



inexio and Warburg Pincus Partner to Accelerate Next-Generation Broadband Build-Out in Germany

Warburg Pincus to Provide Growth Investment to Fund Infrastructure Development

Deutsche Beteiligungs AG also Increasing its Investment in inexio

London, Saarlouis, June 7th 2016

inexio KGaA (“inexio” or “the Company”), a fast growing provider of fibre-based internet access services in Germany, today announced that an affiliate of Warburg Pincus, a global private equity firm focused on growth investing, has entered into an agreement to acquire a majority stake and provide funding for the future growth and development of the business. The total enterprise value of the transaction is approximately €250 million. Deutsche Beteiligungs AG (“DBAG”), investor in inexio since 2013, is also participating in this capital increase.

inexio is a fast-growing service provider in the German telecommunication services market, providing fibre-based access services to business and residential customers. The Company benefits from the growing demand for high speed access driven by increasing video consumption in the consumer segment as well as strong demand for fibre connectivity for SME customers and cellphone towers. Supported by these trends, inexio has grown at an annual revenue growth rate of 34 percent from 2011-2015. Going forward, inexio is poised for continued strong growth, supporting the Federal Government in pursuit of its target to connect all German households with fast broadband of at least 50 Mbit/s by 2018. The successful and proven management team of inexio, led by Chief Executive Officer and founder David Zimmer, will stay on-board and lead the next phase in inexio’s development.

Mr Zimmer commented, “We see a tremendous growth opportunity for inexio: the demand for fast next generation internet access in Germany is large and rapidly growing as a result of the explosion in data consumption. With the support of Warburg Pincus, inexio will further accelerate its growth and invest in the roll-out of our network, providing high speed internet access that businesses and consumers across Germany can rely on. We also believe that with close to 150 access providers in Germany today, there is a compelling opportunity for us to take a lead in consolidating the industry.”

René Obermann, Managing Director at Warburg Pincus commented, “We love to work with great entrepreneurs and are delighted to be backing David Zimmer and his management team, who have built inexio from scratch to one of the fastest growing communication service providers in Germany today. Across Germany and Europe, there is an urgent need for capital to fund the development of ubiquitous digital highways. Together, inexio and Warburg Pincus



will play an important role in bringing this essential infrastructure to every citizen. Our common vision is to make inexo a leading provider of innovative high speed networks in Germany. To achieve this goal, we are prepared to fund an ambitious growth and consolidation plan in the coming years.”

Torsten Grede, Spokesman of the Management-Board at DBAG, commented, “We are committed to further supporting the growth strategy of inexo’s outstanding management team. Since our first investment in May 2013, inexo has grown tremendously both organically as well as through market consolidation. We see inexo as a showcase for private equity – to support ambitious management teams and develop promising business models further. Warburg Pincus and René Obermann will enable inexo to take another leap forward and we look forward to working with them.”

Under the terms of the agreement, Warburg Pincus will appoint two members of the Supervisory Board of inexo and René Obermann will become Chairman.

Closing of the transaction is subject to a number of customary conditions and approvals.

About inexo

Predominantly based in Rhineland-Palatinate, Bavaria, Baden-Württemberg and Saarland, inexo provides high speed internet access to business and residential customers in underserved, primarily rural areas across Germany. The Company benefits from a state-of-the-art fibre optic network with over 5,500 km of modern fibre optic lines and operates six wholly owned data centers, bringing customers both security and high performance. Over 4,000 commercial customers – from corporations to small and medium sized enterprises (“SMEs”) – and over 65,000 households rely on the internet access provided by inexo. Inexo's portfolio is complemented by a comprehensive range of IT services - from conception to development and operation of IT and internet solutions.

For more information please visit www.inexo.net.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$40 billion in private equity assets under management. The firm’s active portfolio of more than 120 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 15 private equity funds, which have invested more than \$55 billion in over 750 companies in more than 40 countries. Since inception, Warburg Pincus has invested more than \$13.7 billion in telecommunication, media and technology companies. In particular, Warburg Pincus has been a leading investor in communication services businesses, including investments in Ziggo, Inea, United Internet and Bharti Airtel. The firm is headquartered in New York with



offices in Amsterdam, Beijing, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo and Shanghai. For more information please visit www.warburgpincus.com.

About Deutsche Beteiligungs AG

Deutsche Beteiligungs AG, a publicly listed private equity company, raises closed-end private equity funds and invests in well-positioned mid-sized companies with potential for development. DBAG focuses on industrial sectors in which Germany's 'Mittelstand' is particularly strong. With its experience, expertise and equity, DBAG supports its portfolio companies in implementing corporate strategies that create sustainable value. Its entrepreneurial approach to investing has made DBAG a sought-after investment partner in the German-speaking region. Total assets under management by DBAG amount to approximately 1.0 billion euros. For more information please visit www.dbag.com.

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