

6-Month Report

2006

Dear shareholders, employees and friends of United Internet!



United Internet can look back on a very successful first six months of its fiscal year 2006. Compared with the same period last year, there was strong growth in our key figures. With a leap in sales to € 597.1 million, the prior-year figure of € 335.4 million was exceeded by 78.0 %. Pre-tax earnings (EBT) doubled from € 45.7 million to € 91.6 million.

All business segments contributed toward this positive result:

In the Product sector, with our brands GMX, WEB.DE, 1&1 and Schlund + Partner, sales grew by 87.6 % over the previous year to € 459.7 million and EBT by 91.7 % to € 78.6 million. During the period under review, the number of paying customer contracts grew by 790,000 to 5.87 million — of which 250,000 resulted from the acquisition of the British webhosting specialists Fasthosts Internet Ltd in May 2006. Overall, there was strong growth in all product lines: in our webhosting business we made particularly strong progress in foreign markets and achieved organic growth in contracts of over 210,000 to 810,000 in the first six months. Including Fasthosts, we held a total of some 2.61 million webhosting contracts world-wide as of June 30, 2006 — of which 1.06 million contracts were with foreign customers. In the field of Information Management, we added 120,000 new contracts to reach 1.11 million and 200,000 DSL contracts to reach 1.96 million. In our DSL business, the main focus in the first half of 2006 was the launch of our fast ADSL 2+ connections with up to 16,000 kbit/s and the development of an innovative plug-and-play technology. At the same time, we focused on raising customer loyalty and expanding business with our client base. Since the beginning of the year we have raised the number of customers with a telephony flat rate by 270,000 to 580,000. We are currently completing up to 500 million telephone minutes per month. We could also improve the number of our own DSL connection customers by 440,000 to 1.40 million.

In our Outsourcing segment — represented by the brands InterNetX and twenty4help — the measures introduced in 2005 to raise productivity are increasingly improving our results: compared with the first half of 2005, sales were up 18.6 % to € 52.9 million, while EBT improved by 79.3 % to € 5.2 million.

In the Online Marketing segment, our brands AdLINK, affilinet and Sedo are benefiting from the ongoing positive development of the online advertising market. Compared with the same period last year, sales in this segment grew by 84.5 % to € 84.5 million. EBT grew by 216.1 % to € 9.8 million.

We are also optimistic for the second half of 2006: our DSL and telephony products continue to enjoy strong demand, our international expansion in webhosting is making good progress, product innovations such as “Pocket Web” and “maxdome” have been launched and the boom in online advertising is also to our benefit.

Montabaur, August 11, 2006

Ralph Dommermuth
CEO

Selected Key Figures acc. to IFRS

| | | 2006 Jan.–June | 2005 Jan.–June |
|---|-----------|-------------------|-------------------|
| Sales | € million | 597.1 | 335.4 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | € million | 118.1 | 55.6 |
| Earnings before taxes (EBT) | € million | 91.6 | 45.7 |
| Employees | number | 6,102 | 4,618 |
| Share price as of end of June (XETRA) | € | 11.27 | 5.90 |
| Earnings per share* | € | 0.21 | 0.12 |

*Based on current number of shares

| Quarterly development of key figures | Q3/2005 € million | Q4/2005 € million | Q1/2006 € million | Q2/2006 € million | Q2/2005 € million |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sales | 207.9 | 258.2 | 285.6 | 311.5 | 177.5 |
| EBITDA | 32.1 | 41.2 | 54.5 | 63.6 | 25.2 |
| EBT | 27.5 | 27.8 | 41.5 | 50.1 | 20.2 |

Shareholdings (units)

June 30, 2006

Management Board

Ralph Dommermuth (Chairman) 88,000,000

Norbert Lang 884,000

Supervisory Board

Kurt Dobitsch (Chairman) –

Bernhard Dorn –

Michael Scheeren 920,000

Development of the Group

New record figures for sales and earnings

In the first half of 2006, consolidated sales revenues of the United Internet Group grew by 78 % to € 597.1 million (prior year: € 335.4 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 112 % to € 118.1 million (prior-year: € 55.6 million). Earnings before taxes (EBT) were up by 100 % to € 91.6 million (prior year: € 45.7 million).

Dynamic growth in our DSL business

A total of 200,000 new DSL customer contracts were concluded in the first half of 2006, taking the total to around 1.96 million as of June 30, 2006 (prior year: 1.34 million). In our DSL business, we focused on the launch of ADSL 2+ connections with up to 16,000 kbit/s in the first half of 2006 as well as on the development of an innovative plug-and-play technology. We also concentrated on building customer loyalty and expanding business with existing customers. Since the beginning of the year we have raised the number of customers with a telephony flat rate by 270,000 to 580,000. We are currently completing up to 500 million telephone minutes per month. We could also improve the number of our own DSL connection customers by 440,000 to 1.40 million.

Successful international expansion

Our international expansion program continues to make strong progress: in the first half of 2006, sales outside Germany accounted for € 124.4 million of total consolidated revenue (prior year: € 73.8 million). In our Product business we achieved organic growth of 210,000 in new hosting contracts abroad. On May 15, 2006 we acquired a 100 % stake in the British webhosting specialist Fasthosts Internet Ltd. The agreed purchase price was £ 61.5 million in cash. With 250,000 customer contracts and over 800,000 domains, Fasthosts is a leading supplier on the UK webhosting market. The acquisition has helped us to expand our leading position. At the same time, Fasthosts gives us access to a highly efficient reseller network. Including Fasthosts, we held a total of 1.06 million contracts with foreign customers (June 30, 2005: 0.49 million).

Cash flow / capital expenditures / bank balances

Depreciation of tangible and intangible assets grew from € 10.9 million last year to € 26.2 million. This figure includes around € 10.4 million for the amortization of identified and capitalized intangible assets in connection with company acquisitions, resulting from the takeover of WEB.DE's portal business and Cible-Click in late 2005 and the acquisition of Fasthosts in May 2006. Investments in tangible and intangible assets amounted to € 17.0 million in the first half of 2006 (prior year: € 13.3 million). Cash flow from operating activities grew to € 81.4 million (prior year: € 39.5 million). Thanks to strong cash flow — even after the reduction of the WEB.DE loan, the Fasthosts takeover and the dividend payment — net borrowing remained virtually stable at € 46.3 million (€ 47.0 million as of year end 2005).

Employees

At the end of June 2006, United Internet employed a total of 6,102 people (December 31, 2005: 5,540). The number of staff employed outside Germany amounted to 2,320 (December 31, 2005: 1,831).

IFRS accounting

The accounting and valuation standards used in this quarterly report correspond to the standards applied in the annual financial statements for the fiscal year 2005.

Parent company results

Pre-tax earnings of the parent company, United Internet AG, amounted to € -1.1 million (prior-year: € 24.0 million — due to the sale of Sedo and affilinet to AdLINK AG). As of June 30, 2006 the equity ratio was 87.8 %.

Share

During the period under review, the United Internet share grew by 39.8 % from € 8.06 (adjusted for the share split) as of December 31, 2005 to € 11.27 as of June 30, 2006.

The Executive Board of United Internet AG resolved on May 23, 2006 to purchase up to 8,000,000 (split-adjusted) shares of the company, representing 3.21 % of the capital stock, until November 17, 2006. A commercial bank has been commissioned with the buyback. Until June 30, 2006, we have bought 476,672 shares at an average price of € 9.79.

The annual shareholders' meeting of United Internet AG on June 13, 2006 approved the proposal of the Management Board and Supervisory Board for the payment of a 25-cent dividend per share for the fiscal year 2005 (prior year: 20 cents per share). A total dividend payment of € 15.6 million was made on June 14, 2006.

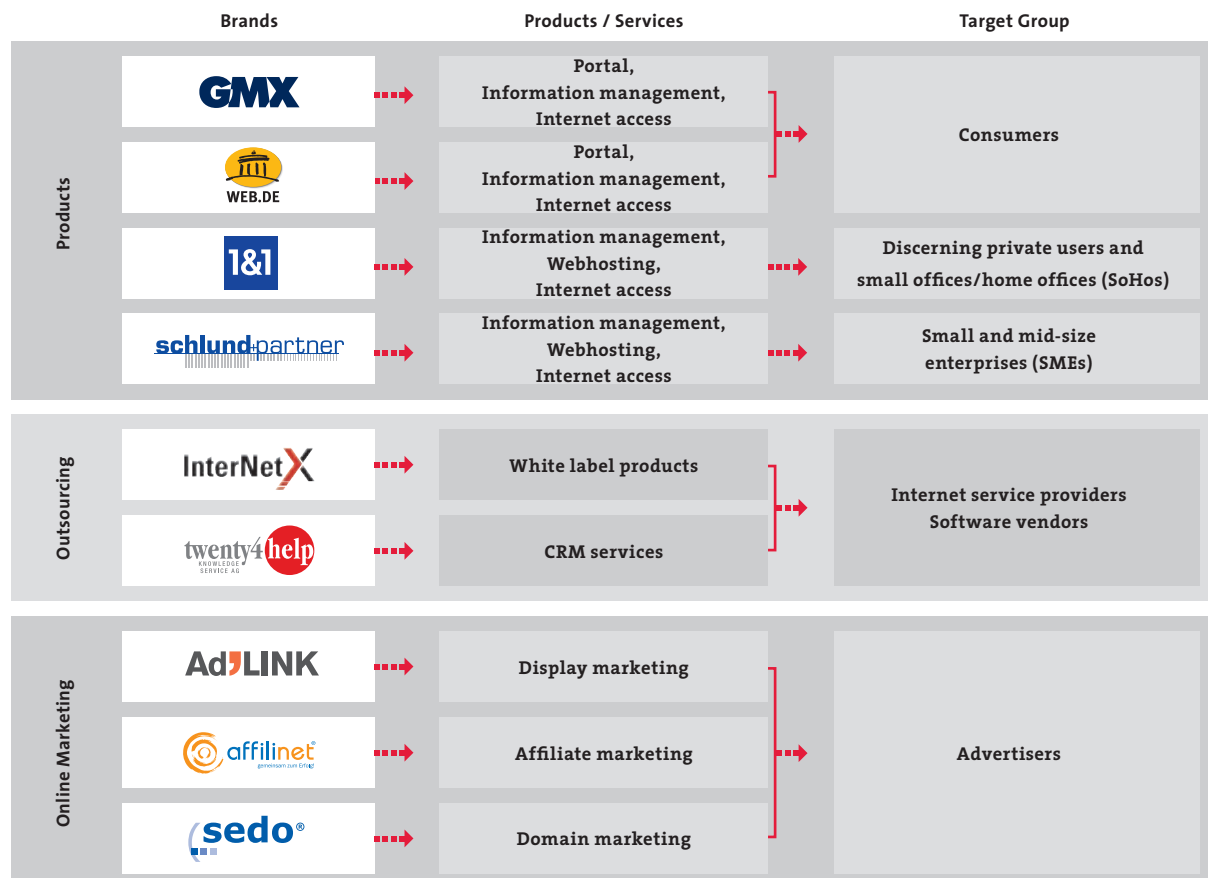
In June 2006 United Internet AG carried out the capital increase from company funds adopted by the annual shareholders' meeting of June 13, 2006 and issued bonus shares to its shareholders in a 1:3 ratio on June 26, 2006. Capital stock was increased from € 62,275,201 to € 249,100,804. The capital increase involved the

issue of 186,825,603 new shares. This new division of capital stock increased the number of company shares to 249,100,804. The new shares are entitled to dividend payments for the fiscal year 2006. The share price and the EPS were adjusted immediately and in relation to the numerical increase in shares following the split.

Outlook

We have made very encouraging progress in the current fiscal year to date, setting new records in all relevant key figures. We are also optimistic for fiscal 2006 as a whole: demand remains strong for our DSL and telephony products, our international webhosting business continues to make good progress and the boom in online advertising is benefiting our business model. We will probably be able to beat our 2006 targets, which consist in rising sales, EBITDA and EBT by some 50 % compared to 2005 and in increasing the number of customer contracts to over 6 million.

Segments and Brands



Product Segment

United Internet offers a wide range of innovative internet products in its Product segment. Our customers sign subscription contracts with us based on fixed monthly fees.

We differentiate between 3 product lines:

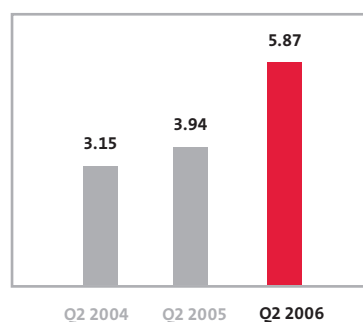
- **Information Management** with e-mail solutions, messaging, address management, Pocket Web and 0700 numbers
- **Webhosting** with domains, home pages, dedicated and virtual servers and e-shops
- **Internet-Access** with DSL connections (including internet telephony) and narrowband connections

These products are marketed under our brand names GMX, WEB.DE, 1&1 and Schlund + Partner. This enables us to cover most mass market needs while differentiating between varying target groups. GMX and WEB.DE target mainly consumers, 1&1 focuses on ambitious private users and small offices, while Schlund + Partner serves small and mid-size enterprises (SMEs).

As of June 30, 2006 we had a total of 5.87 million fee-based customer contracts (year-end 2005: 5.08 million).

Customer contracts

in million



Of this total, the Information Management product line accounted for 1.11 million contracts, our Webhosting business for 2.61 million and Internet Access for 2.15 million contracts.

Customer contracts by product line in million:

| Customer contracts | 30.06.2005 | 30.06.2006 | Change from prior year in % |
|------------------------|-------------|-------------|-----------------------------|
| Information Management | 0.43 | 1.11 | + 158 |
| Webhosting | 1.93 | 2.61 | + 35 |
| Thereof abroad | 0.49 | 1.06 | + 116 |
| Internet Access | 1.58 | 2.15 | + 36 |
| Thereof DSL | 1.34 | 1.96 | + 46 |
| Total | 3.94 | 5.87 | + 49 |

Our brands not only generate revenues from subscriptions; an increasing proportion of income also results from our online advertising and e-commerce activities. United Internet Media, the marketing company for our GMX, WEB.DE and 1&1 portals and our new shopping portal SmartShopping.de, provides advertisers and agencies in Germany with a reach of over 50 % of all German internet users, as well as high-quality, targeted marketing and innovative advertising instruments. Our family of brands provides unique market coverage in Germany.

Compared with the same period last year, total Product segment sales grew by 88 % to € 459.7 million (prior-year: € 245.0 million), while EBT was up 92 % to € 78.6 million (prior-year: € 41.0 million).

In our Product segment we are confident that the company's international expansion strategy will continue to make good progress and that we can maintain our dynamic growth. Thanks to further product innovations and our attractive price/performance ratio, we also see excellent opportunities for DSL connections and DSL telephony. In total, we expect dynamic growth in all product lines with rising revenues and earnings. Owing to the tremendous reach of its portals, its innovative advertising technology and the expected market growth, United Internet Media can also look forward to continued success in fiscal 2006.

GMX

GMX targets the mass market with e-mail and DSL products. 9.7 million active users per month make GMX one of Germany's leading portals. In addition to its free e-mail accounts, GMX also offers fee-based e-mail solutions and products for fast internet access.

In the period under review, GMX focused on a limited offer of a German-wide DSL flat rate for 0 €, the launch of a new shopping area and its World Cup Special.

WEB.DE

With 11.2 million unique users per month, WEB.DE is No. 1 on the German portal market. WEB.DE also offers free basic services, as well as fee-based products and services, including the popular WEB.DE Club.

In the first half of 2006, WEB.DE expanded its search function by adding a local search option. The local search combines the wealth of regional information provided by the "yellow pages" with the benefits of the internet. By combining a variety of databases, customers are led quickly to their desired results in a particular town or region. "WEB.DE Address Book mobile" provides Club members with full access to all address data, which they can change or add to while away from home.

1&1

1&1 is the right address for discerning private users and small offices requiring Information Management, Webhosting or Access solutions. 1&1 is No. 2 in Germany's DSL sector and the world's leading hosting company, active in 5 countries.

In the period under review, 1&1 focused on the following activities in Germany: the start of ADSL 2+, the launch of a new Virtual Server product line, the integration of marketing tools into our hosting packages, the launch of a new eShop generation as well as the rollout of Pocket Web. In our international business, we drove the rollout of our product range on the French market. In the UK, we launched content modules and started marketing .eu domains, and in the USA we launched new blogging tools.

Schlund + Partner

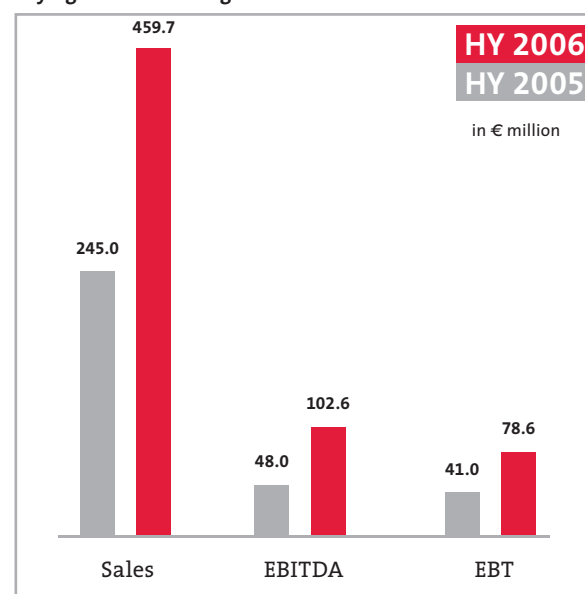
Our premium brand Schlund + Partner offers small to mid-size companies (SMEs) a range of professional information management, hosting and access products. Customers can also select comprehensive on-site service, which is provided by an extensive network of over 6,900 partner agencies.

With its "DSLfon 2.0", Schlund + Partner presented a fully revamped version of its telephony software at the CeBIT fair. "DSLfon 2.0" enables DSL phone calls directly from all Windows applications with a TAPI interface. We also launched our push service for all Exchange mailboxes. Users of Schlund + Partner Exchange accounts can use their mobile phone or PDA to access emails, appointments, addresses and tasks in real time. Our spam protection function was also extended for all webhosting customers.

Quarterly development in € million

| | Q3 2005 | Q4 2005 | Q1 2006 | Q2 2006 | Q2 2005 |
|--------|---------|---------|---------|---------|---------|
| Sales | 161.4 | 200.4 | 217.6 | 242.1 | 131.3 |
| EBITDA | 29.7 | 35.0 | 46.3 | 56.3 | 21.8 |
| EBT | 26.7 | 25.2 | 34.8 | 43.8 | 18.2 |

Key figures Product Segment



Outsourcing Segment

Our Outsourcing segment comprises purely B2B activities. We are represented in this segment by the brands InterNetX and twenty4help. InterNetX works for other webhosters and twenty4help acts as a service provider for major companies in the field of CRM.

The measures launched in 2005 to raise the profitability of our Outsourcing segment are proving increasingly effective: compared with the first 6 months of 2005, sales grew by 19 % to € 52.9 million, while EBT was up 79 % to € 5.2 million. We expect to stabilize this positive trend in the remaining quarters of the current fiscal year.

InterNetX

United Internet's German reselling activities are all conducted through InterNetX. The company's hosting products are marketed by InterNetX to other ISPs and multimedia agencies (resellers), who in turn market them under their own name and for their own account.

In the period under review, InterNetX focused on gaining further sales partners. The company now serves some 15,100 resellers (June 30, 2005: 11,500), for which it hosts over 1.3 million domains and 600 servers.

twenty4help

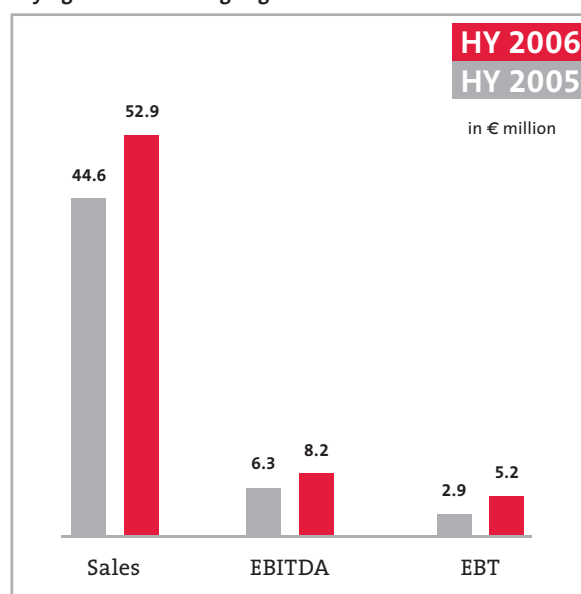
Under the twenty4help brand, we offer major corporations an extensive range of CRM services. Our customers include international blue chip companies, such as Microsoft, HP and Sun Microsystems. twenty4help operates 10 facilities in 7 European nations. Over 3,000 employees answer technical enquiries in 22 languages by phone, e-mail or chat.

In view of the modest market development and strong competition in this segment, twenty4help already launched measures to enhance productivity in mid 2005. The implementation of these measures is increasingly resulting in an improvement in its key performance indicators.

Quarterly development in € million

| | Q3 2005 | Q4 2005 | Q1 2006 | Q2 2006 | Q2 2005 |
|--------|---------|---------|---------|---------|---------|
| Sales | 21.2 | 22.8 | 27.6 | 25.3 | 21.4 |
| EBITDA | 2.8 | 3.1 | 4.4 | 3.8 | 2.4 |
| EBT | 1.2 | 1.8 | 2.8 | 2.4 | 0.7 |

Key figures Outsourcing Segment



Online Marketing

Our Online Marketing segment offers advertisers a variety of marketing and sales solutions: display marketing via AdLINK, affiliate marketing via affilinet and domain marketing via Sedo. Compared with the same period last year, the segment once again achieved strong growth: sales grew by 85 % to € 84.5 million (prior year: € 45.8 million), while EBT improved by 216 %, from € 3.1 million to € 9.8 million. Considering the positive development in this sector and the overall boom in online advertising, we expect further growth in sales and earnings in the second half of 2006.

AdLINK

AdLINK is one of Europe's largest independent marketers of online advertising. The company's business model is based on an online advertising network of high-reach websites, which it markets to advertisers.

In the period under review, the company focused mainly on the further restructuring of its product portfolio and the expansion of its advertising network. The number of page impressions generated by the network per month grew to 6.5 billion (prior year: 5.1 billion).

Sedo

Sedo operates the global domain trading platform "sedo.com", which currently trades 5.3 million domains. In its "domain parking" business, Sedo markets some of these domains to advertisers on behalf of the domain owners.

In the period under review, Sedo focused on driving its international expansion – especially in the USA and the UK. The number of marketable domains grew to over 1.5 million (prior year: 0.5 million).

affilinet

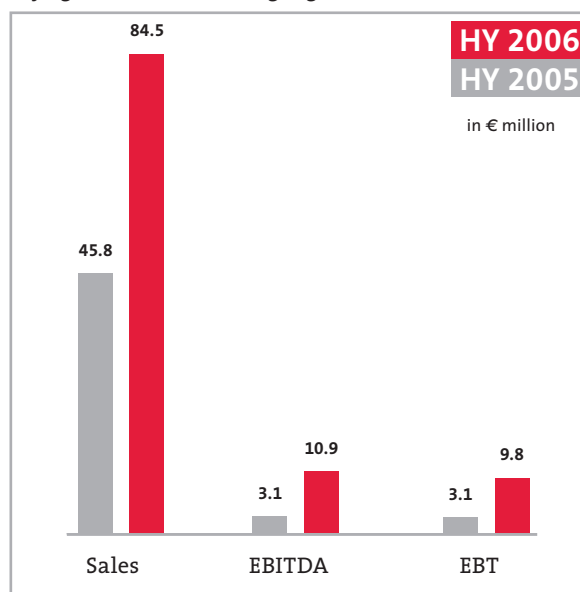
affilinet connects suppliers of affiliate programs and website operators. affilinet profits from the contacts and sales initiated via its network on a purely performance-oriented basis.

In the period under review, affilinet focused on gaining new program suppliers and expanding its network: the number of affiliate programs grew to over 1,200 (prior year: 720) and at the same time the number of participating websites could be extended to over 370,000.

Quarterly development in € million

| | Q3 2005 | Q4 2005 | Q1 2006 | Q2 2006 | Q2 2005 |
|--------|---------|---------|---------|---------|---------|
| Sales | 25.3 | 34.9 | 40.4 | 44.1 | 24.8 |
| EBITDA | 1.5 | 3.6 | 5.3 | 5.6 | 1.7 |
| EBT | 1.2 | 1.9 | 4.8 | 5.0 | 1.7 |

Key figures Online Marketing Segment



Consolidated Income Statement

from January 1 to June 30, 2006 in €k

| | 2006 | | 2005 | |
|--|----------------|---------------|----------------|---------------|
| | January - June | | January - June | |
| Sales | 597,096 | 100.0 % | 335,379 | 100.0 % |
| Cost of sales | -357,466 | -59.9 % | -193,414 | -57.7 % |
| Gross profit | 239,630 | 40.1 % | 141,965 | 42.3 % |
| Selling expenses | -105,538 | -17.7 % | -74,787 | -22.3 % |
| General administrative expenses | -44,784 | -7.4 % | -24,147 | -7.2 % |
| Other operating income / expenses | 2,587 | 0.4 % | 1,602 | 0.5 % |
| Operating result | 91,895 | 15.4 % | 44,633 | 13.3 % |
| Interest and similar expenses / income | -979 | -0.2 % | 674 | 0.2 % |
| Result from associated companies | 688 | 0.1 % | 370 | 0.1 % |
| Pre-tax result | 91,604 | 15.3 % | 45,677 | 13.6 % |
| Income taxes | -35,969 | -6.0 % | -18,474 | -5.5 % |
| Net income before minority interests | 55,635 | 9.3 % | 27,203 | 8.1 % |
| Minority interests | -2,699 | -0.4 % | -1,175 | -0.3 % |
| Net income attributable to shareholders of United Internet AG | 52,936 | 8.9 % | 26,028 | 7.8 % |
| Result per share in € | | | | |
| - basic | 0.21 | | 0.12 | |
| - diluted | 0.21 | | 0.11 | |
| Weighted average shares (in million units) | | | | |
| - basic | 249.06 | | 224.25 | |
| - diluted | 251.74 | | 226.92 | |

Consolidated Income Statement

Quarterly development in €k

| | Q1 2006 | Q2 2006 | Q2 2005 |
|--|--------------|--------------|-------------|
| Sales | 285.6 | 311.5 | 177.5 |
| Cost of sales | -170.4 | -187.1 | -104.8 |
| Gross profit | 115.2 | 124.4 | 72.7 |
| Selling expenses | -54.2 | -51.3 | -41.6 |
| General administrative expenses | -21.0 | -23.8 | -12.5 |
| Other operating income / expenses | 1.7 | 0.9 | 0.9 |
| Operating result | 41.7 | 50.2 | 19.5 |
| Interest and similar expenses / income | -0.4 | -0.6 | 0.4 |
| Result from associated companies | 0.2 | 0.5 | 0.3 |
| Pre-tax result | 41.5 | 50.1 | 20.2 |
| Income taxes | -16.1 | -19.9 | -7.9 |
| Net income before minority interests | 25.4 | 30.2 | 12.3 |
| Minority interests | -1.3 | -1.4 | -0.6 |
| Net income attributable to shareholders of United Internet AG | 24.1 | 28.8 | 11.7 |
| Result per share in € | | | |
| - basic | 0.09 | 0.12 | 0.06 |
| - diluted | 0.09 | 0.12 | 0.06 |

Consolidated Balance Sheet

as of June 30, 2006 in €k

| ASSETS | June 30, 2006 | | December 31, 2005 | |
|-------------------------------------|----------------|----------------|-------------------|----------------|
| Current assets | | | | |
| Cash and cash equivalents | 25,369 | 3.5 % | 36,177 | 5.6 % |
| Trade receivables | 101,731 | 14.1 % | 99,841 | 15.5 % |
| Inventories | 6,565 | 0.9 % | 6,313 | 1.0 % |
| Prepaid expenses | 13,341 | 1.8 % | 12,526 | 1.9 % |
| Other assets | 15,772 | 2.2 % | 20,927 | 3.3 % |
| | 162,778 | 22.5 % | 175,784 | 27.3 % |
| Non-current assets | | | | |
| Equity investments | 9,621 | 1.3 % | 9,492 | 1.5 % |
| Other financial assets | 1,629 | 0.2 % | 1,440 | 0.1 % |
| Property, plant and equipment | 58,251 | 8.1 % | 51,619 | 8.0 % |
| Intangible assets | 157,609 | 21.8 % | 145,503 | 22.6 % |
| Goodwill | 327,173 | 45.2 % | 253,515 | 39.4 % |
| Deferred tax asset | 6,374 | 1.0 % | 6,436 | 1.0 % |
| | 560,657 | 77.5 % | 468,005 | 72.7 % |
| Total assets | 723,435 | 100.0 % | 643,789 | 100.0 % |
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable, trade | 131,935 | 18.2 % | 91,932 | 14.3 % |
| Liabilities due to banks | 28,805 | 4.0 % | 344 | 0.1 % |
| Advance payments received | 5,387 | 0.7 % | 5,111 | 0.8 % |
| Accrued taxes | 27,423 | 3.8 % | 12,527 | 1.9 % |
| Deferred revenue | 88,217 | 12.2 % | 72,421 | 11.2 % |
| Other accrued liabilities | 1,418 | 0.2 % | 1,493 | 0.2 % |
| Other liabilities | 43,367 | 6.0 % | 65,963 | 10.2 % |
| | 326,552 | 45.1 % | 249,791 | 38.8 % |
| Non-current liabilities | | | | |
| Convertible bonds | 1,163 | 0.2 % | 1,245 | 0.2 % |
| Liabilities to banks | 42,857 | 5.9 % | 82,857 | 12.9 % |
| Deferred tax liability | 19,256 | 2.7 % | 11,726 | 1.8 % |
| Deferred revenue | 2,257 | 0.3 % | 2,680 | 0.4 % |
| Other liabilities | 242 | 0.0 % | 242 | 0.0 % |
| | 65,775 | 9.1 % | 98,750 | 15.3 % |
| Total liabilities | 391,127 | 54.2 % | 348,541 | 54.1 % |
| Equity | | | | |
| Capital stock | 249,101 | 34.4 % | 62,275 | 9.7 % |
| Additional paid-in capital | 140,073 | 19.4 % | 225,264 | 35.0 % |
| Revaluation reserves | 892 | 0.1 % | 892 | 0.1 % |
| Accumulated loss / profit | -66,533 | -9.2 % | -2,822 | -0.4 % |
| Treasury shares | -4,674 | -0.6 % | 0 | 0.0 % |
| Currency translation adjustment | 1,022 | 0.1 % | 1,111 | 0.2 % |
| | 319,881 | - | 286,720 | - |
| Minority interests | 11,227 | 1.6 % | 8,528 | 1.3 % |
| Total equity | 331,108 | 45.8 % | 295,248 | 45.9 % |
| Total liabilities and equity | 723,435 | 100.0 % | 643,789 | 100.0 % |

Consolidated Statement of Changes in Shareholder's Equity

from January 1 to June 30, 2006 in €k

Foreword
Key Figures
Development of the Group
Segments
Consolidated Financial Statements acc.to IFRS
Parent Company's Financial Statements acc.to HGB

13

| | Capital stock | Additional paid-in capital | Revalu- ation surplus | Currency trans- lation | Treasury stock | Accumu- lated loss | Minority interests | Total equity |
|--|------------------|----------------------------------|-----------------------------|------------------------------|-------------------|--------------------------|-----------------------|-----------------|
| Balance as of Dec. 31, 04 | 58,043 | 123,540 | 585 | 886 | -36,528 | -48,690 | 6,246 | 104,082 |
| Exercise of conversion rights | 432 | 2,664 | | | | | | 3,096 |
| Capital increase in return for stock | 3,800 | 97,280 | | | | | | 101,080 |
| Employee stock ownership programme AdLINK | | 355 | | | | | | 355 |
| Employee stock ownership programme United Internet | | 1,425 | | | | | | 1,425 |
| Revaluation surplus Afilias Ltd. / Dublin | | | 307 | | | | | 307 |
| Withdrawal of treasury shares | | | | | 36,528 | | | 36,528 |
| Dividend payment | | | | | | -11,208 | | -11,208 |
| Currency translation adjustment 2005 | | | | 225 | | | | 225 |
| Net income 2005 | | | | | | 57,076 | 2,214 | 59,290 |
| Increase in shareholdings | | | | | | | 68 | 68 |
| Balance as of Dec.31, 05 | 62,275 | 225,264 | 892 | 1,111 | 0 | -2,822 | 8,528 | 295,248 |
| Capital increase from company funds | 186,826 | -85,928 | | | | -100,898 | | 0 |
| Employee stock ownership programme AdLINK | | 174 | | | | | | 174 |
| Employee stock ownership programme United Internet | | 563 | | | | | | 563 |
| Increase of treasury shares | | | | | -4,674 | | | -4,674 |
| Dividend payment | | | | | | -15,569 | | -15,569 |
| Dividend minority interests | | | | | | -180 | | -180 |
| Currency translation adjustment 2006 | | | | -89 | | | | -89 |
| Net income for the period | | | | | | 52,936 | 2,699 | 55,635 |
| Balance as of June 30, 06 | 249,101 | 140,073 | 892 | 1,022 | -4,674 | -66,533 | 11,227 | 331,108 |

Consolidated Cash Flow Statement

from January 1 to June 30, 2006 in €k

| | 2006 January - June | 2005 January - June |
|---|------------------------|------------------------|
| Cash flow from operating activities | | |
| Net income before minority interests | 55,635 | 27,203 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation | 26,172 | 10,935 |
| Compensation expenses from employee stock option plans | 737 | 897 |
| Undistributed profits / losses of associated companies | -688 | -370 |
| Distributed profit of associated companies | 559 | 441 |
| Change in deferred taxes | -850 | 598 |
| Other non-cash expenses / income | -123 | -231 |
| Operative cash flow | 81,442 | 39,473 |
| Change in assets and liabilities | | |
| Change in receivables and other assets | 5,141 | 9,711 |
| Change in inventories | 73 | 4,435 |
| Change in deferred expenses | -817 | -2,554 |
| Change in accounts payable, trade | 37,452 | -4,007 |
| Change in advance payments received | 276 | -848 |
| Change in other accrued liabilities | 1,125 | -1,487 |
| Change in accrued taxes | 11,856 | -4,324 |
| Change in other liabilities | -16,823 | 491 |
| Change in deferred income | 10,562 | 4,660 |
| Change in assets and liabilities, total | 48,845 | 6,077 |
| Cash flow from operating activities | 130,287 | 45,550 |
| Cash flow from investing activities | | |
| Capital expenditure for intangible assets and property, plant and equipment | -17,044 | -13,312 |
| Payments of loan granted | -91 | -83 |
| Payments of disposal of assets | 980 | 110 |
| Acquisition costs, net of acquired cash | -92,932 | -4,153 |
| Cash flow from investment activities | -109,087 | -17,438 |
| Cash flow from financing activities | | |
| Purchase of treasury stock | -4,674 | -3,430 |
| Change in bank liabilities | -11,538 | -109 |
| Dividend payments | -15,569 | -11,209 |
| Dividend minority interests | -180 | 0 |
| Minority interests | 0 | -721 |
| Additional payments for the exercise of convertible bonds | 61 | 510 |
| Payment / repayment of convertible bonds | -19 | 190 |
| Cash flow from financing activities | -31,919 | -14,769 |
| Net increase in cash and cash equivalents | -10,719 | 13,343 |
| Cash and cash equivalents at beginning of fiscal year | 36,177 | 74,682 |
| Change in currency translation adjustments | -89 | -3 |
| Cash and cash equivalents at end of period | 25,369 | 88,022 |

Consolidated Income Statement acc. to HGB

from January 1 to June 30, 2006 in €k

| | 2006 January-June | 2005 January-June |
|---|----------------------|----------------------|
| Sales | 7,098 | 2,837 |
| Other operating income | 112 | 25,652 |
| Cost of materials | | |
| Cost of purchased services | -6,750 | -2,545 |
| Personnel expenses | | |
| a. Wages and salaries | -804 | -807 |
| b. Social security contributions | -67 | -62 |
| Amortization and depreciation of intangible assets and property, plant and equipment | -45 | -31 |
| Other operating expenses | -2,630 | -1,591 |
| Income from associated companies | 830 | 160 |
| Other interest and similar income | 2,454 | 597 |
| Interest and similar expenses | -1,263 | -192 |
| Result before taxes | -1,065 | 24,018 |
| Taxes on income | -310 | -119 |
| Other taxes | -2 | -1 |
| Net loss / income | -1,377 | 23,898 |
| Transfer to reserves for treasury stock | -4,674 | -3,429 |
| Accumulated profits | 71,764 | 44,296 |
| Balance sheet profit | 65,713 | 64,765 |

Balance Sheet acc. to HGB

as of June 30, 2006 in €k

| ASSETS | June 30, 2006 | December 31, 2005 |
|---|----------------|-------------------|
| FIXED ASSETS | | |
| Intangible assets | | |
| Concessions, industrial and similar rights and assets as well as licenses in such rights and assets | 2 | 1 |
| | 2 | 1 |
| Property, plant and equipment | | |
| Other equipment, operational and office equipment | 359 | 206 |
| | 359 | 206 |
| Financial assets | | |
| Shares in affiliated companies | 288,070 | 288,070 |
| Loans to affiliated companies | 0 | 14,710 |
| Associated companies | 8,432 | 8,432 |
| | 296,502 | 311,212 |
| | 296,863 | 311,419 |
| CURRENT ASSETS | | |
| Accounts receivable and other assets | | |
| Accounts receivable, trade | 1 | 1 |
| Receivables due from affiliated companies | 103,974 | 179,756 |
| Receivables due from associated companies | 3 | 3 |
| Other assets | 18,275 | 505 |
| | 122,253 | 180,265 |
| Securities | | |
| Treasury shares | 4,674 | 0 |
| | 4,674 | 0 |
| Cash in hand and bank balances | 2,964 | 10,400 |
| | 129,891 | 190,665 |
| | 426,754 | 502,084 |

EQUITY AND LIABILITIES

EQUITY

| | June 30, 2006 | December 31, 2005 |
|-------------------------------|----------------|-------------------|
| Capital stock | 249,101 | 62,275 |
| Capital reserves | 55,273 | 141,201 |
| Revenue reserves | | |
| – Reserve for treasury shares | 4,674 | 0 |
| – Other revenue reserves | 0 | 898 |
| Retained earnings | 65,713 | 187,333 |
| | 374,761 | 391,707 |

ACCRUALS

| | | |
|---------------------------|--------------|--------------|
| Accrued taxes | 1,832 | 1,123 |
| Other accrued liabilities | 1,738 | 5,192 |
| | 3,570 | 6,315 |

LIABILITIES

| | | |
|---|---------------|----------------|
| Bonds | 960 | 970 |
| Liabilities due to banks | 40,000 | 80,000 |
| Accounts payable, trade | 360 | 261 |
| Liabilities due to affiliated companies | 3,863 | 4,980 |
| Other liabilities | 3,240 | 17,851 |
| | 48,423 | 104,062 |

426,754

502,084

United Internet Subsidiaries and Shareholdings

18



Products

| | |
|---|-------|
| 1&1 Internet AG | (D) |
| 1&1 Internet Inc. | (USA) |
| 1&1 Internet Ltd. | (UK) |
| 1&1 Internet S.A.R.L. | (F) |
| 1&1 Internet Service GmbH | (D) |
| 1&1 Internet Services Inc. | (RP) |
| 1&1 WEB.DE Schlund + Partner Support GmbH | (D) |
| Alturo GmbH | (D) |
| Fasthosts Internet Ltd. | (UK) |
| GMX GmbH | (D) |
| GMX Internet Services GmbH | (D) |
| Schlund + Partner AG | (D) |
| United Internet Media AG | (D) |
| WEB.DE GmbH | (D) |

Outsourcing

| | |
|--|-----------|
| InterNetX GmbH | (80 %, D) |
| MIP Multimedia Internet Park GmbH | (D) |
| twenty4help Knowledge Service AB | (S) |
| twenty4help Knowledge Service AG | (D) |
| twenty4help Knowledge Service B.V. | (NL) |
| twenty4help Knowledge Service Ltd. | (UK) |
| twenty4help Knowledge Service S.L. | (E) |
| twenty4help Knowledge Service S.r.l. | (I) |
| twenty4help Knowledge Service s. r. o. | (CZ) |
| twenty4help Knowledge Service Sp.zo.o. | (PL) |

Online Marketing

| | |
|------------------------------|------------------------------|
| AdLINK Internet Media AG | (82.10 %, D) |
| AdLINK Internet Media AB | (82.10 %, S) |
| AdLINK Internet Media B.V. | (82.10 %, NL) |
| AdLINK Internet Media Ltd. | (82.10 %, UK) |
| AdLINK Internet Media N.V. | (82.10 %, B) |
| AdLINK Internet Media S.A. | (82.10 %, F) |
| AdLINK Internet Media S.L. | (82.10 %, E) |
| AdLINK Internet Media Srl | (82.10 %, I) |
| affilinet GmbH | (AdLINK share: 100 %, D) |
| affilinet Ltd. | (affilinet share: 100 %, UK) |
| CibleClick Performances S.A. | (affilinet share: 75 %, F) |
| Sedo GmbH | (AdLINK share: 52.14 %, D) |
| Sedo LLC | (Sedo share: 100 %, USA) |

Shareholdings:

fun communications GmbH 33.33 %
NT plus AG 40.23 %

Management Board:

Ralph Dommermuth (42, CEO),
qualified banker
Norbert Lang (45, CFO),
qualified banker

Supervisory Board:

Kurt Dobitsch (52, chairman),
self-employed entrepreneur
Bernhard Dorn (65),
self-employed business leader consultant
Michael Scheeren (49),
qualified banker

As of: August 2006

Unless no specific percentage given the companies are 100 % shareholdings of United Internet.

Financial calendar 2006*

| | |
|-------------------|---|
| March 24, 2006 | Financial press conference for fiscal year 2005 |
| March 24, 2006 | Analyst's conference |
| May 12, 2006 | Quarterly report 2006 |
| June 13, 2006 | Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper |
| June 14, 2006 | Dividend payment for fiscal year 2005 / share price ex dividend |
| August 11, 2006 | 6-month report 2006 |
| August 11, 2006 | Press conference |
| August 11, 2006 | Analyst's conference |
| November 10, 2006 | 9-month report 2006 |

* Subject to prior change. Updates available at www.united-internet.de in the Investor Relations section, "Calendar".

Imprint

Publisher and copyright © 2006

United Internet AG
Elgendorfer Straße 57
D-56410 Montabaur
Germany
www.united-internet.com

Contact

Investor Relations
Phone: +49 26 02/96-16 31
Fax: +49 26 02/96-10 13
E-mail: investor-relations@united-internet.com

August 2006

Registry court: Montabaur HRB 5762

This report is available in German and English. Both versions can be downloaded from www.united-internet.de. In all cases of doubt, the German version shall prevail.

Disclaimer

This report contains certain forward-looking statements which reflect the current views of United Internet AG's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. The forward-looking statements made in this Annual Report are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of United Internet AG. It is recommended that readers do not attach too much importance to these forward-looking statements. United Internet does not intend, nor assume any obligation, to revise or update any forward-looking statements set out in this Annual Report, neither as a result of new information nor future events or other such influencing factors.

United Internet AG

Elgendorfer Straße 57

D-56410 Montabaur

Germany

Phone +49 2602/96 - 1100

Fax +49 2602/96 - 1013

E-Mail investor-relations@united-internet.com



www.united-internet.com