

# 3-Month-Report 2007

## Dear shareholders, employees and friends of United Internet!



United Internet AG can look back on a successful start to its fiscal year 2007. Compared with the same period last year, we once again succeeded in achieving strong growth in our sales and earnings figures: consolidated sales of United Internet AG grew by 29.4 % from € 260.4 million (comparable prior-year figure after sale and deconsolidation of twenty4help) to € 336.9 million. Pre-tax earnings (EBT) rose by 27.8 % from € 39.2 million (comparable prior-year figure) to € 50.1 million. Despite increased costs for the penetration of new business fields, the EBT margin amounted to 14.9 %.

This result reflects the positive development of our two remaining business segments, "Products" and "Online Marketing":

In the Product sector, with our brands GMX, WEB.DE, 1&1, InterNetX and Fasthosts, sales grew by 30.7 % over the previous year to € 287.5 million and EBT by 26.6 % to € 44.7 million. Compared with March 31, 2006, the number of paying customer contracts increased by 1.33 million to 6.63 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 660,000 to 1.37 million. Including Germany, we held a total of some 3.00 million webhosting contracts as of March 31, 2007 — an increase of 750,000 compared with March 31, 2006. In the field of Information Management, we added 110,000 new contracts to reach 1.12 million and 520,000 DSL contracts to reach 2.36 million. In addition to the acquisition of new customers and the launch of innovative products, such as 4DSL, the main focus of our DSL business was placed on raising customer loyalty and expanding business with our client base. Compared with March 31, 2006, we were able to raise the number of our telephony customers by 670,000 to 1.37 million. At the same time, the number of telephone minutes completed per month grew from 480 million to 780 million. The number of our own DSL connection customers also improved strongly by 740,000 to 1.97 million. This means that 83.5% (prior year: 66.8%) of our DSL access customers receive both their internet

access and DSL connection from us and 58.1 % (prior year: 38.0 %) of our DSL access customers also use our internet telephony product in addition to pure access.

In the Online Marketing segment, our brands AdLINK, affilinet and Sedo are benefiting from the positive development of the online advertising market. Compared with the same period last year, sales in this segment grew by 21.8 % to € 49.2 million. EBT improved by 16.7 % to € 5.6 million.

Our former third segment, Outsourcing, is no longer separately disclosed since the sale of the twenty4help group to Teleperformance S.A. The consolidated figures for the previous year have been adjusted accordingly and now only comprise continued operations. The remaining Outsourcing brand InterNetX was integrated into the Product segment.

We are also optimistic for the remaining months of the current fiscal year: 4DSL is enjoying strong market demand, our international expansion in Webhosting is making good progress, all lights are set to green in online advertising amid continued market growth and the roll-out of new business fields in Germany and abroad is in full swing.

Montabaur, May 9, 2007

Ralph Dommermuth  
CEO

## Selected Key Figures acc. to IFRS

(continued operations)

		Q1 2007	Q1 2006
Sales	€ million	336.9	260.4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	63.4	50.8
Earnings before taxes (EBT)	€ million	50.1	39.2
Employees	number	3,430	2,879
Share price as of end of March (XETRA)	€	14.55	13.27
Earnings per share	€	0.13	0.09

Quarterly development	Q2/2006 € million	Q3/2006 € million	Q4/2006 € million	Q1/2007 € million	Q1/2006 € million
Sales	288.7	295.1	329.9	336.9	260.4
EBITDA	60.3	66.1	44.0	63.4	50.8
EBT	48.1	53.1	30.8	50.1	39.2

### Shareholdings (units)

March 31, 2007

<b>Management board</b>	
Ralph Dommermuth	88,000,000
Norbert Lang	576,128
<b>Supervisory board</b>	
Kurt Dobitsch (Chairman)	-
Bernhard Dorn	-
Michael Scheeren	800,000

## Development of the Group

### Strong growth in sales and earnings

In the first quarter of 2007, consolidated sales revenues of the United Internet Group grew by 29.4 % to € 336.9 million (comparable prior-year figure after sale and deconsolidation of twenty4help: € 260.4 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 24.8 % to € 63.4 million (comparable prior-year figure: € 50.8 million), while earnings before taxes (EBT) were up by 27.8 % to € 50.1 million (comparable prior-year figure: € 39.2 million). Despite increased costs for the penetration of new business fields, we therefore achieved an EBT margin of 14.9 %.

### Successful international expansion

In comparison with March 31, 2006 we succeeded in adding 520,000 new DSL customer contracts, bringing the total to approximately 2.36 million as of March 31, 2007 (prior year: 1.84 million). In addition to the acquisition of new customers and the launch of our all-inclusive package 4DSL, the main focus of our DSL business was placed on raising customer loyalty and expanding business with our client base. Compared with March 31, 2006, we were able to raise the number of our telephony customers by 670,000 to 1.37 million. At the same time, the number of telephone minutes completed per month grew from 480 million to 780 million. The number of our own DSL connection customers also improved strongly by 740,000 to 1.97 million. This means that 83.5 % (prior year: 66.8 %) of our DSL access customers receive both their internet access and DSL connection from us and 58.1 % (prior year: 38.0 %) also use our internet telephony product.

### Successful international expansion

International expansion in our core markets continued to make strong progress: in the period under review, sales outside Germany accounted for € 58.1 million of total consolidated revenues (prior year: € 37.7 million). In our Product business we added 660,000 new hosting contracts abroad, compared with the same period last year. Following the successful establishment of our business in the UK, the USA, France and Austria, we will launch our hosting products in Spain in the course of the current year.

### Sale of twenty4help

On March 13, 2007 we completed the sale of the United Internet Group subsidiary twenty4help Knowledge Service AG to Teleperformance. The Group's Outsourcing segment, of which twenty4help accounted for around 90%, will no longer be separately disclosed in future. The remaining Outsourcing brand InterNetX was integrated into the Product segment. The sale resulted in extraordinary income of around € 65.8 million, which is disclosed in the quarterly report as Discontinued Operations in accordance with IFRS 5.

In accordance with IFRS 5, the prior-year figures of the income statement have to be adjusted as follows: Revenues and expenses of the discontinued operations are no longer included in the respective items and the segment earnings after tax figure is disclosed in a separate line of the income statement. The prior-year figures of the balance sheet as at December 31, 2006 and of the cash flow statement are shown unadjusted.

Revenues of the sold business segment amounted to € 23.2 million in the first quarter of 2007 and € 25.2 million in the same period last year. Earnings after tax of the discontinued operations amounted to € 2.5 million (prior year: € 1.8 million). In accordance with IFRS 5, scheduled depreciation and amortization of intangible assets and property, plant and equipment was terminated in the first quarter of 2007.

### Cash flow / bank balances / securities

Depreciation of tangible and intangible assets grew from € 12.8 million last year to € 13.0 million in the period under review. Our investments in tangible and intangible assets amounted to € 9.3 million (prior year: € 9.0 million). Cash flow from operating activities grew to € 47.6 million (prior year: € 38.7 million). As of March 31, 2007 the aggregate total of bank balances and bank liabilities amounted to € 1.0 million, compared with € -86 million as of December 31, 2006. In addition, we held around 13 million treasury shares as of March 31, 2007.

### Employees

Following the sale of twenty4help, United Internet employed a total of 3,430 people at the end of March 2007 (December 31, 2006: 6,347), of which 734 (December 31, 2006: 2,364) 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 2006.

## Parent company results

Pre-tax earnings of the parent company, United Internet AG, amounted to € -0.9 million (prior-year: € -0.8 million). As of March 31, 2007 the company had an equity ratio of 81.5%.

## Share

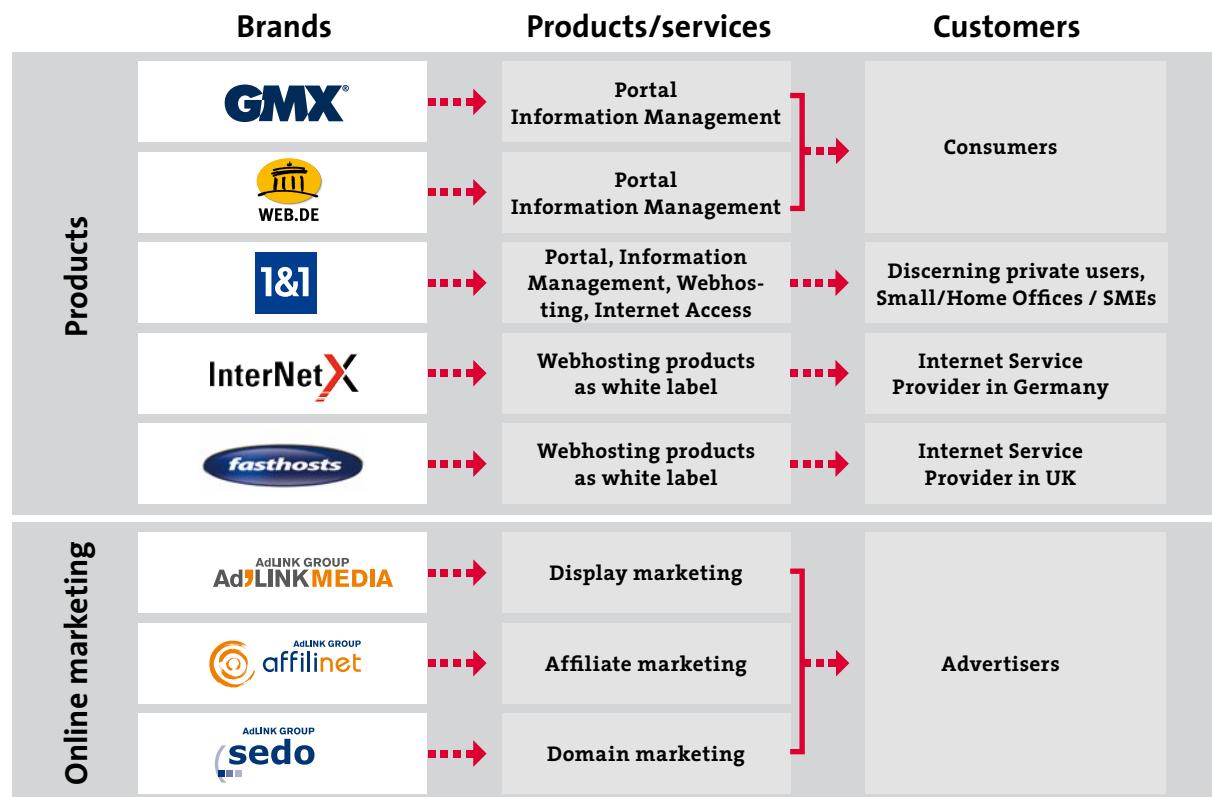
During the period under review, the United Internet share grew by 16.1% – from € 12.53 as of December 31, 2006 to € 14.55 as of March 31, 2007. On May 23, 2006, the Management Board of United Internet AG resolved to buy back up to 8,000,000 (adjusted for the share split) of the company's shares (around 3.21% of capital

stock). After fully exhausting this resolution, the Management Board of United Internet AG resolved on August 15, 2006 to buy back up to 5,000,000 further shares in the company (representing approx. 2.00 % of capital stock) via the stock exchange. As of March 31, 2007 a total of 12,990,000 treasury shares had been bought back at an average price of € 11.16 and a total of around € 145.0 million. The Management Board and Supervisory Board will propose a dividend of 18 cents per share for the fiscal year 2006 (prior year: 6.25 cents adjusted for the share split) at the Annual Shareholders' Meeting to be held on May 30, 2007.

## Outlook

In light of the positive development of the first quarter of 2007, we are also optimistic for the year as a whole. There is strong global demand for our products, all our target markets are displaying sustained growth and the launch of new product fields, such as MailXchange or "unddu.de", offers a wide variety of growth opportunities.

## Segments and brands



## Product segment



**GMX** targets the mass market with e-mail and messaging products. 8 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, value-added services.



With over 11 million active internet users per month, **WEB.DE** is the No. 2 on the German portal market. WEB.DE also offers free basic services as well as fee-based products and services, including the WEB.DE Club.



**1&1** is the right address for discerning private users, SoHos and SMEs looking for 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.



**InterNetX** and **Fasthosts** represent the reselling business of the United Internet Group. The brands market our webhosting products as white-label packages to other ISPs, which in turn market them under their own name and for their own account. InterNetX operates in Germany and Fasthosts in the UK.

## Online Marketing segment



In our display marketing segment, **AdLINK Media** stands for branding, image and response. This business is based on an advertising network of top-quality websites with 7.6 billion page impressions per month.



Affiliate marketing is one of the strongest growth drivers in online marketing. This market is served by our brand **affilinet**. The affiliate network currently comprises 390,000 active publisher sites and over 1,200 affiliate programs.



The **Sedo** brand stands for our domain marketing business field. There are currently 6.9 million domains for sale on our domain trading platform [www.sedo.com](http://www.sedo.com). Sedo markets some of these domains to advertisers.

## 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** with DSL connections (including telephony and video-on-demand) and narrowband connections.

These products are marketed directly under our brand names GMX, WEB.DE and 1&1, as well as by InterNetX and Fasthosts in our reseller business. This enables us to cover most mass market needs while differentiating between varying target groups. GMX and WEB.DE target mainly consumers, while 1&1 focuses on ambitious private users, small offices and companies. And our reseller brands InterNetX and Fasthosts market our webhosting products as white-label packages to other ISPs, who in turn market them under their own name and for their own account.

As of March 31, 2007 we had a total of 6.63 million fee-based customer contracts (March 31, 2006: 5.30 million). Of this total, the Information Management product line accounted for 1.12 million contracts, our Webhosting business for 3.00 million and Internet Access for 2.51 million contracts, of which 2.36 million were DSL accounts.

### Year-on-year comparison of customer contracts by product line

Customer contracts (million)	31.03.2006	31.03.2007	Difference
<b>Information</b>			
Management	1.01	1.12	+ 0.11
Webhosting	2.25	3.00	+ 0.75
thereof abroad	0.71	1.37	+ 0.66
Internet Access	2.04	2.51	+ 0.47
thereof DSL	1.84	2.36	+ 0.52
<b>Total</b>	<b>5.30</b>	<b>6.63</b>	<b>+ 1.33</b>

### Quarter-on-quarter comparison of customer contracts by product line

Customer contracts (million)	31.12.2006	31.03.2007	Difference
<b>Information</b>			
Management	1.09	1.12	+ 0.03
Webhosting	2.86	3.00	+ 0.14
thereof abroad	1.26	1.37	+ 0.11
Internet Access	2.44	2.51	+ 0.07
thereof DSL	2.27	2.36	+ 0.09
<b>Total</b>	<b>6.39</b>	<b>6.63</b>	<b>+ 0.24</b>

Information Management: excluding test contracts

Internet Access and DSL: excluding provider-independent VoIP flat rate contracts

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 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 30.7 % to € 287.5 million, while EBT was up 26.6 % to € 44.7 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 4DSL and our attractive price/performance ratio, we also see good 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 2007.

### GMX

GMX targets private users with its Information Management products. 7.8 million internet users and 180 million visits per month make GMX one of Germany's leading portals. In addition to its free

e-mail accounts, GMX also offers fee-based value-added services.

In the period under review GMX focused on the development of a multi-messenger as well as a new web-mailer. The new webmailer relies on AJAX technology, which enables the creation of dynamic pages and the continual background refreshing of content.

#### WEB.DE

With 11.1 million internet users per month, WEB.DE is No. 2 in Germany's portal sector. WEB.DE also offers free basic services and fee-based products, including the WEB.DE Club.

In the period under review, WEB.DE expanded its entertainment section with the addition of ringtones, a ticket shop and music videos. SmartFax is a new solution which allows Club customers to fax files from all major applications. The company also focused on the development of its social and personal network "unddu.de".

#### 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.

During the period under review, the main focus in the German DSL segment was the launch of 4DSL, while in the Webhosting segment the first open source software-as-a-service for business customers, MailX-change, was presented. Outside Germany, the main activity was the launch of our new data center in the USA. In addition, preparations were made for the product rollout of 1&1 in Spain.

#### Quarterly development in € million

	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q1 2006
<b>Sales</b>	244.5	257.4	279.2	287.5	219.9
<b>EBITDA</b>	56.7	64.3	32.1	57.9	46.9
<b>EBT</b>	44.2	51.4	19.4	44.7	35.3

#### 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.

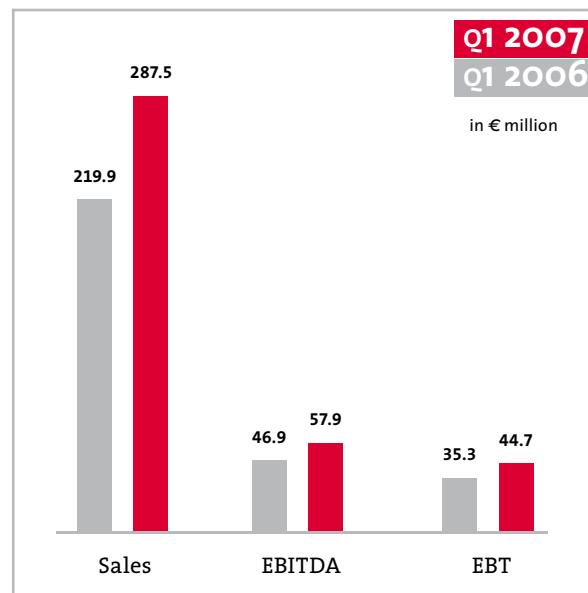
In the period under review, InterNetX focused on expanding its reseller network. InterNetX currently serves 16,700 resellers (prior year: 14,900) for which it hosts over 1.8 million domains and over 650 servers.

#### Fasthosts

Fasthosts is our reseller brand in the UK. Similar to InterNetX, Fasthosts markets hosting products to ISPs and multimedia agencies (resellers), who market them under their own name. Fasthosts is also active in the direct marketing of products to consumers and companies.

Fasthosts also focused on the expansion of its reseller network in the first quarter of 2007. In addition, the company made preparations for its product launch in the USA. In the United States Fasthosts will focus exclusively on the reseller business.

#### Financial figures Product segment



## Online Marketing segment

Our Online Marketing segment offers advertisers a variety of marketing and sales solutions: Display Marketing via AdLINK Media, 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 21.8 %, from € 40.4 million to € 49.2 million, while EBT improved by 16.7%, from € 4.8 million to € 5.6 million. Considering the sustained encouraging trend in this sector and the overall growth of the online advertising market, we expect a positive development in the remaining months of 2007.

### AdLINK Media

AdLINK Media 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 expansion of its advertising network. As a result, the number of page impressions generated by the network grew to 7.6 billion per month (prior year: 6.4 billion).

### Sedo

Sedo operates the global domain trading platform "sedo.com", which currently trades 6.9 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 in particular on driving its international expansion – especially in

the USA and the UK. The number of marketable domains grew to over 2.9 million (prior year: 1.25 million).

### affilinet

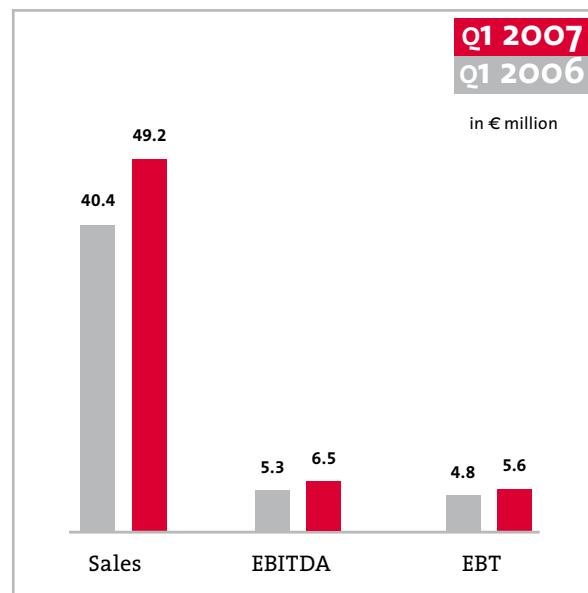
affilinet brings together suppliers of affiliate programs and website operators. affilinet profits from the contacts and sales initiated via the network on a purely performance-oriented basis.

In the period under review, affilinet focused on gaining new program suppliers and expanding its network: the number of affiliate programs grew to over 1,230 (prior year: 1,180) and the number of active websites reached over 390,000 (prior year: 360,000).

### Quarterly development in € million

	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q1 2006
<b>Sales</b>	44.1	37.6	50.5	49.2	40.4
<b>EBITDA</b>	5.6	4.1	7.3	6.5	5.3
<b>EBT</b>	5.0	4.0	6.0	5.6	4.8

### Financial figures Online Marketing segment



## Consolidated Income Statement

from Januar 1 to March 31, 2007 in €k

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	2007		2006	
	January - March		January - March	
Sales	336,885	100.0 %	260,408	100.0 %
Cost of sales	-200,712	-59.6 %	-148,382	-57.0 %
<b>Gross profit</b>	<b>136,173</b>	<b>40.4 %</b>	<b>112,026</b>	<b>43.0 %</b>
Selling expenses	-61,361	-18.2 %	-54,018	-20.7 %
General administrative expenses	-18,771	-5.6 %	-15,017	-5.8 %
Other operating income/expenses	52	0.0 %	1,413	0.5 %
Amortization of intangible assets resulting from company acquisitions	-5,624	-1.7 %	-5,101	-2.0 %
<b>Operating result</b>	<b>50,469</b>	<b>15.0 %</b>	<b>39,303</b>	<b>15.1 %</b>
Interest and similar expenses	-808	-0.2 %	-310	-0.1 %
Result from equity investments	467	0.1 %	224	0.1 %
<b>Pre-tax result</b>	<b>50,128</b>	<b>14.9 %</b>	<b>39,217</b>	<b>15.1 %</b>
Income taxes	-19,184	-5.7 %	-15,578	-6.0 %
<b>Net income before minority interests</b>	<b>30,944</b>	<b>9.2 %</b>	<b>23,639</b>	<b>9.1 %</b>
Result from discontinued operations	68,248	20.3 %	1,794	0.6 %
<b>Net income (after discontinued operations)</b>	<b>99,192</b>	<b>29.5 %</b>	<b>25,433</b>	<b>9.7 %</b>
Minority interests	-623	-0.2 %	-1,348	-0.5 %
<b>Net income attributable to shareholders of United Internet AG</b>	<b>98,569</b>	<b>29.3 %</b>	<b>24,085</b>	<b>9.2 %</b>
Result per share (in €)				
- basic	0.41		0.10	
- diluted	0.41		0.10	
thereof result per share (in €) from discontinued operations				
- basic	0.13		0.09	
- diluted	0.13		0.09	
thereof result per share (in €) from discontinued operations				
- basic	0.28		0.01	
- diluted	0.28		0.01	
Weighted average shares (in million units)				
- basic	239.99		249.10	
- diluted	241.59		251.67	

# Consolidated Balance Sheet

## as of March 31, 2007 in €k

ASSETS	March 31, 2007		December 31, 2006	
<b>Current assets</b>				
Cash and cash equivalents	34,540	4.3 %	32,723	4.0 %
Accounts receivable and other assets	89,058	11.2 %	120,920	14.8 %
Inventories	16,066	2.0 %	16,797	2.0 %
Prepaid expenses	17,160	2.2 %	19,522	2.4 %
Other assets	24,728	3.1 %	17,705	2.2 %
	<b>181,552</b>	<b>22.8 %</b>	<b>207,667</b>	<b>25.3 %</b>
<b>Non-current assets</b>				
Equity investments	23,973	3.0 %	11,006	1.3 %
Other financial assets	3,673	0.5 %	3,695	0.4 %
Property, plant and equipment	63,209	8.0 %	66,296	8.1 %
Intangible assets	138,484	17.4 %	147,370	18.0 %
Goodwill	376,004	47.3 %	373,687	45.6 %
Deferred tax asset	7,725	1.0 %	9,811	1.2 %
	<b>613,068</b>	<b>77.2 %</b>	<b>611,865</b>	<b>74.7 %</b>
<b>Total assets</b>	<b>794,620</b>	<b>100.0 %</b>	<b>819,532</b>	<b>100.0 %</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable, trade	172,814	21.7 %	163,330	19.9 %
Liabilities due to banks	31,031	3.9 %	16,140	2.0 %
Advance payments received	5,662	0.7 %	5,440	0.7 %
Accrued taxes	35,586	4.5 %	25,743	3.1 %
Deferred revenue	101,153	12.7 %	92,520	11.3 %
Other accrued liabilities	1,699	0.2 %	1,699	0.2 %
Other liabilities	51,378	6.5 %	50,510	6.2 %
	<b>399,323</b>	<b>50.2 %</b>	<b>355,382</b>	<b>43.4 %</b>
<b>Non-current liabilities</b>				
Convertible bonds	823	0.1 %	876	0.1 %
Liabilities to banks	2,511	0.3 %	102,579	12.5 %
Deferred tax liability	21,747	2.7 %	21,769	2.7 %
Deferred revenue	0	0.0 %	1,756	0.2 %
Other liabilities	2,155	0.3 %	2,155	0.3 %
	<b>27,236</b>	<b>3.4 %</b>	<b>129,135</b>	<b>15.8 %</b>
<b>Total liabilities</b>	<b>426,559</b>	<b>53.6 %</b>	<b>484,517</b>	<b>59.1 %</b>
<b>Equity</b>				
Capital stock	250,235	31.5 %	250,235	30.5 %
Additional paid-in capital	156,409	19.7 %	156,447	19.1 %
Accumulated profit/loss	92,555	11.6 %	-6,014	-0.7 %
Treasury stock	-145,018	-18.2 %	-79,561	-9.7 %
Revaluation reserves	1,373	0.2 %	1,373	0.2 %
Currency translation adjustment	552	0.1 %	930	0.1 %
	<b>356,106</b>	<b>-</b>	<b>323,410</b>	<b>-</b>
<b>Minority interests</b>	<b>11,955</b>	<b>1.5 %</b>	<b>11,605</b>	<b>1.4 %</b>
<b>Total equity</b>	<b>368,061</b>	<b>46.4 %</b>	<b>335,015</b>	<b>40.9 %</b>
<b>Total liabilities and equity</b>	<b>794,620</b>	<b>100.0 %</b>	<b>819,532</b>	<b>100.0 %</b>

## Consolidated Statement of Changes in Shareholders' Equity

from January 1 to March 31, 2007 in €k

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	Capital stock		Additional paid-in capital	Accumulated profit/loss
	Share	k€	k€	k€
<b>Balance as of December 31, 2005</b>	<b>62,275,201</b>	<b>62,275</b>	<b>238,506</b>	<b>-2,822</b>
Exercise of conversion rights	1,134,372	1,134	1,391	
Capital increase in return for stock	186,825,603	186,826	-85,928	-100,898
Employee stock ownership programme AdLINK			303	
Employee stock ownership programme United Internet			1,311	
Revaluation surplus Afilias Ltd. / Dublin				
Miscellaneous			864	
Treasury stock				
Dividend payment				-15,569
Currency translation adjustment				
Net income 2006				113,275
Dividend payments				
Increase in shareholdings				
<b>Balance as of December 31, 2006</b>	<b>250,235,176</b>	<b>250,235</b>	<b>156,447</b>	<b>-6,014</b>
Employee stock ownership programme AdLINK			61	
Employee stock ownership programme United Internet			-99	
Treasury stock				
Currency translation adjustment				
Net income 2007				98,569
Increase in shareholdings				
<b>Balance as of December 31, 2007</b>	<b>250,235,176</b>	<b>250,235</b>	<b>156,409</b>	<b>92,555</b>

								<b>Total net income</b>	
								<b>attributable to share- holders of United Internet AG</b>	
Treasury stock	Revaluation reserve	Currency translation	Total	Minority interests	Total equity			Minority interests	
k€	k€	k€	k€	k€	k€			k€	k€
0	892	1,111	299,962	8,528	308,490			57,608	2,214
			2,525		2,525				
			0		0				
			303		303				
			1,311		1,311				
	481		481		481			481	
			864		864				
-79,561			-79,561		-79,561				
			-15,569		-15,569				
		-181	-181		-181			-181	
			113,275	6,954	120,229			113,275	6,954
				180	180				
				-4,057	-4,057				
-79,561	1,373	930	323,410	11,605	335,015			113,575	6,954
			61		61				
			-99		-99				
-65,457			-65,457		-65,457				
		-378	-378		-378			-378	
			98,569	623	99,192			98,569	623
				-273	-273				
-145,018	1,373	552	356,106	11,955	368,061			98,191	623

# Consolidated Cash Flow Statement

## from January 1 to March 31, 2007 in €k

	2007 January - March	2006 January - March
<b>Cash flow from operating activities</b>		
Net income (from continued operations)	30,944	23,639
Net income (from discontinued operations)	68,248	1,794
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
<b>Amortization (from continued operations)</b>		
Depreciation and amortization	7,356	6,362
Amortization of intangible assets resulting from company acquisitions	5,624	5,101
<b>Amortization (from discontinued operations)</b>		
Depreciation and amortization	0	1,322
Compensation expenses from employee stock option plans	-38	369
Results of associated companies consolidated using the equity method	-467	-224
Income from deconsolidation of affiliated companies	-65,794	0
Change in deferred taxes	1,744	340
<b>Operative cash flow</b>	<b>47,617</b>	<b>38,703</b>
<b>Change in assets and liabilities</b>		
Change in receivables and other assets	5,736	-293
Change in inventories	126	788
Change in deferred expenses	1,168	-589
Change in accounts payable, trade	13,680	4,611
Change in advance payments received	222	217
Change in other accrued liabilities	0	82
Change in accrued taxes	11,102	5,137
Change in other liabilities	-3,719	-13,374
Change in deferred income	10,300	7,130
<b>Change in assets and liabilities, total</b>	<b>38,615</b>	<b>3,709</b>
<b>Cash flow from operating activities</b>	<b>86,232</b>	<b>42,412</b>
<b>Cash flow from investing activities</b>		
Capital expenditure for intangible assets and property, plant and equipment	-9,278	-8,979
Investments in other financial assets	0	-15
Payments of loans granted	22	1
Disposal of assets	91	187
Purchase of shares in associated companies	-6,250	0
Purchase of further shares in affiliated companies	-3,166	0
Proceeds from deconsolidation of affiliated companies	85,232	0
<b>Cash flow from investment activities</b>	<b>66,651</b>	<b>-8,806</b>
<b>Cash flow from financing activities</b>		
Purchase of treasury stock	-65,457	0
Change in bank liabilities	-85,178	2,311
Additional payments for the exercise of convertible bonds	-53	-9
<b>Cash flow from financing activities</b>	<b>-150,688</b>	<b>2,302</b>
Net increase/decrease in cash and cash equivalents	2,195	35,908
Cash and cash equivalents at beginning of fiscal year	32,723	36,177
Change in currency translation adjustments	-378	67
<b>Cash and cash equivalents at end of period</b>	<b>34,540</b>	<b>72,152</b>

**Consolidated Income Statement acc. to HGB**  
 from January 1 to March 31, 2007 in €k

	2007 January-March	2006 January-March
Sales	2,909	3,527
Other operating income	126	39
Cost of materials		
Cost of purchased services	-2,687	-3,331
Personnel expenses		
a. Wages and salaries	-465	-400
b. Social security contributions	-39	-33
Amortisation and depreciation of intangible assets and property, plant and equipment	-23	-20
Other operating expenses	-1,275	-1,056
Other interest and similar income	892	1,227
Interest and similar expenses	-311	-705
<b>Result before taxes</b>	<b>-873</b>	<b>-752</b>
Taxes on income	-20	-79
Other taxes	-3	-2
<b>Net loss</b>	<b>-896</b>	<b>-833</b>

## Balance Sheet acc. to HGB

as of March 31, 2007 in €k

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ASSETS	March 31, 2007	December 31, 2006
<b>FIXED ASSETS</b>		
<b>Intangible assets</b>		
Concessions, industrial and similar rights and assets as well as licenses as well as licenses in such rights and assets	12	1
	12	1
<b>Property, plant and equipment</b>		
Other equipment, operational and office equipment	332	317
	332	317
<b>Financial assets</b>		
Share in affiliated companies	289,701	286,536
Investments	7,906	7,906
	297,607	294,442
	297,951	294,760
<b>CURRENT ASSETS</b>		
<b>Accounts receivable and other assets</b>		
Accounts receivable, trade	1	0
Receivables due from affiliated companies	102,328	155,052
Receivables due from companies in which an investment is held	3	3
Other assets	9,161	2,141
	111,493	157,196
<b>Securities</b>		
Treasury stock	145,018	79,561
	145,018	79,561
Cash in hand and bank balances	1,898	7,846
	258,409	244,603
<b>Total</b>	<b>556,360</b>	<b>539,363</b>

<b>EQUITY AND LIABILITIES</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
<b>EQUITY</b>		
Capital stock	250,235	250,235
Capital reserves	56,665	56,665
Revenue reserves		
Reserves for treasury stock	145,018	79,561
Retained earnings	1,290	67,643
	<b>453,208</b>	<b>454,104</b>
<b>ACCRAULS</b>		
Accrued taxes	15,223	15,805
Other accrued liabilities	1,534	2,027
	<b>16,757</b>	<b>17,832</b>
<b>LIABILITIES</b>		
Bonds	676	676
Liabilities due to banks	0	50,000
Accounts payable, trade	268	748
Liabilities due to affiliated companies	78,449	4,484
Other liabilities	7,002	11,519
	<b>86,395</b>	<b>64,427</b>
<b>Total</b>	<b>556,360</b>	<b>539,363</b>

## 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)
Fasthosts Internet Ltd.	(UK)
GMX GmbH	(D)
GMX Internet Services GmbH	(D)
InterNetX GmbH	(80 %, D)
United Internet Media AG	(D)
WEB.DE GmbH	(D)

### Online Marketing

AdLINK Internet Media AG	(80.76 %, D)
AdLINK Internet Media AB	(S)
AdLINK Internet Media B.V.	(NL)
AdLINK Internet Media GmbH	(D)
AdLINK Internet Media Ltd.	(UK)
AdLINK Internet Media N.V.	(B)
AdLINK Internet Media S.A.	(F)
AdLINK Internet Media S.L.U.	(E)
AdLINK Internet Media Srl	(I)
afilinet GmbH	(D)
afilinet Ltd.	(UK)
CibleClick Performances S.A.	(F)
Sedo GmbH	(AdLINK share: 75.94 %, D)
Sedo LLC	(USA)

#### Shareholdings:

fun communications GmbH	33.33 %
NT plus AG	40.23 %
Bigpoint GmbH	12.51 %

#### Management Board:

CEO: Ralph Dommermuth (43), qualified banker  
CFO: Norbert Lang (45), qualified banker

#### Supervisory Board:

Chairman: Kurt Dobitsch (52), self-employed entrepreneur  
Bernhard Dorn (66), self-employed business leader consultant  
Michael Scheeren (49), qualified banker

## Financial calendar\*

March 30, 2007	Annual financial statements for fiscal year 2006
March 30, 2007	Press and analyst's conference
May 9, 2007	Business figures for the 1st Quarter of 2007
May 30, 2007	Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper
May 31, 2007	Dividend payment for fiscal year 2006
August 10, 2007	Business figures for the 2nd Quarter of 2007
August 10, 2007	Press and analyst's conference
November 7, 2007	Business figures for the 3rd Quarter of 2007

\* Subject to prior change. Updates available at [www.united-internet.com](http://www.united-internet.com) in the Investor Relations section, "Calendar".

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This is available in German and English. Both versions can be downloaded from [www.united-internet.de](http://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 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 Reports of United Internet AG. United Internet does not intend to revise or update any forward-looking statements set out in this Report.

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