

6-Month Report
January to June 2004



Foreword

Dear shareholders, employees and friends of United Internet!

After finishing the first half of 2004, United Internet is unmistakably above the turnover and result figures for the period of the previous year. With a turnover of € 238.8 million, we were able to meet and surpass last year's result of € 197.7 million by 21 % and we were even able to markedly hike the prior-tax earnings from € 26.9 million in the previous year to € 44.8 million, meaning a plus of 67 %.

The mainstay of our business continues to be the Product sector with our brands GMX, 1&1 and Schlund+Partner. In this segment, we were able to grow in the first half year by as many as 350,000 accounts. The number of our DSL accounts rose from 650,000 to 825,000 and the number of our webhosting accounts in Great Britain, France and the United States shot up from 175,000 to 280,000.

In spite of enhanced marketing expenditures for staking out the American market, we reached an EBT margin of almost 26 % in our product segment. This underscores the scaling effects of our business. Finally, the activities we launched in 2004 in the international hosting business in the United States, Great Britain and France will be followed this month by the product launch in Austria.

In our Outsourcing segment, we were also successful at noticeably boosting our turnover in the first half year to € 43.7 million (a plus of 17 %). However, the EBT of the segment (€ 2.0 million) stayed far behind the results of the previous year

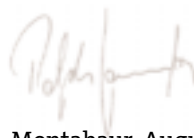
(€ 5.1 million) with the main reasons being the fact that we finished a major order and launched two new projects. The costs involved were booked under the results of the second quarter.

We were able to clearly ramp up our third business field of Online Marketing as compared with the previous year in terms of turnover and pre-tax result, in particular by consolidating Sedo (since January of 2004) and imedia (since May of 2004). Turnover rose to € 28.0 million (a plus of 30 %) and EBT improved from € -1.6 million to € 1.3 million.

We have reason to be very satisfied with the results of the first half year. In turnover, we garnered 47 % of the € 506 million projected for the whole year of 2004 and in pre-tax earnings we already made 57 % of the € 78 million projected. In the second half year, we will be accelerating investments in marketing our DSL resale products, canvassing accounts for our international webhosting business and getting freemail starters for GMX.

We are very confident about the second half of the fiscal year given the fact that new products have been rolled out recently such as 1&1 DSL Plus with genuine one-stop shopping (one-source DSL access and DSL connection) and innovative features (VoIP), the successful international launch of our business and the altogether gratifying trends in our sector.

Ralph Dommermuth,
CEO



Montabaur, August 13, 2004



Ralph Dommermuth,
CEO

Selected Key Figures (US-GAAP)

	2004	2003
	Jan.–June	Jan.–June
Sales	€ 238.8 million	€ 197.7 million
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 55.8 million	€ 38.0 million
Earnings before taxes (EBT)	€ 44.8 million	€ 26.9 million
Employees	4,324	3,438
Share price as at end of June (XETRA)	€ 22.95	€ 14.80
Earnings per share*	€ 0.46	€ 0.27

* Calculated on the basis of the current number of shares outstanding.

Quarterly development of key figures

	Q3/2003	Q4/2003	Q1/2004	Q2/2004	Q2/2003
Sales	€ 101.4 million	€ 115.9 million	€ 118.8 million	€ 120.0 million	€ 96.6 million
EBITDA	€ 23.2 million	€ 23.3 million	€ 26.6 million	€ 29.2 million	€ 19.4 million
EBT	€ 17.5 million	€ 20.4 million	€ 21.1 million	€ 23.7 million	€ 14.1 million

Share ownership (units)

	Q1/2004	Q2/2004
Management Board		
Ralph Dommermuth	22,000,000	22,000,000
Norbert Lang	240,000	240,000
Supervisory Board		
Kurt Dobitsch	—	—
Bernhard Dorn	—	—
Michael Scheeren	415,100	415,100
Subscription Rights (units)		
Norbert Lang	84,000	84,000

The Development in the Group

United Internet was able to plug into the gratifying development from the first half year 2004 since we broke all records in all of the relevant indicators while advancing our market position in the domestic and foreign business fields pertaining to us.

Record turnover and results

The Group's turnover peaked to € 238.8 million in the first half of 2004 (a plus of 21 % with € 197.7 million in the previous year) and we were able to add 47 % to the result before interest, taxes and depreciation (EBITDA) as compared with the previous year (€ 38.0 million), touching the € 55.8 million mark. We were able to augment the EBT from € 26.9 million to € 44.8 million (a plus of 67 %) in spite of the much higher marketing and sales expenditures as compared with the previous year, particularly due to expanding our business in the United States.

Successfully going international

Being successful at developing our international business is essential to United Internet's long-term prospects. Our group companies are active in their own branch offices in 13 countries today and our international business added as much as € 50.2 million to the group turnover in the first half year (€ 36.2 million in the previous year).

We are active today in the Product sector in Germany, Great Britain, the United States and France. In Germany, we are the Number 2 in the DSL business and the market leader in webhosting by far. In Great Britain, we have been able to establish ourselves among the leading webhosters after three years. In the United States, we launched our hosting products at the beginning of the year. At present, we are convincing 10,000 new customers per month with our products.

We were able to place ourselves among the 15 leading suppliers in American national domains (.com, .net and .org) after only six months. This places us among the fastest-growing American registrars with new domains. In France, we launched our sales activities in May, which will be followed by Austria this month. Altogether, we had 280,000 customer accounts (June 30, 2003: 100,000) as per June 30, 2004 in our Product sector abroad.

Cash flow / Capital expenditures

In the first half year our operative cash flow grew to a present € 40.3 million (from € 27.4 million in the previous year) parallel to boosting our income. Our investments in immaterial property and tangible fixed assets were € 11.6 million (€ 14.2 million in the previous year). They were focused on our Product sector and here on continually expanding our infrastructure and the server capacities in our data centers. In the previous year, the completion of our new data center was at the root of the higher investment expenditures. In our Outsourcing segment we are primarily investing in technical infrastructure and expanding new jobs in the framework of new customer-care projects. In the Online Marketing segment we had investments for building up a sales company for Sedo in the United States.

Cash at banks

The Group's net cash at banks was € 103.7 million (€ 48.9 million as of December 31, 2003) at the end of the first half year, i. e. after paying a dividend. Roughly € 47 million of that will outflow for tax payments for 2003 and as advance payment for 2004 taxes in the second half year.

Employees

At the end of June 2004, United Internet employed a total of 4,324 persons (4,032 employees as per December 31, 2003). The rapidly growing internationalization of our business is also reflected in the number of our employees working abroad amounting to 1,634 (1,492 as per December 31, 2003), corresponding to a current rate of 38 %.

Parent company results

The result before taxes of the parent company was € -1.1 million while it was € -2.6 million last year. As per June 30, 2004, our balance sheet showed cash at banks amounting to € 46.4 million, meaning that our equity ratio at 73.1 % is on a high level even after paying out the dividend.

Minority holdings

After increasing the shares in Sedo and imedia and integrating them into the Online Marketing segment, Metropolis, fun and NT plus remained as our minority holdings. These companies earned a positive contribution to our result altogether.

Share and dividend

Our share developed markedly better than the TecDax index in the period under report. Its price rose to € 22.95 as per June 30, 2004 (compared to € 18.82 at the end of 2003). The annual general meeting of United Internet AG on May 18, 2004 followed the proposal of the management board and the supervisory board and resolved to pay a dividend of 15 cents per share for fiscal year 2003. This corresponded to a total distribution of dividends of € 8.6 million. Dividends were paid on May 19, 2004.

AdLINK: Call option expired

At the outset of 2002, we sold 15 % of the capital stocks of AdLINK Internet Media AG to DoubleClick Inc. and deposited another 21 % with a trustee at DoubleClick for a call option. AdLINK did not reach the yield targets contractually agreed to for exercising this call option and these shares were transferred back to United Internet on July 27, 2004. This means that we are currently holding 67.48 % of the shares of AdLINK's capital stock.

Outlook

The first half year went very well. We were able to put 47 % of our annual planning with turnover into practice while we are unmistakably above our projected figures with 57 % of our annual forecast in EBT. We are planning on taking advantage of the latitude we have garnered to accelerate canvassing new accounts in the product sector in the second half year.

The focus will be on DSL marketing, international webhosting activities and freemail starters for GMX.

In spite of this marketing offensive, we are operating on the assumption that we will be able to boost EBT more than originally projected.

Product Segment

We feature high-quality and innovative internet products in our Product segment. Our business relations are based upon subscription agreements with monthly basic fees, added variable (use-related) remuneration and contractually established notice periods. Our products are broken down into 3 lines:

■ **Information Management:**

including emails, messaging, address management and 0700 numbers

■ **Webhosting:**

domains, homepages, dedicated server and e-shops

■ **Internet Access:**

DSL and narrow-band access

Our brands GMX, 1&1 and Schlund+Partner enable us to cover a broad section of the mass market while appealing to a wide variety of target groups both in terms of price and product design. At the end of the first half of 2004, we had a total of 3.15 million paying accounts (2.8 million at the end of 2003). Broken down according to product lines, we had 0.33 million customer accounts in information management, 1.66 million in the webhosting business and 1.16 million customer accounts in internet access (0.825 million of them were DSL customers).

Turnover in the Product sector rose in the first half year from € 138.6 million in the previous year to a current € 167.1 million (a plus of 21 %) while our EBITDA rose from € 33.9 million in the previous year to € 51.6 million (a plus of 52 %). Our EBT zoomed from € 26.2 million to € 42.8 million (a plus of 63 %). Our EBT profit margin was on a scale of almost 26 % in spite of the major expenditures for launching in the United States. We are expecting this gratifying development to continue in the Product

Customer contracts by product line

(in million)

Product Line	Customer Contract
Information Management	0.33
Webhosting	1.66
Internet Access	1.16 (of which 825,000 DSL)

segment in the future while leading internet analysts also forecast major unwavering market growth for our product lines.

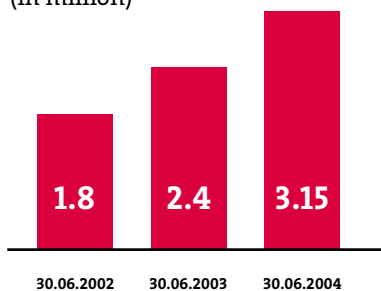
GMX

GMX appeals to the market of private users with free information management products. With upwards of 18 million member accounts and more than 100 million visitors a month, GMX is among the leading portals in Germany. Beyond that, GMX also features pay added-value services and products for internet access. In the first half year, there were three major developments at GMX: GMX's email virus protection being TÜV-certified, rolling out 1,000 MB DSL free access for starters and coming up with the GMX toolbar for keeping the user's internet browser in constant contact with her or his GMX email account.

1&1

1&1 has information management, webhosting and access applications to appeal to demanding private users and SOHOs. 1&1 was able to firm up its market position as the second-largest DSL marketer in Germany and the world's largest hosting company. 1&1's major focus in the first half year was expanding its business in the United States and France, rolling out Web-

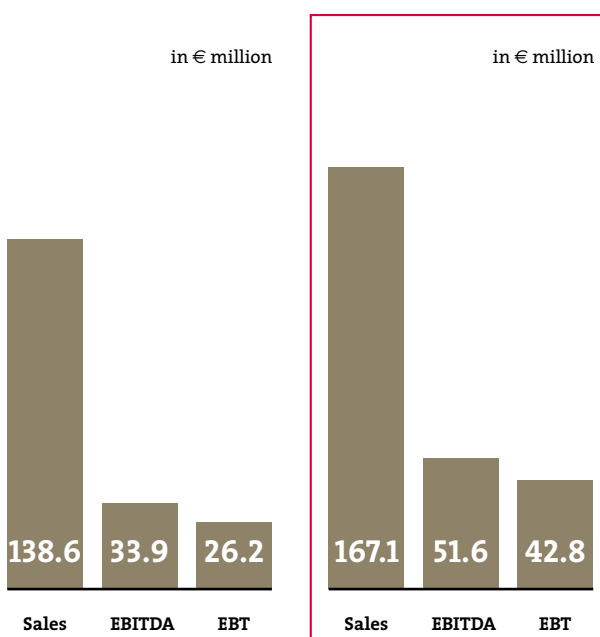
Customer contracts, total
(in million)



hosting 5.0 in Germany and Great Britain and finalizing the DSL resale agreement with Deutsche Telekom. This agreement will allow 1&1 to offer DSL connections under its own name and on its own account along with DSL access from the 3rd quarter for one-stop shopping.

Schlund+Partner

Our premium brand Schlund+Partner offers small businesses professional information management, hosting and access products, at request through extensive local service with a comprehensive network of business partners. In the first half year, Schlund+Partner turbo-charged with its Business Homepage product, a cost-effective alternative for all companies that need their own website, but that can't afford professional web design. Beyond this, its new DSL BusinessFLAT rate is a flat rate tailor-made for companies.



Quarterly development in € million

	Q3/2003	Q4/2003	Q1/2004	Q2/2004	Q2/2003
Sales	73.1	81.1	84.3	82.8	67.4
EBITDA	21.9	21.2	24.4	27.2	18.1
EBT	17.7	19.0	20.0	22.8	14.4

2003
Jan.-June

2004
Jan.-June

Outsourcing Segment

Our Outsourcing segment is purely B2B business and we are represented in this market segment with the brands Schlund Technologies and twenty4help. In the first half year, we were able to boost turnover in this segment. However, the segment EBT was clearly behind the result of the previous year. The reasons for this were to be found in the fact that twenty4help finished a major order and launched two new projects. The costs involved were booked under the results of the second quarter. The half year's turnover rose to € 43.7 million (a plus of 17 % compared with the previous year of € 37.5 million). EBITDA dropped to € 5.2 million (€ 7.9 million in the previous year), while the EBT dropped to € 2.0 million (€ 5.1 million in the previous year).

We are optimistic for the second half year since we expect turnover in excess of € 40 million with an EBT target margin approximating 10 %.

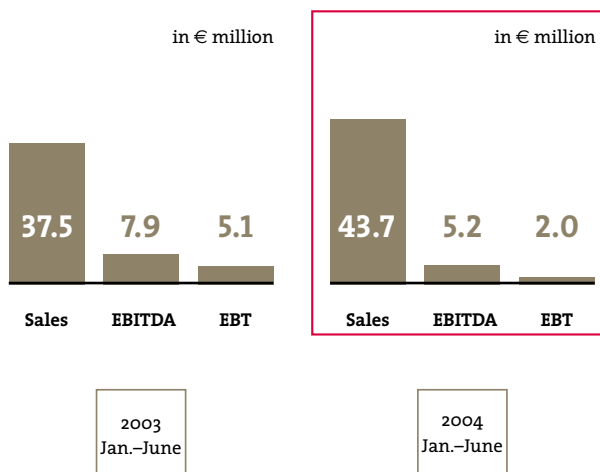
Schlund Technologies

We sell our products to smaller internet service providers and multimedia agencies through Schlund Technologies

and they in turn market them as resellers to consumers and businesspersons. In the first half of 2004, the major focus of activities at Schlund Technologies was getting business partners, and they were able to hike the number of partners/resellers from 6,500 as per the end of 2003 to more than 8,000 by the end of June 2004. In parallel, the number of the domains administered for resellers peaked in this period from 310,000 to more than 400,000.

twenty4help

twenty4help is a specialist in CRM services with 10 branch offices on the ground in 7 countries. It processes in excess of 1.5 million technical inquiries for its customers in 17 languages on a monthly basis. In the first half year of 2004, twenty4help made strides in its services so that it now features support services for small businesses in the Microsoft Support Partner network that combines Microsoft Certified Partners and Gold Certified Partners selected by Microsoft with longstanding experience in Microsoft products.



Quarterly development in € million

	Q3/2003	Q4/2003	Q1/2004	Q2/2004	Q2/2003
Sales	18.3	21.4	22.6	21.1	17.4
EBITDA	2.7	3.3	3.4	1.8	3.3
EBT	1.1	1.3	1.8	0.2	1.9

Online Marketing Segment

On May 5, we hiked our imedia shares from 40 % to 70 %, meaning we are now active in Online Marketing with AdLINK, Sedo and imedia.

This segment was able to take off in comparison to the previous year, primarily by consolidating Sedo (since January of 2004) and imedia (since May of 2004). Its turnover rose from € 21.6 million to € 28.0 million (a plus of 30 %) and the EBITDA turned around from € -1.2 million to € 1.4 million while EBT rose from € -1.6 million to € 1.3 million. Raising our shares in Sedo and imedia keeps us in tune with the gratifying development in the online advertising market. Beyond this, AdLINK was also able to submit positive pretax results for the first time in the second quarter. We are also looking for a continuance of this gratifying development in the segment in the second half year.

AdLINK

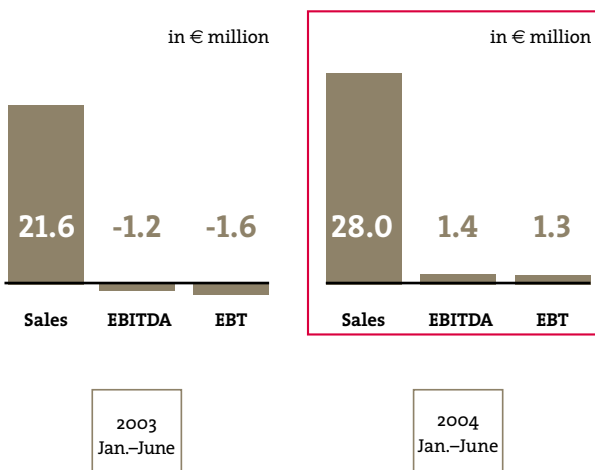
AdLINK is one of the largest independent online marketers in Europe with a business model based upon an online advertising network with approximately 2,200 websites and 3.2 billion page impressions marketed to advertising media. In the first half of 2004, AdLINK's main focus was achieving a turnaround.

Sedo

Sedo operates its global domain trade platform sedo.com while marketing selected domains to advertising media on behalf of the domain owners. Sedo launched its own operations at its branch office in the United States in the first half of 2004. It has landed a series of fascinating business partners in a brief period and boosted its inventory of marketable English-language national domains from 30,000 as per the end of 2003 to more than 110,000.

imedia

With "affili.net", imedia operates a network for suppliers of partner programs and mediating website operators. affili.net manages these programs and participates commercially in the contacts initiated through the network. In the first half year, imedia has been successful at winning over a series of reputable program suppliers such as DocMorris, debitel or eSixt while hiking the number of websites it is interfaced with from 180,000 as per the end of 2003 to more than 200,000.



Quarterly development in € million

	Q3/2003	Q4/2003	Q1/2004	Q2/2004	Q2/2003
Sales	9.9	13.4	11.9	16.1	12.1
EBITDA	-0.9	-0.1	0.3	1.1	-0.6
EBT	-1.1	1.0	0.1	1.2	-0.8

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

from January 1, 2004 to June 30, 2004 in €k

	2004		2003	
	January–June		January–June	
Sales	238,775	100.0 %	197,699	100.0 %
Cost of sales	-128,143	-53.7 %	-117,570	-59.5 %
Gross profit	110,632	46.3 %	80,129	40.5 %
Selling expenses	-44,300	-18.5 %	-35,975	-18.2 %
General and administrative expenses	-20,670	-8.7 %	-19,961	-10.1 %
Other operating income / expenses	-1,638	-0.7 %	2,438	1.2 %
Operating result	44,024	18.4 %	26,631	13.4 %
Interest result	581	0.3 %	151	0.1 %
Result from associated companies	217	0.1 %	147	0.1 %
Pre-tax result	44,822	18.8 %	26,929	13.6 %
Income taxes	-17,795	-7.5 %	-11,648	-5.9 %
Net profit	27,027	11.3 %	15,281	7.7 %
Minority interests	-486	-0.2 %	525	0.3 %
Profit after minority interests	26,541	11.1 %	15,806	8.0 %
Result per share (in €)				
– basic	0.46		0.27	
– diluted	0.46		0.27	
Weighted average shares in 2004 (in million units)				
– basic	57.55		57.55	
– diluted	57.55		57.55	

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

Quarterly development in € million

	Q1/2004	Q2/2004	Q2/2003
Sales	118.8	120.0	96.9
Cost of sales	-64.5	-63.7	-57.0
Gross profit	54.3	56.3	39.9
Selling expenses	-22.2	-22.1	-17.4
General and administrative expenses	-10.7	-10.0	-10.3
Other operating income / expenses	-0.5	-1.1	1.7
Operating result	20.9	23.1	13.9
Interest result	0.2	0.4	0.1
Result from associated companies	0.0	0.2	0.1
Pre-tax result	21.1	23.7	14.1
Income taxes	-8.3	-9.5	-6.2
Net profit	12.8	14.2	7.9
Minority interests	-0.1	-0.4	0.2
Profit after minority interests	12.7	13.8	8.1
Result per share (in €)*			
– basic	0.22	0.24	0.14
– diluted	0.22	0.24	0.14

* Calculated on the basis of the current number of shares outstanding.

United Internet AG – Consolidated Balance Sheet according to US-GAAP
as of June 30, 2004 in €k

ASSETS

	June 30, 2004		December 31, 2003	
Current assets				
Cash and cash equivalents	107,171	34.4 %	52,856	19.7 %
Accounts receivable and other assets	60,645	19.5 %	69,343	25.9 %
Inventories	4,739	1.5 %	6,077	2.3 %
Prepaid expenses	8,840	2.8 %	8,521	3.2 %
Deferred tax asset	3,529	1.1 %	5,124	1.9 %
Current assets, total	184,924	59.4 %	141,921	53.0 %
Non-current assets				
Equity investments	13,576	4.4 %	12,762	4.8 %
Other financial assets	920	0.3 %	996	0.3 %
Property, plant and equipment	41,325	13.3 %	42,194	15.8 %
Intangible assets	6,872	2.2 %	6,001	2.3 %
Goodwill	60,822	19.5 %	60,707	22.7 %
Prepaid expenses	848	0.3 %	1,069	0.4 %
Deferred tax asset	2,004	0.6 %	2,044	0.8 %
Non-current assets, total	126,367	40.6 %	125,773	47.0 %
Assets, total	311,291	100.0 %	267,694	100.0 %
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable, trade	24,031	7.7 %	26,561	9.9 %
Liabilities due to banks	27	0.0 %	621	0.3 %
Advance payments received	25,019	8.0 %	11,549	4.3 %
Accrued taxes	29,196	9.4 %	28,029	10.5 %
Other accrued liabilities	25,136	8.1 %	17,509	6.5 %
Deferred revenue	36,392	11.7 %	33,015	12.3 %
Current liabilities, total	139,801	44.9 %	117,284	43.8 %
Non-current liabilities				
Convertible bonds	1,976	0.6 %	2,016	0.8 %
Liabilities due to banks	3,476	1.2 %	3,361	1.3 %
Deferred revenue	1,088	0.3 %	1,337	0.5 %
Deferred tax liability	910	0.3 %	910	0.3 %
Non-current liabilities, total	7,450	2.4 %	7,624	2.8 %
Liabilities, total	147,251	47.3 %	124,908	46.7 %
Minority interests	13,523	4.3 %	11,825	4.4 %
Equity				
Capital stock	57,683	18.5 %	57,474	21.5 %
Additional paid-in capital	120,685	38.8 %	119,569	44.7 %
Accumulated deficit	-28,486	-9.2 %	-46,406	-17.3 %
Outstanding, unrealized compensation for employee stock ownership program	-165	-0.1 %	-179	-0.1 %
Currency translation adjustment	800	0.3 %	503	0.2 %
Equity, total	150,517	48.4 %	130,961	48.9 %
Equity and liabilities, total	311,291	100.0 %	267,694	100.0 %

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

from January 1, 2004 to June 30, 2004 in €k

	2004	2003
	January–June	January–June
Cash flow from operating activities		
Profit after minority interests	26,541	15,806
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	11,828	11,362
Compensation expenses from employee stock option plans	87	270
Not distributed profits of associated companies	-217	-147
Distributed profits of associated companies	200	0
Minority interests	486	-525
Change in deferred taxes	1,635	642
Not cash-relevant results / expenses	-241	0
Operative cash flow	40,319	27,408
Changes in assets and liabilities		
Change in receivables and other assets	9,294	7,413
Change in inventories	1,338	-2,438
Change in deferred expenses	-18	-1,671
Change in accounts payable, trade	-2,738	-11,190
Change in other accrued liabilities	6,796	-535
Change in accrued taxes	493	10,021
Change in other liabilities	12,302	-5,482
Change in deferred income	2,690	2,833
VChanges in assets and liabilities	30,157	-1,049
Cash flow from operating activities	70,476	26,359
Cash flow from investment activities		
Capital expenditure for intangible assets and property, plant and equipment	-11,584	-14,188
Repayments / payments of loans granted	41	419
Disposal of assets, net book value	116	832
Acquisitions, net of acquired cash	3,083	-107
Acquisition of additional shares in associated companies	0	-1
Cash flow from investment activities	-8,344	-13,045
Cash flow from financing activities		
Change in bank loans	-496	-200
Dividend payments	-8,621	-28,591
Minority interests	0	-13
Additional payment for the exercise of convertible bonds	1,043	117
Payment / repayment of convertible bonds	-40	-78
Cash flow from financing activities	-8,114	-28,765
Net increase / net decrease in cash	54,018	-15,451
Cash on hand and bank balances at the beginning of the fiscal year	52,856	32,379
Changes in currency translation adjustments	297	197
Cash on hand and bank balances as of June 30, 2004	107,171	17,125

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

	Balance as of Dec. 31, 2002 €k	Change €k	Balance as of Dec. 31, 2003 €k	Change €k	Balance as of June 30, 2004 €k
Capital stock	56,882	592	57,474	209	57,683
Exercise of conversion rights		592		209	
Capital increase through contribution in kind	865	-865	0		0
Exercise of conversion rights		-865			
Additional paid-in capital	117,515	2,054	119,569	1,116	120,685
Adjustment of the intrinsic value shown as part of the capital reserve resulting from options granted in the context of the employee stock ownership programme		871	73		
Exercise of conversion rights		1,183		1,043	
Outstanding compensation for employee stock ownership programme	-156	-23	-179	14	-165
Adjustment of the intrinsic value shown as part of the capital reserve resulting from options granted in the context of the employee stock ownership programme		-23		14	
Currency translation	190	313	503	297	800
Currency translation adjustment		313		297	
Accumulated deficit	-58,210	11,804	-46,406	17,920	-28,486
Net income		38,218		26,541	
Dividend payment		-28,591		-8,621	
Additional purchase price consideration		2,177			
Total equity	117,086	13,875	130,961	19,556	150,517
Adjustment of the intrinsic value shown as part of the capital reserve resulting from options granted in the context of the employee stock ownership programme		848		87	
Exercise of conversion rights		910		1,252	
Currency translation adjustment		313		297	
Net income		38,218		26,541	
Dividend payment		-28,591		-8,621	
Additional purchase price consideration		2,177			
Comprehensive Income	37,626		38,531		26,838
Currency translation adjustment	321		313		297
Net income	37,305		38,218		26,541

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

from January 1, 2004 to June 30, 2004 in €k

	2004	2003
	January–June	January–June
Net sales	1,447	1,711
Other operating income	58	381
Cost of materials		
Cost of purchased services	-1,196	-1,485
Personnel expenses		
a. Wages and salaries	-633	-535
b. Social security contributions	-58	-40
Depreciation of intangible and tangible assets	-44	-74
Other operating expenses	-1,902	-2,325
Income from shareholdings	260	0
Interest and similar income	1,171	537
Interest and similar expenses	-153	-793
Result before taxes	-1,050	-2,623
Income taxes	-12,094	-31
Other taxes	-1	-2
Loss	-13,145	-2,656

The accounting and valuation principles used in this 6-month report correspond to those applied in the annual financial statements for fiscal 2003.

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

as of June 30, 2004 in €k

ASSETS

	June 30, 2004		December 31, 2003	
Fixed assets				
Intangible assets				
Concessions, industrial and similar rights, and assets and licenses in such rights and assets	19		26	
Intangible assets, total	19		26	
Property, plant and equipment				
Other equipment, operational and office equipment	180	0.1 %	190	0.1 %
Property, plant and equipment, total	180	0.1 %	190	0.1 %
Financial assets				
Shares in affiliated companies	82,815	47.2 %	79,768	42.0 %
Investments	32,625	18.6 %	33,823	17.8 %
Other loans	278	0.2 %	337	0.2 %
Financial assets, total	115,718	66.0 %	113,928	59.9 %
Fixed assets, total	115,917	66.1 %	114,144	60.0 %
Current assets				
Accounts receivable and other assets				
Accounts receivable, trade	1		46	
Receivables due from affiliated companies	11,263	6.4 %	38,827	20.5 %
Receivables due from companies in which an investment is held	22		27	
Other assets	1,708	1.0 %	88	
Accounts receivable and other assets, total	12,994	7.4 %	38,988	20.5 %
Cash in hand and bank balances	46,386	26.5 %	36,946	19.4 %
Current assets, total	59,380	33.9 %	75,934	40.0 %
Prepaid expenses	0		11	
Balance sheet, total	175,297	100.0 %	190,089	100.0 %

EQUITY AND LIABILITIES

	June 30, 2004		December 31, 2003	
Equity				
Capital stock	57,683	32.9 %	57,474	30.2 %
Additional paid-in capital	40,580	23.1 %	39,537	20.8 %
Revenue reserves	898	0.5 %	898	0.4 %
Profit	29,058	16.7 %	50,824	26.7 %
Equity, total	128,219	73.1 %	148,733	78.2 %
Accruals				
Accrued taxes	23,218	13.2 %	25,941	13.6 %
Other reserves and accrued liabilities	7,511	4.3 %	6,816	3.7 %
Accruals, total	30,729	17.5 %	32,757	17.2 %
Liabilities				
Bonds	1,636	0.9 %	1,778	0.9 %
Accounts payable, trade	115	0.1 %	199	0.1 %
Liabilities due to affiliated companies	2,603	1.5 %	2,267	1.2 %
Other liabilities	11,995	6.9 %	4,355	2.3 %
Liabilities, total	16,349	9.4 %	8,599	4.5 %
Balance sheet, total	175,297	100.0 %	190,089	100.0 %



Products

GMX GmbH
GMX Internet Services GmbH

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

Schlund + Partner AG
Alturo GmbH

A1 GmbH

Outsourcing

Schlund Technologies GmbH

twenty4help Knowledge Service AG (D)
twenty4help Knowledge Service S.L. (E)
twenty4help Knowledge Service S.r.L. (I)
twenty4help Knowledge Service B.V. (NL)
twenty4help Knowledge Service Sp.zo.o. (PL)
twenty4help Knowledge Service AB (S)
twenty4help Knowledge Service Ltd. (UK)

MIP Multimedia Internet Park GmbH

Online Marketing

AdLINK Internet Media AG (67.48 %)

Sedo GmbH (51.07 %)

**imedia – Gesellschaft für
neue Medien mbH (70 % since May 5, 2004*)**

Shareholdings:

fun communications GmbH	33.33 %
Metropolis AG	45.77 %
NT Plus AG	40.23 %

* Fully consolidated since May 2004

■ Financial Calendar 2004*

March 25, 2004	Financial Press Conference for Fiscal Year 2003, Analyst's Conference
May 17, 2004	Business Figures for the 1st Quarter of 2004
May 18, 2004	Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper
May 19, 2004	Dividend payment
August 13, 2004	Business Figures for the 2nd Quarter of 2004, Press and Analyst's Conferences
November 10, 2004	Business Figures for the 3rd Quarter of 2004

*Subject to prior change

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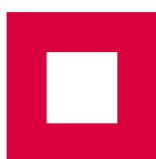
This 6-month report is also available in German.
In all cases of doubt, the German version shall prevail.

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Disclaimer

This Annual Report contains certain forward-looking statements which reflect the current views of United Internet AG's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. The forward-looking statements made in this Annual Report are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of United Internet AG.



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