6-Month Report 2009

united internet

Dear shareholders, employees and friends of United Internet!

United Internet can look back on a successful first six months in 2009. We made significant progress both in our operating business and in our market consolidation efforts by means of acquisitions and investments in several key business fields.

After already strengthening our Webhosting business with the acquisition of united-domains in the first quarter of 2009, we reached an agreement concerning the purchase of freenet's DSL business in the second quarter and also agreed a preferential cooperation for the sale of our DSL products via approximately 1,000 mobilcom-debitel shops and the internet portal freenet.de. We currently expect that we can migrate the freenet DSL contracts to our systems by year-end. In addition, we reached an agreement with the Hi-media Group in early July 2009 to transfer our Display Marketing business to the listed company Hi-media S.A. in return for 10.7% of shares in Hi-media plus around € 12.2 million in cash or shares.

In our operating business, there was year-on-year growth of 3.7% in sales, from € 814.4 million to € 844.5 million – despite the global recession and the resulting weakness of the online advertising market. At € 174.2 million (prior year: € 171.8 million), earnings before interest, taxes, depreciation and amortization (EBITDA) were slightly up on the previous year, as were earnings before interest and taxes (EBIT) at € 148.0 million (prior year: € 146.0 million) (both +1.4%). Due to negative profit contributions of associated companies and higher interest expenses, earnings per share (EPS) amounted to € 0.36 (compared with € 0.39 in the previous year).

In our dominant "Product" segment, we raised the number of fee-based customer contracts by 1.1 million (incl. freenet DSL) compared with December 31, 2008, to reach 9.05 million as of June 30, 2009. In "Information Management" we added 100,000 new contracts in the first half of 2009 to reach 1.46 million. There was growth of 340,000 contracts to 3.96 million in "Webhosting", whereby webhosting contracts outside Germany grew by 140,000 to 2.07 million. In our DSL business, the number of all-inclusive DSL packages (including contracts from the acquisition of freenet's DSL business) grew strongly by a further 800,000 contracts to 1.58 million. Despite the addition of freenet customers, however, the number of customers in our resale / T-DSL business fell by 150,000 to 1.89 million – mainly as a result of the high churn rate of resale contracts and the active migration of customers to all-inclusive packages. Segment sales rose by 6.1% to € 745.6 million. EBITDA and EBIT were both slightly up on the prior-year figures at € 163.5 million and € 138.6 million, respectively (+0.7% each).

Whereas our Product business proved to be highly resistant to the economic crisis, the "Online Marketing" segment was adversely impacted by the crisis and the slump in advertising. As expected, all key figures were noticeably down on the previous year: segment sales reached € 98.6 million (-11.5%), EBITDA stood at € 5.3 million (-47.0%) and EBIT reached € 4.2 million (-52.8%).

With the sale of our Display Marketing business in the third quarter of 2009, this segment is to be deconsolidated retroactively in accordance with IFRS 5. With regard to the further development of business, we are pleased to be able to raise our forecast for 2009: we now expect growth in sales of around 5% over the comparable prior-year figure of € 1.57 billion. We also aim to achieve a similar 5% increase in EBITDA and EBIT. With regard to customer contracts, we expect growth of around 1.25 million by year-end to approx. 9.20 million, including approx. 3.42 million DSL contracts (+600,000).

Montabaur, August 13, 2009

Ralph Dommermuth
CEO

Contents

Selected key figures acc. to IFRS

		Jan.–June 2009	Jan.–June 2008
Sales	€ millions	844.5	814.4
Earnings before interest, taxes depreciation and amortization (EBITDA)	€ millions	174.2	171.8
Earnings before interest and taxes (EBIT)	€ millions	148.0	146.0
Net income	€ millions	83.0	90.3
Employees	number	4,606	4,269
Share price as of end of June (Xetra)	€	8.34	12.52
Earnings per share	€	0.36	0.39

Quarterly development*	Q3/2008 € millions	Q4/2008 € millions	Q1/2009 € millions	Q2/2009 € millions	Q2/2008 € millions
Sales	407.4	427.8	423.4	421.1	412.4
EBITDA	77.7	69.3	83.5	90.7	88.6
EBT	64.2	46.4	70.7	77.3	75.6
Net income	–103.8	–108.0	37.9	45.1	45.2

* Consolidated earnings figures for Q3/2008 and Q4/2008 include negative, non-recurring and non-cash effects from valuation measures of € 145.6 million and € 129.8 million, respectively.

Management report for the first half-year of 2009

Economic environment

IMF sees global economy at end of recessionary phase

The International Monetary Fund (IMF) has once again (moderately) downgraded its global economic forecast for the current year. In its forecast update published in the „World Economic Outlook“ of July 2009, the IMF forecasts a decline of 1.4% – marginally more than in April 2009 (-1.3%). According to the IMF, the global economy is thus coming to the end of its recessionary phase, although this stabilization process is still unequally distributed around the world and the recovery process will initially still be weak. In view of the (still) fragile upward trend, the IMF also calls for further state economic recovery programs.

The IMF expects the US economy to decline by 2.6% in the current year (April forecast: -2.8%). It also forecasts a fall in gross domestic product (GDP) in the Euro zone of 4.8% for 2009 (April forecast: -4.2%). However, leading economic research institutes believe that the recession in the Euro zone is already slowing considerably. The Munich-based Ifo-Institut, the Italian ISAE and the French statistics office INSEE all predicted a decline of 0.6% for the second quarter – compared with a 2.5% fall in GDP from January to March, when the global economic crisis hit the Euro zone hard in early 2009. The first-quarter decline in the Euro zone was thus stronger than in the USA, whose economy shrank by 1.4%.

The IMF expects a record decline of 6.2% for Germany in 2009 (April forecast: -5.6%). This would be the strongest economic decline of all G-7 states in the current year.

Only limited impact of economic crisis on ITC markets

According to figures of the German ITC association BITKOM (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.) presented in their current market forecast in July 2009, Germany's high-tech industry will also be affected by the economic crisis – albeit not as severely as several other sectors.

In its July forecast, BITKOM predicts a fall in ITC sales and services in Germany of 2.5% to € 141 billion in 2009 – whereas the association was still expecting stable sales at the prior-year level of € 144.6 billion in its March forecast. In the field of Information Technology, the association now expects a decline of 2.2% to € 64.7 billion in 2009 and a decline of 2.0% to € 64.5 billion for the Telecommunication sector. The field of digital entertainment electronics is expected to be hit the hardest: after several years of strong growth, sales are expected to shrink by 6.5% in 2009 and reach a volume of just € 11.9 billion.

The most important ITC markets for United Internet – DSL, webhosting and online marketing – reported varying progress in the first six months of 2009.

Following a strong fall in the pace of growth for the German DSL market in 2008 – despite absolute growth of 2.4 million connections to 20.9 million (2007: +4.1 million new connections) – all experts expect a further slowdown in growth in 2009. Recently published figures of the major DSL providers confirm these expectations.

The international hosting market continues to enjoy steady growth. According to calculations of Registrar-STATS.com, the number of registered generic top-level domains around the world (such as .com, .net, .org …) grew by 3.2 million in the first six months of 2009 to reach a total of 110.5 million domains – an increase of 3.0% over December 31, 2008. The German top-level domain ".de" is also enjoying strong demand in 2009 – despite a comparatively high online presence already achieved among consumers and businesses – and grew by over 410,000 (+3.3%) to 12.86 million domains in the first six months. The respective registration authorities reported even stronger growth of national domains in our foreign markets: the UK (+5.3% to 7.70 million), France (+11.5% to 1.46 million), Spain (+6.5% to 1.15 million) and Austria / Switzerland (+8.8% to 0.87 / +5.6% to 1.31 million).

In contrast to the more non-cyclical DSL and Webhosting sectors, the economic crisis has hit the advertising market even harder than expected. The agency group Zenith Optimedia has thus made a further downward adjustment to its forecast for the development of advertising spending. In the July issue of its survey "Advertising Expenditure Forecast", the company currently expects a decline in global gross advertising expenditure of 8.5% in 2009 – compared with a decline of "just" 6.9% in April 2009 and of 0.2% in December 2008. The crisis is also leaving its mark on the German advertising market – although the forecast decline of 6.2% is not quite as severe as in some neighboring countries. Sharp falls are also expected in North America (-10.3%) and Western Europe (-9.2%). Despite these gloomy forecasts, Zenith Optimedia believes the worst will soon be over – based on the improvement in the second quarter. According to estimates of Zenith Optimedia, the internet will be the only advertising medium in which more money will be invested in 2009 than in 2008 – thanks to its greater transparency, measurability and flexibility – with an increase of 10.1% in gross advertising spendings in 2009. However the actual revenues received by online marketing companies are expected to be much lower, as Zenith Optimedia only considers gross spendings based on the official price lists. Discounts and rebates on these list prices as a result of fierce competition and excess supply of advertising space have grown significantly once again in 2009, but are not considered by market surveys and forecasts.

Segments and brands

	Brands	Products/Services	Customers
Products	GMX	Mail, messaging, communication	Consumers
Products	WEB.DE	The German portal	Consumers
Products	1&1	Portal, Information Management, Webhosting, Internet Access	Discerning private users, Small/Home Offices / SMBs
Products	united domains THE DOMAIN PEOPLE	International Domain registrations	Medium-sized and large businesses
Products	fasthosts	Webhosting products as white label	Internet Service Provider in UK and in the United States
Products	InterNetX	Webhosting products as white label	Internet Service Provider in Germany
Online Marketing	AdLINK GROUP AdLINK MEDIA	Display Marketing	Advertisers
Online Marketing	AdLINK GROUP affilinet	Affiliate Marketing	Advertisers
Online Marketing	AdLINK GROUP sedo	Domain Marketing	Advertisers

Business development

With over 9 million* customer contracts (incl. freenet DSL), United Internet AG is a leading international Internet Service Provider. Following the acquisition of united-domains AG, completed in early March 2009, United Internet operated in two business fields during the period under review, especially through its nine brands:

In the “Product” segment, our value-added internet services and fast DSL connections are directed at private users, small offices / home offices and companies. These groups are served directly by the brands GMX, WEB.DE, 1&1 and united-domains. In addition, we also market our webhosting products as white-label solutions to other ISPs – indirectly – via resellers. Apart from this subscription business, we market the reach of our portals to e-commerce suppliers and advertisers via United Internet Media.

In our “Online Marketing” segment, we are mainly represented by the brands affilinet, Sedo and AdLINK Media. In this segment we offer various marketing and sales solutions to advertisers: Affiliate Marketing via affilinet, Domain Marketing via Sedo and Display Marketing via AdLINK Media (now sold).

Successful international expansion

In the Product segment, we operate our “Webhosting” business in Germany, the UK, France, the USA, Austria / Switzerland and Spain. We also serve customers in numerous other countries via our international order page. In our non-German markets, we added 140,000 new customer contracts in the first six months of 2009 and held a total of 2.07 million contracts as of June 30, 2009.

Including foreign sales in our Online Marketing segment, the Group’s non-German sales grew to € 106.8 million.

Acquisition of united-domains

United Internet signed an agreement on December 12, 2008 with the former owner of united-domains AG, LYCOS Europe NV, concerning the acquisition of united-domains AG. The purchase price of € 34.1 million was settled fully in cash. Following approval from the anti-trust authorities, united-domains AG has been consolidated in the financial statements of United Internet AG since March 2009.

united-domains is a specialist for fast and easy registration of domain names, offering over 150 global domain endings. This profitable company was founded in August 2000 and has since established itself as one of Europe’s leading domain registries. The company continues to be led by its founders, who acquired around 15% of the company’s shares in a second transaction.

Acquisition of freenet’s DSL business

On May 26, 2009, United Internet AG‘s subsidiary 1&1 Internet AG and freenet AG signed an agreement for the acquisition of freenet‘s DSL business and a preferred distribution partnership in respect of DSL products. The agreed purchase price amounted to approx. € 123 million (approx. € 70 million in cash and 4,583,500 treasury shares of United Internet). Should the trading price of a United Internet share fall below € 12 at the time of the technical migration of freenet‘s customers, a compensation amount per share will be paid in cash, capped at € 4 per share. Alternatively, United Internet may also pay the entire purchase price in cash if the share price is below € 12. The purchase price, which is mainly payable upon completion of customer migration, is based on an evaluation of the customer base and thus depends on the number of customer contracts supplied by completion of the migration process. The aim is to complete the technical of the migration of the 700,000 freenet customer contracts by the end of 2009. The transaction has been approved by the anti-trust authorities. The cash component was partially payed in July 2009, respectively was paid into an escrow account.

Under the terms of the distribution agreement, which will run until end of 2014, 1&1 will pay freenet a premium of up to 6,551,000 United Internet shares, in addition to its standard DSL commissions. The performance-oriented premium will be payable in four tranches, depending on the achievement of pre-defined annual distribution targets. 1&1 also has the option to pay the premium in cash. The relevant distribution channels are, in particular, approx. 1,000 mobilcom-debitel shops and the Internet portal freenet.de. The aim of the sales cooperation is to gain around 500,000 DSL contracts over the next five years.

Employees

United Internet employed a total of 4,606 people at the end of June 2009 (December 31, 2008: 4,565), of which 979 (December 31, 2008: 947) were employed outside Germany.

Share and dividend

With a stock quote of € 8.34 on June 30, 2009, the United Internet AG share price was up 32.6% on December 31, 2008 (€ 6.29). As a result, our share easily outperformed the comparative TecDAX index, which rose by 23.3% in the first half of 2009.

No dividend was paid to shareholders for the fiscal year 2008. The balance sheet loss was carried forward.

Segment development

Product segment

The United Internet Group's dominant business in the first half of 2009 was once again its Product segment, with the main brands GMX, WEB.DE, 1&1, InterNetX and Fasthosts – as well as united-domains AG consolidated as of March 2009 – which together accounted for 88.3% of total sales.

Thanks to a business model based largely on electronic subscriptions, the segment enjoyed further growth – although the reduced spending of our advertising customers was noticeable in portal marketing. The conversion of DSL customers to our all-inclusive packages – of particular importance for customer retention – placed an initial burden on earnings. Despite these burdens, however, sales in this segment grew by 6.1% to € 745.6 million in the period under review. EBITDA and EBT were both slightly up on the previous year (+0.7% each) at € 163.5 million and € 138.6 million, respectively. Customer acquisition costs continue to be charged directly as expenses. Our very healthy key financials are closely linked with the quantitative and qualitative growth of our customer base.

As of June 30, 2009 we had 9.05 million* fee-based customer contracts (December 31, 2008: 7.95 million).

These are divided among our three product lines:

- **Information Management** with professional e-mail solutions, messaging, address management, Pocket Web and 0700 numbers
- **Webhosting** with domains, home pages, dedicated and virtual servers, and e-shops
- **Internet Access** with DSL connections (including internet telephony and video-on-demand), as well as mobile and narrowband access.

In the first half of 2009, growth was particularly strong in all product lines. In "Information Management", the number of customer contracts grew by 100,000 to 1.46 million. Due in part to the initial consolidation of united-domains (180,000 contracts, of which 20,000 in Austria and Switzerland), there was growth of 340,000 contracts to 3.96 million in "Webhosting", whereby the number of webhosting contracts outside Germany grew by 140,000 to 2.07 million.

In our DSL business, the number of all-inclusive DSL packages (including contracts from the acquisition of freenet's DSL business) grew strongly by a further 800,000 contracts to 1.58 million*. Despite the addition of freenet customers, however, the number of customers in our resale / T-DSL business fell by 150,000 to 1.89 million* – mainly as a result of the high churn rate of resale contracts and the active migration of customers to all-inclusive packages. The increased proportion of "all-inclusive contracts" (now 45.5% of all DSL contracts; December 31, 2008: 27.7%) has led to a further improvement in the quality of customer retention and

Quarterly development of customer contracts
customer contracts in millions, change in tsd.

Customer contracts	31.03.2009	30.06.2009	Change
Information Management	1.41	1.46	+ 50,000
Webhosting	3.86	3.96	+ 100,000
- thereof abroad	1.98	2.07	+ 90,000
Internet Access*	2.97	3.63	+ 660,000
- there of DSL*	2.82	3.47	+ 650,000
- DSL complete packages	1.05	1.58	+ 530,000
- Resale-/T-DSL	1.77	1.89	+ 120,000
Total*	**8.24**	**9.05**	**+ 810,000**

* incl. freenet DSL; refer to "Aquisition of freenet's DSL business"

Annual development of customer contracts
customer contracts in millions, change in tsd.

Customer contracts	30.06.2008	30.06.2009	Change
Information Management	1.30	1.46	+ 160,000
Webhosting	3.51	3.96	+ 450,000
- thereof abroad	1.82	2.07	+ 250,000
Internet Access*	2.89	3.63	+ 740,000
- there of DSL*	2.76	3.47	+ 710,000
- DSL complete packages	0.37	1.58	+1,210,000
- Resale-/T-DSL	2.39	1.89	– 500,000
Total*	**7.70**	**9.05**	**+1,350,000**

* incl. freenet DSL; refer to "Aquisition of freenet's DSL business"

in average revenue per DSL customer (ARPU).

Our brands not only generate revenues from subscription contracts but also from our online advertising and e-commerce activities. United Internet Media, the marketing company for our GMX, WEB.DE and 1&1 portals and our shopping portal SmartShopping.de, provides advertisers and agencies in Germany with a reach of around 48% of all German internet users, as well as high-quality, targeted marketing and innovative advertising instruments.

Our family of brands provides unique market coverage in Germany:

GMX
GMX targets private users with its Information Management products. With 9.1 million unique users per month, GMX is one of the leading providers of mail, messaging and communication solutions. In addition to its free products, GMX also offers fee-based value-added services.

Quarterly development
in € millions

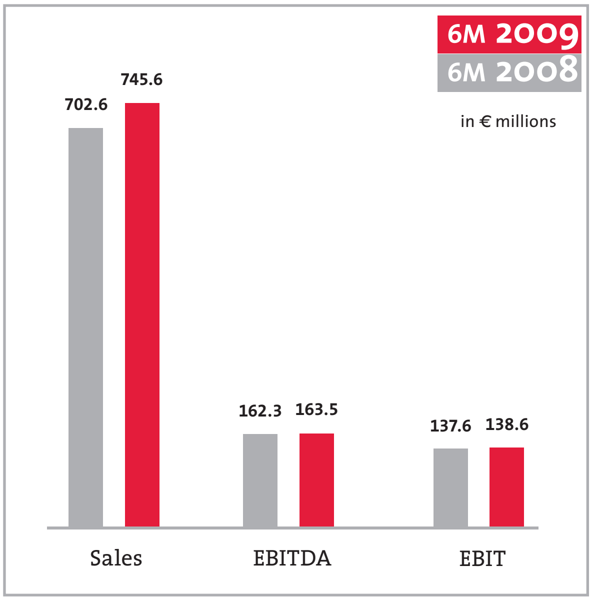
	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q2 2008
Sales	359.1	371.1	372.8	372.8	356.6
EBITDA	73.5	62.8	77.9	85.6	85.1
EBIT	60.5	50.0	65.7	72.9	72.7

In the period under review GMX focused on improving its international reach in the current target markets of Austria, Switzerland, the USA, the UK, France and Spain. A "Download Area" was launched with around 10,000 free and 800 paid-for programs, as was MailXchange – a web-based solution for professional e-mail communication in teams.

WEB.DE
With 13.0 million unique visitors, WEB.DE is one of Germany's most frequently visited websites and is "the" German internet portal for many users. WEB.DE also offers free basic services and fee-based products, including the WEB.DE Club.

In the first half of 2009, WEB.DE launched its so-called "WEB.DE Navigator". The feature allows the safe and convenient bundling of a user's entire internet communication in a single place. A variety of web services for communication and shopping and the respective log-ins (e.g. for forums, blogs or different communities) can be centrally administered straight from the user's personal FreeMail mailbox.

Financial figures for the Product segment



1&1
1&1 is the brand for discerning private users, the self-employed and SMEs requiring Information Management, Webhosting and Internet Access. 1&1 is No. 3 in Germany's DSL sector and the world's leading hosting company, currently active in 6 countries.

Key topics for 1&1 in the period under review were the launch of the 1&1 Sector Homepage and 1&1 DSL HomeNet. 1&1's Sector Homepage enables small companies to create a professional website in just a few minutes without any prior knowledge. The solution was launched in March and released in our foreign markets during the course of the second quarter.

1&1 DSL HomeNet is a solution for wireless home networking, which enables various end user devices to use the internet, phone and entertainment content, as well as photos, films and songs stored on the web or the user's hard drive.

united-domains
united-domains is a specialist for international domain registration of over 150 domain endings – from .ar (for Argentina) to .za (for South Africa). The company mainly targets mid-size to large corporations.

In the first half-year, united-domains focused in particular on the launch and marketing of the new ".tel" domain. With the aid of a .tel domain, companies can publish their contact data directly under a memorable URL.

InterNetX
United Internet's reselling activities in Germany are all conducted through InterNetX. The company markets hosting products to ISPs and multimedia agencies (resellers), who in turn market them under their own name and for their own account.

In the period under review, InterNetX further expanded its reseller network. InterNetX now serves over 19,000 resellers for which it hosts around 2.4 million domains and over 1,200 servers.

Fasthosts
Fasthosts is our reseller brand in the UK and the USA. Fasthosts markets hosting products to over 5,000 ISPs and multimedia agencies (resellers), who sell these to end users under their own name. Fasthosts is also active in the direct marketing of products to consumers and companies.

In the current fiscal year, Fasthosts has so far focused on expanding its customer base and establishing its reselling business in the USA, which it launched in late 2008.

Outlook
For our Product business, we are confident that our long-term international expansion strategy will continue to make good progress and that we can maintain our growth with the aid of further product innovations, such as the 1&1 Sector Homepage. The same applies to the marketing of our Information Management solutions, for which we expect further growth in contract numbers.

In addition to the technical migration of freenet DSL customers to our systems, planned for the end of the year, and the start of VDSL in September 2009, our DSL business will continue to focus on the migration of customers to our all-inclusive packages – of particular importance to us with regard to customer retention. We expect that the number of all-inclusive packages will grow strongly by around 1.1 million contracts in total during 2009 (incl. freenet all-inclusive DSL packages). Due to the ongoing high churn rate for resale contracts, however, we expect total growth of DSL contracts in 2009 to reach just around 600,000.

We also expect further growth in the marketing of our portals GMX, WEB.DE and 1&1 – albeit at a slower rate than in the past, due to the current cyclical weakness of the market.

Online Marketing

In the first half of 2009, we offered advertisers a variety of marketing and sales solutions in our Online Marketing segment: Affiliate Marketing via affilinet, Domain Marketing via Sedo and Display Marketing via AdLINK Media, which has since been sold. In contrast to the marketing of our own portals in the Product segment, this segment mainly marketed third-party domains and websites.

Whereas our Product business has proven to be highly resistant to the economic crisis, the key financial figures of our "Online Marketing" segment were adversely impacted by the crisis and the resulting fall in advertising spending. As expected, all key figures were noticeably down on the previous year: segment sales reached € 98.6 million (-11.5%), while EBITDA and EBIT stood at € 5.3 million (-47.0%) and € 4.2 million (-52.8%), respectively. Nevertheless, the segment still succeeded in making a positive contribution to earnings – despite considerably more difficult circumstances than last year. In total, the segment accounted for 11.7% of the United Internet Group's total sales in the first half of 2009.

affilinet

affilinet brings together suppliers of affiliate programs and website operators. It profits from the contacts and sales initiated via the network on a purely performance-oriented basis.

In the first half of 2009, affilinet focused on gaining new program suppliers and expanding its network: the number of affiliate programs was raised to around 1,700. At the same time, the network was increased to 480,000 active websites.

Sedo

Sedo operates the global domain trading platform "sedo.com", which currently trades 13.2 million domains – following an adjustment in the course of a quality and efficiency initiative conducted by Sedo in the first half of 2009. Of this total, Sedo markets 6.2 million domains to advertisers on behalf of the domain owners.

In the period under review, Sedo acquired its US competitor RevenueDirect and expanded its own stock of domains by purchasing several large domain portfolios.

Quarterly development
in € millions

	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q2 2008
Sales	48.1	56.6	50.4	48.2	55.6
EBITDA	1.2	1.7	3.0	2.3	4.7
EBIT	0.7	–8.1	2.5	1.7	4.1

AdLINK Media

AdLINK Media is one of Europe's largest independent marketers of online advertising. The company's business model is based on an online advertising network of high-reach websites, which it markets to advertisers.

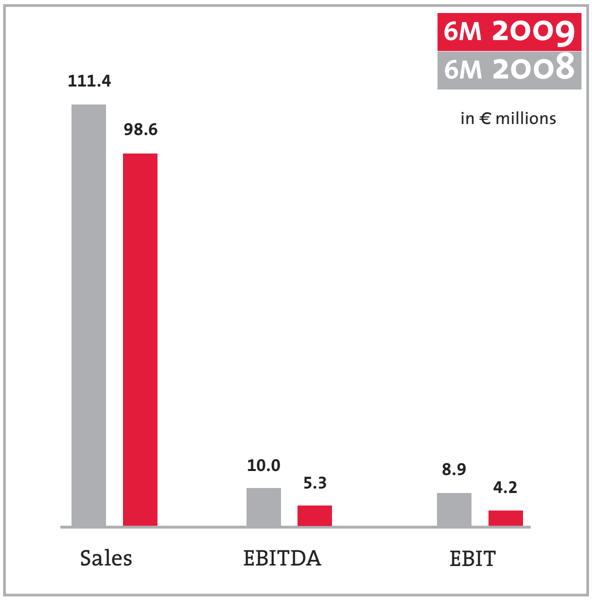
In the period under review, the company focused mainly on the expansion of its advertising network. As a result, the number of ad impressions generated by the network grew from 10.3 billion (December 31, 2008) to an average of 10.6 billion in the period under review.

Outlook

Following the transfer of our Display Marketing business to Hi-media Group, our third-party marketing activities will focus in future on the performance-based business fields Affiliate and Domain Marketing. We will participate in the Display Marketing business solely via our stake in the newly created independent European market leader for Display Marketing, the Hi-media Group (stake via AdLINK: 10.7%), as well as via our investment in the Goldbach Group (stake via AdLINK: 14.99%).

Despite this realignment, we expect 2009 to be a difficult year in this market segment due to the continued slump in advertising spending, the resulting pressure on prices and margins, and the significant reductions in the forecasts of market researchers.

Financial figures for the Online Marketing segment



Assets, liabilities, financial position and profit or loss

Successful development despite adverse economic climate

Despite the recession and the related weakness of the online advertising market, United Internet can look back on a successful first six months of its fiscal year 2009. Consolidated sales of United Internet AG were up 3.7% on the previous year, from € 814.4 million to € 844.5 million.

Due to a business model based overwhelmingly on electronic subscriptions, the Product segment enjoyed further growth – although the reduced spending of our advertising customers was noticeable in portal marketing. Segment sales grew by 6.1%, from € 702.6 million last year to € 745.6 million in the period under review.

In the "Online Marketing" segment, our key financial figures were heavily burdened by the economic crisis and the resulting fall in advertising spending. As a consequence, segment sales fell by 11.5% – compared with pre-year sales still largely unaffected by the downturn – to stand at € 98.6 million.

Consolidated gross margin fell from 40.1% in the previous year to 37.1%. The main reasons were the high expenses for converting customers to all-inclusive packages – which represent an initial burden on earnings – and the current strong pressure on margins in the field of online advertising.

Due to reduced advertising expenditure, sales and marketing expenses fell from € 132.7 million (16.3% of sales) in the previous year to € 116.4 million (13.8% of sales). In the period under review, administrative expenses grew slightly from € 40.3 million (4.9% of sales) to € 42.5 million (5.0% of sales).

Quarterly development
in € millions

	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q2 2008
Sales	407.4	427.8	423.4	421.1	412.4
EBITDA	77.7	69.3	83.5	90.7	88.6
EBIT	64.2	46.4	70.7	77.3	75.6

Earnings before interest, taxes, depreciation and amortization (EBITDA) were up slightly on last year at € 174.2 million (prior year: € 171.8 million), as were earnings before interest and taxes (EBIT) at € 148.0 million (prior year: € 146.0 million).

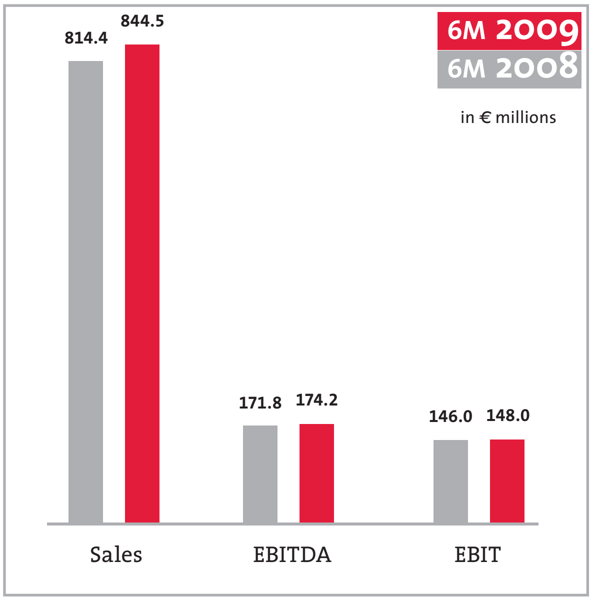
Earnings before taxes (EBT), net income and earnings per share (EPS) were burdened by negative profit contributions of associated companies (€ -12.7 million compared with € -5.0 million in the first half of 2008), as well as by higher interest expenses (€ -12.0 million compared with € -10.6 million). As a result of these burdens, EBT fell from € 130.3 million to € 123.3 million, net income from € 90.3 million to € 83.0 million and EPS from € 0.39 to € 0.36.

Operative cash flow of € 126.2 million

Despite the year-on-year fall in net income, cash flow from operating activities rose from € 124.1 million last year to € 126.2 million.

Net cash flow from operating activities rose from € 40.7 million last year to € 90.6 million, mainly as a result of changes in trade payables as of the balance sheet date in 2008.

Group financial figures



Net cash flow for investing activities amounted to € 48.3 million in the period under review, whereby the acquisition of united-domains AG accounted for the major share (€ 32.8 million). In the prior-year period there was net cash flow for investing activities of € 137.3 million, whereby the acquisition of shares in associated companies (mainly Versatel and virtual minds) accounted for € 101.9 million. Investments in intangible assets and property, plant and equipment remained stable at € 18.0 million.

Cash flow from financing activities was dominated by the redemption of loans amounting to € 49.8 million in the first half of 2009, whereas the first half of 2008 was dominated by the assumption of new loans (€ 176.9 million), disbursements for the purchase of treasury shares (€ -51.6 million) and dividend payments (€ -45.9 million).

Reduction in bank liabilities

Compared with December 31, 2008, the balance sheet total grew from € 1,102.0 million to € 1,137.8 million as of June 30, 2009 – mainly as a result of the acquisition of united-domains AG. Goodwill accounted for € 378.9 million of total assets at the end of 2008 and for € 414.0 million at the end of June 2009. Around € 325 million of goodwill is attributable to the highly profitable Product segment. Trade payables fell from € 170.7 million to € 132.7 million as of the balance sheet date. Despite the acquisition of united-domains AG, net bank liabilities were reduced from € 489.0 million to € 443.8 million. As of June 30, 2009, United Internet AG held 22 million treasury shares. After deduction of these treasury shares, the Group's equity ratio amounted to 21.9% (compared with 13.2% on December 31, 2008).

Risk report

Over and above the statutory requirements, United Internet AG attaches great importance to its comprehensive risk management system. Our monitoring system identifies, classifies and evaluates risks while defining clear responsibilities. We not only regard efficient and forward-looking risk management as an important tool to anticipate dangerous developments, but as an important and value-adding responsibility. The risk management culture we have introduced enables us to deal with risks proactively.

During the first six months of 2009, the overall risk situation remained mostly stable compared with the risk report provided in the annual financial statements 2008. Due to United Internet's strict alignment as an Internet Service Provider, the major risks for the Company's future assets, liabilities, financial position and profit or loss focus on the areas of supplier dependency, technology and software systems. We judge the probability of these identified risks as low to limited.

Depending on the future share price development of our listed investments, there may be (non-cash) burdens from writedowns / impairments in our non-operating business – as happened in the third and fourth quarters of 2008.

There were no risks which directly jeopardized the continued existence of United Internet in the period under review, neither from individual risks nor from the overall risk situation.

Subsequent events

On July 6, 2009, United Internet's subsidiary AdLINK Internet Media AG (AdLINK Group) reached an agreement with Hi-media S. A., Paris, concerning the transfer of the AdLINK Group's Display Marketing business to the Hi-media Group. In return, the AdLINK Group will receive 10.7% of shares in Hi-media S.A. (4,735,000 shares) plus around € 12.2 million in cash or in shares (in the case of a capital increase by Hi-media at a subscription price of less than € 3.63). In the case of the cash component, the AdLINK Group will grant Hi-media a vendor loan with a standard market interest rate. The vendor loan is to be repaid by June 30, 2011 at the latest. The transaction is due to be closed in late August 2009.

There were no other major events subsequent to the reporting period which had a significant impact on the business development of United Internet.

Opportunities and outlook

Global economic recovery expected in 2010

After moderately downgrading its global economic forecast for the current year to -1.4% (April forecast: -1.3%) in its forecast update published in the „World Economic Outlook“ of July 2009, the International Monetary Fund (IMF) is now much more optimistic about 2010 than it was in April. According to the IMF, the global economy is coming to the end of its recessionary phase, although this stabilization process is still unequally distributed around the world. The recovery process will be weak at first, as the financial systems are still not fully functional, state support measures are being reduced, and private households which suffered massive asset losses will initially have to rebuild their savings. Regardless of the positive signals, the IMF therefore believes that the global recession is not yet over and does not expect a return to sustained growth in the industrialized nations before the second half of 2010. The IMF now expects global growth of 2.5% in 2010 (April forecast: +1.9%).

While the IMF now expects GDP growth of 0.8% for the US economy in 2010 (April forecast: 0.0%), the GDP of the Euro zone is expected to decline by 0.3% in 2010 (April forecast: -0.4%). For Germany, the IMF forecasts a further decline of 0.6% in 2010 (April forecast: -1.0%) following a record fall in GDP of 6.2% (April forecast: -5.6%) in 2009.

Growth also expected for German high-tech market in 2010

According to the July forecast of sector association BITKOM, German sales of products and services in the field of Information Technology and Telecommunication (ITC) will fall by 2.5% to € 141 billion in 2009 – whereas in its March forecast, the association still expected sales to reach the prior-year level of € 144.6 billion. The association believes that the German high-tech market will quickly recover from its temporary stagnation in 2009 and achieve growth of 0.3% again in 2010 to reach sales of € 141.4 billion.

Growth in broadband connections to continue

In a forecast announced in Berlin in late February 2009, the sector association BITKOM predicted that the German market for fixed-line internet access would grow by 4.2% to € 13.8 billion in 2009 and thus reach new record levels. BITKOM based its expectations on the current forecasts of market research institute EITO. Despite the economic slump, sales with private internet access alone are expected to grow by 7.5% to € 8.8 billion in 2009.

According to the study “LIFE - Digitales Leben”, published in late February 2009, the trend toward broadband connections is expected to continue – albeit with slightly flatter growth curves. The experts forecast an increase to 36 million broadband connections in Germany by 2015 and data transmission speeds of over 100 MBit/s in some cases. They also expect mobile broadband connections (UMTS) to quadruple to 41 million by 2015.

Above all, this growth means increasing bandwidths and thus an improved performance of the networks. Without this development, attractive applications like internet telephony, internet TV or video-on-demand would simply not be possible. Higher bandwiths will continue to play a key role for web-based applications. According to BITKOM calculations, the internet’s global data volume is already growing at an annual rate of 50-60%.

The ongoing spread of broadband connections will also positively impact many other markets in which we operate. With the growing household penetration of broadband internet access, we can offer new and innovative products and services. At the same time, our online portals GMX, WEB.DE and 1&1, and our marketing brands Sedo and affilinet, will be able to use increasingly data-intensive advertising formats.

Further growth also expected for webhosting and online advertising

Market researchers also predict continuing growth for the webhosting industry. Gartner and IDC forecast annual growth rates of 15% and 16% until 2010. In the latest issue of their European Managed Webhosting Forecast, IDC’s experts predicted growth of 10.4% to USD 4.6 billion in 2009 – in the B-to-B hosting sector alone. Good growth opportunities are forecast for all European markets in which we operate: Germany (+8.4%), the UK

(+10.4%), France (+9.9%), Austria (+11.3%) and Spain (+12.4%). New web-based services – subsumed under the terms “software-as-a-service” and “cloud computing” – will further strengthen this “outsourcing trend” (toward internet-based and away from PC-based applications).

The online advertising market is also expected to continue its growth – although a temporary but significant downturn is expected in 2009 as a result of the current global economic problems. Most experts believe that the overall importance of online advertising within the total advertising mix will continue to grow. The “Marketers‘ Internet Ad Barometer 2009” report shows that Europe’s advertisers are focusing more than ever on online advertising during the economic crisis: 70% of advertisers are raising their online advertising spending in 2009 and will continue to increase it in future (2010: +21%; 2011: +15%). The status of online advertising in the media mix is also steadily growing. Almost half of all European advertisers (47%) now regard the internet as an essential channel for their marketing – compared with 38% in 2008 and 17% in 2006. Above all, media budgets are being moved from TV and print to the internet. The growth of the digital sector is not only reflected in the growing importance of the medium, but also in the growing value which consumers attach to the internet and the time they spend online (weekly internet usage: +28% in 2008 compared with 2004).

Opportunities for United Internet

Thanks to our successful positioning in the growth markets of DSL, Webhosting, Portals and Online Marketing, we expect good growth opportunities for the remaining months of 2009. As forecasting future economic development is currently extremely difficult, however, all such forecasts are subject to uncertainty.

With the sale of our Display Marketing business in the third quarter of 2009, this segment is to be deconsolidated retroactively in accordance with IFRS 5. With regard to the further business development we are increasing our forcasts for 2009: We now expect growth in sales of around 5% over the comparable prior-year figure of € 1.57 billion and aim to achieve a similar 5% increase in EBITDA and EBIT in 2009.

With regard to customer contracts, we expect growth of around 1.25 million by year-end to approx. 9.20 million, of which approx. 3.42 million DSL contracts (+600,000).

Consolidated Financial Statements as of June 30, 2009

Balance Sheet in €k

	June 30, 2009	December 31, 2008*
ASSETS		
Current assets		
Cash and cash equivalents	49,850	55,372
Accounts receivable and other assets	115,089	119,066
Inventories	11,968	19,048
Prepaid expenses	33,181	28,791
Other assets	13,954	12,737
	224,042	**235,014**
Non-current assets		
Shares in associated companies / joint ventures	209,216	221,684
Other financial assets	87,161	72,785
Property, plant and equipment	87,133	86,494
Intangible assets	108,239	97,512
Goodwill	414,027	378,876
Deferred tax asset	7,992	9,632
	913,768	**866,983**
Total assets	**1,137,810**	**1,101,997**
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade accounts payable	132,707	170,743
Liabilities due to banks	95,149	16,069
Advance payments received	6,710	6,453
Accrued taxes	29,318	33,855
Deferred revenue	120,521	106,401
Other accrued liabilities	6,019	4,513
Other liabilities	53,243	57,065
	443,667	**395,099**
Non-current liabilities		
Convertible bonds	35	74
Liabilities due to banks	398,534	528,301
Deferred tax liabilities	23,098	17,351
Other liabilities	22,811	15,592
	444,478	**561,318**
Total liabilities	**888,145**	**956,417**
Equity		
Capital stock	251,626	251,469
Additional paid-in capital	166,456	163,896
Accumulated profit	88,365	5,619
Treasury stock	−264,987	−264,987
Revaluation reserves	19,003	10,002
Currency translation adjustment	−19,895	−28,692
Equity attributable to shareholders of the parent company	**240,568**	**137,307**
Minority interests	9,097	8,273
Total equity	**249,665**	**145,580**
Total liabilities and equity	**1,137,810**	**1,101,997**

* Adjusted - see note 2 of the 6-month report 2009

Consolidated Financial Statements as of June 30, 2009

Income statement in €k

	2009 January–June	2008 January–June
Sales	844,503	814,345
Cost of sales	–530,820	–487,855
Gross profit	**313,683**	**326,490**
Selling expenses	–116,395	–132,680
General administrative expenses	–42,496	–40,284
Other operating income / expenses	2,330	3,479
Amortization of intangible assets	–9,144	–11,048
Operating result	**147,978**	**145,957**
Financial result	–11,987	–10,642
Result from at-equity companies	–12,660	–4,985
Pre-tax result	**123,331**	**130,330**
Income taxes	–40,362	–40,052
Net income before minority interests	**82,969**	**90,278**
Attributable to		
- minority interests	223	576
- shareholders of United Internet AG	82,746	89,702

Result per share of shareholders of United Internet AG (in €)		
- basic	0,36	0,39
- diluted	0,36	0,39
Weighted average shares (in Million units)		
- basic	229,48	230,14
- diluted	229,81	230,89

Statement of comprehensive income		
Net income before minority interests	82,969	90,278
Results directly included in equity		
- currency translation adjustment	8,797	–9,292
- market value changes of available for sale securities after taxes	9,731	–12,133
	18,528	**–21,425**
Total net income	**101,497**	**68,853**
Attributable to		
- minority interests	953	118
- shareholders of United Internet AG	100,544	68,735

Consolidated Financial Statements as of June 30, 2009

Development of segments in € millions

	Q1 2009 Jan–March	Q2 2009 April–June	Q2 2008 April–June
Sales	423,4	421,1	412,4
Cost of sales	–267,1	–263,7	–245,4
Gross profit	**156,3**	**157,4**	**167,0**
Selling expenses	–62,6	–53,8	–65,8
General administrative expenses	–20,2	–22,3	–20,6
Other operating income / expenses	1,6	0,7	0,5
Amortization of intangible assets	–4,4	–4,7	–5,5
Operating result	**70,7**	**77,3**	**75,6**
Financial result	–8,9	–3,1	–5,3
Result from at-equity companies	–5,1	–7,6	–4,8
Pre-tax result	**56,7**	**66,6**	**65,5**
Income taxes	–18,8	–21,5	–20,3
Net income	**37,9**	**45,1**	**45,2**
Attributable to			
- minority interests	0,1	0,1	0,2
- shareholders of United Internet AG	37,8	45,0	45,0

Result per share of shareholders of United Internet AG (in €)			
- basic	0,16	0,20	0,20
- diluted	0,16	0,20	0,20

Consolidated Financial Statements as of June 30, 2009

Cash flow in €k

	2009 January–June	2008 January–June
Cash flow from operating activities		
Net income	82,969	90,278
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of intangible assets and property, plant and equipment	17,079	14,769
Amortization of intangible assets resulting from company acquisitions	9,144	11,048
Compensation expenses from employee stock option plans	2,056	1,872
Results of at-equity companies	12,660	4,985
Distributed profit of associated companies	0	250
Change in deferred taxes	4,690	894
Non-cash expenses / income	–2,382	0
Operative cash flow	**126,216**	**124,096**
Change in assets and liabilities		
Change in receivables and other assets	4,517	6,040
Change in inventories	7,080	1,102
Change in deferred expenses	–1,390	693
Change in trade accounts payable	–38,493	–92,306
Change in advance payments received	257	435
Change in other accrued liabilities	–281	–498
Change in accrued taxes	–4,806	6,881
Change in other liabilities	–3,702	–8,715
Change in deferred income	1,247	3,006
Change in assets and liabilities, total	**–35,571**	**–83,362**
Cash flow from operating activities	**90,645**	**40,734**

	2009 January–June	2008 January–June
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	–17,996	–17,990
Purchase of further shares in affiliated companies	0	–7,332
Purchase of shares in affiliated companies	–32,817	–10,369
Purchase of shares in associated companies	–2,770	–101,860
Payments from deconsolidation of financial assets	727	0
Investments in other financial assets	–121	–19,314
Payments of loans granted to joint ventures	0	4,000
Payments of loans granted	0	–1,682
Disposal of assets	276	36
Repayments of associated companies	4,365	17,213
Cash flow from investment activities	**–48,336**	**–137,298**
Cash flow from financing activities		
Capital increase	644	0
Purchase of treasury stock	0	–51,649
Change in bank liabilities	–49,837	176,925
Repayed loans to associated companies	0	–2,800
Dividend payments	0	–45,886
Minority interests	0	5,970
Payments to minorities	–151	0
Payment of convertible bonds	–2	–6
Cash flow from financing activities	**–49,346**	**82,554**
Net decrease in cash and cash equivalents	–7,037	–14,010
Cash and cash equivalents at beginning of fiscal year	55,372	59,770
Currency translation adjustments of cash and cash equivalents	1,515	–3,555
Cash and cash equivalents at end of fiscal year	**49,850**	**42,205**

Consolidated Financial Statements as of June 30, 2009

Development of changes in shareholder's equity in €k

	Capital stock		Additional paid-in capital	Accumulated profit
	Share	€k	€k	€k
Balance as of January 1, 2008	**251,433,972**	**251,434**	**160,095**	**171,688**
Employee stock ownership programme AdLINK			638	
Employee stock ownership programme United Internet			1,234	
Changes of market value of available disposal financial instruments after taxes				
Withdrawal of treasury shares				
Dividend payments				–45,886
Currency translation adjustment				
Net income 2008				89,702
Change amount of holding				
Balance as of June 30, 2008	**251,433,972**	**251,434**	**161,967**	**215,504**
Balance as of January 1, 2009	**251,433,972**	**251,469**	**163,896**	**5,619**
Exercise of convertibles	156,472	157	526	
Employee stock ownership programme AdLINK			210	
Employee stock ownership programme United Internet			1,824	
Changes of market value of available disposal financial instruments after taxes				
Currency translation adjustment				
Net income 2009				82,746
Profit distribution				
Balance as of June 30, 2009	**251,590,444**	**251,626**	**166,456**	**88,365**

Capital stock Share	€k	Revaluation reserves €k	Currency translation €k	Equity attributable to shareholders of the parent company €k	Minority interests €k	Total equity €k
18,000,000	**–213,338**	**9,411**	**–7,726**	**371,564**	**12,377**	**383,941**
				638		638
				1,234		1,234
		–11,675		–11,675	–458	–12,133
4,000,000	–51,649			–51,649		–51,649
				–45,886		–45,886
			–9,292	–9,292		–9,292
				89,702	576	90,278
				0	–708	–708
22,000,000	**–264,987**	**–2,264**	**–17,018**	**344,636**	**11,787**	**356,423**
22,000,000	**–264,987**	**10,002**	**–28,692**	**137,307**	**8,273**	**145,580**
				683		683
				210	22	232
				1,824		1,824
		9,001		9,001	730	9,731
			8,797	8,797		8,797
				82,746	223	82,969
				0	–151	–151
22,000,000	**–264,987**	**19,003**	**–19,895**	**176,780**	**9,097**	**249,665**

Consolidated Financial Statements as of June 30, 2009

Development of segments

1. half-year 2009	Product segment €k	Online Marketing segment €k	Head Office / Investments €k	Reconcile €k	United Internet Group €k
Total revenue	750,617	102,058	2,072	–	–
- thereof internal revenue	5,064	3,443	1,737	–	–
External revenue	745,553	98,615	335	–	844,503
EBITDA	163,519	5,313	5,369	–	174,201
EBIT	138,527	4,176	5,275	–	147,978
Financial result				–11,987	–11,987
Results from at-equity companies				–12,660	–12,660
EBT					123,331
Tax expenses				–40,362	–40,362
Net Income					82,969
Investments in intangible assets, property, plant and equipment	17,715	245	36		17,996
Amortization/depreciation of intangible assets, property, plant and equipment	24,992	1,137	94		26,223
Number of employees	4,096	486	24		4,606
- thereof domestic	3,342	261	24		3,627
- thereof abroad	754	225	0		979

1. half-year 2008	Product segment €k	Online Marketing segment €k	Head Office / Investments €k	Reconcile €k	United Internet Group €k
Total revenue	707,558	113,759	2,378	–	–
- thereof internal revenue	4,984	2,327	2,039	–	–
External revenue	702,574	111,432	339	–	814,345
EBITDA	162,257	10,003	–486	–	171,774
EBIT	137,592	8,964	–599	–	145,957
Financial result				–10,642	–10,642
Results from at-equity companies				–4,985	–4,985
EBT					130,330
Tax expenses				–40,052	–40,052
Net Income					90,278
Investments in intangible assets, property, plant and equipment	17,372	601	17		17,990
Amortization/depreciation of intangible assets, property, plant and equipment	24,665	1,039	113		25,817
Number of employees	3,747	490	32		4,269
- thereof domestic	3,057	265	32		3,354
- thereof abroad	690	225	0		915

Consolidated Interim Financial Statements
Notes

1 Information on the company

United Internet AG is a service company operating in the telecommunication and in-formation technology sector with registered offices at Elgendorfer Straße 57, 56410 Montabaur, Germany. The company is registered at the district court of Montabaur under HR B 5762.

2 Significant accounting, valuation and consolidation principles

The condensed consolidated interim report for the period from January 1, 2009 to June 30, 2009 was prepared in accordance with IAS 34 “Interim Financial Reporting”.

A condensed reporting format was chosen for the presentation of this consolidated interim report, as compared with the consolidated financial statements, and is thus to be read in connection with the consolidated financial statements as of December 31, 2008. With the exception of the new IFRS standards and interpretations described below, the accounting and valuation principles applied in the consolidated financial statements as of December 31, 2008 were adopted without change for the prepara-tion of this consolidated interim report.

IFRS 8 – Operating Segments
IFRS 8 was released in November 2006 and is to be applied for the first time in the reporting period beginning on or after January 1, 2009. IFRS 8 requires the disclosure of information about a company’s operating segments and replaces the former *IAS 14 Segment Reporting*. IFRS 8 follows the so-called management approach ac-cording to which reporting only conforms to the financial information the company’s executives use for the internal management of the company. Decisive are the inter-nal reporting and organizational structures as well as such financial values consid-ered when deciding on the allocation of resources and the evaluation of profitability.

IAS 1 – Presentation of Financial Statements
The revised standard IAS 1 was released in September 2007 and is applicable for the reporting period beginning on or after January 1, 2009. The revised version of the standard includes material changes to the presentation and disclosure of financial information in the financial statements. In future, only transactions with shareholders in their capacity as providers of equity capital may be disclosed in the statement of changes in equity. Other changes in equity are to be disclosed in the presentation of “comprehensive income” for the period, which can be presented either in one single statement or in the form of two statements (a profit and loss statement and a com-prehensive income statement).

Retrospective adjustments
The amendments to the IFRS standards from the Improvement Project 2008 were released in May 2008 and are first applicable for fiscal years beginning on or after January 1, 2009. With regard to IAS 1, for example, it was clarified that assets and liabilities classified as held-for-trading according to *IAS 39 Financial Instruments: Recognition and Measurement*, are not automatically to be classified as current assets or liabilities in the balance sheet. The term “current” is based solely on the accrual criteria contained in IAS 1. The standard is to be applied retrospectively.

The United Internet Group holds an interest hedging instrument which does not meet the requirements of IAS 39 on *Hedge Accounting* and is recognized “at fair value through profit or loss”. The negative fair value amounted to € 6,671k as at December 31, 2008 and was disclosed under other current assets. The prior-year figure was adjusted and an amount of € 4,700k was reclassified from other current assets to other non-current assets.

The application of other IFRS standards and interpretations applied for the first time in the period under review had no significant effect on the Group’s assets, financial position and earnings.

This consolidated interim report was not audited according to Sec. 317 HGB nor reviewed by an auditor.

The consolidated interim report includes all subsidiaries and associated companies.

3 Investments and business combinations

In a contract dated December 12, 2008, United Internet Beteiligungen GmbH acquired shares in united-domains AG – subject to approval from the respective anti-trust authorities. Following the approval of the anti-trust authorities on January 30, 2009, the acquisition was completed on February 27, 2009. The preliminary purchase price of € 33,817k was settled fully in cash during the period under review, whereby an amount of € 7,000k was held as a security guarantee for United Internet. The final purchase price was determined after united-domains AG had posted its annual financial statements for fiscal year 2008 and amounted to € 34,070k. The preliminary acquisition cost amounts to € 34,204k and includes directly attributable costs of € 134k in addition to the purchase price. united-domains AG will continue to be run by its founders, who acquired a total shareholding of 15% in united-domains AG after the acquisition. Payment for these shares has been deferred. In the course of this share acquisition, the founders were also granted a put option for their shares, which cannot be exercised until 2014. The purchase prices will be determined mainly by the company's profit development.

The preliminary fair values of identifiable assets and liabilities as of the date of acquisition are as follows:

	€k
Cash payment	33,817
Receivable from deferred purchase price	–5,100
Liability from option agreement	5,100
Liability from purchase price	253
Purchase price	**34,070**
Ancillary acquisition costs	134
Preliminary acquisition costs	**34,204**

	Fair values €k	Carrying values €k
Brand	2,000	0
Customer base / order backlog	13,400	0
Property, plant and equipment	345	345
Cash and cash equivalents	1,762	1,762
Other assets	1,439	1,439
Customer receivables	318	318
Prepaid expenses	3,000	3,000
Deferred tax assets	2,100	2,100
Deferred tax liabilities	–4,620	0
Deferred revenue	–10,417	–10,417
Trade payables	–457	–457
Other liabilities	–1,496	–1,496
Accrued taxes	–269	–269
	7,105	**–3,675**
Goodwill	**27,099**	
Preliminary acquisition costs	**34,204**	

Goodwill of € 27,099k results from expected synergies from the company acquisition.

Cash disbursements resulting from the company acquisition are as follows:

	€k
Cash disbursements	33,951
Assumed cash and cash equivalents	1,762
Actual cash disbursements	**32,189**

On February 25, 2009 a purchase agreement was signed by Sedo USA concerning the acquisition of a domain parking business. Under the terms of the agreement, the customer base, the brand and the attendant software of the domain parking service provider were acquired. The preliminary acquisition costs amount to € 628k and comprise directly assignable costs of € 10k. The transaction resulted in goodwill of € 85k.

The consolidated group remains otherwise unchanged from the consolidated financial statements as at December 31, 2008.

4 Acquisition of freenet's DSL business

On May 26, 2009, United Internet AG's subsidiary 1&1 and freenet signed an agreement for the acquisition of freenet's DSL business (mainly DSL customer contracts) and a preferred distribution partnership in respect of DSL products. The agreed purchase price amounts to approx. € 123 million, of which approx. € 70 million is to be paid in cash and the rest in the form of 4,583,500 treasury shares of United Internet. Should the trading price of a United Internet share be below € 12 at the time of the technical migration of freenet's customers, a compensation amount per share will be paid in cash, capped at € 4 per share. Alternatively, United Internet may also pay the entire purchase price in cash if the share price is below € 12. The purchase price, which is mainly payable upon completion of customer migration, is based on an evaluation of the customer base and thus depends on the number of customer contracts supplied by completion of the migration process. The economic takeover of the appox. 700,000 freenet customer contracts is at the time of technical migration, which is expected to be completed by the end of 2009. The cash component was partially paid in July 2009, respectively was paid into an escrow account.

Under the terms of a distribution agreement, which will run until end of 2014, 1&1 will pay freenet a premium of up to 6,551,000 United Internet shares, in addition to its standard DSL commissions. The performance-oriented premium will be payable in four tranches, depending on the achievement of pre-defined annual distribution targets. 1&1 also has the option to pay the premium in cash. The aim of the sales cooperation is to gain around 500,000 DSL contracts over the next five years.

Explanations of income statement items

5 Segment reporting

According to IFRS 8, the identification of operating segments to be included in the reporting process is based on the so-called management approach. External reporting should therefore be based on the Group's internal organization and management structure, as well as internal financial reporting to the "Chief Operating Decision Maker". In the United Internet Group, the Management Board is responsible for assessing and controlling the success of the various segments.

In line with the positioning of the United Internet Group, these segments are: the Product segment, Online Marketing segment and Head Office/Investments segment.

Transactions between segments are charged at market prices.

Segment reporting of United Internet AG in the reporting period of 2009 is shown in the table on page 22 .

6 Personnel expenses

Personnel expenses amounted to € 93,323k (prior year: € 83,653k) in the reporting period of 2009. At the end of June 2009, United Internet employed a total of 4,606 people, of which 979 were employed outside Germany. The number of employees at the end of June 2008 amounted to 4,269, of which 915 were employed outside Germany.

7 Depreciation and amortization

Depreciation and amortization of intangible assets and property, plant and equipment amounted to € 17,079k (prior year: € 14,769k).

Amortization of capitalized intangible assets resulting from business combinations amounted to € 9,144k (prior year: € 11,048k).

Total depreciation and amortization thus amounted to € 26,223k in the reporting period of 2008 (prior year: € 25,817k).

8 Financial result

The financial result mainly comprises financial expenses from the use of loans in connection with the acquisition of strategic holdings in Versatel, Drillisch and MSP (freenet).

Explanations of balance sheet items

Explanations are only given for those items which display material changes in the amounts presented as compared with the last consolidated financial statements.

9 Shares in associated companies / joint ventures

The following table gives an overview of the development of shares in associated companies / joint ventures:

	2009 €k
Carrying amount at the beginning of the fiscal year	221,684
Additions	2,770
Adjustments	
– Shares in result	–12,660
– Other	1,787
Disposals	–4,365
	209,216

	01.01.2009 €k	Additions €k	Amortization of revaluation reserve not recognized in income		Disposals €k	30.06.2009 €k
			Recycling €k	Addition €k		
Goldbach shares	12,047			7,976		20,023
Drillisch shares	8,909			1,906		10,815
Afilias shares	7,726					7,726
Portfolio companies of EFF No. 3	41,816				–727	41,089
Others	2,287	5,287			–66	7,508
	72,785	**5,287**	**0**	**9,882**	**–793**	**87,161**

The addition to shares in associated companies results mainly from further investments in the European Founders Fund No. 1. The shares in results refer to the corresponding profit contributions of associated companies. Other adjustments totaling € 1,787k refer to negative profit contributions of associated companies with an investment value of € 0k. The negative profit contributions of associated companies with an investment value of € 0k are only considered if the associated companies were provided with long-term loans or if there are credit / liability commitments. The disposal results from capital repayments of European Founders Fund No. 1.

10 Other financial assets

The development of these shares was as shown in the table above.

The additions to shares held in Goldbach and Drillisch results from the subsequent valuation of these listed shares to fair value as of the balance sheet date.

The addition to other financial assets mainly results from the deferred purchase price in connection with the acquisition of united-domains AG (see Note 3).

11 Property, plant and equipment, intangible assets and goodwill

A total of € 17,996k (prior year: € 17,990k) was invested in property, plant and equipment and intangible assets during the interim reporting period. Investments focused mainly on the expansion of infrastructure and the data centers.

The increase in intangible assets results mainly from the purchase of united-domains AG. We refer to Note 3.

The increase in goodwill resulted mainly from the acquisition of united-domains AG (€ 27,099k). Foreign currency translation effects led to a rise in goodwill of € 8,120k in the Product segment.

Goodwill amounted to € 414,027k and is presented for each business segment of United Internet:

	2009 €k	2008 €k
Product segment	324,636	289,570
Online Marketing segment	89,391	89,306
	414,027	**378,876**

12 Liabilities due to banks

Non-current liabilities due to banks result mainly from a syndicated loan granted to United Internet AG with a term until September 13, 2012. The total credit line amounts to € 500.0 million. No special collateral was required for the syndicated loan. The entire credit line is divided into a Tranche A amounting to € 300.0 million and a Tranche B of € 200.0 million. Tranche A is to be redeemed from March 14, 2010 in six equal installments. Tranche B is a revolving syndicated loan. The syndicated loan has a term until September 13, 2012.

A promissory note loan ("Schuldscheindarlehen") of € 150.0 million was negotiated on July 23, 2008. The loan is redeemable on maturity and divided into a Tranche A of € 78.0 million with a term until July 23, 2011 and a Tranche B of € 72.0 million with a term until July 23, 2013. No special collateral was required for this promissory note loan. Interest on the loan is variable. The face interest rate for the 3-month interest period is tied to the EURIBOR rate plus a margin p.a..

Working capital loans for United Internet AG amounting in total to € 55.0 million have terms ending in September 2009 and June 2010, or are available until further notice.

As of the balance sheet date, a further amount of € 200 million is also available until September 13, 2012 from the unutilized portion of the syndicated loan.

13 Other current liabilities

Other current liabilities consist mainly of liabilities due to the tax office, as well as salary and social security liabilities.

14 Other non-current liabilities

Non-current liabilities result mainly from minority interests of the partnerships EFF No. 2 and EFF No. 3, from the liability arising from interest hedging, and from the option agreement in connection with a put option from the purchase of remaining shares in united-domains AG. We refer to Note 3.

15 Employee stock ownership plans

The current employee stock ownership plan of the United Internet Group uses virtual share options (so-called SARs = Stock Appreciation Rights). The changes in issued and outstanding SARs can be seen from the table below.

16 Capital stock

As of June 30, 2009, fully paid capital stock amounted to € 251,625,656 divided into 251,625,656 registered shares each having a theoretical share in the capital stock of € 1.

Through partial use of conditional capital, the capital stock of the Company was increased in June 2009 by € 156,472, from € 251,469,184 to € 251,625,656, by issuing 156,472 new, nopar registered shares for cash contribution. The cash contribution was represented by the latest conversion of convertible bonds issued under the Company's employee stock ownership plan.

	United Internet AG		AdLINK Internet Media AG	
	SAR	Average exercise price (€)	SAR	Average exercise price (€)
Outstanding as of Dec. 31, 2008	4,495,000	10.56	627,200	17.26
issued	2,483,000	5.52	30,000	3.72
issued	–	–	100,000	3.72
issued	–	–	70,000	4.32
lapsed / forfeited	–	–	–20,000	15.51
Outstanding as of June 30, 2009	**6,978,000**	**8.77**	**807,200**	**14.00**

As of June 30, 2009 the Company held a total of 22.0 million treasury shares or 8.74% of current capital stock. Treasury shares reduce equity capital and are not entitled to dividend payments.

17 Revaluation reserve

The increase in revaluation reserves resulted from the subsequent valuation of shares in Goldbach and Drillisch. Profits and losses from subsequent valuation to fair value are recognized directly in equity capital at net value, i. e. less deferred taxes. Please see Note 9 for details.

Other items

18 Transactions with related parties

United Internet AG is subject to significant influence, as defined by IAS 24, from Mr. Ralph Dommermuth, the major shareholder, as well as from the members of the Management Board and Supervisory Board.

There is no change in the circle of related parties as compared with the consolidated financial statements as at December 31, 2008.

The number of shares in United Internet AG held by members of the Management Board and Supervisory Board is shown in the following table:

Shareholding (units)	June 30, 2009
Management Board	
Ralph Dommermuth	92,000,000
Norbert Lang	576,128
	92,576,128
Supervisory Board	
Kurt Dobitsch (Chairman)	–
Kai-Uwe Ricke	–
Michael Scheeren	700,000
	700,000

In the reporting period 2009, 800,000 SARs were issued to Mr. Norbert Lang.

United Internet's premises in Montabaur are leased from Mr. Ralph Dommermuth. The resulting rent expenses are customary and amounted to € 901k in the reporting period 2009 (prior year: € 790k).

The United Internet Group can also exert a material influence on its associated companies and joint ventures.

No significant transactions took place.

19 Subsequent events

On July 6, 2009, United Internet's subsidiary AdLINK Internet Media AG (AdLINK Group) reached an agreement with Hi-media S. A., Paris, concerning the transfer of the AdLINK Group's Display Marketing business to the Hi-media Group. In return, the AdLINK Group will receive 10.7% of shares in Hi-media S.A. (4,735,000 shares) plus around € 12.2 million in cash or in shares (in the case of a capital increase by Hi-media at a subscription price of less than € 3.63). In the case of the cash component, the AdLINK Group will grant Hi-media a vendor loan with a standard market interest rate. The vendor loan is to be repaid by June 30, 2011 at the latest. The transaction is due to be closed in late August 2009.

In accordance with IFRS 5, this discontinued business in the Online Marketing segment of United Internet AG will be disclosed separately with its respective net profit in future. The sales revenues and expenses of this discontinued operation will no longer be included in the respective items. The income statement figures for fiscal year 2009 and the prior-year figures will be adjusted accordingly. The comparative figures of the balance sheet as of December 31, 2008 and of the cash flow statement are to be disclosed without adjustments. The financial implications are to be reliably ascertained after the closing.

There were no other significant events subsequent to the balance sheet date which may have resulted in a different representation of the Company's assets, financial position and earnings.

Montabaur, August 13, 2009

United Internet AG

Ralph Dommermuth   Norbert Lang

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Montabaur, August 13, 2009

The Management Board

Ralph Dommermuth   Norbert Lang

Financial calendar 2009*

March 26, 2009	Annual financial statements for fiscal year 2008
March 26, 2009	Press and analyst's conference
May 13, 2009	Quarterly Report 2009
May 26, 2009	Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper
August 13 2009	6-Month Report 2009
August 13, 2009	Press and analyst's conference
November 12, 2009	9-Month Report 2009

* Updates available at www.united-internet.com in the Investor Relations section, "Calendar".

Imprint

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This finacial report is available in German and English. Both versions can be downloaded from www.united-internet.de. In all cases of doubt, the German version shall prevail.

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