

6-Month Report
January to June 2002

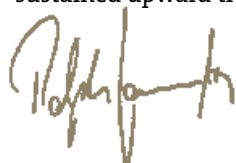


The first half-year 2002

In the first six months of 2002 United Internet successfully completed its realignment process and established itself as a Premium Internet Service Provider. The Group's transformation from a management holding company with an extensive network of affiliates to an integrated Internet group has been a complete success. This is also borne out by our latest figures: in the first half of 2002 we raised pre-tax earnings (EBT) to € 30.1 million. Excluding extraordinary items, EBT amounts to € 17.5 million. At the same time, we were also able to reduce bank liabilities. As a consequence, we have raised our EBT forecast for the year as a whole to € 45.2 million, of which our operating business is expected to contribute € 32.6 million. This enhanced earnings forecast will not be achieved by reducing marketing or product development budgets, however. On the contrary: we are raising our targets and investing a further € 4 million in advertising to promote an extensive product campaign in the second half of 2002.

At a time when many of our competitors are being forced to reduce costs, we aim to capture further market share with our previously unbudgeted campaign. Due to the considerable economies of scale in our business model, these new customers will be reflected in our results in the medium term and enable us to raise profitability even further.

We also see considerable development potential for our company's share price. We are delighted to have regained the trust of many investors – helping us become the most successful Nemax50 share in the first six months of 2002. This too, could be just the beginning of a sustained upward trend.



Montabaur, August 15, 2002



Ralph Dommermuth

Selected key figures (US-GAAP)

	2002 Jan. – June	2001 Jan. – June
Sales	€ 145.7 million	€ 114.2 million
Earnings before interest, taxes, depreciation and amortization (EBITDA)*	€ 39.9 million	€ 7.9 million
Earnings before interest and taxes (EBIT)	€ 30.6 million	€ -10.3 million
Ergebnis before taxes (EBT)	€ 30.1 million	€ -14.1 million
Employees	2,909	2,912
Share price at end of june (XETRA)	€ 7.26	€ 3.01
Earnings per share **	€ 0.47	€ -0.24
Results in 2002 excluding extraordinary items ***		
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 27.3 million	€ 7.9 million
Earnings before taxes (EBT)	€ 17.5 million	€ -14.1 million
Earnings per share **	€ 0.20	€ -0.24

Quarterly development of key figures according to US-GAAP

	Q1/2002	Q2/2002	Q2/2001
Sales	€ 70.9 million	€ 74.8 million	€ 53.3 million
EBITDA	€ 18.4 million	€ 21.5 million	€ 5.4 million
EBT	€ 13.4 million	€ 16.7 million	€ -6.7 million
EBITDA (without extraordinary items)	€ 13.1 million	€ 14.2 million	€ 5.4 million
EBT (without extraordinary items)	€ 8.1 million	€ 9.4 million	€ -6,7 million

* EBITDA is the operating result of the income statement (p. 08/09) without depreciation of tangible assets and amortization of intangible assets (last year including goodwill)

** Adjusted in 2001 after capital increase.

*** Sale of shares in AdLINK and jobpilot and restructuring charges of AdLINK for the integration of DoubleClick's European media business.

Stock ownership and subscription rights (units)	Q1/2002	Q2/2002
Executive Board		
Ralph Dommermuth	25,239,905	25,239,905
Norbert Lang	198,000	198,000
Richard Seibt	42,821	42,821
Supervisory Board		
Kurt Dobitsch*	1,280,000	—
Bernhard Dorn	—	—
Michael Scheeren	510,000	510,000
Stock Options		
Norbert Lang	140,000	140,000
Richard Seibt	350,000	350,000

* United Internet gained a new major shareholder, Michael Gleissner, Hong Kong.

In the course of this investment, Michael Gleissner took over the shares from Kurt Dobitsch. At the end of May Michael Gleissner owned 10.11 % of the United Internet shares.

Development of the Group

New positioning well received

Despite the generally weak economic climate, the first six months of 2002 were extremely successful for United Internet—in many areas results far exceeded our targets. Our new positioning as a Premium Internet Service Provider was presented to the public at our annual shareholder meeting on May 16. The Group's realignment was well received by both financial markets and the media. This is clearly reflected by our share price, which showed a strong recovery amid strong losses on the market as a whole.

At the heart of our new business model is our high-performance Internet factory, where we combine self-developed applications and licensed standard software with immense computing and storage capacities in order to create top-class, value-added products for the Internet—from unified messaging and all-in-one packs with integrated Internet access through powerful website and shop solutions to .NET services and dedicated hosting.

Record earnings in first half of 2002

Consolidated United Internet sales rose 27.6 % to € 145.7 million (prior year: € 114.2 million) in the first six months of 2002. The Group even exceeded its strong performance of the previous quarter (€ 70.9 million) with sales of € 74.8 million in the 2nd quarter of 2002—representing an increase of 40.3 % over the corresponding quarter last year. This success was due mainly to the strong growth of the company's Product business, which more than compensated for a decline in Outsourcing revenues. In the 2nd quarter of 2002, sales of the company's Outsourcing segment were dragged down by the current market difficulties of the IT industry.

Earnings before interest, taxes, depreciation and amortization (EBITDA) climbed to € 39.9 million, up from € 7.9 million in the previous year. There was a corresponding improvement in pre-tax earnings (EBT) to € 30.1 million, compared with a loss of € 14.1 million last year. This excellent result is mainly attributable to the strength of our Product business with its core brands GMX, 1&1 and Schlund + Partner. In addition to dynamic growth, the rising returns of this segment increasingly reflect its inherent economies of scale. Despite an unexpected fall in sales, the company's Outsourcing segment was also able to maintain its healthy EBT level of the previous year.

The sale of shares in an associated company (jobpilot with a profit of € 8.7 million) and further restructuring charges at AdLINK for the integration of DoubleClick's European business (€ 1.4 million) resulted in a net improvement in earnings for the second quarter of € 7.3 million. In the first quarter, extraordinary items raised earnings by a total of € 5.3 million. Without these effects, the adjusted EBITDA result for the first six months of 2002 amounts to € 27.3 million, with pre-tax earnings of € 17.5 million.

Bank liabilities reduced

Our excellent operating results in the first half of 2002, together with the proceeds from our sale of affiliates, were used to reduce the Group's bank liabilities. After netting bank liabilities with credit balances, the Group has a net positive bank balance of € 13.1 million as of June 30, 2002.

Cash flow / Capital expenditures

As a result of increased earnings and a reduction in working capital of € 29.4 million, cash flow from operating

activities improved from € -3.5 million last year to € 25.9 million. The main focus of investment activities were AdLINK's purchase of DoubleClick's European media business in the first quarter and the sale of shares in jobpilot in the second quarter. Following a net financing requirement of € 17.8 million last year, cash flow from investment activities was balanced in the first half of 2002.

Employees

At the end of the first half-year 2002, United Internet employed a total of 2,909 people (prior year: 2,912). Of this total, 711 staff (prior year: 612) were employed outside Germany.

Parent company results

Pre-tax earnings (EBT) of the parent company improved to € 34.1 million, compared with a loss of € 0.2 million in the same period last year. This figure includes extraordinary income from the disposal of shares in AdLINK and the sale of jobpilot shares amounting to a total of € 37.2 million.

In the first six months of 2002, United Internet AG reduced its bank liabilities by € 82.5 million. As of June 30, 2002 the company's credit balances and liabilities amounted to a net positive amount of € 2.0 million. The company's proceeds resulted mainly from profit transfer agreements with 1&1 and twenty4help, as well as from proceeds in connection with the sale of shares in AdLINK and jobpilot.

The equity ratio almost doubled from 36.1 % as of year-end 2001 to its current level of 68.1 %.

Affiliates

Due to the successful integration of DoubleClick's European media business, sales of AdLINK grew from € 13.2 million last year to € 19.0 million.

Once-only restructuring charges of € 6.9 million resulting from the scheduled integration of DoubleClick represented a considerable burden to earnings in the first half of 2002. As a result, AdLINK's EBITDA fell to € -8.7 million (prior year: € -8.5 million). Pre-tax earnings (EBT) amounted to € -9.3 million, compared with € -8.9 million last year. Without these integration costs, the adjusted EBITDA figure amounts to € -1.8 million and adjusted EBT totals € -2.4 million. This represents an improvement in pre-tax earnings of € 6.5 million over the same period last year. Some of AdLINK's national subsidiaries are already returning profits. AdLINK has a realistic chance of achieving sustained profitability in the foreseeable future.

The minority shareholdings owned by United Internet AG made a positive contribution to the Group's EBT in the first half of 2002.

Outlook

With additional marketing investments of almost € 4 million, we plan to launch a new product campaign in the second half of 2002 which will tap existing market potential across the board. The aim is to extend our market share and to utilize the economies of scale of our "Internet Factory" to achieve further improvements in earnings in the medium term.

This additional investment program will not have a negative impact on United Internet's earnings forecast for 2002. On the contrary: despite increased investments in software development and marketing, we are raising our EBT expectations as of today to € 45.2 million for fiscal 2002 as a whole. Our operating business is expected to contribute € 32.6 million to EBT.

Product segment

In the first half of 2002, the core brands of our Product segment—GMX, 1&1 and Schlund + Partner—reached excellent results. Demand for Web hosting services continued to grow strongly as we succeeded in further expanding our market share.

Sales in this segment rose by 46 %—from € 63.0 million last year to € 91.7 million. EBITDA grew to € 25.8 million, compared with € 8.5 million last year. Pre-tax earnings (EBT) were raised to € 20.1 million (prior year: € 1.9 million).

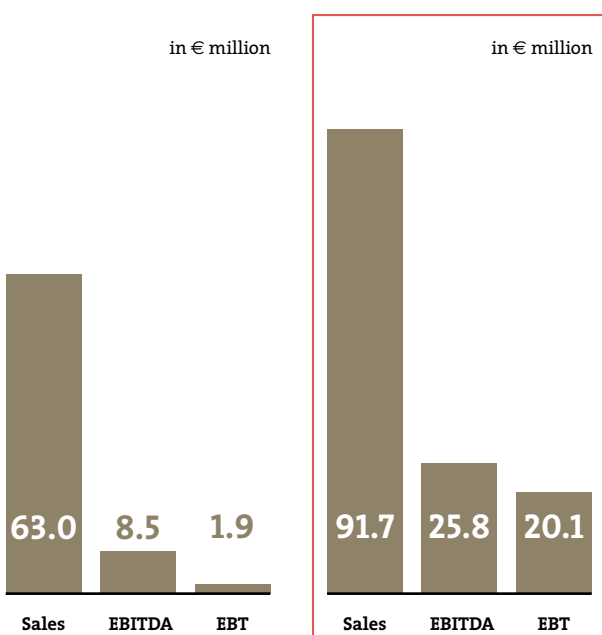
The strong performance in this segment resulted from our fast growing market shares in the field of Web hosting and Internet access, from a reduction in price competition due to the continuing market consolidation process and from increased utilization of the economies of scale provided by our Internet factory.

GMX with 12 million accounts

GMX was able to expand its position as a leading supplier of e-mail and messaging services. With 12 million accounts, GMX now reaches almost 25 % of all German Internet users. In the first half of 2002, GMX gained more than 23,000 paying customers. There are now a total of 70,000 paid-up contracts. The company aims to launch further fee-based products under the GMX brand in the second half of the year.

1&1 and Schlund + Partner: Customer contracts up 20 %

Under the brand names 1&1 and Schlund+Partner, United Internet succeeded in strengthening its position as one of the leading Internet providers for expert home users and small firms. In the first half of 2002, the number of customer contracts rose by 20 % to 1.8 million (year-end: 1.5 million). In addition to our sophisticated marketing and sales concepts, above-average customer



2001
Jan.-June

2002
Jan.-June

Quarterly development in € million

	Q1/2002	Q2/2002	Q2/2001
Sales	44.3	47.4	29.3
EBITDA	11.9	13.9	4.1
EBT	9.2	10.9	0.4

satisfaction levels proved to be a guarantee of success. In the field of dedicated hosting, we established ourselves as the undisputed market leader in the first half of 2002. This is all the more gratifying, as we only entered this sector in October 2001.

The international expansion of our Web hosting business under the 1&1 brand

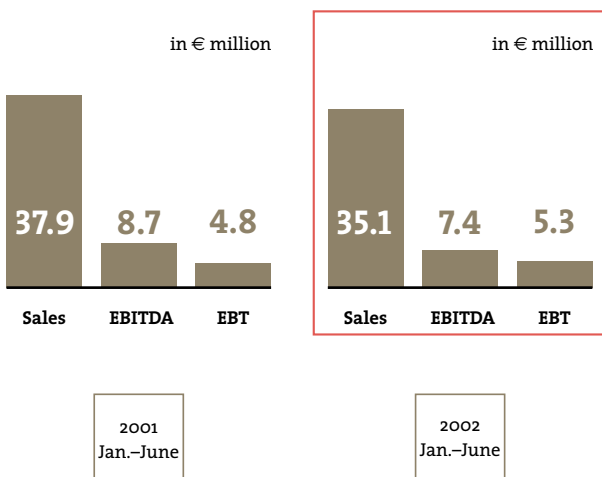
made good progress in the first half of 2002. 1&1 Internet Ltd., based near London, jumped from 7th to 3rd position with regard to new registrations of .uk domains. As from mid-2002, we also extended our range of services in Great Britain to include dedicated hosting.

Outsourcing segment

In the Outsourcing segment, United Internet has positioned itself in the field of Customer Relationship Management with its twenty4help brand. The Schlund Technologies brand is used to market United Internet's core competencies in product management, software development and computer center operation as white-label products for other Internet Service Providers.

Sales in this segment were down 8 % on the previous year (€ 37.9 million) at € 35.1 million. EBITDA fell from € 8.7 million last year to € 7.4 million. Pre-tax

earnings (EBT) were up from € 4.8 million last year to € 5.3 million. This fall in sales revenues resulted from the deterioration in business of several twenty4help customers, leading them to reduce the volume of services requested. We expect sales to remain modest in the second half of 2002. As a result, we are adjusting our forecast for the Outsourcing segment. Corresponding to the development in the first half of 2002, we now expect to merely repeat the very good result of 2001 (€ 11.6 million, following € 7.8 million in 2000).



Quarterly development in € million

	Q1/2002	Q2/2002	Q2/2001
Sales	18.2	16.9	17.8
EBITDA	4.4	3.0	4.2
EBT	3.1	2.2	2.2

United Internet AG – Consolidated Income Statement according to US-GAAP
for January 1, 2002 to June 30, 2002 in €k

	2002	2001
	Jan. – June	Jan. – June
Sales	145,735	114,218
Cost of sales	-90,658	-79,908
Gross profit	55,077	34,310
Selling expenses	-21,295	-22,072
General administrative expenses	-18,319	-16,716
Other operating income / expenses	15,176	540
Amortization of goodwill	0	-6,311
Operating result	30,639	-10,249
Interest and similar expenses	-1,590	-1,515
Interest and similar income	894	720
Profit / loss from associated companies	143	-3,089
Result from ordinary activities	30,086	-14,133
Pre-tax result	30,086	-14,133
Income taxes	-8,024	-2,327
Net profit / loss	22,062	-16,460
Minority interests	4,949	2,797
Profit / loss after minority interests	27,011	-13,663
Result per share (in €), basic	0.47	-0.24
Weighted average shares (in million units), basic *	56.88	56.88
Result per share (in €), diluted	0.47	-0.24
Weighted average shares (in million units), diluted *	56.88	56.88

* Adjusted in 2001 after capital increase.

United Internet AG – Consolidated Income Statement according to US-GAAP

Quarterly development in € million

	Q1/2002	Q2/2002	Q2/2001
Sales	70.9	74.8	53.3
Cost of sales	-44.9	-45.7	-36.2
Gross profit	26.0	29.1	17.1
Selling expenses	-9.8	-11.5	-10.6
General administrative expenses	-9.0	-9.4	-8.3
Other operating income / expenses	6.5	8.7	-0.3
Amortization of goodwill	0	0	-3.1
Operating income	13.7	16.9	-5.2
Interest and similar expenses	-0.8	-0.8	-1.0
Interest and similar income	0.4	0.5	0.5
Profit / loss from associated companies	0.1	0.1	-1.0
Result from ordinary activities	13.4	16.7	-6.7
Pre-tax result	13.4	16.7	-6.7
Income taxes	-4.0	-4.0	-1.4
Net profit / loss	9.4	12.7	-8.2
Minority interests	4.0	0.9	1.2
Profit / loss after minority interests	13.4	13.6	-7.0
Result per share (in €), basic	0.23	0.24	-0.12
Weighted average shares (in million units), basic *	56.88	56.88	56.88
Result per share (in €), diluted	0.23	0.24	-0.12
Weighted average shares (in million units), diluted *	56.88	56.88	56.88

* Adjusted in 2001 after capital increase.

United Internet AG – Consolidated Balance Sheet according to US-GAAP as of June 30, 2002 in €k

ASSETS

	June 30, 2002	December 31, 2001
Current assets		
Cash and cash equivalents	20,725	69,765
Accounts receivable and other assets	65,622	63,760
Inventories	3,935	2,062
Prepaid expenses	7,481	7,121
Deferred taxes	7,407	14,579
Current assets, total	105,170	157,287
Non-current assets		
Equity investments	11,835	11,792
Other financial assets	5,827	5,930
Property, plant and equipment	32,529	30,390
Intangible assets	10,039	11,196
Goodwill	88,888	52,753
Non-current assets, total	149,118	112,061
Assets, total	254,288	269,348
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Accounts payable, trade	22,776	18,226
Liabilities due to banks	3,766	73,235
Advance payments received	3,248	214
Other liabilities	21,733	21,532
Accrued taxes	9,786	9,824
Other accrued liabilities	21,113	16,985
Deferred revenue	24,280	25,114
Current liabilities, total	106,702	165,130
Non-current liabilities		
Convertible bonds	2,516	2,425
Liabilities due to banks	3,835	7,749
Deferred revenue	2,340	1,089
Other liabilities	1,682	1,682
Non-current liabilities, total	10,373	12,945
Liabilities, total	117,075	178,075
Minority interests	31,314	13,293
Equity		
Capital stock	56,882	56,882
Additional paid-in capital	51,991	50,834
Additional paid-in capital (group)	65,957	65,957
Accumulated deficit	-95,515	-59,712
Profit / loss	27,011	-35,803
Outstanding, unrealized compensation for employee stock ownership programme	-320	-47
Currency translation adjustment	-107	-131
Equity, total	105,899	77,980
Equity and liabilities, total	254,288	269,348

United Internet AG – Development of Consolidated Equity from January 1, 2002 to June 30, 2002 in €k

	Jan. – June 2002	Jan. – June 2001
Consolidated Equity		
Start of period	77,980	101,087
Additional paid-in capital	1,157	171
Profit / loss after minority interests	27,011	-13,663
Outstanding, unrealized compensation for employee stock ownership programme	-273	0
Changes in currency translation adjustments	24	103
Other shareholders' equity	0	-171
End of period	105,899	87,527

United Internet AG – Consolidated Statement of Cash Flows according to US-GAAP
from January 1, 2002 to June 30, 2002 in €k

	Jan. – June 2002	Jan. – June 2001
Cash flow from operating activities		
Profit / loss after minority interests	27,011	-13,663
Adjustments to reconcile net profit / loss to net cash provided by operating activities		
Depreciation and amortization	9,257	9,478
Goodwill amortization	0	6,311
Write-off on loans granted to associated companies	0	2,403
Compensation of expenses from employee stock option plans	883	0
Not distributed profits / not equalized losses of associated companies	-143	3,089
Distributed profits of associated companies	100	0
Minority interests	-4,949	-2,797
Changes in currency translation adjustments	24	103
Change in deferred taxes	7,170	945
Gain from the sale of shares in associated companies	-8,684	-3,195
Gain from the sale of shares in affiliated companies	-10,790	0
Operative cash flow	19,879	2,674
Changes in assets and liabilities		
Change in receivables and other assets	2,700	7,552
Change in inventories	-1,874	120
Change in deferred expenses	-359	83
Change in accounts payable, trade	362	-12,356
Change in advance payments received	1,892	-5,262
Change in other accrued liabilities	3,907	942
Change in accrued taxes	-38	3,169
Change in other liabilities	-963	-1,663
Change in deferred income	417	1,168
Change in pension reserves	0	112
Changes in assets and liabilities	6,044	-6,135
Cash flow from operating activities	25,923	-3,461
Cash flow from investment activities		
Capital expenditure for intangible assets and property, plant and equipment	-10,095	-9,253
Loans to associated companies, their shareholders and employees	-9	-11,606
Repayments of loans granted	112	1,498
Disposal of assets, net book value	430	144
Net assets assumed in initial consolidation	1,221	2
Acquisition costs in excess of the net assets from initial consolidation	-45,514	-793
Sale of shares in associated companies	18,684	3,855
Acquisition of additional shares in associated companies	0	-1,675
Sale of shares in affiliated companies	35,500	0
Cash flow from investment activities	329	-17,828
Cash flow from financing activities		
Change in bank loans	-73,384	-1,998
Minority interests	-1,998	929
Repayment of convertible bonds	90	-29
Cash flow from financing activities	-75,292	-1,098
Net increase / net decrease in cash	-49,040	-22,387
Cash on hand and bank balances at the beginning of the fiscal year	69,765	89,956
Cash on hand and bank balances as of June 30, 2002	20,725	67,569

United Internet AG – Balance Sheet according to German Commercial Code (HGB)

as of June 30, 2002 in €k

ASSETS

	June 30, 2002	December 31, 2001
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights, and assets and licenses in such rights and assets	69	91
	69	91
Property, plant and equipment		
Other equipments, operational and office equipment	353	450
	353	450
Financial assets		
Shares in affiliated companies	102,098	100,536
Investments	13,811	20,677
Loans to companies in which an investment is held	4,484	4,484
Other loans	632	770
	121,025	126,467
	121,447	127,008
Current assets		
Accounts receivable, trade	0	3
Receivables due from affiliated companies	1,370	24,608
Receivables due from companies in which an investment is held	0	6
Other assets	3,952	3,861
	5,322	28,478
Cash in hand and bank balances	5,626	20
	10,948	28,498
Prepaid expenses	144	99
Balance sheet, total	132,539	155,605

EQUITY AND LIABILITIES

	June 30, 2002	December 31, 2001
Equity		
Subscribed capital	56,882	56,882
Additional paid-in capital	38,354	38,354
Revenue reserves	898	898
Accumulated deficit	-39,973	-23,842
Profit / loss	34,053	-16,131
	90,214	56,161
Accruals		
Accrued taxes	1,517	1,517
Other reserves and accrued liabilities	7,196	1,621
	8,713	3,138
Liabilities		
Bonds	1,834	1,743
Liabilities due to banks	3,635	81,018
Accounts payable, trade	485	826
Liabilities due to the issuance of bills	0	5,113
Liabilities due to affiliated companies	27,542	2,438
Other liabilities	116	5,168
	33,612	96,306
Balance sheet, total	132,539	155,605

United Internet AG – Income Statement according to German Commercial Code (HGB)

from January 1, 2002 to June 30, 2002 in €k

	2002	2001
	Jan. – June	Jan. – June
Net sales	1,355	1,052
Other operating income	38,677	2,563
Cost of material		
Cost of purchased services	-961	-873
Personnel expenses		
a. wages and salaries	-884	-1,533
b. social security contributions	-44	-138
Depreciation of intangible and tangible assets	-115	-178
Other operating expenses	-2,593	-2,249
Income from investments	100	5,507
Interest and similar income	276	569
Depreciation on financial assets	0	-2,403
Interest and similar expenses	-1,742	-2,540
Result from ordinary activities	34,069	-223
Result before taxes	34,069	-223
Income taxes	-15	-20
Other taxes	-1	-1
Profit / loss	34,053	-244

The accounting and valuation principles used in this report on the first six months correspond to those applied in the annual financial statements for fiscal 2001.


Products
GMX AG

1&1 Internet AG
1&1 Internet Ltd.
1&1 Internet S.A.R.L.
1&1 PureTec GmbH

Schlund + Partner AG

**val-U Marketing GmbH/
 A1 GmbH**

CONVIGATE GmbH*

Outsourcing
Schlund Technologies GmbH

twenty4help Knowledge Service AG (D)
twenty4help Knowledge Service B.V. (NL)
twenty4help Knowledge Service A.B. (S)
twenty4help Knowledge Service Ltd. (UK)

MIP Multimedia Internet Park GmbH

Shareholdings:

AdLINK Internet Media AG	67,62 %**
fun communications GmbH	33,33 %
imedia - Gesellschaft für neue Medien mbH	40,00 %
Metropolis AG	43,96 %
NT-Plus AG	39,23 %
Sedo GmbH	41,04 %

* Shareholding at present 77,99 %

** 21 % still deposited with trustee

for call option held by DoubleClick Inc.

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