

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

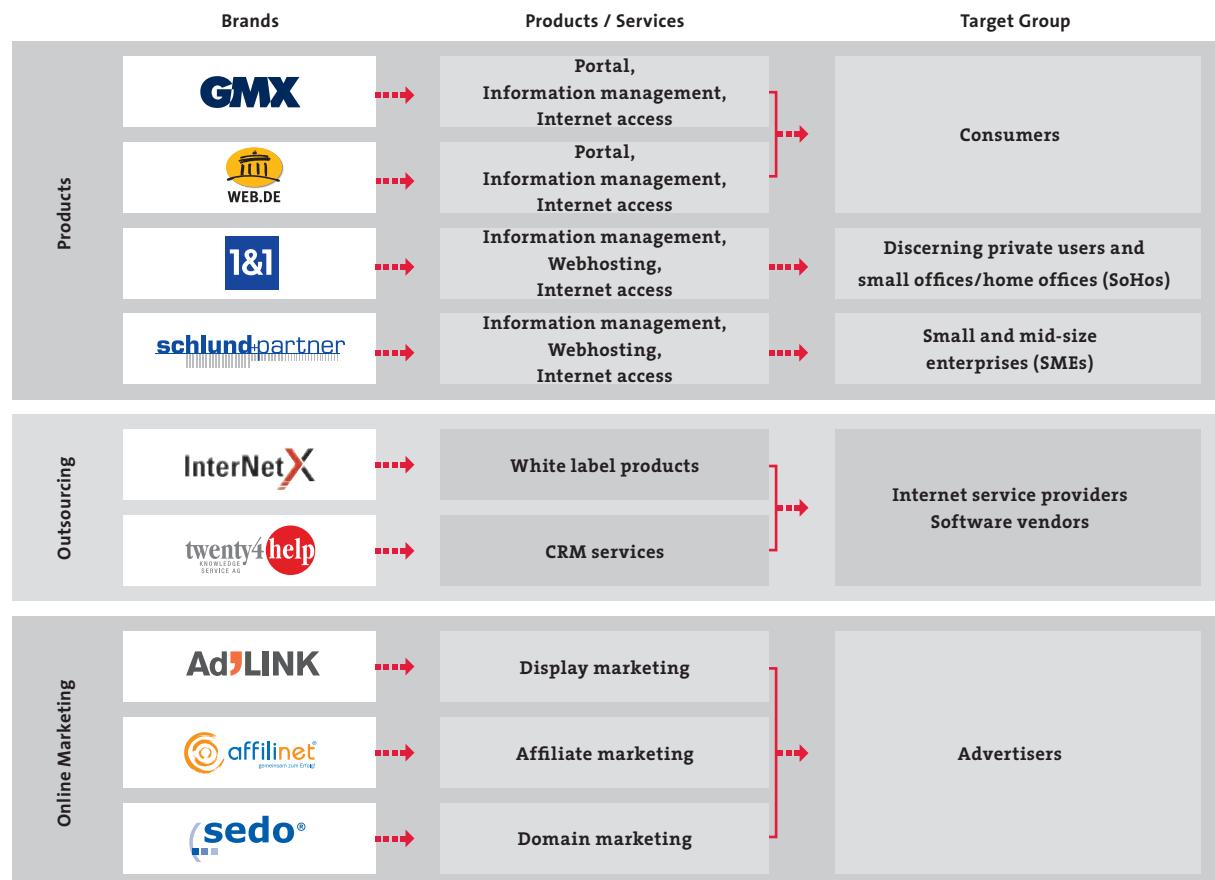
In June 2006 United Internet AG carried out the capital increase from company funds adopted by the annual shareholders' meeting of June 13, 2006 and issued bonus shares to its shareholders in a 1:3 ratio on June 26, 2006. Capital stock was increased from € 62,275,201 to € 249,100,804. The capital increase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

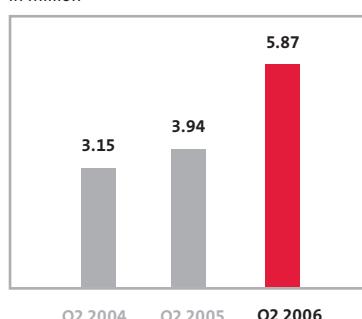
- **Information Management** with e-mail solutions, messaging, address management, Pocket Web and 0700 numbers
- **Webhosting** with domains, home pages, dedicated and virtual servers and e-shops
- **Internet-Access** with DSL connections (including internet telephony) and narrowband connections

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.

Quarterly development in € million

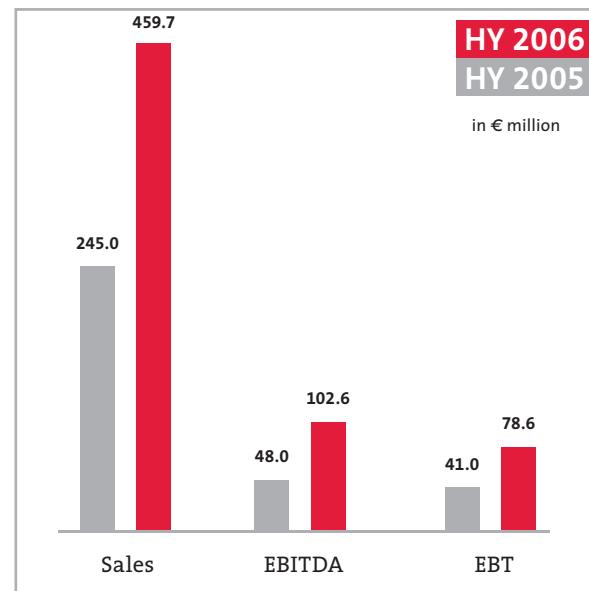
	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q2 2005
Sales	161.4	200.4	217.6	242.1	131.3
EBITDA	29.7	35.0	46.3	56.3	21.8
EBT	26.7	25.2	34.8	43.8	18.2

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.

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

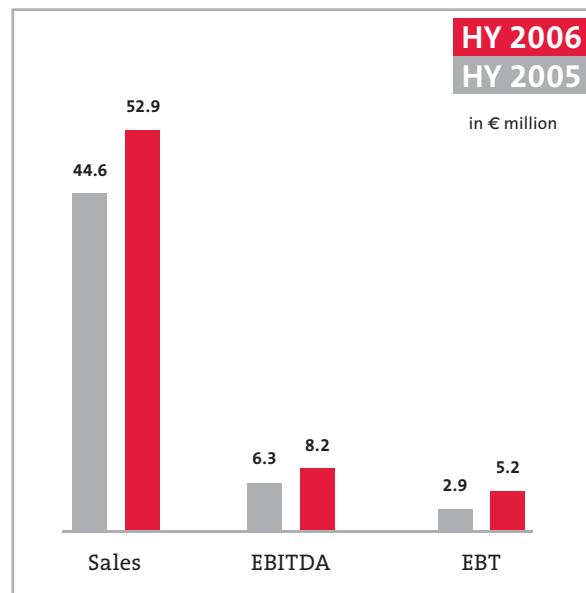
Under the twenty4help brand, we offer major corporations an extensive range of CRM services. Our customers include international blue chip companies, such as Microsoft, HP and Sun Microsystems. twenty4help operates 10 facilities in 7 European nations. Over 3,000 employees answer technical enquiries in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

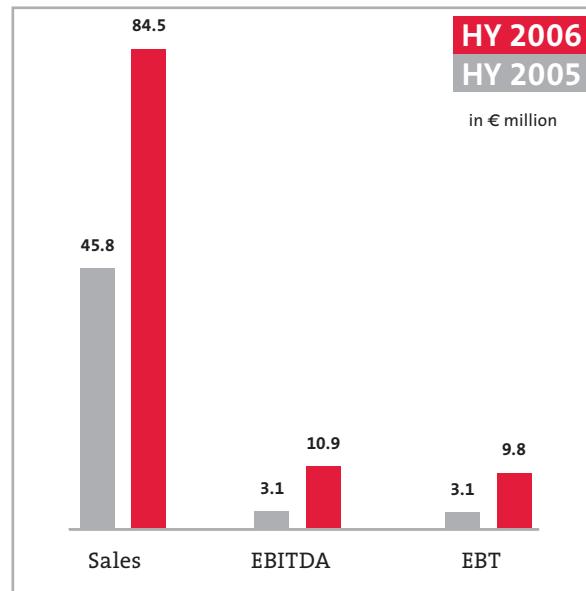
affilinet connects suppliers of affiliate programs and website operators. affilinet profits from the contacts and sales initiated via its network on a purely performance-oriented basis.

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

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	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

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 Parent Company's Financial Statements acc.to HGB

	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

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	Capital stock	Additional paid-in capital	Revaluation surplus	Currency translation	Treasury stock	Accumulated 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

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

	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

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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	June 30, 2006	December 31, 2005
EQUITY		
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



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".

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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.

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