

**6-Month Report
January to June 2003**



Foreword

United Internet is right on track! In the first half of 2003 we continued our successful development and raised sales and earnings to a new record level. Compared with the first six months of 2002, sales grew by 36 % to € 197.7 million and ordinary pre-tax earnings by 54 % to € 26.9 million.

This dynamic growth continues to be fuelled by our Product segment and its core brands: GMX, 1&1 and Schlund+Partner. In the field of value-added Internet services, we are the clear market leader in Germany and have successfully established ourselves in Great Britain: With over 100,000 customer contracts in the hosting/domain segment, we are already one of the UK's market leaders. On the basis of our experience in Great Britain, we intend to enter the world's largest hosting market, the USA, in the fourth quarter of 2003. Preparations are already in full swing. We are also growing fast on the internet access market: With 470,000 DSL customers as of June 30, 2003 we are second only to T-Online in the German broadband connection segment.

Our Outsourcing segment, with its core brand twenty4help, developed in line with expectations in the first half of 2003. The economic slowdown and resultant cost restrictions, coupled with delayed customer investments, continue to weigh heavy in this segment. Nevertheless, we still succeeded in raising sales above the prior-year level. High initial costs for a major customer



Ralph Dommermuth

care project we are providing for a top international IT player, however, meant that EBITDA and EBT remained virtually constant—despite the rise in revenues.

Record consolidated earnings and an EBT margin of 13.6 % once again illustrate the key growth lever of our business model: with increasing customer figures and greater utilization of our “Internet Factory”, we can realize significant economies of scale. New customers incur proportionately lower costs and make us even more efficient and profitable.

It is always gratifying when our strong market position is confirmed by independent studies: according to a report published in July by Netcraft's British internet analysts, United Internet is the world's fastest growing Web hoster.

A handwritten signature in dark ink, appearing to read 'Ralph Dommermuth'.

Montabaur, August 14, 2003

Selected Key Figures (US-GAAP)

Results*	2003	2002
	Jan.–June	Jan.–June
Sales	€ 197.7 million	€ 145.7 million
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 38.0 million	€ 27.3 million
Earnings before taxes (EBT)	€ 26.9 million	€ 17.5 million
Employees	3,438	2,909
Share price as at end of June, XETRA	€ 14.80	€ 7.26
Earnings per share	€ 0.28	€ 0.20

Results incl. special items	2003	2002
	Jan.–June	Jan.–June
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 38.0 million	€ 39.9 million
Earnings before taxes (EBT)	€ 26.9 million	€ 30.1 million
Earnings per share	€ 0.28	€ 0.47

Quarterly development of key figures*

	Q3/2002	Q4/2002	Q1/2003	Q2/2003	Q2/2002
Sales	€ 77.1 million	€ 97.2 million	€ 100.8 million	€ 96.9 million	€ 74.8 million
EBITDA	€ 16.5 million	€ 18.2 million	€ 18.6 million	€ 19.4 million	€ 14.2 million
EBT	€ 10.1 million	€ 11.2 million	€ 12.8 million	€ 14.1 million	€ 9.4 million

Share ownership (units)	Q1/2003	Q2/2003
Management Board		
Ralph Dommermuth	25,239,905	25,239,905
Norbert Lang	226,000	226,000
Supervisory Board		
Kurt Dobitsch	—	—
Bernhard Dorn	—	—
Michael Scheeren	470,000	425,000
Subscription Rights (units)		
Norbert Lang	112,000	112,000

*The comparative figures of FY 2002 do not include non-recurring and, on balance, positive special items from the sale of investments, as well as restructuring charges incurred by AdLINK for the integration of DoubleClick's European media business.

Development of the Group

United Internet AG succeeded in maintaining its positive development in the first half of fiscal 2003: a new all-time record for earnings, strong growth in sales and a further net increase of 300,000 in customer contracts are confirmation that United Internet's growth story is far from over.

New record sales and earnings

In comparison with the same period last year, United Internet's consolidated sales revenues grew by 36 % to € 197.7 million (2002: € 145.7 million).

The continued growth of our customer base was one of the main reasons for the Group's record earnings in the first six months: pre-tax earnings (EBT) were up 54 % over the previous year at € 26.9 million (2002: € 17.5 million*). This figure was reached despite considerable initial costs for a major contract, which burdened earnings in the Outsourcing segment. As part of this contract, twenty4help will provide a major share of customer care services in the Netherlands, Great Britain and Scandinavia for a top American IT player. The order will generate revenues of over € 10 million in 2003 as a whole, but will first require considerable investments in personnel and customer-specific staff training. In the first half of 2003 alone, almost 300 new staff were hired in Great Britain and Scandinavia.

The positive development of sales and earnings is based above all on the continued positive development of our Product business. The segment, and its core brands GMX, 1&1 and

Schlund+Partner, benefited from a number of positive and mutually beneficial factors: in addition to the continuing, dynamic growth in customer figures, prices on the market for value-added Internet services remained stable. This was due mainly to increased market consolidation and the trend to higher-value, fee-based services. At the same time, the economies of scale achieved in this segment with the aid of our "Internet Factory" had a strong impact on the Group's profitability.

Cash flow / capital expenditures

As a result of our positive earnings, cash flow from operating activities grew from € 19.9 million last year to € 27.6 million.

The major share of total capital expenditures amounting to € 14.2 million (2002: € 10.1 million) resulted from the completion of our new data center in Karlsruhe and the expansion of infrastructure and server capacities. The move to the new data center was completed in April. The expansion of server capacities had become necessary due to the strong growth in the field of dedicated servers. The servers were mostly written off in full. In the Outsourcing segment, initial investments were made for the realization of new projects.

Bank balances

As of June 30, 2003—and thus after the dividend payment of United Internet AG—the Group's net bank balances amounted to € 13.4 million. The balances are invested on the money market.

*The comparative figures of FY 2002 do not include non-recurring and, on balance, positive special items from the sale of investments, as well as restructuring charges incurred by AdLINK for the integration of DoubleClick's European media business.

Employees

At the end of the first half of 2003, United Internet employed a total of 3,438 people (December 31, 2002: 3,195). Of this total, 1,081 were employed by the Group's international subsidiaries (December 31, 2002: 892).

Parent company results

Pre-tax earnings (EBT) of the parent company, United Internet AG, for the first six months of 2003 totaled € -2.6 million (prior-year: € 34.1 million). The difference to the previous year was due mainly to special items in 2002 from the sale of shares in AdLINK and jobpilot amount-

ing to a positive net amount of € 37.2 million. As of June 30, 2003 the company had a positive bank balance of € 6.5 million. Even after the distribution of dividends, the equity ratio remains high at 82.6 %.

Annual Shareholders' Meeting/Dividend

The Annual Shareholders' Meeting on May 16, 2003 voted to distribute dividends totaling € 28.6 million of the company's total balance sheet profit of € 42.1 million for fiscal 2002. This corresponds to a dividend payment of 50 cents per share—10 cents basic dividend plus a 40 cents bonus. The remaining amount

Our Internet-Factory



(€ 13.5 million) will be carried forward. The dividend payments were made on May 19, 2003.

Affiliates

Despite difficult market conditions, the Internet advertising specialist AdLINK succeeded in improving results in the first half of 2003. Sales grew to € 21.6 million (prior-year: € 19.0 million), while EBITDA remained slightly negative at € -1.2 million (prior-year: € -1.8 million or € -8.7 million after restructuring costs). The EBT amounted to € -1.6 million (prior year: € -2.4 million or € -9.3 million including restructuring costs)

Our minority shareholdings made a positive contribution to the Group's pre-tax earnings in the first six months of 2003.

The share

Since March 24 United Internet has been listed in the German quality stock index TecDax. Since then, the United Internet share has climbed almost 61 % (as of June 30, 2003) and easily outperformed the index (plus 21 %). United Internet is now among the top four companies in this segment, measured by market capitalization.

Outlook

With its sustained growth in customers during the first half of 2003, United Internet is well on the way to achieving its ambitious targets. We can look optimistically into the future.

In our Product segment, this optimism is rooted in the general trend toward more data transfer and increasing broadband connections as well as to higher-value Internet services. Our high-performance "Internet Factory" is geared to meeting these trends and to utilizing the inherent economies of scale they offer—to the benefit of both sales and earnings. Our capacities and financial strength also provide an excellent basis for further international expansion, either through acquisitions or organic growth. Our success in Great Britain has served to confirm our objectives.

Despite rising sales revenues, we expect earnings to remain modest in our Outsourcing segment.

For fiscal 2003 as a whole, we aim to clearly exceed our targets of € 402 million from sales revenues, an EBITDA of € 79 million and pre-tax earnings of € 55 million. In fact we now forecast sales of € 415 million, EBITDA at € 82 million as well as EBT of € 57 million.

Product business

Our Product segment, with the brands GMX, 1&1 and Schlund+Partner, continued its strong development also in the first half of 2003. We succeeded in strengthening our position as one of the leading suppliers in all our target markets. As of June 30, 2003 we had around 2.4 million customer accounts.

Compared with the same period last year, sales climbed by over 51 % to € 138.6 million (prior-year: € 91.7 million). EBITDA improved to € 33.9 million (prior-year: € 25.8 million). There was also strong growth in pre-tax earnings (EBT), which grew from € 20.1 million last year to € 26.2 million.

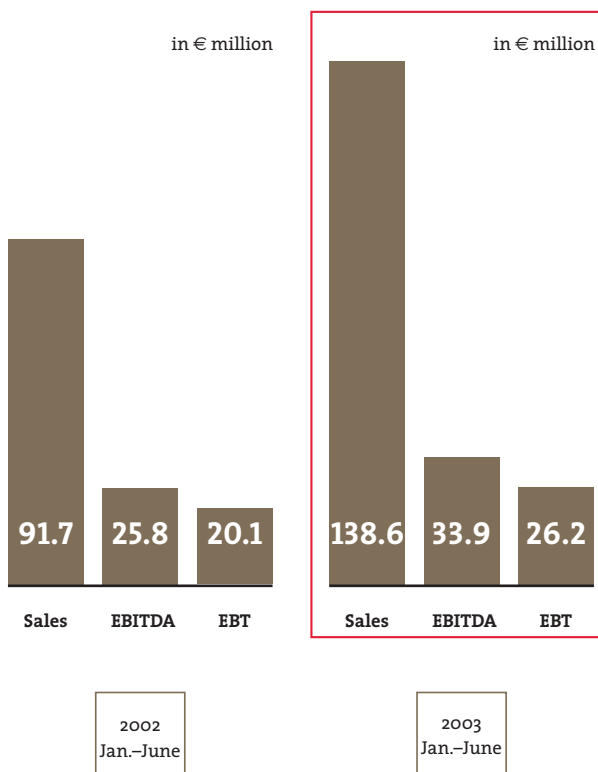
These excellent figures reflect a number of favorable factors: firstly, prices on the Internet market remained firm due to increased market consolidation and the trend to higher-value, fee-based services. Secondly, we are benefiting

increasingly from economies of scale through greater utilization of our “Internet Factory”.

In our value-added internet service business there was strong growth, especially in dedicated hosting, which helped confirm our position as market leader. At the end of June 2003, United Internet had over 16,000 servers.

In the DSL access segment, we succeeded in raising the number of customers to 470,000. This figure includes 10,000 contract terminations received after a change in pricing structure, which made our DSL tariffs less attractive for “power users” wishing to download over 20,000 MB per month.

Comparing sales of the first quarter 2003 with those of the second quarter 2003 two opposite effects need to be taken into consideration: On the one



Quarterly development in € million

	Q1/2003	Q2/2003	Q2/2002
Sales	71.2	67.4	47.4
EBITDA	15.8	18.1	13.9
EBT	11.8	14.4	10.9

hand our existing business has developed parallel to the amount of customers (sales + € 3.8 million). On the other hand in the second quarter there were no CeBIT sales (€ -2.4 million) as well as lower sales for end devices (modems) and lower co-marketing funds for customer acquisition actions (a total of € -5.2 million).

GMX

GMX strengthened its position as the leading e-mail and messaging specialist and now administers over 15.5 million e-mail accounts. As of May 2003, GMX provides its customers with a highly effective anti-spam feature. The seven modules of GMX's spam protection program include analysis tools to recognize unwanted mails as well as sender exclusion lists. One of the most innovative features is the so-called text profiler, which learns from samples in "desired" and "undesired" mail which mail the user regards as spam. This function is only available to customers of the fee-based, premium services GMX ProMail and GMX TopMail. As of June 30, 2003 the number of fee-based subscriptions rose to over 230,000.

1&1

As of June 30, 2003, 1&1 held some 2.1 million active customer accounts. The company's market share in Germany was strengthened by the launch of new DSL tariffs, as well as by its Webhosting 4.0 range with enhanced interactivity and dialogue features launched in late March 2003 and increased marketing efforts for dedicated servers.

The international expansion of the company's successful web hosting product range was given further impetus by preparations for a launch on the US market. 1&1 will be able to benefit from the positive experience it has already made on the UK market, where it has now nearly caught up with the market leader in terms of monthly registrations of new domains. As of June 30, 2003 the company held over 100,000 customer accounts in Great Britain.

Schlund+Partner

United Internet's premium brand, Schlund+Partner, offers small to mid-size companies one-stop shopping for all relevant Internet solutions. As of April 2003, Schlund+Partner also offers Microsoft Exchange 2003 accounts for a fixed monthly fee. Schlund+Partner's new web service supports all MS Exchange 2003 functions—from e-mailing to shared address books. Companies no longer need to purchase and install Exchange software licenses, nor do they need to operate and monitor their own mail server. Schlund+Partner's own payment system for online shops, ipayment, has received certification for the 3D-Secure authentication standard "Verified by Visa". 3D-Secure protects online merchants from credit card abuse or false card numbers.

Schlund+Partner's extensive network of partners ensures fast, on-site service for its customers. The company had 60,600 customer contracts as of June 30, 2003.

Outsourcing business

In its Outsourcing segment, United Internet leverages its expertise in product management, software development and data center operation for third parties, in order to fully utilize spare capacity. The “Schlund Technologies” brand is used to market our services as white-label products for other Internet Service Providers. Under the twenty4help brand, we offer a wide range of services in the field of customer relationship management.

Year-on-year sales in the Outsourcing segment rose by 7 % from € 35.1 million to € 37.5 million in the first six months of 2003. EBITDA grew to € 7.9 million (prior-year: € 7.4 million), while EBT fell slightly to € 5.1 million—compared with € 5.3 million last year. Earnings were burdened by initial costs for new projects as well as by higher depreciation amounts than in 2002.

twenty4help

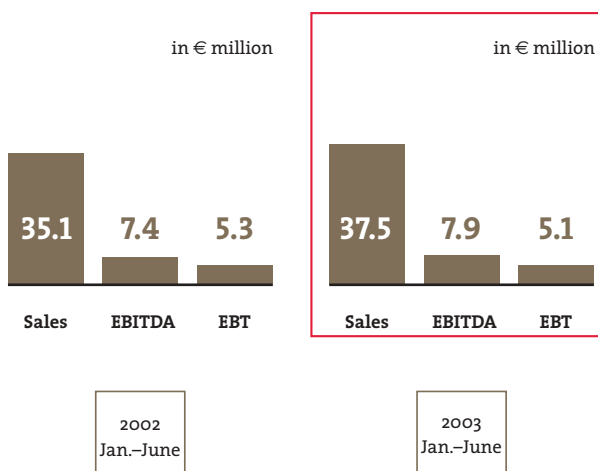
Demand for services of twenty4help is traditionally lower in the second quarter than in the first. The reasons are obvious: the products of our customers are sold mainly toward year-end and then installed and launched in the first

quarter—often with the aid of twenty4help. Demand for customer care services generally falls off somewhat in the second quarter.

In the first half of 2003 twenty4help succeeded in gaining additional market share outside Germany. As with most new projects, however, this growth has so far mainly burdened earnings. The complexity of the new project and the customer-specific training of skilled staff in 3 countries and in 6 languages will continue to burden earnings and resources in the rest of the year.

Schlund Technologies

Smaller ISPs and multimedia agencies operate as resellers for Schlund Technologies. They provide their customers with some 230,000 domains via Schlund Technologies.



Quarterly development in € million

	Q1/2003	Q2/2003	Q2/2002
Sales	20.1	17.4	16.9
EBITDA	4.6	3.3	3.0
EBT	3.2	1.9	2.2

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

for January 1, 2003 to June 30, 2003 in €k

	2003		2002	
	January–June		January–June	
Sales	197,699	100.0 %	145,735	100.0 %
Cost of sales	-117,570	-59.5 %	-89,075	-61.1 %
Gross profit	80,129	40.5 %	56,660	38.9 %
Selling expenses	-35,975	-18.2 %	-22,878	-15.7 %
General and administrative expenses	-19,961	-10.1 %	-18,319	-12.6 %
Restructuring charges	0		-6,940	-4.8 %
Other operating income / expenses	2,438	1.2 %	22,116	15.2 %
Operating result	26,631	13.5 %	30,639	21.0 %
Interest and similar expenses	-606	-0.3 %	-1,590	-1.1 %
Interest and similar income	757	0.4 %	894	0.6 %
Result from associated companies	147	0.1 %	143	0.1 %
Pre-tax result	26,929	13.6 %	30,086	20.6 %
Income taxes	-11,648	-5.9 %	-8,024	-5.5 %
Net profit	15,281	7.7 %	22,062	15.1 %
Minority interests	525	0.3 %	4,949	3.4 %
Profit after minority interests	15,806	8.0 %	27,011	18.5 %
Result per share (in €)*				
– basic	0.28		0.47	
– diluted	0.28		0.47	
Weighted average shares (in million units)*				
– basic	57.18		57.18	
– diluted	57.23		57.23	

* Adjusted shares after capital increase in the previous year.

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

Quarterly development in € million

	Q1/2003	Q2/2003	Q2/2002
Sales	100.8	96.9	74.8
Cost of sales	-60.6	-57.0	-45.0
Gross profit	40.2	39.9	29.8
Selling expenses	-18.6	-17.4	-12.2
General and administrative expenses	-9.6	-10.3	-9.4
Restructuring charges	0.0	0.0	-1.5
Other operating income / expenses	0.7	1.7	10.2
Operating result	12.7	13.9	16.9
Interest and similar expenses	-0.3	-0.3	-0.8
Interest and similar income	0.4	0.4	0.5
Result from associated companies	0.0	0.1	0.1
Pre-tax result	12.8	14.1	16.7
Income taxes	-5.4	-6.2	-4.0
Net profit	7.4	7.9	12.7
Minority interests	0.3	0.2	0.9
Profit after minority interests	7.7	8.1	13.6
Result per share (in €)*			
– basic	0.13	0.15	0.24
– diluted	0.13	0.15	0.24
Weighted average shares (in million units)*			
– basic	57.18	57.18	57.18
– diluted	57.23	57.23	57.23

* Adjusted shares after capital increase in the previous year.

United Internet AG – Consolidated Balance Sheet according to US-GAAP in €k

for June 30, 2003 in €k

ASSETS

	June 30, 2003		December 31, 2002	
Current assets				
Cash and cash equivalents	17,125	7.8 %	32,379	13.6 %
Accounts receivable and other assets	58,578	26.6 %	65,990	27.7 %
Inventories	6,422	2.9 %	3,984	1.7 %
Prepaid expenses	10,701	4.8 %	9,029	3.8 %
Deferred tax asset	5,778	2.6 %	6,420	2.7 %
Current assets, total	98,604	44.7 %	117,802	49.5 %
Non-current assets				
Equity investments	12,691	5.8 %	12,543	5.3 %
Other financial assets	1,384	0.6 %	1,801	0.7 %
Property, plant and equipment	39,556	17.9 %	35,575	15.0 %
Intangible assets	6,348	2.9 %	8,312	3.5 %
Goodwill	61,894	28.1 %	61,787	26.0 %
Non-current assets, total	121,873	55.3 %	120,018	50.5 %
Assets, total	220,477	100.0 %	237,820	100.0 %
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable, trade	18,262	8.3 %	29,452	12.4 %
Liabilities due to banks	309	0.1 %	373	0.1 %
Advance payments received	14,294	6.5 %	19,624	8.3 %
Accrued taxes	15,816	7.2 %	5,795	2.4 %
Other accrued liabilities	18,038	8.2 %	18,574	7.8 %
Deferred revenue	28,544	12.9 %	24,888	10.5 %
Current liabilities, total	95,263	43.2 %	98,706	41.5 %
Non-current liabilities				
Convertible bonds	1,959	0.9 %	2,037	0.9 %
Liabilities due to banks	3,442	1.5 %	3,577	1.5 %
Deferred revenue	2,421	1.1 %	3,396	1.4 %
Non-current liabilities, total	7,822	3.5 %	9,010	3.8 %
Liabilities, total	103,085	46.7 %	107,716	45.3 %
Minority interests	12,481	5.7 %	13,018	5.5 %
Equity				
Capital stock	57,182	25.9 %	56,882	23.9 %
Subscribed capital	143	0.1 %	865	0.4 %
Additional paid-in capital	118,471	53.7 %	117,515	49.4 %
Accumulated deficit	-86,801	-39.4 %	-95,515	-40.2 %
Profit	15,806	7.2 %	37,305	15.7 %
Outstanding, unrealized compensation for employee stock ownership programme	-277	-0.1 %	-156	-0.1 %
Currency translation adjustment	387	0.2 %	190	0.1 %
Equity, total	104,911	47.6 %	117,086	49.2 %
Equity and liabilities, total	220,477	100.0 %	237,820	100.0 %

United Internet AG – Consolidated Statement of Cash Flows according to US-GAAP

from January 1, 2003 to June 30, 2003 in €k

	2003	2002
	January–June	January–June
Cash flow from operating activities		
Profit after minority interests	15,806	27,011
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	11,362	9,257
Compensation expenses from employee stock option plans	270	883
Not distributed profits of associated companies	-147	-143
Distributed profits of associated companies	0	100
Minority interests	-525	-4,949
Change in currency translation adjustments	197	24
Change in deferred taxes	642	7,170
Gain from the sale of shares in associated companies	0	-8,684
Gain from the sale of shares in affiliated companies	0	-10,790
Operative cash flow	27,605	19,879
Changes in assets and liabilities		
Change in receivables and other assets	7,413	2,700
Change in inventories	-2,438	-1,874
Change in deferred expenses	-1,671	-359
Change in accounts payable, trade	-11,190	362
Change in advance payments received	0	1,892
Change in other accrued liabilities	-535	3,907
Change in accrued taxes	10,021	-38
Change in other liabilities	-5,482	-963
Change in deferred income	2,833	417
Changes in assets and liabilities	-1,049	6,044
Cash flow from operating activities	26,556	25,923
Cash flow from investment activities		
Capital expenditure for intangible assets and property, plant and equipment	-14,188	-10,095
Repayments/payments of loans granted	419	103
Disposal of assets, net book value	832	430
Acquisitions, net of acquired cash	-107	-8,793
Sale of shares in associated companies	0	18,684
Acquisition of additional shares in associated companies	-1	0
Cash flow from investment activities	-13,045	329
Cash flow from financing activities		
Change in bank loans	-200	-73,384
Dividend payments	-28,591	0
Minority interests	-13	-1,998
Additional payments for the exercise of convertible bonds	117	0
Payment / repayment of convertible bonds	-78	90
Cash flow from financing activities	-28,765	-75,292
Net increase / net decrease in cash	-15,254	-49,040
Cash on hand and bank balances at the beginning of the fiscal year	32,379	69,765
Cash on hand and bank balances as of June 30, 2003	17,125	20,725

United Internet AG – Development of Consolidated Equity according to US-GAAP

	Common stock		Contribution	Additional
	Denomination	€k	for capital	paid-in
			increase	capital
			€k	€k
Balance as of December 31, 2001	56,881,887	56,882	0	116,791
Capital increase through contribution in kind	0	0	865	0
Additional IPO expenses of AdLINK	0	0	0	-184
Adjustment of the intrinsic value shown as part of the capital reserve resulting from options granted in the context of the employee stock ownership program	0	0	0	908
Currency translation adjustment 2002	0	0	0	0
Net income 2002	0	0	0	0
Comprehensive Income				
Balance as of December 31, 2002	56,881,887	56,882	865	117,515
Exercise of conversion rights	300,500	300	-722	565
Dividend payments	0	0	0	0
Adjustment of the intrinsic value shown as part of the capital reserve resulting from options granted in the context of the employee stock ownership program	0	0	0	391
Currency translation adjustment 2003	0	0	0	0
Net income 2003	0	0	0	0
Comprehensive Income				
Balance as of June 30, 2003	57,182,387	57,182	143	118,471

Outstanding compensation for employee stock ownership program €k	Currency translation adjustment €k	Retained earnings/ Accumulated deficit €k	Total equity €k	Comprehensive Income €k
-47	-131	-95,515	77,980	
0	0	0	865	0
0	0	0	-184	0
-109	0	0	799	0
0	321	0	321	321
0	0	37,305	37,305	37,305
				37,626
-156	190	-58,210	117,086	
0	0	0	143	0
0	0	-28,591	-28,591	0
-121	0	0	270	0
0	197	0	197	197
0	0	15,806	15,806	15,806
				16,003
-277	387	-70,995	104,911	

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

as of June 30, 2003 in €k

ASSETS

	June 30, 2003		December 31, 2002	
Fixed assets				
Intangible assets				
Concessions, industrial and similar rights, and assets and licenses in such rights and assets	35		48	
Intangible assets, total	35		48	
Property, plant and equipment				
Other equipment, operational and office equipment	215	0.2 %	292	0.2 %
Property, plant and equipment, total	215	0.2 %	292	0.2 %
Financial assets				
Shares in affiliated companies	79,718	61.1 %	79,718	49.2 %
Investments	33,823	25.9 %	33,037	20.4 %
Other loans	572	0.4 %	580	0.4 %
Financial assets, total	114,113	87.4 %	113,335	70.0 %
Fixed assets, total	114,363	87.6 %	113,675	70.2 %
Current assets				
Accounts receivable and other assets				
Accounts receivable, trade	13		17	
Receivables due from affiliated companies	5,937	4.5 %	28,383	17.5 %
Receivables due from companies in which an investment is held	153	0.1 %	700	0.4 %
Other assets	3,664	2.8 %	2,416	1.5 %
Accounts receivable and other assets, total	9,767	7.4 %	31,516	19.4 %
Cash in hand and bank balances	6,473	5.0 %	16,796	10.4 %
Current assets, total	16,240	12.4 %	48,312	29.8 %
Prepaid expenses	4		0	
Balance sheet, total	130,607	100.0 %	161,987	100.0 %

EQUITY AND LIABILITIES

	June 30, 2003		December 31, 2002	
Equity				
Capital stock	57,182	43.8 %	56,882	35.1 %
Additional paid-in capital	38,918	29.8 %	38,354	23.7 %
Revenue reserves	898	0.7 %	898	0.5 %
Accumulated revenue / deficit	13,490	10.3 %	-39,973	-24.7 %
Profit / loss	-2,656	-2.0 %	82,054	50.7 %
Equity, total	107,832	82.6 %	138,215	85.3 %
Subscribed capital	143	0.1 %	865	0.5 %
Accruals				
Accrued taxes	3,582	2.7 %	4,106	2.5 %
Other reserves and accrued liabilities	7,374	5.7 %	7,026	4.4 %
Accruals, total	10,956	8.4 %	11,132	6.9 %
Liabilities				
Bonds	1,596	1.2 %	1,257	0.8 %
Accounts payable, trade	202	0.1 %	118	0.1 %
Liabilities due to affiliated companies	7,962	6.1 %	7,756	4.8 %
Other liabilities	1,916	1.5 %	2,644	1.6 %
Liabilities, total	11,676	8.9 %	11,775	7.3 %
Balance sheet, total	130,607	100.0 %	161,987	100.0 %

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

from January 1, 2003 to June 30, 2003 in €k

	2003	2002
	January–June	January–June
Net sales	1,711	1,355
Other operating income	381	38,677
Cost of materials		
Cost of purchased services	-1,485	-961
Personnel expenses		
a. Wages and salaries	-535	-884
b. Social security contributions	-40	-44
Depreciation of intangible and tangible assets	-74	-115
Other operating expenses	-2,325	-2,593
Income from investments	0	100
Interest and similar income	537	276
Interest and similar expenses	-793	-1,742
Result before taxes	-2,623	34,069
Income taxes	-31	-15
Other taxes	-2	-1
Profit / loss	-2,656	34,053

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 2002.



Products

GMX GmbH (D)
GMX Internet Services GmbH (D)

1&1 Internet AG (D)
1&1 Internet Ltd. (UK)
1&1 Internet S.A.R.L. (F)
1&1 Internet Inc. (USA)
1&1 Internet Service GmbH (D)

Schlund+Partner AG (D)

A1 GmbH (D)

CONVIGATE GmbH (D)

Outsourcing

Schlund Technologies GmbH (D)

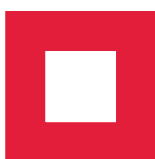
twenty4help Knowledge Service AG (D)
twenty4help Knowledge Service B.V. (NL)
twenty4help Knowledge Service A.B. (S)
twenty4help Knowledge Service Ltd. (UK)
twenty4help Knowledge Service Sp.zo.o (PL)

MIP Multimedia Internet Park GmbH (D)

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	40.23 %
Sedo GmbH	41.04 %

* 21 % deposited with trustee for call option held by DoubleClick Inc.



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