

Quarterly Report
January to March 2004



Foreword

Dear shareholders, employees and friends of United Internet!

In the first quarter of 2004 United Internet reached new record levels: with sales of € 118.8 million and pre-tax earnings of € 21.1 million, we exceeded last year's excellent results by 18 % and 65 %, respectively.

This very positive development was driven by our Product segment and its brands GMX, 1&1 and Schlund+Partner. In the first quarter we gained some 200,000 new customer contracts for our fee-based, value-added services. The greatest growth drivers were the high demand for broadband connections and the growing success of our international webhosting business: in the first quarter, the number of DSL customers grew by 100,000 to 750,000. In our international business, the number of hosting contracts in the UK, France and the USA rose to 230,000.

Despite our growing international orientation and the high attendant start-up costs — we plan to invest some € 14 million in our US business alone during 2004 — we are still generating strong profits. This underlines once more the economies of scale inherent in our business model: each new customer incurs proportionally lower costs and makes us more efficient — and thus more profitable.

This also applies to our international business. Our value-added services are developed just once and then adapted with relatively little effort to the respective language and market needs.

The exportability of our products and the experience gained so far have strengthened our conviction to pursue further international expansion. Following the launch of our business on the French market, we intend to enter the Austrian market in summer this year. The declared aim of all our international activities is to be among the leading players in the respective webhosting market within a few years.

In our Outsourcing segment we were able to raise sales in the first quarter by over 12 % to € 22.6 million. Due to the continued effect of start-up costs for new projects, however, earnings remained below those of the previous year — which were unaffected by these factors.

As of January 1, 2004 we shall also be reporting about our new "Online Marketing" segment. We are represented in this sector by our brands AdLINK and Sedo. The segment contributed € 11.9 million to sales and € 0.1 million to consolidated EBT in the first quarter. We also expect positive earnings from this segment for the year as a whole.

In total, we are very satisfied with the development of business so far and are optimistic for the future. Major sector trends will add further impetus to our business model and we expect additional growth potential to result from our successful international expansion.



Ralph Dommermuth

A handwritten signature in dark ink, appearing to read 'Ralph Dommermuth', written over a light-colored background.

Montabaur, May 17, 2004

Selected Key Figures (US-GAAP)

	2004	2003
	Jan.–March	Jan.–March
Sales	€ 118.8 million	€ 100.8 million
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 26.6 million	€ 18.6 million
Earnings before taxes (EBT)	€ 21.1 million	€ 12.8 million
Employees	4,169	3,369
Share price as at end of March (XETRA)	€ 17.72	€ 9.30
Earnings per share	€ 0.22	€ 0.13

Quarterly development of key figures

	Q2/2003	Q3/2003	Q4/2003	Q1/2004	Q1/2003
Sales	€ 96.9 million	€ 101.4 million	€ 115.9 million	€ 118.8 million	€ 100.8 million
EBITDA	€ 19.4 million	€ 23.2 million	€ 23.3 million	€ 26.6 million	€ 18.6 million
EBT	€ 14.1 million	€ 17.5 million	€ 20.4 million	€ 21.1 million	€ 12.8 million

Share ownership (units)	Q4/2003	Q1/2004
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

Development of the Group

In the first quarter of 2004, United Internet AG was able to maintain the positive momentum of the previous year. New records were set for both sales and earnings. We have achieved our targets and strengthened our market positions in all relevant business fields — both in Germany and on our international markets.

New record sales and earnings

In the first three months of 2004, consolidated sales revenues grew by 18 % to € 118.8 million (prior-year: € 100.8 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) was up by as much as 43 % to € 26.6 million (prior-year: € 18.6 million). Earnings before taxes (EBT) grew by 65 %, from € 12.8 million to € 21.1 million. This growth was achieved in spite of considerably higher costs for international expansion compared with the previous year — especially for marketing and sales.

Successful international expansion

United Internet is increasingly developing into an international corporation. The successful expansion of our international business plays a key role in our future development. Our Group members already have subsidiaries in 13 different nations. Sales generated outside Germany accounted for over 20 % of total Group sales in the first quarter of 2004.

In the Product segment, we launched our 1&1 hosting business in the UK three years ago and have since developed a strong presence through organic growth. We have now established ourselves as one of the leading providers and achieved break-even on a monthly basis for the first time in December 2003.

The experience we gained from the organic development of our UK subsidiary also formed the basis for our entry into the US market. The market entry strategy was in two phases: in late September 2003 our 1&1 brand introduced a pre-launch campaign aimed at achieving high awareness by offering a top-quality hosting package free of charge. With over 200,000 orders received, our expectations were exceeded by far. We were very positively received by the US media and market analysts. With the end of the pre-launch phase on January 22, 2004, we then rolled out our complete hosting product range with domains, webhosting packages, dedicated servers and e-shops.

As of March 31, 2004 we already had 230,000 customer contracts outside Germany (March 31, 2003: 80,000).

Cash flow / capital expenditures

The increase in earnings during the first three months helped swell operative cash flow to € 18.8 million (prior-year: € 13.9 million). Investments in tangible and intangible assets amounted to € 5.3 million (prior-year: € 6.8 million). In our Product segment, the main investments concerned the continued expansion of infrastructure and server capacities at our data centers. In the Outsourcing segment, investments focused on the expansion of a new facility in Poland started in 2003 as well as the start of new customer care projects.

Bank balances

At the end of the first quarter, the Group's net bank balances amounted to € 83.0 million (December 31, 2003: € 48.9 million). The balances are mainly in

euro (€) and invested with domestic banks on the money market.

Employees

At the end of March 2004, United Internet employed a total of 4,169 people (December 31, 2003: 4,032). The Group's international expansion is also reflected in the number of staff employed outside Germany, which reached 1,513 (December 31, 2003: 1,492) or approximately 36 % of the Group total.

Parent company results

Pre-tax earnings of the parent company, United Internet AG, amounted to € -0.8 million (prior-year: € -1.3 million). As of March 31, 2004 the company had a positive bank balance of € 65.0 million. The equity ratio remains high at 76.1 %.

Affiliates

Our minority shareholdings — imedia, Metropolis, fun and NT plus — made a zero net contribution to the Group's pre-tax earnings in the first three months of 2004.

Share and dividend

During the period under review, the United Internet share developed in line with the TecDax index, falling from € 18.82 at year-end 2003 to € 17.72 at the end of the first quarter of 2004.

At the annual shareholders' meeting on May 18, 2004, the Management Board and Supervisory Board of United Internet AG will recommend the payment of a 15-cent dividend per share for the fiscal year 2003.

Outlook

For our fiscal year 2004 we expect to reach sales of around € 500 million and pre-tax earnings from our European business of approximately € 92 million. We have earmarked about € 14 million of these pre-tax earnings for the expansion of our US operations. We therefore expect to achieve an overall EBT figure of around € 78 million. We are optimistic that we can reach this ambitious target.

In addition to the gratifying progress made in the first quarter, our optimism is based on the current dominant trends in the internet sector: more and more applications are being transferred from the home PC or company server to the internet. The basis and catalyst for this trend is the development of high-speed, broadband connections which enable users to utilize sophisticated applications online without any concessions in performance.

The boom in DSL connections will add further impetus to our business: both as a DSL provider and as a supplier of increasingly complex and data-intensive, value-added applications.

In early 2002 we sold 15 % of capital stock in AdLINK Internet Media AG to DoubleClick Inc. and deposited a further 21 % with DoubleClick's trustee as part of a call option. This call option can be exercised by DoubleClick until April 30, 2004 without any further purchase price payment, if AdLINK reaches certain agreed profit targets. On the basis of figures since published by AdLINK, these profit targets have not been met.

Product Segment

In our Product segment we offer customers top-quality and innovative internet products.

Our business relationships are based on subscription contracts with recurring flat-rate fees, additional variable (use-dependent) charges and contractually binding periods of notice.

Our products are divided into 3 product lines:

- **Information Management:**
E-mail, messaging, address management, task and calendar management, 0700-numbers, team services.
- **Webhosting:**
Home pages, dedicated servers, e-shops.
- **Internet Access:**
DSL and narrow-band access.

With our strong brands — GMX, 1&1, Schlund+Partner — we are well positioned to serve a wide range of market needs and customers. We can offer a varied range of products with regard to both features and pricing. GMX focuses mainly on private users, 1&1 targets Small Office/Home Office users (SOHOs) and Schlund+Partner concentrates on small to mid-size enterprises (SMEs).

At the end of the first quarter of 2004 we had a total of 3.0 million customer contracts (year-end 2003: 2.8 million). Of this total, the Information Management product line accounted for 300,000 customer contracts, our Webhosting Business for 1.6 million and Internet Access for around 1.1 million contracts (of which 750,000 were DSL customers).

Customer contracts by product line (in million)

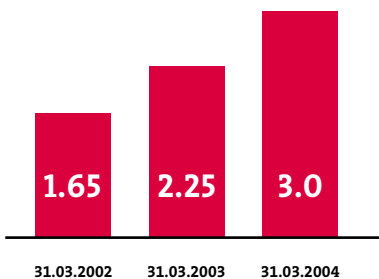
Product Line	Customer Contract
Information Management	0.3
Webhosting	1.6
Internet Access	1.1 (of which 750,000 DSL)

Product segment sales grew by 18 % to € 84.3 million (prior-year: € 71.2 million); EBITDA was increased by 54 %, from € 15.8 million last year to € 24.4 million; EBT was up 70 % to € 20.0 million (prior-year: € 11.8 million). Despite high investments in our US business, we thus reached an EBT profit margin of 24 %.

This dynamic growth in both sales and earnings is driven by consistently strong demand for DSL connections and value-added internet services. Furthermore, our Webhosting and Information Management product lines benefited from stable prices, brought about by the general trend toward high-quality, value-added services and increasing market consolidation in Germany and the UK. In our DSL Access business, however, there are first signs of price erosion due to increasing competition. We aim to counter this trend with a more differentiated marketing approach based on our 3-brand strategy.

We expect the strong trend in our Product segment to continue in future. We are also confident that our strategy will succeed on the international market and that we can establish our business and achieve leading positions in other countries within a relatively short space of time — as already proven in the UK.

Customer contracts, total
(in million)



In January 2004 GMX was the first internet service to receive the German TÜV quality seal for its anti-virus software. In order to counter the growing threat of viruses and worms, GMX had its protection software tested by tekit Consult Bonn GmbH, a security specialist company of the TÜV Saarland Group. The percentage recognition rate of GMX's anti-virus software was certified as being 100 %.

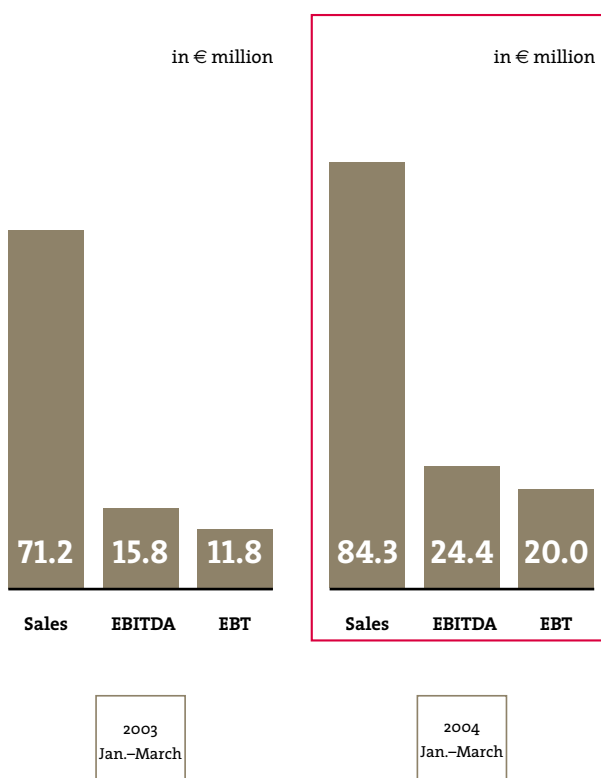
GMX

GMX was able to expand its position as Germany's leading e-mail and messaging specialist and now has some 18 million member accounts. The migration of users to fee-based, professional products (access and information management products) continues to make good progress.

1&1

1&1 succeeded in extending its position as Germany's leading DSL reseller and webhoster. With its Personal Management, Webhosting and Access solutions, 1&1 focuses mainly on the SOHO market segment.

The first quarter of 2004 was dominated by 1&1's international expansion activities. On January 22, 2004 the



Quarterly development in € million

	Q2/2003	Q3/2003	Q4/2003	Q1/2004	Q1/2003
Sales	67.4	73.1	81.1	84.3	71.2
EBITDA	18.1	21.9	21.2	24.4	15.8
EBT	14.4	17.7	19.0	20.0	11.8

company's pre-launch phase ended in the USA and the roll-out began for its complete webhosting product range. US and Canadian customers now have access to 1&1 domains, home pages, dedicated servers and webshops. In February, all hosting products on the UK market were expanded with up to 150 % additional performance (webpace, traffic, e-mail accounts).

There have also been numerous developments with regard to products: for example, in March 2004, 1&1 integrated Microsoft's ActiveSync software into its Exchange Server service. By directly storing e-mails, contact data, appointments and tasks on a central server, information can be easily synchronized and kept permanently up-to-date. The data can be accessed from any computer connected to the internet — or even mobile devices.

Schlund+Partner

Our premium brand Schlund+Partner is aimed mainly at small to mid-size companies. In addition to its professional personal management, hosting and value-added access services, Schlund+Partner offers comprehensive on-site service, which is provided by its extensive network of partners.

In March 2004, Schlund+Partner launched its new product "Business Homepage", which offers companies of all sectors their own home page for a price of € 99. The product is aimed at small to mid-size companies, who need a website but cannot afford the often "exorbitant" prices of professional web designers.

Schlund+Partner's design experts first discuss the possible navigation structure and layout of the new corporate website with the client before creating a highly individual screen design. With the aid of the online based content management system "EasyUpdate", companies can then upload and regularly update their own content — without needing any special internet skills.

Outsourcing Segment

We are represented in our Outsourcing segment by the brands Schlund Technologies and twenty4help.

Schlund Technologies

Schlund Technologies markets our products to smaller ISPs and multimedia agencies. The company currently administers 360,000 domains.

twenty4help

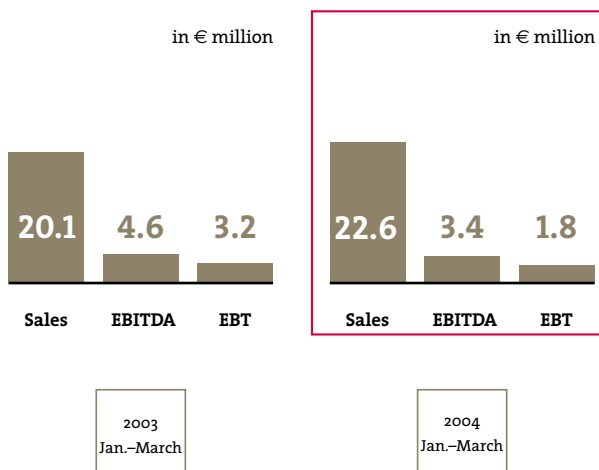
Although the market remains difficult, twenty4help has established itself as a specialist supplier of services in the field of customer relationship management. The company now operates 10 centers in 7 different countries. Over 1.5 million technical queries are dealt with every month in a total of 17 different languages.

twenty4help's business has been burdened for some time now by a change in the outsourcing strategy of our clients: many major corporations are selecting just two or three outsourcing partners for the whole of Europe. This consolidation process has meant that existing business is currently being reallocated. In the second quarter of 2003, for example, twenty4help took on

a major share of the European customer care activities of a top American IT player. At the same, however, the company had to give up parts of a project already started for the same client. The growth in sales — with high start-up costs and only slowly rising productivity — is offset primarily by the loss of sales and earnings from a project which had already achieved high productivity.

Earnings for the first quarter of 2003 — before this process started — are therefore not fully comparable with those of the first quarter of 2004.

Sales revenues in our Outsourcing segment continued to grow in the first quarter, although earnings were down on the same period last year for the above-mentioned reasons. Sales grew by 12 % to € 22.6 million (prior-year: € 20.1 million). EBITDA fell to € 3.4 million (prior-year: € 4.6 million) and EBT was down to € 1.8 million (prior-year: € 3.2 million). In comparison to the third and fourth quarters of 2003, earnings have already improved slightly.



Quarterly development in € million

	Q2/2003	Q3/2003	Q4/2003	Q1/2004	Q1/2003
Sales	17.4	18.3	21.4	22.6	20.1
EBITDA	3.3	2.7	3.3	3.4	4.6
EBT	1.9	1.1	1.3	1.8	3.2

Online Marketing Segment

As of January 1, 2004 United Internet created a third, independent reporting segment named Online Marketing. In addition to the online advertising company AdLINK Internet Media AG (previously included under Head Office / Investments), this segment also includes Sedo GmbH. In January 2004, we raised our shareholding in Sedo from 41.04 % to 51.07 %.

Compared with the pro-forma figures for the same period last year, the segment has made strong progress: sales grew by 21 % from € 9.8 million to € 11.9 million, EBITDA from € -0.5 million to € 0.3 million and EBT from € -0.7 million to € 0.1 million.

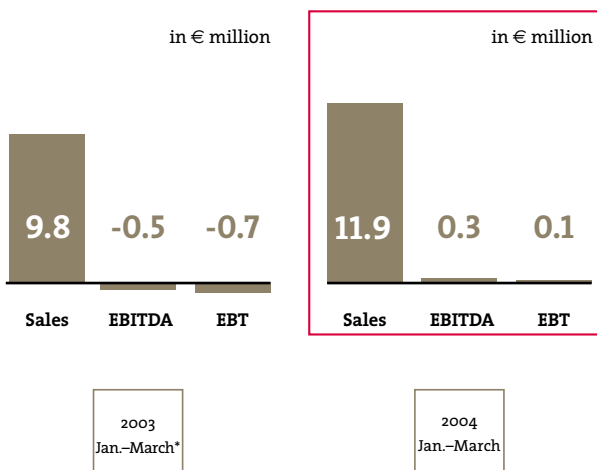
The separate disclosure of figures for this segment is rooted in our growth expectations for the internet advertising market. From the second quarter of 2004, we shall also be reporting on imedia Gesellschaft für neue Medien mbH, Ebersberg, in this segment. On May 5, 2004 we raised our shareholding in this company from 40 % to 70 %. With its "affili.net" business, imedia has successfully positioned itself in the field of affiliate marketing.

AdLINK

AdLINK Internet Media AG is one of Europe's largest independent marketers of online advertising space. The company's business model is based on a high-reach online advertising network consisting of some 2,400 websites generating some 3.4 billion Page-Impressions per month. There were significant improvements in revenues, earnings and customer figures compared with the same period last year.

Sedo

Online marketing starts with the best possible internet address, i. e. one which customers can easily remember. Companies looking for a domain name which succinctly describes their services either have to spend a long time searching or buy or "rent" a name already registered. This is where Sedo comes in: under its global trading platform "sedo.com", with a current 1.6 million ("second-hand") internet domains, Sedo markets "unused" domains to advertisers on behalf of the domain's owner. This "domain-parking" activity is the company's dominant business segment at present. Following its successful establishment on the European market, Sedo launched its services in the USA at the end of the first quarter 2004.



Quarterly development in € million*

	Q2/2003	Q3/2003	Q4/2003	Q1/2004	Q1/2003
Sales	12.5	10.5	14.1	11.9	9.8
EBITDA	-0.5	-0.7	0.1	0.3	-0.5
EBT	-0.7	-0.9	1.1	0.1	-0.7

*Comparison figures 2003: pro-forma figures

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

from January 1, 2004 to March 31, 2004 in €k

	2004		2003	
	January–March		January–March	
Sales	118,797	100.0 %	100,838	100.0 %
Cost of sales	-64,512	-54.3 %	-60,598	-60.1 %
Gross profit	54,285	45.7 %	40,240	39.9 %
Selling expenses	-22,166	-18.7 %	-18,622	-18.6 %
General and administrative expenses	-10,647	-9.0 %	-9,642	-9.5 %
Other operating income / expenses	-531	-0.4 %	712	0.8 %
Operating result	20,941	17.6 %	12,688	12.6 %
Interest result	190	0.1 %	68	0.2 %
Result from associated companies	12		45	
Pre-tax result	21,143	17.8 %	12,801	12.7 %
Income taxes	-8,378	-7.0 %	-5,370	-5.4 %
Net profit	12,765	10.7 %	7,431	7.4 %
Minority interests	-77	-0.1 %	258	0.3 %
Profit after minority interests	12,688	10.7 %	7,689	7.6 %
Result per share (in €)*				
– basic	0.22		0.13	
– diluted	0.22		0.13	
Weighted average shares (in million units)*				
– basic	57.47		57.47	
– diluted	57.48		57.48	

* Adjusted shares after capital increase in the previous year.

United Internet AG – Consolidated Balance Sheet according to US-GAAP
as of March 31, 2004 in €k

ASSETS

	March 31, 2004		December 31, 2003	
Current assets				
Cash and cash equivalents	87,235	30.2 %	52,856	19.7 %
Accounts receivable and other assets	58,405	20.2 %	69,343	25.9 %
Inventories	3,467	1.2 %	6,077	2.3 %
Prepaid expenses	9,495	3.3 %	8,521	3.2 %
Deferred tax asset	4,409	1.5 %	5,124	1.9 %
Current assets, total	163,011	56.5 %	141,921	53.0 %
Non-current assets				
Equity investments	14,400	5.0 %	12,762	4.8 %
Other financial assets	990	0.3 %	996	0.3 %
Property, plant and equipment	41,935	14.5 %	42,194	15.8 %
Intangible assets	6,110	2.1 %	6,001	2.3 %
Goodwill	59,599	20.6 %	60,707	22.7 %
Prepaid expenses	614	0.2 %	1,069	0.4 %
Deferred tax asset	1,999	0.7 %	2,044	0.8 %
Non-current assets, total	125,647	43.5 %	125,773	47.0 %
Assets, total	288,658	100.0 %	267,694	100.0 %
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable, trade	18,125	6.3 %	26,561	9.9 %
Liabilities due to banks	661	0.2 %	621	0.3 %
Advance payments received	9,899	3.4 %	11,549	4.3 %
Accrued taxes	35,377	12.3 %	28,029	10.5 %
Other accrued liabilities	23,554	8.2 %	17,509	6.5 %
Deferred revenue	37,566	13.0 %	33,015	12.3 %
Current liabilities, total	125,182	43.4 %	117,284	43.8 %
Non-current liabilities				
Convertible bonds	2,173	0.8 %	2,016	0.8 %
Liabilities due to banks	3,529	1.3 %	3,361	1.3 %
Deferred revenue	731	0.3 %	1,337	0.5 %
Deferred tax liability	910	0.3 %	910	0.3 %
Non-current liabilities, total	7,343	2.6 %	7,624	2.8 %
Liabilities, total	132,525	45.9 %	124,908	46.7 %
Minority interests	12,480	4.3 %	11,825	4.4 %
Equity				
Capital stock	57,474	19.9 %	57,474	21.5 %
Subscribed capital	119,426	41.4 %	119,569	44.7 %
Accumulated deficit	-33,718	-11.7 %	-46,406	-17.3 %
Outstanding, unrealized compensation for employee stock ownership program	-77	0.0 %	-179	-0.1 %
Currency translation adjustment	548	0.2 %	503	0.2 %
Equity, total	143,653	49.8 %	130,961	48.9 %
Equity and liabilities, total	288,658	100.0 %	267,694	100.0 %

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

from January 1, 2004 to March 31, 2004 in €k

	2004	2003
	January–March	January–March
Cash flow from operating activities		
Profit after minority interests	12,688	7,689
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	5,707	5,941
Compensation expenses from employee stock option plans	-41	197
Not distributed profits of associated companies	-12	-45
Minority interests	77	-258
Change in deferred taxes	759	364
Not cash-relevant results / expenses	-356	0
	18,822	13,888
Changes in assets and liabilities		
Change in receivables and other assets	10,076	-63
Change in inventories	2,610	-744
Change in deferred expenses	-519	369
Change in accounts payable, trade	-7,472	-2,422
Change in other accrued liabilities	5,904	-2,964
Change in accrued taxes	7,175	4,274
Change in other liabilities	-2,057	-789
Change in deferred income	3,945	1,022
Changes in assets and liabilities	19,662	-1,317
Cash flow from operating activities	38,484	12,571
Cash flow from investment activities		
Capital expenditure for intangible assets and property, plant and equipment	-5,321	-6,825
Repayments / payments of loans granted	5	-2
Disposal of assets, net book value	110	61
Acquisitions, net of acquired cash	708	-151
Cash flow from investment activities	-4,498	-6,917
Cash flow from financing activities		
Change in bank loans	191	-17
Minority interests	0	35
Payment / repayment of convertible bonds	157	52
Cash flow from financing activities	348	70
Net increase / net decrease in cash	34,334	5,724
Cash on hand and bank balances at the beginning of the fiscal year	52,856	32,379
Changes in currency translation adjustments	45	153
Cash on hand and bank balances as of March 31, 2004	87,235	38,256

United Internet AG – Development of Consolidated Equity

	Common stock		Contribution	Additional
	Denomination	€k	for capital increase €k	paid-in capital €k
Balance as of December 31,2002	56,881,887	56,882	865	117,515
Exercise of conversion rights	592,500	592	-865	1,183
Dividend payments				
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				871
Additional purchase price consideration				
Currency translation adjustment 2003				
Net income 2003				
Comprehensive Income				
Balance as of December 31,2003	57,474,387	57,474	0	119,569
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				-143
Currency translation adjustment 2004				
Net income for the 1st quarter 2004				
Comprehensive Income				
Balance as of March 31,2004	57,474,387	57,474	0	119,426

Outstanding compensation for employee stock ownership program €k	Currency translation adjustment €k	Retained earnings/ Accumulated deficit €k	Total equity €k	Comprehensive Income €k
-156	190	-58,210	117,086	
			910	
		-28,591	-28,591	
-23			848	
		2,177	2,177	
		313		313
		38,218	38,218	38,218
				38,531
-179	503	-46,406	130,961	
102			-41	
	45		45	45
		12,688	12,688	12,688
				12,733
-77	548	-33,718	143,653	

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

as of March 31, 2004 in €k

ASSETS

	March 31, 2004		December 31, 2003	
Fixed assets				
Intangible assets				
Concessions, industrial and similar rights, and assets and licenses in such rights and assets	22		26	
Intangible assets, total	22		26	
Property, plant and equipment				
Other equipment, operational and office equipment	174	0.1 %	190	0.1 %
Property, plant and equipment, total	174	0.1 %	190	0.1 %
Financial assets				
Shares in affiliated companies	80,756	41.6 %	79,768	42.0 %
Investments	33,410	17.2 %	33,823	17.8 %
Other loans	333	0.2 %	337	0.2 %
Financial assets, total	114,499	58.9 %	113,928	59.9 %
Fixed assets, total	114,695	59.0 %	114,144	60.0 %
Current assets				
Accounts receivable and other assets				
Accounts receivable, trade	2		46	
Receivables due from affiliated companies	14,484	7.5 %	38,827	20.5 %
Receivables due from companies in which an investment is held	41		27	
Other assets	95		88	
Accounts receivable and other assets, total	14,622	7.5 %	38,988	20.5 %
Cash in hand and bank balances	64,964	33.4 %	36,946	19.4 %
Current assets, total	79,586	41.0 %	75,934	40.0 %
Prepaid expenses	24		11	
Balance sheet, total	194,305	100.0 %	190,089	100.0 %

EQUITY AND LIABILITIES

	March 31, 2004		December 31, 2003	
Equity				
Capital stock	57,474	29.6 %	57,474	30.2 %
Revenue reserves	39,537	20.3 %	39,537	20.8 %
Accumulated revenue	898	0.5 %	898	0.4 %
Profit	50,026	25.7 %	50,824	26.7 %
Equity, total	147,935	76.1 %	148,733	78.2 %
Accruals				
Accrued taxes	25,941	13.4 %	25,941	13.6 %
Other reserves and accrued liabilities	7,516	3.9 %	6,816	3.7 %
Accruals, total	33,457	17.3 %	32,757	17.2 %
Liabilities				
Bonds	1,766	0.9 %	1,778	0.9 %
Accounts payable, trade	78		199	0.1 %
Liabilities due to affiliated companies	10,464	5.4 %	2,267	1.2 %
Other liabilities	605	0.3 %	4,355	2.3 %
Liabilities, total	12,913	6.6 %	8,599	4.5 %
Balance sheet, total	194,305	100.0 %	190,089	100.0 %

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

from January 1, 2004 to March 31, 2004 in €k

	2004	2003
	January–March	Januar–March
Net sales	786	935
Other operating income	2	11
Cost of materials		
Cost of purchased services	-634	-819
Personnel expenses		
a. Wages and salaries	-306	-262
b. Social security contributions	-21	-20
Depreciation of intangible and tangible assets	-21	-38
Other operating expenses	-1,300	-903
Interest and similar income	803	245
Interest and similar expenses	-92	-407
Result before taxes	-783	-1,258
Income taxes	-7	-15
Other taxes	-8	-1
Loss	-798	-1,274

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



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
CONVIGATE 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 (67.62 %*)

Sedo GmbH (51.07 %)

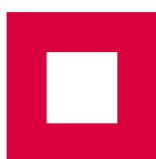
**imedia - Gesellschaft für
 neue Medien mbH (70 % since May 5, 2004**)**

Shareholdings:

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

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

** Fully consolidated for the first time in the second quarter of 2004



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