

Invitation to the Annual Shareholders' Meeting

We hereby invite our shareholders
to the Company's Annual
Shareholders' Meeting
to be held on

**Thursday, May 23, 2013,
at 11 a.m.
at the "Alte Oper",
Opernplatz 1,
Mozartsaal,
60313 Frankfurt am Main,
Germany.**

2013

**United Internet AG, Montabaur
ISIN DE0005089031**



Overview items on the agenda

- TOP 1.** Presentation of the approved financial statements, the approved consolidated financial statements, the joint management report for the Parent Company and the Group, including the explanatory report on the disclosures pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB), the Remuneration Report, and the Declaration on Corporate Governance pursuant to Section 289a HGB (including the Corporate Governance Report), together with the Report of the Supervisory Board for the fiscal year 2012
- TOP 2.** Resolution on the allocation of unappropriated profit
- TOP 3.** Resolution on the ratification of Management Board actions
- TOP 4.** Resolution on the ratification of Supervisory Board actions
- TOP 5.** Resolution on the appointment of the auditors of the annual financial statements and consolidated annual financial statements
- TOP 6.** Resolution on the acquisition and sale of treasury shares and exclusion of the right to tender and subscribe to shares
- TOP 7.** Approval of the profit and loss transfer agreement of March 27, 2013 between United Internet AG as parent company and 1&1 Telecom Service Holding Montabaur GmbH as subsidiary

1. Presentation of the approved financial statements, the approved consolidated financial statements, the joint management report for the Parent Company and the Group, including the explanatory report on the disclosures pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB), the Remuneration Report, and the Declaration on Corporate Governance pursuant to Section 289a HGB (including the Corporate Governance Report), together with the Report of the Supervisory Board for the fiscal year 2012

No resolution shall be adopted with regard to this agenda item as the Supervisory Board has already approved the annual financial statements and the consolidated financial statements.

2. Resolution on the allocation of unappropriated profit

In consideration of zero treasury shares held by United Internet AG at the time of convening, the Management Board and Supervisory Board recommend that the unappropriated profit of United Internet AG for fiscal year 2012 of EUR 189,128,458.36 be allocated as follows:

- a portion of EUR 58,200,000.00 shall be distributed to shareholders as a dividend. At the time of convening, a total of 194,000,000 shares are entitled to receive a dividend for fiscal year 2012. This corresponds to a total dividend of EUR 0.30 per share;
- the remaining amount of EUR 130,928,458.36 is to be carried forward.

The number of shares entitled to receive a dividend may change up to the day of the Annual Shareholders' Meeting, for example should the Company purchase treasury shares. In this case, the Management Board and Supervisory Board shall submit a correspondingly amended proposal for resolution, whereby the total dividend shall remain unchanged at EUR 0.30 per share carrying dividend rights. The amendment shall be made as follows: should the number of shares carrying dividend rights – and thus the total dividend amount – decrease, the remaining amount to be carried forward shall increase correspondingly.

The dividend payment shall be made on May 24, 2013.

3. Resolution on the ratification of Management Board actions

The Management Board and Supervisory Board propose a resolution to ratify the actions of those members of the Company's Management Board in office in fiscal year 2012 for that period.

4. Resolution on the ratification of Supervisory Board actions

The Management Board and Supervisory Board propose a resolution to ratify the actions of those members of the Company's Supervisory Board in office in fiscal year 2012 for that period.

5. Resolution on the appointment of the auditors of the annual financial statements and consolidated annual financial statements

The Supervisory Board recommends that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, branch office Eschborn/Frankfurt am Main

- be appointed as auditors of the annual financial statements and the consolidated annual financial statements for the fiscal year 2013; and
- be appointed as auditors for the audit review of the half-yearly and quarterly financial reports, should the Company decide to subject these reports to an audit review.

Prior to submitting its election proposal, the Supervisory Board was provided with a declaration of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft regarding its independence in accordance with the German Corporate Governance Code.

6. Resolution on the acquisition and sale of treasury shares and exclusion of the right to tender and subscribe to shares

The authorization of the Management Board to buy, sell or retire treasury shares, adopted by the Annual Shareholders' Meeting of May 31, 2012 in accordance with Section 71 (1) No. 8 AktG (German Stock Corporation Act) expires on November 30, 2013; it has already been partially utilized. In order to maintain the Company's flexibility with regard to the benefits of acquiring and selling treasury shares, the Company is to be granted a new authorization pursuant to Section 71 (1) No. 8 AktG for a period of 18 months.

The Management Board and Supervisory Board therefore submit the following resolution for adoption:

- a) In accordance with Section 71 (1) No. 8 AktG, the Company is authorized to acquire treasury shares ("United Internet shares") of up to ten percent of its capital stock. The authorization may be exercised by the Company wholly or in installments, once or several times for the pursuit of one or more purposes; it can, however, also be exercised by dependent or majority-owned corporations of the Company or by third parties for the Company's or their own account. In combination with other treasury shares owned by or in the possession of the Company or attributable to the Company pursuant to Sections 71a et seq. AktG, the acquired shares may not at any time exceed ten percent of the capital stock. The authorization may not be used for the purposes of trading with Company shares.
- b) United Internet shares may be purchased in all legally permissible manners, especially via the stock exchange and/or by means of a public bid.

In the case of a purchase by means of a public bid, the conditions described below shall apply. In the case of all other purchases, especially purchases made via the stock exchange, the price for the acquisition of United Internet shares (excluding transaction costs) may not be lower than ten percent lower of the stock market price or more than ten percent higher than the stock market price.

In the case of a purchase of United Internet shares by means of a public bid, the Company must (i) publish a formal offer or (ii) publicly request the submission of offers, and thereby (iii) provide in each case for compensation in the form of a cash payment or the transfer of liquid shares.

- (i) If a formal offer of the Company is published, the Company shall set a price or a price range per United Internet share. If a price range is set, the final purchase price shall be determined on the basis of the acceptance declarations received. The offer may include an acceptance period, conditions, and the possibility to adjust the purchase price range during the acceptance period should there be substantial share price fluctuations following publication of a formal bid and during the acceptance period.

The purchase price or price range per United Internet share (excluding transaction costs) may not be more than ten percent lower nor more than ten percent higher than the average closing price of United Internet shares in XETRA trading (or any functionally equivalent successor to the XETRA system) on the last five trading days before the deadline. The deadline shall be the date of the final decision of the Management Board on the formal offer. In the case of an offer adjustment, the deadline date shall be replaced by the day of the final decision of the Management Board on the adjustment.

If the number of United Internet shares tendered by the Company exceeds the total volume of shares which the Company intended to acquire, the right of shareholders to offer shares may be excluded insofar as the purchase is based on the ratio of United Internet shares tendered. The preferred acceptance of small lots of shares (up to 150 United Internet shares tendered per shareholder) may also be used in order to simplify processing and/or to avoid fractional amounts; to this extent, the right of shareholders to offer shares may also be excluded.

- (ii) If the Company publicly solicits submission of offers to sell United Internet shares, the Company may state a purchase price range in its solicitation within which offers may be submitted. The solicitation may provide for a submission period, terms and conditions, and the possibility of adjusting the purchase price range during the submission period if after publication of the solicitation significant share price fluctuations occur during the submission period.

Upon acceptance, the final purchase price shall be determined from all the submitted sales offers. The purchase price (excluding transaction costs) may not be more than ten percent lower nor more than ten percent higher than the average closing price of United Internet shares in XETRA trading (or any functionally equivalent successor to the XETRA system) on the last five trading days before the deadline. The deadline shall be the date on which the offers are accepted by United Internet AG.

If the number of United Internet shares offered for purchase by the Company exceeds the total volume of shares which the Company intended to acquire, the right of shareholders to offer shares may be excluded insofar as the purchase is based on the ratio of United Internet shares offered. The preferred consideration of small lots of shares (up to 150 United Internet shares tendered per shareholder) may also be used in order to simplify processing and/or to avoid fractional amounts; to this extent, the right of shareholders to tender shares may also be excluded.

- (iii) Consideration for the purchase of United Internet shares by means of bids can be made in the form of a cash payment or the transfer of shares in a listed company as defined by Section 3 (2) AktG ("exchange shares").

In the case of a formal offer or formal request for the submission of offers on an exchange basis, or for exchange shares, a certain exchange ratio may be specified or determined by way of an auction procedure. In each of these procedures for the exchange of shares, the exchange price or the applicable upper and lower limits of the price range in the form of one or more exchange shares and calculated fractional amounts, including any cash or fractional amounts (excluding incidental expenses), may not exceed the purchase ranges specified above in sub-sections (i) and (ii). The basis for calculating the relevant value of each exchange share shall be the respective arithmetic mean closing prices in XETRA trading (or any functionally equivalent successor to the XETRA system) on the last five trading days before the publication of the exchange offer or request for the submission of such an offer or before the final decision on the exchange ratio or the deadline. If the exchange shares are not traded in the XETRA trading system, the basis shall be the closing prices quoted on the stock exchange on the day of the highest average trading volume for the exchange shares in the last completed calendar year.

- (iv) The exclusion or limitation of the shareholders' right to offer shares requires a resolution of the Management Board and the approval of the Supervisory Board.
- c) The Management Board is authorized, subject to the approval of the Supervisory Board, to use these and the previously acquired United Internet shares for all legally permissible purposes, in particular a sale of treasury shares other than via the stock exchange or by offering to all shareholders if the treasury shares are sold for cash consideration which is not significantly less than the stock exchange price of Company's shares with the same rights at the time of sale, or for non-cash consideration if the amount is not unsuitably low according to general assessment (each time without incidental expenses). The decisive stock exchange price for the above selling regulation is the XETRA opening price (or any functionally equivalent successor to the XETRA system) of the Company's share on the Frankfurt Stock Exchange on the day on which the United Internet shares are sold. The above authorization for sale in return for cash consideration is reduced by that proportion of capital stock attributable to shares excluded from subscription rights during the term of this authorization, in direct or corresponding application of Section 186 (3) Sentence 4 AktG.
- d) Moreover, the Management Board is authorized to use the treasury shares acquired on the basis of this authorization and previously acquired United Internet shares, subject to the approval of the Supervisory Board, to grant shares to members of the Management Board and other Company employees, as well as managers and employees of affiliated companies as defined by Sections 15 et seq. AktG, should such persons be entitled to subscription on the basis of employee stock ownership plans. Insofar as treasury shares are to be transferred to members of the Company's Management Board, the decision shall be incumbent upon the Company's Supervisory Board.

The Management Board is further authorized to use the treasury shares acquired on the basis of this authorization and previously acquired United Internet shares, subject to the approval of the Supervisory Board, to fulfill conversion and warrant rights or conversion obligations from convertible bonds and options issued by the Company or dependent companies or companies in which the Company holds a majority share.

The Management Board is also authorized to fully or partially retire and cancel treasury shares acquired on the basis of this authorization and previously acquired United Internet shares, subject to the approval of the Supervisory Board, without any further resolution of the Annual Shareholders' Meeting. The Supervisory Board is authorized to amend Section 5 of the Company's by-laws in accordance with the respective utilization of its authorization to cancel shares.

- e) The right of shareholders to subscribe to United Internet shares shall be excluded to the extent that these shares are used in accordance with the aforementioned authorizations.
- f) The above authorizations shall become effective on May 24, 2013 and apply until November 23, 2014. The authorization to acquire and sell treasury shares adopted by the Annual Shareholders' Meeting of May 31, 2012 is to be revoked on expiry of May 23, 2013 with effect in future.

Report of the Management Board to the Annual Shareholders' Meeting regarding agenda item 6 concerning the authorization to exclude stock tendering and subscription rights pursuant to Sections 71 (1) No. 8 and 186 (4) Sentence 2 AktG

The Management Board has presented the following report on agenda item 6 concerning the authorization of the Company to exclude the tendering rights of shareholders in the case of a buyback of United Internet shares via purchase bids, and the authorization of the Management Board, subject to the approval of the Supervisory Board, to sell treasury shares acquired by the Company in other ways than through the stock exchange or by offering them to all shareholders with the exclusion of subscription rights. The report can be inspected by shareholders on the Internet at www.united-internet.de in the Investor Relations/Annual Shareholders' Meeting section and will be sent immediately and without charge to any shareholder on request. The report will also be available for inspection during the Annual Shareholders' Meeting. It has the following content:

Re item 6 of the agenda

This agenda item contains the proposal, on revocation of the existing authorizations from May 31, 2012, to authorize the Company until November 23, 2014 to acquire treasury shares of up to ten percent of its capital stock. The statutory maximum period of 5 years for such authorizations shall not be utilized. The proposed authorization will enable the Company to make use of the possibility to acquire and sell its own shares, as provided for in Section 71 (1) No. 8 AktG, in order to take advantage of the related benefits for the Company and its shareholders.

a) Bids and exclusion of tendering rights

Agenda item 6 also contains the proposal to authorize the Company's Management Board, with the approval of the Supervisory Board, to acquire treasury shares also by means of bids and thereby to exclude the tendering rights of shareholders. This will enable the Company to ideally structure the purchase of treasury shares.

It may be beneficial for the Company not to purchase treasury shares via the stock exchange but to conduct buybacks by means of a bid made to all shareholders. This may be the case, for example, if a bid can be conducted faster than by purchasing via the stock exchange due to the volume of the planned buyback or if the transfer of other liquid shares is planned as consideration for the buyback rather than cash consideration.

As the buyback of treasury shares by means of bids must always comply with the general limit of ten percent of capital stock, and the Company must be able to limit any buyback with regard to its financial plans, it is therefore feasible that the Company is offered more treasury shares during a bid than it is permitted to purchase within the scope of this authorization, or than the Company had planned to purchase with regard to volume. In order to maintain the shareholders' right to equal treatment in such a situation, a provision should generally be made to ensure that every tendering shareholder is considered in proportion of the shares offered by the shareholder to the total volume of shares tendered. The bid could therefore not be conducted if it were not possible to exclude the general tendering right of shareholders, fully or in part.

Preferential treatment of smaller offers of up to 150 shares can be provided for in order to reduce the administrative effort for processing such a bid or to exclude fractional amounts.

Only by excluding tendering rights can the Company conduct share buybacks by means of a bid. Having carefully weighed up the interests of the shareholders and the Company, the Management Board thus considers the restriction or exclusion of the shareholders' rights to tender shares to be fundamentally justified, given the advantages resulting from the use of bids for the Company. When structuring a possible bid, the Management Board shall very closely examine and weigh up carefully whether and to what extent tendering rights are to be excluded.

b) Sale of treasury shares and exclusion of subscription rights

The authorization of the Management Board proposed under item 6 of the agenda would also allow the Management Board, subject to the approval of the Supervisory Board, to sell treasury shares in other ways than through the stock exchange or by offering them to all shareholders, if the treasury shares are sold for cash compensation which is not significantly lower than the share price for the same type of Company shares at the time of such sale, or for non-cash compensation whose value is not generally regarded as inappropriately low (in each case excluding transaction costs). The stock market price for the purpose of the above selling arrangement is the XETRA opening price (or any functionally equivalent successor to the XETRA system) of the Company's shares on the Frankfurt Stock Exchange on the day when the shares are sold. This authorization to sell for cash consideration is reduced by that proportion of capital stock attributable to shares excluded from subscription rights during the term of the authorization in direct or corresponding application of Section 186 (3) Sentence 4 AktG.

Moreover, the Management Board is to be authorized to use the treasury shares, subject to the approval of the Supervisory Board, to grant shares to members of the Management Board and other Company employees, as well as to executives and employees of affiliated companies pursuant to Sections 15 et seq. AktG, should such persons be entitled to subscription on the basis of employee stock ownership plans. Insofar as treasury shares are to be transferred to members of the Company's Management Board, the decision shall be incumbent upon the Company's Supervisory Board.

The Management Board is further to be authorized to use the treasury shares, subject to the approval of the Supervisory Board, to fulfill conversion and warrant rights or conversion obligations resulting from convertible or warrant bonds issued by the Company or subordinate Group companies.

These authorizations each provide for the possibility to exclude the subscription rights of shareholders. The Company thus makes use of the possibility to exclude stock subscription rights pursuant to Section 71 (1) No. 8 AktG.

The possibility to exclude stock subscription rights serves the Company's interest to sell treasury shares, for example, to institutional investors. Moreover, the Company may be thus enabled to gain new shareholder groups in Germany and abroad. The legal provision to exclude stock subscription rights enables the Company's management to react quickly, flexibly and cheaply to any opportunities provided by the respective stock exchange mood. It does not require the time-consuming and expensive procedure involved with subscription rights. The exclusion of subscription rights also enables the Company to act flexibly and cost-effectively when acquiring other companies, in line with its intended acquisition policy, or other asset items such as licenses.

The possibility to exclude stock subscription rights during the sale of treasury shares also enables the Company to grant treasury shares to persons with entitlements from the employee stock ownership plans or to use such treasury shares to service convertible and warrant bonds, without having to utilize conditional capital for this purpose. Insofar as the Management Board makes use of this authorization, the treasury shares are issued to the entitled persons at the issuance price fixed for the respective employee stock ownership plan or the respective bond conditions.

The asset and voting right interests of shareholders are observed by limiting the authorization to acquire, and thus also to sell, treasury shares to a maximum of ten percent of the Company's capital stock. The requirement of a compensation amount, which should not be significantly lower than the share price in the case of cash compensation and not inappropriately low for non-cash compensation, guarantees that the assets of shareholders are only diluted to a minimum extent, if at all. The benefit for the Company and its shareholders, however, is that interest in the share can be raised by extending the circle of shareholders and that certain assets can be acquired without placing a strain on liquidity. In the case of employee stock ownership plans and convertible or warrant bonds, such a procedure is also more cost-efficient.

c) Reports

The Management Board shall report to the Annual Shareholders' Meeting with regard to its utilization of authorizations.

7. Approval of the profit and loss transfer agreement of March 27, 2013 between United Internet AG as parent company and 1&1 Telecom Service Holding Montabaur GmbH as subsidiary

The Management Board and Supervisory Board submit the following resolution for adoption:

The profit and loss transfer agreement of March 27, 2013 between United Internet AG as parent company and 1&1 Telecom Service Holding Montabaur GmbH as subsidiary is to be unconditionally approved.

Starting on the day on which the Annual Shareholders' Meeting is convened, shareholders will have the possibility to inspect during normal business hours at the offices of United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH, both located at Elgendorfer Strasse 57, 56410 Montabaur, the following documents:

- the profit and loss transfer agreement,
- the annual financial statements and management reports of United Internet AG or the last three completed fiscal years; and the opening balance sheet of 1&1 Telecom Service Holding Montabaur GmbH as at February 27, 2013; and
- the jointly prepared report of the Management Boards of United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH, pursuant to Sec. 293a German Stock Corporation Act (AktG), as printed below

Promptly upon request, each shareholder shall receive a copy of the aforementioned documents free of charge.

The agreement is included as an attachment to this invitation, following the report below. The salient points of the agreement are also explained in the following report.

Joint report of the Management Boards of United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH concerning the profit and loss transfer agreement between United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH pursuant to Sec. 293a German Stock Corporation Act (AktG)

The report has the following content:

“The Management Boards of United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH present the following joint report on the profit and loss transfer agreement between United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH:

1. Conclusion and effectiveness of the agreement

The profit and loss transfer agreement between United Internet AG as parent company and 1&1 Telecom Service Holding Montabaur GmbH as subsidiary was concluded on March 27, 2013. A notarially certified copy of the agreement dated March 27, 2013 is attached to this report (the wording of the agreement is provided further below).

To become effective, the profit and loss transfer agreement must first be approved by the Annual Shareholders' Meeting of United Internet AG, which is expected to be given at the Annual Shareholders' Meeting convened for May 23, 2013. Moreover, the agreement must also be approved by the shareholder meeting of 1&1 Telecom Service Holding Montabaur GmbH, which was given on March 27, 2013. Finally, the profit and loss transfer agreement becomes effective with its entry into the commercial register of 1&1 Telecom Service Holding Montabaur GmbH.

On the basis of the regulation made in Sec. 1 in conjunction with Sec. 4 (1) of the agreement, the income of 1&1 Telecom Service Holding Montabaur GmbH is to be allocated to United Internet AG, within the framework of the affiliation founded and continued through the agreement and on establishment of the aforementioned effectiveness conditions, as of February 27, 2013, 00:00 a.m..

2. Explanation of the profit and loss transfer agreement

The profit and loss transfer agreement between United Internet AG and 1&1 Telecom Service Holding Montabaur GmbH, including its individual provisions, are explained as follows:

2.1 Profit transfer (Sec. 1 of the agreement)

On the basis of the regulation in Sec. 1 (1) of the agreement, the affiliated company, i.e. 1&1 Telecom Service Holding Montabaur GmbH, undertakes to transfer its entire profit, as calculated according to the prevailing commercial law regulations and under consideration of Sec. 1 (2) as well as Sec. 301 German Stock Corporation Act (AktG), to the parent company, i.e. United Internet AG.

The amount to be transferred is thereby the net income without profit transfer, less any loss carryforward from the previous year, less that amount to be transferred to statutory reserves pursuant to Sec. 300 German Stock Corporation Act (AktG), and less the amount barred for distribution pursuant to Sec. 268 (8) HGB.

Sec. 1 (2) of the agreement stipulates that, subject to approval by the parent company, the affiliated company may transfer amounts from the net income to revenue reserves (Sec. 272 (3) German Commercial Code (HGB)), insofar as this is economically justifiable in a fair commercial view. In such cases, the amount to be transferred to the parent company is correspondingly less.

According to Sec. 1 (3) of the agreement, the transfer of amounts from capital reserves as defined by Sec. 272 (2) of the German Commercial Code (HGB) which were formed during the period of affiliation is excluded. The parent company can demand, however, that other revenue reserves formed during the agreement be reversed and used to balance a loss or transferred as profit.

According to Sec. 1 (4) of the agreement, the parent company can demand an interim profit transfer if and insofar as an interim dividend can be paid.

2.2 Loss assumption (Sec. 2 of the agreement)

In accordance with the legal provisions of Sec. 302 German Stock Corporation Act (AktG), the agreement obliges United Internet AG to offset any loss arising – without consideration of the loss assumption obligation – during the term of the agreement. The loss can also be offset by withdrawing amounts from other revenue reserves of the affiliated company, which were formed during the term of the agreement.

2.3 Due date, settlement, interest (Sec. 3 of the agreement)

Sec. 3 (1) sets out the accrual and due date of rights to profit transfers or loss assumptions. They accrue on the respective balance sheet dates of the affiliated company and are also due on this date.

Sec. 3 (2) regulates the fulfillment of rights to profit transfers or loss assumptions. They are to be fulfilled no later than three months after the annual financial statements of the affiliated company have been adopted.

Sec. 3 (3) stipulates the interest payment for the period between the due date and the actual payment date. Pursuant to Sec. 352 and 353 German Commercial Law (HGB), the party required to make a payment is obliged to pay additional interest of 5% of the respective amount owed for the aforementioned period.

2.4 Term (Sec. 4 of the agreement)

Sec. 4 of the agreement regulates the term and the possibilities to serve notice on the profit and loss transfer agreement.

Sec. 4 (1) of the agreement stipulates that the profit and loss transfer agreement begins retroactively as of February 27, 2013, 00:00 a.m..

Sec. 4 (2) of the agreement states that the agreement cannot be terminated before December 31, 2018, 24:00 p.m.. The agreement is firm until this time. The regulations with a minimum term of five years, i.e. until the end of 2018, have been included with regard to the intended acknowledgement of an intercompany grouping for tax purposes (Sec. 14 German Corporate Income Tax Law - KStG). It also indicates that the conclusion of the profit and loss transfer agreement is part of a long-term concept. If the agreement is not terminated, it is extended each time for a further one-year period. The period of notice is six months to the end of the economic year.

Moreover, in Sec. 4 (3) of the agreement it is specified that the right to terminate for reason remains unaffected. Such reason is in particular the assignment of shares in the affiliated company by the parent company, an IPO of the affiliated company, the merging of the affiliated company with another company and the conversion of the affiliated company into a legal form which may not be an affiliated company. The requirement to give notice in writing is in accordance with legal regulations pursuant to Sec. 297 (3) German Stock Corporation Act (AktG).

2.5 Final provisions (Sec. 5 of the agreement)

Sec. 5 (1) of the agreement states that all amendments and additions to the agreement must be made in writing.

Sec. 5 (2) of the agreement also contains an escape clause stating if individual provisions of the agreement be void for any reason, this does not invalidate the other provisions of the agreement. This stipulation is a standard component of agreements and was included for reasons of legal precaution. There is no indication that any of the provisions in the agreement might be invalid.

Finally, Sec. 5 (3) of the agreement states that the costs of the agreement are to be borne by the affiliated company.

2.6 Compensation and indemnity provisions

As all shares in 1&1 Telecom Service Holding Montabaur GmbH are held by United Internet AG, no compensation and indemnity provisions have been included in the profit and loss transfer agreement (Sections 304, 305 German Stock Corporation Act (AktG)).

There is therefore no need to discuss their assessment.

3. Legal and economic reasons for the conclusion of the profit and loss transfer agreement

3.1 Background situation of the companies involved

3.1.1 United Internet AG

3.1.1.1 Overview of the company

The company was founded as 1&1 Aktiengesellschaft & Co. Kommanditgesellschaft auf Aktien on January 29, 1998 (registration in the commercial register of the district court of Montabaur under HRB 5762 on February 16, 1998) with a capital stock of DM 2,529,600.00. Following several capital increases and the translation of its capital stock to euros, the company changed its legal status to that of a public limited company (“Aktiengesellschaft”) named United Internet AG with a resolution of the Extraordinary Shareholders’ Meeting of February 22, 2000 with a capital stock of EUR 13,211,782.22 (registration in the commercial register of the district court of Montabaur under HRB 5762 on March 23, 2000). After further capital increases from company funds, from conditional and approved capital, as well as various capital reductions, the company’s capital stock now amounts to EUR 194,000,000.00 (registration in the commercial register of the district court of Montabaur under HRB 5762 on February 8, 2013).

3.1.1.2 Holding structure

United Internet AG acts as a management holding for its subsidiaries, including 1&1 Telecom Service Holding Montabaur GmbH.

3.1.1.3 Result situation

For further details on the development and result situation of United Internet AG, please refer to the Company’s consolidated financial statements and management report for the fiscal year 2012.

3.1.2 1&1 Telecom Service Holding Montabaur GmbH

3.1.2.1 Overview of 1&1 Telecom Service Holding Montabaur GmbH

1&1 Telecom Service Holding Montabaur GmbH has a share capital of EUR 25,000.00 (registration in the commercial register of the district court of Montabaur under HRB 23485 on March 14, 2013).

3.1.2.2 Equity relationship

United Internet AG is the sole shareholder of 1&1 Telecom Service Holding Montabaur GmbH and thus holds 100% of its shares. The share capital stock amounts to EUR 25,000.00 and is fully paid in.

3.1.2.3 Business activity

1&1 Telecom Service Holding Montabaur GmbH provides services of all kinds, especially Internet services and support, and in particular for the field of telecommunications, marketing/sales, IT, HR, procurement and accounting. The company’s object also includes acquiring, holding and managing investments, especially in those companies which operate in the aforementioned business fields.

3.1.2.4 Result situation

No details on the development and result situation of 1&1 Telecom Service Holding Montabaur GmbH can be provided as the company was only recently formed and is still establishing its business activities.

3.2 Reasons for the conclusion of a profit and loss transfer agreement

3.2.1 Company law reasons

The United Internet AG group has a holding structure, within which its legally independent subsidiaries operate, which in turn is led by United Internet AG as a management holding company. In this way, United Internet AG can bundle and efficiently handle its management tasks. In line with this holding concept, 1&1 Telecom Service Holding Montabaur GmbH is to be included in the group organization as a contractual group company. This ensures, in particular, the optimal employment of financial resources within the group. The formation of a contractual group company offers the possibility of coordinating the interests of 1&1 Telecom Service Holding Montabaur GmbH with those of the group as a whole – while still maintaining the profit responsibility of 1&1 Telecom Service Holding Montabaur GmbH in all other respects. This integration shall also exist in future.

3.2.2 Tax reasons

1&1 Telecom Service Holding Montabaur GmbH is a legally independent subsidiary, whose result is taxed at company level and thus cannot be consolidated with profits and losses of United Internet AG. Following the change from the tax imputation method to the half-income procedure as part of Germany's corporation tax reform of 2001, and to the partial-income procedure as part of Germany's corporation tax reform of 2008, consolidation of profits and losses for purposes of corporation tax is no longer possible via dividend distribution and the respective imputed tax charge. Moreover, the system-related tax exemption of dividend payments between corporations is connected with a restriction of the deductibility of operating expenditure on the holding level.

These disadvantages can be avoided by the establishment of a fiscal unity for corporation tax purposes. A substantial condition for the establishment of a fiscal unity for corporation tax purposes between United Internet AG as parent company and 1&1 Telecom Service Holding Montabaur GmbH as subsidiary is the conclusion or continuation of a profit of and loss transfer agreement (Sec. 14 German Corporate Income Tax Law – KStG).

As a consequence of the fiscal unity for corporation tax purposes, the entire income of the affiliated company is transferred to the parent company for taxation. This enables fiscal consolidation of the subsidiary's income with that of the parent company on the one hand, but also allows one subsidiary to offset losses against the profits of another. Moreover, the fiscal unity also ensures the deductibility of operating expenditure of United Internet AG.

The foundation or continuation of a subsidiary relationship between United Internet AG (parent company) and 1&1 Telecom Service Holding Montabaur GmbH (affiliated company) is thus an ideal structure for corporation tax purposes, as well as for trade tax and sales tax purposes.

Despite the profit transfer agreement, the income of 1&1 Telecom Service Holding Montabaur GmbH is first determined according to general regulations and separately from the parent company. According to commercial law, the net income of 1&1 Telecom Service Holding Montabaur GmbH is to be transferred to United Internet AG, less any loss brought forward from periods prior to the subsidiary relationship. This transfer obligation is disclosed in the annual financial statements of 1&1 Telecom Service Holding Montabaur GmbH as a liability to affiliated companies. In the case of a net loss, this is to be offset by the parent company.

This must be differentiated from the profit calculation according to tax law. The parent company does not receive the net income, or loss, but the commercial balance sheet result of the affiliated company modified according to tax law principles. Due to operating expenses not deductible for tax purposes, tax-exempted income and allocation to reserves according to commercial law, for example, differences occur between the income to be allocated and the commercial balance sheet result.”

Attachment to item 7:

The profit and loss transfer agreement has the following content:

“The following profit and loss transfer agreement is to be concluded between

*United Internet AG
56410 Montabaur, Elgendorfer Str. 57
(AG Montabaur, HRB 5762)
– hereinafter referred to as the “Parent Company” –*

and

*1&1 Telecom Service Holding Montabaur GmbH
56410 Montabaur, Elgendorfer Str. 57
(AG Montabaur, HRB 23485)
– hereinafter referred to as the “Subsidiary” –*

Preamble

The Parent Company holds 100% of the shares in the Subsidiary and is thus the sole shareholder of the Subsidiary.

This having been established, the Parties agree the following:

§ 1 Profit transfer

- 1. The Subsidiary undertakes to transfer its entire profit, as calculated according to the prevailing commercial law regulations and under consideration of the following Sec. 2 as well as Sec. 301 German Stock Corporation Act (AktG), to the Parent Company. The amount to be transferred is the net income without profit transfer, less any loss carryforward from the previous year, less that amount to be transferred to statutory reserves pursuant to Sec. 300 German Stock Corporation Act (AktG), and less the amount barred for distribution pursuant to Sec. 268 (8) HGB..*
- 2. Subject to approval by the Parent Company, the Subsidiary may transfer amounts from the net income to revenue reserves (Sec. 272 (3) German Commercial Code (HGB)), insofar as this is economically justifiable in a fair commercial view.*
- 3. The transfer of amounts from other revenue reserves formed prior to the agreement (acc. to Sec. 272 (2) German Commercial Code (HGB)) is excluded. The parent company can demand, however, that other revenue reserves formed during the agreement be reversed and used to balance a loss or transferred as profit.*

4. *The Parent Company can demand an interim profit transfer if and insofar as an interim dividend could be paid.*

§ 2 Loss assumption

In accordance with Sec. 302 (1) German Stock Corporation Act (AktG), the Parent Company is obliged to offset all annual net losses arising during the term of the agreement. Sec. 302 AktG applies in its entirety and in the currently valid version.

§ 3 Due date, settlement, interest

1. *The obligation to transfer profits or offset losses accrues on the respective balance sheet date of the Subsidiary and is due on this date.*
2. *The obligation to transfer profits or offset losses is to be fulfilled no later than three months after the annual financial statements of the Subsidiary have been adopted.*
3. *Pursuant to Sec. 352 and 353 German Commercial Law (HGB), the party required to make a payment is obliged to pay interest of 5% of the respective amount owed for the period between due date and actual fulfillment.*

§ 4 Term

1. *This agreement requires the approval of the Annual Shareholders' Meeting of the Parent Company and the approval of the shareholders' meeting of the Subsidiary. The agreement becomes effective upon its registration of its existence in the Commercial Register of the Subsidiary's location and begins as of the company's formation on February 27, 2013.*
2. *The agreement cannot be terminated before December 31, 2018, 24:00 p.m.. If the agreement is not terminated, it is extended each time for a further one-year period. The period of notice is six months to the end of the economic year.*
3. *Extraordinary termination for reason remains unaffected. Such reason is in particular the assignment of shares in the Subsidiary by the Parent Company, an IPO of the Subsidiary, the merging of the Subsidiary with another company and the conversion of the Subsidiary into a legal form which may not be an affiliated company. Notice must be given in writing.*

§ 5 Final provisions

- 1. All amendments and additions to the agreement must be made in writing.*
- 2. Should any provision of the agreement be or become fully or partially void and/or unworkable for any reason, this does not affect the validity of the other provisions of the agreement. Both Parties hereby undertake to substitute any invalid clauses with valid clauses which are most suited to achieve the desired economic purpose. The same applies to omissions in the agreement.*
- 3. The costs of this agreement are to be borne by the Subsidiary.*

Montabaur, March 27, 2013

United Internet AG

1&1 Telecom Service Holding Montabaur GmbH

Participation in the Annual Shareholders' Meeting

Those shareholders who have notified their intention to attend the Annual Shareholders' Meeting and exercise their voting right by no later than **24:00 (CEST) of May 16, 2013** at the address:

United Internet AG,
c/o Computershare Operations Center,
80249 München,
Fax: +49 89 309037-4675,
hv2013@united-internet.de

and are registered on the day of the Annual Shareholders' Meeting in the share register as shareholders of the Company, are entitled to participate in the Annual Shareholders' Meeting, as well as to exercise their voting rights and put forward motions. Decisive for the timeliness of the registration is its date of receipt.

Decisive for voting rights, is the amount of shares entered in the share register on the day of the Annual Shareholders' Meeting. For reasons of technical processing, no changes will be performed in the share register in the period from May 17, 2013, 00:00 (CEST), to the day of the Annual Shareholders' Meeting (including the aforementioned days themselves).

Free availability of shares

Shares are not blocked by registering for the Annual Shareholders' Meeting; shareholders can thus continue to freely dispose of their shares even after successful registration.

Total number of shares and voting rights

On the date when the Annual Shareholders' Meeting was convened, the Company's capital stock amounted to EUR 194,000,000.00 and the number of no-par value shares was 194,000,000 with an equal number of voting rights. At the time of convening the Annual Shareholders' Meeting, United Internet AG held no treasury shares.

Exercising voting rights by proxy

Shareholders who are not able to participate themselves in the Annual Shareholders' Meeting may have their voting rights exercised by a representative should such authorization have been granted, e.g. by a bank, shareholder association, or proxy provided by the Company.

The shareholder or proxy must register each case of authorization in an orderly manner. If the shareholder authorizes more than one person, the Company may reject one or several of these persons.

The granting or revocation of proxies, as well as proof of such authorization to the Company, must be made in text form (Section 126b BGB).

The address, fax number and email address stated for registration can also be used for granting proxy to the Company, transmitting proof of proxy for the representative, and for the revocation of proxies.

On the day of the Annual Shareholders' Meeting, the entry and exit controls to the Annual Shareholders' Meeting at the Alte Oper, Opernplatz 1, Mozartsaal, 60313 Frankfurt am Main, may be used for this purpose from 10.00 a.m. (CEST).

The personal appearance of the shareholder at the Annual Shareholders' Meeting is not in itself revocation of a previously issued proxy. In this case, the shareholder must declare the revocation at the Annual Shareholders' Meeting in the required manner and provide documentation to the Company. During the Annual Shareholders' Meeting, the Company shall provide prepared revocation forms for the shareholders.

Special rules apply for proxies granted to credit institutes, shareholder associations and similar persons and institutes according to Section 135 (8) and Section (10) AktG, as well as for the revocation and evidence of such proxies. In such cases, shareholders are requested to make timely arrangements with their representative due to the special form which may be requested.

Shareholders shall receive a proxy form together with their admission ticket, which can be used for granting proxies. This proxy form can also be sent separately to shareholders on request and is also available on the Internet at www.united-internet.de in the section Investor Relations/Annual Shareholders' Meeting. Shareholders are requested to grant proxies preferably using the proxy form provided by the Company.

The granting or revocation of instructions to Company proxies, as well as any amendments of such instructions, must be made in text form – as must the granting or revocation of authority to Company proxies. The following special regulations apply in such cases: if the representatives receive more than one proxy and voting instructions, the last formally valid proxy issued with the corresponding instructions will be considered binding. If proxies are not granted in the valid form, representatives will not cast proxy votes at the Annual Shareholders' Meeting. If instructions are not filled out correctly or not unequivocally issued, representatives bound by voting instructions shall abstain from voting or not participate in the vote depending on the voting process. The proxies are bound by instructions and may not vote at the Annual Shareholders' Meeting on items not known in advance (e.g. procedural motions). Depending on the voting procedure, representatives with voting instructions shall abstain from voting or not participate in the vote. The same applies to the vote on a counter-motion. It is not permissible to instruct a Company proxy to declare an objection nor file a motion or raise a question.

The granting, revocation or amendment of proxy authorization and instructions to Company proxies is only possible via the address, fax number or e-mail address stated for registration as follows:

- (i) at the given address by May 22, 2013, 24:00 p.m. (CEST);
- (ii) at the given fax number or e-mail address by May 23, 2013, 12:00 a.m. (CEST).

In addition, on the day of the Annual Shareholders' Meeting, the entry and exit controls to the Annual Shareholders' Meeting at the Alte Oper, Opernplatz 1, Mozartsaal, 60313 Frankfurt am Main, may be used for this purpose from 10.00 a.m. (CEST) until shortly before voting begins.

On receipt of the registration, shareholders will be sent admission tickets. We request you to bring these to the Annual Shareholders' Meeting. The receipt and presentation of the admission ticket is not, however, a prerequisite for participating in the Annual Shareholders' Meeting and exercising voting rights. They merely serve to aid organization of the event. Voting tickets will be distributed before the Annual Shareholders' Meeting at the venue.

Information on the Annual Shareholders' Meeting is also provided on the Company's website (www.united-internet.de) in the Investor Relations/Annual General Meeting section.

Rights of shareholders

(Disclosures pursuant to Sections 122 (2), 126 (1), 127, 131 (1) AktG)

Extended agenda

Shareholders whose shares together reach at least 5% of capital stock or a prorated amount of EUR 500,000.00 may, pursuant to Section 122 (2) AktG, request that items be placed on the agenda and announced. Each new item must be accompanied by reasons justifying it or a draft resolution. Requests must be made in writing to the Management Board of the Company. It must be received by the Company at least 30 days prior to the Annual Shareholders' Meeting, i.e. by no later than **24:00 (CEST) of April 22, 2013**. Pursuant to Section 122 (2) Sentence 1 in conjunction with Section 142 (2) Sentence 2 AktG, those shareholders submitting such requests must document that they have been the owners of the shares since at least February 23, 2013 00:00 a.m. (CET). We would ask you to send the corresponding requests to the following address:

Management Board of United Internet AG
Elgendorfer Strasse 57
56410 Montabaur
Germany

Additions to the agenda requiring announcement – if not already announced when the meeting is convened – are to be immediately announced on receipt of the request in the Federal Gazette. They will also be reported to shareholders entered in the share register and announced online at www.united-internet.de in the Investor Relations/Annual General Meeting section.

Counter-motions and nominations pursuant to Sections 126 (1) and 127 AktG

Every shareholder may also submit counter-motions to the motions brought by the Management Board and Supervisory Board on certain items of the agenda, as well as submitting nominations for elections. Counter-motions requiring publication must include reasons. Nominations for elections requiring publication do not have to include reasons. Counter-motions, nominations and other enquiries must be sent to the following address only:

United Internet AG
Investor Relations
Elgendorfer Strasse 57
56410 Montabaur
Germany
Fax no. +49 2602 96-1013
investor-relations@united-internet.de.

Subject to Section 126 (2) and (3) AktG, counter-motions and nominations requiring publication received from shareholders, including the name of the shareholder, the reasons for the motion requiring publication and any response from the administration, will be made accessible on the Company's website at www.united-internet.de in the Investor Relations/Annual General Meeting section. Only those counter-motions and nominations received by the Company at the aforementioned address no later than 14 days prior to the Annual Shareholders' Meeting, i.e. by **24:00 (CEST), May 8, 2013** shall be considered. Nominations will only be made accessible if they meet the requirements of Sections 124 (3) Sentence 4, and 125 (1) Sentence 5 AktG.

Right to information pursuant to Section 131 (1) AktG

At the Annual Shareholders' Meeting, any shareholder or shareholder representative may request the Management Board to provide information on matters relating to the Company, as long as this information is necessary for the proper assessment of an item on the Agenda and there is no right to refuse the provision of information. The Management Board's obligation to provide information also comprises the legal and business relations of United Internet AG with associated companies. It also includes the situation of the United Internet Group and the companies included in United Internet's consolidated financial statements. Moreover, the chairman of the meeting is entitled to conduct various measures with regard to the orderly conduct of the Annual Shareholders' Meeting. These also include a limitation of the right to speak and ask questions.

For further information on the rights of shareholders, please refer to the corresponding document which can be found in the Investor Relations/Annual General Meeting section of the Company's website at www.united-internet.de.

Further details on the Annual Shareholders' Meeting

Information and documents on the Annual Shareholders' Meeting

The invitation to the Annual Shareholders' Meeting with all mandatory details, explanations and documents is also available on our corporate website at www.united-internet.de under Investor Relations/Annual General Meeting, where the information/documents pursuant to Section 124 a AktG can also be found.

Following the Annual Shareholders' Meeting, the voting results will be published at the same internet address.

The invitation to the Annual Shareholders' Meeting was made available for publication by those media which may be expected to disseminate the information throughout the European Union.

Transmission of the Annual Shareholders' Meeting

According to Section 15 (4) of the by-laws of United Internet AG, the Annual Shareholders' Meeting may be transmitted in full or in excerpts, in sound and image, providing the Management Board approves such transmission. This may also occur in such a way that the public have unrestricted access.

Montabaur, April 2013

United Internet AG
The Management Board

This version of the Invitation and Agenda to the Annual Shareholders' Meeting of United Internet AG is a translation of the German original, prepared for the convenience of Englishspeaking readers. For the purposes of interpretation the German text shall be authoritative and final. No warranty is made as to the accuracy of this translation and United Internet AG assumes no liability hereto.



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Tel. 02602 96-1100, Fax 02602 96-1013

investor-relations@united-internet.de

Management Board: Ralph Dommermuth (Chairman), Robert Hoffmann, Norbert Lang
Chairman of the Supervisory Board: Kurt Dobitsch
HRB Montabaur 5762