

Nine Months Report

January to
September
2000

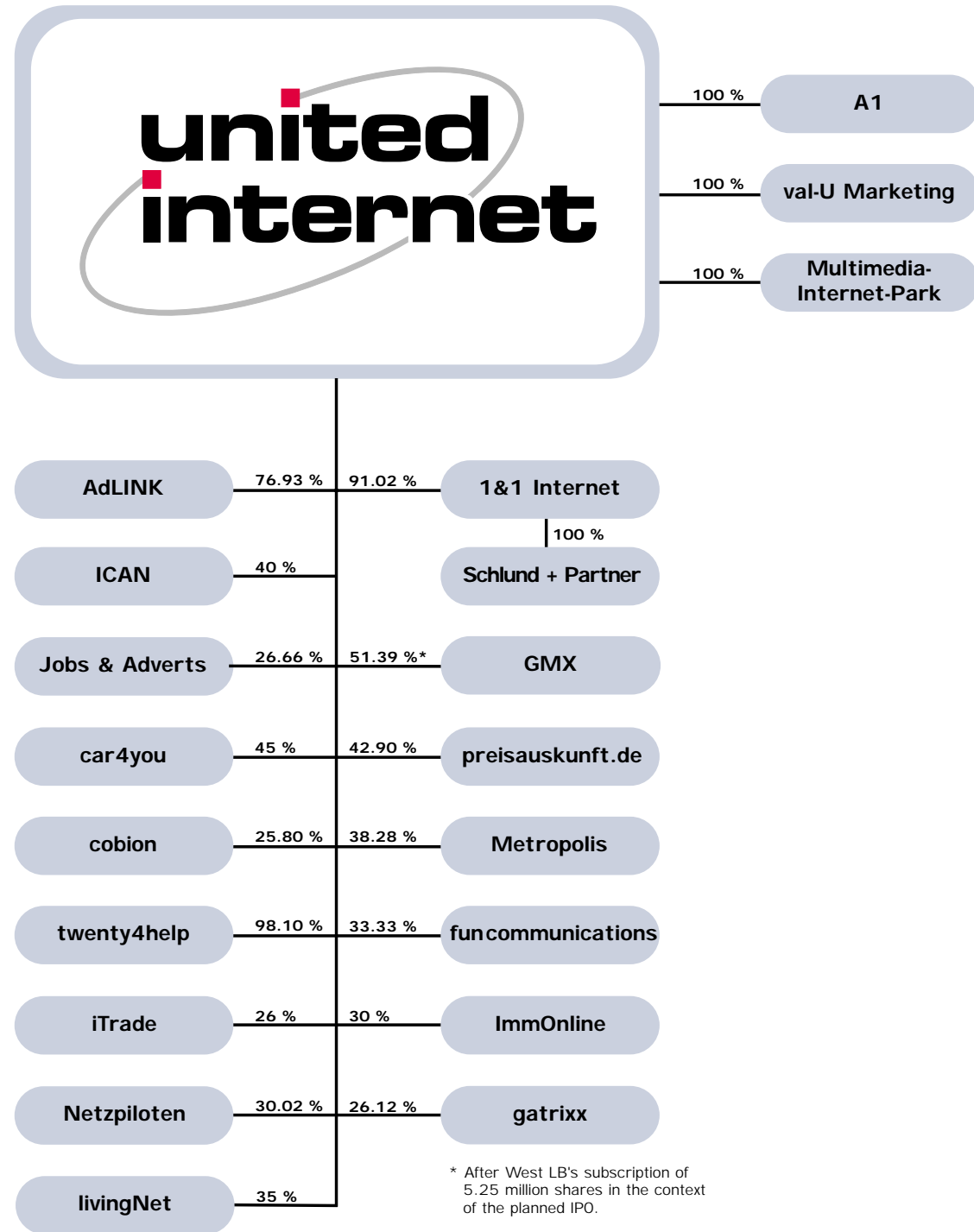


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Overview of Participations

Development



► Market development

The third quarter 2000 was characterized by contradictory trends: While the Internet's march of victory continued, there was also the stock market's correction. Both trends were reflected in our company's development.

Given the uncertain market situation during the third quarter, we placed an emphasis on developing existing participations, particularly the advancement of our internationalization strategy. The success stories of our network companies continued in impressive ways. Today, 8.5 million registered users benefit from the services offered by the United Internet network (plus 23 percent since 30 June 2000). Despite the generally positive developments achieved in the operational areas, our company's share price has not yet overcome the negative mood affecting Internet shares.

► Share split

To increase the liquidity of our shares, we split our stock 1:10 on 24 July 2000. Capital reserves were used to increase the share capital from 13,211,782.22

Euro to 51,680,000.00 Euro. Arithmetically, the nominal value of each share is 1 Euro.

During the same reporting period we introduced registered shares, which will allow direct coordination with our shareholders.

► Europeanization

Our network companies continue their international expansion with unrelenting momentum. Today they have a presence in 16 European countries, where they maintain 39 branches. The internationalization of the management holding has been driven forward as well. At the beginning of October United Internet opened a branch in Paris, while an office in Stockholm will be established shortly. Our branches abroad will give direct support to local participations and act as contact points for potential participation companies.

Development

Participations

United Internet AG
Statement of Income (according to HGB)
from January 1, 2000 to September 30, 2000

	30 Sep 2000 EUR	30 Sep 1999 EUR
Net sales	1,496,960.64	4,173,616.67
Other operating income	2,554,281.34	94,290.87
Personnel expenses		
a.) Wages and salaries	-1,841,046.33	-2,024,708.53
b.) Social security contributions	-236,779.38	-315,697.27
Depreciation and amortization of intangible and tangible assets	-310,098.84	-837,100.35
Other operational expenses	-7,478,015.99	-3,031,221.81
Income from participations	1,264,923.03	278,682.47
Interest and similar income	1,278,363.43	1,490,739.55
Interest and similar expenses	-2,038,047.31	-461,695.31
Result from ordinary activities	-5,309,459.42	-633,093.70
Extraordinary items	0.00	-1,887,950.64
Result before taxes	-5,309,459.42	-2,521,044.35
Income taxes	-42,634.73	-153,814.26
Other taxes	-7,489.91	-34,469.25
Net loss	-5,359,584.06	-2,709,327.87

► **Participation management**

The active management of participation companies is the core business of United Internet. In this context, we pursue two goals: To create optimum conditions for growth and profitability, as well as to identify new trends in the Internet market and young companies with potential in the future. We seek to establish participations in such fledgling companies and develop them into European market leaders.

Given the key importance of our "New Business" activities, we have created a management board position in charge of this area, which is now held by Norbert Lang. Optimally qualified, Mr. Lang is 39 years old and has been with our company since 1994. We intend to continue the expansion of our network by acquiring new participations in a controlled and well-targeted manner. We took some preparatory measures during the third quarter, but did not establish any new participations.

The next round of IPOs for some of our network companies are expected to take place during the first half of 2001. The lean and cost-efficient structure of our

management holding and the network companies allows us to plan long-term towards raising equity capital on the stock market. This way we can take advantage of favorable opportunities as they arise.

We intend to take an increasingly active role in portfolio management. Whenever it appears sensible to do so, we might sell larger blocks of shares or dispose of specific participations. During the third quarter, we took the first step in this direction by selling our shares in Buchungsmaschine AG. We gave an additional signal of our intention by founding car4you, the European portal for online automobile buying and selling, and by integrating our webauto GmbH. United Internet will utilize this initiative to further expand its position in the target segment "virtual market".

Just how attractive our participations are was demonstrated impressively in the third quarter by our network company cobion, a specialist for digital image recognition. In the context of a capital increase, a new partner paid about 6 million Euro for a 10-percent stake in cobion. After this capital increase, our stake stands at 25.8 percent.

Participations

► Development of the key participations held by United Internet

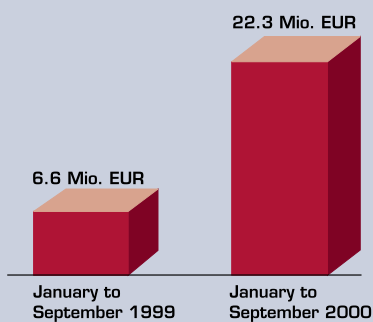
Jobs & Adverts

Jobs & Adverts AG

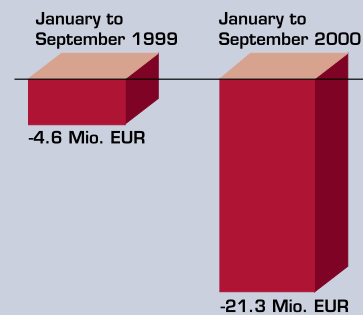
Europe's career market on the Internet. More than 630,000 users, about 130,000 job offers and job wanted postings, 28 of the 30 DAX companies are customers. Represented in 15 European countries. Quoted on the stock exchange (Neuer Markt) since 6 April 2000. Participation: 26.66 percent
www.jobpilot.com

During the first nine months of the business year 2000, Jobs & Adverts AG continued to grow and further solidified its position as one of the leading vendors of products and services related to all aspects of job and career in Europe. Sales increased by 238 percent to 22.3 million Euro, compared with the first nine months of the preceding year. The operating result was -21.3 million Euro (-4.6 million Euro in the preceding year). In the third quarter jobpilot's positioning in the lucrative e-recruiting market could be improved by preparing the acquisition of Virtual Village, a specialist in workflow management in personnel recruitment.

Revenues



Operating result



GMX®

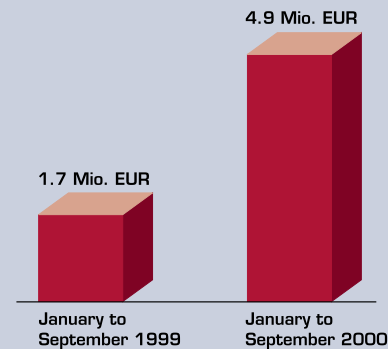
* After West LB's subscription of 5.25 million shares in the framework of the planned IPO.

GMX AG

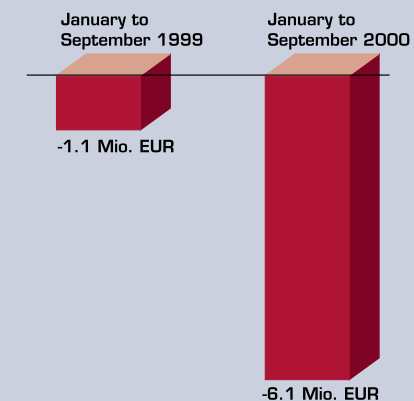
Germany's leading e-mail and messaging service. Over 6.4 million members and up to 17,000 new users every day. The busiest IVW-audited website in Germany. More than 329 million page impressions per day. Participation: 51.39 %*
www.gmx.net

During the first three quarters, GMX's sales increased by 188 percent to 4.9 million Euro when compared with the previous year. The operating result was -6.1 million Euro (previous year: -1.1 million Euro). Increased losses were due primarily to stepped-up spending on the company's market positioning and investments in improvements of its technical infrastructure. GMX offers messaging solutions in nine languages for any location worldwide. Beyond communications solutions, GMX offers its members a range of attractive applications in complementary areas. A number of co-operation agreements is set to expand GMX into a comprehensive applications portal.

Revenues



Operating result



Participations

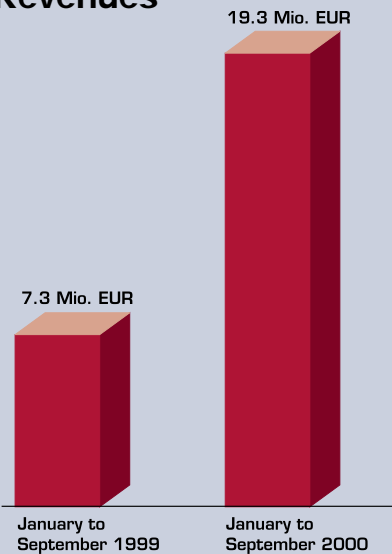


AdLINK Internet Media AG

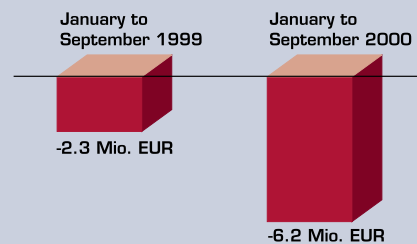
One of Europe's leading networks for online advertising. Markets 495 web-sites with about 860 million page impressions per month. Subsidiaries in 11 countries. Listed on the stock exchange (Neuer Markt) since 11 May 2000. Participation: 76.93 percent www.adlink.net

Over the first three quarters, AdLINK increased its sales by 164 percent to 19.3 million Euro, when compared with the same period last year. Its operating result before amortization of goodwill and the effect of the Employee Stock Ownership Plan was -6.2 million Euro (previous year: -2.3 million Euro). The loss results from increased investments into the creation of a European market presence. Despite the cuts many "dotcoms" made in their advertising spending during the third quarter, AdLINK was able to strengthen its market position because more than 70 percent of its customers can be categorized as being part of the "Old Economy". An important milestone during the third quarter was the merger with Austrian marketing platform Austria Online, which lifted AdLINK to the number two position in the Austrian online advertising market. Another milestone during the quarter was the launch of online advertising on mobile units for end users under the "AdLINK Wireless" brand.

Revenues



Operating result



1999 figures on a pro-forma basis.

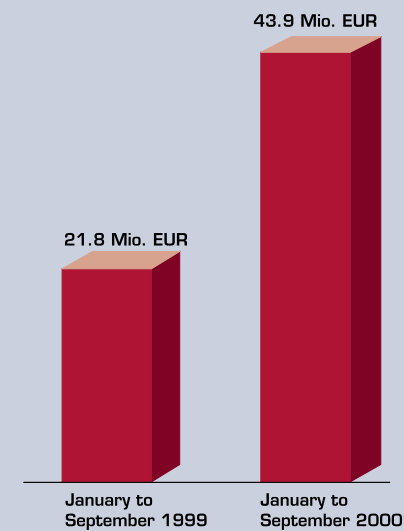


twenty4help Knowledge Service AG

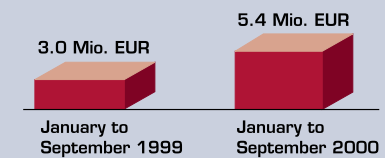
Centralized user help desks and technical hotlines for complex IT/telecommunications products requiring support. Innovative Internet help portal. Subsidiaries in Germany, Sweden and the Netherlands. Participation: 98.10 percent www.twenty4help.com

In the first three quarters, twenty4help generated sales of 43.9 million Euro, an improvement of 101 percent in comparison with the previous year. The operating result before amortization of goodwill and the effect of the Employee Stock Ownership Plan increased by 80 percent and reached 5.4 million Euro (previous year: 3.0 million Euro). twenty4help maintains five Customer Interaction Centers and provides technical support in 12 languages. Internet live services such as callback, direct chat and webticket are currently being tested in the field. twenty4help has a broad basis of blue-chip companies which was strengthened in the third quarter with the addition for DBV Winterthur, among others. And at the annual convention of the German Customer Service Association (KVD) in Berlin, twenty4help was honored with this year's Service Management Award.

Revenues



Operating result



Participations



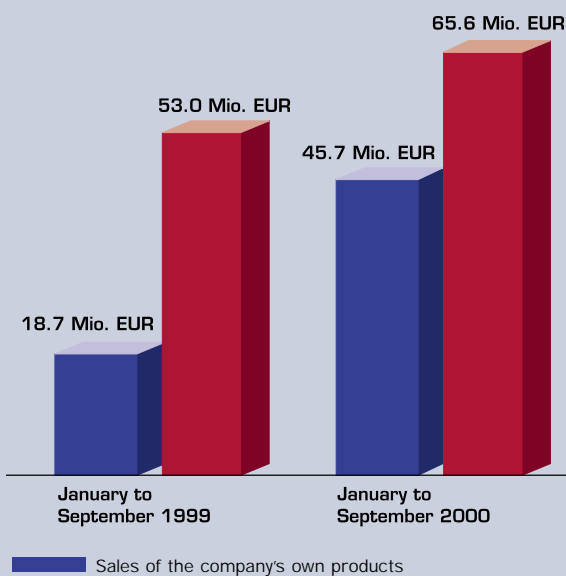
1&1 Internet AG

Internet Application provider: domains, websites, shops, unified messaging, personal storage, comprehensive Internet solutions, over 800,000 customer contracts.

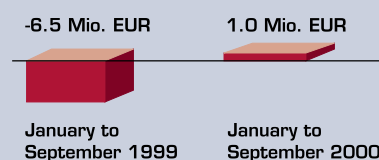
Participation: 91.02 percent
www.einsundeins.com

In the first nine months of 2000, 1&1 generated sales of 65.6 million Euro (previous year: 53.0 million Euro). Sales of the company's own products increased from 18.7 million Euro to 45.7 million Euro, an increase of 144 percent. The operating result before amortization of goodwill and the effect of the Employee Stock Ownership Plan was 1.0 million Euro (preceding year: -6.5 million Euro). When evaluating these results, it is important to bear in mind that 1&1 withdrew from marketing third-party products at the end of last year. In 1999 this business still generated significant revenues. The marketing of third-party products currently contributes less than one-third of sales. Since July, the company has also been represented in the British and French markets with its own subsidiary. For a number of months, 1&1 has been the market leader for new registrations of .de domains through its fully-owned subsidiary Schlund + Partner. In the third quarter, more than 100,000 new .de and international domains were registered by Schlund + Partner every month.

Revenues



Operating result



Developments in the Group

► Sales and results

During the first nine months 2000 consolidated sales were increased by 63 percent to 138.6 million Euro compared with the same period 1999. In the first nine months of the year, the operating result – adjusted according to US-GAAP for expenditures that are reported as not having an impact on cash balances from the Employee Stock Ownership Plan, for results from associated companies reported at equity and for amortization of goodwill (a total of 19.1 million Euro) – was -8,8 million Euro. This figure was adjusted for the result of GMX (-6.1 million Euro), which was fully consolidated in 2000 for the first time. The operating result for the other consolidated companies shows a loss of -2.7 million Euro (previous year: -5.0 million Euro).

The current deferred taxes were adapted to the lowered corporate income tax rates that have resulted from this year's round of tax reforms.

► Earnings per Share

The EPS result (according to DVFA) is -0.41 Euro and -0.21 Euro after adjusting for amortization of goodwill.

► Investments and cash flow

In the first nine months, the company invested about 67.9 million Euro. Emphasis was placed on acquiring new participations in Germany and abroad and on strengthening the company's data processing infrastructure. The cash flow from operations, before working capital changes, improved from 0.1 million Euro to 5.3 million Euro in comparison with the previous year.

► Employees

On 30 September 2000, the group of consolidated entities of United Internet AG employed 2,726 people (previous year: 1,250). The number of full-time employees rose from 952 to 1,996, while the number of part-time employees climbed from 298 to 730. The United Internet network employed 68 trainees and apprentices. Outside of Germany, the company has 382 employees.

► Share development

The market's general weakness in the Internet segment negatively affected the price of our stock. On 30 September 2000, the share price was 10.20 Euro (after a 1:10 stock split).

Developments in the Group

United Internet AG Consolidated Statements of Income (according to US-GAAP) from January 1, 2000 to September 30, 2000

	30 Sep 2000		30 Sep 1999		Change %
	EUR	%	EUR	%	
Net sales	138,605,325	100.0	85,265,604	100.0	62.6
Cost of Sales	-120,786,245	-87.1	-84,287,646	-98.9	43.3
Gross margin	17,819,080	12.9	977,958	1.1	1,722.1
Selling, administrative and general expenses	-31,119,183	-22.5	-9,422,757	-11.1	230.3
Other operating income	4,224,271	3.0	3,495,125	4.1	20.9
Amortization of goodwill	-7,749,867	-5.6	-1,791,730	-2.1	
Operating result	-16,825,700	-12.1	-6,741,403	-7.9	149.6
Interest expenses	-1,336,882	-1.0	-735,328	-0.9	81.8
Interest income	1,241,513	0.9	703,020	0.8	76.6
Result from companies stated at equity	-10,985,169	-7.9	-2,296,607	-2.7	
Results from ordinary activities	-27,906,239	-20.1	-9,070,318	-10.6	207.7
Extraordinary Items	-3,190,007	-2.3	-86,026	-0.1	
Result before taxes	-31,096,246	-22.4	-9,156,344	-10.7	239.6
Income taxes	1,869,907	1.3	-75,574	-0.1	
Net loss	-29,226,339	-21.1	-9,231,918	-10.8	216.6
Minority interests	5,907,710	4.3	1,115,422	1.3	
Net loss after minority interests (Previous year: including the share of the general partner)	-23,318,629	-16.8	-8,116,496	-9.5	187.3
General partner's share	0	0	2,898,749	3.4	
Net loss (shareholders)	-23,318,629	-16.8	-5,217,747	-6.1	

	2000 EUR	1999 EUR
EPS (according to DVFA)	-0.41	-0.09
EPS (according to DVFA excl. amortization of goodwill)	-0.21	-0.06

United Internet AG Consolidated Statements of Financial Position (according to US-GAAP) as of September 30, 2000

	30 Sep 2000 EUR	30 Sep 1999 EUR
ASSETS		
Current assets		
Cash and bank balances on hand	49,462,259	26,532,280
Accounts receivable and other assets	52,331,587	22,220,251
Inventories	2,825,215	3,223,294
Deferred expenses	4,549,243	261,605
Deferred taxes	12,834,425	333,970
Total current assets	122,002,729	52,571,400
Non-current assets		
Equity investments	29,289,814	14,552,173
Other financial assets	17,869,788	5,974,767
Property, plant and equipment	26,162,752	12,743,502
Intangible assets	59,664,373	19,893,391
Total non-current assets	132,986,727	53,163,833
Total assets	254,989,456	105,735,233
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	10,694,225	10,591,415
Liabilities due to banks	16,497,095	2,746,919
Advance payments received	319,884	158,986
Other liabilities	19,616,295	9,862,171
Accrued taxes	2,775,749	504,846
Other accrued liabilities	13,676,261	4,773,056
Deferred income	11,028,584	3,855,011
Total current liabilities	74,608,094	32,492,403
Non-current liabilities		
Convertible bonds	543,964	352,664
Liabilities due to banks	10,570,626	8,874,493
Pension reserves	131,083	78,512
Deferred income	1,641,489	0
Total non-current liabilities	12,887,162	9,305,669
Total liabilities	87,495,256	41,798,073
Minority interests	34,159,112	1,237,133
Equity		
Share capital	51,680,000	8,098,863
General partner's capital account	0	4,499,369
Capital surplus	49,518,728	56,144,186
Capital surplus (group)	67,155,348	0
Accumulated losses / retained earnings	-33,641,987	-6,042,391
Outstanding, unrealized compensation for employee stock ownership programme	-1,463,688	0
Currency translation adjustment	86,687	0
Total equity	133,335,087	62,700,027
Equity and liabilities	254,989,456	105,735,233

Data, Facts and Figures

Outlook

United Internet AG Consolidated Statements of Cash Flows (according to US-GAAP) from January 1, 2000 to September 30, 2000

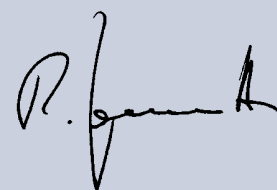
	30 Sep 2000	30 Sep 1999
	EUR	EUR
Cash provided from operating activities		
Loss after minority interests	-23,318,629	-8,116,496
Adjustments to reconcile the profit for the year to income/expenses		
Depreciation and amortization	17,170,223	7,004,625
Personel expenses from ESOP	385,476	0
(Undistributed profits)/not equalized losses of associated companies	10,985,169	1,171,165
Increase/(decrease) in currency translation adjustments	97,936	0
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable	-18,247,451	-327,115
(Increase)/decrease in inventories	234,218	705,878
(Increase)/decrease in prepaid expenses	-2,851,201	588,095
(Increase)/decrease in deferred taxes	-6,944,502	0
Increase/(decrease) in accounts payable	-4,371,882	3,655,561
Increase/(decrease) in liabilities due to shareholders	-183,169	0
Increase/(decrease) in advance payments received	-4,873,272	-3,457,364
Increase/(decrease) in other accrued liabilities	7,812,697	-38,723
Increase/(decrease) in accrued taxes	2,274,470	-24
Increase/(decrease) in other payables	8,959,070	4,472,267
Increase/(decrease) in deferred income	7,287,516	1,129,978
Total adjustments	17,735,299	14,904,342
Net cash from operating activities	-5,583,330	6,787,846
Cash used by investment activities		
Investments in intangible assets and property, plant and equipment	-24,022,499	-18,130,200
Loans to associated companies	-16,558,670	3,611,622
Disposals of assets	225,146	0
Net assets assumed in initial consolidation	308,945	0
Acquisition costs in excess of the net assets from initial consolidation	-4,553,515	0
Acquisition of additional shares in associated companies	-23,268,663	-4,570,272
Net cash used by investing activities	-67,869,258	-19,088,850
Cash provided from financing activities		
Capital increase (net, adjusted for costs of capital increase)	0	48,828,159
General partner's deposit in the context of the conversion	1,013,047	0
Minority interests	23,695,714	0
(Repayments of)/raising of funds through banks	16,421,458	-13,790,996
Deposits from minorities in the contexts of IPOs	67,749,998	-241,226
Issue of convertible bonds	349,472	126,673
Dividends paid	0	181,744
Net cash provided from/(used by) financing activities	109,229,688	35,104,354
Net increase/(net decrease) in cash	35,777,100	22,803,349
Cash and bank balances at the beginning of the fiscal year	13,685,159	3,728,930
Cash and bank balances on hand as of September 30, 2000	49,462,259	26,532,280

► Active participation management in a European dimension

While the Internet boom continues unabated, the initial euphoria of investors and stock markets has been replaced by a deep sense of skepticism. We believe that a neutral/positive evaluation of the Internet market will only appear over the mid-term. In this light, we are not satisfied with the current situation in general and the performance of our shares in particular. We remain confident, though, that our strategy will prove successful in the market. To maintain the trust that has been placed in us, we will further intensify our quality-oriented portfolio management. The positive developments in our operational activities confirms the wisdom of this strategy.

Furthermore, we have again tightened the criteria we use for initial public offerings of our network companies. The same applies to further acquisitions. In addition, we will also consider the disposal of participations. In this area, meaningful opportunities are opening up as a result of the tax exemption for gains on disposal, which will take effect in 2002.

Overall, we remain faithful to our general aim: for United Internet to develop into the leading European network of innovative Internet companies.




Ralph Dommermuth