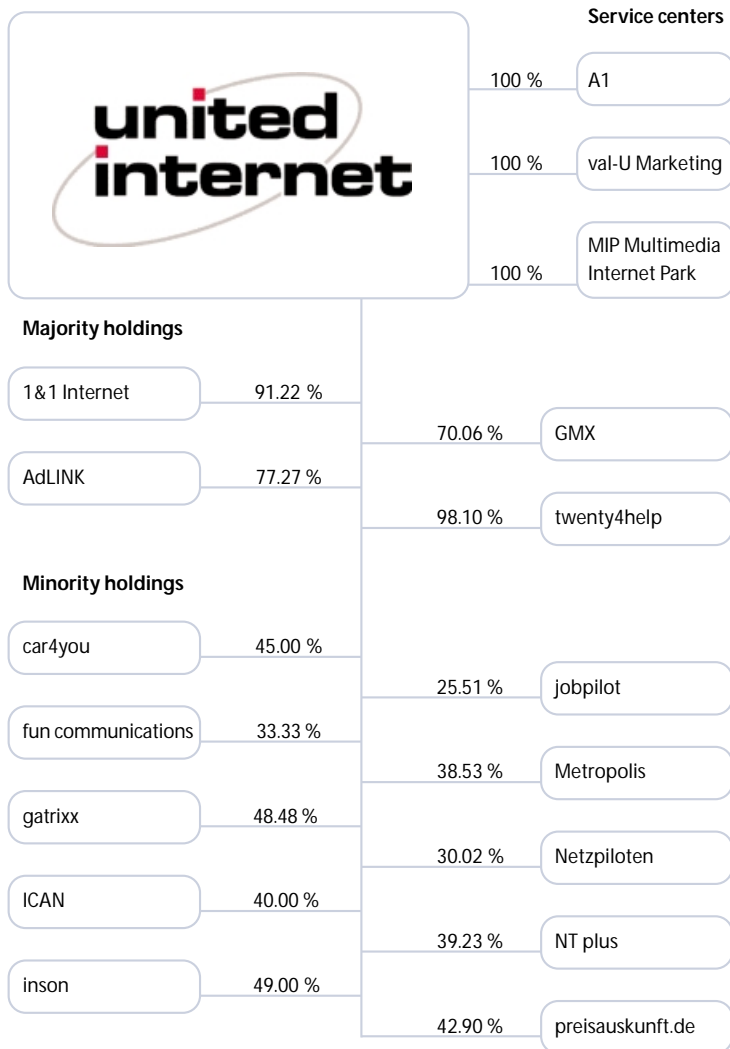


January to June **2001**
6-Month Report



United Internet AG
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Market development

Market conditions for Internet companies continued to deteriorate in the last quarter. The unremitting slide in high-tech stock values over the past year has now given way to a series of insolvencies and stock prices of below one euro for several Neuer Markt companies. At the same time, growth prospects around the world are being viewed more critically and numerous forecasts have already been adjusted downwards. Many companies have also been forced to revise their sales and earnings targets.

Considering this scenario it is hardly surprising that the growth segments of the world's stock exchanges have been finding it particularly difficult to regain investor confidence. We therefore expect the overall market to move sideways in the medium term and anticipate an even stronger trend towards market concentration.

Realignment already proving a success

In order to counter the current adverse market conditions we have made certain adjustments to our original business strategy. Whereas last year our aim was to cover as many aspects of the Internet market as possible by building up an extensive network of company holdings, we now intend to concentrate above all on making a success of our core business segments with a more active operative role for the group's holding company.

The three pillars of our realigned strategy are:

1. To enhance and publicize the profitability of our companies.
2. To streamline and optimize our portfolio of holdings.
3. To open selected companies for strategic partners who are also prepared to accept joint management responsibility.

Within just a short space of time we have already made significant progress in all three points. This success was underlined in particular by 1&1 Internet, which succeeded in raising earnings once again and whose subscription-based business model is expected to provide steady earnings well into the future. In a market dominated by news of spectacular losses and business failures 1&1 represents a remarkable exception. twenty4help, fun communications and our service centers were also successful in raising earnings once again. A turnaround at GMX also appears imminent: it now appears quite possible that the company will break even in the fourth quarter. Only AdLINK's performance remains disappointing on the whole, as it was unable to counter the general market trend in the field of online advertising. Sweeping cost-cutting measures are to be introduced to reduce losses as quickly as possible.

The streamlining of our investment portfolio is also making good progress. We were able to make a profit on the sale of our Cobion shares to the Neuer Markt-listed company

Biodata; livingNet founder Marc Ullrich bought back our shares in his company. In addition, we terminated all further financial support for the loss-making ImmOnline and sold our shares in iTrade back to the company's founder. Talks are currently in progress with a number of potential partners who have shown a strong interest in acquiring shares in our network companies. We expect to sign extensive cooperation agreements with some of these companies in the second half of the year. In general, we intend to have completed most of the realignment measures for United Internet by the end of the year.

Sales and earnings

Despite the current market difficulties United Internet once again presented itself as a growth stock. Compared with the same period last year, sales of the United Internet group rose 25.2% to € 114.2 million in the first six months. Due mainly to seasonal effects, sales in the second quarter were down slightly on the first three months. There was a very satisfactory and marked improvement in earnings – both compared with last year's figures and with those of the first quarter. United Internet is therefore not only set for further growth but also for increased profitability.

Pre-tax earnings (EBT) improved to € -14.1 million, compared with € -20.2 million in the

same period last year. These figures include the negative result of AdLINK (€ -8.9 million), which resulted above all from the collapse in demand for online advertising. A further € 2.4 million resulted from the write-down of a loan to livingNet. EBITDA rose from € 1.5 million last year to € 7.9 million in the first half of 2001. This figure includes a profit of € 3.2 million from the sale of shares in Cobion. The tax burden resulted above all from the positive development of 1&1 Internet and twenty4help. Despite the improvement in consolidated operating earnings in the first half of 2001 in comparison to the same period last year, the increased tax burden was mainly to blame for the fall in earnings per share. In the second quarter the improvement in pre-tax earnings over the corresponding period last year amounted to € 3.4 million. In the individual accounts of United Internet AG the unscheduled write-down of our loan to livingNet was almost completely offset by income from the sale of shares in Cobion. Earnings here were also bolstered by dividend payments—especially from twenty4help.

Capital expenditures / cash flow

In the first half of 2001 the United Internet group invested a total of € 21.0 million. This figure includes the provision of loans to associated companies and shareholders as well as investments in intangible and

tangible assets. The largest share of such investments concerned improvements to the technical infrastructure of 1&1 Internet and twenty4help. Operative cash flow improved from € 2.0 million last year to € 4.9 million in the period under review.

Personnel

As of June 30, 2001 a total of 2,912 people (previous year: 2,435) were employed by the United Internet Group in Germany and abroad. At the end of the first six months a total of 612 staff were employed outside Germany (previous year: 324).

Selected key figures acc. to US-GAAP

January to June

	2001	2000
Sales	€ 114.2 million	€ 91.2 million
EBITDA	€ 7.9 million	€ 1.5 million
EBIT	€ -10.3 million	€ -9.8 million
EBT	€ -14.1 million	€ -20.2 million
Employees	2,912	2,435
Stock price at end of June, XETRA (adjusted for share split)	€ 3.01	€ 12.90
Earnings per share	€ -0.26	€ -0.25

Quarterly development of key figures acc. to US-GAAP

	Q1/2001	Q2/2001	Q2/2000
Sales	60.9 million	€ 53.3 million	€ 44.4 million
EBITDA	€ 2.5 million	€ 5.4 million	€ 2.6 million
EBT	€ -7.4 million	€ -6.7 million	€ -10.1 million

Stock ownership (units)

Executive Board

Ralph Dommermuth	25,239,905
Norbert Lang	198,000
Michael Scheeren	510,000
Richard Seibt	42,821

Supervisory Board

Hans-Peter Bachmann	-
Kurt Dobitsch	1,280,000
Bernhard Dorn	-

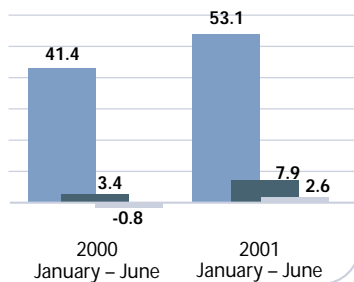
Stock options

Norbert Lang	200,000
Richard Seibt	500,000



In the first six months of 2001 1&1 succeeded in raising sales from € 41.4 million to € 53.1 million (up 28 %). The comparatively slow growth in sales in the second quarter was due mainly to seasonal effects. Growth was especially strong in the field of web hosting products. Earnings before interest, taxes and depreciation (EBITDA) rose to € 7.9 million (previous year: € 3.4 million), while pre-tax earnings (EBT) grew to € 2.6 million (previous year: € -0.8 million). The improvement in profitability was due in particular to an increase in customer accounts to over 1.2 million.

■ Sales ■ EBITDA ■ EBT
1&1 (in € million)



1&1 Internet AG

A leading European Internet application provider: domains, websites, shops, unified messaging, personal storage, complete Internet solutions, Internet access. Over 1.2 million customer accounts. Represented in Germany, Great Britain, France. Shareholding: 91.22 % www.einsundeins.com

The 1&1 Group's market share of newly registered .de-domains remained consistently above 34 % throughout the first half of 2001. During the period under review the company successfully launched the new .info Internet addresses, the first of the new generic top-level domains to be introduced since the launch of .com-sites in the Eighties. There were over 100,000 advance orders for .info-domains from both companies and private persons. 1&1 expects to easily meet its earnings targets for 2001.

Quarterly development

	Q1/01	Q2/01	Q2/00
Sales	26.4	26.7	20.0
EBITDA	3.2	4.7	2.0
EBT	0.9	1.7	-0.3



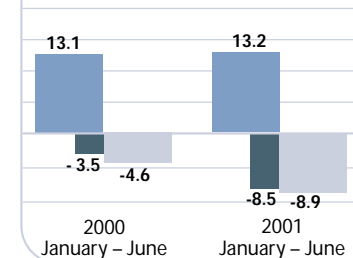
AdLINK Internet Media AG

One of Europe's leading marketers of digital advertising space. Markets 575 websites with about 1,000 million page impressions per month. Subsidiaries in 11 countries. Shareholding: 77.27 % www.adlink.net

In the first six months of 2001 sales of AdLINK amounted to € 13.2 million, compared with € 13.1 million in the same period last year. The online advertising market did not develop as expected in the first half of 2001. As a result, business did not develop satisfactorily for AdLINK. Due to the worsening market situation, especially in the second quarter of 2001, sales of AdLINK remained below the level of the first quarter. Earnings before interest, taxes and depreciation (EBITDA) amounted to € -8.5 million in the first half of 2001 (previous year: € -3.5 million). Pre-tax earnings (EBT) deteriorated from € -4.6 million last year to € -8.9 million. The lack of market growth coupled with high costs led to an EBITDA of € 4.2 million and an EBT of € 4.4 million for the quarter—

a slight improvement on the previous quarter. AdLINK has introduced a wide range of measures to adapt costs to its reduced level of revenues. In the second quarter, for example, the company's subsidiary in Finland was closed and marketing and sales expenditure greatly reduced. The company has also begun to adapt its staff level to the new market conditions. These measures are expected to impact earnings in the coming months.

■ Sales ■ EBITDA ■ EBT
AdLINK (in € million)



Quarterly development

	Q1/01	Q2/01	Q2/00
Sales	7.0	6.2	7.6
EBITDA	-4.3	-4.2	-2.1
EBT	-4.5	-4.4	-2.5



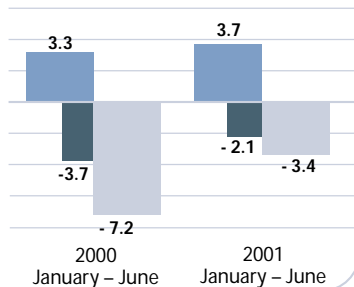
GMX succeeded in raising sales from € 3.3 million last year to an expected level of € 3.7 million in the first half of 2001. Despite the adverse market climate there were increased revenues from both online advertising activities as well as from firm cooperation agreements. At the same time GMX was able to cut costs in the first six months by reducing marketing expenditure and improving conditions for the purchase of services. Earnings before interest, taxes and depreciation (EBITDA) improved therefore from € -3.7 million to € -2.1 million. Pre-tax earnings (EBT) also

GMX AG

Personal Information Management supplier. Over 9 million accounts. One of Germany's most frequently visited IVW-audited websites with over 378 million page impressions and more than 111 million visits (June 2001). Shareholding: 70.06 % www.gmx.net

improved from € -7.2 million last year to € -3.4 million. GMX has therefore taken a further step towards achieving its target of breaking even in the fourth quarter. The decline in page impressions from 447 million (March 2001) to 378 million (June 2001) resulted from the seasonal fall in Internet usage during the summer months as well as from the relaunch of the GMX site with improved page designs. A number of free services, such as text messaging, were also ended. The resulting fall in page impressions was accepted as a necessary consequence, as achieving break-even currently ranks higher than further expansion in user reach.

■ Sales ■ EBITDA ■ EBT
GMX (in € million)



Quarterly development

	Q1/01	Q2/01	Q2/00
Sales	1.6	2.1	2.1
EBITDA	-1.8	-0.3	-1.0
EBT	-2.4	-1.0	-4.3

twenty4help Knowledge Service AG

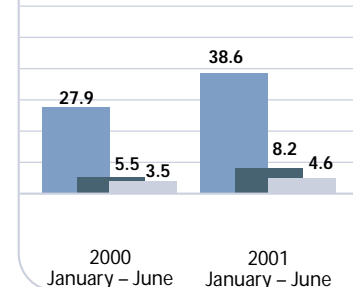
Technical corporate and vendor services for complex IT and telecommunication products. Subsidiaries in Germany, the Netherlands, Great Britain and Sweden. Shareholding: 98.10 % www.twenty4help.com



Sales of twenty4help rose from € 27.9 million to € 38.6 million in the first half of 2001. This growth over the first half of the previous year can be attributed mainly to the steady growth in regular customers throughout Europe. Due to the impact of the economic slowdown on the high-tech sector, sales were slightly slower than expected in the second quarter. A fall in call volumes for major clients resulted in lower revenues for twenty4help in comparison with the first quarter. As the company was quick to adapt its cost structures, however, profit margins remained stable at the level of the first quarter—despite the decline in revenues. Earnings before interest, taxes and depreciation (EBITDA) improved from € 5.5 million to € 8.2 million for the first six

months. Pre-tax earnings (EBT) in the first half of 2001 were raised to € 4.6 million (previous year: € 3.5 million). In the second half of the year twenty4help plans to expand its product portfolio, to develop its business with existing clients and to gain new customers for its services. twenty4help is confident that it can reach its profit targets for 2001.

■ Sales ■ EBITDA ■ EBT
twenty4help (in € million)



Quarterly development

	Q1/01	Q2/01	Q2/00
Sales	20.6	18.0	14.9
EBITDA	4.3	3.9	3.0
EBT	2.5	2.1	1.8



jobpilot AG

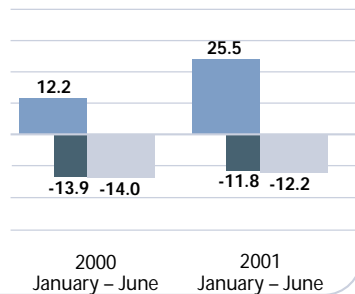
Europe's career market on the Internet. Over 1 million users and more than 100,000 job listings. Over 15,000 corporate clients, including 28 of Germany's 30 DAX-listed companies. Represented in 15 European countries. Shareholding: 25.51 %
www.jobpilot.com

In the first half of 2001 sales of jobpilot reached € 25.5 million, compared with € 12.2 million in the same period last year. However, earnings were negatively influenced by the poor economic climate. In the second quarter sales could not quite reach the high level of the first three months due to a reduction in recruiting expenditure by many companies. Earnings before interest, taxes and depreciation (EBITDA) improved only slightly, from € -13.9 million to € -11.8 million, due to the fall in market demand. Pre-tax earnings (EBT) in the first

six months of 2001 amounted to € -12.2 million (previous year: € -14.0 million). In response to the slowdown in market development, the company began to adapt its capacities during the second quarter. With the introduction of its restructuring program jobpilot has reacted quickly and comprehensively to the current dip in market demand. Despite the fall in revenues, earnings in the second quarter of 2001 were above those of the first three months, if the one-off restructuring costs of € 1.9 million are subtracted.

The reduction in operating expenditure will begin to impact earnings in the third quarter of the current year.

■ Sales ■ EBITDA ■ EBT
jobpilot (in € million)



Quarterly development

	Q1/01	Q2/01	Q2/00
Sales	13.2	12.3	7.1
EBITDA	-5.4	-6.4	-9.5
EBT	-5.7	-6.5	-9.6

United Internet AG – Consolidated Balance Sheet according to US-GAAP of June 30, 2001 in €

	June 30, 2001	December 31, 2000
ASSETS		
Current assets		
Cash and cash equivalents	67,569	89,956
Accounts receivable and other assets	53,108	60,660
Inventories	2,642	2,762
Prepaid expenses	3,515	3,763
Deferred tax asset	5,951	6,033
Total current assets	132,785	163,174
Non-current assets		
Property, plant and equipment	29,853	28,507
Intangible assets	68,804	76,135
Equity investments	19,621	22,333
Deferred taxes	4,882	5,580
Other financial assets	19,482	11,043
Total non-current assets	142,642	143,598
Total assets	275,427	306,772
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Accounts payable	11,392	23,748
Liabilities due to banks	83,449	84,722
Advance payments received	41	5,303
Other liabilities	14,102	9,672
Accrued taxes	7,255	4,087
Other accrued liabilities	18,862	17,920
Deferred revenue	13,935	13,464
Total current liabilities	149,036	158,916
Non-current liabilities		
Convertible bonds	1,211	1,240
Liabilities due to banks	7,485	8,211
Pension reserves	241	129
Other liabilities	1,794	7,886
Deferred revenue	2,261	1,563
Total non-current liabilities	12,992	19,029
Total liabilities	162,028	177,945
Minority interests	25,872	27,740
Equity		
Share capital	51,680	51,680
Additional paid-in capital	43,537	43,366
Additional paid-in capital (group)	65,957	65,957
Accumulated deficit	-59,882	-10,323
Net loss	-13,663	-49,388
Outstanding, unrealized compensation for employee stock ownership programme	-128	-128
Currency translation adjustment	26	-77
Total equity	87,527	101,087
Equity and liabilities	275,427	306,772

United Internet AG – Consolidated Statement of Income according to US-GAAP
from January 1, 2001 to June 30, 2001 in €k

	2001 Jan. to June	2000 Jan. to June
Net sales	114.218	91.196
Cost of sales	-79.908	-68.103
Gross margin	34.310	23.093
Selling, general and administrative expenses	-38.788	-30.717
Other operating income	540	2.988
Amortization of goodwill	-6.311	-5.159
Operating result	-10.249	-9.795
Interest expenses	-1.515	-965
Interest income	720	733
Result from associated companies	-3.089	-7.015
Results from ordinary activities	-14.133	-17.042
Extraordinary expenses	0	-3.173
Result before taxes	-14.133	-20.215
Income taxes	-2.327	2.982
Net loss	-16.460	-17.233
Minority interests	2.797	4.278
Net loss after minority interests	-13.663	-12.955
Result per share (in €), basic	-0,26	-0,25
Weighted average shares outstanding (in million units), basic	51,68	51,68
Result per share (in €), diluted	-0,26	-0,25
Weighted average shares outstanding (in million units), diluted	51,68	51,68

United Internet AG – Consolidated Statement of Income according to US-GAAP
Quarterly development in € million

	Q1 2001	Q2 2001	Q2 2000
Net sales	60,9	53,3	44,4
Cost of sales	-43,7	-36,2	-33,5
Gross margin	17,2	17,1	10,9
Selling, general and administrative expenses	-19,8	-19,0	-14,2
Other operating income	0,8	-0,3	2,3
Amortization of goodwill	-3,2	-3,1	-2,6
Operating result	-5,0	-5,3	-3,6
Interest expenses	-0,5	-1,0	-0,7
Interest income	0,2	0,5	0,6
Result from associated companies	-2,1	-1,0	-3,2
Results from ordinary activities	-7,4	-6,7	-6,9
Extraordinary expenses	0	0	-3,2
Result before taxes	-7,4	-6,7	-10,1
Income taxes	-0,9	-1,4	3,4
Net loss	-8,3	-8,2	-6,7
Minority interests	1,6	1,2	3,0
Net loss after minority interests	-6,7	-7,0	-3,7
Result per share (in €), basic	-0,13	-0,13	-0,07
Weighted average shares outstanding (in million units), basic	51,68	51,68	51,68
Result per share (in €), diluted	-0,13	-0,13	-0,07
Weighted average shares outstanding (in million units), diluted	51,68	51,68	51,68

United Internet AG – Consolidated Cash Flow according to US-GAAP
from January 1, 2001 to June 30, 2001 in €k

	2001 Jan. - June	2000 Jan. - June
Cash flow from operating activities		
Loss after minority interests	-13,663	-12,955
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	9,478	6,158
Amortization	6,311	5,159
Write off on loans granted to associated companies	2,403	0
Compensation expenses from employee stock option plans	0	754
Not equalized losses of associated companies	3,089	7,015
Minority interests	-2,797	-4,278
Changes in currency translation adjustments	103	175
Operative cash flow	4,924	2,028
Changes in assets and liabilities		
Changes in accounts receivable	7,552	-6,042
Changes in inventories	120	-111
Changes in prepaid expenses	83	-1,507
Changes in deferred taxes	945	-10,009
Changes in accounts payable	-12,356	-3,487
Changes in liabilities due to shareholders	0	-183
Changes in advance payments received	-5,262	-4,818
Changes in other accrued liabilities	942	8,633
Changes in accrued taxes	3,169	3,352
Changes in other liabilities	-1,663	3,927
Changes in deferred income	1,168	1,011
Changes in pension reserves	112	0
Changes in assets and liabilities	-5,190	-9,234
Cash flow from operating activities	-266	-7,206
Cash flow from investment activities		
Capital expenditure for intangible assets and property, plant and equipment	-9,253	-19,821
Loans to associated companies, their shareholders and employees	-11,606	-9,830
Repayments of loans granted	1,498	0
Disposals of assets, net book value	144	340
Net assets assumed in initial consolidation	2	309
Acquisition costs in excess of the net assets from initial consolidation	-793	-4,553
Sale of shares in associated companies	660	0
Acquisition of additional shares in associated companies	-1,675	-20,631
Cash flow from investing activities	-21,023	-54,186
Cash flow from financing activities		
Contribution of the general partner in the context of the transformation	0	1,013
Decrease/increase in loans	-1,998	16,612
Payments from minority shareholders in the context of IPOs	0	67,750
Repayments of convertible bonds	-29	349
Minority interests	929	30,831
Cash flow from financing activities	-1,098	116,555
Net increase/net decrease in cash and cash equivalents	-22,387	55,163
Cash and cash equivalents at the beginning of the fiscal year	89,956	13,685
Cash and cash equivalents on hand as of June 30, 2001	67,569	68,848

United Internet AG – Development of Consolidated Equity
from January 1, 2001 to June 30, 2001 in €k

	2001 Jan. - June
Consolidated equity	
Start of period	101,087
Loss after minority interests	-13,663
Changes in currency translation adjustments	103
End of period	87,527

United Internet AG – Balance Sheet as of June 30, 2001

in €k

ASSETS	June 30, 2001	June 30, 2000
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights and assets and licenses in such rights and assets	113	135
	113	135
Property, plant and equipment		
Other equipments, operational and office equipment	653	792
	653	792
Financial assets		
Shares in affiliated companies	87,537	84,092
Loans due to affiliated companies	0	256
Investments	37,980	38,329
Silent partnership investments in affiliated companies	3,579	3,579
Loans to companies in which an investment is held	16,991	9,496
Other loans	1,437	1,388
	147,524	137,140
	148,290	138,067
Current assets		
Accounts receivables and other assets		
Accounts receivables, trade	8	2
Receivables due from affiliated companies	714	2,932
Receivables due from companies in which an investment is held	58	236
Other assets	8,787	2,107
	9,567	5,277
Cash in hand and bank balances	663	41
	10,230	5,318
Prepaid expenses	206	184
	158,726	143,569

Equity and liabilities	June 30, 2001	June 30, 2000
Equity		
Subscribed capital	51,680	51,680
Additional paid-in capital	30,603	30,603
Revenue reserves	898	898
Accumulated losses brought forward	-23,842	-1,755
Net loss	-244	-22,087
	59,095	59,339
Accruals		
Pension reserves	137	137
Accrued taxes	84	84
Other reserves and accrued liabilities	861	563
	1,082	784
Liabilities		
Bonds	260	273
Liabilities due to banks	86,804	70,580
Trade payables	638	784
Liabilities due to affiliated companies	6,024	6,829
Other liabilities	4,823	4,980
	98,549	83,446
	158,726	143,569

United Internet AG – Statement of Income according to HGB
from January 1, 2001 to June 30, 2001 in €k

	2001 Jan.- June	2000 Jan.- June
Net sales	1,052	1,077
Other operating income	2,563	2,543
Cost of material		
Cost of purchased services	-873	-767
Personnel expenses		
a.) wages and salaries	-1,533	-1,227
b.) social security contributions	-138	-167
Depreciation of intangible and tangible assets	-178	-206
Other operating expenses	-2,249	-5,394
Income from participations	5,507	1,151
Interest and similar income	569	838
Depreciation on financial assets	-2,403	0
Interest and similar expenses	-2,540	-1,124
Result from ordinary activities	-223	-3,276
Result before taxes	-223	-3,276
Income taxes	-20	-12
Other taxes	-1	-6
Net loss	-244	-3,294

Corporate realignment making sound progress

United Internet is currently in the process of realigning itself. For the time being, we have departed from the idea of establishing a widely based Internet network. Against the backdrop of changed market conditions we aim to successfully develop our core companies in those segments which during the consolidation phase have proved to be the most promising. To this end, we are currently establishing the structural and operative conditions to be able to generate significant and long-term profitability for the whole company as early as 2002.

The past quarter has encouraged us to stick firmly to this strategy. Apart from AdLINK, which despite considerable efforts was not able to escape the overall downward trend in online advertising and thus suffered considerable losses, our core companies all reached their earnings targets. Considering our overriding aim to raise profitability we accept that it may be impossible to reach all our ambitious growth targets completely.



Ralph Dommermuth, Founder and Board Member of United Internet

We hope to have completed the process of realignment and concentration on our core business by the end of the year. The chances for us to emerge successfully from the consolidation phase are improving from day to day.