3-Month Report

2010

united internet

Selected key figures acc. to IFRS

(from continued operations)

	Jan.-March 2010	Jan.-March 2009
Sales in € million	462.8	409.4
Earnings before interest, taxes, depreciation and amortization (EBITDA) in € million	90.3	83.5
Earnings before interest and taxes (EBIT) in € million	70.7	70.8
Employees	4,626	4,445
Shareprice as of end of March (XETRA) in €	11.23	6.29
Earnings per share in €	0.17	0.16

Quarterly development in € million

	Q2/2009	Q3/2009[1]	Q4/2009[2]	Q1/2010	Q1/2009
Sales	406.3	409.1	434.1	462.8	409.4
EBITDA	90.2	145.6	97.4	90.3	83.5
EBIT	76.8	132.2	80.8	70.7	70.8

[1] Q3/2009: EBITDA and EBIT incl. positive special items of € 50.2 million

[2] Q4/2009: EBITDA and EBIT incl. positive special items of € 10.4 million

Management Report

Dear shareholders, employees and friends of United Internet!

United Internet got off to a successful start in its fiscal year 2010 and at the same time set the foundation for further growth in the growing fields of “Mobile Internet” and “Cloud Applications”.

In order to fully exploit these megatrends, we introduced a new segmentation for management and reporting purposes at the beginning of 2010: Access and Applications. “Access” combines our DSL and mobile internet business, while “Applications” comprises cloud applications and our online marketing business. This step also makes our company more transparent. In addition, we see an opportunity to significantly increase our revenue per customer and are investing in key future markets – thus also strengthening our position as Europe’s leading internet specialist. The signing of an MVNO contract (Mobile Virtual Network Operator) with Vodafone in March 2010 represents a milestone on this path. It will strengthen our entry into the booming mobile internet market from summer 2010.

Consolidated sales of United Internet AG grew by 13.0% in the first quarter, from € 409.4 million last year to € 462.8 million. Despite high expenses for our DSL quality drive and start-up costs for new business fields, earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 8.1%, from € 83.5 million to € 90.3 million. Due in particular to the scheduled increase in depreciation following the acquisition of freenet’s DSL customers, earnings before interest and taxes (EBIT) remained stable at € 70.7 million (prior year: € 70.8 million). The acquisition of freenet’s customers in late 2009 significantly enhanced our strategic position in the current market consolidation process. Earnings per share improved slightly from € 0.16 last year to € 0.17.

In the “Access” segment, sales rose by 19.3% in the first quarter of 2010 to € 300.8 million. EBITDA improved by 42.2% to € 31.7 million, while EBIT increased by 17.2% to € 25.2 million due to scheduled depreciation of the acquired freenet DSL customer base. Compared to December 31, 2009, the number of fee-based Access contracts remained stable at 3.50 million, of which 3.31 million were DSL contracts. We succeeded in adding a further 90,000 complete DSL contracts (of particular importance for customer retention) in the period under review.

In the “Applications” segment, we invested heavily in customer growth during the first quarter of 2010 and thus succeeded in raising the number of fee-based contracts by 180,000 to 5.83 million. Sales growth in this segment was slowed by the contract conversion of a major customer of AdLINK subsidiary affilinet in late 2009. As a result, our listed subsidiary AdLINK Internet Media AG posted a fall in sales of 23.5% in the first quarter of 2010 – whereas we enjoyed growth of 11.2% in the rest of the segment. Total segment sales thus grew by 3.0% from € 157.1 million to € 161.8 million. Despite high pre-launch costs for new applications and a significant increase in marketing expenses, segment EBITDA and EBIT grew by 3.2% to € 60.5 million and by 1.3% to € 47.4 million, respectively. Customer contracts abroad increased to 2.30 million and accounted for 80,000 of our total growth in customer contracts of 180,000. The number of

our ad-financed accounts increased from 26.3 million to over 27.0 million in the first quarter.
In view of this successful start to fiscal 2010, we confirm our forecasts and expect consolidated sales to grow by around 15%. Due to further high expenses for our current DSL quality drive and further increased development and marketing costs in the following quarters for investments in new business fields and further foreign expansion, we currently expect EBITDA to remain at the record level of the previous year (without positive special items of 2009).

Montabaur, May 12, 2010

Ralph Dommermuth
CEO

Group management report for the first quarter of 2010

Economic environment

Global economy recovering, Europe lagging behind

According to the International Monetary Fund (IMF), the global economic recovery is gathering pace. In its spring forecast published in April 2010, the IMF predicted that global economic output would rise by 4.2% this year – following a growth forecast of just 3.9% in January.

For Europe, however, the IMF expects weaker growth and continued uncertainty due to the Greek debt crisis. In its spring report, the IMF continues to forecast growth of just 1.0% in 2010 for the Euro zone.

The IMF believes that the German economy will grow by 1.2% – 0.3 percent points lower than stated in its January forecast. The IMF is thus somewhat more pessimistic than Germany's leading economic institutes, whose spring report had shortly before predicted an increase in gross domestic product (GDP) of 1.5%.

Mood on ICT sector much more upbeat

In the first quarter of 2010, the high-tech sector was much more upbeat about its future prospects: 59% of Germany's IT and telecommunications companies expect increased sales for the first quarter of 2010. The sector index of industry association BITKOM leapt 41 points, from minus 6 in the previous quarter to plus 35, and thus regained its summer 2008 level. According to BITKOM, demand is noticeably stronger in the IT sector in particular, as delayed investments for corporate IT solutions are now slowly feeding through. The figures are based on a quarterly poll held by BITKOM, the results of which were last published in early March 2010. Despite the more optimistic mood, the association expects total ICT sector sales to remain virtually unchanged in 2010 at 1 139.5 billion.

United Internet AG operates in the fixed-line and mobile phone markets (in its Access segment), as well as cloud applications and online marketing (in the Applications segment).

As expected, the demand for new (stationary) broadband connections has slowed since 2008. With growth of around 2.4 million in 2009, the number of new connections continued to fall – following 3.1 million in 2008 and 4.6 million in 2007 – and was well below earlier record growth periods. In its annual report published in March 2010, the German Federal Network Agency expects this trend to continue in 2010. At the same time, however, the market for mobile broadband connections (Mobile Internet) is growing fast: in 2008, the volume of data transmitted via mobile phone networks already amounted to 11.5 million GB – more than triple the volume of 2007. This trend continued in 2009 with an increase in transmission volume to around 33.5 million GB. This strong growth in mobile internet usage is being driven above all by low prices which are more attractive for consumers. The German Federal Network Agency expects this trend to continue in 2010 and the following years.

The international webhosting market – a segment of the cloud computing market – continues to enjoy steady 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 3.13 million new domains in the first quarter of 2010 to reach a total of 118.28 million domains – an increase of around 2.7% over December 31, 2009. The German top-level domain ".de" also enjoyed strong demand in the first quarter of 2010 – despite a comparatively high online presence already achieved among consumers and businesses in Germany – and grew by 0.24 million (+1.8%) to 13.55 million domains in the first quarter of 2010. The respective registration authorities reported even stronger growth of national domains in our foreign markets the UK (+2.0% to 8.29 million), France (+5.6% to 1.70 million), Austria (+2.2% to 0.93 million) and Switzerland (+2.9% to 1.42 million) in the first three months of 2010, while Spain reported a decline of 0.83% to 1.20 million domains.

The global advertising market is also slowly heading toward recovery. Following the end of the first quarter of 2010, the latest issue of "Advertising Expenditure Forecast" of media agency group ZenithOptimedia forecasts global growth in ad spending of 2.2% in 2010 – and thus significantly upgraded its December 2009 forecast (0.9%). Despite the effects of the global economic crisis, ZenithOptimedia believes that the internet as an advertising medium will continue to grow in 2010, as benefits such as transparency, measurability and flexibility are particularly in demand during times of recession. On the basis of the first quarter of 2010, ZenithOptimedia now expects that the internet will account for 17.1% (previous forecast: 16.2%) of global ad spending by 2012 (status 2008: 10.5%).

Business development of the Group

Overview of United Internet

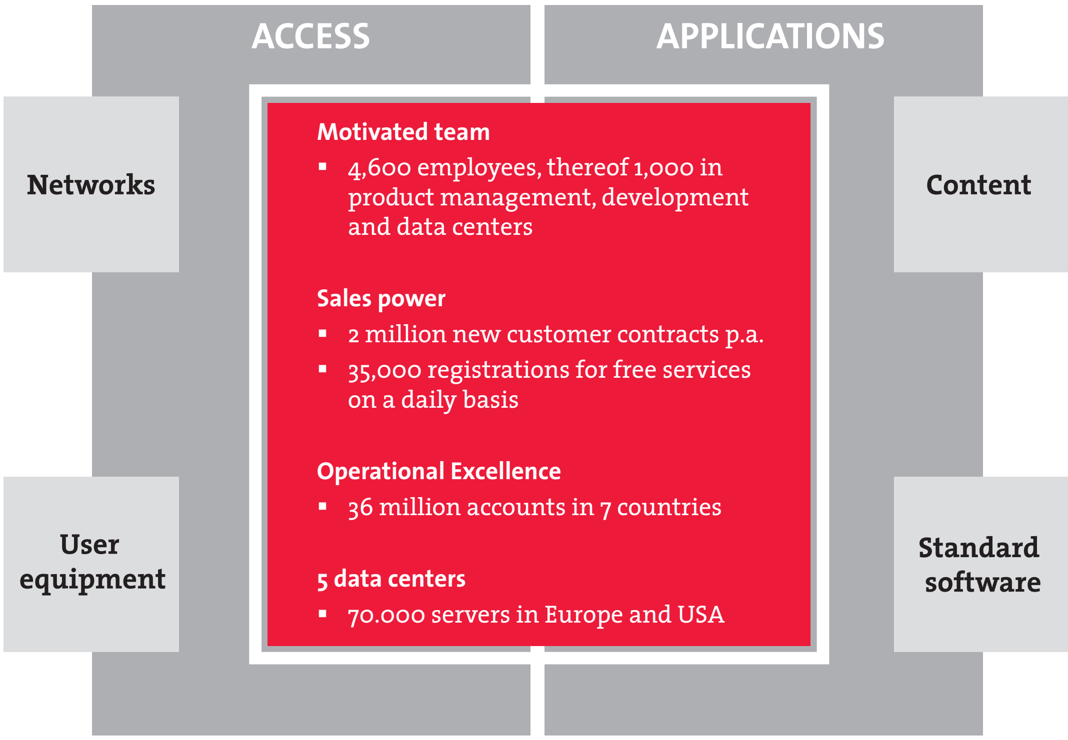
United Internet is the leading European internet specialist with over 9.3 million fee-based customer contracts and more than 27.0 million ad-financed free accounts.

In order to fully exploit the identified growth business fields "Mobile Internet" and "Cloud Applications", we introduced a new segmentation for management and reporting purposes at the beginning of 2010. The former segments, "Products" and "Online Marketing" were discontinued. Our business is now represented by the segments "Access" and "Applications".

The "Access" segment comprises our fixed-line and mobile access products, including the corresponding applications. We operate in Germany in this segment, where we are among the top providers. We remain independent of network providers by purchasing standardized network services from various pre-service providers, which we then enhance with end-user devices and our own applications and services from our "Internet Factory" in order to differentiate ourselves from the competition. We market our Access products via the strong brands GMX, WEB.DE and 1&1, which enable us to reach a mass market and target specific customer groups.

The "Applications" segment comprises the company's application business – whether ad-financed or via subscription fee. These applications include, for example, home pages and e-shops, Personal Information Management applications (e-mail, to-do lists, appointments, addresses), group work, online storage and

"INTERNET FACTORY"



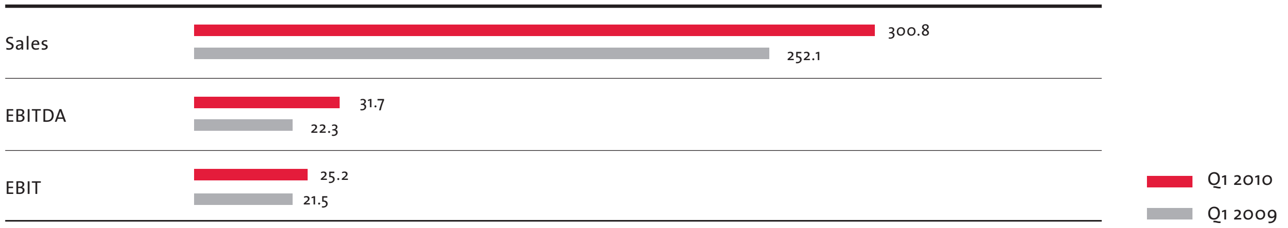
office software, which we develop in our own "Internet Factory" or together with partners and market to various target groups via our brands GMX, WEB.DE, 1&1, united-domains, fasthosts and InterNetX. We also offer our customers performance-based advertising and sales possibilities via Sedo and affilinet.

Segment development

"Access" segment

In the "Access" segment, sales in the first quarter of 2010 grew by 19.3%, from € 252.1 million to € 300.8 million. EBITDA improved by 42.2%, from € 22.3 million to € 31.7 million, while EBIT grew by 17.2% from € 21.5 million to € 25.2 million due to a scheduled increase in depreciation following the acquisition of freenet's DSL customer base. The acquisition of freenet's customers in late 2009 significantly enhanced our strategic position in the current market consolidation process. The conversion of DSL customers to complete packages – of particular importance for customer retention – represents an initial burden on earnings. Customer acquisition costs continue to be charged directly as expenses.

Financial figures for "Access" segment in € million



Quarterly development in € million

	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q1 2009
Sales	246.7	254.4	273.5	300.8	252.1
EBITDA	34.8	45.2	21.8	31.7	22.3
EBIT	33.9	44.2	18.7	25.2	21.5

The positive trend of the preceding quarters was continued for our Access contracts. In comparison with December 31, 2009, the number of fee-based customer contracts remained stable at 3.50 million, of which 3.31 million were DSL contracts. We succeeded in adding a further 90,000 complete DSL contracts (of particular importance for customer retention).

Quarterly development of customer contracts

"Access" customer contracts	Dec. 31, 2009	March 31, 2010	Change
Access, total	3.50 million	3.50 million	+/-0
of which DSL	3.31 million	3.31 million	+/-0
of which DSL complete	1.82 million	1.91 million	+90,000
of which resale DSL / T-DSL	1.49 million	1.40 million	-90,000
of which narrowband / mobile	0.19 million	0.19 million	+/-0

Annual development of customer contracts

"Access" customer contracts	March 31, 2009	March 31, 2010	Change
Access, total	3.02 million	3.50 million	+480,000
of which DSL	2.82 million	3.31 million	+490,000
of which DSL complete	1.05 million	1.91 million	+860,000
of which resale DSL / T-DSL	1.77 million	1.40 million	-370,000
of which narrowband / mobile	0.20 million	0.19 million	-10,000

Highlights Q1 2010

In the first quarter of 2010 we focused above all on new services relating to our DSL quality drive and preparations for our entry into the Mobile Internet business:

- Our 1&1 brand launched a **revamped DSL range** in February 2010. In addition to its usual attractive pricing, the new range of products can also be flexibly combined with additional services. Four simple and transparent basic tariffs – which primarily differ in respect of their maximum speeds – form the basis and can be expanded as required with options for varying interests.
- In April 2010 we also began offering our **DSL packages without any minimum contract term**. As part of our DSL quality drive, 1&1 now meets customer requests for more flexibility and now offers an extra alternative for those who do not want long-term contracts with their internet and phone providers.
- In March 2010, we signed a so-called **MVNO agreement** (Mobile Virtual Network Operator) with Vodafone. This guarantees us tremendous freedom in the design of future mobile voice and data products and enables us to use our strong end-user brands GMX, WEB.DE and 1&1 to target the booming mobile internet market from summer 2010 onward.

Outlook

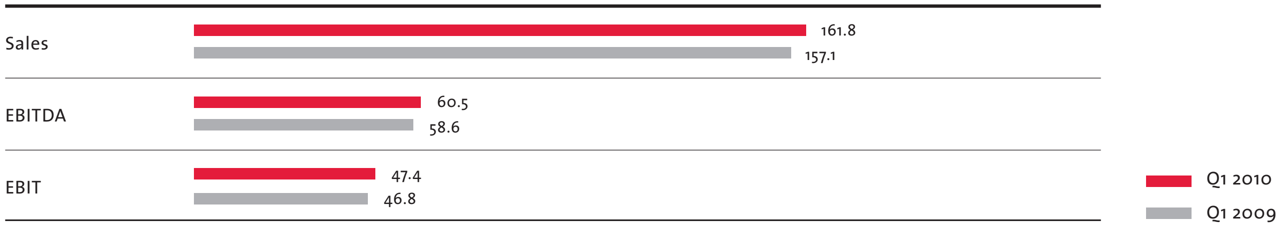
Thanks to a product strategy based on transparency and flexibility, with innovative products offering excellent value for money and a variety of optional applications, we see good opportunities to enhance customer retention and achieve a further increase in average revenue per contract in our DSL business. In particular, we aim to achieve further growth in the migration of our customers to complete packages, which we regard as essential for improving customer retention. With the aid of the MVNO agreement with Vodafone signed in the first quarter of 2010, we also plan to target the mobile internet access market from the second half of the year onward.

"Applications" segment

In the "Applications" segment, we invested heavily in customer growth during the first quarter of 2010 and succeeded in raising the number of fee-based contracts by 180,000 to 5.83 million world-wide. Sales growth in this segment was slowed by the contract conversion of a major customer of AdLINK subsidiary affilinet in late 2009. As a result, our listed subsidiary AdLINK Internet Media AG posted a fall in sales of

23.5% in the first quarter of 2010 – whereas we enjoyed growth of 11.2% in the rest of the segment. Total segment sales thus grew by 3.0% from € 157.1 million to € 161.8 million. Despite high pre-launch costs for new applications and a significant increase in marketing expenses, EBITDA and EBIT of this segment grew by 3.2%, from € 58.6 million to € 60.5 million, and by 1.3% from € 46.8 million to € 47.4 million, respectively. Foreign business accounted for € 44.5 million (prior year: € 42.8 million) of total segment sales.

Financial figures for "Applications" segment in € million



Quarterly development in € million

	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q1 2009
Sales	159.5	154.5	160.4	161.8	157.1
EBITDA	52.6	51.3	62.9	60.5	58.6
EBIT	40.2	38.8	49.6	47.4	46.8

Customer contracts in our foreign markets (UK, France, USA, Spain, Austria, Switzerland) increased to 2.30 million and accounted for 80,000 of our total growth in customer contracts of 180,000. The number of our ad-financed accounts increased from 26.3 million to over 27.0 million in the first quarter.

Quarterly development of customer contracts

"Applications" customer contracts	Dec. 31, 2009	March 31, 2010	Change
Total fee-based contracts	5.65 million	5.83 million	+180,000
of which domestic	3.43 million	3.53 million	+100,000
of which foreign	2.22 million	2.30 million	+80,000
Ad-financed accounts	26.3 million	27.0 million	+700,000

Annual development of customer contracts

"Applications" customer contracts	March 31, 2009	March 31, 2010	Change
Total fee-based contracts	5.22 million	5.83 million	+610,000
of which domestic	3.24 million	3.53 million	+290,000
of which foreign	1.98 million	2.30 million	+320,000
Ad-financed accounts	25.5 million	27.0 million	+1,500,000

Highlights Q1 2010
In the first quarter of 2010, activities focused mainly on the preparation and expansion of our portfolio of cloud applications:

- In early 2010 1&1 launched the **Dynamic Cloud Server** – a new kind of server model. Users can freely choose the amount of RAM, processor speed, and hard drive capacity and flexibly adjust their settings according to requirements. Invoicing is based on the actual performance required for their respective applications, e.g. for websites, internet shops, games or web applications. Users can choose from a variety of Linux and Windows variants. Optimized default settings are offered for standard applications, such as mail, database, webhosting or game servers.
- In late March 2010, we entered into a **strategic alliance with Zoho Corporation**. The partnership aims to provide standard cloud applications for the mass market. The first result of this alliance, the new 1&1 Online Office, will already be launched in Germany and the UK in the first half-year. 1&1 Online Office is a comprehensive suite of office programs. In addition to 1&1's existing modules (e-mail, diary, address management, groupware and mobility), the suite will also comprise word processing, spreadsheets and presentation software in future. All applications run completely within the browser, while customer data is stored centrally at our high-performance data centers.

Outlook
With our strong and specialized brands, steadily growing portfolio of cloud applications, and our existing relations with millions of small businesses and private users, we are well positioned to utilize the opportunities offered by cloud computing in the coming years. In 2010/2011, we will also enter the Polish and Canadian markets via our 1&1 brand and the South American market via InterNetX.

Result of operations, financial position and net assets of the Group

Successful start to fiscal year 2010

United Internet got off to a successful start in its fiscal year 2010. Consolidated sales of United Internet AG grew by 13.0% in the first quarter, from € 409.4 million last year to € 462.8 million. Sales of the "Access" segment rose by 19.3% in the first quarter of 2010, from € 252.1 million last year to € 300.8 million. In the "Applications" segment, sales growth was slowed by the contract conversion of a major customer of AdLINK subsidiary affilinet in late 2009. As a result, our listed subsidiary AdLINK Internet Media AG posted a fall in sales of 23.5% in the first quarter of 2010 – whereas we enjoyed growth of 11.2% in the rest of the segment. Total segment sales thus grew by 3.0% from € 157.1 million to € 161.8 million.

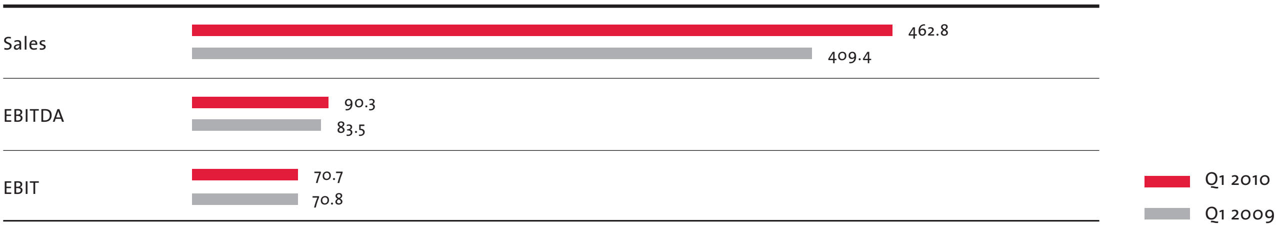
Consolidated gross margin fell from 37.5% in the same period last year to 37.0%. The main reason were high expenses for our DSL quality drive.

Due to scheduled write-downs on the acquired freenet DSL customer base, increased marketing expenditure in the “Applications” segment and pre-launch costs for new products, sales and marketing expenses grew from € 60.8 million (14.8% of sales) in the same period last year to € 70.0 million (15.1% of sales). In the period under review, administrative expenses grew from € 19.3 million (4.7% of sales) to € 22.4 million (4.8% of sales) and thus increased almost in parallel with the expansion of business.

Despite the above mentioned expenses and start-up costs, earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 8.1%, from € 83.5 million to € 90.3 million. Due in particular to scheduled higher depreciation following the acquisition of freenet’s DSL customers, earnings before interest and taxes (EBIT) remained virtually unchanged at € 70.7 million (prior year: € 70.8 million).

Earnings before taxes (EBT) and net income from continued operations were both slightly up on the same prior-year period at € 57.1 million and € 38.5 million, respectively. There was a corresponding improvement in earnings per share (EPS) from € 0.16 to € 0.17.

Group financial figures in € million



Quarterly development in € million

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EBIT	76.8	132.2	80.8	70.7	70.8

[1] Q3/2009: EBITDA and EBIT incl. positive special items of € 50.2 million
[2] Q4/2009: EBITDA and EBIT incl. positive special items of € 10.4 million

Operative cash flow of € 71.7 million

Due to the successful development of business, operative cash flow rose strongly from € 57.9 million in the same period last year to € 71.7 million.

Net cash flow from operating activities increased even more strongly from € 24.4 million to € 86.6 million.

Net cash flow for investing activities amounted to € 14.4 million in the period under review – of which € 14.0 million was invested in intangible assets and property, plant and equipment. In the same period last year, net cash flow for investing activities amounted to € 41.2 million, of which € 6.5 million was invested in intangible assets and property, plant and equipment and € 32.8 million in the acquisition of united-domains AG.

In the first quarter of 2010, a cash outflow of € 54.6 million for the purchase of treasury shares dominated net cash outflows for financing activities.

Asset position: reduction of bank borrowing

Compared with December 31, 2009, the balance sheet total grew from € 1,323.4 million to € 1,335.3 million as at March 31, 2010. Goodwill of the Applications segment remained virtually unchanged at € 399.7 million (€ 398.9 million as at December 31, 2009). Cash and cash equivalents rose from € 116.8 million to € 133.7 million. Trade accounts payable increased from € 193.2 million to € 201.2 million in line with the expansion of business volume. Despite the acquisition of treasury shares, net bank liabilities were reduced further from € 283.4 million to € 265.3 million. Treasury shares held by United Internet AG increased to 15,000,000 as at March 31, 2010 (compared to 10,272,371 as at December 31, 2009). After deduction of treasury shares, the Group's equity ratio amounted to 32.4% as at March 31, 2010 (following 33.2% as at December 31, 2009).

Share and dividend

The United Internet AG share closed on March 31, 2010 at € 11.23 and was thus 21.8% above the closing price of December 31, 2009 (€ 9.22). Our share therefore outperformed the comparative TecDAX index, which dipped slightly by 0.2% in the first quarter of 2010.

The Management Board and Supervisory Board propose to pay a dividend of € 0.40 per share for fiscal year 2009. This dividend comprises a regular amount of € 0.20 for 2009 plus a bonus dividend of a further € 0.20 for the lack of dividend paid in the previous year. The Annual Shareholders' Meeting planned for June 2, 2010 will vote on whether to accept this proposal of the Management Board and Supervisory Board.

Employees

At the end of March 2010, United Internet employed a total of 4,626 people (December 31, 2009: 4,559), of which 896 (December 31, 2009: 867) were employed outside Germany.

Risk report

Over and above the statutory requirements, United Internet AG attaches great importance to its comprehensive risk management system. Our standardized group-wide 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.

In the first quarter of 2010, the overall risk situation remained mostly stable compared with the risk report provided in the annual financial statements 2009. Due to United Internet's strict alignment as an Internet Service Provider, the major operating risks for the Company's current and future assets, liabilities, financial position and profit or loss continue to focus on supplier dependency, technology and software systems, and the competition. We judge the probability of these identified risks as low to limited.

Depending on the future share price performance of our listed investments, there may be (non-cash) burdens in our non-operating business from write-downs/impairment.

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

In the period from January 14, 2010 to April 19, 2010, United Internet AG bought back a total of 5,000,000 of its own shares and thus exhausted the scope of the share buyback program adopted on January 14,2010. United Internet AG thus held 15,190,846 treasury shares (around 6.33% of capital stock) as of April 19, 2010.

On April 20, 2010 the Management Board of United Internet AG resolved to launch a further share buyback program. In the course of this new share buyback program, a further up to 4,809,154 company shares (approx. 2.00% of capital stock) are to be bought back via the stock exchange. The resolution follows the authorization of the Annual Shareholders‘ Meeting of May 26, 2009 to buy back shares representing up to 10% of the company's capital stock. The authorization was issued for the period up to November 25, 2010.

Treasury shares can be used for all purposes stated in the authorization of the Annual Shareholders' Meeting of May 26, 2009, in particular for current and future employee stock ownership plans and / or as an acquisition currency. However, treasury shares may also be cancelled.

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

IMF forecasts growth for global economy

According to the spring forecast of the International Monetary Fund (IMF) published in April 2010, the global economic recovery is gathering pace and will lead to growth of 4.2% this year and 4.3% in the coming year.

In Europe, the IMF expects weaker growth and continued uncertainty due to the Greek debt crisis. In its spring report, the IMF continues to forecast growth of just 1.0% in 2010 and 1.5% in 2011 for the Euro zone. The IMF believes that Europe's economic recovery is threatened by high national debts in general, the debt crisis in Greece in particular, and the danger of other European countries becoming "infected".

The IMF believes that the German economy will grow by 1.2% in 2010 and by 1.7% in 2011. The IMF's forecast for 2010 is thus somewhat more pessimistic than Germany's leading economic institutes, whose spring report had predicted an increase in gross domestic product (GDP) of 1.5%.

Further improvement in ICT sector mood

Companies in the high-tech sector were much more upbeat about their future prospects in 2010. The new BITKOM sector index presented at the CeBIT 2010 fair was back to its summer 2008 level of 35 again – following a low of -44 points in mid 2009.

All in all, the industry association BITKOM expects total ICT sector sales to remain virtually unchanged in 2010 at € 139.5 billion and to grow by 1.6% in 2011 to € 142 billion. According to the BITKOM forecast, IT technology sales will increase by 1.4% to € 64.4 billion in 2010 and by 3.8% to € 66.8 billion in 2011. The most important trends will be cloud computing, mobile internet and IT security. In the field of telecommunications, sales are expected to fall by 1.1% to € 63 billion in 2010 and remain at this level in 2011 – whereby sales with voice services will fall steadily while data services will rise strongly.

New trend in broadband market

According to the study "LIFE – Digitales Leben", published in late February 2009, the trend toward broadband connections will continue in the years ahead – albeit with slightly flatter growth curves. The experts interviewed forecast growth to 36 million broadband connections in Germany by 2015 and data transmission speeds of over 100 Mbit/s in some cases. At the same time, experts predict very strong growth in "mobile" broadband usage and expect the number of broadband connections via mobile networks (mobile internet e.g. via UMTS) to grow to 41 million by 2015. This trend could already be observed over the past few years from the steady growth in data transmission revenues as a proportion of total mobile revenues, as well as from the success of modern smartphones. According to BITKOM, sales of mobile data services will increase by 8% to € 5.8 billion in 2010.

Broadband connections in Germany in million

	2009	2015e
Broadband connections	24.9	36.0
Mobile broadband	7.7	41.0

Source: VATM, Mobile Web Watch 2009, LIFE – Digitales Leben

Dynamic growth for cloud computing

All major research institutes forecast dynamic growth for the "cloud computing" market. According to Gartner, the segment "Cloud Computing for Small Companies" alone is expected to raise global sales from € 5.5 billion in 2009 to € 12.6 billion in 2013 – a result of the high availability now of "affordable" broadband internet connections.

Market researchers also predict continued growth for the webhosting industry – a sub-segment of the cloud computing market. For the shared and dedicated hosting sectors alone, Tier1Research forecasts growth of 9.0% to USD 5.96 billion and USD 2.48 billion respectively in 2010.

Hosting sales worldwide in USD billion

	2009	2010e	2011e
Shared Hosting	5.52	5.96	6.49
Dedicated Hosting	2.28	2.48	2.70

Source: Tier1Research

Online advertising market showing signs of recovery

According to ZenithOptimedia, the global advertising market has returned to stability, following the sharpest decline in global advertising spend in decades. In its “Advertising Expenditure Forecast” of April 2010, ZenithOptimedia predicts an increase in global advertising spend of 2.2% in 2010. Whereas advertising spend in Western Europe is expected to rise slightly (+0.4%), further declines are forecast for North America (-1.5%) and Germany (-1.4%). According to ZenithOptimedia, the internet – the only medium which experienced global growth in ad spending during 2009 (+9.5%) – will expand its share of the advertising market to 17.1% by 2012 (2008: 10.5%). The Online Marketing Group (Online-Vermarkterkreis – OVK) of the German Digital Economy Association (Bundesverband Digitale Wirtschaft – BVDW) is equally optimistic and forecasts growth in gross advertising revenues of 14% to € 4.66 billion in Germany for 2010. Growth will be particularly strong in the field of video advertising, which is expected to generate revenues of € 137.5 million by 2013 – a trend which is closely connected to the growing household penetration of broadband connections.

Development of gross advertising spend in Germany in € million

	2009	2010e
Classic online advertising	2,168	2,450
Search word marketing	1,624	1,867
Affiliate networks	308	339
Total gross advertising spend	4,100	4,656

Source: BVDW

Opportunities for United Internet

We see numerous growth opportunities for our two operating segments “Access” and “Applications”.

In our “Access” segment, we aim to enhance customer retention via further migration to complete packages, more personalized service and more transparent and flexible products. Moreover, we want to raise average revenue per contract with the aid of integrated additional features and new applications in order to generate further growth. We also expect a further boost to growth from our planned initiative in the growing mobile internet market in summer 2010.

In the “Applications” segment, we intend to benefit from expected market growth in the field of cloud applications. With our steadily growing portfolio of cloud applications, our strong and specialized brands, and our existing relations with millions of customers, we are well prepared for this growth. In our B-to-C business, we believe that an increasingly wide range of products will enable us to convert ever more ad-financed users into paying customers. Further growth is expected from new procedures for secure e-mailing. In the field of B-to-B transactions, we will target further growth with the aid of new, higher-priced cloud applications which will open up new business opportunities on the internet for our customers and help them digitize their corporate processes. Our foreign business is also expected to drive further growth: in 2010/2011, we will enter the Polish, Canadian and South American markets.

However, we expect our affilinet brand (a subsidiary of the listed company AdLINK) to post lower sales over the year as a whole, in comparison with the previous year.

Forecast

For fiscal year 2010, we expect consolidated sales to grow by 15%. Despite high development and start-up costs for new products and further foreign expansion, as well as considerable expenses for the service and quality drive already launched in 2009, we currently expect EBITDA (without extraordinary income) to reach the record level of 2009.

Financial Statements

Balance Sheet

as of March 31, 2010 in €k

	March 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	133,697	116,812
Accounts receivable and other assets	86,899	91,290
Inventories	13,594	14,061
Prepaid expenses	33,317	30,360
Other assets	47,924	48,336
	315,431	300,859
Non-current assets		
Shares in associated companies / joint ventures	121,850	126,628
Other financial assets	165,945	160,524
Property, plant and equipment	95,363	93,921
Intangible assets	222,643	228,341
Goodwill	399,669	398,926
Deferred tax asset	14,425	14,236
	1,019,895	1,022,576
Total assets	**1,335,326**	**1,323,435**

	March 31, 2010	December 31, 2009
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade accounts payable	201,204	193,197
Liabilities due to banks	100,097	51,462
Advance payments received	7,046	7,078
Accrued taxes	40,315	37,428
Deferred revenue	133,771	127,046
Other accrued liabilities	8,982	11,125
Other liabilities	65,003	61,874
	556,418	489,210
Non-current liabilities		
Convertible bonds	1	4
Liabilities due to banks	298,902	348,767
Deferred tax liabilities	24,284	23,051
Other liabilities	23,408	22,641
	346,595	394,463
Total liabilities	**903,013**	**883,673**
Equity		
Capital stock	240,000	240,000
Additional paid-in capital	40,800	39,971
Accumulated profit	323,837	285,546
Treasury stock	-177,358	-123,786
Revaluation reserves	18,081	12,717
Currency translation adjustment	-22,944	-24,326
Equity attributable to shareholders of the parent company	**422,416**	**430,122**
Minority interests	9,897	9,640
Total equity	**432,313**	**439,762**
Total liabilities and equity	**1,335,326**	**1,323,435**

Income Statement

from January 1 to March 31, 2010 in €k

	2010 January – March	2009[1] January – March
Sales	462,790	409,375
Cost of sales	-291,678	-255,670
Gross profit	**171,112**	**153,705**
Selling expenses	-70,006	-60,778
General administrative expenses	-22,409	-19,339
Other operating income / expenses	-3,252	1,547
Amortization of intangible assets resulting from company acquisitions	-4,777	-4,365
Operating result	**70,668**	**70,770**
Financial result	-6,138	-8,940
Result from associated companies	-7,457	-5,078
Pre-tax result	**57,073**	**56,752**
Income taxes	-18,573	-18,504
Net income before minority interests (from continued operations)	**38,500**	**38,248**
Result from discontinued operations	35	-344
Net income before minority interests (after discontinued operations)	**38,535**	**37,904**
Attributabel to		
- minority interests	244	118
- shareholders of United Internet AG	38,291	37,786

	2010 January – March	2009[1] January – March
Result per share of shareholders of United Internet AG (in €)		
- basic	0.17	0.16
- diluted	0.17	0.16
thereof result per share (in €) - from continued operations		
- basic	0.17	0.16
- diluted	0.17	0.16
thereof result per share (in €) - from discontinued operations		
- basic	0.00	0.00
- diluted	0.00	0.00
Weighted average shares (in million units)		
- basic	227.93	229.47
- diluted	230.02	229.50
Statement of comprehensive income		
Net income	38,535	37,904
Results directly included in equity		
- Currency translation adjustment	1,382	3,642
- Change in associated companies after taxes not affecting net income	5,364	-2,739
	6,746	903
Total net income	**45,281**	**38,807**
Attributable to		
- minority interests	244	156
- shareholders of United Internet AG	45,037	38,651

[1] Adjusted - see Note 2 of the 3-Month Report 2010

Cash Flow

from January 1 to March 31, 2010 in €k

	2010 January – March	2009[1] January – March
Cash flow from operating activities		
Net income (from continued operations)	38,500	38,248
Net income (from discontinued operations)	35	-344
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization (from continued operations)		
Depreciation and amortization of intangible assets and property, plant and equipment	14,850	8,399
Amortization of intangible assets resulting from company acquisitions	4,777	4,365
Depreciation and amortization (from discontinued operations)		
Depreciation and amortization of intangible assets and property, plant and equipment	0	87
Compensation expenses from employee stock option plans	1,845	827
Results of at-equity companies	7,457	5,078
Distributed profit of associated companies	245	0
Change in deferred taxes	949	3,609
Non-cash expenses / income	3,047	-2,364
Operative cash flow	**71,705**	**57,905**
Change in assets and liabilities		
Change in receivables and other assets	4,783	-1,313
Change in inventories	468	756
Change in deferred expenses	-2,956	-1,226
Change in trade accounts payable	7,920	-32,998
Change in advance payments received	-33	126
Change in other accrued liabilities	-4,605	0
Change in accrued taxes	2,887	1,507
Change in other liabilities	849	-3,057
Change in deferred income	5,587	2,729
Change in assets and liabilities, total	**14,900**	**-33,476**
Cash flow from operating activities	**86,605**	**24,429**

	2010 January – March	2009[1] January – March
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	-13,990	-6,465
Purchase of further shares in affiliated companies	12	-32,817
Purchase of shares in associated companies	-534	-1,000
Investments in other financial assets	-125	0
Payments of loans granted to joint ventures	0	-1,700
Disposal of assets	267	65
Repayments of associated companies	0	727
Cash flow from investment activities	**-14,370**	**-41,190**
Cash flow from financing activities		
Purchase of treasury stock	-54,554	0
Change in bank liabilities	-1,230	-8,613
Dividend payments to minority interests	0	-151
Payment of convertible bonds	-3	-1
Cash flow from financing activities	**-55,787**	**-8,765**
Net increase/decrease in cash and cash equivalents	16,448	-25,526
Cash and cash equivalents at beginning of the period	116,812	55,372
Currency translation adjustments of cash and cash equivalents	437	833
Cash and cash equivalents at end of the period	**133,697**	**30,679**

[1] Reclassifications were made to the cash flow statement of the previous year to account for disclosure changes in the income statement. There were no changes to cash flows. We refer to section 2 of the notes to the consolidated financial statement of the 3-Month Report 2010.

Changes in Shareholders' Equity

from January 1 to March 31, 2010

	Capital stock		Additional paid-in capital	Accumulated profit	Capital stock	
	Share	€k	€k	€k	Share	€k
Balance as of January 1, 2009	**251,469,184**	**251,469**	**163,896**	**5,619**	**22,000,000**	**–264,987**
Net income				37,786		
Other net inocme						
Total net income				**37,786**		
Employee stock ownership programme AdLINK			54			
Employee stock ownership programme United Internet			768			
Distribution of profits						
Balance as of March 31, 2009	**251,469,184**	**251,469**	**164,718**	**43,405**	**22,000,000**	**–264,987**
Balance as of January 1, 2010	**240,000,000**	**240,000**	**39,971**	**285,546**	**10,272,371**	**–123,786**
Net income				38,291		
Other net income						
Total net income				**38,291**		
Issue of treasury shares			-60		-81,525	982
Employee stock ownership programme AdLINK			47			
Employee stock ownership programme United Internet			863			
Others			-21			
Change in amount of holdings					4,809,154	-54,554
Balance as of March 31, 2010	**240,000,000**	**240,000**	**40,800**	**323,837**	**15,000,000**	**–177,358**

Revaluation reserves	Currency translation	Equity attributable to shareholders of the parent company	Minority interests	Total equity
€k	€k	€k	€k	€k
10,002	**–28,692**	**137,307**	**8,273**	**145,580**
		37,786	118	37,904
-2,777	3,642	865	38	903
-2,777	**3,642**	**38,651**	**156**	**38,807**
		54	5	59
		768		768
		0	-151	-151
7,225	**–25,050**	**176,780**	**8,283**	**185,063**
12,717	**–24,326**	**430,122**	**9,640**	**439,762**
		38,291	244	38,535
5,364	1,382	6,746		6,746
5,364	**1,382**	**45,037**	**244**	**45,281**
		922		922
		47	13	60
		863		863
		-21		-21
		-54,554		-54,554
18,081	**–22,944**	**422,416**	**9,897**	**432,313**

Notes

1. Information on the company

United Internet AG is a service company operating in the telecommunication and information 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, 2010 to March 31, 2010 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 conjunction with the consolidated financial statements as of December 31, 2009. With the exception of the new standards and interpretations described below, the accounting and valuation principles applied in the consolidated financial statements as of December 31, 2009 were adopted without change for the preparation of this consolidated interim report.

Mandatory adoption of new accounting standards

The initial mandatory application of IFRS 2 *Share-based Payment*, IFRIC 17 *Distributions of Non-cash Assets to Owners* and IFRIC 18 *Transfers of Assets from Customers* led to no effects or amendments with regard to the Group's reporting.

The initial mandatory application of the amended standards of the Annual Improvement Project 2009 ("AIP 2009") led to no significant changes.

The publication of IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* has had no impact on Group accounting.

Retrospective adjustments

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. The contract was closed on August 31, 2009. With the sale of the Display Marketing business, the prior-year figures are to be adjusted according to IFRS 5. Sales revenues and expenses of the discontinued operation are no longer included in the respective line items. Net income after taxes of the discontinued operation is disclosed separately.

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.

3. Investments and business combinations

Sedo GmbH holds 49% of shares in Intellectual Property Management Company Inc., domiciled in Dover, Delaware, USA. Until December 31, 2009 the company was carried as an associated company using the equity method. Sedo GmbH also owns a purchase option for a further 32% of shares which is exercisable as of January 1, 2010. According to IAS 27 *Consolidated and Separate Financial Statements*, the possibility to exercise the option already means that the company must be carried as a fully consolidated company in the consolidated financial statements as of fiscal year 2010. The Company has renounced the required disclosures according to IFRS 3 *Business Combinations*, as the full consolidation of the company is of minor significance for the validity of the consolidated financial statements.

The consolidated group remained otherwise unchanged from the consolidated financial statements as at December 31, 2009.

Explanations of items in the statement of comprehensive income

4. 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 order to fully exploit the identified growth business fields "Mobile Internet" and "Cloud Applications", a new segmentation for management and reporting purposes was introduced at the beginning of 2010. The former segments, "Products" and "Online Marketing" were discontinued. In the course of repositioning the United Internet Group, management and consolidated reporting will be undertaken via the segments "Access" and "Applications" from the reporting period 2010 onward. In order make reporting periods comparable, prior-year periods are presented in the new segmentation format.

The Management Board of United Internet AG mainly controls operations on the basis of key earnings figures. The Management Board of United Internet AG measures segment success primarily on the basis of sales revenues, earnings before interest, taxes, depreciation and amortization (EBITDA) and the result of ordinary operations (EBIT). Transactions between segments are charged at market prices. Information on sales revenues is allocated to the country in which the company is domiciled.

Segment reporting of United Internet AG in the reporting period of 2010 was as shown in the table on page 31.

Segment reporting of United Internet AG in the reporting period of 2009 was as shown in the table on page 32.

Following the sale of the Display Marketing business of the AdLINK Group, the prior-year figures of the statement of comprehensive income were adjusted pursuant to IFRS 5 and now only contained continued operations. All figures refer to continued operations.

5. Personnel expenses

Personnel expenses amounted to € 48,010k (prior year: € 43,024k) in the reporting period of 2010. At the end of March 2010, United Internet employed a total of 4,626 people, of which 896 were employed outside Germany. The number of employees at the end of March 2009 amounted to 4,445, of which 811 were employed outside Germany.

January - March 2010	Access segment €k	Applications segment €k	Head Office / Investments €k	Reconciliation €k	United Internet Group €k
Total revenues	301,184	163,087	1,170	–	–
- thereof internal revenues	408	1,251	992	–	–
External revenues	300,776	161,836	178	–	462,790
- thereof domestic	300,776	117,350	178	–	418,304
- thereof non-domestic	0	44,486	0	–	44,486
EBITDA	31,708	60,479	-1,892	0	90,295
EBIT	25,243	47,335	-1,930	0	70,668
Financial result			-5,352	-786	-6,138
Result from at-equity companies			-5,000	-2,457	-7,457
EBT			-12,282	69,355	57,073
Tax expense				-18,573	-18,573
Net income (from continued operations)					**38,500**
Result from discontinued operations				35	35
Net income (after discontinued operations)					**38,535**
Investments in intangible assets, property, plant and equipment	5,420	8,547	23	–	13,990
Amortization/depreciation	6,465	13,124	38	–	19,627
- thereof intangible assets, property, plant and equipment	6,465	8,347	38	–	14,850
- thereof intangible assets capitalized during company acquisitions	0	4,777	0	–	4,777
Number of employees	1,659	2,941	26	–	4,626
- thereof domestic	1,592	2,112	26	–	3,730
- thereof non-domestic	67	829	0	–	896

January - March 2009	Access segment €k	Applications segment €k	Head Office / Investments €k	Reconciliation €k	United Internet Group €k
Total revenues	252,345	158,534	1,274	–	–
- thereof internal revenues	286	1,395	1,097	–	–
External revenues	252,059	157,139	177	–	409,375
- thereof domestic	252,059	114,331	177	–	366,567
- thereof non-domestic	0	42,808	0	–	42,808
EBITDA	22,321	58,679	2,534	0	83,534
EBIT	21,514	46,768	2,488	0	70,770
Financial result			-7,834	-1,106	-8,940
Result from at-equity companies			-4,065	-1,013	-5,078
EBT			-9,411	66,163	56,752
Tax expense				-18,504	-18,504
Net income (from continued operations)					**38,248**
Result from discontinued operations				-344	-344
Net income (after discontinued operations)					**37,904**
Investments in intangible assets, property, plant and equipment	1,741	4,718	6	–	6,465
Amortization/depreciation	807	11,911	46	–	12,764
- thereof intangible assets, property, plant and equipment	807	7,546	46	–	8,399
- thereof intangible assets capitalized during company acquisitions	0	4,365	0	–	4,365
Number of employees	1,532	2,885	28	–	4,445
- thereof domestic	1,500	2,106	28	–	3,634
- thereof non-domestic	32	779	0	–	811

6. Depreciation and amortization

Depreciation and amortization of intangible assets and property, plant and equipment amounted to € 14,850k (prior year: € 8,399k).

Amortization of capitalized intangible assets resulting from business combinations amounted to € 4,777k (prior year: € 4,365k).

Total depreciation and amortization thus amounted to € 19,627k in the reporting period of 2010 (prior year: € 12,764k).

Explanations of balance sheet items

Explanations are only given for those items which display notable 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:

	2010 €k
Carrying amount at the beginning of the fiscal year	126,628
Additions	534
Adjustments	
– Shares in result	-245
– Write-downs	-7,457
– Other	2,463
Disposals	-73
	121,850

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 € 2,463k 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.

8. Other financial assets

The development of these shares was as follows:

	Jan. 1,2010 €k	Additions €k	Amortization of revaluation reserve not recognized in income: Recycling €k	Addition €k	Disposal €k	March 31, 2010 €k
Goldbach shares	15,804			4,914		20,718
Hi-media shares	23,344			2,036		25,380
Afilias shares	5,601					5,601
freenet shares	59,845			-1,508		58,337
Portfolio companies of EFF No. 3	36,559					36,559
Hi-media (vendor loan)	12,195					12,195
Others	7,176	125			-146	7,155
	160,524	**125**	**0**	**5,442**	**-146**	**165,945**

The change in other financial assets results mainly from the subsequent valuation of listed shares in Goldbach, Hi-media and freenet to fair value as of the balance sheet date which lead to an increase in the revaluation reserve without recognition in income.

9. Property, plant and equipment, intangible assets and goodwill

A total of € 13,990k (prior year: € 6,465k) 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.

Goodwill of € 399,669k consists solely of assets belonging to the Applications segment.

10. Liabilities due to banks

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 has a term of five years and is to be redeemed from March 14, 2010 in six equal half-yearly installments. As of December 30, 2009 a partial amount of Tranche A amounting to € 50.0 million was repaid prematurely, so that the next contractual repayment will be on September 14, 2010. As of March 31, 2010, € 250.0 million have been used from Tranche A, of which € 100.0 million is disclosed under current liabilities due to banks. Tranche B is a revolving syndicated loan which expires on 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 June 2010 and September 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.

11. Other current liabilities

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

12. 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.

13. Capital stock / Treasury shares

As of March 31, 2010, fully paid capital stock amounted to € 240,000,000 divided into 240,000,000 registered shares each having a theoretical share in the capital stock of € 1.

With the approval of the Supervisory Board, the Management Board has resolved to offer Group employees shares in the amount of € 360 per employee in fiscal year 2010. These shares were provided from the Company's own stock of treasury shares at the end of February 2010. The Xetra closing price on issuance amounted to € 11.31. A total of 81,525 shares were issued in the course of this program. The historic acquisition costs amounted to € 982k, the resulting personnel expense € 922k. Capital reserves decreased by € 60k – the amount of the difference between the fair value and the original acquisition costs of the treasury shares.

As of March 31, 2010, the Company held a total of 15.0 million treasury shares or 6.25% of current capital stock. Treasury shares reduce equity capital and are not en-titled to dividend payments.

14. Revaluation reserve

The increase in revaluation reserves resulted mainly from the subsequent valuation of shares in Goldbach, Hi-media and freenet. 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 8 for details.

Other items

15. 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, 2009.

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

	March 31, 2010
Management Board	
Ralph Dommermuth	92,000,000
Norbert Lang	576,128
Total	**92,576,128**
Supervisory Board	
Kurt Dobitsch	–
Kai-Uwe Ricke	–
Michael Scheeren	700,000
Total	**700,000**

United Internet's premises in Montabaur are leased from Mr. Ralph Dommermuth. The resulting rent expenses are customary and amounted to € 502k in the reporting period 2010 (prior year: € 436k).

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

No significant transactions took place.

16. Subsequent events

There were no 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, May 12, 2010
United Internet AG

Ralph Dommermuth Norbert Lang

Income Statement

Quarterly development in € million

	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q1 2009
Sales	406.3	409.1	434.1	462.8	409.4
Cost of sales	-252.3	-241.3	-267.4	-291.7	-255.6
Gross profit	**154.0**	**167.8**	**166.7**	**171.1**	**153.8**
Selling expenses	-51.7	-55.1	-60.4	-70.0	-60.8
General administrative expenses	-21.6	-23.6	-28.1	-22.4	-19.4
Other operating income / expense	0.8	47.9	7.8	-3.2	1.6
Amortization of intangible assets resulting from company acquisitions	-4.7	-4.8	-5.2	-4.8	-4.4
Amortization of goodwill	0.0	0.0	0.0	0.0	0.0
Operating result	**76.8**	**132.2**	**80.8**	**70.7**	**70.8**
Financial result	-3.0	-3.7	-4.9	-6.1	-8.9
Amortization of participations	0.0	-2.8	-0.7	0.0	0.0
Result from at-equity companies	-7.6	-7.9	11.7	-7.5	-5.1
Pre-tax result	**66.2**	**117.8**	**86.9**	**57.1**	**56.8**
Income taxes	-21.3	-25.3	8.7	-18.6	-18.6
Net income (from continued operations)	**44.9**	**92.5**	**95.6**	**38.5**	**38.2**
Result from discontinued operations	0.1	8.8	3.4	0.0	-0.3
Net income (after discontinued operations)	**45.0**	**101.3**	**99.0**	**38.5**	**37.9**
Attributable to					
minority interests	0.1	1.8	1.2	0.2	0.1
shareholders of United Internet AG	44.9	99.5	97.9	38.3	37.8
Result per share of shareholders of United Internet AG (in €)					
- basic	0.20	0.43	0.43	0.17	0.16
- diluted	0.20	0.43	0.42	0.17	0.16
thereof result per share (in €) – from continued operations					
- basic	0.20	0.40	0.41	0.17	0.16
- diluted	0.20	0.40	0.40	0.17	0.16
thereof result per share (in €) – from discontinued operations					
- basic	0.00	0.03	0.02	0.00	0.00
- diluted	0.00	0.03	0.02	0.00	0.00

Financial Calendar

March 25, 2010	Annual financial statements for fiscal year 2009
March 25, 2010	Press and analyst's conference
May 12, 2010	Quarterly Report 2010
June 2, 2010	Annual Shareholder's Meeting in Frankfurt am Main, Alte Oper
August 27, 2010	6-Month Report 2010
August 27, 2010	Press and analyst's conference
November 11, 2010	9-Month Report 2010

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