

9 Month Report

2006

Dear shareholders, employees and friends of United Internet!



United Internet AG can look back on the most successful 9-month period of its history. Compared with the same period last year, we once again succeeded in achieving strong growth in all key figures. With a leap in sales to € 914.0 million, the prior-year figure of € 543.3 million was exceeded by 68.2 %. Pre-tax earnings (EBT) more than doubled from € 73.2 million to € 146.9 million. As a result, our EBT margin reached 16.1 % – compared with 13.5 % last year.

This result reflects the encouraging development of all our business segments:

In the Product sector, with our brands GMX, WEB.DE, 1&1 and Schlund + Partner, sales grew by 75.8 % over the previous year to € 714.3 million and EBT by 91.1 % to € 129.4 million. Compared with September 30, 2005, the number of paying customer contracts increased by 1.92 million to 6.13 million. There was strong growth in all product lines: in Webhosting we made particularly strong progress in our foreign markets and raised the number of contracts by over 620,000 to 1.16 million. Including Germany, we held a total of some 2.73 million webhosting contracts as of September 30, 2006 – an increase of 720,000 compared with September 30, 2005. In the field of Information Management, we added 690,000 new contracts to reach 1.13 million and 560,000 DSL contracts to reach 2.09 million. In addition to the acquisition of new customers and the launch of innovative products, such as ADSL 2+ or the “Triple Play” offer “3DSL” launched on September 1, the main focus of our DSL business was placed on raising customer loyalty and expanding business with our client base. Since September 2005 we have been able to raise the number of our telephony flat rate customers by 580,000 to 780,000. The number of telephone

minutes completed per month has grown from 175 million as of September 2005 to 540 million as of September 2006. The number of our own DSL connection customers has also improved strongly by 870,000 to 1.59 million.

In our Outsourcing segment – represented by the brands InterNetX and twenty4help – measures to raise productivity introduced in mid-2005 helped improve results significantly: compared with the first nine months of 2005, sales were up 17.9 % to € 77.6 million, while EBT improved by 95.1 % to € 8.0 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 71.7 % to € 122.1 million. EBT improved by 220.9 % to € 13.8 million.

We are also optimistic for the remaining months of the current fiscal year: 3DSL enjoys strong market demand, our international expansion in Webhosting is making good progress and, with the important year-end approaching, all lights are set to green for our online advertising business.

Montabaur, November 10, 2006

Ralph Dommermuth
Vorstandsvorsitzender

Selected Key Figures acc. to IFRS

		2006 Jan.–Sept.	2005 Jan.–Sept.
Sales	€ million	914.0	543.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	187.5	87.7
Earnings before taxes (EBT)	€ million	146.9	73.2
Earnings per share	€	0.35	0.19
Employees	number	6,004	4,615
Share price as of end of September (XETRA)	€	10.85	6.74
Shares as of end of September	number million	249.9	233.5

Quarterly development of key figures	Q4/2005 € million	Q1/2006 € million	Q2/2006 € million	Q3/2006 € million	Q3/2005 € million
Sales	258.2	285.6	311.5	316.9	207.9
EBITDA	41.2	54.5	63.6	69.4	32.1
EBT	27.8	41.5	50.1	55.3	27.5

Shareholdings (units)

September 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 best-ever figures for sales and earnings

In the first nine months of 2006, consolidated sales revenues of the United Internet Group grew by 68.2 % to € 914.0 million (prior year: € 543.3 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 113.8 % to € 187.5 million (prior-year: € 87.7 million), while earnings before taxes (EBT) were up by 100.7 % to € 146.9 million (prior year: € 73.2 million). As a result, our EBT margin reached 16.1 % – compared with 13.5 % last year.

Dynamic growth in DSL

Compared with September 2005 we gained 560,000 new DSL customer contracts, taking the total to around 2.09 million as of September 30, 2006. In our DSL business, we focused on the launch of high-speed ADSL 2+ connections and the “Triple Play” offer “3DSL” launched on September 1 – consisting of a high-speed DSL connection of up to 16,000 kBit/s with flat rates for internet, telephony and video on demand. We also concentrated on building customer loyalty and expanding business with existing customers. Since September 2005 we have been able to raise the number of our telephony flat rate customers by 580,000 to 780,000. The number of telephone minutes completed per month has grown from 175 million as of September 2005 to 540 million as of September 2006. The number of our own DSL connection customers has also improved strongly by 870,000 to 1.59 million.

Successful international expansion

International expansion in our core markets continues to make strong progress: in the period under review, sales outside Germany accounted for € 189.6 million of total consolidated revenue (prior year: € 113.1 million). In our Product business we achieved organic growth of 370,000 in new hosting contracts abroad – compared with September 2005. In May 2006 we also acquired a 100 % stake in the British webhoster Fasthosts Internet Ltd. With 250,000 customer contracts and over 800,000 domains, Fasthosts is a leading supplier on the UK webhosting market. Including Fasthosts, we held a total of 1.16 million contracts with foreign customers as of September 30, 2006 (September 30, 2005: 0.54 million).

In the USA, we already reached break-even on a monthly basis for the first time. Assuming this trend continues in the 4th quarter, we expect to make a small annual profit as early as fiscal 2006.

Cash Flow

Depreciation of tangible and intangible assets grew from € 16.2 million last year to € 40.3 million in the period under review. This figure includes around € 16.0 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 CibleClick in late 2005 and the acquisition of Fasthosts in May 2006. Investments in tangible and intangible assets amounted to € 23.3 million (prior year: € 18.3 million). Cash flow from operating activities grew to € 130.4 million (prior year: € 61.3 million). As of September 30, 2006 the aggregate total of bank balances, bank liabilities and securities amounted to € -44.7 million. In addition to that we held around 8.2 million own shares as of September 30, 2006.

Employees

At the end of September 2006, United Internet employed a total of 6,004 people (December 31, 2005: 5,540), of which 2,268 (December 31, 2005: 1,831) were employed outside Germany.

IFRS accounting

The accounting and valuation standards used in this 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 € -3.2 million (prior-year: € 22.7 million – mainly due to the sale of shares in Sedo and affilinet). As of September 30, 2006, the company had an equity ratio of 75.0 %.

Share

During the period under review, the United Internet share grew by 34.6 % – from € 8.06 (adjusted for the share split) as of December 31, 2005 to € 10.85 as of September 30, 2006.

On May 23, 2006, the Management Board of United Internet AG resolved to buy back up to 8,000,000 (adjusted for the share split) of the company's shares (around 3.21 % of capital stock). After fully exhausting this resolution, the Management Board of United Internet AG resolved on August 15 to buy back up to 5,000,000 further shares in the company (around 2.00 % of capital stock) via the stock exchange. United Internet AG has bought back a total of 8,226,072 shares as of September 30, 2006 at an average price of € 9.67. The total purchase price thus amounted to around € 79.6 million.










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 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 earnings per share were adjusted immediately and in relation to the numerical increase in shares following the split.

Outlook

Following the encouraging progress made in the first nine months of 2006, we are also optimistic for the fiscal year as a whole. With the publication of our mid-year figures we already raised our forecast to approx. € 1.26 billion for sales, approx. € 230 million for EBITDA and approx. € 180 million for EBT. Despite the planned strong increase in new customers in the fourth quarter, we expect to achieve these key result figures.

Segments and Brands

	Brands		Products / Services		Target Group
Products		→	Portal, Information management, Internet access	→	Consumers
		→	Portal, Information management, Internet access		
		→	Information management, Webhosting, Internet access	→	Discerning private users and small offices/home offices (SoHos)
		→	Information management, Webhosting, Internet access	→	Small and mid-size enterprises (SMEs)
Outsourcing		→	White label products	→	Internet service providers Software vendors
		→	CRM services		
Online-Marketing		→	Display marketing	→	Advertisers
		→	Affiliate marketing		
		→	Domain marketing		

Product Segment

United Internet offers a wide range of innovative internet products in its Product segment. Our customers generally 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** 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 September 30, 2006 we had a total of 6.13 million fee-based customer contracts (September 2005: 4.21 million).

Of this total, the Information Management product line accounted for 1.13 million contracts, our Webhosting business for 2.73 million and Internet Access for 2.27 million contracts, of which 2.09 million were DSL accounts.

Customer contracts by product line (year-on-year in million)

Customer contracts	30.09.2005	30.09.2006	Growth
Information			
Management	0.44	1.13	+ 0.69
Webhosting	2.01	2.73	+ 0.72
Abroad	0.54	1.16	+ 0.62
Internet Access	1.76	2.27	+ 0.51
DSL	1.53	2.09	+ 0.56
Total	4.21	6.13	+ 1.92

Customer contracts by product line (quarter-on-quarter in million)

Customer contracts	30.06.2006	30.09.2006	Growth
Information			
Management	1.11	1.13	+ 0.02
Webhosting	2.61	2.73	+ 0.12
thereof abroad	1.06	1.16	+ 0.10
Internet Access	2.15	2.27	+ 0.12
thereof DSL	1.96	2.09	+ 0.13
Total	5.87	6.13	+ 0.26

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 75.8 % to € 714.3 million (prior-year: € 406.4 million), while EBT was up 91.1 % to € 129.4 million (prior-year: € 67.7 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 product innovations such as 3DSL 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. Owing to the tremendous reach of its portals, its innovative advertising technology and the expected market growth, our portal marketing company 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. 7.9 million unique 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 2006 GMX focused on special promotion activities: a nation-wide DSL flat rate for zero euros, the launch of a new shopping area and the expansion of its editorial content.

WEB.DE

With 10.5 million unique internet users per month, WEB.DE is Germany's leading portal. WEB.DE also offers free basic services, as well as fee-based products and services, including the popular WEB.DE Club.

In 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 also strongly expanded its information services by entering into cooperations with over 40 partners – from news agencies to specialist content suppliers.

1&1

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

1&1 focused on the following activities in Germany: the roll-out of ADSL 2+ and the launch of the "Triple Play" offer "3DSL". In our Webhosting segment, the new Virtual Server product line was launched and a new eShop generation presented. In Information Management, a major topic was the launch of Pocket Web. In our international business, we drove the roll-out 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

	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q3 2005
Sales	200.4	217.6	242.1	254.6	161.4
EBITDA	35.0	46.3	56.3	63.6	29.7
EBT	25.2	34.8	43.8	50.8	26.7

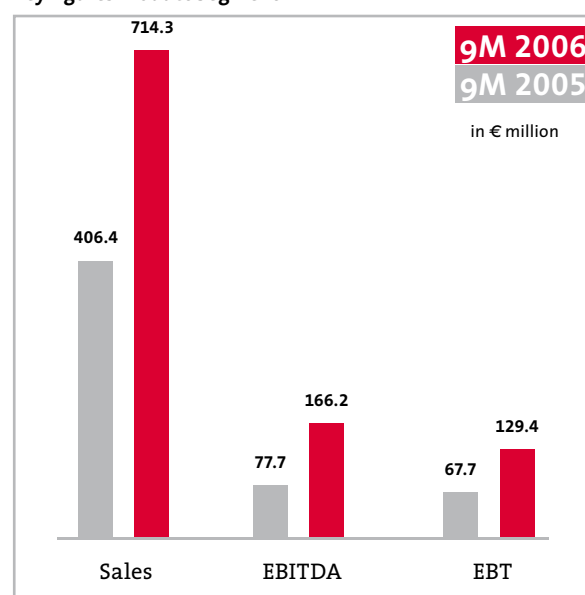
Schlund + Partner

Our premium brand Schlund + Partner offers small to mid-size companies (SMEs) a range of professional information management solutions, hosting and access products. Customers can also select comprehensive on-site service, which is provided by an extensive network of 7,000 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. At the same time, we 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.

From January 1, 2007, Schlund + Partner will be merged internally with 1&1 Internet AG. Existing customer contracts will be continued by 1&1. At the same time, 1&1 will launch its new 1&1 Platinum Service for all business 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 customer care.

The measures already introduced in 2005 to raise the productivity of our Outsourcing segment are proving increasingly effective in 2006: compared with the same period last year, sales grew by 17.9 % to € 77.6 million, while EBT was up 95.1 % to € 8.0 million. We expect this positive trend to continue in the remaining months of the current fiscal year.

InterNetX

United Internet's reselling activities in Germany 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 2006 InterNetX focused on gaining further sales partners. The company now serves some 15,900 resellers (September 30, 2005: 13,900), for which it hosts over 1.4 million domains and 600 servers.

twenty4help

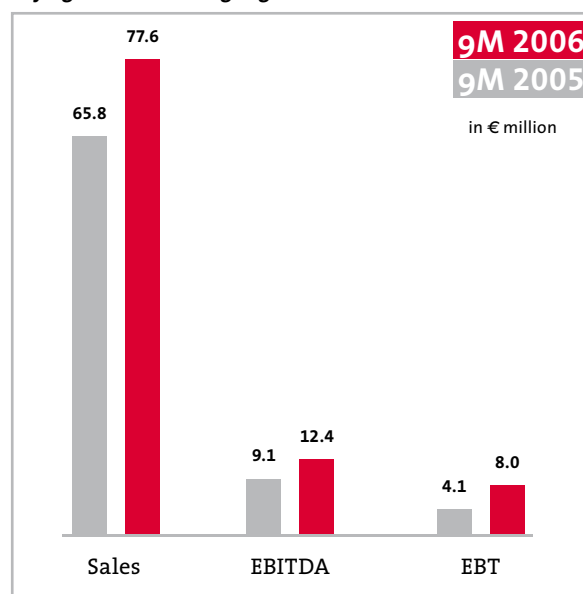
Under the twenty4help brand, we offer major corporations an extensive range of customer care services. Our customers include international blue chip companies, such as HP, Sun Microsystems and Sharp Electronics. twenty4help operates 10 facilities in 7 European nations. Over 3,000 employees answer technical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

	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q3 2005
Sales	22.8	27.6	25.3	24.7	21.2
EBITDA	3.1	4.4	3.8	4.2	2.8
EBT	1.8	2.8	2.4	2.8	1.2

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 71.7 % to €122.1 million (prior year: €71.1 million), while EBT improved by 220.9 %, from €4.3 million to €13.8 million. Considering the encouraging trend in this sector and the overall boom in online advertising, we expect the positive development to continue in the remaining months 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 2006 the company focused mainly on the further restructuring of its product portfolio and the expansion of its advertising network. As a result, the number of page impressions generated by the network grew to 6.4 billion per month (prior year: 5.2 billion).

affilinet

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

In 2006 affilinet focused on gaining new program suppliers and expanding its network: the number of affiliate programs grew to over 1,270 (prior year: 750) and the number of participating websites reached over 390,000 (prior year: 280,000).

Sedo

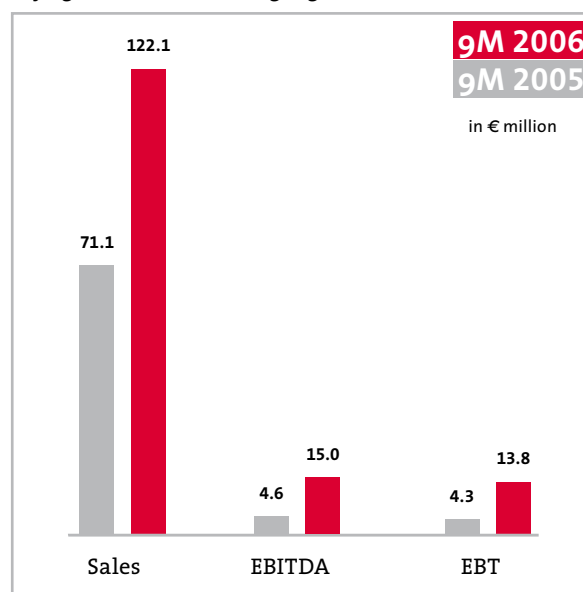
Sedo operates the global domain trading platform "sedo.com", which currently trades 5.3 million domains. In its "domain parking" business, Sedo markets some of these domains to advertisers on behalf of the domain owners.

In 2006 Sedo focused on driving its international expansion – especially in the USA and the UK. The number of marketable domains grew to over 2.15 million (prior year: 0.65 million).

Quarterly development in € million

	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q3 2005
Sales	34.9	40.4	44.1	37.6	25.3
EBITDA	3.6	5.3	5.6	4.1	1.5
EBT	1.9	4.8	5.0	4.0	1.2

Key figures Online Marketing Segment



Consolidated Income Statement

from January 1 to September 30, 2006 in €k

	2006		2005	
	January - September		January - September	
Sales	914,046	100.0 %	543,283	100.0 %
Cost of sales	-543,254	-59.4 %	-311,745	-57.4 %
Gross profit	370,792	40.6 %	231,538	42.6 %
Selling expenses	-156,181	-17.1 %	-124,668	-22.9 %
General administrative expenses	-70,056	-7.7 %	-37,164	-6.8 %
Other operating income / expenses	2,697	0.3 %	1,869	0.3 %
Operating result	147,252	16.1 %	71,575	13.2 %
Interest and similar expenses / income	-1,844	-0.2 %	1,188	0.2 %
Result from associated companies	1,462	0.2 %	446	0.1 %
Pre-tax result	146,870	16.1 %	73,209	13.5 %
Income taxes	-56,372	-6.2 %	-29,939	-5.5 %
Net income before minority interests	90,498	9.9 %	43,270	8.0 %
Minority interests	-4,642	-0.5 %	-1,625	-0.3 %
Net income attributable to shareholders of United Internet AG	85,856	9.4 %	41,645	7.7 %
Result per share in €				
- basic	0.35		0.19	
- diluted	0.34		0.18	
Weighted average shares (in million units)				
- basic	247.38		224.46	
- diluted	249.35		226.22	

Consolidated Income Statement

Quarterly development in € million

	Q1 2006	Q2 2006	Q3 2006	Q3 2005
Sales	285.6	311.5	316.9	207.9
Cost of sales	-170.4	-187.1	-185.7	-118.4
Gross profit	115.2	124.4	131.2	89.5
Selling expenses	-54.2	-51.3	-50.7	-49.9
General administrative expenses	-21.0	-23.8	-25.2	-13.0
Other operating income / expenses	1.7	0.9	0.1	0.3
Operating result	41.7	50.2	55.4	26.9
Interest and similar expenses / income	-0.4	-0.6	-0.8	0.5
Result from associated companies	0.2	0.5	0.7	0.1
Pre-tax result	41.5	50.1	55.3	27.5
Income taxes	-16.1	-19.9	-20.4	-11.4
Net income before minority interests	25.4	30.2	34.9	16.1
Minority interests	-1.3	-1.4	-1.9	-0.4
Net income attributable to shareholders of United Internet AG	24.1	28.8	33.0	15.7
Result per share in €				
- basic	0.09	0.12	0.14	0.07
- diluted	0.09	0.12	0.13	0.07

Consolidated Balance Sheet

as of September 30, 2006 in €k

ASSETS	September 30, 2006		December 31, 2005	
Current assets				
Cash and cash equivalents	41,529	5.1 %	36,177	5.6 %
Securities	77,815	9.6 %	0	0.0 %
Trade receivables	99,978	12.3 %	99,841	15.5 %
Inventories	7,299	0.9 %	6,313	1.0 %
Prepaid expenses	11,560	1.4 %	12,526	1.9 %
Other assets	19,258	2.4 %	20,927	3.3 %
	257,439	31.7 %	175,784	27.3 %
Non-current assets				
Equity investments	10,399	1.3 %	9,492	1.5 %
Other financial assets	1,671	0.2 %	1,440	0.1 %
Property, plant and equipment	57,835	7.1 %	51,619	8.0 %
Intangible assets	150,348	18.5 %	145,503	22.6 %
Goodwill	327,211	40.3 %	253,515	39.4 %
Deferred tax asset	6,437	0.9 %	6,436	1.0 %
	553,901	68.3 %	468,005	72.7 %
Total assets	811,340	100.0 %	643,789	100.0 %
LIABILITIES AND EQUITY				
Liabilities				
Current liabilities				
Accounts payable, trade	155,182	19.1 %	91,932	14.3 %
Liabilities due to banks	61,182	7.5 %	344	0.1 %
Advance payments received	5,450	0.7 %	5,111	0.8 %
Accrued taxes	34,802	4.3 %	12,527	1.9 %
Deferred revenue	90,805	11.2 %	72,421	11.2 %
Other accrued liabilities	1,176	0.1 %	1,493	0.2 %
Other liabilities	45,187	5.6 %	65,963	10.2 %
	393,784	48.5 %	249,791	38.8 %
Non-current liabilities				
Convertible bonds	967	0.1 %	1,245	0.2 %
Liabilities to banks	102,872	12.7 %	82,857	12.9 %
Deferred tax liability	19,148	2.4 %	11,726	1.8 %
Deferred revenue	1,980	0.2 %	2,680	0.4 %
Other liabilities	42	0.0 %	242	0.0 %
	125,009	15.4 %	98,750	15.3 %
Total liabilities	518,793	63.9 %	348,541	54.1 %
Equity				
Capital stock	249,883	30.8 %	62,275	9.7 %
Additional paid-in capital	140,624	17.3 %	225,264	35.0 %
Revaluation reserves	892	0.1 %	892	0.1 %
Accumulated loss / profit	-33,613	-4.1 %	-2,822	-0.4 %
Treasury shares	-79,561	-9.8 %	0	0.0 %
Currency translation adjustment	1,152	0.1 %	1,111	0.2 %
	279,377	-	286,720	-
Minority interests	13,170	1.6 %	8,528	1.3 %
Total equity	292,547	36.1 %	295,248	45.9 %
Total liabilities and equity	811,340	100.0 %	643,789	100.0 %

Consolidated Statement of Changes in Shareholder's Equity

from January 1 to September 30, 2006 in €k

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	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 Afiliat 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
Exercise of conversion rights	782	232						1,014
Capital increase from company funds	186,826	-85,928				-100,898		0
Employee stock ownership programme AdLINK		212						212
Employee stock ownership programme United Internet		844						844
Increase of treasury shares					-79,561			-79,561
Dividend payment						-15,569		-15,569
Dividend minority interests						-180		-180
Currency translation adjustment 2006				41				41
Net income for the period						85,856	4,642	90,498
Balance as of Sept. 30, 06	249,883	140,624	892	1,152	-79,561	-33,613	13,170	292,547

Consolidated Cash Flow Statement

from January 1 to September 30, 2006 in €k

	2006 January - September	2005 January - September
Cash flow from operating activities		
Net income before minority interests	90,498	43,270
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	40,253	16,167
Compensation expenses from employee stock option plans	1,306	1,427
Undistributed profits / losses of associated companies	-1,462	-446
Distributed profit of associated companies	559	441
Change in deferred taxes	-1,022	714
Other non-cash expenses / income	221	-257
Operative cash flow	130,353	61,316
Change in assets and liabilities		
Change in receivables and other assets	3,408	2,448
Change in inventories	-660	4,196
Change in deferred expenses	964	-3,547
Change in accounts payable, trade	60,699	27,048
Change in advance payments received	338	-848
Change in other accrued liabilities	-317	-1,187
Change in accrued taxes	20,438	-3,233
Change in other liabilities	-15,203	7,076
Change in deferred income	12,873	9,712
Change in assets and liabilities, total	82,540	41,665
Cash flow from operating activities	212,893	102,981
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	-23,292	-18,287
Payments of loan granted	-148	-16
Payments of disposal of assets	825	184
Acquisition costs, net of acquired cash	-92,970	-4,153
Cash flow from investment activities	-115,585	-22,272
Cash flow from financing activities		
Purchase of treasury stock	-79,561	-3,430
Funds and securities	-77,815	0
Change in bank liabilities	80,854	1,026
Dividend payments	-15,569	-11,209
Dividend minority interests	-180	0
Minority interests	0	-721
Additional payments for the exercise of convertible bonds	293	967
Payment / repayment of convertible bonds	-19	166
Cash flow from financing activities	-91,997	-13,201
Net increase in cash and cash equivalents	5,311	67,508
Cash and cash equivalents at beginning of fiscal year	36,177	74,682
Change in currency translation adjustments	41	52
Cash and cash equivalents at end of period	41,529	142,242

Consolidated Income Statement acc. to HGB

from January 1 to September 30, 2006 in €k

	2006 January - September	2005 January - September
Sales	8,514	4,939
Other operating income	127	25,662
Cost of materials		
Cost of purchased services	-7,998	-4,490
Personnel expenses		
a. Wages and salaries	-1,213	-1,185
b. Social security contributions	-106	-92
Amortization and depreciation of intangible assets and property, plant and equipment	-70	-43
Other operating expenses	-4,372	-2,832
Income from associated companies	830	160
Other interest and similar income	2,798	995
Interest and similar expenses	-1,693	-374
Result before taxes	-3,183	22,740
Taxes on income	-327	-154
Other taxes	-3	-2
Net loss / income	-3,513	22,584

Balance Sheet acc. to HGB

as of September 30, 2006 in €k

ASSETS	September 30, 2006	Dezember 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	339	206
	339	206
Financial assets		
Shares in affiliated companies	288,595	288,070
Loans to affiliated companies	0	14,710
Associated companies	7,907	8,432
	296,502	311,212
	296,843	311,419
CURRENT ASSETS		
Accounts receivable and other assets		
Accounts receivable, trade	0	1
Receivables due from affiliated companies	12,456	179,756
Receivables due from associated companies	3	3
	26,303	505
Other assets	38,762	180,265
Securities		
Treasury shares	79,561	0
Securities	77,815	0
	157,376	0
Cash in hand and bank balances	5,063	10,400
	201,201	190,665
	498,044	502,084

EQUITY AND LIABILITIES	September 30, 2006	December 31, 2005
EQUITY		
Capital stock	249,883	62,275
Capital reserves	55,505	141,201
Revenue reserves		
– Reserve for treasury shares	79,561	0
– Other revenue reserves	0	898
Retained earnings	-11,310	187,333
	373,639	391,707
ACCRUALS		
Accrued taxes	2,568	1,123
Other accrued liabilities	2,787	5,192
	5,355	6,315
LIABILITIES		
Bonds	765	970
Liabilities due to banks	78,855	80,000
Accounts payable, trade	463	261
Liabilities due to affiliated companies	34,834	4,980
Other liabilities	4,133	17,851
	119,050	104,062
	498,044	502,084

United Internet Subsidiaries and Shareholdings

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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)
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 S.A.	(affilinet share: 100 %, 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: November 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
June 26, 2006	Stock split in 1:3 ratio
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

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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

November 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