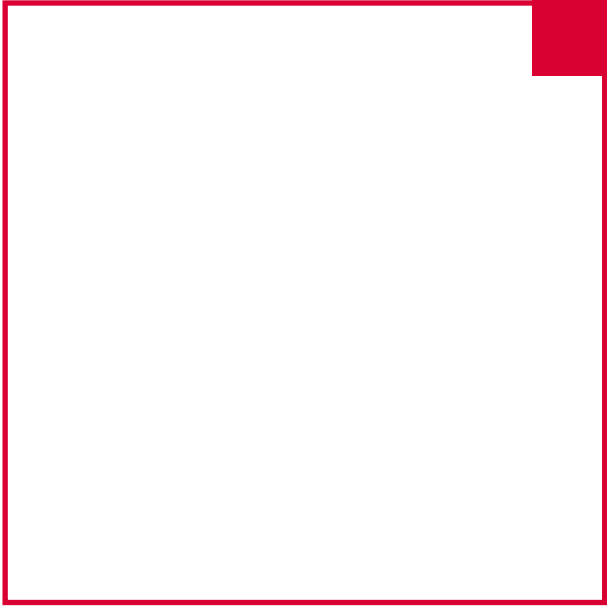


**6-Month Report  
January to June 2005**



## Foreword

United Internet can look back on a successful first six months of its fiscal year 2005. All key figures are well up on the same period last year: sales revenues for the first half-year reached € 335.4 million, representing year-on-year growth of 40 % (prior year: € 238.8 million). And despite high sales and marketing expenses — due to our DSL campaign in the 2nd quarter of 2005 and the resulting above-average growth in customers — we also succeeded in raising pre-tax earnings (EBT) by 23 % to € 45.7 million (prior year: € 37.1 million).

Our Product and Online Marketing segments played a particularly strong role in achieving this positive result:

In the Product sector, with our brands GMX, 1&1 and Schlund + Partner, sales grew by 47 % over the previous year to € 245.0 million and EBT by 2 % to € 41.0 million. During the period under review, the number of paying customer contracts grew by 440,000 to a total of 3.94 million — whereby the number of DSL contracts rose by 290,000 in the first half of 2005 to reach 1.34 million. The development in the field of DSL telephony also indicates growing market acceptance. In June 2005 — just one year after launching — we were able to complete some 90 million telephone minutes. We also made strong progress in our international hosting business. The number of contracts in the UK, France, Austria and the USA grew by 120,000 in the first half-year to 490,000.

In the Group's Online Marketing segment, we pooled our resources in the 2nd quarter of 2005: with the sale of shares in Sedo and affilinet to AdLINK, our Online Marketing activities are now managed by AdLINK AG. Consequently, affilinet and Sedo have gained access to AdLINK's pan-European sales organization and advertising client base, making their own international expansion even more effective. Furthermore, AdLINK can now offer advertisers and agencies an even wider range of online marketing services from a single source. Compared with the same period last year, sales in this segment grew by 64 %, from € 28.0 million to € 45.8 million, while EBT improved from € -0.8 million to € 3.1 million.

Sales in our Outsourcing segment, represented by the brands InterNetX and twenty4help, grew by 2 % to € 44.6 million, while EBT improved by 81 % to € 2.9 million. Despite this growth in earnings, the segment fell well below our expectations.

In view of the high market acceptance for our new DSL and telephony products, the ongoing dynamic international expansion in webhosting and the healthy demand in our Online Marketing segment, we are confident that we can continue the company's positive development in the second half of the current fiscal year.



Ralph Dommermuth,  
CEO

Montabaur, August 12, 2005

A handwritten signature in brown ink, which appears to read "Ralph Dommermuth". The signature is written in a cursive style.

## Selected Key Figures (IFRS)

	2005 Jan.–June	2004 Jan.–June
Sales	€ 335.4 million	€ 238.8 million
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 55.6 million	€ 55.2 million
Earnings before taxes (EBT)	€ 45.7 million	€ 37.1 million
Employees	4,618	4,324
Share price as at end of June (XETRA)	€ 23.60	€ 22.95
Earnings per share (EPS)	€ 0.46	€ 0.34

### Quarterly development of key figures

	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q2/2004
Sales	€ 127.1 million	€ 143.8 million	€ 157.9 million	€ 177.5 million	€ 120.0 million
EBITDA	€ 26.8 million	€ 27.1 million	€ 30.4 million	€ 25.2 million	€ 28.9 million
EBT	€ 17.6 million	€ 15.8 million	€ 25.5 million	€ 20.2 million	€ 19.8 million

### Share ownership (units)

	Q1/2005	Q2/2005
<b>Management Board</b>		
Ralph Dommermuth (Chairman)	22,000,000	22,000,000
Norbert Lang	200,000	200,000
<b>Supervisory Board</b>		
Kurt Dobitsch (Chairman)	—	—
Bernhard Dorn	—	—
Michael Scheeren	350,000	350,000
<b>Subscription Rights (units)</b>		
Norbert Lang	42,000	42,000

# Development of the Group

## **New record figures for sales and earnings**

In the first half of 2005, consolidated sales revenues of the United Internet Group grew by 40 % to € 335.4 million (prior year: € 238.8 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) were slightly up on the previous year at € 55.6 million (€ 55.2 million). Earnings before taxes (EBT) improved by 23 %, from € 37.1 million to € 45.7 million — despite above-average growth in customers and considerably higher sales and marketing expenses for our DSL campaign in the 2nd quarter of 2005.

## **Successful international expansion**

Our international expansion program continues to make strong progress: in the period under review, sales outside Germany accounted for € 73.8 million of total consolidated revenue (prior year: € 50.2 million). As of June 30, 2005 we had some 490,000 customer contracts outside Germany (June 30, 2004: 280,000).

## **Dynamic growth in DSL and DSL telephony**

In the third quarter of 2004, we began selling our own DSL connections. Since the launch, we have already sold around 520,000 connections, of which some 320,000 were added in the first half of 2005. In the same period, the number of DSL access contracts grew by 290,000 to 1.34 million. Our DSL telephony product has also been well received by the market: in June 2005 — just one year after roll-out — we were able to complete some 90 million telephone minutes per month.

## **Acquisition of WEB.DE's portal business**

On March 16, 2005 United Internet announced its intention to acquire the portal business of WEB.DE AG for a cash consideration of € 200 million as well as 5.8 million United Internet AG shares, or alternatively — should specific conditions apply — a cash amount of € 300 million and 2.0 million shares. We currently plan to pay the cash component from liquid funds and bank loans running up to 5 years. The contracts were signed on May 13, 2005. Approval has already been given by the Supervisory Boards of both companies as well as the respective antitrust authorities. The annual shareholder meeting of WEB.DE AG adopted the necessary resolutions with a resounding majority (99 %). The completion of the deal now depends on the necessary registration of the resolutions adopted by the annual shareholder meeting of WEB.DE AG and is expected for the third quarter of 2005.

## **America's Cup**

On April 2, 2005 we announced that United Internet was to make its first venture into the field of sports sponsorship as the main sponsor of the "United Internet Team Germany" for the America's Cup 2007. The "United Internet Team Germany" is the first German challenger to ever compete in the famous sailing regatta since it was started in 1851. The America's Cup and the qualifying rounds in the form of pre-regattas and the Louis Vuitton Cup promise global media coverage for United Internet and its brands in the coming years. In addition to the TV advertising campaign launched this year, the sponsorship deal represents a key element of our brand-building strategy.

**Cash flow / capital expenditures**

In line with the development of earnings, which were affected by efforts to canvass new DSL customers, cash flow from operating activities remained relatively unchanged at € 39.5 million (prior year: € 40.4 million). Investments in tangible and intangible assets amounted to € 13.3 million (prior year: € 11.6 million). Investments focused mainly on our Product segment, and especially on the scheduled expansion of infrastructure and server capacities.

**Bank balances**

As of June 30, 2005, the Group's net bank balances amounted to € 84.7 million (December 31, 2004: € 71.3 million).

**Employees**

At the end of June 2005, United Internet employed a total of 4,618 people (December 31, 2004: 4,558). The number of staff employed outside Germany was 1,669 (December 31, 2004: 1,720).

**IFRS accounting**

As of 2005, new regulations concerning the disclosure of stock-based compensation plans came into effect. In addition, minority interests in the consolidated balance sheet are now disclosed within the shareholders' equity section. Prior-year figures were adjusted accordingly. Scheduled amortization of goodwill will be replaced as of fiscal 2005 by impairment tests. Otherwise, the accounting and valuation standards used in this interim report correspond to the standards applied in the annual financial statements for the fiscal year 2004.

**Parent company results**

Earnings before tax of the parent company, United Internet AG, amounted to € 24 million (prior-year: € -1.1 million). This positive pre-tax result was due mainly to the sale of shares in Sedo and affilinet to AdLINK. As of June 30, 2005 the company had an equity ratio of 89.2 %. This includes 2.0 million treasury shares of United Internet AG.

**Share and dividend**

With an increase in share price of 18 % during the first half-year, the United Internet stock easily outperformed the comparative TecDAX index. The share price rose from € 19.95 on December 31, 2004 to € 23.60 as of June 30, 2005. The annual shareholders' meeting of United Internet AG on May 18, 2005 approved the proposal of the Management Board and Supervisory Board for the payment of a 20-cent dividend per share for the fiscal year 2004 (prior year: 15 cents per share). A total dividend payment of € 11.2 million was made on May 19, 2005.

**Outlook**

We have made encouraging progress in the current fiscal year to date, setting new records in all relevant key figures. We are also optimistic about the further development of the current fiscal year.

## Product Segment

In our Product segment we offer customers top-quality and innovative internet products. Our business relationships are based on subscriptions with monthly flat-rate fees, additional variable (use-related) charges and contractual periods of notice.

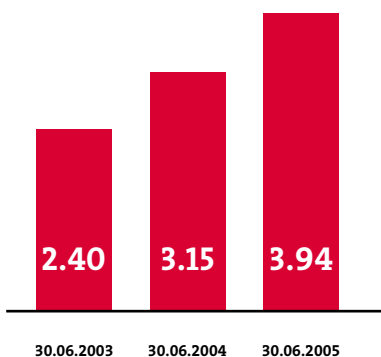
Our products are divided into 3 product lines:

- **Information Management:** including e-mail solutions, messaging, address management and 0700 numbers.
- **Webhosting:** domains, home pages, dedicated servers, e-shops.
- **Internet Access:** DSL and narrow-band access.

With our brands — GMX, 1&1, Schlund + Partner — we serve a wide range of mass market needs. At the same time, we appeal to diverging target groups with a varied range of products with regard to both features and pricing.

As of June 30, 2005 we had a total of 3.94 million fee-based customer contracts (year-end 2004: 3.5 million).

**Customer contracts, total**  
(in million)



Of this total, the Information Management product line accounted for 0.43 million contracts, our Webhosting business for 1.93 million and Internet Access for around 1.58 million contracts, of which 1.34 million were DSL accounts.

**Customer contracts by product line**  
(in million)

Product Line	Customer Contracts
Information Management	0.43
Webhosting	1.93
Internet Access	1.58 (of which 1.34 million DSL)

During the period under review, Product segment sales grew by 47 % to € 245.0 million (prior-year: € 167.1 million), while EBT was up 2 % to € 41.0 million (prior-year: € 40.2 million). The result was influenced by the strong growth in DSL customers and own connections (resale) and the correspondingly high expenditure for marketing and sales. In addition, we launched our TV advertising and sports sponsoring activities in the first half-year. Our DSL business model changed with the launch of resale activities in the second half of 2004. The acquisition of our own connection customers helps us achieve long-term additional revenues and stronger customer ties.

We expect the strong progress in our Product segment to continue in future. The boom in DSL connections and internet telephony is increasingly providing us with new customer groups and the market for value-added internet services is still not fully tapped — with regard to both functionality and target groups. Furthermore, our international webhosting activities in France, Austria and the USA are still in the early stages.

**GMX**

The free information management products of GMX are targeted especially at home users. In addition, GMX offers fee-based products such as professional e-mail solutions and internet access.

With 23 million member accounts and more than 120 million visits a month, GMX is one of Germany's leading portals.

In the period under review, GMX focused on the following developments: the launch of net flat rate tariffs, the start of a new TV advertising campaign in January and the new marketing cooperation with WEB.DE under the "United Internet Media" label.

**1&1**

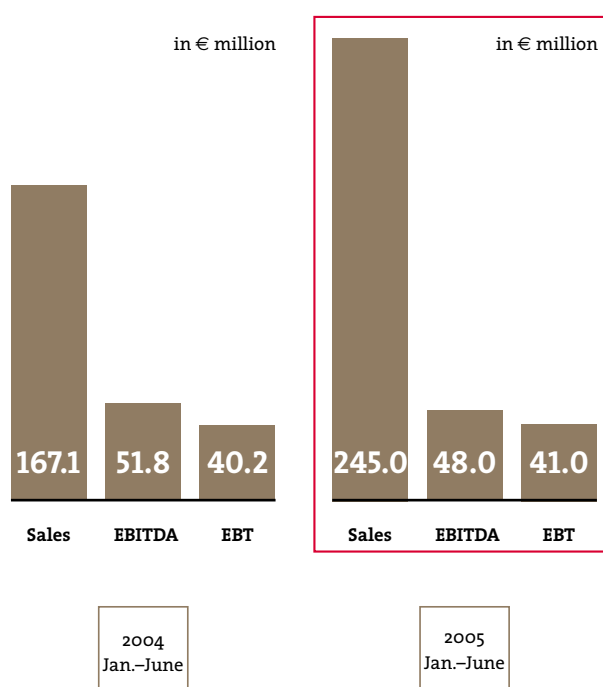
The information management, webhosting and access solutions of 1&1 are aimed at discerning private users and SOHOs. 1&1 succeeded in strengthening both its position as Germany's second-largest DSL supplier and as the world's largest hosting company.

In the first half of 2005, 1&1 focused on the launch of a new 1&1 portal, a new product generation for DSL telephony and its DSL price campaign. In April 2005, 1&1 launched an extensive TV campaign aimed at raising brand awareness.

**Schlund + Partner**

Our premium brand Schlund + Partner offers small to mid-size companies (SMEs) a range of professional information management, hosting and access products. Customers can also select a comprehensive on-site service, which is provided by an extensive network of partner agencies.

In the first 6 months of 2005, Schlund + Partner launched its integrated all-in-one solutions tailored to the communication needs of SMEs and mobile offices. The Online Office packages consist of coordinated DSL access, groupware/messaging, webhosting and DSL telephony.

**Quarterly development in € million**

	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q2/2004
Sales	90.6	99.0	113.7	131.3	82.8
EBITDA	23.9	22.7	26.2	21.8	27.3
EBT	18.8	16.3	22.8	18.2	21.5

# Outsourcing Segment

Our Outsourcing segment comprises purely B2B activities. We are represented in this segment by the brands InterNetX and twenty4help.

Compared with the same period last year, sales grew by 2 % to € 44.6 million, while EBT grew from € 1.6 million to € 2.9 million. Despite this improvement in earnings, the segment fell well short of expectations. After implementing various measures to enhance profitability, we expect earnings to improve in the second half of the year.

### InterNetX

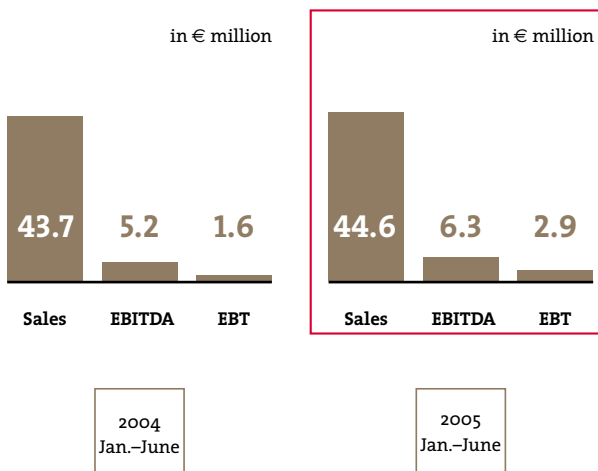
At the beginning of the year we acquired an 80 % stake in InterNetX and merged Schlund Technologies into the company. The reselling activities of United Internet are now managed by InterNetX. The company markets hosting products to small ISPs and multimedia agencies (resellers), which in turn sell them under their own label and for their own account.

In the period under review, InterNetX focused on integrating Schlund Technologies and canvassing further sales partners. The merged company now serves over 11,500 resellers, for which it hosts more than 1 million domains and over 500 servers.

### twenty4help

Under the twenty4help brand we offer extensive customer care services for major corporations. Our clients include such international blue chips as Microsoft, T-Online, Lexmark and Sun. twenty4help provides services via its 10 facilities in 7 European nations. Some 2,600 employees deal with technical queries via phone, mail or chat in 22 different languages.

In view of modest market growth and strong competition in this segment, twenty4help took steps in the second quarter of 2005 to raise profitability. The implementation of all measures will last into fiscal year 2006.



Quarterly development in € million

	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q2/2004
Sales	19.7	20.9	23.2	21.4	21.1
EBITDA	2.7	4.5	3.9	2.4	1.8
EBT	1.1	2.7	2.2	0.7	0.0

# Online Marketing Segment

In April 2005 we sold our stakes in affilinet and Sedo for around € 30 million to AdLINK while providing finance for the deal at standard market rates. All activities in this segment are thus now managed by AdLINK. The move enables AdLINK to offer an even wider range of online marketing services from a single source.

Compared with the same period last year, the segment once again achieved significant growth. Sales grew by 64 % to € 45.8 million (prior year: € 28.0 million), while EBT improved from € -0.8 million to € 3.1 million. Following the positive development in the first half of 2005, we also expect significant growth in sales and rising earnings in future.

## AdLINK

AdLINK is one of Europe's largest independent marketers of online advertising space. The company's business model is based on an online advertising network, consisting of high-reach websites generating some 5.1 billion page impressions per month, which it markets to advertisers.

The company's largest single project in the first half-year was the integration and marketing launch of the European websites of Lycos.

## Sedo

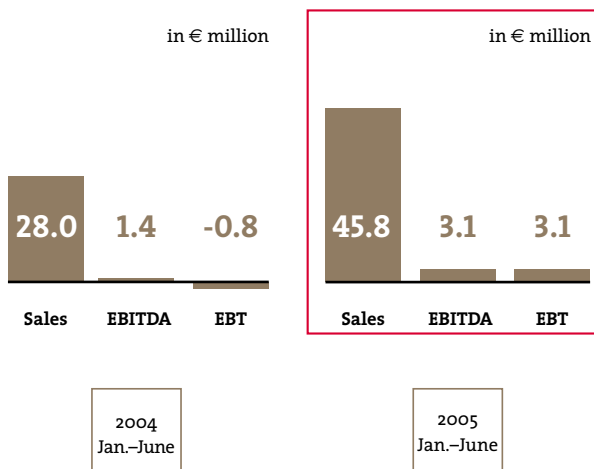
Sedo operates the global domain trading platform "sedo.com", which currently trades 1.8 million domains. In its "domain parking" business, Sedo markets some of these domains to advertisers on behalf of the domain owners.

In the first half of 2005, the company focused on further international expansion in the USA and UK. By forging partnerships with major US providers, the number of marketable, active domains was raised significantly once again in these countries.

## affilinet

affilinet operates a network for suppliers of partner programs and website owners wishing to integrate such programs on their web pages. affilinet profits from the contacts and sales initiated via the network on a purely success-oriented basis.

In the first 6 months of 2005, affilinet focused on canvassing new program suppliers and expanding its network. A number of major-name program suppliers, such as SportScheck, Symbio and Thomas Cook were recruited.



## Quarterly development in € million

	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q2/2004
Sales	16.8	23.8	21.0	24.8	16.1
EBITDA	0.9	1.8	1.4	1.7	1.1
EBT	-0.4	1.0	1.4	1.7	0.1

**United Internet AG — Consolidated Income Statement according to IFRS**

from January 1, 2005 to June 30, 2005 in €k

	2005		2004	
	January–June		January–June	
Sales	335,379	100.0 %	238,791	100.0 %
Cost of sales	-193,414	-57.7 %	-128,204	-53.7 %
<b>Gross profit</b>	<b>141,965</b>	<b>42.3 %</b>	<b>110,587</b>	<b>46.3 %</b>
Selling expenses	-74,787	-22.3 %	-44,073	-18.5 %
General and administrative expenses	-24,147	-7.2 %	-21,429	-8.9 %
Other operating income / expenses	1,602	0.5 %	-1,691	-0.7 %
Goodwill amortization	0		-6,571	-2.8 %
<b>Operating result</b>	<b>44,633</b>	<b>13.3 %</b>	<b>36,823</b>	<b>15.4 %</b>
Interest result	674	0.2 %	581	0.2 %
Result from associated companies	370	0.1 %	-319	-0.1 %
<b>Pre-tax result</b>	<b>45,677</b>	<b>13.6 %</b>	<b>37,085</b>	<b>15.5 %</b>
Income taxes	-18,474	-5.5 %	-17,885	-7.5 %
<b>Net profit</b>	<b>27,203</b>	<b>8.1 %</b>	<b>19,200</b>	<b>8.0 %</b>
Minority interests	-1,175	-0.3 %	243	0.1 %
<b>Profit after minority interests</b>	<b>26,028</b>	<b>7.8 %</b>	<b>19,443</b>	<b>8.1 %</b>
Result per share (in €)				
– basic	0.46		0.34	
– diluted	0.46		0.34	
Weighted average outstanding shares (in million units) (in million units)				
– basic	56.07		57.55	
– diluted	56.68		57.55	

**United Internet AG — Consolidated Income Statement according to IFRS**

Quarterly development in € million

	Q1/2005	Q2/2005	Q2/2004
Sales	157.9	177.5	120.0
Cost of sales	-88.6	-104.8	-63.7
<b>Gross profit</b>	<b>69.3</b>	<b>72.7</b>	<b>56.3</b>
Selling expenses	-33.2	-41.6	-22.0
General and administrative expenses	-11.7	-12.5	-10.4
Other operating income / expenses	0.7	0.9	-1.2
Goodwill amortization	0.0	0.0	-3.3
<b>Operating result</b>	<b>25.1</b>	<b>19.5</b>	<b>19.4</b>
Interest result	0.3	0.4	0.4
Result from associated companies	0.1	0.3	0.0
<b>Pre-tax result</b>	<b>25.5</b>	<b>20.2</b>	<b>19.8</b>
Income taxes	-10.6	-7.9	-9.5
<b>Net profit</b>	<b>14.9</b>	<b>12.3</b>	<b>10.3</b>
Minority interests	-0.6	-0.6	-0.1
<b>Profit after minority interests</b>	<b>14.3</b>	<b>11.7</b>	<b>10.2</b>
Result per share (in €)			
– basic	0.25	0.21	0.18
– diluted	0.25	0.21	0.18

**United Internet AG — Consolidated Balance Sheet acc. to IFRS**

as of June 30, 2005 and December 31, 2004 in €k

**ASSETS**

	June 30, 2005		December 31, 2004	
<b>Current assets</b>				
Cash and cash equivalents	88,022	32.8 %	74,682	28.9 %
Accounts receivable and other assets	58,295	21.7 %	59,222	22.9 %
Other current assets	9,967	3.7 %	17,879	6.9 %
Inventories	5,880	2.2 %	10,315	4.0 %
Prepaid expenses	11,296	4.2 %	7,733	3.0 %
<b>Current assets, total</b>	<b>173,460</b>	<b>64.6 %</b>	<b>169,831</b>	<b>65.7 %</b>
<b>Non-current assets</b>				
Equity investments	9,287	3.4 %	9,358	3.6 %
Other financial assets	1,213	0.5 %	1,716	0.6 %
Property, plant and equipment	40,833	15.2 %	38,764	15.0 %
Intangible assets	7,370	2.7 %	6,995	2.8 %
Goodwill	30,954	11.5 %	25,630	9.9 %
Deferred tax asset	5,580	2.1 %	6,179	2.4 %
<b>Non-current assets, total</b>	<b>95,237</b>	<b>35.4 %</b>	<b>88,642</b>	<b>34.3 %</b>
<b>Assets, total</b>	<b>268,697</b>	<b>100.0 %</b>	<b>258,473</b>	<b>100.0 %</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable, trade	58,074	21.6 %	61,827	23.9 %
Liabilities due to banks	190	0.1 %	280	0.2 %
Advance payments received	0	0.0 %	847	0.3 %
Other liabilities	28,017	10.4 %	27,232	10.5 %
Accrued taxes	8,979	3.3 %	13,281	5.1 %
Other accrued liabilities	1,904	0.7 %	3,359	1.3 %
Deferred revenue	45,886	17.1 %	38,988	15.1 %
<b>Current liabilities, total</b>	<b>143,050</b>	<b>53.2 %</b>	<b>145,814</b>	<b>56.4 %</b>
<b>Non-current liabilities</b>				
Convertible bonds	1,705	0.6 %	1,661	0.7 %
Liabilities due to banks	3,132	1.2 %	3,132	1.2 %
Other liabilities	642	0.2 %	642	0.2 %
Deferred revenue	2,249	0.9 %	2,808	1.1 %
Deferred tax liability	334	0.1 %	334	0.1 %
<b>Non-current liabilities, total</b>	<b>8,062</b>	<b>3.0 %</b>	<b>8,577</b>	<b>3.3 %</b>
<b>Liabilities, total</b>	<b>151,112</b>	<b>56.2 %</b>	<b>154,391</b>	<b>59.7 %</b>
<b>Equity</b>				
Capital stock	58,128	21.6 %	58,043	22.5 %
Additional paid-in capital	124,928	46.5 %	123,540	47.8 %
Revaluation reserves	585	0.2 %	585	0.2 %
Accumulated loss	-33,899	-12.6 %	-48,719	-18.8 %
Treasury stock	-39,958	-14.8 %	-36,528	-14.1 %
Others	883	0.3 %	886	0.3 %
Minority interests	6,918	2.6 %	6,275	2.4 %
<b>Equity, total</b>	<b>117,585</b>	<b>43.8 %</b>	<b>104,082</b>	<b>40.3 %</b>
<b>Equity and liabilities, total</b>	<b>268,697</b>	<b>100.0 %</b>	<b>258,473</b>	<b>100.0 %</b>

**United Internet AG — Consolidated Statement of Cash Flows according to IFRS**

from January 1, 2005 to June 30, 2005 in €k

	<b>2005</b>	<b>2004</b>
	<b>January–June</b>	<b>January–June</b>
<b>Cash flow from operating activities</b>		
Net income	26,028	19,443
<b>Adjustments to reconcile net income to net cash</b>		
Depreciation	10,935	11,828
Goodwill amortization	0	6,571
Compensation expenses from employee stock option plans	897	845
Undistributed losses / distributed profits of associated companies	-370	319
Distributed profits of associated companies	441	200
Minority interests	1,175	-243
Change in deferred taxes	598	1,635
Non-cash expenses / income	-231	-240
<b>Operative cash flow</b>	<b>39,473</b>	<b>40,358</b>
<b>Changes in assets and liabilities</b>		
Change in receivables and other assets	9,711	9,294
Change in inventories	4,435	1,338
Change in deferred expenses	-2,554	-18
Change in accounts payable, trade	-4,007	1,459
Change in advance payments received	-848	0
Change in other accrued liabilities	-1,487	-1,899
Change in accrued taxes	-4,324	493
Change in other liabilities	491	16,800
Change in deferred income	4,660	2,651
<b>Change in assets and liabilities, total</b>	<b>6,077</b>	<b>30,118</b>
<b>Cash flow from operating activities</b>	<b>45,550</b>	<b>70,476</b>
<b>Cash flow from investing activities</b>		
Capital expenditure for intangible assets and property, plant and equipment	-13,312	-11,584
Repayments / payments of loans granted	-83	41
Disposal of assets	110	116
Acquisition costs, net of acquired cash	-4,153	3,083
<b>Cash flow from investment activities</b>	<b>-17,438</b>	<b>-8,344</b>
<b>Cash flow from financing activities</b>		
Purchase of treasury stock	-3,430	0
Change in bank liabilities	-109	-496
Dividend payments	-11,209	-8,621
Minority interest	-721	0
Additional payments for the exercise of convertible bonds	510	1,043
Payment / repayment of convertible bonds	190	-40
<b>Cash flow from financing activities</b>	<b>-14,769</b>	<b>-8,114</b>
Net increase/decrease in cash and cash equivalents	13,343	54,018
Cash and cash equivalents at beginning of fiscal year	74,682	52,856
Change in currency translation adjustments	-3	297
<b>Cash and cash equivalents as of June 30, 2005</b>	<b>88,022</b>	<b>107,171</b>

**United Internet AG — Consolidated statement of changes in shareholders' equity acc. to IFRS**

	Balance as of December 31, 03 €k	Change €k	Balance as of December 31, 04 €k	Change €k	Balance as of June 30, 05 €k
<b>Capital stock</b>	<b>57,474</b>	569	<b>58,043</b>	85	<b>58,128</b>
Exercise of conversion rights		569		85	
<b>Additional paid-in capital</b>	<b>120,177</b>	3,363	<b>123,540</b>	1,388	<b>124,928</b>
Exercise of conversion rights		1,720		491	
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		-125			
Employee stock ownership programme United Internet		1,402		713	
Employee stock ownership programme AdLINK		366		184	
<b>Revaluation surplus</b>	<b>0</b>	585	<b>585</b>		<b>585</b>
Revaluation surplus		585			
<b>Outstanding compensation for employee stock ownership programme</b>	<b>-179</b>	<b>179</b>	<b>0</b>		<b>0</b>
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		179			
<b>Other</b>	<b>503</b>	383	<b>886</b>	-3	<b>883</b>
Currency translation adjustment		383		-3	
<b>Treasury stock</b>	<b>0</b>	-36,528	<b>-36,528</b>	-3,430	<b>-39,958</b>
Treasury stock		-36,528		-3,430	
<b>Minority shares</b>	<b>9,158</b>	-2,883	<b>6,275</b>	643	<b>6,918</b>
Minority shares		-2,883		643	
<b>Accumulated deficit</b>	<b>-73,903</b>	25,184	<b>-48,719</b>	14,820	<b>-33,899</b>
Dividend payment		-8,621		-11,208	
Net income		33,805		26,028	
<b>Total equity</b>	<b>113,230</b>	-9,148	<b>104,082</b>	13,503	<b>117,585</b>
Exercise of conversion rights		2,289		576	
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		54			
Employee stock ownership programme United Internet		1,402		713	
Employee stock ownership programme AdLINK		366		184	
Revaluation surplus		585			
Treasury stock		-36,528		-3,430	
Dividend payment		-8,621		-11,208	
Net income		33,805		26,028	
Minority shares		-2,883		643	
Currency translation adjustment		383		-3	

**United Internet AG — Income statement acc. to HGB**

from January 1, 2005 to June 30, 2005 in €k

	<b>2005</b>	<b>2004</b>
	<b>January-June</b>	<b>January-June</b>
Sales	2,837	1,447
Other operating income	25,652	58
Cost of materials		
Cost of purchased services	-2,545	-1,196
Personnel expenses		
a. Wages and salaries	-807	-633
b. Social security contributions	-62	-58
Amortization and depreciation of intangible assets and property, plant and equipment	-31	-44
Other operating expenses	-1,591	-1,902
Income from investments	160	260
Other interest and similar income	597	1,171
Interest and similar expenses	-192	-153
<b>Result before taxes</b>	<b>24,018</b>	<b>-1,050</b>
Taxes on income	-119	-150
Other taxes	-1	-1
<b>Net profit / loss</b>	<b>23,898</b>	<b>-1,201</b>

**United Internet AG — Balance sheet acc. to HGB**

as of June 30, 2005 and December 31, 2004 in €k

**ASSETS**

	June 30, 2005		December 31, 2004	
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Concessions, industrial and similar rights and assets as well as licenses in such rights and assets	3		11	
<b>Intangible assets, total</b>	<b>3</b>		<b>11</b>	
<b>Property, plant and equipment</b>				
Other equipment, operational and office equipment	127	0.1 %	148	0.1 %
<b>Property, plant and equipment, total</b>	<b>127</b>	<b>0.1 %</b>	<b>148</b>	<b>0.1 %</b>
<b>Financial assets</b>				
Shares in affiliated companies	113,288	49.2 %	108,975	51.3 %
Investments	8,432	3.6 %	8,918	4.2 %
<b>Financial assets, total</b>	<b>121,720</b>	<b>52.8 %</b>	<b>117,893</b>	<b>55.5 %</b>
<b>Fixed assets, total</b>	<b>121,850</b>	<b>52.9 %</b>	<b>118,052</b>	<b>55.6 %</b>
<b>Current assets</b>				
<b>Accounts receivable and other assets</b>				
Accounts receivable, trade	126	0.1 %	1	
Receivables due from affiliated companies	39,763	17.3 %	16,624	7.8 %
Receivables due from companies in which an investment is held	3		3	
Other assets	14,530	6.3 %	68	
<b>Accounts receivable and other assets, total</b>	<b>54,422</b>	<b>23.7 %</b>	<b>16,696</b>	<b>7.8 %</b>
<b>Securities</b>				
Treasury stock	39,958	17.3 %	36,529	17.2 %
Cash in hand and bank balances	14,161	6.1 %	41,150	19.4 %
<b>Current assets, total</b>	<b>108,541</b>	<b>47.1 %</b>	<b>94,375</b>	<b>44.4 %</b>
Prepaid expenses	14		25	
<b>Balance sheet, total</b>	<b>230,405</b>	<b>100.0 %</b>	<b>212,452</b>	<b>100.0 %</b>

**EQUITY AND LIABILITIES**

	<b>June 30, 2005</b>		<b>December 31, 2004</b>	
<b>Equity</b>				
Capital stock	58,128	25.2 %	58,043	27.3 %
Capital reserves	41,748	18.1 %	41,257	19.4 %
Revenue reserves				
Reserves for treasury stock	39,958	17.4 %	36,529	17.2 %
Other revenue reserves	898	0.4 %	898	0.4 %
Retained earnings	64,765	28.1 %	55,506	26.2 %
<b>Equity, total</b>	<b>205,497</b>	<b>89.2 %</b>	<b>192,233</b>	<b>90.5 %</b>
<b>Accruals</b>				
Accrued taxes	1,206	0.5 %	8,899	4.2 %
Other accrued liabilities	939	0.4 %	2,181	1.0 %
<b>Accruals, total</b>	<b>2,145</b>	<b>0.9 %</b>	<b>11,080</b>	<b>5.2 %</b>
<b>Liabilities</b>				
Bonds	1,364	0.6 %	1,329	0.6 %
Accounts payable, trade	128	0.1 %	368	0.2 %
Liabilities due to affiliated companies	20,886	9.0 %	1,439	0.7 %
Other liabilities	385	0.2 %	6,003	2.8 %
<b>Liabilities, total</b>	<b>22,763</b>	<b>9.9 %</b>	<b>9,139</b>	<b>4.3 %</b>
<b>Balance sheet, total</b>	<b>230,405</b>	<b>100.0 %</b>	<b>212,452</b>	<b>100.0 %</b>



### Products

**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)**  
  
**Alturo GmbH (D)**  
  
**GMX GmbH (D)**  
**GMX Internet Services GmbH (D)**  
  
**Schlund + Partner AG (D)**

### Outsourcing

**InterNetX GmbH (80 %, D)**  
  
**MIP Multimedia Internet Park GmbH (D)**  
  
**twenty4help Knowledge Service AB (S)**  
**twenty4help Knowledge Service AG (D)**  
**twenty4help Knowledge Service B.V. (NL)**  
**twenty4help Knowledge Service Ltd. (UK)**  
**twenty4help Knowledge Service S.L. (E)**  
**twenty4help Knowledge Service Sp.zo.o. (PL)**  
**twenty4help Knowledge Service S.r.l. (I)**

### Online Marketing

**AdLINK Internet Media AG (82.30 %, D)**  
**AdLINK Internet Media AB (82.30 %, S)**  
**AdLINK Internet Media APS (82.30 %, DK)**  
**AdLINK Internet Media B.V. (82.30 %, NL)**  
**AdLINK Internet Media Ltd. (82.30 %, UK)**  
**AdLINK Internet Media N.V. (82.30 %, B)**  
**AdLINK Internet Media S.A. (82.30 %, F)**  
**AdLINK Internet Media S.L. (82.30 %, E)**  
**AdLINK Internet Media Srl (82.30 %, I)**  
  
**affilinet GmbH (AdLINK share: 100 %, D)**  
  
**Sedo GmbH (AdLINK share: 52.14 %, D)**  
**Sedo LLC (AdLINK share: 52.14 %, USA)**

### Shareholdings:

fun communications GmbH	33.33 %
NT plus AG	40.23 %

As of: August 2005  
 Unless otherwise stated, all companies are 100 % subsidiaries.

### ■ Financial Calendar 2005\*

March 17, 2005	Financial Press Conference for Fiscal Year 2004, Analyst's Conference
May 10, 2005	Business Figures for the 1st Quarter of 2005
May 18, 2005	Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper
May 19, 2005	Dividend payment for Fiscal Year 2004
August 12, 2005	Business Figures for the 2nd Quarter of 2005, Press and Analyst's Conferences
November 9, 2005	Business Figures for the 3rd Quarter of 2005

\*Subject to change

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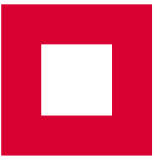
This 6-month report is available in German and English. Both versions can be downloaded from [www.united-internet.de](http://www.united-internet.de). In all cases of doubt, the German version shall prevail.

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### Disclaimer

This 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 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. It is recommended that readers do not attach too much importance to these forward-looking statements. United Internet does not intend, nor assume any obligation, to revise or update any forward-looking statements set out in this Report, neither as a result of new information nor future events or other such influencing factors.



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