



EANS-Adhoc: freenet AG
freenet AG increases earnings, lowers debt in Q1/2010

11.05.2010 - 07:37 Uhr, freenet AG

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3-month report

11.05.2010

freenet AG increases earnings, lowers debt in Q1/2010

- Revenue totals 806.1 million euros
- Recurring EBITDA reaches 78.2 million euros
- Group result of 20.8 million euros
- 91.4 million euros in cash flow from operating activities
- Net debt reduced by 89.1 million euros to 700.7 million euros

Büdelndorf, 11 May 2010 - freenet AG was able to improve the profitability of its Mobile Communications segment in the first quarter of the year, thanks to the restructuring progress made to date. First-quarter recurring EBITDA (earnings before interest, taxes and depreciation/amortisation) in the Mobile Communications segment - adjusted for one-off items - increased by 6.3 percent year-on-year from 71.6 million euros to 76.1 million euros, even though revenue in this segment is declining at freenet as well as across the market. Group third-party revenue for Q1/2010 came to 806.1 million euros. The Mobile Communications segment contributed 782.8 million euros to total segment revenue, or almost 97 percent. Revenue from the Portal, Narrowband and B2B Services businesses is combined in the segment report under Other revenue; it was down by 40.1 percent vs. Q1/2009, from 43.9 million euros to 26.3 million euros. Group revenue for the first quarter 2009 amounted to 888.0 million euros. At 20.6 percent, the gross profit margin for Q1/2010 remained on par year-on-year. Group EBITDA came to 70.8 million euros, compared with 75.4 million euros in Q1/2009. This includes restructuring-related one-off items in the amount of 7.4 million euros, of which 6.5 million euros were incurred in Mobile Communications. In Q1/2009 the one-off items were incurred only in the Mobile Communications segment and burdened EBITDA by 4.7 million euros. Recurring EBITDA for Q1/2010 - adjusted for one-off items - came to 78.2 million euros, vs. 80.1 million euros in Q1/2009. The Group generated pre-tax earnings (EBT) of 9.9 million euros in the first quarter of 2010, compared with a loss of -6.4 million euros in Q1/2009.

The Group result from continued operations for Q1/2010 surged by 112.0 percent to 15.0 million euros, compared with 7.1 million euros in Q1/2009. The Group result from discontinued operations improved - mainly thanks to profits from the sale of the DSL business - from -6.5 million euros in Q1/2009 to 5.7 million euros in Q1/2010. On balance, this yields a first-quarter Group result of 20.8 million euros - up by 20.2 million euros year-on-year. In Q1/2010, cash flow from operating activities came to 91.4 million euros, and net debt was reduced by 89.1 million euros to 700.7 million euros.

@@start.t2@@|Important KPI's of freenet Group
Accounting method: IAS/IFRS

Overview Group	Q1/2010	Q1/2009 adjusted*	Q4/2009**
Result in EUR million			
Third-party revenue	806.1	888.0	941.1
Gross profit	165.9	186.0	208.8
EBITDA	70.8	75.4	100.6

EBITDA recurring	78.2	80.1	120.9
EBIT	23.3	23.5	48.1
EBT	9.9	-6.4	27.5
Group result from continued operations	15.0	7.1	11.9
Group result from discontinued operations	5.7	-6.5	232.6
Group result	20.8	0.6	244.4
Overview Mobile Communications segment	Q1/2010	Q1/2009	Q4/2009**
Customer development in million			
Mobile Communications customers	17.15	18.53	17.58
Thereof contract customers (excluding no-frills customers)	6.84	7.43	6.98
Thereof prepaid customers	8.50	9.92	9.15
Thereof no-frills customers***	1.81	1.18	1.45
Result in EUR million			
Revenue	782.8	847.3	907.2
Gross profit	151.2	169.4	191.6
EBITDA	69.6	66.9	97.9
EBITDA-adjusted / recurring	76.1	71.6	113.0
EBIT	25.0	19.5	50.2
EBIT-adjusted / recurring	31.6	24.2	65.3
Monthly average revenue per user (ARPU) in EUR			
Contract customer (excluding no-frills)	22.8	23.9	24.1
Prepaid customer	2.9	2.8	3.1
No-frills customer***	4.5	5.3	5.3

* The comparison figures have been adjusted retrospectively due to IFRS 5 (presentation of the STRATO Group as a discontinued operation). Furthermore retrospective reclassifications were made within the income statement items relating to continued operations because the contract between freenet AG and 1&1 Internet AG regarding the sale of the DSL business has now been signed. In addition, another retrospective adjustment was made with regard to including the DSL distribution unit in the discontinued operation "DSL Business".

** The data can only be compared to a limited degree due to the seasonality in the mobile communications business.

*** Starting in Q1/2010 including prepaid.@@end@@

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ots Originaltext: freenet AG

Im Internet recherchierbar: <http://www.presseportal.ch>

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ISIN: DE000A0Z2ZZ5

WKN: A0Z2ZZ

Index: Midcap Market Index, TecDAX, CDAX, HDAX, Prime All Share, Technology All Share

Börsen: Frankfurt / regulated dealing/prime standard

Berlin / free trade

Hamburg / free trade

Stuttgart / free trade

Düsseldorf / free trade

Hannover / free trade

München / free trade

Originaltext:

freenet AG

ISIN:

DE000A0EAMM0

Medienmappe:

<http://www.presseportal.ch/de/pm/100012008/freenet-ag>

Medienmappe als RSS:

http://presseportal.de/rss/pm_100012008.rss2