR 16.45 per share (49.0%) respectively.
- The Drillisch Share has been traded at a level higher than the Offer Price of EUR 50.00 since the decision to submit the Offer was published and the Transaction was announced on May 12, 2017.

**3.4. Analyst opinions**

21 financial analysts currently follow the developments at Drillisch, and they have provided Drillisch with their opinions, financial evaluations, and target prices in a price corridor from EUR 36 to EUR 65 up to and including May 11, 2017. Some analysts have

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adjusted their target prices from May 12, 2017 for the Drillisch Share following the ad hoc disclosure of the Bidder or of Drillisch concerning the announcement of the Transaction and also the publication of the decision to issue the Offer. The arithmetic average (the median) of the target prices published by the financial analysts before the date of these publications is:

- EUR 49.16 (median EUR 50.00) before May 12, 2017; and
- EUR 58.05 (median EUR 62.00) on the basis of the latest available analyst reports, which were provided to Drillisch on June 6, 2017.

Before May 12, 2017, seven analysts had issued target prices that were higher than the Offer Price, nine analysts had issued target prices that were lower than the Offer Price, and three analysts had issued target prices that were consistent with the Offer Price of EUR 50.00. In addition, two analysts were inaccessible or had not announced a target price by this time. It is pointed out that some analysts have not published any updated analyst reports following the press releases from Drillisch and United Internet of May 12, 2017.

## Overview V.3.4: Analyst opinions

Broker	Until 11 May		Until 06 June	
	Date	Target Price	Date	Target Price
Bankhaus Lampe	11-May-17	50.00	22-Mai-17	66.00
Barclays	11-May-17	60.00	22-Mai-17	70.00
Berenberg	6-Apr-17	65.00	15-Mai-17	65.00
BofAML	5-May-17	42.00	12-Mai-17	42.00
Citi	24-Mar-17	44.00	01-Jun-17	51.00
Commerzbank	11-May-17	40.00	11-Mai-17	40.00
DZ Bank	11-May-17	55.00	16-Mai-17	64.00
Equinet (ESN)	23-Mar-17	41.00	17-Mai-17	66.00
EVA Dimensions	29-Mar-16	-	20-Mai-17	-
Goldman Sachs	3-Apr-17	46.00	03-Apr-17	46.00
Hauck & Aufhaeuser	11-May-17	36.00	12-Mai-17	36.00
HSBC	2-May-17	50.00	31-Mai-17	70.00
Jefferies	11-May-17	50.00	16-Mai-17	62.00
Kepler Cheuvreux	11-May-17	54.00	23-Mai-17	64.00
LBBW	10-Nov-16	45.00	18-Mai-17	60.00
M.M. Warburg	11-May-17	44.00	17-Mai-17	56.00
Macquarie	1-May-17	53.00	01-Mai-17	53.00
New Street Research	11-May-17	62.00	12-Mai-17	63.00
Oddo & Cie	4-Apr-17	44.00	16-Mai-17	61.00
Redburn	21-Feb-17	-	15-Mai-17	-
UBS	11-May-17	53.00	30-Mai-17	68.00
<b>Average</b>		<b>49.16</b>		<b>58.05</b>
<b>Median</b>		<b>50.00</b>		<b>62.00</b>

## 3.5. Offer price against the background of the Transaction

The Management Board and the Supervisory Board are aware that the Offer Price of the Bidder does not reflect the potential synergies described above or benefits connected with the Transaction.

Key drivers for the Capital Increase in Kind I and the Capital Increase in Kind II as part of the Transaction are the industrial logic of the merger of 1&1 Telecommunication and Drillisch and the synergies resulting from this combination, from which Drillisch Shareholders are also to profit. The acquisition of 1&1 Telecommunication by Drillisch is therefore a prerequisite for the success of the Transaction. The valuation of the two com-

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panies, Drillisch and 1&1 Telecommunication, is made both in the course of the implicit valuation as part of the capital increases in kind and in the course of the tender offer on a fundamental value basis.

With the combination of the two companies, especially as a result of the completion of the Transaction, significant potential for synergies can be opened up in the opinion of the Management Board and the Supervisory Board. The Management Board and the Supervisory Board believe it is obvious that, after the Transaction is completed, the company combined with 1&1 Telecommunication can realize synergies in revenues and costs of up to EUR 150 million from 2020 onward and of up to EUR 250 million per year from 2025 onward. These synergies and other benefits will result essentially from the more efficient use of network capacities available to Drillisch, from the joint purchasing of hardware and services, and an expansion of the product portfolio with future technologies.

The Management Board and Supervisory Board believe it is likely that such synergies can be realized in the full amount from 2025 onward after the Transaction is completed. The expected potential synergy and the benefits connected with the Transaction are intended to be realized in particular as a result of the following measures:

- *Extension of the benefits of the MBA MVNO Contract to the restructured 1&1 Group.* Under the *MBA MVNO Contract* with Telefónica Germany, Drillisch is entitled to long-term access to network capacity and to all technologies available now and in the future. The rapid growth of the Telefónica Germany network at the same time means that Drillisch is currently not always able to fully exploit all capacity that is available, which leads to unused capacity and, as a consequence of the relevant purchase commitments, to an increase in the average unit costs in relation to the units actually used. After the Transaction has been successfully executed, the combined company could additionally have recourse under certain conditions to the customer base and also to the brands and sales power of 1&1 Telecommunication, the business operations of which will have changed as a result of the 1&1 Restructuring, in order to optimize the use of the existing capacity in the network of Telefónica Germany. Extending the possibilities for purchasing network capacity on the network of Telefónica Germany in this way to the customer base of 1&1 Telecommunication in the form after the 1&1 Restructuring enables additional growth potential to be realized and also lead to a reduction in unit costs as a result of the reduction in or elimination of unused capacity.
- *Expansion of the product portfolio.* Drillisch plans to exploit the business opportunities relating to increased revenues that are presented after the Transaction is completed for example by expanding the product portfolio of the combined company through the access to new technologies, such as LTE and VDSL. Furthermore, combined offers (cross-selling) in the area of fixed line and mobile services will come into consideration for further increases in revenue.

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- *Other benefits that can be realized in the course of the Transaction.* The DSL Sales Cooperation / Purchasing Cooperation (as defined in VI.2.1 of this Statement) between 1&1 Telecommunication and Drillisch to be concluded in the course of the Capital Increase in Kind I enables Drillisch to cooperate in purchasing and to offer DSL products and attractive bundled products in its offline shops. The sales cooperation will be regulated through an agency model, and Drillisch expects it to increase the profitability of the offline channel as a result of an increased customer footfall and an enhanced market position. Finally, the opportunities to attract new sales partners increase with a broader product portfolio. The purchasing cooperation will lead to bundled purchasing for mobile end devices, which holds out the prospect of more favorable terms and conditions especially at well-known manufacturers. Drillisch is expected to benefit here from the negotiating position, strength, and size of 1&1 Telecommunication, the business field of which will have changed as a result of the 1&1 Restructuring.
- *Enhanced competitiveness and long-term growth potential.* The acquisition of 1&1 Telecommunication by Drillisch will create a strong, integrated service provider on the German telecommunications market. The Drillisch Group will thus gain a market presence and increased visibility after the Transaction is completed that no virtual network operator has ever previously achieved in this form on the German market. The expertise, innovation, and experience of the joint company that will be available after the Transaction is completed can be used to evaluate and open up new business fields in a rapidly changing competitive environment (e.g. the Internet of things, machine-to-machine).

### 3.6. Significant risks for the assessment

The Management Board and Supervisory Board point out that the business activity of Drillisch is accompanied by risks, the extent of which cannot be assessed with any certainty. These include market risks and the circumstance that Drillisch operates in an extensively saturated and therefore intensely competitive market environment, which can have a negative impact on Drillisch. The prices that can be achieved for mobile communication services may fall as a result of the widespread availability of affordable rates and products. Winning new customers and maintaining the loyalty of existing customers are associated with relatively high expenses especially in the area of fixed-term contracts, and, as a mobile communication service provider, Drillisch is dependent in the range of services it offers on the network operators, as it does not have its own network. On top of that, there are a number of company-related risks. These risks are described in more detail in the Forecast-, Opportunities- and Risks Report on pages 46 et seqq. of the 2016 annual report of Drillisch (available at <http://www.drillisch.de/investor-relations/berichte>).

From today's perspective, Drillisch cannot reliably assess whether these risks will materialize in the future. Against the background of the existing uncertainties from a factual perspective and the significant difficulties in assessing their economic consequences, risks of these kinds are not taken into account beyond the provisions that can be seen in

the annual financial statements of Drillisch, and it cannot be ruled out that these provisions will not be sufficient to satisfy future obligations. Furthermore, the assessment is based on the assumption that Drillisch will continue to be able to access the services under the MBA MVNO Contract in unaltered fashion.

### 3.7. Overall assessment of the adequacy of the consideration

The Management Board and Supervisory Board have carefully and comprehensively analyzed and assessed the adequacy of the consideration offered by the Bidder. They have here referred to and note the results of the BofA Fairness Opinion, the PwC Fairness Opinion and the content of the Valuation Report, but also weighted their own considerations. The Management Board and Supervisory Board have taken the following aspects into consideration in particular in this process:

- The Management Board and the Supervisory Board have received the BofA Fairness Opinion from BofA Merrill Lynch, which has been drawn up on the basis of and subject to the various assumptions and limitations presented there, that the Offer Price is adequate from a financial perspective.
- The Supervisory Board has received the PwC Fairness Opinion from PwC pursuant to IDW S8, which has been drawn up on the basis of and subject to the various assumptions and limitations presented there, that the Offer Price is adequate from a financial perspective.
- The objectified business value of Drillisch before and after personal taxes was determined by ValueTrust on the valuation dates of May 12, 2017 and July 25, 2017 within the meaning of IDW S 1. Furthermore, the enterprise value was determined in accordance with the DVFA principles before personal taxes on the same valuation dates. A range of values for Drillisch is produced from this on the basis of the Valuation Report. On the basis of this range of values the value of Drillisch per share is not higher than the Offer Price.
- The BofA Fairness Opinion, the PwC Fairness Opinion and the Valuation Report confirm the adequacy of the Offer Price. The Management Board and the Supervisory Board have critically assessed the results and their derivation of each the BofA Fairness Opinion, the PwC Fairness Opinion and the Valuation Report. The analysis carried out by the Management Board and Supervisory Board on the basis of the results of the Valuation Report, the BofA Fairness Opinion and the PwC Fairness Opinion does not take into consideration the opportunities arising from the Transaction and disregards in particular synergy effects and other benefits connected with the Transaction;
- The Offer Price includes a premium of roughly 2.9% on the last closing price of the Drillisch Share in XETRA trading on May 11, 2017, the last day before the ad hoc disclosures concerning the conclusion of the Business Combination Agree-

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ment and the implementation of the Transaction were published by the Bidder and Drillisch and also before the disclosure pursuant to Section 10 WpÜG concerning a possible takeover was published by the Bidder on May 12, 2017;

- The Offer Price is greater than the arithmetic average and equals the median of the last target prices of the financial analysts that were published before May 12, 2017.

On this basis, and taking into consideration all the information, the Management Board and the Supervisory Board come to the conclusion that the Offer Price of EUR 50.00 in cash for each Drillisch Share is adequate on a stand-alone basis and reflects the intrinsic value of the company. In this assessment of the adequacy of the Offer Price, the Management Board and the Supervisory Board have evaluated the company on the assumption that its independence will be retained and disregarded the synergies that can be achieved in their opinion.

In the course of the assessment of the Offer and while taking into consideration all the steps in the Transaction, the Management Board and the Supervisory Board are, however, of the opinion that the Offer Price of the Bidder does not reflect the potential for synergy described above and the benefits connected with the Transaction. The Management Board and the Supervisory Board believe it to be obvious that, after the Transaction is completed, the company combined with 1&1 Telecommunication can realize synergies in revenues and costs of up to EUR 150 million from 2020 onward and of up to EUR 250 million per year from 2025 onward. These synergies and benefits connected with the Transaction will result essentially from the more efficient use of network capacities available to Drillisch, from the joint purchasing of hardware and services, and an expansion of the product portfolio with future technologies. Drillisch Shareholders who do not accept the Offer and who thus remain invested in Drillisch should, in the opinion of the Management Board and the Supervisory Board, approve the implementation of the Capital Increase in Kind II at the Drillisch Extraordinary General Meeting in accordance with the proposed resolutions of May 12, 2017 and will, if a corresponding resolution is adopted, be able to benefit from arising synergies, whereas it cannot be predicted with certainty if and to what extent such synergies will arise.

The Management Board and Supervisory Board also point out that the merger of the companies requires a decision in favor of three quarters of the share capital represented during the adoption of the resolution at the Drillisch Extraordinary General Meeting (Section 186(3) Sentence 2 AktG). The completion of the capital increase in kind II would immediately create the prerequisite for the realization of all synergies connected with the transaction, and, as 1&1 Telecommunication would then become a wholly owned subsidiary of Drillisch, these synergies would benefit all Drillisch Shareholders in proportion to their equity interest after the transaction has been concluded. Thus, the Drillisch Shareholders have an incentive in the opinion of the Management Board and the Supervisory Board to approve the implementation of the capital increase in kind II at the Drillisch Extraordinary General Meeting. Nevertheless, no guarantee can be given that the majority



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required to complete the capital increase in kind II will materialize at the Drillisch Extraordinary General Meeting. Even in the event of a resolution adopted at the Drillisch Extraordinary General Meeting by the majority required by law, it cannot be ruled out on account of the possibility that Drillisch Shareholders have to file an action to set aside this resolution that the capital increase in kind II will not or not timely be registered in the Commercial Register, the business combination will therefore not take place, and the synergies will not occur or only to a lesser extent. Though, the Management Board and Supervisory board point out that synergies might potentially at least partly be realized even in case of a fail of the Capital Increase in Kind II, in particular if the Bidder acquires a majority interest in Drillisch via the Offer or in any other way.

The Management Board and the Supervisory Board do not provide any assessment of whether an amount higher or lower than the Offer Price would possibly have to be set or will be set in future within the framework of an appropriate settlement prescribed by law, for example in connection with a possible exclusion of minority shareholders (*squeeze-out*) or a possible conversion, where measures of this kind are currently not intended according to the information from the Bidder. Settlement payments prescribed by law will be calculated on the basis of the enterprise value of Drillisch and are subject to judicial review in the context of an expedited shareholder action. It also has to be taken into account in this respect that a valuation using other valuation methods in the course of court proceedings could possibly result in a higher or lower value.

Drillisch Shareholders who have already tendered or will tender their Drillisch Shares for sale are not entitled, in the event that a statutory settlement payment turns out actually to be higher than the Offer Price, to any claim for payment of the possible difference between the Offer Price and any statutory settlement payment, not even when a measure of kind is conducted within one year of the final report pursuant to Section 23(1) Sentence 1 No. 2 WpÜG (cf. Section 31(5) Sentence 2 WpÜG).

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**VI. AIMS AND INTENTIONS OF THE BIDDER AND OF THE UNITED INTERNET GROUP AS WELL AS EXPECTED CONSEQUENCES FOR DRILLISCH**

**1. Aims and intentions in the Offer Document**

The Bidder has confirmed in the Offer Document the aims and intentions with regard to Drillisch that have been agreed in the Business Combination Agreement. These intentions relate not only to the Offer, but also encompass the Transaction as a whole, as the amount of the equity interest of the Bidder after the Offer has been completed can also be based on the completion of the Capital Increase in Kind II in addition to the scope of the acceptance of the Offer. The intentions of the Bidder and of the United Internet Group as well as the expected consequences for Drillisch are therefore described in the following – unless otherwise presented in the individual case – on the assumption that all the steps in the Transaction (see Section III of this Statement above) are completed. The intentions of the Bidder that are summarized and discussed below are described in more detail in Sections 9.2 to 9.7 of the Offer Document.

**1.1. Economic and strategic reasons of the Bidder**

According to Section 9.1 of the Offer Document, the strategic goal of the Bidder is to create a leading integrated provider in Germany for mobile communications and landline services in Germany under its umbrella. In the opinion of the Bidder, the agreements entered into on May 12, 2017 on a contribution of 1&1 Telecommunication into Drillisch in two steps by way of the capital increases in kind I and the Capital Increase in Kind II can be regarded as the first and decisive step on the path to a comprehensive integration, where the Capital Increase in Kind II requires a resolution of the Drillisch Extraordinary General Meeting, which has been convened for July 25, 2017. If the Capital Increase in Kind II is completed, Drillisch will become a company dependent on United Internet and part of the United Internet Group irrespective of the outcome of the Offer.

**1.2. Future business activity, assets, and obligations of Drillisch**

The strategic goal of the Bidder in making the Offer and taking the other steps in the Transaction is to bundle the potential of 1&1 Telecommunication and Drillisch in order to further expand the current market positions of the companies in the areas of landline / DSL and mobile communication services as part of the United Internet Group and to secure them for the future.

As long as a control and profit and loss transfer agreement has not been entered into between United Internet and Drillisch, the business activities of Drillisch will, according to the wishes of the Bidder, be managed by its Management Board in accordance with applicable law and on the basis of the business strategy implemented or further developed by the Management Board

## **AIMS AND INTENTIONS OF THE BIDDER AND OF THE UNITED INTERNET GROUP AS WELL AS EXPECTED CONSEQUENCES FOR DRILLISCH**

In the event that the overall Transaction is successfully implemented, the Bidder intends to leverage the existing synergies that are described in the Offer Document (Section 8.3) together with Drillisch. With regard to the potential for synergy, the assessment of the United Internet Group matches that of Drillisch: according to this, synergies of approximately EUR 150 million a year are expected to emerge at the level of the combined business from 2018 on and as early as 2020. The synergies will then rise to approximately EUR 250 million a year up to 2025 (see Section V.3.5 of this Statement above).

In addition to the regulation governing the conclusion of control and profit and loss transfer agreements between Drillisch and companies of the United Internet Group (see Section IV.5 of this Statement above), it has been agreed in the Business Combination Agreement that the contracts and transactions relating to the *cash pooling* between 1&1 Telecommunication and its subsidiaries on the one hand and companies of the United Internet Group outside the 1&1 sub-group on the other will be canceled once the Capital Increase in Kind II is registered. Furthermore, United Internet has undertaken to hold the Drillisch Shares that have been or are supposed to be issued as part of the Capital Increase in Kind I and the Capital Increase in Kind II for no less than nine months from registration of the respective capital increase in kind and will not sell or otherwise transfer them to third parties outside the United Internet Group and also will not encumber these Drillisch Shares.

### **1.3. Management Board and Supervisory Board of Drillisch**

In the Business Combination Agreement the Bidder has undertaken to work towards ensuring, to the extent it is permitted to do so by law, that the appointment and the existing management board contract entered into with the Drillisch Director of Finances, Mr. André Driesen, are fulfilled by Drillisch and will be extended by five years calculated from the day the Business Combination Agreement is signed on May 12, 2017, on terms and conditions that are the same as those in force today. In addition, Drillisch and United Internet have undertaken, subject to corporate duties, to make every endeavor after the Capital Increase in Kind II is executed to ensure that Mr. Ralph Dommermuth and Mr. Martin Witt are appointed as members of the Management Board of Drillisch, where Mr. Ralph Dommermuth is to be appointed Chairman of the Management Board.

Furthermore, the Bidder and Drillisch have agreed that Drillisch will invest its best efforts to arrange for Mr. Vlasios Choulidis to resign from all offices exercised by him at that point in time at Drillisch and its subsidiaries one month after the Capital Increase in Kind II has been registered in the Commercial Register upon the corresponding request of United Internet, where the provisions in the Management Board employment contract of Mr. Vlasios Choulidis are not restricted and take precedence in any event.

The size of the Supervisory Board of Drillisch comprising six members is to be retained. The Bidder intends to be represented on the Supervisory Board of Drillisch in a way that appropriately reflects its equity interest in Drillisch after the Offer and the Capital Increase in Kind I and possibly also the Capital Increase in Kind II have been completed. In

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this respect, the Bidder and Drillisch have agreed that, in the event that United Internet holds more than 30% of the shares in Drillisch upon completion of the takeover, Drillisch will invest its best efforts in arranging for a member of the Supervisory Board of Drillisch (except for persons named by United Internet) to step down from their office as a member of the Supervisory Board at the end of the Drillisch Extraordinary General Meeting. As a result of the resignation for personal reasons by Dr. Bernd H. Schmidt as of May 31, 2017 there is a vacancy in the Supervisory Board which shall be occupied by a candidate to be designated by the Bidder. In addition, the Bidder and Drillisch aim for Mr. Vlasios Choulidis to hold a position in the Supervisory Board of Drillisch after his resignation from the Management Board.

Should the United Internet Group hold more than 50% of the Drillisch Shares after the tender offer is completed or at a later point in time, Drillisch will endeavor to ensure that two further members of the Supervisory Board of Drillisch resign from their offices. Two Supervisory Board members have already indicated that they will resign from their positions in the Supervisory Board.

In both these cases, Drillisch undertakes to apply immediately afterwards for the persons designated by United Internet to be appointed by the courts and to arrange for them to be appointed without delay as Supervisory Board members up to the end of the next annual general meeting of Drillisch. After the Drillisch Extraordinary General Meeting, Drillisch will endeavor to arrange for the chair of the Supervisory Board to be taken by a member of the Supervisory Board nominated by the Bidder. The requested occupation of the position of the chairman of the Supervisory Board has not been communicated by the Bidder yet.

Furthermore, the Bidder has no intention to work towards a termination of employees, change of employment conditions of the employees, or with regard to a change of the current workplace and/or corporate employee representation in the Drillisch Group.

**1.4. Employees, employment conditions and employee representation**

Based on its statements in the Offer Document, the Bidder does not intend to institute any reduction in the workforce at Drillisch. Accordingly, United Internet will endeavor to maintain a constructive dialog with the employees and their representatives in order to develop fair and transparent framework conditions for the takeover and the integration in line with the statutory provisions and the requirements under collective labor law. Any selection of managerial staff / senior executives that may become necessary due to any duplication of positions is to be made in accordance with the *best in class* principle.

**1.5. Registered office of Drillisch, locations, and maintenance of key business units**

The Bidder does not intend to initiate or otherwise support actions within the next five years that aim to change or abandon the corporate name “Drillisch” or change the regis-

## **AIMS AND INTENTIONS OF THE BIDDER AND OF THE UNITED INTERNET GROUP AS WELL AS EXPECTED CONSEQUENCES FOR DRILLISCH**

tered office according to the Articles of Association of Drillisch or to relocate the sites of Drillisch to another place.

### **1.6. Possible structural measures**

In view of the concrete integration of Drillisch in the United Internet Group, the Bidder does not intend to carry out either a squeeze-out or a delisting or a change of legal form in the future. Furthermore, the Bidder also does not intend, in accordance with the contractual agreements, to enter into any control and/or profit and loss transfer agreement with Drillisch for a period of three years after the Capital Increase in Kind II has been registered. Only in the event that the Bidder holds more than 70% of the Drillisch Shares before the Capital Increase in Kind II is registered does the Bidder reserve the right to enter into a control and profit and loss transfer agreement already when the 70% threshold is exceeded. According to the contents of the Business Combination Agreement, the Bidder and Drillisch agree that a substantial free float of Drillisch Shares with sufficient liquidity for institutional investors to trade is in the interests of United Internet and Drillisch.

### **1.7. Future business activities of the Bidder**

Beyond the intentions presented in Section 9.1 to 9.6 of the Offer Document, the Bidder and the United Internet Group have not, as far as the Management Board and the Supervisory Board are aware, expressed any intentions in connection with the Offer that could have impacts on the registered office or the location of key business units, the employees, their representatives and key employment conditions, or the members of the management bodies of the Bidder or of the United Internet Group.

## **2. Assessment of the aims of the Bidder and the expected consequences**

### **2.1. Strategy, potential for synergies, and future business activities**

As already stressed in connection with the announcement of the Transaction and the conclusion of the Business Combination Agreement, the Management Board and the Supervisory Board believe that a merger of the Drillisch Group and 1&1 Telecommunication plus its subsidiaries after the 1&1 Restructuring has been completed makes strategic sense for the purpose of creating a strong fourth force in the German telecommunication market. The offer is part of the Transaction and supports the merger of the companies, where, in the firm opinion of the Management Board and the Supervisory Board, the Transaction can be understood only as a whole and the intentions of the Bidder have to be assessed against this background. The contribution of 1&1 Telecommunication into Drillisch therefore offers for the Drillisch Shareholders the potential for extensive synergies (see V.3.5 of this Statement above), for growth opportunities and related possibilities related to the added value for Drillisch Shareholders and Drillisch as a whole.

*Market positioning.* The Management Board and the Supervisory Board are of the conviction that the completion of the Transaction and in particular of the Capital Increase in Kind II will result in the creation of a powerful integrated telecommunication service

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provider that will have, thanks to the MBA MVNO Contract with Telefónica Germany, secured access to a part of the mobile communication network operated by Telefónica Germany and that will offer a comprehensive range of services in the fixed line and mobile communications field with which it will be able to challenge established competitors. As a virtual network operator, the combined company will be able in the opinion of the Management Board and the Supervisory Board to compete directly and more strongly with the current market leaders Deutsche Telekom, Vodafone and Telefónica Germany especially in the field of mobile communications. Thanks to additional service capacity and economies of scale, the combined company would, in the firm opinion of the Management Board and the Supervisory Board, have the opportunity to compete in every segment with the current market leaders after the Transaction has been completed. On the basis of the customer and revenue figures of the Drillisch Group and of 1&1 Telecommunication, including the business of its subsidiaries, as at December 31, 2016, the combined company had approximately 7.7 million mobile communication customers and would generate revenues (before consolidation) of approximately EUR 3.2 billion. This would have corresponded at December 31, 2016 to a joint share of the German mobile communication market (in terms of mobile communication customers) of approximately 6.01%.

*Synergies.* The possible synergies jointly determined by the Bidder and Drillisch may be realized at the level of the combined business from 2018 onward. In case of a full completion of the intended overall transaction, the Management Board and Supervisory Board consider possible approximately EUR 150 million a year in 2020. The synergies could then rise to approximately EUR 250 million a year up to 2025. The synergies result in particular from a more efficient use of the network capacities available to Drillisch, the joint purchase of hardware and advance services, an expansion of the 1&1 product portfolio by future technologies, and the provision of a broader product line for the Drillisch retail stores. These synergies would to be weighed against one-time implementation costs in the amount of approximately EUR 50 million at the level of the combined company. It is the opinion of the Management Board and the Supervisory Board that all shareholders of Drillisch and United Internet would profit over the long term from these synergies and also the aggregated potential through increases in value and dividends, as 1&1 Telecommunication would become a wholly owned subsidiary of Drillisch once all the steps in the transaction have been completed.

In the opinion of the Management Board and the Supervisory Board, the stated synergies will be facilitated among other things by the existing exclusive access the Drillisch enjoys to the mobile communications network of Telefónica Germany under the MBA MVNO Contract. This guarantees Drillisch full access to the latest generation of network technologies for several years to come on very good terms and conditions. The company has already experienced significant growth on this basis in the past two years. Nevertheless, the Management Board and the Supervisory Board see further potential for growth: the share of the network that Drillisch enjoys exclusive use of will increase from year to year to up to 30% in 2020 – with an option to extend this to 2030 at least. Together with 1&1 Telecommunication, the Management Board and the Supervisory Board intend to further accelerate Drillisch's growth and to make even better use of its future capacities.

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*Customer benefits.* For customers, this means, in the opinion of the Management Board and the Supervisory Board, an expansion of the range of high-value products at competitive prices and enhanced network quality with increased capacity. Furthermore, the increasing demand for high-quality offers especially in the area of data services can be better served as a result of the possibility for the combined company to make larger investments. With regard to the broadband connections based on fixed lines, Drillisch will have the possibility of offering these at competitive prices following the combination with 1&1 Telecommunication. Furthermore, the combined company will be able to combine fixed line products with the services from the mobile communication area and expand its product range accordingly. The Management Board and the Supervisory Board expect that benefits will result for customers from the expanded sales network, the extended brand portfolio, and the fact that the combined company will be able to offer mobile communication products without, however, being burdened by the investment expenditure faced by a network operator.

Further benefits in connection with the Transaction. Furthermore, with regard to the equity interest in 1&1 Telecommunication acquired by Drillisch in the course of the Capital Increase in Kind I, United Internet and Drillisch have agreed on the parameters of the DSL Sales Cooperation / Purchasing Cooperation. The subject matter of these cooperation projects will be the sale in the Drillisch offline shops of 1&1 DSL products, concepts, and tariffs that Drillisch does not itself offer at the moment. Furthermore, it is intended to bundle the purchasing of hardware by Drillisch and 1&1 Telecommunication. Drillisch Online AG and 1&1 Telecom GmbH have already signed a related “sales partnership services contract”. Furthermore, a hardware purchasing term sheet that regulates the cooperation between Drillisch Online AG and 1&1 Telecom GmbH was also agreed, among other things, in the course of the Business Combination Agreement.

### **2.2. Management Board and Supervisory Board**

The Management Board and the Supervisory Board are open to the intention of the Bidder to be represented on the Supervisory Board of Drillisch in a way that appropriately reflects its equity interest in Drillisch after the Offer and also the capital increase in kind and the Capital Increase in Kind II have been completed. It welcomes the intention of United Internet not to set out to change the size of the Supervisory Board.

Against the background of the level of the equity interest that will be held by United Internet in the event that the Capital Increase in Kind II is implemented (and that further Drillisch Shares may be delivered to the Offer), it seems sensible to the Management Board and the Supervisory Board to create an, in part, personal identity between the Bidder and Drillisch by appointing Ralph Dommermuth as Chairman of the Management Board and Martin Witt as a member of the Management Board. As a result, the current Chief Executive Officer of the Bidder will be given the opportunity, but he will also assume the responsibility, to execute the integration of 1&1 Telecommunication and Drillisch together with the present Drillisch team.

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**2.3. Employees**

The Management Board and the Supervisory Board welcome the intention of the Bidder not to set out to make any changes affecting the employees of Drillisch, their key conditions of employment, or the employee representation councils.

In this connection, the Management Board and the Supervisory Board additionally consider it appropriate for the future of the joint company with 1&1 Telecommunication that, according to the wishes of the Bidder, any selection of managerial staff / senior executives that made necessary by possible duplicated positions is to be carried out in line with the best in class principle in order to rule out any “discrimination based on origin”.

**2.4. Registered office of Drillisch, locations, and maintenance of key business units**

The Management Board and the Supervisory Board assess as positive the fact that the Bidder will not seek to relocate the registered office of Drillisch from Maintal, Germany. They further welcome the fact that the Bidder has confirmed in the Offer Document and in the Business Combination Agreement that it does not intend to pursue relocation of key business units or locations of Drillisch.

**2.5. Possible structural measures**

The Management Board and the Supervisory Board welcome the intention of the Bidder not to set out to implement any structural measures and to leave Drillisch as an independently managed company and thus to ensure the continuity of the business development of Drillisch. The Bidder assumes that the benefits resulting from a closer cooperation with Drillisch can already be realized on account of the increased equity interest as would be acquired as a result of the completion of the Offer and the Capital Increase in Kind II. The Management Board and Supervisory Board point out that the continuation of a significant free float in Drillisch would be beneficial to ensure sufficient liquidity in the trade in Drillisch Shares. In order to ensure this, the Bidder and Drillisch have agreed in the Business Combination Agreement to take measures where necessary to ensure sufficient liquidity in the stock.

The Management Board and Supervisory Board welcome in the interests of the Drillisch Shareholders the fact that, in view of the concrete integration of Drillisch in the United Internet Group, the Bidder does not intend to carry out either a squeeze-out or a delisting or a change of legal form in the future. In the opinion of the Management Board and the Supervisory Board, the sincerity of the wish of the Bidder to grant Drillisch autonomy is further manifested by the fact that it has undertaken not to enter into any control and profit and loss transfer agreement with Drillisch for the duration of three years after the Capital Increase in Kind II is registered. Only in the event that the Bidder holds more than 70% of the Drillisch Shares before the Capital Increase in Kind II is registered does the Bidder reserve the right to enter into a control and profit and loss transfer agreement already when the 70% threshold is exceeded.



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Against the background of these intentions and provisions of the Business Combination Agreement, the Management Board and the Supervisory Board are of the opinion that Drillisch Shareholders who remain invested and do not accept the offer, as well as Drillisch as a whole, can profit over the long term from the value added potential of the combined company.

### **2.6. Financial consequences for Drillisch**

#### **2.6.1. No long-term change to the capital structure**

The Management Board and the Supervisory Board welcome the fact that the Bidder has not demonstrated in the Offer Document any intentions or plans that would lead to an increase in the current debt level of the Drillisch Group outside of the normal business operations.

In the opinion of the Management Board and the Supervisory Board, no negative impacts on the financing structure are to be expected after the Offer is completed. The Management Board and Supervisory Board assume that execution of the Transaction represents a change of control within the meaning of a change of control clause contained in the loan agreement concluded with a consortium of banks on December 19, 2014. The relevant banks have signaled their willingness to refrain from exercising rights based on this fact. In addition, on May 11, 2017, Drillisch concluded with BofA Merrill Lynch an agreement on a possibly necessary refinancing of this loan agreement.

#### **2.6.2. Convertible bond**

In accordance with the Articles of Association of Drillisch, the Contingent Capital 2013 in the amount of EUR 5,500,000 is intended for the Offer of Drillisch Shares when the conversion right under the terms and conditions of the Drillisch Convertible Bond are exercised. The Contingent Capital 2013 allows 5,000,000 new Drillisch Shares to be issued with an imputed interest in the share capital of the Drillisch of EUR 1.10. Up to the date that this Statement was published (excluding such date), the conversion right has been exercised for 961 Drillisch Convertible Bonds and a total of 3.827.591 new Drillisch Shares have been issued by Drillisch up to this date using the Contingent Capital 2013. The Drillisch Convertible Bonds still outstanding on the date that this Statement is published have a total nominal amount of EUR 3.900.000, and 1.172.409 new Drillisch Shares can still be issued using the Contingent Capital 2013 still available in the event of a complete conversion of all Drillisch Convertible Bonds. Drillisch does not currently hold any existing Drillisch treasury shares that it could offer in addition to or in place of new Drillisch Shares when conversion rights are exercised. Under certain conditions, an amount of money to be determined on the basis of the Bond Terms and Conditions can be paid instead of offering Drillisch Shares when conversion rights are exercised.

As a consequence of the issue of new shares of Drillisch to the Bidder in the course of the Capital Increase in Kind I on May 16, 2017, the Bidder, taking into account “instruments” within the meaning of Section 25(1) WpHG holds 30% or more of the voting rights in

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Drillisch, which is why a change of control has occurred under the bonds terms and conditions. In an announcement on the same day, Drillisch set June 26, 2017 as the effective date. For each exercise of conversion rights on or before the effective date, the conversion price is adjusted and amounts, subject to further adjustments, EUR 19.5990.

After the Annual General Meeting of Drillisch resolved on May 18, 2017 to appropriate from the net retained profit of the 2016 fiscal year just closed of EUR 248,643,003.46 the amount of EUR 98,576,368.20 to distribute a dividend in the amount of EUR 1.80 per Drillisch Share on the 54,764,649 Drillisch Shares entitled to a dividend, the conversion price was readjusted in accordance with the Bond Terms and Conditions from the beginning of May 19, 2017 by announcement on May 19, 2017 as a result of the payment of a cash dividend to the Drillisch Shareholders. The conversion price adjusted in this way amounts to EUR 18.9772 in the event that conversion rights are exercised up to (and including) June 26, 2017 (the effective date based on the change of control notified on May 16, 2017) and EUR 20.3217 after (and excluding) June 26, 2017.

The full exercise of all conversion rights under the Drillisch Convertible Bond issue before June 26, 2017 would, at a conversion price of EUR 18.9772, require the issue of 5,179,900 Drillisch Shares. The Drillisch Shares to be issued on account of this readjusted conversion price exceed the Contingent Capital 2013 of the company available for this and on the basis of which it is possible to issue 1.172.409 Drillisch Shares at the time this Statement is published. Accordingly, Drillisch would be partially prevented by law from issuing a sufficient number of Drillisch Shares from any contingent capital in the event that all or nearly all Drillisch Convertible Bonds were converted. In this respect, Drillisch would be required to pay a cash settlement to creditors of the Drillisch Convertible Bond issue.

The Management Board and Supervisory Board point out that the full exercise of the conversion rights following a change of control that has occurred on account of the registration of the Capital Increase in Kind I in the Commercial Register on May 16, 2017, and additionally the adjustment on account of the payment of a cash dividend as a result of the announcement on May 19, 2017, would lead to the issue of a further 1.172.409 Drillisch Shares and thus increase the share capital of the company, as it exists on the day that this Statement is published, by around 1.73%. If all Drillisch Convertible Bonds were converted at this conversion price, which has been adjusted several times, Drillisch would additionally be required to pay an expected cash settlement between EUR 13 mio. and EUR 15 mio. to creditors of the Drillisch Convertible Bond.

### 2.6.3. Tax consequences

Drillisch, based on – partly preliminary – calculations and estimations had tax loss carryforwards amounting to approximately EUR 35 million as of the end of the 2016 fiscal year, which existed at the level of Drillisch Logistik GmbH (formerly: The Phone House Deutschland GmbH), yourfone AG, Drillisch Online AG, DRION GmbH, Drillisch Netz AG, and Mobile Ventures GmbH. The amount of the tax loss carryforwards can be sub-

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ject to further changes. Furthermore, they can be proportionately used in the course of the 2017 fiscal year, and additional ongoing losses can arise.

The Management Board and the Supervisory Board draw attention to the fact that in the event of the Bidder acquiring an equity interest of over 50%, as would occur for example in the course of the registration of the Capital Increase in Kind II, the complete loss could occur of the loss carryforwards existing until the end of the 2016 fiscal year as well as loss carryforwards newly arising in the 2017 fiscal year until the adverse acquisition. If the Bidder acquires more than 25% and no more than 50% of the shares in the share capital or of the voting rights of Drillisch, as has already occurred as a result of the registration of the Capital Increase in Kind II, the loss carryforwards from previous years and the ongoing losses newly arising for the 2017 fiscal year until the adverse acquisition may disappear in proportion to the amount of the equity interest that is acquired in Drillisch. For the purposes of the key ownership thresholds and the percentage of disappearing loss carryforwards under further changes in the amount of the shareholding, all acquisitions of equity interests (including the acquisitions made before the Offer) within a period of five years are added up in principle for tax purposes. In the event of a so called “adverse” stock acquisition of this kind, loss carryforwards are retained insofar as the company in question has undisclosed reserves that are taxable in Germany. Furthermore, under certain circumstances, the opportunity may exist for the application of Section 8d KStG in order to utilize loss carryforwards in connection with a so called continuation-bound loss carryforward in the future.

### 2.6.4. Dividend policy

The Bidder has undertaken in the Business Combination Agreement to ensure to the extent it is permitted to do so by law that Drillisch proposes for each fiscal year after the Capital Increase in Kind II is registered an attractive dividend that is based on the previous dividend policies of the Bidder and of Drillisch. The Management Board and the Supervisory Board assume in this respect that all Drillisch Shareholders will be able to benefit in the long term from increases in value and dividends on account of the stated synergies (see Section VI.2.1 of this Statement above) and the aggregated potential of the combined company. The amount of these future earnings is uncertain and depends on a various factors in the future.

### 2.6.5. Impacts on existing business relationships

The following key business relationships or financing agreements with change of control clauses exist:

*Impacts on the MBA MVNO Contract.* Certain terms and conditions that the Drillisch Group procures under the MBA MNVO contract are the subject of a change of control clause and would in principle cease to apply if a threshold of 30% is exceeded by one shareholder of Drillisch. Telefónica Germany and Drillisch agreed on May 12, 2017, however, that Telefónica Germany will waive change of control rights under the MBA

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MVNO Contract in relation to the implementation of the Transaction (see Sections II.1.4.1, V.3.5, and VI.2.1 of this Statement above).. The Management Board and the Supervisory Board assume that the rights of use in the network of Telefónica Germany under the MBA MVNO Contract will continue to be available to the combined company on favorable terms and conditions after the Capital Increase in Kind II is completed.

After the Transaction has been successfully executed, the combined company could have additional recourse to the customer base and also the brands and sales power of 1&1 Telecommunication and its subsidiaries in order to optimize the use of the existing capacity in the network of Telefónica Germany as soon and insofar as existing conservation and scheduling commitments under the existing supply contracts of 1&1 Telecommunication have been terminated or appropriately adjusted. Extending the possibilities for purchasing network capacity on the network of Telefónica Germany in this way to the customer base of 1&1 Telecommunication in its form after the 1&1 Restructuring would not only enable additional growth potential to be realized, but at the same time leads to a reduction in unit costs as a result of the reduction in or elimination of unused capacity.

As soon as either United Internet holds the majority of shares in Drillisch, as could be the case as a result of the completion of the Offer, or Drillisch holds the majority of shares in 1&1 Telecommunication, Drillisch and 1&1 Telecommunication will endeavor to enter into a wholesale contract that will enable 1&1 Telecommunication to use capacity under the MBA MVNO Contract.

The Management Board and Supervisory Board assume that execution of the Transaction represents a change of control within the meaning of a change of control clause contained in the loan agreement concluded with a consortium of banks on December 19, 2014. The relevant banks have signaled their willingness to refrain from exercising rights based on this fact. In addition, on May 11, 2017, Drillisch concluded with BofA Merrill Lynch an agreement on a possibly necessary refinancing of this loan agreement.

**2.7. Possible consequences for the employees, their employment conditions, and their employee representation at Drillisch**

The completion of the Offer has no immediate impacts on the employees of the Drillisch Group, their employment contracts, or their existing rights and claims. The current employment contracts will continue in force with the relevant company of the Drillisch Group without a transfer of undertakings being triggered by the completion of the Transaction.

The Management Board and the Supervisory Board furthermore assess as positive the fact that the Bidder does not intend to relocate parts of Drillisch's business, as measures of this kind would in all probability have adverse impacts on the employees. With regard to the representation of the employees, the Management Board and the Supervisory Board appreciate the willingness of the Bidder to have a constructive dialog and its intention to develop a fair and transparent framework for the takeover and the integration.

## VII. POSSIBLE IMPACTS FOR DRILLISCH SHAREHOLDERS

The following statements serve to provide Drillisch Shareholders with the information necessary to assess the consequences of accepting or rejecting the Offer. This information contains several aspects that the Management Board and the Supervisory Board consider to be relevant for the decision of the Drillisch Shareholders on whether to accept the Offer. A list of this kind cannot be exhaustive, however, because particular individual features cannot be taken into consideration.

Drillisch Shareholders must take these uncertainties into consideration and come to an independent decision on whether and to what extent they wish to accept the Offer. The following points can serve only as a guideline here. Each Drillisch Shareholder should give sufficient consideration to their own personal circumstances when making the decision. The Management Board and the Supervisory Board recommend to each individual Drillisch Shareholder that they seek expert advice if and insofar as necessary.

### 1. Possible consequences upon acceptance of the Offer

Taking into consideration that statements above, all Drillisch Shareholders who intend to accept the Offer should note the following points among others:

- Drillisch Shareholders who are going to accept or who have accepted the Offer will no longer benefit from any positive performance of the stock market price of the Drillisch Shares, the synergies expected by the Management Board and the Supervisory Board as a result of the merger with 1&1 Telecommunication and benefits connected with the transactions (see Section VI.2.1 of this Statement above), or any positive business performance by the Drillisch Group. It must be taken into consideration here, however, that there is no guarantee that the Capital Increase in Kind II will be resolved and executed (see Section V.3.7 of this Statement above).
- Drillisch Shareholders who are going to accept or who have accepted the Offer are required to reverse contracts that have been entered into as a result of the acceptance of the Offer if and insofar as the Condition of Completion is not fulfilled. The completion of the Offer may be delayed (possibly up until May 31, 2018) if the Condition of Completion has not been met until the end of the Acceptance Period. In these cases, the shareholders are not entitled to any contractual right of withdrawal in order to disengage again from the Offer.
- The Drillisch Shares Tendered for Sale and the Drillisch Shares that are not tendered will be traded under separate ISIN numbers. As a consequence, the fungibility between these two types of shares will be given only to a limited extent or not at all. In the event of a lower acceptance ratio, e.g. as a result of a market expectation concerning the completion of the Capital Increase in Kind II, the liquidity within the class of shares tendered for sale may be low.

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- The stock price of Drillisch shares has been traded continuously above the Offer Price since the announcement of the transaction by way of ad-hoc notification of the Bidder and Drillisch. Given a sufficient liquid market for Drillisch Shares, a shareholder could achieve higher sale proceeds when selling at the market price than through acceptance of the Offer.
- After the Offer has been completed and after the one-year period within the meaning of Section 31(5) WpÜG has elapsed, it is possible for the Bidder to acquire additional shares at a higher price without having to increase the Offer Price to the benefit of the Drillisch Shareholders who have already accepted the Offer. Within the one-year period mentioned above, the Bidder can furthermore acquire Drillisch Shares on the stock market at a higher price – as prevailing at the time this Statement is published for example – without having to adjust the Offer Price to the benefit of the Drillisch Shareholders who have already accepted the Offer.
- Drillisch Shareholders who accept the Offer do not take part in any settlement payments that would have to be paid by virtue of the law (or on the basis of the interpretation of legislation arising from established case law) in the event of specific structural measures implemented after the Offer is completed (in particular the possible conclusion of a control agreement, *squeeze-out*, or conversions), where the Bidder has presented to the satisfaction of the Management Board and the Supervisory Board that it does not intend to implement structural measures of this kind (see Sections VI.1.6 and VI.2.5 of this Statement above). These settlement payments would be calculated on the basis of the enterprise value of Drillisch and are subject to judicial review in the context of an expedited shareholder action. Settlement payments of this kind can be higher or lower than the Offer Price.

### 2. Possible consequences upon non-acceptance of the Offer

Drillisch Shareholders who do not accept the Offer and who also do not otherwise dispose of their Drillisch Shares remain Drillisch Shareholders, but should note the following, among other things:

- Drillisch Shareholders bear the risk of the future performance of the Drillisch Group and therefore also of the future performance of the stock market price of the Drillisch Shares. They are therefore also exposed to the risk that the market expectation possibly currently priced in to the stock market price of the share that the Transaction and in particular the Capital Increase in Kind II will be completed are not realized, which may have adverse impacts on the performance of the share price.
- Drillisch Shareholders who do not accept the Offer bear the risk that the merger of the companies breaks down because the required resolution on the

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completion of the Capital Increase in Kind II fails to be adopted at the Drillisch Extraordinary General Meeting. The completion of the Capital Increase in Kind II directly provides the prerequisite for the realization of a material part of the synergies connected with the Transaction, and, as 1&1 Telecommunication will become a wholly owned subsidiary of Drillisch, these synergies can benefit all shareholders of Drillisch in proportion to their equity interest after the Transaction has been concluded. In the opinion of the Management Board and the Supervisory Board the Drillisch Shareholders thus have an incentive to approve the implementation of the Capital Increase in Kind II at the Drillisch Extraordinary General Meeting. Nevertheless, no guarantee can be given that the majority required to complete the Capital Increase in Kind II will materialize at the Drillisch Extraordinary General Meeting. Even in the event of a resolution adopted at the Drillisch Extraordinary General Meeting by the majority required by law, it cannot be ruled out on account of the possibility that Drillisch Shareholders have to file an action to set aside this resolution that the Capital Increase in Kind II will not be or not timely be registered in the Commercial Register of the company and the merger will therefore not take place. As the end of the Additional Acceptance Period falls before the date of the Drillisch Extraordinary General Meeting, Drillisch Shareholders will not have the opportunity to decide whether to submit their Drillisch Shares to the Offer in the knowledge of the result of the voting or of the outcome of any action for avoidance that is filed.

- Registration of the Capital Increase in Kind II in the Commercial Register would lead to a dilution of the voting right of the free float-Drillisch Shareholders, with the result that the corporate policy and the strategic direction of Drillisch cannot be jointly determined by free float-Drillisch Shareholders or cannot be jointly determined by them to the same extent as in the past.
- Drillisch Shares that have not been tendered within the meaning of the Offer will continue to be traded on the relevant stock markets. It is uncertain whether the stock market price of the Drillisch Shares will rise or fall or remain at a comparable level in the near future.
- Although United Internet and Drillisch agree that a substantial free float of Drillisch Shares with sufficient liquidity for institutional investors to trade is in the interests of both parties, the execution of the Offer may, however, lead to a reduction in the free float of Drillisch Shares. The number of Drillisch Shares in free float could even be reduced to such an extent that their liquidity decreases significantly. As a result, it may not be possible at all, or at any rate not within a reasonable period of time, to execute buy and sell orders for Drillisch Shares.
- A reduction in the market capitalization of the free float could lead – for example in the event that the Offer is accepted by numerous Drillisch Share-

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holders – to a situation where the Drillisch Share is withdrawn from the TecDAX during one of the next adjustment dates. This could lead to investment funds and other institutional investors, the investments of which track indexes such as the TecDAX, selling their Drillisch Shares. As a result, an excess supply of Drillisch Shares could result on a relatively illiquid market, which could lead to pressure on the stock market price of the Drillisch Shares.

- In the event that the Capital Increase in Kind II is registered, Drillisch will (taking into consideration the diluting effect based on all conceivable conversions of the Drillisch Convertible Bonds) be majority-owned by the United Internet Group, which will hold approximately 72.75% (this ownership ratio may increase still further as a result of the completion of the Offer) and will thus be a company dependent on the Bidder within the meaning of Section 17 AktG and a part of the United Internet Group. The general legal conditions for this dependent relationship between the Bidder and Drillisch are defined by Sections 311 ff. AktG. Measures that are prejudicial to Drillisch may be instituted by the Bidder if the prejudice is compensated. That can lead in the long term to a weakening of the business and of the earning power of the Drillisch Group.
- Even if the Bidder does not acquire any further shares in the course of the Offer, United Internet is expected on account of its equity interest after the Capital Increase in Kind II to have the necessary qualified majority, depending on the attendance rates at future general meetings, to adopt specific structural measures under stock corporation law or other resolutions of considerable importance at the general meeting of Drillisch. The Bidder points out in the Offer Document that it does not intend (and is required to that effect under certain conditions under the terms of the Business Combination Agreement) to implement structural measures of this kind; it cannot be ruled out, however, that the Bidder of United Internet might reconsider this approach in the future.
- Some of the structural measures specified above (see VI.1.6 and VI.2.5 of this Statement above as well as Section 9.6 of the Offer Document) could lead to an obligation on the part of the Bidder to submit an offer to the minority shareholders in order to acquire their shares in return for payment of a reasonable settlement or to make pay recurring compensation. The statutory compensation payments made to Drillisch Shareholders in connection with structural measures of this kind possibly implemented by the Bidder may be higher or lower than the Offer Price. Although the implementation of a number of structural measures would require the payment of compensation to the Drillisch Shareholders, it cannot be ruled out that measures of this kind could also have a negative impact on the price of the Drillisch Shares.



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- Even if the Bidder has expressed the intention not to implement measures of this kind, it is conceivable, as before, that the Bidder could arrange, after the Offer is completed or at a later date, to the extent permitted by law, for Drillisch to apply for the revocation of the admission of the Drillisch Shares to the regulated market on the Frankfurt Stock Market and to the sub-segment of the regulated market with other post-admission obligations (Prime Standard) on the Frankfurt Stock Market after the conditions necessary for that are fulfilled (delisting). In such a case the Bidder or United Internet would possibly be required by law to publish pursuant to Sections 39(2) Sentence 1 No. 1 of the Börsengesetz (BörsG – German Stock Market Act) a (further) document on an offer to acquire all securities that are the subject matter of the application in accordance with the regulations of the WpÜG. In this case, the Drillisch Shareholders would no longer benefit from the enhanced reporting duties based on a stock market listing and it could consequently be difficult on account of a lack of liquidity in the trade of unlisted shares to sell the shares at economically justifiable prices.
- Should the Bidder hold Drillisch Shares amounting to no less than 95% of the share capital with voting rights of Drillisch after the Offer is completed or within three months from the expiry of the Acceptance Period, the Drillisch Shareholders who have not yet accepted the Offer at this time can subsequently accept the Offer (Section 39c WpÜG).
- Drillisch Shareholders who decide not to accept the Offer will continue to bear the business and other risks relating to Drillisch and in particular the risks described in Section V.3.6 of this Statement. Should these risks materialize, the price of the Drillisch Shares could fall and the Drillisch Shareholders could lose all or some of their investments, which would not have been the case if they had accepted the Offer.

### VIII. OFFICIAL APPROVALS AND PROCEDURES

The Bidder has stated in Section 12 of the Offer Document that the Transaction is subject to merger control proceedings at the Bundeskartellamt (German Federal Cartel Office).

According to the information from the Bidder, the Bundeskartellamt has already issued the clearance for the acquisition of an equity interest of the Bidder in Drillisch in an amount from 25% to 49.9% of the share capital as well as control of the Bidder over Drillisch by letter of May 26, 2015 (Section 37(1) No. 2, No. 3b of the Gesetz gegen Wettbewerbsbeschränkungen (GWB – German Act against Restraints of Competition). On this basis, the completion of the Capital Increase in Kind I does not require clearance from the antitrust authorities. The intended takeover of Drillisch by the Bidder and the implementation of the Capital Increase in Kind II are subject to the notification requirement pursuant to the GWB.

The Bundeskartellamt may prohibit a concentration that has been notified to it only if it informs the notifying companies within a period of one month from receipt of the complete notification (preliminary examination procedures, Phase I) that it has initiated an examination of the concentration (main examination proceedings, Phase II). The main examination proceedings are to be initiated only if a further examination of the concentration is necessary. The examination phase of the main examination proceedings generally ends four months after notification.

The takeover and the Capital Increase in Kind II may be executed only after clearance has been issued or statutory time limits have expired. In accordance with Section 41(1a) GWB, the execution prohibition does not preclude the realization of acquisition transactions where control, shares, or a competitively significant influence within the meaning of Section 37(1) or (2) GWB is or are acquired over the counter from several sellers either by way of a public takeover offer or by way of a number of legal transactions in securities, including securities that can be converted into other securities admitted to trading on a stock exchange or similar market, if the concentration is notified to the Bundeskartellamt pursuant to Section 39 GWB without delay and the acquirer does not exercise the voting rights attached to the shares or exercises them only to preserve the full value of its investment based on an exemption granted by the Bundeskartellamt. According to the information in Section 12.1 of the Offer Document, United Internet does not intend to make use of the exemption pursuant to Section 41(1a) GWB.

The application for the proposed merger was submitted to the Bundeskartellamt on May 12, 2017. The Bidder expects the clearance proceedings under merger control law to be concluded in Phase 1. An examination under merger control law was also already carried out in 2015 in connection with over-the-counter acquisitions made by United Internet. Drillisch shares the expectation of the Bidder and expect it to be possible to complete the Offer and the Capital Increase in Kind II after Phase 1 has been concluded.

**IX. INTERESTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD**

**1. Particular interests of members of the Management Board**

On the date that this Statement is published, the Management Board Spokesman Mr. Vlasios Choulidis holds 400,000 Drillisch Shares. Furthermore, MV Beteiligungs GmbH with its registered office in Gelnhausen, the majority of the shares in which are held jointly by Mr. Vlasios Choulidis and his wife, Marianne Choulidis, and the sole managing director of which is Marianne Choulidis, hold 65,000 Drillisch Shares.

Apart from these equity interests, no other member of the Management Board owns Drillisch Shares.

In the event that Drillisch experiences a change in the shareholding structure of more than 30% (change of control), a part of the non-performance-based remuneration of the Management Board Member Vlasios Choulidis is deemed to have been earned. Mr. Vlasios Choulidis receives a loyalty bonus for each financial year between 2016 and 2018 that he works in the entire period for Drillisch on the basis of his appointment and of his contract of service. Further details on the remuneration of the Management Board and the Supervisory Board can be found in the remuneration report on pages 52 et seqq. of the annual report 2016 of Drillisch (available at <http://www.drillisch.de/investor-relations/berichte>).

**2. Particular interests of members of the Supervisory Board**

As of December 31, 2016, the Chairman of the Supervisory Board Marc Brucherseifer held 1,019,775 Drillisch Shares.

Apart from this equity interest, no other member of the Supervisory Board owns Drillisch Shares.

As former Chief Financial Officer of the Bidder the Supervisory Board member Norbert Lang holds shares in the Bidder.

**3. Agreements with members of the Management Board or the Supervisory Board**

Under the Acceptance Undertaking entered into on May 11, 2017 (see Section II.3 of this Statement above), the parties obligated under the agreement have irrevocably undertaken, if the share of the Bidder in Drillisch would otherwise not reach the 30% threshold, to accept the tender offer under its terms and conditions for a total of up to 575,001 Drillisch Shares. On account of this agreement, the equity interest of United Internet in Drillisch will not fall below 30% even in the event that the conversion right for all Drillisch convertible loans is exercised. The price for Drillisch Shares that are tendered on the basis of the Acceptance Undertaking in the tender offer corresponds to the Offer Price. The Acceptance Undertaking is part of the overall structure of the Transaction as this has been negotiated and agreed between United Internet and Drillisch.

**INTERESTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD**

**4. Absence of non-cash or other benefits in connection with the Offer**

The members of the Management Board and of the Supervisory Board of Drillisch herewith declare that they have acted solely in the interest of Drillisch when issuing this Statement. The Bidder and persons acting in concert with it have not exerted any influence on Drillisch or its executive bodies in connection with the Offer and this Statement.

The members of the Management Board and of the Supervisory Board furthermore declare that no cash benefits or other non-cash benefits have been granted to them in connection with the Offer of the Bidder and nor has the prospect of benefits of this kind been held out to them.

Convenience Translation

**INTENTIONS OF THE MEMBERS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD TO ACCEPT THE OFFER**

**X. INTENTIONS OF THE MEMBERS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD TO ACCEPT THE OFFER**

Marianne and Vlasios Choulidis as well as Marc Brucherseifer intend to accept the Offer only insofar as this is obligatory under the conditions of the irrevocable undertaking as described in more detail in Section II.3 of this Statement and Section 6.7 of the Offer Document. Other than by virtue of this irrevocable undertaking Marc Brucherseifer Vlasios Choulidis and persons closely related to them intend not to accept the Offer with all of the Drillisch Shares that they hold.

According to their own information, other members of the Management Board and of the Supervisory Board do not hold any Drillisch Shares at the time of this Statement.

Convenience Translation

**XI. CONCLUSION OF THE STATEMENT**

Taking into consideration the information in this Statement, the overall circumstances accompanying the Offer, especially the Transaction and the Capital Increase in Kind II, on which the Drillisch Extraordinary General Meeting is to decide, as well as the aims and intentions of the Bidder, the Management Board and the Supervisory Board come to the following final assessment of the Offer:

The Management Board and the Supervisory Board are of the opinion that the Offer Price offered by the Bidder for the Drillisch Shares exceeds the statutory minimum requirements and that, on the basis of a fundamental *stand-alone* assessment, i.e. without taking into consideration the potential for synergy anticipated with the complete execution of the Transaction and possibly already reflected in the current stock market price for shares of Drillisch, is adequate. To examine the adequacy of the Offer Price, in this process they have taken into consideration the statements of the Valuation Report of ValueTrust and in particular also consulted the BofA Fairness Opinion prepared by the financial consultants BofA Merrill Lynch. The Supervisory Board additionally has consulted the PwC Fairness Opinion.

However, the Management Board and the Supervisory Board see in the acquisition of 1&1 Telecommunication by Drillisch and also in the concentration of United Internet and Drillisch considerable added value potential for the Drillisch Shareholders, which they believe can be realized especially by leveraging synergies. The Management Board and Supervisory Board intend synergies in revenues and costs with the completion of the Capital Increase in Kind II, especially from the more efficient use of network capacities available to Drillisch, from the joint purchasing of hardware and services, and from an expansion of the product portfolio with future technologies (see Section VI.2.1 of this Statement above). Drillisch Shareholders who do not accept the Offer and who thus remain invested in Drillisch should, in the opinion of the Management Board and the Supervisory Board, approve the implementation of the Capital Increase in Kind II at the Drillisch Extraordinary General Meeting in accordance with the proposed resolutions of May 12, 2017 and will, if a corresponding resolution is adopted, be able to benefit from these synergies. However, the Management Board and Supervisory Board cannot provide any warranty for the realization of the synergies.

Against the background that, on the one hand, the Management Board and Supervisory Board consider the Offer Price, considered in isolation on the basis of a fundamental stand-alone assessment, to be adequate, but on the other a Transaction (subject to the approval of the Drillisch Extraordinary General Meeting for the Capital Increase in Kind II) has been agreed that may result in significant added value potential which is possibly already reflected in the share price, the Management Board and the Supervisory Board refrain from making a recommendation to the Drillisch Shareholders (so called “neutral” statement).

## CONCLUSION OF THE STATEMENT

Each Drillisch Shareholder must make their own decision on whether to accept or not accept the Offer in due consideration of the overall circumstances, their individual circumstances, their assessment with regard to the probability of the Capital Increase in Kind II being complete, their personal assessment concerning any benefits that may result from the Transaction, the future business performance of Drillisch as an independent company or as part of the United Internet Group as well as the value and the stock market price of the Drillisch Shares which currently exceeds the Offer Price.

The decision to issue this Statement and the above recommendation were adopted unanimously by the Management Board (with no abstentions) and unanimously by the Supervisory Board (with no abstentions) on June 7, 2017.

Subject to compulsory statutory regulations, the Management Board and Supervisory Board do not assume any responsibility in the event that the acceptance or non-acceptance of the Offer should lead to adverse economic impacts for a Drillisch Shareholder.

Maintal, June 7, 2017

**Drillisch Aktiengesellschaft**

**The Management Board**

**The Supervisory Board**

**Annex 1:** Fairness Opinion of Bank of America Merrill Lynch of May 11, 2017

**Annex 2:** Fairness Opinion of PwC of May 23, 2017

**Annex 1**

**Fairness Opinion of Bank of America Merrill Lynch**

Convenience Translation



11 May 2017

CONFIDENTIAL

The Management Board and Supervisory Board  
Drillisch Aktiengesellschaft  
Wilhelm-Röntgen-Straße 1-5  
63477 Maintal  
Germany

Members of the Management and Supervisory Board:

We understand that Drillisch Aktiengesellschaft (“Drillisch”) proposes to enter into a Business Combination Agreement (the “Agreement”), among Drillisch and United Internet AG (“United Internet”), with the purpose of achieving a business combination of Drillisch and 1&1 Telecommunication SE, a wholly owned subsidiary of United Internet, (“1&1 Telecommunication”) via contribution in kind (“Combination”). As an alternative to the Combination United Internet will offer Drillisch shareholders (other than United Internet) the opportunity to tender any shares for cash in a voluntary public tender offer. The transaction includes, among others, the following steps:

- (a) Drillisch will issue 9,062,169 new Drillisch Shares (“Drillisch Shares” means ordinary shares with a notional value of €1.10 per share of Drillisch) to United Internet, in return for a contribution in kind which consists of 7.75% of the issued share capital of 1&1 Telecommunication (the “First Contribution in Kind”);
- (b) Simultaneously with the First Contribution in Kind, United Internet will announce a voluntary public takeover offer (the “Public Offer”) for each outstanding Drillisch Share for a cash consideration of €50.00 per share (the “Public Offer Consideration”); and
- (c) Subject to certain conditions, Drillisch may issue 107,937,831 new Drillisch Shares to United Internet in return for the contribution in kind which consists of 92.25% of the issued share capital of 1&1 Telecommunication (the “Second Contribution in Kind”, the First Contribution in Kind and the Second Contribution in Kind collectively the “Contributions in Kind” and the ratio of Drillisch Shares issued to 1&1 Telecommunication shares received in connection with the Contributions in Kind the “Relative Exchange Ratio”).

The First Contribution in Kind, the Public Offer and the Second Contribution in Kind together represent the “Transaction”.

The terms and conditions of the First Contribution in Kind, Public Offer, Second Contribution in Kind and the Transaction are more fully set forth in the Agreement.

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Zweigniederlassung Frankfurt am Main  
Neue Mainzer Straße 52, D-60311 Frankfurt am Main

VAT No. DE304542889. Registered with the commercial register in Frankfurt am Main (HRB 104800) as a limited liability company under the laws of England and Wales with its seat at 2 King Edward Street, EC1A 1HQ, London, United Kingdom (Company register No. 0100 9248).  
Directors: John (Jim) Gollan (Chairman), Alexander Wilmot-Sitwell (CEO), Jennifer Anne Boussuge, Martin Butler, Bob Elfring, David Francis Guest, Sally Ann James, Bernard Amponsah Mensah, Alice Davey Schroeder, Jennifer M. Taylor, Pierre Jacques Philippe de Weck

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Members of the Management and Supervisory Board  
Drillisch AG  
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You have requested our opinions as to:

- (i) the fairness, from a financial point of view, to Drillisch, of the Relative Exchange Ratio provided for in the Contributions in Kind, and
- (ii) the fairness, from a financial point of view, to the holders of Drillisch Shares (other than United Internet) of the Public Offer Consideration to be received by such holders in the Public Offer.

In connection with this opinions, we have, among other things:

- (a) reviewed certain publicly available business and financial information relating to Drillisch and 1&1 Telecommunication;
- (b) reviewed certain internal financial and operating information with respect to the business, operations and prospects of Drillisch and extrapolated to 2034, furnished to or discussed with us by the Management of Drillisch, including certain financial forecasts relating to Drillisch prepared by the Management of Drillisch (the “Drillisch Forecasts”);
- (c) reviewed certain internal financial and operating information with respect to the business, operations and prospects of 1&1 Telecommunication furnished to or discussed with us by the Management of 1&1 Telecommunication, including certain financial forecasts relating to 1&1 Telecommunication prepared by the Management of 1&1 Telecommunication (the “1&1 Forecasts”);
- (d) reviewed an alternative version of the 1&1 Forecasts extrapolated until 2034 and incorporating certain adjustments thereto made by the Management of Drillisch (the “Adjusted 1&1 Forecasts”) and discussed with the Management of Drillisch its assessments as to the relative likelihood of achieving the future financial results reflected in the 1&1 Forecasts and the Adjusted 1&1 Forecasts;
- (e) reviewed certain estimates as to the amount and timing of cost savings and revenue enhancements (collectively, the “Synergies”) anticipated by the Management of Drillisch and 1&1 Telecommunication to result from the Transaction;
- (f) discussed the past and current business, operations, financial condition and prospects of Drillisch and 1&1 Telecommunication with members of senior Managements of Drillisch, 1&1 Telecommunication and United Internet;
- (g) discussed with the Management of Drillisch the MBA MVNO agreement between Drillisch and Telefónica Deutschland dated 25 June 2014 and amendments to this agreement, and the impact on the valuation of Drillisch, the synergy potential from the transaction, and the impact on the MBA MVNO agreement and amendments to this agreement resulting from the transaction as well as the expected impact on future financial performance and profitability of Drillisch beyond the agreed term of the agreement;
- (h) reviewed the trading history for Drillisch Shares and a comparison of such trading history with the trading histories of other companies we deemed relevant;

C.B.

- (i) compared certain financial information of Drillisch and 1&1 Telecommunication with similar information of other companies we deemed relevant;
- (j) compared certain financial terms of the Transaction to financial terms, to the extent publicly available, of other transactions we deemed relevant;
- (k) reviewed a draft dated 11 May 2017 of the Agreement (the “Draft Agreement”) and other transaction agreements we deemed appropriate;
- (l) reviewed the final draft dated 10 May 2017 of the valuation report prepared on the Relative Exchange Ratio by Value Trust Financial Advisors SE dated for Drillisch in connection with the First and Second Contribution in Kind transactions ; and
- (m) performed such other analyses and studies and considered such other information and factors as we deemed appropriate.

In arriving at our opinions, we have assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the Managements of Drillisch, 1&1 Telecommunication and United Internet that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect.

For the purpose of our opinions, we have relied on the Adjusted 1&1 Forecasts and the Drillisch Forecasts and have assumed, at the direction of Drillisch, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the Management of Drillisch as to the future financial performance of 1&1 Telecommunication and Drillisch and the other matters covered thereby.

We have relied, at the direction of Drillisch, on the assessments of the Managements of Drillisch and 1&1 Telecommunication as to Drillisch’s and 1&1 Telecommunication’s ability to achieve the Synergies, and have assumed, with the consent of Drillisch, that the amount and timing of realization of Synergies will be as projected.

Our assessment of the Relative Exchange Ratio in connection with the Contributions in Kind is based on a stand-alone valuation of Drillisch and 1&1 Telecommunication and also taking into account the Synergies which are expected to result from the business combination.

Our assessment of the fairness of the Public Offer Consideration as expressed under this opinion is based on a stand-alone valuation of Drillisch taking into consideration the interests of those shareholders of Drillisch who have a short-term investment horizon. At the direction of Drillisch, we have assessed the fairness of the Public Offer Consideration independently of whether or not the Second Contribution in Kind is implemented as set forth in the Agreement and irrespective of the Synergies which are expected to result from the business combination so that our assessment under this opinion is limited and qualified accordingly.

With the exception of a valuation report prepared by Value Trust Financial Advisors SE for Drillisch in connection with the Contributions in Kind transactions on the fairness of the Relative Exchange Ratio, we have not made or been provided with any additional independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Drillisch and 1&1 Telecommunication and United

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Members of the Management and Supervisory Board  
Drillisch AG  
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Internet, nor have we made any physical inspection of the properties or assets of Drillisch, 1&1 Telecommunication and United Internet. We have not evaluated the solvency or fair value of Drillisch, 1&1 Telecommunication and United Internet under any laws relating to bankruptcy, insolvency or similar matters. For the purposes of our opinion on the Public Offer Consideration, we have assumed, at the direction of Drillisch, that the First Contribution in Kind and the Public Offer will be completed irrespective of the actual acceptance rate by Drillisch shareholders of the Public Offer but that the Second Contribution in Kind will not be completed; and for the purposes of our opinion on the Relative Exchange Ratio we have assumed, at the direction of Drillisch, that the First Contribution in Kind, Second Contribution in Kind, Public Offer (irrespective of actual acceptance rate of Drillisch shareholders) and the Transaction will be completed; in each case in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory, shareholder and other approvals, consents, releases and waivers for the Transaction, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the business, financial condition, results of operations and prospects of Drillisch or the contemplated benefits expected to be derived from the First Contribution in Kind, Second Contribution in Kind, Public Offer or the Transaction. We also have assumed, at the direction of Drillisch that the final executed Agreement will not differ in any material respect from the Draft Agreement reviewed by us.

We express no view or opinion as to any terms or other aspects of the First Contribution in Kind, Second Contribution in Kind, Public Offer or the Transaction (other than the Public Offer Consideration and the Relative Exchange Ratio to the extent expressly specified herein), including, without limitation, the form or structure of the First Contribution in Kind, Second Contribution in Kind, Public Offer and the Transaction. Further, we express no view or opinion on the achievability or otherwise of, nor have we independently verified, such objectives or the potential benefits to Drillisch that may be anticipated from the Transaction. As you are aware, we were not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of Drillisch. Our opinions are limited to (i) the fairness from a financial point of view, to Drillisch, of the Relative Exchange Ratio in connection with the Contributions in Kind, and (ii) the fairness, from a financial point of view, to the holders of Drillisch Shares (other than United Internet) of the Public Offer Consideration to be received by such holders in the Public Offer, and no opinion or view is expressed with respect to any other part of the Transaction, the Transaction overall, or consideration received in connection with the whole or any part of the Transaction by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Transaction, or class of such persons, relative to the Public Offer Consideration and the Relative Exchange Ratio in connection with the Contributions in Kind. Furthermore, no opinion or view is expressed as to the relative merits of the First Contribution in Kind, Second Contribution in Kind, Public Offer, or the Transaction in comparison to each other or to other strategies or transactions that might be available to Drillisch or in which Drillisch might engage or as to the underlying business decision of Drillisch to proceed with or effect the First Contribution in Kind, Second Contribution in Kind, Public Offer or the Transaction. We are not expressing any opinion as to what the value of Drillisch Shares actually will be when issued or the prices at which Drillisch Shares will trade at any time, including following announcement or consummation of the First Contribution in Kind, Second Contribution in Kind, Public Offer or the Transaction. In addition, we express no opinion or recommendation as to how any shareholder should vote or act in connection with the First Contribution in Kind, Second Contribution in Kind, Public Offer, the Transaction or any related matter.

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Members of the Management and Supervisory Board  
Drillisch AG  
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We are not a legal, regulatory, tax or accounting expert and have relied on the assessment made by Drillisch and its professional advisers with respect to such issues.

Our opinion does not constitute and is not intended to be, nor shall it be interpreted or considered as, a valuation report (*Wertgutachten*) as typically prepared by qualified auditors pursuant to German corporate law requirements (e.g. a company valuation pursuant to the Principles for the Performance of Business Valuations (IDW S1) published by the Institute of German Auditors ("IDW"), including, but not limited to, a company valuation for purposes of the conclusion of a domination and profit and loss transfer agreement), and an expression of fairness from a financial point of view differs in a number of material aspects from such valuation performed by an auditor and from accounting valuations generally. Also, our opinion has not been prepared in accordance with the Principles for the Preparation of Fairness Opinions (IDW S8) published by the IDW or the Standards on Fairness Opinions issued by the DVFA.

Further our opinion may not fulfil the requirements of a fairness opinion issued in connection with a board statement under Section 27 of the German Takeover Act (WpÜG). Also we express no view or opinion as to whether the First Contribution in Kind and/or Second Contribution in Kind complies with the requirements of Section 255(2) German Stock Corporation Act (AktG). This opinion is rather based on a company valuation which is typically created for comparable capital market transactions by investment banks.

We have acted as financial advisor to the Management Board of Drillisch in connection with the Transaction and will receive a fee for our services, a significant portion of which is contingent upon closing of the First Contribution in Kind, and Second Contribution in Kind and announcement of the Public Offer. In addition, Drillisch has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of our engagement. In addition, at the request of the Management Board of Drillisch, we and certain of our affiliates have proposed to arrange financing in connection with the replacement of Drillisch's revolving credit facility, which might become necessary upon announcement of the Transaction, for which services we and our affiliates would receive compensation.

We and our affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment Management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of our businesses, we and our affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or may trade or otherwise structure or effect transactions on a principal basis or on behalf of customers in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Drillisch, United Internet and certain of their respective affiliates.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Drillisch and have received or in the future may receive compensation for the rendering of these services.

In addition, we and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to United Internet and have received or in the future may receive compensation for the rendering of these services.

C.B.

Members of the Management and Supervisory Board  
Drillisch AG  
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It is understood that this letter is for the benefit and use of the Management Board and Supervisory Board of Drillisch (in their capacities as such) in connection with and for purposes of their evaluation of the Public Offer and the Contributions in Kind and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Members of the Management Board and Supervisory Board of Drillisch. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except with our prior written consent in each instance. This opinion is not addressed to and may not be relied upon by any third party including, without limitation, employees, creditors or shareholders of Drillisch.

In the event that we grant our prior written consent to any disclosure, reproduction, dissemination, summary, quotation of, or reference to, this opinion to any other person (each, a "**Third Party Recipient**"), or in the event that this opinion or the opinions contained therein are otherwise disclosed to any Third Party Recipient, neither we nor any of our affiliates assume or will assume any liability or are or will be liable to any such Third Party Recipient, or to any person claiming through any such Third Party Recipient in relation to this opinion or the opinions contained therein. For the avoidance of doubt, no contractual relationship shall exist or arise under any circumstances between any such Third Party Recipient and us or any of our affiliates in relation to this opinion or the opinions contained therein. Furthermore, we have agreed with Drillisch that no such Third Party Recipient is included in the scope of protection of this opinion or the opinions contained therein, even if this opinion or the opinions contained therein have been disclosed to such Third Party Recipient with our prior written consent.

Our opinions are necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect these opinions and the assumptions used in preparing them, and we do not have any obligation to update, revise, or reaffirm these opinions based on circumstances which may occur or come to our attention after the date of this opinion. The issuance of these opinions was approved by our EMEA Fairness Opinion Review Committee.

We have taken the facts, events and circumstances set forth in this opinion, together with our assumptions and qualifications, into account when determining the meaning of "fairness" for the purposes of these opinions. For the purposes of our opinions and in connection with the Transaction, we have not considered the circumstances of individual shareholders.

It is understood that any previous advice that we have rendered or any future advice that we may render to Drillisch on the subject matter of this opinion is governed exclusively by the terms and conditions of this opinion.

Based upon and subject to the foregoing, including the various assumptions, qualifications and limitations set forth herein, we are of the opinion on the date hereof that;

- (i) the Relative Exchange Ratio in connection with the Contributions in Kind is fair, from a financial point of view taking into account the synergies which are expected to result from the business combination, to Drillisch; and
- (ii) the alternative Public Offer Consideration to be received by the holders of Drillisch Shares under the Public Offer is fair, from a financial point of view, based on a stand-alone valuation to those holders of Drillisch Shares (other than United Internet) who have a short-term investment horizon.

Members of the Management and Supervisory Board  
Drillisch AG  
Page 7

Yours faithfully,

*Bank of America Merrill Lynch*

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL  
LIMITED  
FRANKFURT/MAIN BRANCH

*C.B.*

**Annex 2**  
**Fairness Opinion of PwC**

Convenience Translation





PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft  
Moskauer Straße 19, 40227 Düsseldorf

An den Aufsichtsrat der  
Drillisch AG  
Wilhelm-Röntgen-Straße 1-5  
63477 Maintal

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23. Mai 2017

## ***Fairness Opinion nach IDW S 8 Opinion Letter***

Sehr geehrte Damen und Herren,

vor dem Hintergrund des geplanten schrittweisen Erwerbs der 1&1 Telecommunications SE, Montabaur/Deutschland („1&1“) durch die Drillisch AG, Maintal/Deutschland („Drillisch“ oder „Gesellschaft“) gegen Ausgabe von neuen Drillisch-Aktien im Rahmen von zwei Sachkapitalerhöhungen im Mai und Juli 2017 und dem angekündigten Übernahmeangebot der United Internet AG, Montabaur/Deutschland („United Internet“) gegenüber den Aktionären von Drillisch, das auf den Erwerb aller von diesen an Drillisch gehaltenen Aktien gerichtet ist, haben wir im Auftrag des Aufsichtsrats der Drillisch als unabhängiger und unparteiischer Sachverständiger beurteilt, ob das den Sachkapitalerhöhungen zugrundeliegende Austauschverhältnis von Drillisch-Aktien für 1&1-Aktien und die für Drillisch-Aktien angebotene Gegenleistung in Höhe von € 50,0 je Aktie der Gesellschaft (im Folgenden auch „Angebotspreis“ genannt) finanziell angemessen i.S.d. IDW Standards: Grundsätze für die Erstellung von Fairness Opinions (IDW S 8) sind. Unsere Analyse hat sich auch darauf zu erstrecken, ob der Ausgabebetrag der neuen Aktien nicht unangemessen niedrig im Sinne von § 255 Abs. 2 AktG ist.

Unsere Beurteilung dient ausschließlich zur Information des Aufsichtsrats der Gesellschaft im Zusammenhang mit seiner Entscheidung zur Ausnutzung des Genehmigten Kapitals 2014/I im Rahmen der ersten Sachkapitalerhöhung und der Erstellung einer Stellungnahme gemäß § 27 WpÜG. Sie ersetzt keine eigenständige Würdigung des Austauschverhältnisses und/oder des Angebotspreises durch die Organe der Gesellschaft. Sie enthält keine Empfehlung zur Zustimmung oder Ablehnung des Angebots oder das Genehmigte Kapital auszunutzen. Ebenso umfasst sie keine Beurteilung, ob die Stellungnahme nach § 27 WpÜG vollständig und richtig ist, und ob Transaktionsbedingungen den rechtlichen Anforderungen entsprechen.

Wir haben unsere Beurteilung unter Beachtung des IDW S 8 vorgenommen. Danach ist es unsere Aufgabe, unter Beachtung der in IDW S 8 dargestellten Verfahren zu beurteilen, ob die angebotene

...

Gegenleistung und das Austauschverhältnis finanziell angemessen i.S.d. IDW S 8 sind. Wir haben diesbezüglich den Veräußerungsfall gem. Tz 41 ff. des IDW S 8 unterstellt.

Nicht Gegenstand unserer Tätigkeit nach IDW S 8 ist die Prüfung oder prüferische Durchsicht der uns von der Gesellschaft oder Dritten vorgelegten Informationen.

Unserem Auftragsverhältnis mit der Gesellschaft liegen die beigefügten Allgemeinen Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften in der Fassung vom 01. Januar 2017 zugrunde.

### **1. Angemessenheit des Angebotspreises und des Austauschverhältnisses i.S. dieser Fairness Opinion**

Der Begriff der Angemessenheit ist im Wertpapiererwerbs- und Übernahmegesetz nicht definiert. Entsprechend dem IDW S 8 liegt finanzielle Angemessenheit dann vor, wenn die angebotene Gegenleistung pro Anteil innerhalb einer Bandbreite von kapitalwertorientiert ermittelten Werten und zum Vergleich herangezogenen Transaktionspreisen des entsprechenden Anteils liegt.

### **2. Beurteilungsstichtage**

Beurteilungsstichtage sind der 11. Mai 2017 sowie der 25. Juli 2017.

### **3. Auftragsdurchführung und Informationsgrundlage**

Wir haben unsere Arbeiten vom 27. April bis zum 23. Mai 2017 in unserem Büro in Düsseldorf durchgeführt. Im Rahmen der Auftragsdurchführung haben wir Zugang zu zwei elektronischen Datenräumen gehabt und verschiedene Gespräche mit dem Vorstand der Gesellschaft und mit von ihm benannten Auskunftspersonen geführt.

Schwerpunkte der Gespräche waren die Einschätzungen der Gesellschaft über den bisherigen Geschäftsverlauf sowie über die künftige Entwicklung und die darauf basierende Planung der Gesellschaft und der 1&1.

Wir weisen darauf hin, dass die Erstellung der Planung, einschließlich der ihr zugrunde liegenden Faktoren und Annahmen, ausschließlich in der Verantwortung der Gesellschaft und der 1&1 liegt. Als wesentliche Unterlagen wurden uns folgende Dokumente zur Verfügung gestellt:

- Prüfungsberichte zu den testierten Jahresabschlüssen der Drillisch 2015 und 2016 und der United Internet 2015 und 2016,
- Unternehmensplanungen der Drillisch und der 1&1 2017 bis 2021,
- ergänzende Informationen zur Unternehmensplanung und der wirtschaftlichen Situation der Drillisch und der 1&1 sowie sonstigen, im Rahmen der Beurteilung der finanziellen Angemessenheit des Angebots von United Internet relevanten Sachverhalten.

Darüber hinaus haben wir bei unserer Tätigkeit folgende (öffentlich) verfügbare Informationen berücksichtigt: Analysen und Stellungnahmen von Finanzanalysten und Kreditinstituten, beobachtete Übernahmepremien bei vergleichbaren Unternehmen und Transaktionen sowie Markt- und Wettbewerbsuntersuchungen.

#### **4. Maßstäbe für die Beurteilung der finanziellen Angemessenheit**

Zur Bestimmung der Bandbreite von kapitalwertorientiert ermittelten Werten und zum Vergleich herangezogenen Transaktionspreisen (Maßstabsfunktion), die der Beurteilung der Angemessenheit zugrunde liegt, haben wir folgende Verfahren angewendet:

##### **4.1. Kapitalwertorientiertes Verfahren**

Als kapitalwertorientiertes Verfahren haben wir ein Discounted Cash Flow-Verfahren angewendet. Bei Anwendung des Discounted Cash Flow-Verfahrens wird der Unternehmenswert durch Diskontierung von Cashflows ermittelt. Als relevante Cashflows wurden die aus der Unternehmensplanung abgeleiteten Kapitalflüsse zugrunde gelegt.

Grundlage unserer Tätigkeit waren die uns zur Verfügung gestellten Planungen der Gesellschaft und von 1&1 mit Stand vom April 2017. Diese haben wir nach Maßgabe des IDW S 8 analysiert. Die Diskontierung der bewertungsrelevanten Überschussgröße erfolgte mit einem laufzeit- und risikoäquivalenten Kapitalisierungszinssatz.

##### **4.2. Marktpreisorientiertes Verfahren**

Als marktpreisorientiertes Verfahren haben wir das Multiplikatorverfahren auf Basis von Kennzahlen vergleichbarer börsennotierter Unternehmen (sog. Trading-Multiplikatoren) angewendet.

Bei Anwendung von auf Kennzahlen vergleichbarer börsennotierter Unternehmen (sog. Trading-Multiplikatoren) aufbauenden Preisfindungsverfahren ergibt sich der Transaktionspreis als Produkt einer als repräsentativ und nachhaltig zu erachtenden Ergebnisgröße der Gesellschaft mit dem Ergebnismultiplikator der Vergleichsunternehmen. Der Multiplikator leitet sich aus dem Verhältnis von Marktpreis zu der Ergebnisgröße der Vergleichsunternehmen ab.

##### **4.3. Analyse weiterer kapital- und transaktionsmarktbezogener Informationen**

Ergänzend haben wir folgende weitere kapital- und transaktionsmarktbezogene Informationen analysiert:

###### **4.3.1. Börsenkurs**

Als weitere kapitalmarktbezogene Information haben wir den Börsenkurs der Aktien der Gesellschaft und der United Internet in unsere Beurteilung einbezogen.

Aufgrund der möglichen Beeinflussung des Börsenkurses durch den Angebotsprozess haben wir den Börsenkurs für verschiedene Zeiträume analysiert. Dabei wurden die Regelungen der WpÜGAngebV beachtet. Sonderfaktoren, die Einfluss auf den Kursverlauf haben können, wurden in der Analyse gewürdigt.

#### **4.3.2. Zielaktienkurse**

Als weitere Information haben wir die Kursziele, die von Finanzanalysten in Bezug auf den Börsenkurs der Aktien der Gesellschaft im Zeitraum vom Februar bis April 2017 veröffentlicht wurden, analysiert.

#### **4.3.3. Analyse sonstiger Informationen**

Sonstige Informationen, die für die Bestimmung der Bandbreite von Transaktionspreisen berücksichtigt wurden, sind Analysen und Stellungnahmen von Finanzanalysten und Kreditinstituten, beobachtete Übernahmeprämien bei vergleichbaren Unternehmen und Transaktionen und Markt- und Wettbewerbsuntersuchungen.

#### **5. Zusammenfassende Stellungnahme**

Das Austauschverhältnis sowie der Angebotspreis wurden von uns auf ihre Angemessenheit auf der Basis von *stand-alone* Bewertungen ohne Berücksichtigung möglicher Synergien in Folge der Einbringung der 1&1 in die Drillisch beurteilt.

Auf Grundlage der von uns unter Beachtung des IDW S 8 durchgeführten Tätigkeiten sind wir der Ansicht, dass die angebotene Gegenleistung in Höhe von € 50,0 je Aktie der Drillisch AG, sowie das Austauschverhältnis von 967 Drillisch Aktien für eine 1&1 Aktie finanziell angemessen i.S.d. IDW S 8 sind.

Mit freundlichen Grüßen

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft



Werner Ballhaus  
Wirtschaftsprüfer



ppa. Jari Sengera

#### **Anlage**

Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften vom 1. Januar 2017

## Allgemeine Auftragsbedingungen

für  
Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften  
vom 1. Januar 2017

### 1. Geltungsbereich

(1) Die Auftragsbedingungen gelten für Verträge zwischen Wirtschaftsprüfern oder Wirtschaftsprüfungsgesellschaften (im Nachstehenden zusammenfassend „Wirtschaftsprüfer“ genannt) und ihren Auftraggebern über Prüfungen, Steuerberatung, Beratungen in wirtschaftlichen Angelegenheiten und sonstige Aufträge, soweit nicht etwas anderes ausdrücklich schriftlich vereinbart oder gesetzlich zwingend vorgeschrieben ist.

(2) Dritte können nur dann Ansprüche aus dem Vertrag zwischen Wirtschaftsprüfer und Auftraggeber herleiten, wenn dies ausdrücklich vereinbart ist oder sich aus zwingenden gesetzlichen Regelungen ergibt. Im Hinblick auf solche Ansprüche gelten diese Auftragsbedingungen auch diesen Dritten gegenüber.

### 2. Umfang und Ausführung des Auftrags

(1) Gegenstand des Auftrags ist die vereinbarte Leistung, nicht ein bestimmter wirtschaftlicher Erfolg. Der Auftrag wird nach den Grundsätzen ordnungsmäßiger Berufsausübung ausgeführt. Der Wirtschaftsprüfer übernimmt im Zusammenhang mit seinen Leistungen keine Aufgaben der Geschäftsführung. Der Wirtschaftsprüfer ist für die Nutzung oder Umsetzung der Ergebnisse seiner Leistungen nicht verantwortlich. Der Wirtschaftsprüfer ist berechtigt, sich zur Durchführung des Auftrags sachverständiger Personen zu bedienen.

(2) Die Berücksichtigung ausländischen Rechts bedarf – außer bei betriebswirtschaftlichen Prüfungen – der ausdrücklichen schriftlichen Vereinbarung.

(3) Ändert sich die Sach- oder Rechtslage nach Abgabe der abschließenden beruflichen Äußerung, so ist der Wirtschaftsprüfer nicht verpflichtet, den Auftraggeber auf Änderungen oder sich daraus ergebende Folgerungen hinzuweisen.

### 3. Mitwirkungspflichten des Auftraggebers

(1) Der Auftraggeber hat dafür zu sorgen, dass dem Wirtschaftsprüfer alle für die Ausführung des Auftrags notwendigen Unterlagen und weiteren Informationen rechtzeitig übermittelt werden und ihm von allen Vorgängen und Umständen Kenntnis gegeben wird, die für die Ausführung des Auftrags von Bedeutung sein können. Dies gilt auch für die Unterlagen und weiteren Informationen, Vorgänge und Umstände, die erst während der Tätigkeit des Wirtschaftsprüfers bekannt werden. Der Auftraggeber wird dem Wirtschaftsprüfer geeignete Auskunftspersonen benennen.

(2) Auf Verlangen des Wirtschaftsprüfers hat der Auftraggeber die Vollständigkeit der vorgelegten Unterlagen und der weiteren Informationen sowie der gegebenen Auskünfte und Erklärungen in einer vom Wirtschaftsprüfer formulierten schriftlichen Erklärung zu bestätigen.

### 4. Sicherung der Unabhängigkeit

(1) Der Auftraggeber hat alles zu unterlassen, was die Unabhängigkeit der Mitarbeiter des Wirtschaftsprüfers gefährdet. Dies gilt für die Dauer des Auftragsverhältnisses insbesondere für Angebote auf Anstellung oder Übernahme von Organfunktionen und für Angebote, Aufträge auf eigene Rechnung zu übernehmen.

(2) Sollte die Durchführung des Auftrags die Unabhängigkeit des Wirtschaftsprüfers, die der mit ihm verbundenen Unternehmen, seiner Netzwerkunternehmen oder solcher mit ihm assoziierten Unternehmen, auf die die Unabhängigkeitsvorschriften in gleicher Weise Anwendung finden wie auf den Wirtschaftsprüfer, in anderen Auftragsverhältnissen beeinträchtigen, ist der Wirtschaftsprüfer zur außerordentlichen Kündigung des Auftrags berechtigt.

### 6. Berichterstattung und mündliche Auskünfte

Soweit der Wirtschaftsprüfer Ergebnisse im Rahmen der Bearbeitung des Auftrags schriftlich darzustellen hat, ist alleine diese schriftliche Darstellung maßgebend. Einwürfe schriftlicher Darstellungen sind unverbindlich. Sofern nicht anders vereinbart, sind mündliche Erklärungen und Auskünfte des Wirtschaftsprüfers nur dann verbindlich, wenn sie schriftlich bestätigt werden. Erklärungen und Auskünfte des Wirtschaftsprüfers außerhalb des erteilten Auftrags sind stets unverbindlich.

### 8. Weitergabe einer beruflichen Äußerung des Wirtschaftsprüfers

(1) Die Weitergabe beruflicher Äußerungen des Wirtschaftsprüfers (Arbeitsergebnisse oder Auszüge von Arbeitsergebnissen – sei es im Entwurf oder in der Endfassung) oder die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber an einen Dritten bedarf der schriftlichen Zustimmung des Wirtschaftsprüfers, es sei denn, der Auftraggeber ist zur Weitergabe oder Information aufgrund eines Gesetzes oder einer behördlichen Anordnung verpflichtet.

(2) Die Verwendung beruflicher Äußerungen des Wirtschaftsprüfers und die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber zu Werbezwecken durch den Auftraggeber sind unzulässig.

### 7. Mängelbeseitigung

(1) Bei etwaigen Mängeln hat der Auftraggeber Anspruch auf Nacherfüllung durch den Wirtschaftsprüfer. Nur bei Fehlschlägen, Unterlassen bzw. unrechtmäßiger Verweigerung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung kann er die Vergütung mindern oder vom Vertrag zurücktreten; ist der Auftrag nicht von einem Verbraucher erteilt worden, so kann der Auftraggeber wegen eines Mangels nur dann vom Vertrag zurücktreten, wenn die erbrachte Leistung wegen Fehlschlagens, Unterlassung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung für ihn ohne Interesse ist. Soweit darüber hinaus Schadensersatzansprüche bestehen, gilt Nr. 9.

(2) Der Anspruch auf Beseitigung von Mängeln muss vom Auftraggeber unverzüglich in Textform geltend gemacht werden. Ansprüche nach Abs. 1, die nicht auf einer vorsätzlichen Handlung beruhen, verjähren nach Ablauf eines Jahres ab dem gesetzlichen Verjährungsbeginn.

(3) Offenbare Unrichtigkeiten, wie z.B. Schreibfehler, Rechenfehler und formelle Mängel, die in einer beruflichen Äußerung (Bericht, Gutachten und dgl.) des Wirtschaftsprüfers enthalten sind, können jederzeit vom Wirtschaftsprüfer auch Dritten gegenüber berichtigt werden. Unrichtigkeiten, die geeignet sind, in der beruflichen Äußerung des Wirtschaftsprüfers enthaltene Ergebnisse infrage zu stellen, berechtigen diesen, die Äußerung auch Dritten gegenüber zurückzunehmen. In den vorgenannten Fällen ist der Auftraggeber vom Wirtschaftsprüfer tunlichst vorher zu hören.

### 8. Schweigepflicht gegenüber Dritten, Datenschutz

(1) Der Wirtschaftsprüfer ist nach Maßgabe der Gesetze (§ 323 Abs. 1 HGB, § 43 WPO, § 203 StGB) verpflichtet, über Tatsachen und Umstände, die ihm bei seiner Berufstätigkeit anvertraut oder bekannt werden, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn von dieser Schweigepflicht entbindet.

(2) Der Wirtschaftsprüfer wird bei der Verarbeitung von personenbezogenen Daten die nationalen und europarechtlichen Regelungen zum Datenschutz beachten.

### 9. Haftung

(1) Für gesetzlich vorgeschriebene Leistungen des Wirtschaftsprüfers, insbesondere Prüfungen, gelten die jeweils anzuwendenden gesetzlichen Haftungsbeschränkungen, insbesondere die Haftungsbeschränkung des § 323 Abs. 2 HGB.

(2) Sofern weder eine gesetzliche Haftungsbeschränkung Anwendung findet noch eine einzelvertragliche Haftungsbeschränkung besteht, ist die Haftung des Wirtschaftsprüfers für Schadensersatzansprüche jeder Art, mit Ausnahme von Schäden aus der Verletzung von Leben, Körper und Gesundheit, sowie von Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen, bei einem fahrlässig verursachten einzelnen Schadensfall gemäß § 54a Abs. 1 Nr. 2 WPO auf 4 Mio. € beschränkt.

(3) Einreden und Einwendungen aus dem Vertragsverhältnis mit dem Auftraggeber stehen dem Wirtschaftsprüfer auch gegenüber Dritten zu.

(4) Leiten mehrere Anspruchsteller aus dem mit dem Wirtschaftsprüfer bestehenden Vertragsverhältnis Ansprüche aus einer fahrlässigen Pflichtverletzung des Wirtschaftsprüfers her, gilt der in Abs. 2 genannte Höchstbetrag für die betreffenden Ansprüche aller Anspruchsteller insgesamt.

(5) Ein einzelner Schadenfall im Sinne von Abs. 2 ist auch bezüglich eines aus mehreren Pflichtverletzungen stammenden einheitlichen Schadens gegeben. Der einzelne Schadenfall umfasst sämtliche Folgen einer Pflichtverletzung ohne Rücksicht darauf, ob Schäden in einem oder in mehreren aufeinanderfolgenden Jahren entstanden sind. Dabei gilt mehrfaches auf gleicher oder gleichartiger Fehlerquelle beruhendes Tun oder Unterlassen als einheitliche Pflichtverletzung, wenn die betreffenden Angelegenheiten miteinander in rechtlichem oder wirtschaftlichem Zusammenhang stehen. In diesem Fall kann der Wirtschaftsprüfer nur bis zur Höhe von 5 Mio. € in Anspruch genommen werden. Die Begrenzung auf das Fünffache der Mindestvergütungssumme gilt nicht bei gesetzlich vorgeschriebenen Pflichtprüfungen.

(6) Ein Schadensersatzanspruch erlischt, wenn nicht innerhalb von sechs Monaten nach der schriftlichen Ablehnung der Ersatzleistung Klage erhoben wird und der Auftraggeber auf diese Folge hingewiesen wurde. Dies gilt nicht für Schadensersatzansprüche, die auf vorsätzliches Verhalten zurückzuführen sind, sowie bei einer schuldhaften Verletzung von Leben, Körper oder Gesundheit sowie bei Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen. Das Recht, die Einrede der Verjährung geltend zu machen, bleibt unberührt.

#### 10. Ergänzende Bestimmungen für Prüfungsaufträge

(1) Ändert der Auftraggeber nachträglich den durch den Wirtschaftsprüfer geprüften und mit einem Bestätigungsvermerk versehenen Abschluss oder Lagebericht, darf er diesen Bestätigungsvermerk nicht weiterverwenden.

Hat der Wirtschaftsprüfer einen Bestätigungsvermerk nicht erteilt, so ist ein Hinweis auf die durch den Wirtschaftsprüfer durchgeführte Prüfung im Lagebericht oder an anderer für die Öffentlichkeit bestimmter Stelle nur mit schriftlicher Einwilligung des Wirtschaftsprüfers und mit dem von ihm genehmigten Wortlaut zulässig.

(2) Widerruft der Wirtschaftsprüfer den Bestätigungsvermerk, so darf der Bestätigungsvermerk nicht weiterverwendet werden. Hat der Auftraggeber den Bestätigungsvermerk bereits verwendet, so hat er auf Verlangen des Wirtschaftsprüfers den Widerruf bekanntzugeben.

(3) Der Auftraggeber hat Anspruch auf fünf Berichtsausfertigungen. Weitere Ausfertigungen werden besonders in Rechnung gestellt.

#### 11. Ergänzende Bestimmungen für Hilfeleistung in Steuersachen

(1) Der Wirtschaftsprüfer ist berechtigt, sowohl bei der Beratung in steuerlichen Einzelfragen als auch im Falle der Dauerberatung die vom Auftraggeber genannten Tatsachen, insbesondere Zahlenangaben, als richtig und vollständig zugrunde zu legen; dies gilt auch für Buchführungsaufträge. Er hat jedoch den Auftraggeber auf vom ihm festgestellte Unrichtigkeiten hinzuweisen.

(2) Der Steuerberatungsauftrag umfasst nicht die zur Wahrung von Fristen erforderlichen Handlungen, es sei denn, dass der Wirtschaftsprüfer hierzu ausdrücklich den Auftrag übernommen hat. In diesem Fall hat der Auftraggeber dem Wirtschaftsprüfer alle für die Wahrung von Fristen wesentlichen Unterlagen, insbesondere Steuerbescheide, so rechtzeitig vorzulegen, dass dem Wirtschaftsprüfer eine angemessene Bearbeitungszeit zur Verfügung steht.

(3) Mangels einer anderweitigen schriftlichen Vereinbarung umfasst die laufende Steuerberatung folgende, in die Vertragsdauer fallenden Tätigkeiten:

- a) Ausarbeitung der Jahressteuererklärungen für die Einkommensteuer, Körperschaftsteuer und Gewerbesteuer sowie der Vermögensteuererklärungen, und zwar auf Grund der vom Auftraggeber vorzulegenden Jahresabschlüsse und sonstiger für die Besteuerung erforderlicher Aufstellungen und Nachweise
- b) Nachprüfung von Steuerbescheiden zu den unter a) genannten Steuern
- c) Verhandlungen mit den Finanzbehörden im Zusammenhang mit den unter a) und b) genannten Erklärungen und Bescheiden
- d) Mitwirkung bei Betriebsprüfungen und Auswertung der Ergebnisse von Betriebsprüfungen hinsichtlich der unter a) genannten Steuern
- e) Mitwirkung in Einspruchs- und Beschwerdeverfahren hinsichtlich der unter a) genannten Steuern.

Der Wirtschaftsprüfer berücksichtigt bei den vorgenannten Aufgaben die wesentliche veröffentlichte Rechtsprechung und Verwaltungsauffassung.

(4) Erhält der Wirtschaftsprüfer für die laufende Steuerberatung ein Pauschalhonorar, so sind mangels anderweitiger schriftlicher Vereinbarungen die unter Abs. 3 Buchst. d) und e) genannten Tätigkeiten gesondert zu honorieren.

(5) Sofern der Wirtschaftsprüfer auch Steuerberater ist und die Steuerberatervergütungsverordnung für die Bemessung der Vergütung anzuwenden ist, kann eine höhere oder niedrigere als die gesetzliche Vergütung in Textform vereinbart werden.

(6) Die Bearbeitung besonderer Einzelfragen der Einkommensteuer, Körperschaftsteuer, Gewerbesteuer, Einheitsbewertung und Vermögensteuer sowie aller Fragen der Umsatzsteuer, Lohnsteuer, sonstigen Steuern und Abgaben erfolgt auf Grund eines besonderen Auftrags. Dies gilt auch für

- a) die Bearbeitung einmalig anfallender Steuerangelegenheiten, z.B. auf dem Gebiet der Erbschaftsteuer, Kapitalverkehrssteuer, Grunderwerbsteuer,
- b) die Mitwirkung und Vertretung in Verfahren vor den Gerichten der Finanz- und der Verwaltungsgerichtsbarkeit sowie in Steuerstrafsachen,
- c) die beratende und gutachtliche Tätigkeit im Zusammenhang mit Umwandlungen, Kapitalerhöhung und -herabsetzung, Sanierung, Eintritt und Ausscheiden eines Gesellschafters, Betriebsveräußerung, Liquidation und dergleichen und
- d) die Unterstützung bei der Erfüllung von Anzeig- und Dokumentationspflichten.

(7) Soweit auch die Ausarbeitung der Umsatzsteuerjahreserklärung als zusätzliche Tätigkeit übernommen wird, gehört dazu nicht die Überprüfung etwaiger besonderer buchmäßiger Voraussetzungen sowie die Frage, ob alle in Betracht kommenden umsatzsteuerrechtlichen Vergünstigungen wahrgenommen worden sind. Eine Gewähr für die vollständige Erfassung der Unterlagen zur Geltendmachung des Vorsteuerabzugs wird nicht übernommen.

#### 12. Elektronische Kommunikation

Die Kommunikation zwischen dem Wirtschaftsprüfer und dem Auftraggeber kann auch per E-Mail erfolgen. Soweit der Auftraggeber eine Kommunikation per E-Mail nicht wünscht oder besondere Sicherheitsanforderungen stellt, wie etwa die Verschlüsselung von E-Mails, wird der Auftraggeber den Wirtschaftsprüfer entsprechend in Textform informieren.

#### 13. Vergütung

(1) Der Wirtschaftsprüfer hat neben seiner Gebühren- oder Honorarforderung Anspruch auf Erstattung seiner Auslagen; die Umsatzsteuer wird zusätzlich berechnet. Er kann angemessene Vorschüsse auf Vergütung und Auslagensersatz verlangen und die Auslieferung seiner Leistung von der vollen Befriedigung seiner Ansprüche abhängig machen. Mehrere Auftraggeber haften als Gesamtschuldner.

(2) Ist der Auftraggeber kein Verbraucher, so ist eine Aufrechnung gegen Forderungen des Wirtschaftsprüfers auf Vergütung und Auslagensersatz nur mit unbestrittenen oder rechtskräftig festgestellten Forderungen zulässig.

#### 14. Streitbeilegungen

Der Wirtschaftsprüfer ist nicht bereit, an Streitbelegungsverfahren vor einer Verbraucherschlichtungsstelle im Sinne des § 2 des Verbraucherstreitbelegungsgesetzes teilzunehmen.

#### 15. Anzuwendendes Recht

Für den Auftrag, seine Durchführung und die sich hieraus ergebenden Ansprüche gilt nur deutsches Recht.