6-Month Report 2008

united internet

Dear shareholders, employees and friends of United Internet!

United Internet AG can look back on a very successful first half-year. In comparison with the same period last year, we achieved strong growth in both sales and earnings. In the first half of 2008, consolidated sales of United Internet AG grew by 16.7%, from € 698.0 million to € 814.4 million (adjusted for currency fluctuations: +18.6% to € 827.8 million). EBITDA improved by 20.9% from € 142.1 million (comparable prior-year figure adjusted for special items) to € 171.8 million. Consolidated net income and earnings per share (EPS) were burdened by higher interest payments of around € 10 million — due to the strategic investments in MSP Holding (freenet), Versatel and Drillisch and a net negative contribution to earnings from associated companies of € 10.2 million. In spite of these negative effects on earnings, consolidated net income rose from € 70.6 million (comparable prior-year figure) to € 90.3 million, corresponding to growth of 27.9%. Adjusted EPS was up 34.5% to € 0.39 per share.

In our operating business, growth was particularly strong in the dominant "Product" business segment with the brands GMX, WEB.DE, 1&1, InterNetX and Fasthosts. Sales grew by 18.2% over the previous year to € 702.6 million (adjusted for currency fluctuations: +19.6% to € 710.8 million) and EBT by 31.0% to € 137.9 million. The number of paying customer contracts increased by 550,000 to 7.70 million in the first half of 2008. There was significant growth in all product lines: in Information Management we added 90,000 new contracts during the period under review to reach 1.30 million. In Webhosting we made particularly strong progress in our foreign markets — due in part to our acquisition of approx. 130,000 customer relationships of our UK reseller Dollamore — with growth in contracts of 270,000 since December 31, 2007 to 1.82 million. Including Germany, we held a total of some 3.51 million webhosting contracts as of June 30, 2008 – an increase of 300,000 compared with December 31, 2007. The number of DSL customers increased by 170,000 to reach 2.76 million active DSL connections. A further approx. 60,000 DSL orders were being processed at the end of the half-year. In addition to the acquisition of new customers, the main focus of our DSL activities was placed on raising customer loyalty and expanding business with our current client base. Compared with December 31, 2007, we were able to raise the number of our all-inclusive packages by 260,000 to 370,000.

In the Online Marketing segment, our brands AdLINK Media and affilinet continued to benefit from the positive development of the online advertising market — although growth in this sector was somewhat slower than in previous years. As expected, sales and earnings in the high-margin Domain Marketing business of our Sedo brand were down again in the second quarter and thus below the prior-year figures for the first half-year as a whole. This was due in particular to the sudden change in policy and algorithms of our most important partners in the field of search engines during the first quarter. Compared with the same period last year, sales in this segment grew by 7.9% to € 111.4 million (adjusted for currency fluctuations: +13.0% to € 116.6 million). However, pre-tax earnings fell by 20.6% from € 10.7 million (comparable prior-year figure) to € 8.5 million.

With regard to consolidated sales and earnings, we can look back on the most successful first half-year in our company's history. We are also very optimistic for the remaining months of fiscal 2008.

Montabaur, August 13, 2008

Ralph Dommermuth
CEO

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Selected key figures acc. to IFRS

(from continued operations)

		2008 Jan. – June	2007 Jan. – June
Sales	€ million	814.4	698.0
Earnings before interest, taxes depreciation and amortization (EBITDA)	€ million	171.8	158.9*
Earnings before taxes (EBT)	€ million	130.3	121.9*
Net income	€ million	90.3	77.7*
Employees	number	4,269	3,556
Share price as of end of June (Xetra)	€	12.52	15.47
Earnings per share	€	0.39	0.32*

Quarterly development	Q3/2007 € million	Q4/2007 € million	Q1/2008 € million	Q2/2008 € million	Q2/2007 € million
Sales	375.1	414.3	402.0	412.4	361.1
EBITDA	76.6	73.3	83.2	88.6	95.5*
EBT	60.1	52.5	64.8	65.5	71.8*
Net income	37.6	40.1	45.1	45.2	46.8*

* Earnings figures for Q2/2007 include a non-recurring positive effect of € 16.8 million in EBITDA, € 7.4 million in EBT, € 7.1 million in net income and € 0.03 in EPS.

Management report for the first six months of 2008

Economic environment

Dip in growth not expected until second half of 2008

Following stronger than expected demand at the beginning of the year and the “delayed” downturn in the global economy, the International Monetary Fund (IMF) has raised its forecast for 2008 after making a strong downward adjustment in its spring report. In the updated global economic forecast presented in Washington on July 17, the Fund now forecasts global growth of 4.1% for 2008 — up 0.4 percentage points on its spring report.

The IMF believes that demand in industrialized and emerging nations proved more resistant to the shock of rising raw material prices and financial market turbulence than originally expected. This was already the case in the first quarter of the year. “The impact of financial market turbulence continues to spread, but at a slower pace than expected,” states IMF chief economist Simon Johnson. The Fund therefore expects that global growth will not slow significantly until the second half of 2008, before gradually picking up pace in 2009.

The IMF’s experts are also more optimistic for Germany for the same reasons. Thanks to a successful first quarter and a „delayed” dip in growth, the German economy is expected to reach growth of 2% in 2008 — up 0.6 percentage points on the forecast in April. In line with the “delayed” cooling of the economy, the Ifo business confidence index fell to 97.5 points in July, compared with 101.2 in June. The index thus reached its lowest point since September 2005.

ITC markets remain largely upbeat

The mood of the high-tech sector remains largely upbeat. 62% of ITC companies (compared with 73% in the first quarter of 2008) expect an increase in sales in 2008, 15% (10% in the first quarter of 2008) expect a decline. This was the finding of a quarterly survey published on June 24 by the German ITC sector association BITKOM. Following an encouraging start to the year, growth slowed slightly in certain market segments. Similar to the Ifo business confidence index, the BITKOM sector index therefore fell by four points to 36 in the second quarter.

However, a BITKOM survey in July 2008 also shows that the financial crisis is making it harder to finance many high-tech companies in Germany. 42% of companies surveyed had noticed that financial institutes were more restrictive in their corporate lending than at the beginning of the crisis. 18% of companies stated that conditions offered to them had worsened. This affects interest rates, collateral required and the amount of documentation and business disclosure requested. In the case of 11% of companies, sales had even fallen as a result of the financial crisis.

The most important ITC markets for United Internet — DSL, webhosting and online advertising — generally made good progress in the first half of the calendar year 2008.

According to calculations of Germany’s Federal Network Agency, the German DSL market grew by around 30% to 18.7 million connections in 2007. The latest survey of “Germany Online” also expects this trend toward more broadband connections to continue in the medium term. The number of broadband connections is expected to reach 21 million by 2010. Recently published half-year figures of the major DSL providers confirm this growth forecast — despite a dip in pace especially in the 2nd quarter.

The international hosting market also continues to enjoy strong growth. According to calculations of RegistrarSTATS.com, the number of registered generic top-level domains around the world (such as .com, .net, .org) grew by 7.5 million in the first six months of 2008 to reach a total of 105.0 million — an increase of 7.7% over December 31, 2007. The German top-level domain “.de” is also enjoying strong demand — despite a comparatively high online presence already achieved among consumers and businesses — and grew by over 420,000 (+3.6%) in the first six months of 2008 to 12.1 million domains.

The German online advertising market also made further progress in 2008 — albeit not quite at the rate of previous years. The online marketing circle of the German Digital Economy Association (Bundesverband Digitale Wirtschaft) reports that many marketers expect sales growth of 10–15% for the first six months. This represents a significant slowdown compared with prior-year rates of up to 50%. The US market displays the same trend: TNS Media Intelligence has announced that spending on display advertising grew by just 8.5% in the first quarter of 2008 — compared with 16.7% in the previous year. There are a variety of reasons for this: energy costs, a more adverse economic climate and the banking crisis all combined to dampen advertising spend. In addition, fierce competition is increasingly putting pressure on margins.

Business development

With 7.7 million customer contracts, United Internet AG is a leading international Internet Service Provider. United Internet currently operates in two business fields and with eight brands:

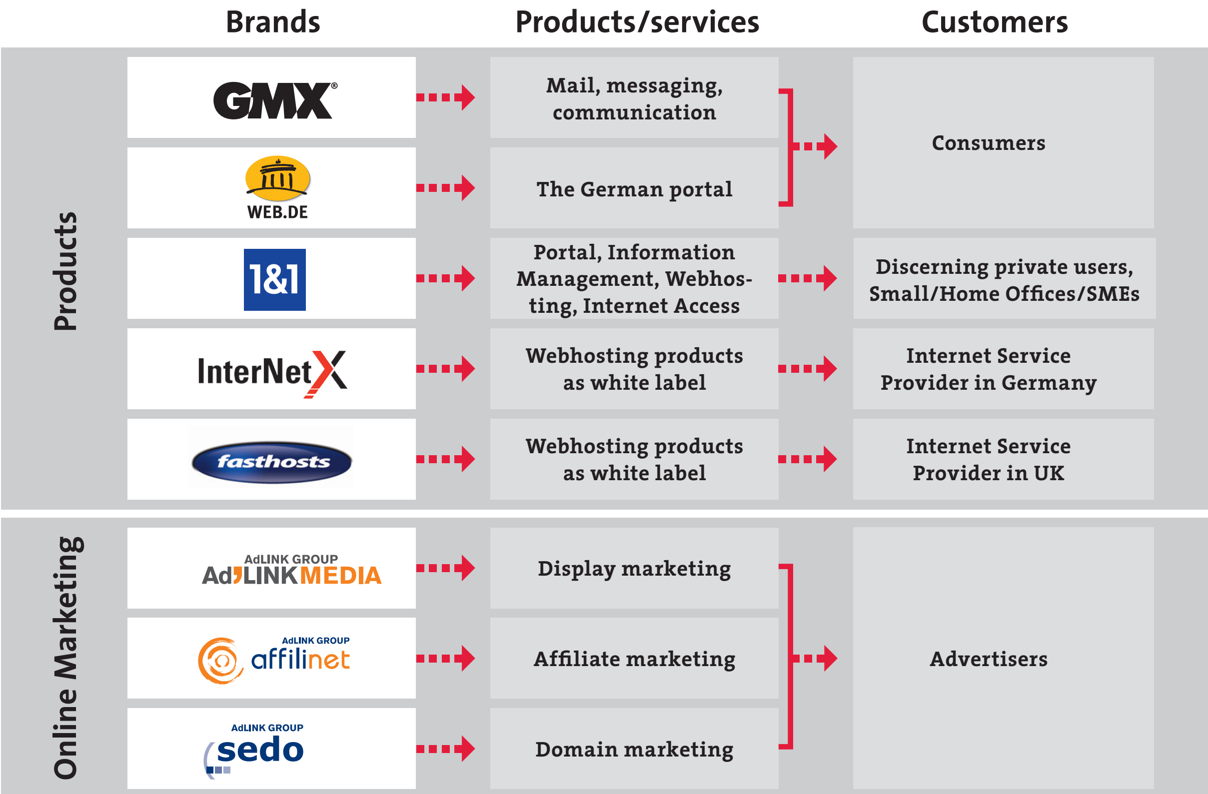
In the “Product” segment, our value-added internet services and fast DSL connections are directed at private users, small offices / home offices and small to mid-size enterprises. These groups are served directly by the brands GMX, WEB.DE and 1&1. In addition, we also market our webhosting products as white-label solutions to other ISPs — indirectly — via resellers. 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 AdLINK Media, affilinet and Sedo. We offer various marketing and sales solutions to advertisers: Display Marketing via AdLINK Media, Affiliate Marketing via affilinet and Domain Marketing via Sedo.

Dynamic growth in DSL

In comparison with December 31, 2007 we succeeded in activating 170,000 new DSL customer contracts, bringing the total to approximately 2.76 million DSL customers as of June 30, 2008. Approx. 60,000 further DSL orders were being processed as of this date. After Deutsche Telekom reduced this backlog in the second quarter, United Internet AG changed its disclosure of

Segments and brands



customer contracts on June 30, 2008 to „active contracts" as of the balance sheet date and no longer discloses the prorated amount of those marketed contracts which are not activated until 30 working days after the end of the quarter. In order to aid comparison, the figures as of March 31, 2008 and December 31, 2007 were adjusted accordingly. In addition to the acquisition of new customers, the main focus of our DSL business during the period under review was placed on raising customer loyalty and expanding business with our current client base. Compared with December 31, 2007, we were able to raise the number of our all-inclusive packages by 260,000 to 370,000.

Successful international expansion

In the Product segment, we operate our "Webhosting" business in Germany, the UK, France, the USA, Austria and Spain. We also serve customers in numerous other countries via our international order page. In our non-German markets, we added 270,000 new customer contracts in the first six months of 2008 — due in part to our acquisition of approx. 130,000 customer relationships of our UK reseller Dollamore — and held 1.82 million contracts as of June 30, 2008.

The international presence we have already achieved in the Online Marketing segment is a key element of our overall concept. In addition to the USA, our brands are represented in 13 European countries.

Despite the current strength of the Euro — especially against the US dollar and UK pound — non-German sales grew by 3.1% in the period under review and contributed € 106.3 million (prior year: € 103.1 million) to total consolidated revenues. Adjusted for currency changes, sales would stand at around € 119.7 million — corresponding to foreign growth of 16.1%.

Strategic investments in Versatel and freenet

United Internet acquired further shares in Versatel AG during the first six months of 2008 and held a total of 25.21% of shares in Versatel AG as of June 30, 2008. In January 2008, United Internet and Drillisch also increased their shareholding in freenet AG to 24.52% via the jointly held company MSP Holding. On April 3, 2008, United Internet opened takeover talks with freenet AG. These were not successful, as freenet failed to provide information on its DSL business — despite written assurances — and decided instead to make a debt-financed purchase of the debitel group. In the course of the debitel transaction, freenet also increased its capital stock. As a result of this capital increase, MSP Holding's stake in freenet was diluted to 18.39%.

maxdome

ProSiebenSat.1 Media AG and United Internet are to place their current successful cooperation in the field of video-on-demand on a new basis. To this end, a jointly controlled company maxdome GmbH & Co. KG has been founded in which ProSiebenSat.1 and United Internet will each hold 50% of the limited partner shares. The respective contracts were signed on February 22, 2008. The transaction was approved by the anti-trust authorities of the European Commission on April 29, 2008.

New investments

On February 8, 2008, United Internet acquired a 48.65% stake in the media holding company virtual minds AG and thus also in ADITION technologies AG.

In a contract dated March 5, 2008 United Internet acquired an 80% stake in European Founders Fund GmbH & Co. Beteiligungs KG No. 3.

On March 7, 2008, United Internet acquired 33.36% of shares in BW2 Group AG. BW2 offers professional CRM and ERP business solutions.

Employees

United Internet employed a total of 4,269 people at the end of June 2008 (December 31, 2007: 3,954), of which 915 (December 31, 2007: 827) were employed outside Germany.

Share, share buyback and dividend

Due to the ongoing turbulence on the world's stock markets since early 2008, the United Internet share fell by 24.8% from € 16.65 as of December 31, 2007 to € 12.52 as of June 30, 2008.

On completion of the share buyback program adopted and announced on July 24, 2007, the Management Board of United Internet AG resolved on January 22, 2008 to introduce a further share buyback program in order to buy back up to 5,000,000 further shares in the Company (representing approx. 2.00% of capital stock) via the stock exchange. The resolution was in line with an authorization granted by the Annual Shareholders' Meetings of May 30, 2007 and May 27, 2008 to buy back up to 10% of capital stock. The share buyback program is limited to the period ending November 26, 2009. Including the 2 million shares bought back during the new program, United Internet AG held a total of 22 million treasury shares as of June 30, 2008.

The Annual Shareholders' Meeting of United Internet AG on May 27, 2008 adopted the proposal of the Management Board and Supervisory Board and approved a dividend of 20 cents per share (prior year: 18 cents) for fiscal year 2007. The total dividend payment of € 45.9 million was made on May 28, 2008.

Segment development

Product segment

In the first six months of 2008, the United Internet Group's dominant business remained its Product segment with the main brands GMX, WEB.DE, 1&1, InterNetX and Fasthosts, which together account for 86.3% of total sales. In the period under review, sales in this segment grew by 18.2% from € 594.4 million last year to € 702.6 million (adjusted for currency fluctuations: +19.6% to € 710.8 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 23.3% to € 162.3 million (prior year: € 131.9 million), while earnings before taxes (EBT) reached € 137.9 million (prior year: € 105.3 million, growth of 31.0%). As a result, the EBT margin reached 19.6%. Customer acquisition costs continue to be charged directly as expenses.

Our very healthy key financials are closely linked with the dynamic growth of our customer base. As of June 30, 2008 we had over 7.70 million fee-based customer contracts (December 31, 2007: 7.15 million).

These are divided among 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.

Development of customer contracts in the second quarter of 2008

Customer contracts (in Mio.)	31.03.2008*	30.06.2008	Difference
Information Management	1.24	1.30	+ 0.06
Webhosting	3.31	3.51	+ 0.20
- thereof abroad	1.63	1.82	+ 0.19
Internet Access	2.83	2.89	+ 0.06
- thereof DSL	2.70	2.76	+ 0.06
Total	**7.38**	**7.70**	**+ 0.32**

* DSL without prorated order processing backlog

Development of customer contracts in the first six months of 2008

Customer contracts (in Mio.)	31.12.2007*	30.06.2008	Difference
Information Management	1.21	1.30	+ 0.09
Webhosting	3.21	3.51	+ 0.30
- thereof abroad	1.55	1.82	+ 0.27
Internet Access	2.73	2.89	+ 0.16
- thereof DSL	2.59	2.76	+ 0.17
Total	**7.15**	**7.70**	**+ 0.55**

* DSL without prorated order processing backlog

Our brands not only generate revenues from subscription contracts; an increasing proportion of income also results 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 50% 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. 8.9 million unique users per month make GMX one of Germany's 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 € million

	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q2 2007
Sales	321.1	346.4	346.0	356.6	306.9
EBITDA	72.5	75.0	77.2	85.1	74.0
EBT	57.9	56.7	64.9	73.0	60.6

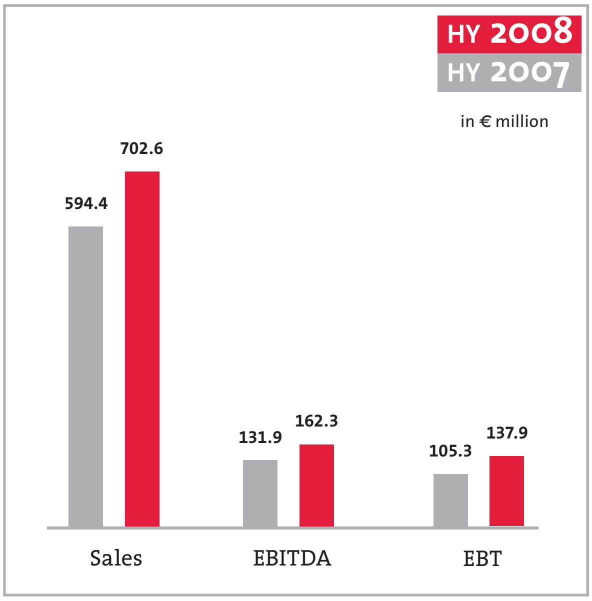
In the period under review GMX focused on the launch of its products in the USA and UK. All GMX users were also given the possibility to access their GMX mailboxes from any internet-enabled mobile device and a live shopping function for products with a limited number of pieces.

WEB.DE

With 13.3 million unique users, 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 period under review, WEB.DE expanded its portal with the addition of a platform for the legal download of computer programs. The service comprises over 800 fee-based full versions, as well as 10,000 free programs. A new child protection function was also integrated into the e-mail service and a new variant of our highly acclaimed web design package was presented.

Financial figures for Product segment



1&1
1&1 is the right address 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 first six months of 2008 were the expansion of 1&1's data network, with which 1&1's high-performance data centers are connected, the roll-out of fee-based hosting products in Spain and the launch of the 1&1 MediaCenter, a high-performance multimedia solution for home entertainment. 1&1 also continued its mobile internet campaign and bolstered its portfolio with further innovative end-user devices and services.

InterNetX
United Internet's reselling activities in Germany are all conducted through InterNetX. The company's hosting products are marketed by InterNetX to other 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 focused on expanding its reseller network. InterNetX serves 18,400 resellers for which it hosts over 2.3 million domains and over 1,000 servers.

Fasthosts
Fasthosts is our reseller brand in the UK. Fasthosts markets hosting products to over 5,600 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 first six months of 2008, Fasthosts focused on expanding its customer base as well as preparing its US market entry later in the year. Fasthosts also acquired approx. 130,000 customer relationships of its former reseller Dollamore.

Outlook
We are confident that our long-term international expansion strategy will continue to make good progress and that we can maintain our dynamic growth. With the bitstream access of Deutsche Telekom currently being tested and the planned start of our cooperation with Arcor in August 2008, we will be able to provide DSL to around 90% of all German households in future. In addition, with the aid of now four suppliers we can upgrade more existing customers simultaneously to our all-inclusive packages, enabling us to maximize customer retention. We are also optimistic for the development of our Webhosting and Information Management product lines. And in view of the high reach of our portals, our innovative advertising technology and the expected market growth, there are also good possibilities for our portal marketer United Internet Media to enjoy further success in the remaining months of the current fiscal year.

Online Marketing

Our Online Marketing segment offers advertisers a variety of marketing and sales solutions: Display Marketing via AdLINK Media, Affiliate Marketing via affilinet and Domain Marketing via Sedo. In contrast to the marketing of our own websites in the Product segment, this segment focuses on the marketing of third-party domains and websites — in 13 European nations and the USA.

The Online Marketing segment displayed widely varying success in the first six months of 2008. Our brands AdLINK Media and affilinet continued to benefit from the positive development of the online advertising market — although growth in this sector was somewhat slower than in previous years. As expected, however, sales and earnings in our high-margin Domain Marketing business (Sedo) were down again in the second quarter and thus below the prior-year figures for the first half-year as a whole. This was due in particular to the sudden change in policy and algorithms of our most important partners in the field of search engines during the first quarter.

Despite these effects, sales improved by 7.9% from € 103.2 million to € 111.4 million (adjusted for currency fluctuations: +13.0% to € 116.6 million). However, earnings suffered: EBITDA fell by 21.3%, from € 12.7 million (comparable prior-year figure) to € 10.0 million, and EBT by 20.6% from € 10.7 million (comparable prior-year figure) to € 8.5 million. In total, the segment accounted for 13.7% of the United Internet Group's total sales.

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 8.5 billion (December 31, 2007) to an average of 10.2 billion in the first half of 2008.

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 period under review, affilinet focused on gaining new program suppliers and expanding its network: the number of affiliate programs was raised to 1,470 in the period under review. At the same time, the network was increased to 450,000 active websites.

Sedo

Sedo operates the global domain trading platform "sedo.com", which currently trades 13.8 million domains. In its "domain parking" business, Sedo markets some of these domains to advertisers on behalf of the domain owners.

Outlook

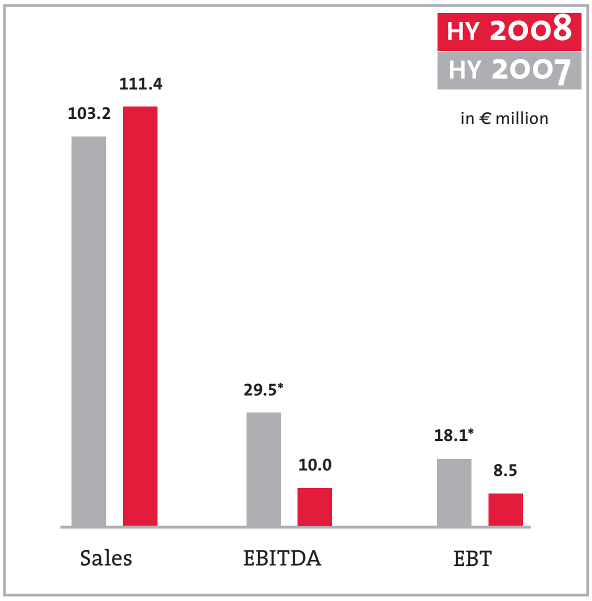
In view of the slower growth in online advertising due to the current economic conditions, we expect much more modest growth for our Online Marketing segment in the current year, as compared with the previous years. The lower margins in our Domain Marketing business are expected to be of a permanent nature.

Quarterly development in € million

	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q2 2007
Sales	53.8	67.8	55.8	55.6	54.0
EBITDA	5.4	8.4	5.3	4.7	23.0*
EBT	4.2	7.3	4.3	4.2	12.5*

* Earnings figures for Q2/2007 include a non-recurring positive effect of € 16.8 million in EBITDA and € 7.4 million in EBT.

Financial figures for Online Marketing segment



Assets, liabilities, financial position and profit or loss

Earnings: sales up 16.7% (currency adjusted: +18.6%) and growth in EPS of 21.9%

United Internet continued its profitable growth in the first six months of 2008 with significant growth in both its financial and customer figures. Consolidated sales of the United Internet Group grew by 16.7% from € 698.0 million last year to € 814.4 million (adjusted for currency fluctuations: +18.6% to € 827.8 million). In the dominant Product segment, sales once again benefited from the healthy growth of broadband contracts with stronger customer retention, as well as from successful customer acquisition in our national and international target markets in webhosting and from growing advertising and e-commerce revenues in our portal business. In our broadband segment, strong growth in sales also resulted from the fact that more and more of our new DSL customers and our existing base subscribed not only to our pure DSL tariff, but also to network connections, telephony and additional services such as security packs and video-on-demand. In addition to new customer acquisition, this trend will be increasingly visible among our existing customers and lead, for example, to more upgrades to 1&1's all-inclusive DSL packages — without Deutsche Telekom AG phone lines.

Consolidated gross margin fell from 40.6% in the previous year to 40.1%. The main reason was the strong growth in new customers and the resulting changed product mix due to the higher proportion of DSL business, which offers a lower gross margin in comparison to other products, such as webhosting or portal.

Due to our strong customer growth, as well as the costs associated with stronger customer retention and the increased marketing of our all-inclusive packages — which we can now offer throughout the whole country — sales and marketing expenses grew from € 116.5 million last year to € 132.7 million. As a result of even stronger growth in sales revenues, however, their proportion fell to 16.3% (prior year: 16.7%). As in previous years, customer acquisition costs are directly expensed. Administrative expenses developed far more slowly than sales, from € 40.1 million (5.7%) to € 40.3 million (4.9%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 8.1% to € 171.8 million, compared with € 158.9 million in the previous year. Adjusted for extraordinary income of € 16.8 million in the Online Marketing segment in 2007 (ordinary EBITDA € 142.1 million), earnings grew by 20.9%.

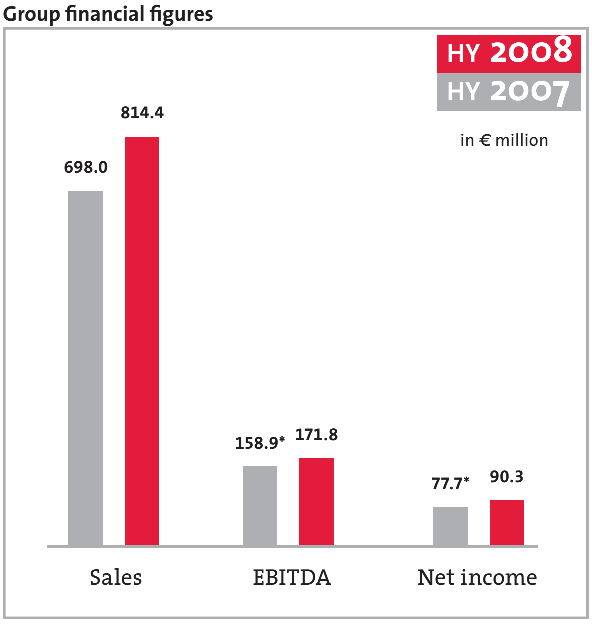
Due to the strategic investments in MSP Holding (freenet), Versatel and Drillisch, consolidated net income and earnings per share (EPS) were burdened by higher interest payments of around € 10 million and a net negative earnings contribution from associated companies of € 10.2 million. This was partially offset by a lower tax rate due to the corporate tax reform introduced in Germany in 2008. Consolidated net income improved to € 90.3 million (comparable prior-year figure: € 77.7 million), corresponding to growth of 16.2%. Earnings per share (EPS) grew by 21.9%, from 32 cents to 39 cents. United Internet AG thus once again displayed both high profitability and strong growth in the first six months of 2008.

Quarterly development in € million

	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q2 2007
Sales	375.1	414.3	402.0	412.4	361.1
EBITDA	76.6	73.3	83.2	88.6	95.5*
Net income	37.6	40.1	45.1	45.2	46.8*

* Earnings figures for Q2/2007 include a non-recurring positive effect of € 16.8 million in EBITDA and € 7.1 million in net income.

Group financial figures



Financial position: strong operative cash flow

Despite high cash expenses for new DSL customer acquisition, the operative cash flow grew from € 103.0 million last year to € 124.1 million (plus 20.5%), thus underlining the strong cash generation of our business. The cash flow from operating activities fell from € 124.1 million to € 40.7 million, mainly as a result of reduced trade payables largely incurred from DSL pre-service purchases.

Net cash flow for investing activities amounted to € 137.3 million in the period under review, whereby the acquisition of shares in associated companies accounted for the major share (€ 101.9 million, mainly for Versatel, virtual minds and BW2). In the prior-year period there was net cash flow from investing activities of € 27.6 million, resulting mainly from the sale of the twenty4help group. Cash flow of € 19.3 million for other financial assets in the period under review was mainly invested in young internet companies via European Founders Fund No. 3. An amount of € 18.0 million (prior year: € 23.5 million) was invested in intangible assets and property, plant and equipment. Cash flow from financing activities was dominated by the assumption of loans amounting to € 176.9 million (prior year: loan repayment of € 25.2 million), as well as disbursements of € 51.6 million for the purchase of treasury shares (prior year: € 92.5 million) and a dividend payment of € 45.9 million (prior year: € 42.5 million).

Assets and liabilities: increase in bank liabilities

The increase in non-current assets in the balance sheet as at June 30, 2008 was due in particular to the above mentioned strategic share purchases. Shares in associated companies / joint ventures (especially Versatel and MSP) grew from € 309.9 million to € 388.4 million, and other financial assets from € 67.9 million to € 76.6 million. In terms of debt, there was a decrease in trade payables from € 232.4 million to € 138.7 million. Bank liabilities increased from € 371.1 million to € 547.2 million — also as a result of share purchases.

As of June 30, 2008, United Internet held 22 million treasury shares. These are deducted from equity capital. The Group’s equity ratio amounted to 28.0% as of June 30, 2008, compared with 31.6% on December 31, 2007.

Risk report

Over and above the statutory requirements, United Internet AG attaches great importance to its holistic risk management system. Our monitoring system identifies, classifies and evaluates risks using standard procedures and defining clear responsibilities throughout the Group. 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 2008, the overall risk situation remained mostly stable when compared with the risk report provided as part of the annual financial statements 2007. Due to United Internet’s ongoing 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, and competition. We judge the probability of these identified risks occurring as low to limited. Depending on short-term stock price progress of our listed shareholdings may result charges from extraordinary depreciation.

There were no risks which directly jeopardized the continued existence of United Internet in the first half of 2007, neither from individual risks nor from the overall risk situation.

Subsequent events

On July 1, 2008 United Internet acquired a 30% stake in Jimdo GmbH. With its “Jimdo” toolbox for web page creation, the company provides a service with which every user can create their own private or commercial home page.

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

Modest prospects for the global economy

Following stronger than expected demand at the beginning of the year and the “delayed” downturn in the global economy, the International Monetary Fund (IMF) raised its forecast for the global economy in 2008. The IMF believes that demand in industrialized and emerging nations has proved more resistant to the shock of rising raw material prices and financial market turbulence than originally expected. This was already the case in the first quarter of the year. “The impact of financial market turbulence continues to spread, but at a slower pace than expected,” stated the departing IMF chief economist Simon Johnson. The Fund therefore expects global growth to slow significantly in the second half of 2008, before gradually picking up pace in 2009. In the IMF’s updated global economic forecast presented in Washington on July 17, the Fund forecasts global growth of 4.1% for 2008 and 3.9% for 2009.

The IMF experts also forecast growth of 2% for Germany this year — due mainly to a very successful first quarter. Nevertheless, the second half of the year is expected to be much weaker as a result of the more noticeable global effects of the financial crisis, rising inflation and higher energy costs. The IMF expects growth in Germany to reach just 1% next year.

Prospects for ITC markets remain encouraging

The German ITC sector is still upbeat about prospects for 2008. The trade association BITKOM expects total growth of 1.6% to € 145.2 billion in 2008 for the IT, telecommunications and digital consumer electronics segments. Growth of 2% to € 148.1 billion is forecast for 2009. The sector is therefore still largely upbeat — despite the slight dip. 62% of ITC companies (compared with 73% in the first quarter of 2008) expect rising sales in 2008, while 15% (10% in the first quarter of 2008) expect a decline. This was the finding of a quarterly survey published on June 24 by the German ITC sector association BITKOM. Following an encouraging start to the year, growth slowed slightly in certain market segments. Similar to the Ifo business confidence index, the BITKOM sector index therefore fell by four points to 36 in the second quarter.

Boom in broadband connections to continue

According to the latest “Germany Online” survey, the trend toward broadband connections is set to continue. The number of broadband connections is expected to rise to over 29 million by 2015 — so that over 80% of all German households will have a broadband connection by this time.

The ongoing boom in broadband connections will also positively impact many other markets in which we operate. With growing household penetration of broadband internet, we can offer new and innovative products and services — such as internet telephony, video-on-demand and web-based office applications — which users can access without any drop in performance. At the same time, increasing bandwidth will enable our online portals GMX, WEB.DE and 1&1, and our marketing brands AdLINK Media, Sedo and affilinet, to use increasingly data-intensive advertising formats.

Further growth also expected for webhosting and online advertising

Market researchers also predict further growth for the webhosting industry. Gartner and IDC forecast annual growth rates of 15% and 16% until 2010. In their European Managed Webhosting Forecast of October 2007, the experts of IDC expect growth of 11.3% to $ 4.2 billion for western Europe in 2008 – in the B-to-B hosting sector alone. Good growth opportunities are forecast for all European markets in which we operate: Germany (plus 9.4%), the UK (plus 11.3%), France (plus 11.0%), Austria (plus 12.3%) and Spain (plus 13.4%).

Further growth is also expected for the online advertising market. In its report “European Online Advertising, Forecast, 2007 to 2012” published in October 2007, JupiterResearch forecasts growth in Western Europe of 18% to € 9.1 billion in 2008. Strong growth is also expected for Germany. The pace of growth in the first six months of 2008, however, was behind that of former years due to a noticeable fall in advertising spend.

Opportunities for United Internet

Despite the worsening global economic conditions, we continue to see good opportunities for our business in fiscal year 2008, thanks to our successful positioning in the growth markets of DSL, Webhosting, Portals and Online Marketing

In our Product segment, we are confident that our international expansion strategy will continue to make good progress and that we can continue our dynamic growth. Thanks to further product innovations and our attractive price-performance ratio, we also see good opportunities for DSL connections. The bitstream access with Deutsche Telekom currently being tested and the start of our cooperation with Arcor planned for August 2008 will enable us to provide DSL to up to 90% of all German households in future. In addition, with the aid of now four pre-service providers we can upgrade more existing customers simultaneously to our all-inclusive packages, enabling us to maximize customer retention. In total, we still expect dynamic growth in the number of customer contracts in all product lines. According to leading market research institutes, the prospects are also still very encouraging for the marketing of our portals GMX, WEB.DE and 1&1. The online advertising market is expected to continue its dynamic growth in future. With the expansion of content, we also expect the reach and volume of marketable ad impressions of our websites to grow. Thanks to constant improvements in targeting technologies we believe this growth can be translated into rising sales and earnings figures.

In our Online Marketing business, in which we market websites and domains of third parties, we expect our strong positioning within identified target markets and the encouraging development forecast for the online advertising market to generate further growth — albeit at a slower pace due to the general economic conditions.

Consolidated Financial Statements as of June 30, 2008

Balance Sheet in €k

	June 30, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	42,205	59,770
Accounts receivable and other assets	110,643	123,788
Inventories	15,683	16,785
Prepaid expenses	22,327	23,020
Loans to joint ventures	0	4,007
Other assets	23,476	16,371
	214,334	**243,741**
Non-current assets		
Shares in associated companies / joint ventures	388,435	309,023
Other financial assets	76,639	67,867
Property, plant and equipment	79,407	77,105
Intangible assets	107,080	120,031
Goodwill	401,261	388,822
Deferred tax asset	6,707	7,437
	1,059,529	**970,285**
Total assets	**1,273,863**	**1,214,026**
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade accounts payable	138,680	232,421
Liabilities due to banks	48,817	2,056
Advance payments received	6,503	6,069
Accrued taxes	37,053	30,172
Deferred revenue	105,206	102,200
Other accrued liabilities	7,185	7,683
Other liabilities	49,509	60,243
	392,953	**440,844**
Non-current liabilities		
Convertible bonds	239	245
Liabilities due to banks	498,371	369,049
Deferred tax liabilities	19,171	19,061
Other liabilities	6,706	886
	524,487	**389,241**
Total liabilities	**917,440**	**830,085**
Equity		
Capital stock	251,434	251,434
Additional paid-in capital	161,967	160,095
Accumulated profit	215,504	171,688
Treasury stock	–264,987	–213,338
Revaluation reserves	–2,264	9,411
Currency translation adjustment	–17,018	–7,726
Equity attributable to shareholders of the parent company	**344,636**	**371,564**
Minority interests	11,787	12,377
Total equity	**356,423**	**383,941**
Total liabilities and equity	**1,273,863**	**1,214,026**

Consolidated Financial Statement as of June 30, 2008

Income Statement in €k

	2008 January–June	2007 January–June
Sales	814,345	697,994
Cost of sales	–487,855	–414,582
Gross profit	**326,490**	**283,412**
Selling expenses	–132,680	–116,477
General administrative expenses	–40,284	–40,067
Other operating income / expenses	3,479	16,507
Amortization of intangible assets resulting from company acquisitions	–11,048	–11,249
Amortization of goodwill	–	–9,373
Operating result	**145,957**	**122,753**
Financial result	–10,642	–1,309
Result from associated companies	–4,985	497
Pre-tax result	**130,330**	**121,941**
Income taxes	–40,052	–44,222
Net income before minority interests (from continued operations)	**90,278**	**77,719**
Result from discontinued operations	–	68,248
Net income before minority interests (after discontinued operations)	**90,278**	**145,967**
Attributabel to		
- minority interests	576	1,955
- shareholders of United Internet AG	89,702	144,012

Result per share of shareholders of United Internet AG (in €)		
- basic	0.39	0.60
- diluted	0.39	0.59
thereof result per share (in €) - from continued operations		
- basic	0.39	0.32
- diluted	0.39	0.31
thereof result per share (in €) - from discontinued operations		
- basic	–	0.28
- diluted	–	0.28
Weighted average shares (in Million units)		
- basic	230.14	239.65
- diluted	230.98	241.04

Consolidated Financial Statement as of June 30, 2008

Income Statement in € million

	Q1 2008 Jan.–March	Q2 2008 April–June	Q2 2007 April–June
Sales	402.0	412.4	361.1
Cost of sales	–242.5	–245.4	–213.9
Gross profit	**159.5**	**167.0**	**147.2**
Selling expenses	–66.8	–65.8	–55.2
General administrative expenses	–19.8	–20.6	–21.3
Other operating income / expense	3.0	0.5	16.5
Amortization of intangible assets resulting from company acquisitions	–5.5	–5.5	–5.6
Amortization of goodwill	–	–	–9.4
Operating result	**70.4**	**75.6**	**72.2**
Financial result	–5.4	–5.3	–0.5
Result from at-equity companies	–0.2	–4.8	0.1
Pre-tax result	**64.8**	**65.5**	**71.8**
Income taxes	–19.7	–20.3	–25.0
Net income (from continued operations)	**45.1**	**45.2**	**46.8**
Result from discontinued operations	–	–	–
Net income (after discontinued operations)	**45.1**	**45.2**	**46.8**
Attributabel to			
- minority interests	0.4	0.2	1.4
- shareholders of United Internet AG	44.7	45.0	45.4

Result per share of shareholders of United Internet AG (in €)			
- basic	0.19	0.20	0.19
- diluted	0.19	0.20	0.19
thereof result per share (in €) - from continued operations			
- basic	0.19	0.20	0.19
- diluted	0.19	0.20	0.19
thereof result per share (in €) - from discontinued operations			
- basic	–	–	–
- diluted	–	–	–

Consolidated Financial Statement as of June 30, 2008

Statement of Changes in Shareholder's Equity

	Capital stock		Additional paid-in capital	Accumulated profit	Capital stock	
	Share	€k	€k	€k	Share	€k
Balance as of January 1, 2007	**250,235,176**	**250,235**	**156,447**	**–6,014**	**8,226,072**	**–79,561**
Exercise of convertibles	241,372	242	276			
Employee stock ownership programme AdLINK			107			
Employee stock ownership programme United Internet			535			
Market value changes of available for sale securities after taxes						
Withdrawal of treasury shares					6,654,946	–92,513
Dividend payments				–42,516		
Currency translation adjustment						
Net income 2007				144,012		
Change amount of holding						
Balance as of June 30, 2007	**250,476,548**	**250,477**	**157,365**	**95,482**	**14,881,018**	**–172,074**
thereof result directly included in equity						
Balance as of January 1, 2008	**251,433,972**	**251,434**	**160,095**	**171,688**	**18,000,000**	**–213,338**
Employee stock ownership programme AdLINK			638			
Employee stock ownership programme United Internet			1,234			
Market value changes of available for sale securities after taxes						
Withdrawal of treasury shares					4,000,000	–51,649
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**	**22,000,000**	**–264,987**
thereof result directly included in equity						

					Total net income	
Revaluation reserves	Currency translation	Equity attributable to shareholders of the parent company	Minority interests	Total equity	attributable to shareholders of United Internet AG	Minority interests
€k	€k	€k	€k	€k	€k	€k
1,373	**930**	**323,410**	**11,605**	**335,015**	**113,575**	**6,954**
		518		518		
		107		107		
		535		535		
7,582		7,582		7,582	7,582	
		–92,513		–92,513		
		–42,516		–42,516		
	–180	–180		–180	–180	
		144,012	1,955	145,967	144,012	1,955
		0	–1,425	–1,425		
8,955	**750**	**340,955**	**12,135**	**353,090**	**151,414**	**1,955**
					7,402	0
9,411	**–7,726**	**371,564**	**12,377**	**383,941**	**220,749**	**4,397**
		638		638		
		1,234		1,234		
–11,675		–11,675	–458	–12,133	–12,133	–458
		–51,649		–51,649		
		–45,886		–45,886		
	–9,292	–9,292		–9,292	–9,292	
		89,702	576	90,278	89,702	576
		0	–708	–708		
–2,264	**–17,018**	**344,636**	**11,787**	**356,423**	**68,277**	**118**
					–21,425	–458

Consolidated Financial Statement as of June 30, 2008

Cash Flow Statement in €k

	2008 January–June	2007 January–June
Cash flow from operating activities		
Net income (from continued operations)	90,278	77,719
Net income (from discontinued operations)	0	68,248
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of intangible assets and property, plant and equipment	14,769	15,532
Amortization of intangible assets resulting from company acquisitions	11,048	11,249
Write-down of goodwill	0	9,373
Compensation expenses from employee stock option plans	1,872	642
Results of at-equity companies	4,985	–497
Distributed profits of associated companies	250	666
Income from deconsolidation of affiliated companies	0	–65,794
Non-cash result from contribution of assets	0	–16,808
Change in deferred taxes	894	2,672
Operative cash flow	**124,096**	**103,002**
Change in assets and liabilities		
Change in receivables and other assets	6,040	4,184
Change in inventories	1,102	3,094
Change in deferred expenses	693	–1,834
Change in trade accounts payable	–92,306	–1,746
Change in advance payments received	435	313
Change in other accrued liabilities	–498	0
Change in accrued taxes	6,881	6,578
Change in other liabilities	–8,715	753
Change in deferred income	3,006	9,709
Change in assets and liabilities, total	**–83,362**	**21,051**
Cash flow from operating activities	**40,734**	**124,053**

	2008 January–June	2007 January–June
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	–17,990	–23,452
Investments in other financial assets	–19,314	–36
Payments of loans granted	–1,682	–43
Payments of loans granted to joint ventures	4,000	0
Disposal of assets	36	172
Purchase of shares in associated companies	–101,860	–6,856
Purchase of further shares in affiliated companies	–7,332	–29,094
Purchase of shares in affiliated companies	–10,369	0
Payments from deconsolidation of affiliated companies	0	86,873
Repayments of associated companies	17,213	0
Cash flow from investment activities	**–137,298**	**27,564**
Cash flow from financing activities		
Purchase of treasury stock	–51,649	–92,513
Change in bank liabilities	176,925	–25,195
Repayed loans to associated companies	–2,800	0
Dividend payments	–45,886	–42,516
Minority interests	5,970	0
Capital increase	0	1,077
Payment of convertible bonds	–6	–203
Cash flow from financing activities	**82,554**	**–159,350**
Net increase in cash and cash equivalents	–14,010	–7,733
Cash and cash equivalents at beginning of fiscal year	59,770	32,723
Currency translation adjustments of cash and cash equivalents	–3,555	–180
Cash and cash equivalents at end of fiscal year	**42,205**	**24,810**

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 to June 30, 2008 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, 2007. The accounting and valuation principles applied in the consolidated financial statements as of December 31, 2007 were adopted without change for the preparation of this consolidated interim report.

The application of new or revised IFRS standards and interpretations had no signifi-cant effect on the Group's assets, financial position and earnings.

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

The consolidated interim report includes all subsidiaries and associated companies.

Changes in the reporting unit

Effective January 1, 2008, Sedo GmbH acquired a shareholding of 40% in Domains-Bot S.r.l., Rome / Italy. A call option was also agreed for the purchase of a further 20% of shares no sooner than 2010.

At the beginning of fiscal year 2008, the shareholding in Versatel AG, Berlin, was in-creased from 19.5% to 25.21%. The acquisition of the additional shares was dependent on the approval of the anti-trust authorities. This approval was granted on December 20, 2007.

On January 23, 2008, United Internet AG and Drillisch AG increased their sharehold-ing in freenet AG to 24.52% via the jointly held company MSP Holding GmbH. Fol-lowing a capital increase of freenet AG in connection with its takeover of debitel, the share-holding of MSP Holding GmbH in freenet AG was diluted from 24.52% to 18.39% as of July 5, 2008.

In a contract dated February 8, 2008, United Internet Beteiligungen GmbH acquired a shareholding of 48.65% in virtual minds AG, Freiburg im Breisgau. The acquisition was made in part in the course of a capital increase.

In a contract dated March 5, 2008, United Internet Beteiligungen GmbH acquired 80% of shares in the newly founded European Founders Fund GmbH & Co. Beteiligungs KG No. 3. The company will be included in the Group's annual financial statements as a fully consolidated subsidiary.

On March 7, 2008, United Internet Beteiligungen GmbH acquired 33.36% of shares in BW2 Group AG, Lachen / Switzerland, in the course of a capital increase.

ProSiebenSat.1 Media AG and 1&1 Internet AG placed their cooperation on a new basis by founding the jointly controlled company maxdome GmbH & Co. KG, Unterföhring. The respective contracts were signed on February 22, 2008. The transaction was approved by the respective anti-trust authorities on April 29, 2008.

In a contract dated May 30, 2008, Fasthosts Ltd. acquired a 100% interest in Dollamore Ltd., Melbourne / UK. The acquisition of the shares in Dollamore Ltd. was accounted for using the purchase method. The purchase price was settled in cash; the preliminary acquisition costs amount to € 10,369k. Goodwill accrued from the ex-pected synergies of the acquisition. Initial recognition has been made on a prelimi-nary basis.

In an agreement dated June 25, 2008 the shares held in AdLINK Internet Media AB, Stockholm / Sweden were sold. The sale and deconsolidation of AdLINK Sweden as of June 30, 2008 resulted in an expense of € 29k.

The consolidated group remains otherwise unchanged from the consolidated financial statements as at December 31, 2007.

Explanations of income statement items

3 Personnel expenses

Personnel expenses amounted to € 83,653k (prior year: € 70,793k) in the reporting period of 2008. At the end of June 2008, United Internet employed a total of 4,269 people, of which 915 were employed outside Germany. The number of employees at the end of June 2007 amounted to 3,556, of which 769 were employed outside Ger-many.

4 Other operating income / expensesn

Other operating income / expenses in the first half of 2007 were dominated by the accounting profit of AdLINK amounting to € 16,808k in connection with the non-cash contribution of shares held by AdLINK Internet Media AG in AdLINK Switzerland (50%) and AdLINK Austria (30%) to Goldbach Media AG.

5 Depreciation and amortization

Depreciation and amortization of intangible assets and property, plant and equipment amounted to € 14,769k (prior year: € 15,532k).

Amortization of capitalized intangible assets resulting from business combinations amounted to € 11,048k (prior year: € 11,249k).

Total depreciation and amortization thus amounted to € 25,817k in the reporting period of 2008 (prior year: € 26,781k).

6 Goodwill amortization

Due to unscheduled developments, certain organizational and structural changes were introduced at CibleClick France and AdLINK UK in the past year. As a result, the goodwill of both companies was subjected to a non-scheduled impairment test. In connection with this impairment test, goodwill of CibleClick France was written down by € 7,662k and of AdLINK UK by € 1,711k in the first half of 2007.

7 Financial result

The financial result for the reporting period 2008 consists mainly of financial ex-penses from the use of loans in connection with the acquisition of strategic holdings in Versatel, Drillisch and MSP (freenet). The financial result for the reporting period 2008 contains income from financial investments amounting to € 1,172k.

8 Income taxes

Disclosed income taxes mainly consist of current tax expenses in Germany, which result from the increased tax result. As part of the German Corporate Tax Reform 2008, the corporate tax rate was lowered from 25% to 15%. The composite tax rate therefore fell from approx. 38.5% to approx. 30%.

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.

7 Shares in associated companies / joint ventures

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

	2008 €k
Carrying amount at the beginning of the fiscal year	309,023
Additions	101,860
Adjustments	
– Dividends	–250
– Shares in result	–4,985
Disposals	–17,213
	388,435

The addition to shares in associated companies results mainly from the acquisition of shares in Versatel (€ 57,257k), shares in virtual minds (€ 9,058k) and shares in the BW2 Group (€ 5,826k). An amount of € 16,939k was invested in associated compa-nies of European Founders Fund No. 2. Further investments in European Founders Fund No. 1 amounted to € 12,167k. The disposal results from capital repayments of European Founders Fund No. 1.

10 Other financial assets

The change in other financial assets results mainly from the disclosure of shares in companies acquired from European Founders Fund No. 3, as well as sub-sequent valuation of shares in Goldbach and Drillisch. In accordance with IAS 39, these shares are to be classified as available-for-sale financial assets.

11 Property, plant and equipment, intangible assets and goodwill

A total of € 17,990k (prior year: € 23,452k) 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 goodwill of € 16,826k resulted from the purchase of further shares in affiliated companies and the acquisition of Dollamore Ltd. Foreign currency translation effects led to a decline in goodwill of € 4,401k in the Product segment.

Goodwill amounted to € 401,261k and is presented for each business segment of United Internet:

	2008 €k	2007 €k
Product segment	303,652	297,670
Online Marketing segment	97,609	91,152
	401,261	**388,822**

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 semi-annual payments and six equal installments of the credit amount drawn. Tranche B is a revolving syndicated loan. The syndicated loan runs 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 2008 and June 2009, or are available until further notice.

Current liabilities due to banks result mainly from the use of credit lines within the AdLINK sub-group.

13 Other current liabilities

Other current liabilities consist mainly of liabilities due to the tax office, salary and social security liabilities and purchase price installments for the acquisition of invest-ments.

14 Accrued taxes

The rise in accrued taxes results from the increased tax result.

15 Capital stock

As of June 30, 2008, fully paid capital stock amounted to € 251,433,972, divided into 251,433,972 registered shares each having a theoretical share in the capital stock of € 1.

As of June 30, 2008 the Company held a total of 22.0 million treasury shares or 8.75% of current capital stock. The average purchase price per share amounted to € 12.04. Treasury shares reduce equity capital and are not entitled to dividend pay-ments.

The Annual Shareholders' Meeting of May 27, 2008 will vote on the proposal of the Management Board and Supervisory Board to pay a dividend of 20 cents per entitled share for the fiscal year 2007.

The dividend payment for fiscal year 2007 amounting to € 45.9 million was made on May 28, 2008.

16 Revaluation reserves

The decrease in revaluation reserves amounting to € 11,675k resulted from the sub-sequent valuation of shares in Goldbach and Drillisch. Profits and losses from subse-quent valuation to fair value are recognized directly in equity capital at net value, i.e. less deferred taxes.

Other items

17 Employee stock ownership plans

The Employee Stock Ownership Plan 2008 of United Internet AG and AdLINK Inter-net Media AG uses vir-tual share options (so-called SARs = Stock Appreciation Rights).

The changes in SARs issued can be seen from the fol-lowing table:

	United Internet AG		AdLINK Internet Media AG	
	SAR	Average, excercise price (€)	SAR	Average, excercise price (€)
Outstanding as of Dec, 31, 2007	2,000,000	12.21	430,000	16.39
issued	1,000,000	12.85	60,000	18.15
issued	400,000	13.89	200,000	18.60
Outstanding as of June 30, 2008	**3,400,000**	**12.62**	**690,000**	**17.19**

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, 2007.

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, 2008
Management Board	
Ralph Dommermuth	90,000,000
Norbert Lang	576,128
	90,576,128
Supervisory Board	
Kurt Dobitsch (Chairman)	–
Kai-Uwe Ricke	–
Michael Scheeren	700,000
	700,000

United Internet's premises in Montabaur are leased from Mr. Ralph Dommermuth. The resulting rent expenses are customary and amounted to € 790k in the reporting period 2008 (prior year: € 779k).

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

The loan received from European Founders Fund GmbH & Co. Beteiligungs KG No.1 amounting to € 2,800k was redeemed during the period under review. The loan granted last year to MSP Holding GmbH amounting to € 4,000k was also redeemed during the first quarter of 2008, as was the liability of € 5,000k due to MSP Be-teiligungs GmbH, a wholly-owned subsidiary of MSP Holding GmbH.

There were no other significant transactions during the period under review.

19 Subsequent events

In a contract dated July 1, 2008, United Internet Beteiligungen GmbH acquired a 30% shareholding in Jimdo GmbH, Hamburg. The shares were purchased in part by means of a capital increase.

85.09% of shares in InterNetX GmbH were purchased in the period up to fiscal year 2007. Effective July 1, 2008 a further 10.46% of shares in InterNetX GmbH were sold by the former shareholders to United Internet Beteiligungen GmbH.

Following a capital increase of freenet AG in connection with its takeover of debitel, the shareholding of MSP Holding GmbH in freenet AG was diluted from 24.52% to 18.39% as of July 5, 2008.

Montabaur, August 13, 2008

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, 2008

Ralph Dommermuth　　Norbert Lang

Financial calendar 2008

April 4, 2008	Annual financial statements for fiscal year 2007
April 4, 2008	Press and analyst's conference
May 9, 2008	Business figures for the 1st Quarter of 2008
May 27, 2008	Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper
May 28, 2008	Dividend payment for fiscal year 2007
August 13, 2008	Business figures for the 2nd Quarter of 2008
August 13, 2008	Press and analyst's conference
November 14, 2008	Business figures for the 3rd Quarter of 2008

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August 2008
Registry court: Montabaur HRB 5762