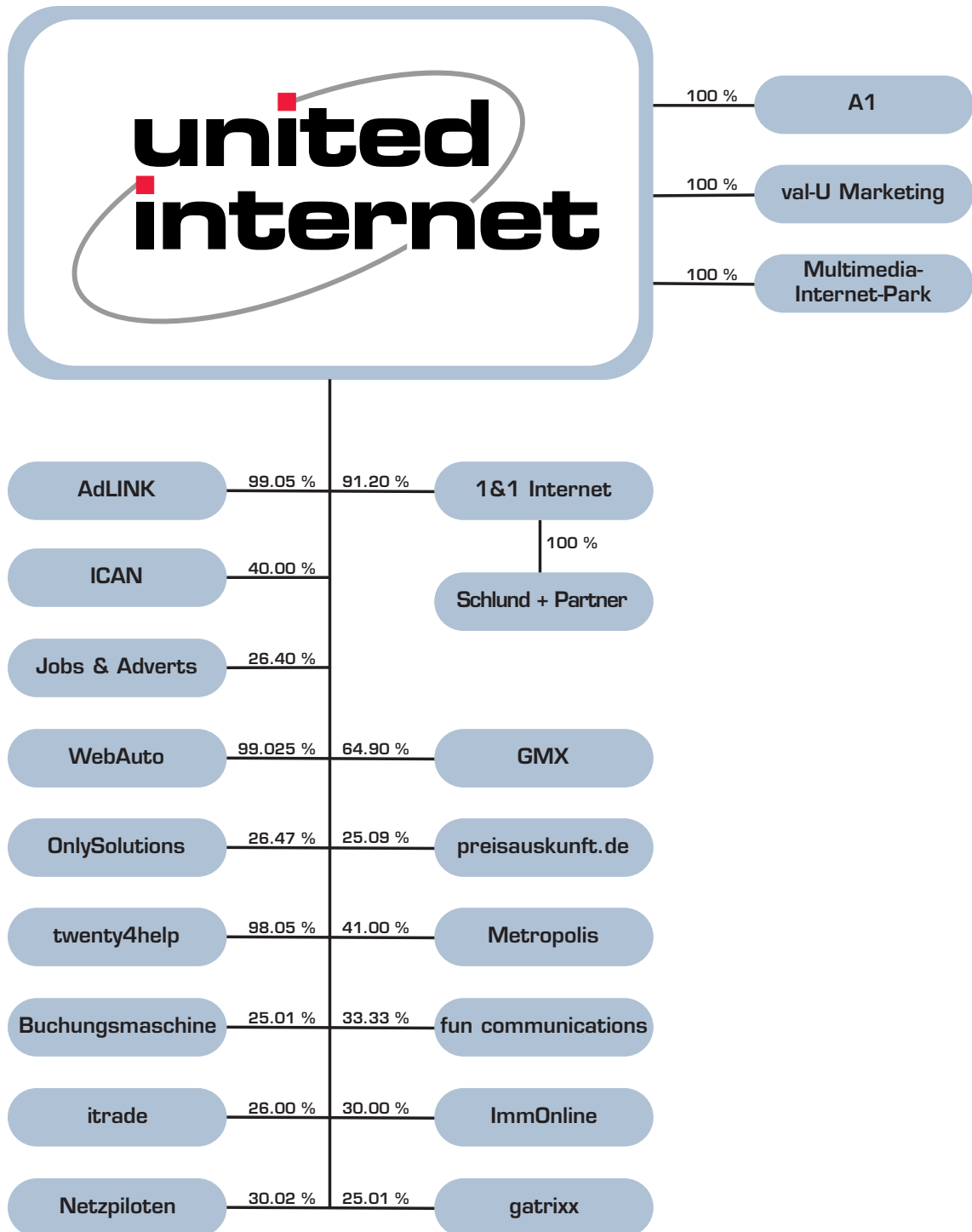


Quarterly Report

01
2000



Overview of Participations



Development

▶ Market development

During the first quarter 2000 the Internet continued its victorious forward march in full force—nearly 14 million Germans now use this network of networks. This momentous development is creating more and more specialized markets. Many companies see a justified opportunity in these new markets and aim at winning a share of these emerging potentials for themselves. Speed, specialization and networking are the keys to success on the World Wide Web. It lies in the nature of this medium that the wheat quickly gets separated from the chaff. That is why United Internet attempts to invest only in companies with a secure future and promising lines of business. In addition, our company meets squarely the intense competitive pressures to build and establish innovative markets quickly. One of the driving forces behind this strategy is the New Market, the highly successful segment of the Frankfurt Stock Exchange. Start-up businesses with large growth potentials and innovative ideas benefit in particular from the enormous dynamic of this segment of the stock exchange.

▶ Development toward

United Internet AG

The realignment of our company has been implemented successfully. The extraordinary general meeting on February 22, 2000 decided with an overwhelming majority of 99.99 percent to convert 1&1 Aktiengesellschaft & Co. KGaA into United Internet AG. In addition to the conversion from a commercial partnership limited by shares to a pure stock corporation, the general meeting also approved the final restructuring phase from an IT marketing service provider to an Internet network. Reactions from media and financial markets to the realignment were entirely positive, which also resulted in significant increases in our share price. On the following page you find the profit and loss statement of United Internet AG for the first quarter 2000, including the figures for the same reporting period of the previous year. The net loss for the year of 3.5 million Euro (previous year 2.2 million Euro) is mainly due to expenditures in the context of repositioning the company as United Internet AG. These expenses reached about 2.5 million Euro.

Development

United Internet AG
Profit and loss statement according to HGB for the period
1 January 2000 to 31 March 2000

	2000 EUR	1999 EUR
Net sales	567,761.36	1,275,287.59
Other operating income	609,024.49	1,342.14
Cost of sales		
a.) Cost of goods purchased	73.61	68.79
b.) Cost of services purchased	-2,368,588.40	-3,492.16
Personnel cost		
a.) Wages and salaries	-590,461.15	-617,666.66
b.) Social security contributions	-76,371.72	-93,814.70
Depreciation and amortization of intangible and tangible assets	-80,998.82	-168,327.51
Other operational costs	-1,604,931.86	-717,271.94
Income from profit transfer and control agreements	0.00	0.00
Income from participations	0.00	0.00
Interest and similar income	349,794.79	242,549.47
Expenses from loss-sharing agreements	0.00	0.00
Interest and similar expenses	-313,234.79	-195,168.71
Result of continuing operations	-3,507,932.50	-276,493.69
Extraordinary expenses	-10,000.00	-1,887,950.64
Result before taxes	-3,517,932.50	-2,164,444.33
Taxes on income	-1,959.68	0.00
Other taxes	70.05	-92.54
Net loss for the year	-3,519,822.13	-2,164,536.88

Participation Management

▶ Participation management

The core business of United Internet is the active management of participations. Our goal is to identify young Internet companies with a high potential for success, take a stake in them and turn them into European market leaders as quickly as possible.

▶ Target markets

Right off the starting block, United Internet's network of participations has been a powerhouse in the German-European Internet market. With its 17 network partners United Internet is currently present in nine Internet target markets:

- Application providing
- Communities
- E-care
- Electronic advertising
- Finance
- Messaging
- Navigation
- Smart shopping
- Virtual markets

▶ Network strengthened

The strength and impact of our network has increased significantly when compared to the last quarter 1999. Specifically, this means the 17 United Internet companies achieved a monthly total of 336 million page impressions (a 68-percent increase compared with 12/99) and counted 6.5 million registered customers (a 30-percent increase compared with 12/99). In addition, the internationalization of our company was driven forward by acquisitions and new affiliates. Jobs & Adverts, AdLINK and GMX are three group companies currently making concrete preparations for independent IPOs, which are planned for the second quarter. We took further steps to expand our network by acquiring an equity investment in two new associated companies—one in “gatrixx AG” and another in “Die Netzpiloten AG”. With these participations United Internet has further expanded its position in the finance and navigation market segments.

Participations

► Two new participations



gatrixx AG

Germany's leading stock market information network; five high-traffic finance sites; over 70 million page impressions per month; approximately 200,000 registered customers; Europe-wide expansion.

Participation: 25.01 percent

www.gatrixx.com

With its own editorial offices in Berlin and Frankfurt, gatrixx AG is one of the leading stock market information networks on the German Internet. Gatrixx operates four web sites: www.finanztreff.de, www.instock.de, www.frauenfinanzseite.de and the German-speaking online service www.de.internet.com. The company also publishes "Mainvestor" (www.mainvestor.de), a financial newsletter containing exclusive information on German and American growth stocks. In mid-March 2000 gatrixx AG launched a joint venture with Dutch media giant VNU, which aims at establishing a pan-European finance portal.



Die Netzpiloten AG

Europe-wide prize game platform with more than 6,000 visitors every day and 100,000 registered customers; guide for site-seeing tours throughout the Internet; over 4 million monthly page impressions; represented in 13 countries.

Participation: 30.02 percent

www.netzpiloten.net

Netzpiloten's mission is to guide web surfers through the web conveniently and competently. Via its sites Netzpiloten.de and Webpilots.de, the company offers site-seeing tours across the Internet. And in the world's only prize game search engine (www.superwin.net) players are able to search for the prize of their dreams.

► **Development of the most important participations held by United Internet**

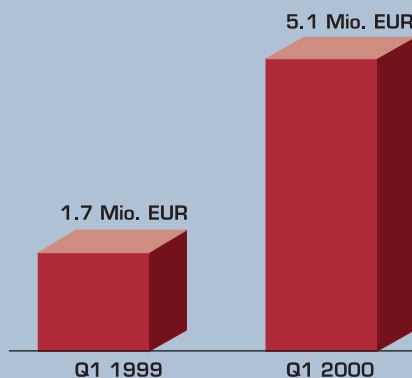
Jobs & Adverts

Jobs & Adverts AG

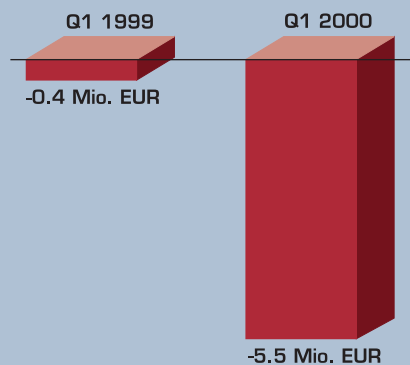
Europe's largest commercial job exchange on the Internet; more than 100,000 job listings; 28 of the 30 companies listed on the DAX are customers; represented in 11 European countries, the United State and Asia. Participation: 26.4 percent
www.jobpilot.de

At Jobs & Adverts the first quarter was characterized by business expansion and its plans to go public. Sales increased by 200 percent in comparison with the previous year to 5.1 million Euro. The number of page impressions rose by 90 percent to a monthly rate of 25 million. The operating result for the first quarter was -5.5 million Euro (previous year -0.4 million Euro). This figure reflects essentially the high rate of investments the company made in its expansion abroad. First-quarter highlights included the first issue of the print version of the jobpilot.de career magazine and adding apprenticeship listings to the on-the-job training exchange for high-school students. In addition, certain sections of the job listings were made WAP compatible. This way they can also be accessed from mobile telephones.

Revenue



Operating results



Participations



GMX[®]

GMX AG

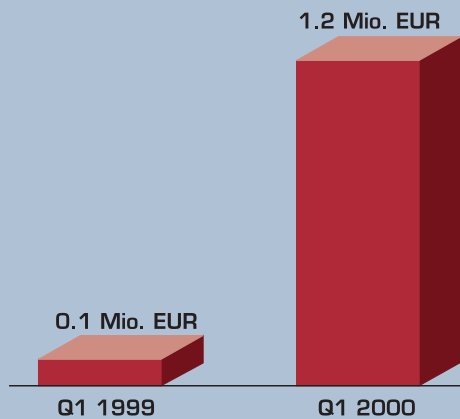
Germany's leading e-mail and messaging service; with about 5 million members and daily growth of 17,000 new users; largest IVW-audited website in Germany with approximately 212 million page impressions.

Participation: 64.9 percent

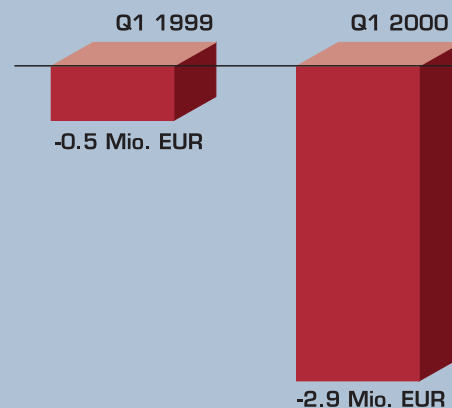
www.gmx.net

During the first quarter GMX increased its sales more than ten-fold to 1.2 million Euro. The operating result was -2.9 million Euro (previous year -0.5 million Euro). The company's increased loss is above all due to the sharp rise in marketing expenditure, necessary to position its brand. In February GMX announced its plans to go public during the second quarter. Also in February, the company launched the English, French and Swedish versions of its FreeMail service. GMX is especially committed to the future market of unified messaging.

Revenue



Operating results





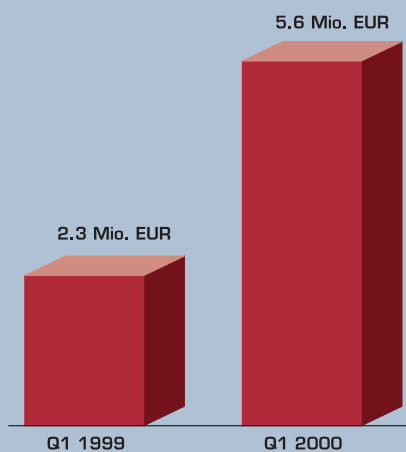
AdLINK Internet Media AG

One of Europe's leading Internet advertising networks. Markets 450 websites with about 700 million page impressions a month; subsidiaries in 10 countries.

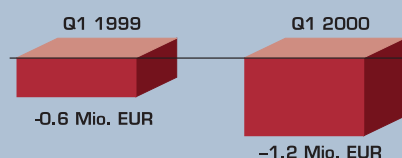
Participation: 99.05 percent
www.adlink.net

AdLINK increased its sales in the first quarter 2000 by 144 percent compared with the same period 1999 to 5.6 million Euro. The operating result before amortization of goodwill and the effects of the employee participation program was -1.2 million Euro (previous year -0.6 million Euro). The increased losses were mainly due to higher expenditures to position the AdLINK brand in the European markets. In March AdLINK announced its intention to go public, with the IPO scheduled for the second quarter. Highlights of the first quarter were the acquisition of Spanish advertising marketer Xmedia and British firm New Media Marketing & Sales plc.

Revenue



Operating results



Participations



twenty4help Knowledge Service AG

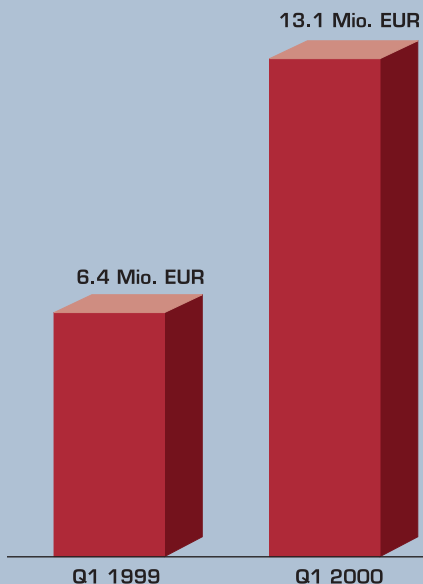
Centralized user helpdesks, which every day give expert answers to about 25,000 questions concerning PCs and IT solutions; first German Internet help portal; subsidiaries in Sweden and the Netherlands.

Participation: 98.05 percent

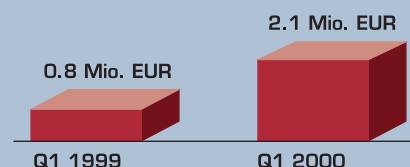
www.twenty4help.de

In the first quarter 2000 twenty4help achieved sales of 13.1 million Euro, an increase of 105 percent compared with the same period 1999. The operating result before amortization of goodwill and the effect of the employee participation program was 2.1 million Euro, 163 percent above the previous year's result. In February twenty4help launched its Internet help portal, thus consistently orienting its strategy toward Internet-based knowledge services. twenty4help is the first company in Europe to offer high-quality support services via the Internet and settle these by micropayment.

Revenue



Operating results





1&1 Internet AG

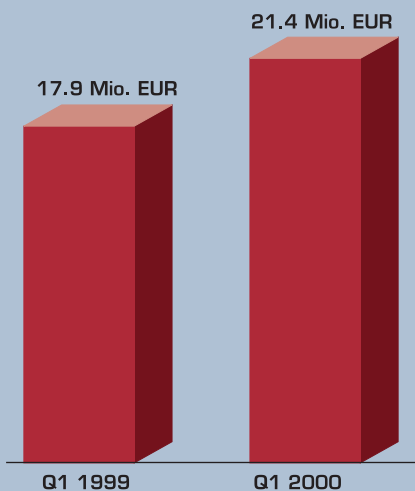
Leading vendor of Internet value-added services: .de domains, websites, shops, mobile Internet, personal finance, personal storage, comprehensive Internet solutions; approximately 500,000 customers.

Participation: 91.2 percent

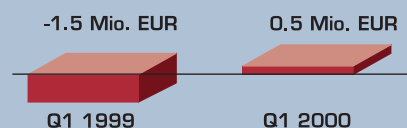
www.einsundeins.com

In the first quarter 2000 1&1 had sales of 21.4 million Euro (previous year 17.0 million Euro). The operating result was 0.5 million Euro (previous year -1.5 million Euro). The products of the former 1&1 Telekommunikation GmbH have been absorbed into 1&1 Internet AG. By simultaneously expanding the range of services provided by its wholly-owned subsidiary Schlund + Partner AG, 1&1 Internet AG is now developing into one of the leading Internet application providers. In evaluating the company's results, it is important to consider that 1&1 withdrew from free-standing product marketing for third parties at the beginning of the year. In the first quarter 1999 these activities were still a significant source of sales.

Revenue



Operating results



Developments in the Group

► Sales and Results

Consolidated sales in the first quarter 2000 reached 46.8 million Euro. This is an increase of 52.5 percent in comparison with the same period of the previous year (30.7 million Euro). The operating result—adjusted for expenditures from the employees participation program, losses from associated companies reported at equity and amortization of goodwill (a total of 8.2 million Euro)—was -1.9 million Euro. This result includes marketing expenditure of about 2.5 million Euro to reposition the company as United Internet AG.

The DVFA result for the first quarter was -1.79 Euro per share (previous year -0.06 Euro). Adjusted for the depreciation of goodwill, the DVFA result was -1,13 Euro per share (previous year 0.05 Euro).

► Investments and Cash flow

During the first quarter 2000 the company invested a total of 27.9 million Euro. The focus of investments was on acquiring new participations.

The cash flow for the first quarter 2000 was -7.0 million Euro (previous year -0,5 million Euro). This reflects above all the increases in marketing expenditure necessary to establish our brands as well as the investments in our European expansion.

► Employees

In comparison to the same period of the previous year, the number of employees working for the consolidated companies increased during the first quarter 2000 from 1,052 to 2,294 (as of March 31). The number of full-time employees rose from 759 to 1.635, of whom 257 worked in European countries outside of Germany. Among part-time employees, there was an increase from 293 to 659. Of these, 33 worked abroad.

► Share development

The price of the United Internet share developed highly positively during the first quarter 2000. It rose from 148 Euro at the end of 1999 to 299 Euro on March 30, 2000.

United Internet AG
Consolidated profit and loss statement according to US-GAAP
per 31 March 2000 and 31 March 1999

	2000		1999		Veränd. %
	EUR	%	EUR	%	
Net sales	46,794,557	100.0	30,686,002	100.0	52.5
Cost of sales	-40,048,246	-85.6	-27,635,692	-90.1	44.9
Gross margin	6,746,311	14.4	3,050,310	9.9	121.2
Distribution and general administrative costs	-11,018,874	-23.5	-2,782,976	-9.1	295.9
Other income/expenses from operations	655,190	1.4	1,021,224	3.3	-35.8
Depreciation of goodwill	-2,551,842	-5.5	-498,356	-1.6	
Income/loss from operations	-6,169,216	-13.2	790,202	2.6	-880.7
Interest and similar expenses	-296,459	-0.6	-342,118	-1.1	-13.3
Interest and similar income	110,302	0.2	146,303	0.5	-24.6
Result of companies reported at equity	-3,767,982	-8.1	-561,994	-1.8	
Result of continuing operations	-10,123,355	-21.6	32,393	0.1	-31,351.8
Expenses related to the capital increase and the initial public offering	0	0.0	-92,775	-0.3	
Income before taxes	-10,123,355	-21.6	-60,382	-0.2	16,665.5
Taxes on income	-460,851	-1.0	0	0.0	
Profit/loss for the year	-10,584,206	-22.6	-60,382	-0.2	17,428.7
Minority shares	1,313,327	2.8	214,488	0.7	
Profit/loss for the year after minority shares and including the share of the general partner	-9,270,879	-19.8	154,106	0.5	-6,115.9
Share of the general partner	0	0.0	-55,038	-0.2	
Profit/loss for the year	-9,270,879	-19.8	99,068	0.3	

	2000 EUR	1999 EUR
DVFA result per share	-1.79	-0.06
DVFA result per share (after adjustment for amortization of goodwill)	-1.13	0.05

Data, Facts and Figures

United Internet AG

Consolidated cash flow statement for the period from 1 January to 31 March 2000

	31.03.2000	31.03.1999	Veränd.
	EUR	EUR	EUR
Income from/expenses for operating activities			
Profit/loss for the year after minority shares	-9,270,880	154,106	-9,424,986
Adjustments to reconcile the profit for the year with income/expenses			
Depreciation and amortization of intangible assets	5,080,122	1,546,965	3,533,157
Personnel expenses from employee participation program	1,896,064	0	1,896,064
(Undistributed profits)/not cross-subsidized losses from associated companies	3,767,982	277,878	3,490,103
Increase/(decrease) in currency exchange differences	15,877	0	15,877
Changes in assets and liabilities			
(Increase)/decrease in accounts receivable	-2,458,064	-659,756	-1,798,308
(Increase)/decrease in other assets	0	22,445	-22,445
(Increase)/decrease in inventory	486,438	399,486	86,952
(Increase)/decrease in prepayments and accrued income	-2,435,390	516,055	-2,951,446
(Increase)/decrease in compensatory item for deferred taxes	-2,465,046	0	-2,465,046
Increase/(decrease) in accounts payable	-6,463,192	-651,305	-5,811,887
Increase/(decrease) in liabilities to shareholders	-183,169	0	-183,169
Increase/(decrease) in advance payments	-5,142,027	-3,543,039	-1,598,988
Increase/(decrease) in other provisions	5,462,898	-1,063,114	6,526,013
Increase/(decrease) in tax provisions	2,592,459	0	2,592,459
Increase/(decrease) in other liabilities	-662,038	2,254,634	-2,916,673
Increase/(decrease) in accruals and deferred income	2,772,263	233,289	2,538,973
Total adjustments	2,265,175	-666,461	2,931,636
Net income from operating activities	-7,005,704	-512,354	-6,493,350
Cash flow from investments			
Investments in intangible/tangible assets	-8,461,247	-5,963,999	-2,497,248
Loans to associated companies	-3,889,915	-314,445	-3,575,470
Asset disposals	121,508	0	121,508
Net assets carried forward to initial consolidation	188,258	0	188,258
Costs of acquisitions exceeding the net assets from initial consolidation	-1,936,727	0	-1,936,727
Acquisition of additional shares in associated companies	-13,948,244	97,353	-14,045,596
Net cash used in investing activities	-27,926,366	-6,181,091	-21,745,275
Cash flow from financing activities			
Increase of share capital		52,800,000	-52,800,000
Expenses for initial public offering		-1,795,175	1,795,175
Issue of convertible bonds		102,258	-102,258
(Increase)/decrease of loans		24,911	-24,911
		0	0
General partner's deposit in the context of the conversion	1,013,047	0	1,013,047
Minorities	-705,895	-214,488	-491,407
(Repayments to)/borrowings from banks	28,251,586	-12,261,412	40,512,998
Net cash provided by/(used in) financing activities	28,558,738	38,656,093	-10,097,356
Net increase/(net decrease) of cash and bank balances	-6,373,332	31,962,648	-38,335,980
Cash and bank balances at the beginning of the first quarter	13,685,159	3,728,930	9,956,228
Cash and bank balances at the end of the first quarter	7,311,827	35,691,579	-28,379,752

Outlook

► Our Plans

The Internet's intense development confirms our determination to further boost the company's growth. For this reason, expanding our network will continue to be the Number One priority. We intend to almost triple the number of participations by the end of 2002. New products—such as the integration of the Internet and mobile telephony—will widen the product range of the companies we take a stake in and generate additional impulses for growth.

Internationalizing our management holding is another important step to strengthen our position. United Internet will establish a presence in Europe's largest cities. This year we're planning new locations in London, Paris and Stockholm. This move will allow United Internet to support its affiliated companies in their internationalization efforts with local hands-on support. In addition, we can significantly widen the circle of potential participations.

Identifying trends early on is crucial for the further expansion of our position as market leader. To take advantage of new growth impulses in their earliest stages, we will significantly expand and internationalize our market research division.

Last but not least, United Internet investors will benefit from an expanded investor relations program. To ensure comprehensive information regarding our activities, we will launch a specialized newsletter. At the same time, we will expand our online IR activities.



Ralph Dommermuth



Egendorfer Straße 57
D-56410 Montabaur
Phone ++49 26 02/96-10 76
Fax ++49 26 02/96-10 13
www.united-internet.com