9-Month Report 2009

united internet

Dear shareholders, employees and friends of United Internet!

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

After already strengthening our Webhosting business with the acquisition of united-domains in the first quarter of 2009, we reached an agreement concerning the purchase of freenet's DSL business in the second quarter and also agreed a preferential cooperation for the sale of our DSL products via approximately 1,000 mobilcom-debitel shops and the internet portal freenet.de. In the third quarter of 2009, we transferred our Display Marketing business "AdLINK Media" to the listed company Hi-media S.A. in return for 10.7% of shares in Hi-media plus around € 12.2 million in cash or shares. Following the scheduled conclusion of the transaction at the end of August, the Display Marketing segment was retroactively deconsolidated in accordance with IFRS 5 and is disclosed in these financial statements under "Result from discontinued operations". The prior-year figures were adjusted accordingly.

In our operating business, there was year-on-year sales growth of 5.1%, from € 1,165.2 million to € 1.224.8 million – despite the global recession and the resulting weakness of the online advertising market. Ordinary earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 8.1% from € 248.9 million to € 269.1 million, while ordinary earnings before interest and taxes (EBIT) were up 9.4% from € 209.8 million to € 229.6 million. After consideration of non-recurring income of € 50.2 million from the sale of our directly held freenet shares, EBITDA grew to € 319.3 million and EBIT to € 279.8 million.

Whereas the Product segment proved to be highly resistant to the economic crisis, the Online Marketing segment was adversely impacted by the crisis and the slump in advertising, as well as by the resulting pressure on margins. Although year-on-year sales remained fairly stable at € 101.4 million (-1.5%), profits fell strongly in comparison with prior-year figures still largely unaffected by these factors: EBITDA was down 36.4% to € 6.8 million and EBIT fell by 43.6% to € 5.3 million.

In our dominant Product segment, we raised the number of fee-based customer contracts by 1.22 million compared with December 31, 2008 (incl. freenet DSL) to reach 9.17 million as of September 30, 2009. In Information Management we added 160,000 new contracts in the first nine months of 2009 to reach 1.52 million. There was growth of 430,000 contracts to 4.05 million in Webhosting, whereby webhosting contracts outside Germany grew by 210,000 to 2.14 million. In our DSL business, the number of all-inclusive packages continued to grow strongly with the addition of a further 920,000 contracts to 1.70 million (including contracts from the acquisition of freenet's DSL business). In our resale/T-DSL business, however, the number of contracts fell by 300,000 to 1.74 million, despite the acquisition of freenet's customers. The fall is due in particular to the high churn rate of resale contracts and the active migration of customers to all-inclusive packages. Segment sales rose by 5.8% to € 1,122.9 million. With an increase of 9.4% to € 258.0 million, EBITDA was well above the prior-year figure, as was EBIT with growth of 11.1% to € 220.1 million.

Due to the strong progress of business, we can once again raise our earnings forecasts for 2009. We now expect a year-on-year increase of approx. 8% for EBITDA and EBIT.

Montabaur, November 12, 2009

Ralph Dommermuth
CEO

Contents

Selected key figures acc. to IFRS (from continued operations)

		Jan.–Sept. 2009	Jan.–Sept. 2008
Sales	€ million	1,224.8	1,165.2
Earnings before interest, taxes depreciation and amortization (EBITDA)	€ million	319.3	248.9
Earnings before taxes (EBT)	€ million	279.8	209.8
Net income	€ million	175.6	–13.4
Employees	number	4,485	4,258
Share price as of end of September (Xetra)	€	10.31	7.58
Earnings per share	€	0.76	–0.06

Quarterly development	Q4 2008 € million	Q1 2009 € million	Q2 2009 € million	Q3 2009 € million	Q3 2008 € million
Sales	405.2	409.4	406.3	409.1	391.7
EBITDA	68.0	83.5	90.2	145.6	78.5
EBIT	48.1	70.8	76.8	132.2	65.1
Net income	–104.7	37.9	44.9	92.8	–103.1

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

EBITDA and EBIT Q3/2009 include non-recurring income of € 50.2 million from the sale of freenet shares; net income Q3/2009 includes net positive non-recurring income of € 45.2 million.

Management report for the first 9 months of 2009

Economic environment

IMF more optimistic again for global economy

The International Monetary Fund (IMF) has moderately upgraded its global economic forecast for 2009 after completion of the third quarter. In its forecast update published in the „World Economic Outlook“ on October 1, 2009, the IMF now forecasts a decline of 1.1% – which is marginally better than in July 2009 (-1.4%). However, the IMF predicts a slow recovery of the global economy at varying speeds around the world. It also points out that a more rapid recovery in the industrialized nations is likely to be hindered by rising unemployment.

The IMF also upgraded its forecasts for Europe and Germany. It now predicts a fall in gross domestic product (GDP) in the Euro zone of 4.2% (July forecast: -4.8%). In Germany, the IMF currently expects a fall of „just“ 5.3% in 2009 (July forecast: -6.2%). Despite this upgrade, however, Germany would still record one of the worst growth results of the established industrial nations.

In its analysis, the Fund emphasizes that the return to growth owes much to special factors, such as the recovery programs introduced in many nations and more relaxed monetary policy.

Only limited impact of economic crisis on ITC markets

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

In its October forecast, BITKOM confirms its summer forecast and continues to predict a fall in ITC sales and services in Germany of 2.5% to € 142 billion in 2009. In the field of Information Technology, the association expects a decline of 2.6% to € 65.4 billion and a decline of 2.2% to € 64.3 billion for the Telecommunication sector. According to the BITKOM forecast for 2009, the German market for digital entertainment electronics is expected to shrink by 2.9% and thus reach a volume of € 12.3 billion. However the sector association was still forecasting a decline of 6.5% for this segment in July.

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

Following a strong fall in the pace of growth for the German DSL market in 2008 – despite absolute growth of 2.4 million connections to 20.9 million (2007: +4.1 million new connections) – all experts expect further growth in 2009, albeit at a reduced pace. Figures published during the year by the major DSL providers confirm these expectations.

The international hosting market continues to enjoy steady growth. According to calculations of Registrar-STATS.com, the number of registered generic top-level domains around the world (such as .com, .net, .org) grew by 5.5 million in the first nine months of 2009 to reach a total of 112.8 million domains – an increase of 5.1% over December 31, 2008. The German top-level domain ".de" is also enjoying strong demand in 2009 – despite a comparatively high online presence already achieved among consumers and businesses – and grew by 630,000 (+5.1%) to 13.08 million domains in the first nine months. The respective registration authorities reported even stronger growth of national domains in our foreign markets: the UK (+8.1% to 7.90 million), France (+16.0% to 1.52 million), Spain (+7.4% to 1.16 million), Austria (+10.0% to 0.88 million) and Switzerland (+8.1% to 1.34 million).

In contrast to the more non-cyclical DSL and Webhosting sectors, the economic crisis has hit the advertising market even harder than expected. Due to the fall in global advertising in the first half of 2009, the agency group ZenithOptimedia has thus made a further downward adjustment to its forecast for the development of advertising spending. In the October issue of its survey "Advertising Expenditure Forecast", the company currently expects a decline in global gross advertising expenditure of 9.9% in 2009 – compared with an expected decline of 8.5% in July 2009 and "just" 6.9% in April 2009. The crisis is also leaving its mark on the German advertising market – although the predicted decline of 8.5% is not quite as severe as in some neighboring countries. Sharp falls are also expected in North America (-12.6%) and Western Europe (-11.2%). Despite these gloomy overall forecasts for 2009 as a whole, ZenithOptimedia believes the worst will soon be over – based on the slower decline in global advertising spending in the second half of 2009 – but does not expect renewed growth until 2011 (forecast 2010: -3.2%).

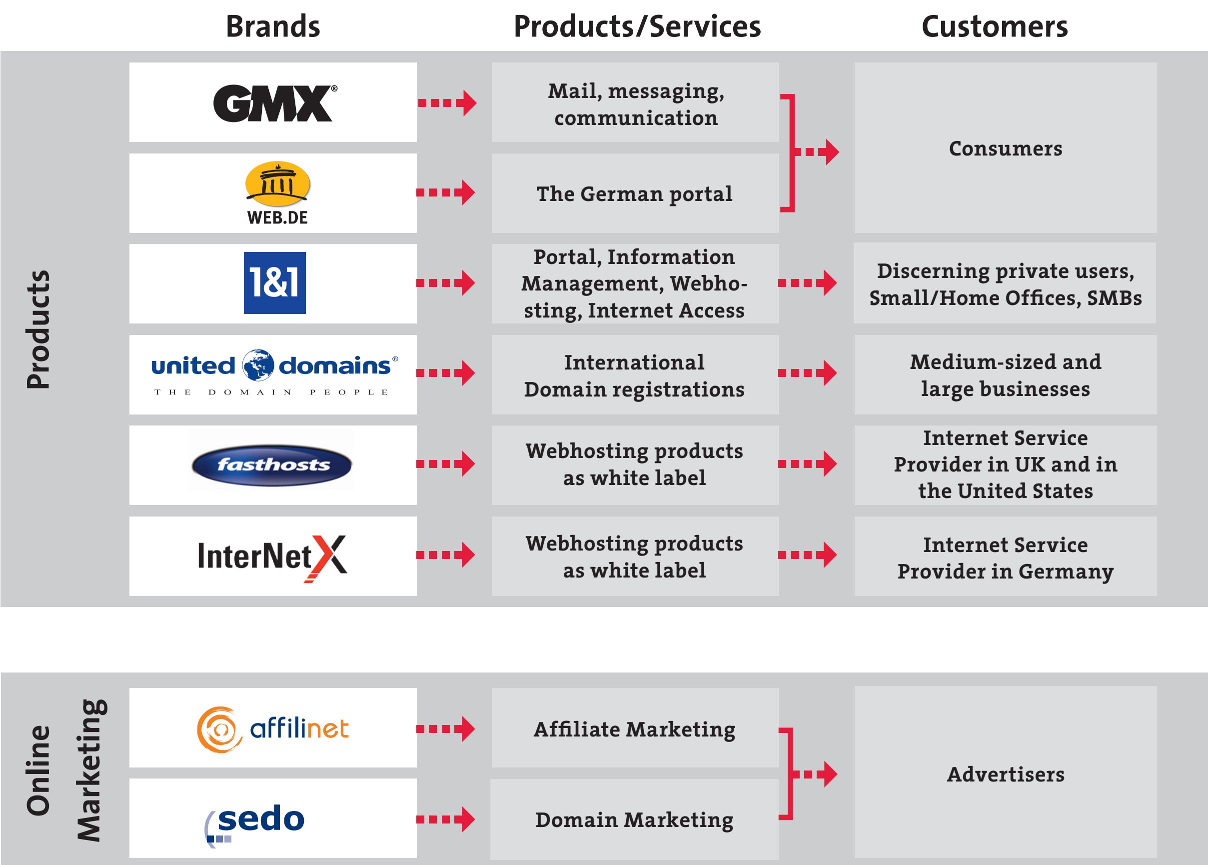
According to estimates of ZenithOptimedia, the internet will be the only advertising medium in which more money is invested in 2009 than in 2008 – thanks to its greater transparency, measurability and flexibility – with an increase in gross advertising spending of 9.2% in 2009. However, actual revenues received by online marketing companies are expected to be much lower, as ZenithOptimedia considers gross spendings based on the official price lists. Discounts and rebates on these list prices as a result of fierce competition and excess supply of advertising space have grown significantly once again in 2009, but are not considered by market surveys and forecasts.

Business development

With a total of 9.17 million customer contracts*, United Internet AG is a leading international Internet Service Provider. Following the acquisition of united-domains AG, completed in early March 2009, United Internet operated in two business fields during the period under review, especially through its nine brands:

In the "Product" segment, our value-added internet services and fast DSL connections are directed at private users, small offices/home offices and companies. These

Segments and brands (after sale of AdLINK Media)



groups are served directly by the brands GMX, WEB.DE, 1&1 and united-domains. In addition, we also market our webhosting products as white-label solutions to other ISPs – indirectly – via resellers. Apart from this subscription business, we market the reach of our portals to e-commerce suppliers and advertisers via United Internet Media.

In our "Online Marketing" segment, we were mainly represented by the brands affilinet, Sedo and the now sold AdLINK Media during the period under review. In this segment we offer various marketing and sales solutions to advertisers: Affiliate Marketing via affilinet, Domain Marketing via Sedo and (until recently) Display Marketing via AdLINK Media.

Successful international expansion

In the Product segment, we operate our "Webhosting" business in Germany, the UK, France, the USA, Austria, Switzerland and Spain. We also serve customers in numerous other countries via our international order page. In our non-German markets, we added 210,000 new customer contracts in the first nine months of 2009 and held a total of 2.14 million contracts as of September 30, 2009.

Acquisition of united-domains

In late 2008 we signed an agreement with the former owner of united-domains, LYCOS Europe NV, concerning the acquisition of united-domains AG. Following approval from the anti-trust authorities, the purchase price of € 34.1 million was settled fully in cash in February 2009. united-domains has been consolidated in the financial statements of United Internet AG since March 2009. The company continues to be led by its founders, who acquired around 15% of the company's shares in a second transaction.

Acquisition of freenet's DSL business

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

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

Sale of Display Marketing business/investment in Hi-media

In the third quarter of 2009 we transferred our Display Marketing business "AdLINK Media" to the listed company Hi-media S.A. in return for a 10.7% stake in Hi-media and an additional approx. € 12.2 million in cash or shares (in the case of a capital increase of Hi-media at a subscription price below € 3.63). In the case of the cash component, Hi-media was granted a vendor loan with a standard market interest rate which is to be repaid by June 30, 2011 at the latest. Following the scheduled closing of the transaction in late August, the Display Marketing business was retroactively deconsolidated in accordance with IFRS 5. It is disclosed in these financial statements under "Result from discontinued operations".

Employees

Following the sale of AdLINK Media, United Internet employed a total of 4,485 people at the end of September 2009 (December 31, 2008: 4,384), of which

827 (December 31, 2008: 804) were employed outside Germany.

Share and dividend

With a stock quote of € 10.31 on September 30, 2009, the United Internet AG share price was up 63.9% on December 31, 2008 (€ 6.29). As a result, our share easily outperformed the comparative TecDAX index, which rose by 49.1% in the first nine months of 2009.

No dividend was paid to shareholders for the fiscal year 2008.

Segment development

Product segment

The United Internet Group's dominant business in the first nine months of 2009 was once again its Product segment, with its main brands GMX, WEB.DE, 1&1, united-domains, InterNetX and Fasthosts, which together accounted for 91.7% of total sales.

Thanks to a business model based largely on electronic subscriptions, the segment enjoyed further growth – although the reduced spending of our advertising customers was noticeable in portal marketing. The conversion of DSL customers to our all-inclusive packages – of particular importance for customer retention – placed an initial burden on earnings. Despite these burdens, however, sales in this segment grew by 5.8% to € 1,122.9 million in the period under review. EBITDA and EBT were both well up on the previous year at € 258.0 million (+9.4%) and € 220.1 million (+11.1%), respectively. Customer acquisition costs continue to be charged directly as expenses.

Our very healthy key financials are closely linked with the quantitative and qualitative growth of our customer base. As of September 30, 2009 we had 9.17 million* fee-based customer contracts (December 31, 2008: 7.95 million). These are divided among our three product lines:

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

There was strong growth in all product lines during the first nine months of 2009. In "Information Management", the number of customer contracts grew by 160,000 to 1.52 million. Due in part to the initial consolidation of united-domains, there was growth of 430,000 contracts to 4.05 million in "Webhosting". The number of webhosting contracts outside Germany grew by 210,000 to 2.14 million. In our DSL business, there was strong growth in the number of all-inclusive packages with the addition of a further 920,000 customer contracts to 1.70* million (including contracts from the acquisition of freenet's DSL business). In our resale/T-DSL business, however, the number of contracts fell by 300,000 to 1.74 million*, despite the acquisition of freenet's customers. The fall is due in particular to the high churn rate of resale contracts and the active migration of customers to all-inclusive packages. All in all, the number of DSL contracts grew by 620,000 to 3.44 million*. The increased proportion of "all-inclusive contracts" (now 49.4% of all DSL contracts; December 31, 2008: 27.7%) has led to a further improvement in the quality of customer retention and in average revenue per DSL customer (ARPU).

Development of customer contracts in the third quarter of 2009

Customer contracts	30.06.2009	30.09.2009	Change
Information Management	1.46 Mio.	1.52 Mio.	+60,000
Webhosting	3.96 Mio.	4.05 Mio.	+90,000
thereof abroad	2.07 Mio.	2.14 Mio.	+70,000
Internet Access*	3.63 Mio.	3.60 Mio.	−30,000
thereof DSL*	3.47 Mio.	3.44 Mio.	−30,000
- DSL complete packages	1.58 Mio.	1.70 Mio.	+120,000
- Resale-/T-DSL	1.89 Mio.	1.74 Mio.	−150,000
Total*	**9.05** Mio.	**9.17** Mio.	**+120,000**

* incl. freenet DSL; see "Acquisition of freenet DSL business"

Development of customer contracts in the first nine months of 2009

Customer contracts	31.12.2008	30.09.2009	Change
Information Management	1.36 Mio.	1.52 Mio.	+160,000
Webhosting	3.62 Mio.	4.05 Mio.	+430,000
thereof abroad	1.93 Mio.	2.14 Mio.	+210,000
Internet Access*	2.97 Mio.	3.60 Mio.	+630,000
thereof DSL*	2.82 Mio.	3.44 Mio.	+620,000
- DSL complete packages	0.78 Mio.	1.70 Mio.	+920,000
- Resale-/T-DSL	2.04 Mio.	1.74 Mio.	–300,000
Total*	**7.95** Mio.	**9.17** Mio.	**+1,220,000**

* incl. freenet DSL; see "Acquisition of freenet DSL business"

Our brands not only generate revenues from subscription contracts but also from our online advertising and e-commerce activities. United Internet Media, the marketing company for our GMX, WEB.DE and 1&1 portals and our shopping portal SmartShopping.de, offers advertisers and agencies in Germany a reach of around 47% of all German internet users, as well as high-quality, targeted marketing and innovative advertising instruments.

Our family of brands provides unique market coverage in Germany:

GMX

GMX targets private users with its Information Management products. With 8.5 million unique users per month, GMX is one of the leading providers of mail, messaging and communication solutions. In addition to its free products, GMX also offers fee-based value-added services.

Quarterly development in
in € million

	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q3 2008
Sales	371.1	372.8	372.8	377.3	359.1
EBITDA	62.8	77.9	85.6	94.5	73.5
EBIT	50.0	65.7	72.9	81.5	60.5

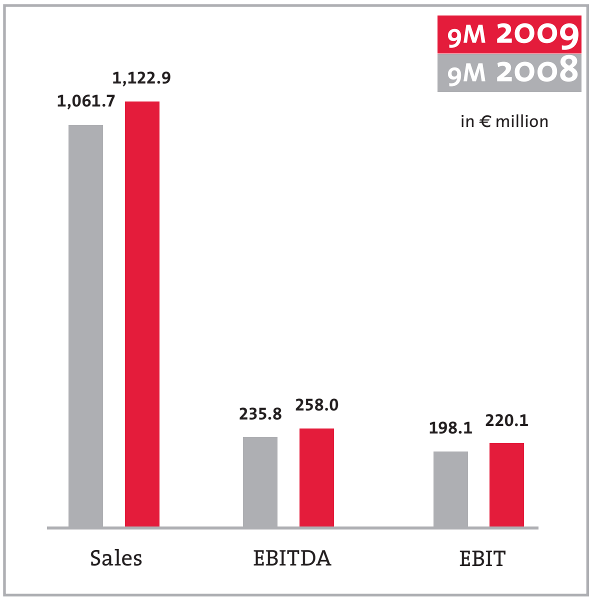
In the period under review GMX focused on improving its international reach in the current target markets of Austria, Switzerland, the USA, the UK, France and Spain. A "Download Area" was launched with around 10,000 free and 800 paid-for programs, as was MailXchange – a web-based solution for professional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

WEB.DE

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

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

Financial figures for the Product segment



1&1
1&1 is the brand for discerning private users, the self-employed and SMEs requiring Information Management, Webhosting and Internet Access. 1&1 is No. 2 in Germany's DSL sector and one of the world's leading hosting companies, currently active in 6 countries.

Key topics for 1&1 in the period under review were the launch of the 1&1 MyBusiness Site, 1&1 DSL HomeNet and the roll-out of VDSL with speeds of up to 50,000 kBit/s. 1&1 MyBusiness Site enables companies to create a professional website in just a few minutes without any prior knowledge. The solution was launched in March and also released in our foreign markets during the course of the second quarter. 1&1 DSL HomeNet is a solution for wireless home networking, which enables various end user devices to use the internet, phone and entertainment content, as well as photos, films and songs stored on the web or the user's hard drive. The roll-out of VDSL in September 2009 means that 1&1 HomeNet can be used at speeds of up to 50,000 kBit/s.

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

In addition to gaining new customers, united-domains focused in particular on the launch and marketing of the new ".tel" domain in the first nine months of 2009. With the aid of a .tel domain, companies can publish their contact data directly under a memorable URL.

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

In the period under review, InterNetX further expanded its reseller network. InterNetX now serves over 19,000 resellers for which it hosts around 2.6 million domains and over 1,300 servers.

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

In the current fiscal year, Fasthosts focused mainly on expanding its customer base.

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

In our DSL business, the turnaround in falling contract figures is expected to continue – after a fall of 50,000 contracts in the second quarter and 30,000 in the third quarter, a further improvement is expected in the fourth quarter. In addition to the technical migration of freenet DSL customers to our systems planned for the end of the year, and the development of our VDSL business, this product line will continue to focus on the migration of customers to our all-inclusive packages – of particular importance to us with regard to customer retention.

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

Online Marketing

In the period under review, we offered advertisers a variety of marketing and sales solutions in our Online Marketing segment: Affiliate Marketing via affilinet, Domain Marketing via Sedo and Display Marketing via AdLINK Media. In the third quarter of 2009, we transferred AdLINK Media to the listed company Hi-media S.A. in return for 10.7% of shares in Hi-media and an additional cash amount of around € 12.2 million. Following the scheduled conclusion of the transaction at the end of August, the Display Marketing segment was retroactively deconsolidated in accordance with IFRS 5 and is disclosed under "Result from discontinued operations".

Whereas the Product segment proved to be highly resistant to the economic crisis, the Online Marketing segment was adversely impacted by the crisis and the slump in advertising, as well as by the resulting pressure on margins. Although year-on-year sales remained fairly stable at € 101.4 million (-1.5%), profits in particular fell strongly in comparison with prior-year figures still largely unaffected by these factors. EBITDA fell by 36.4% to € 6.8 million and EBIT by 43.6% to € 5.3 million. In total, the segment accounted for 8.3% of the United Internet Group's total sales in the first nine months of 2009.

affilinet

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

In the first nine months of 2009, affilinet focused on gaining new program suppliers and expanding its network: the number of affiliate programs was raised to around 1,790. At the same time, the network was increased to 485,000 active websites.

Sedo

Sedo operates the global domain trading platform "sedo.com", which currently trades 14.1 million domains – following an adjustment in the course of a quality and efficiency initiative conducted by Sedo in the period under review. Sedo markets 6 million of these domains to advertisers on behalf of the domain owners.

Quarterly development
in € million

	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q3 2008
Sales	34.0	36.4	33.4	31.6	32.4
EBITDA	0.4	3.0	1.8	2.0	2.1
EBIT	–6.4	2.6	1.2	1.5	1.8

Prior-year and prior-quarter figures adjusted after the sale and deconsolidation of AdLINK's Display Marketing business

Segment earnings Q3/2009 without non-recurring income of € 12.7 million from the sale of investments (eliminated at Group level)

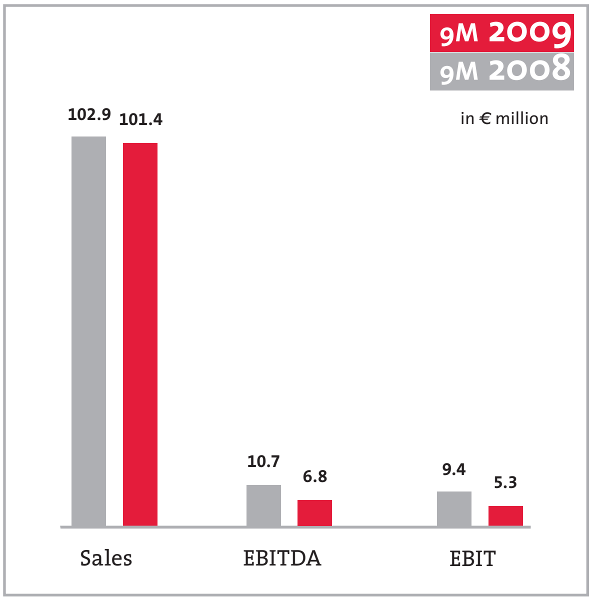
In the period under review, Sedo acquired its US competitor „RevenueDirect" and expanded its own stock of domains by purchasing several large domain portfolios.

Outlook

Following the transfer of our Display Marketing business "AdLINK Media" to the Hi-media Group, our third-party marketing activities will focus in future on the performance-based business fields Affiliate and Domain Marketing.

In view of the completed realignment and the trend in the third quarter, we believe the bottom has been reached in this segment. Nevertheless, we expect conditions to remain difficult in this market due to the continued slump in advertising spending and the resulting pressure on prices and margins.

Financial figures for the Online Marketing segment



Assets, liabilities, financial position and profit or loss

Successful development despite adverse economic climate

Despite the recession and the related weakness of the online advertising market, United Internet was able to achieve significant year-on-year improvements in all key operating figures at Group level.

Consolidated sales of United Internet AG were up 5.1% on the previous year, from € 1,165.2 million to € 1,224.8 million. Thanks to a business model based overwhelmingly on electronic subscriptions, the Product segment enjoyed further growth – although the reduced spending of our advertising customers was noticeable in portal marketing. Segment sales grew by 5.8%, from € 1,061.7 million last year to € 1,122.9 million in the period under review. In the Online Marketing segment, our key financials were burdened by the economic crisis and the resulting fall in advertising spending. As a consequence, segment sales fell by 1.5% ¬– compared with prior-year sales still largely unaffected by the downturn – to stand at € 101.4 million.

Consolidated gross margin fell from 40.6% in the previous year to 38.8%. The main reasons were the high expenses for converting our DSL customers to all-inclusive packages – which represent an initial burden on earnings – and the current pressure on margins in the field of online advertising.

Due to reduced advertising expenditure following the takeover of freenet's DSL customers, sales and marketing expenses fell from € 198.3 million (17.0% of sales) in the first nine months last year to € 167.6 million (13.7% of sales). In the period under review, administrative expenses grew from € 56.6 million (4.9% of sales) to € 64.6 million (5.3% of sales).

Ordinary earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 8.1% from € 248.9 million to € 269.1 million, while ordinary earnings before interest and taxes (EBIT) were up 9.4% from € 209.8 million to € 229.6 million. After consideration of non-recurring income of € 50.2 million from the sale of our directly held freenet shares, EBITDA grew to € 319.3 million and EBIT to € 279.8 million.

Whereas earnings before taxes (EBT) and net income were burdened last year by write-downs on investments amounting to € 145.6 million, both figures increased in the first nine months of 2009 due to net positive extraordinary income of € 45.2 million (mainly from the sale of freenet shares, write-ups on the MSP holding and write-downs in particular on Versatel shares). After considerations of these special items, EBT grew from € 42.2 million to € 240.8 million while net income from continued operations rose from € -13.4 million to € 175.6 million. Including discontinued operations, net income rose from € -13.5 million to € 184.2 million.

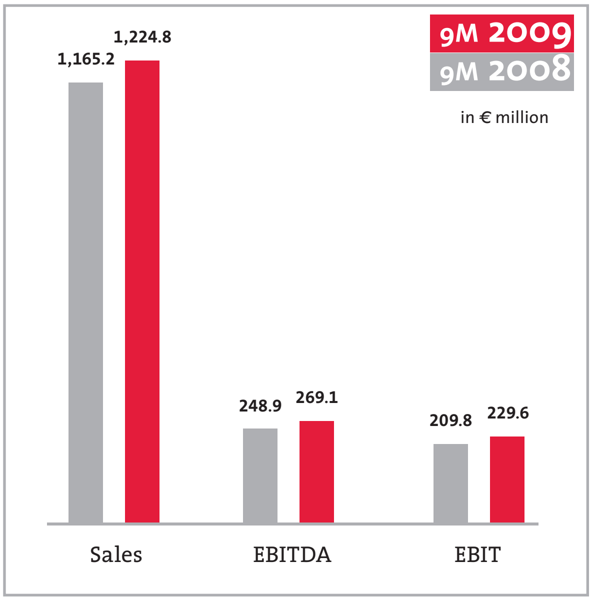
Quarterly development
in € million

	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q3 2008
Sales	405,2	409,4	406,3	409,1	391,7
EBITDA	68,0	83,5	90,2	95,4	78,5
EBIT	48,1	70,8	76,8	82,0	65,1

Prior-year and prior-quarter figures adjusted after the sale and deconsolidation of AdLINK's Display Marketing business

EBIT und EBITDA Q3/2009 without non-recurring income of € 50.2 million from the sale of freenet shares

Group financial figures



Earnings per share (EPS) improved from € -0.06 last year (including € -0.63 from write-downs) to € 0.79 (including € 0.19 from the aforementioned special items and € 0.03 from discontinued operations).

Operative cash flow of € 193.8 million

Due to the successful development of business, operative cash flow rose from € 175.6 million last year to € 193.8 million.

Compared with the previous year, net cash flow from operating activities rose from € 95.9 million to € 183.7 million.

Net cash flow for investing activities amounted to € 39.0 million in the period under review. Whereas the acquisition of united-domains AG (€ 32.5 million) and the payment of the cash component for the freenet DSL business (€ 70.0 million) dominated consolidated outflows, the main cash proceeds resulted from the sale of freenet shares (€ 92.9 million). In the prior-year period there was net cash flow for investing activities of € -174.7 million, whereby the acquisition of shares in associated companies accounted for € 121.2 million. Investments in intangible assets and property, plant and equipment was slightly up on the previous year (€ 25.5 million) at € 28.2 million.

Cash flow from financing activities was dominated by the redemption of loans amounting to € 94.8 million in the period under review, whereas the same period last year was dominated by the assumption of new loans (€ 150.1 million), disbursements for the purchase of treasury shares (€ -51.6 million) and dividend payments (€ -45.9 million).

Strong reduction in bank liabilities

Compared with December 31, 2008, the balance sheet total grew from € 1,102.0 million to € 1,212.4 million as of September 30, 2009. Goodwill accounted for € 378.9 million of total assets at the end of 2008 and for € 396.2 million at the end of September 2009. Around € 320 million of goodwill is attributable to the highly profitable Product segment. Trade payables fell from € 170.7 million to € 138.3 million as of the balance sheet date, partly as a result of the sale of the Display Marketing business “AdLINK Media”. Despite the acquisition of united-domains AG and the payment of the cash component for the freenet DSL business, net bank liabilities were reduced from € 489.0 million to € 342.5 million. As of September 30, 2009, United Internet AG held 22 million treasury shares. Due to the successful development of business, the Group’s equity ratio – after deduction of treasury shares – amounted to 29.9% as of September 30, 2009 (compared with 13.2% on December 31, 2008).

Risk report

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

During the first nine months of 2009, the overall risk situation remained mostly stable compared with the risk report provided in the annual financial statements 2008. In its operating business, the major risks for the Company’s future assets, liabilities, financial position and profit or loss continue to emanate from potential threats via the Internet lead to possible fraud for products of United Internet AG, as well as from technology and software systems, dependency on suppliers/business partners, and legal risks or stricter data protection regulations.

We judge the probability of these identified risks as low to limited.

The acquisition of freenet’s DSL business and the resulting takeover of approx. 700,000 freenet customers has given United Internet a much stronger positioning on the DSL market. The resulting risks focus mainly on the timely, correct and complete transfer of freenet’s customers to 1&1’s IT systems.

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

Subsequent events

On October 16, 2009, United Internet AG sold the 5,150,000 shares it held in Drillisch AG in an over-the-counter transaction. The proceeds from the sale amounted to € 21,63 million, corresponding to a price of € 4.20 per share. Positive extraordinary income of around € 12.4 million is expected from the sale of the Drillisch shares in the fourth quarter of 2009.

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.

Opportunities and outlook

Global economic recovery expected in 2010

After upgrading its global economic forecast for the current year to -1.1% (July forecast: -1.4%) in its forecast update published in the „World Economic Outlook“ of October 2009, the International Monetary Fund (IMF) is now also more optimistic about the prospects for 2010. According to the IMF, the global and German economies are recovering much faster from the worst recession in decades than originally feared. The IMF now expects global growth of 3.1% in 2010 (July forecast: 2.5%). At the same time, the IMF stresses that the global economy will return to growth at varying speeds around the world, although employment will hardly benefit at first. Against this backdrop, the IMF expects medium-term growth to remain weaker than before the crisis and forecasts only average global economic growth of around 4% in the period 2010 to 2014 – compared with average global GDP growth of around 5% prior to the crisis.

While the IMF expects GDP growth of 1.5% for the US economy in 2010 (July forecast: 0.8%), the Euro zone's GDP is expected to grow by just 0.3% in 2010 (July forecast: -0.3%). For Germany, the IMF also forecasts "mini growth" of 0.3% in 2010, compared with its July update of minus 0.6%. The IMF is thus far more pessimistic than Germany's leading economic research institutes, whose fall surveys predict growth of 1.2% for Germany in 2010.

Growth also expected for German high-tech market in 2010

According to the October forecast of sector association BITKOM, German sales of products and services in the field of Information Technology and Telecommunication (ITC) will fall by 2.5% to € 142 billion in 2009 – whereas in its March forecast, the association still expected sales to reach the prior-year level of € 144.6 billion. Following the expected dip in sales in 2009, the association forecasts a slight recovery of 0.1% in 2010.

Growth in broadband connections to continue

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

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

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

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

Further growth also expected for webhosting and online advertising

Market researchers also predict continuing growth for the webhosting industry. Gartner and IDC forecast annual global growth rates of 15% and 16% until 2010. New web-based services – subsumed under the term "cloud computing" – will further strengthen this "outsourcing trend" (toward internet-based and away from PC-based applications).

The online advertising market is also expected to continue its growth – although a temporary but significant downturn in gross growth is expected for 2009 as a result of the global economic crisis. However, most experts believe that the overall importance of online advertising within the total advertising mix will continue to grow. The "Marketers' Internet Ad Barometer 2009" report shows that Europe's advertisers are focusing more than ever on online advertising during the economic crisis: 70% of advertisers are raising their online advertising spending in 2009 and will continue to increase it in future (2010: +21%; 2011: +15%). The status of online advertising in the media mix is also steadily growing. Almost half of all European advertisers (47%) now regard the internet as an essential channel for their marketing – compared with 38% in 2008 and 17% in 2006. Above all, media budgets are being moved from TV and print to the internet. The growth of the digital sector is not only reflected in the growing importance of the medium, but also in the growing value which consumers attach to the internet and the time they spend online (weekly internet usage: +28% in 2008 compared with 2004). Despite the generally gloomy outlook for 2009 as whole, Zenith-Optimedia also believes that the advertising sector has now reached its lowest point – in view of the slower decline in global advertising spending in the second half of the year – but does not expect growth to return until 2011 (forecast 2010: -3.2 %).

Outlook

Thanks to our successful and stable positioning in the growth markets of DSL, Webhosting, Portals and Online Marketing, we expect good growth opportunities for the remaining months of 2009. In view of our successful business development, we are once again raising our earnings forecasts for 2009: after already raising our growth forecast for EBITDA and EBIT to 5% on the announcement of our half-year figures, we now expect an increase of approx. 8% for EBITDA and EBIT over the comparable prior-year figures.

Consolidated Financial Statements as of September 30, 2009

Balance Sheet in €k

	September 30, 2009	December 31, 2008*
ASSETS		
Current assets		
Cash and cash equivalents	106,212	55,372
Accounts receivable and other assets	89,860	119,066
Inventories	14,972	19,048
Prepaid expenses	31,902	28,791
Other assets	13,183	12,737
	256,129	**235,014**
Non-current assets		
Shares in associated companies/joint ventures	161,155	221,684
Other financial assets	132,284	72,785
Property, plant and equipment	85,645	86,494
Intangible assets	173,449	97,512
Goodwill	396,216	378,876
Deferred tax asset	7,518	9,632
	956,267	**866,983**
Total assets	**1,212,396**	**1,101,997**
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade accounts payable	138,268	170,743
Liabilities due to banks	100,059	16,069
Advance payments received	6,828	6,453
Accrued taxes	19,797	33,855
Deferred revenue	119,297	106,401
Other accrued liabilities	9,134	4,513
Other liabilities	64,691	57,065
	458,074	**395,099**
Non-current liabilities		
Convertible bonds	35	74
Liabilities due to banks	348,650	528,301
Deferred tax liabilities	23,188	17,351
Other liabilities	19,978	15,592
	391,851	**561,318**
Total liabilities	**849,925**	**956,417**
Equity		
Capital stock	251,626	251,469
Additional paid-in capital	167,368	163,896
Accumulated profit	187,849	5,619
Treasury stock	–264,987	–264,987
Revaluation reserves	35,894	10,002
Currency translation adjustment	–26,499	–28,692
Equity attributable to shareholders of the parent company	**351,251**	**137,307**
Minority interests	11,220	8,273
Total equity	**362,471**	**145,580**
Total liabilities and equity	**1,212,396**	**1,101,997**

* Adjusted - see note 2 of the 9-month report 2009

Consolidated Financial Statements as of September 30, 2009

Income statement in €k

	2009 January–September	2008* January–September
Sales	1,224,810	1,165,160
Cost of sales	–749,174	–691,802
Gross profit	**475,636**	**473,358**
Selling expenses	–167,645	–198,311
General administrative expenses	–64,591	–56,614
Other operating income / expense	50,333	7,946
Amortization of goodwill	–13,927	–16,555
Operating result	**279,806**	**209,824**
Financial result	–15,576	–18,002
Result from associated companies	–2,851	–22,506
Result from at-equity companies	–20,588	–127,154
Pre-tax result	**240,791**	**42,162**
Income taxes	–65,221	–55,544
Net income before minority interests (from continued operations)	**175,570**	**–13,382**
Result from discontinued operations	8,640	–81
Net income before minority interests (after discontinued operations)	**184,210**	**–13,463**
Attributabel to		
- minority interests	1,980	564
- shareholders of United Internet AG	182,230	–14,027

Result per share of shareholders of United Internet AG (in €)		
- basic	0.79	–0.06
- diluted	0.79	–0.06
thereof result per share (in €) – from continued operations		
- basic	0.76	–0.06
- diluted	0.76	–0.06
thereof result per share (in €) – from discontinued operations		
- basic	0.03	–
- diluted	0.03	–
Weighted average shares (in Million units)		
- basic	229,53	229,91
- diluted	230,11	230,42

Statement of comprehensive income		
Net income	184,210	–13,463
Results directly included in equity		
- currency translation adjustment	2,193	–8,526
- market value changes of available for sale securities after taxes	25,538	–4,614
- change of at-equity companies after taxes not affecting net income	1,444	0
	29,175	**–13,140**
Total net income	**213,385**	**–26,603**
Attributable to		
- minority interests	3,070	417
- shareholders of United Internet AG	210,315	–27,020

* Adjusted - see note 4 of the 9-month report 2009

Consolidated Financial Statements as of June 30, 2009

Income statement in € millions

	Q1 2009 Jan–March	Q2 2009 April–June	Q3 2009 July–Sept.	Q3 2008* July–Sept.
Sales	409.4	406.3	409.1	391.7
Cost of sales	–255.6	–252.3	–241.3	–236.2
Gross profit	**153.8**	**154.0**	**167.8**	**155.5**
Selling expenses	–60.8	–51.7	–55.1	–70.9
General administrative expenses	–19.4	–21.6	–23.6	–18.2
Other operating income / expense	1.6	0.8	47.9	4.3
Amortization of goodwill	–4.4	–4.7	–4.8	–5.6
Operating result	**70.8**	**76.8**	**132.2**	**65.1**
Financial result	–8.9	–3.0	–3.7	–7.3
Interest and similar income	0.0	0.0	–2.8	–22.5
Result from at-equity companies	–5.1	–7.6	–7.9	–122.2
Pre-tax result	**56.8**	**66.2**	**117.8**	**–86.9**
Income taxes	–18.9	–21.3	–25.0	–16.2
Net income (from continued operations)	**37.9**	**44.9**	**92.8**	**–103.1**
Result from discontinued operations	–0.3	0.1	8.8	–0.7
Net income (after discontinued operations)	**37.6**	**45.0**	**101.6**	**–103.8**
Attributabel to				
- minority interests	0.1	0.1	1.8	0.0
- shareholders of United Internet AG	37.5	44.9	99.8	–103.8

Result per share of shareholders of United Internet AG (in €)				
- basic	0.16	0.20	0.43	–0.45
- diluted	0.16	0.20	0.43	–0.45
thereof result per share (in €) – from continued operations				
- basic	0.16	0.20	0.40	–0.45
- diluted	0.16	0.20	0.40	–0.45
thereof result per share(in €) – from discontinued operations				
- basic	–	–	0.03	–
- diluted	–	–	0.03	–

* Adjusted - see note 4 of the 9-month report 2009

Consolidated Financial Statements as of September 30, 2009

Cash flow in €k

	2009 January–September	2008* January–September
Cash flow from operating activities		
Net income (from continued operations)	175,570	–13,382
Net income (from discontinued operations)	8,640	–81
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	25,587	22,496
Amortization of intangible assets resulting from company acquisitions	13,927	16,555
Depreciation and amortization of other financial assets	2,851	22,506
Depreciation and amortization (from discontinued operations)		
Depreciation and amortization of intangible assets and property, plant and equipment	0	288
Compensation expenses from employee stock option plans	3,239	2,402
Results of at-equity companies	20,588	127,155
Distributed profits from associated companies	0	397
Income from deconsolidation of associated companies	–50,228	–3,840
Income from the sale of the Display Marketing segment	–10,217	0
Change in deferred taxes	4,692	1,056
Non-cash expenses/income	–833	0
Operative cash flow	**193,816**	**175,552**
Change in assets and liabilities		
Change in receivables and other assets	11,066	11,998
Change in inventories	5,865	1,007
Change in deferred expenses	–111	–144
Change in trade accounts payable	–16,807	–100,019
Change in advance payments received	375	402
Change in other accrued liabilities	1,829	–505
Change in accrued taxes	–14,224	6,161
Change in other liabilities	1,421	–2,882
Change in deferred income	479	4,341
Change in assets and liabilities, total	**–10,107**	**–79,641**
Cash flow from operating activities	**183,709**	**95,911**

	2009 January–September	2008* January–September
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	–28,225	–25,510
Prepayments for intangible assets	–70,000	0
Purchase of further shares in affiliated companies	0	–9,061
Purchase of shares in affiliated companies	–33,082	–11,821
Purchase of shares in associated companies	–3,757	–121,221
Payments from the sale von financial assets	1,414	0
Investments in other financial assets	–229	–29,591
Payments of loans granted to joint ventures	0	–1,000
Payments of loans granted	–2,200	–1,945
Payments from the disposal of the Display Marketing segment	–1,154	0
Disposal of assets	527	–71
Payments from the sale of associated companies	92,869	8,343
Repayments of associated companies	4,865	17,213
Cash flow from investment activities	**–38,972**	**–174,664**
Cash flow from financing activities		
Capital increase	644	0
Purchase of treasury stock	0	–51,649
Change in bank liabilities	–94,760	150,084
Repayed loans to associated companies	0	–2,800
Dividend payments	0	–45,886
Minority interests	0	10,013
Payments to minorities	–151	0
Payment of convertible bonds	–2	–8
Cash flow from financing activities	**–94,269**	**59,754**
Net increase/decrease in cash and cash equivalents	50,468	–18,999
Cash and cash equivalents at beginning of fiscal year	55,372	59,770
Currency translation adjustments of cash and cash equivalents	372	–3,552
Cash and cash equivalents at end of fiscal year	**106,212**	**37,219**

* Prior-year cash flow has been adjusted in order to incorporate the changes in the income statement. Cash flows have not been affected. We refer to note 4 of the 9-month report 2009.

Consolidated Financial Statements as of September 30, 2009

Development of changes in shareholder's equity in €k

	Capital stock		Additional paid-in capital	Accumulated profit
	Share	€k	€k	€k
Balance as of January 1, 2008	**251,433,972**	**251,434**	**160,095**	**171,688**
Employee stock ownership programme AdLINK Internet Media AG			1,047	
Employee stock ownership programme United Internet AG			1,355	
Changes of market value of available disposal financial instruments after taxes				
Withdrawal of treasury shares				
Dividend payments				–45,886
Currency translation adjustment				
Net income 2008				–14,027
Change amount of holding				
Balance as of September 30, 2008	**251,433,972**	**251,434**	**162,497**	**111,775**
Balance as of January 1, 2009	**251,433,972**	**251,469**	**163,896**	**5,619**
Exercise of convertibles	156,472	157	526	
Employee stock ownership programme AdLINK Internet Media AG			11	
Employee stock ownership programme United Internet AG			2,935	
Changes of market value of available disposal financial instruments after taxes				
Change of at-equity companies after taxes not affecting net income				
Currency translation adjustment				
Net income 2009				182,230
Profit distribution				
Balance as of September 30, 2009	**251,590,444**	**251,626**	**167,368**	**187,849**

Capital stock		Revaluation reserves	Currency translation	Equity attributable to shareholders of the parent company	Minority interests	Total equity
Share	€k	€k	€k	€k	€k	€k
18,000,000	**–213,338**	**9,411**	**–7,726**	**371,564**	**12,377**	**383,941**
				1,047		1,047
				1,355		1,355
		–4,467		–4,467	–147	–4,614
4,000,000	–51,649			–51,649		–51,649
				–45,886		–45,886
			–8,526	–8,526		–8,526
				–14,027	564	–13,463
				0	–1,575	–1,575
22,000,000	**–264,987**	**4,944**	**–16,252**	**249,411**	**11,219**	**260,630**
22,000,000	**–264,987**	**10,002**	**–28,692**	**137,307**	**8,273**	**145,580**
				683		683
				11	28	39
				2,935		2,935
		24,448		24,448	1,090	25,538
		1,444		1,444		1,444
			2,193	2,193		2,193
				182,230	1,980	184,210
				0	–151	–151
22,000,000	**–264,987**	**35,894**	**–26,499**	**351,251**	**11,220**	**362,471**

Consolidated Financial Statements as of September 30, 2009
Segment reporting in €k

January–September 2009	Product segment €k	Online Marketing segment €k	Head Office / Investments €k	Reconcile €k	United Internet Group €k
Total revenue	1,130,671	105,419	3,112	–	–
- thereof internal revenue	7,744	4,061	2,587	–	–
External revenue	1,122,927	101,358	525	–	1,224,810
EBITDA	257,995	19,489	54,540	–12,704	319,320
EBIT	220,058	18,021	54,431	–12,704	279,806
Financial result				–15,576	–15,576
Write-downs of investments				–2,851	–2,851
Results from at-equity companies				–20,588	–20,588
EBT					240,791
Tax expenses				–65,221	–65,221
Net income (from continued operations)					175,570
Result from discontinued operations				8,640	8,640
Net income (after discontinued operations)					184,210
Investments in intangible assets, property, plant and equipment	27,789	399	37		28,225
Amortization/depreciation of intangible assets, property, plant and equipment	37,937	1,468	109		39,514
Number of employees	4,137	324	24		4,485
- thereof domestic	3,383	230	24		3,637
- thereof abroad	754	94	0		848

January–September 2008	Product segment €k	Online Marketing segment €k	Head Office / Investments €k	Reconcile €k	United Internet Group €k
Total revenue	1,069,089	106,677	3,469	–	–
- thereof internal revenue	7,345	3,785	2,945	–	–
External revenue	1,061,744	102,892	524	–	1,165,160
EBITDA	235,751	10,654	2,470	–	248,875
EBIT	198,063	9,359	2,402	–	209,824
Financial result				–18,002	–18,002
Write-downs of investments				–22,506	–22,506
Results from at-equity companies				–127,154	–127,154
EBT					42,162
Tax expenses				–55,544	–55,544
Net income (from continued operations)					–13,382
Result from discontinued operations				–81	–81
Net income (after discontinued operations)					–13,463
Investments in intangible assets, property, plant and equipment	24,245	1,125	140		25,510
Amortization/depreciation of intangible assets, property, plant and equipment	37,688	1,295	68		39,051
Number of employees	3,906	322	30		4,258
- thereof domestic	3,166	235	30		3,431
- thereof abroad	740	87	0		827

Consolidated Financial Statements as of September 30, 2009

Notes

1 Information on the company

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

2 Significant accounting, valuation and consolidation principles

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

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

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

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

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

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

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

Due to the sale and deconsolidation of the Display Marketing segment of the AdLINK Group, the prior-year figures of the income statement are to be adjusted in accordance with IFRS 5. The sales revenues and expenses of this discontinued operation are no longer included in the respective items. The discontinued business segment is disclosed separately with its respective net profit after tax. The comparative figures of the balance sheet as of December 31, 2008 and of the cash flow statement are disclosed without adjustments, so that the prior-value values have only limited comparability.

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

The consolidated interim report includes all subsidiaries and associated companies.

3 Investments and business combinations

In a contract dated December 12, 2008, United Internet Beteiligungen GmbH acquired shares in united-domains AG – subject to approval from the respective anti-trust authorities. Following the approval of the anti-trust authorities on January 30, 2009, the acquisition was completed on February 27, 2009. The purchase price of € 34,070k was settled fully in cash during the period under review. The acquisition cost amounts to € 34,216k and includes directly attributable costs of € 146k in addition to the purchase price. united-domains AG will continue to be run by its founders, who acquired a total shareholding of 15% in united-domains AG after the acquisition. Payment for these shares has been deferred. In the course of this share acquisition, the founders were also granted a put option for their shares, which cannot be exercised until 2014. The purchase prices will be determined mainly by the company's profit development.

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

	€k
Cash payment	34,070
Receivable from deferred purchase price	–5,100
Liability from option agreement	5,100
Purchase price	**34,070**
Ancillary acquisition costs	146
Acquisition costs	**34,216**

	Fair values €k	Carrying values €k
Brand	2,000	0
Customer base / order backlog	13,400	0
Property, plant and equipment	345	345
Cash and cash equivalents	1,762	1,762
Other assets	1,439	1,439
Customer receivables	318	318
Prepaid expenses	3,000	3,000
Deferred tax assets	2,100	2,100
Deferred tax liabilities	–4,620	0
Deferred revenue	–10,417	–10,417
Trade payables	–457	–457
Other liabilities	–1,496	–1,496
Accrued taxes	–269	–269
	7,105	**–3,675**
Goodwill	27,111	
Acquisition costs	**34,216**	

Goodwill of € 27,111k results from expected synergies from the company acquisition.

Cash disbursements resulting from the company acquisition are as follows:

	€k
Cash disbursements	34,216
Assumed cash and cash equivalents	1,762
Actual cash disbursements	**32,454**

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

4 Sale of Display Marketing business

On July 6, 2009, United Internet's subsidiary AdLINK Internet Media AG (AdLINK Group) reached an agreement with Hi-media S. A., Paris, concerning the transfer of the AdLINK Group's Display Marketing business to the Hi-media Group. In return, the AdLINK Group received 10.7% of shares in Hi-media S.A. (4,735,000 shares) plus an additional € 12,195k in cash or in shares (in the case of a capital increase by Hi-media). In the case of the cash component, the AdLINK Group granted Hi-media a vendor loan with a standard market interest rate. The vendor loan is to be repaid by June 30, 2011 at the latest. The 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. In the previous year, the financial figures were included in the Online Marketing segment. We refer to Note 11.

On September 29, 2009, the AdLINK Group sold its equity interests in the Display Marketing suppliers Hi-media and Goldbach Media to United Internet Beteiligungen GmbH. In the course of the reporting period, affilinet SAS was merged with CibleClick Performances S.A. and renamed affilinet France S.A. The companies affilinet Nederland B.V. and affilinet Espana SLU were also founded.

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

5 Acquisition of freenet's DSL customers

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

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

Explanations of income statement items

6 Segment reporting

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

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

Transactions between segments are charged at market prices.

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

7 Personnel expenses

Personnel expenses amounted to € 134,118k (prior year: € 116,669k) in the reporting period of 2009. At the end of September 2009, United Internet employed a total of 4,485 people, of which 848 were employed outside Germany. The number of employees at the end of September 2008 amounted to 4,258, of which 827 were employed outside Germany.

8 Depreciation and amortization

Depreciation and amortization of intangible assets and property, plant and equipment amounted to € 25,587k (prior year: € 22,496k).

Amortization of capitalized intangible assets resulting from business combinations amounted to € 13,927k (prior year: € 16,555k).

Total depreciation and amortization thus amounted to € 39,514k in the reporting period of 2009 (prior year: € 39.051k).

9 Other operating income/expenses

Other operating income in the reporting period of 2009 was dominated by the sale of directly held shares in freenet AG (corresponding to 8.43% of voting rights) which accounted for € 50,228k.

10 Financial result

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

11 Result from discontinued operations

Due to the sale and deconsolidation of the Display Marketing segment of the AdLINK Group, the prior-year figures of the income statement have to be adjusted. The sales revenues and expenses of this discontinued operation are no longer included in the respective items and the discontinued operation is disclosed separately with its respective net profit after tax. In the previous year, the financial figures were included in the Online Marketing segment.

The result from discontinued operations after tax of € 8,640k (prior year: € -81k) consists of the current period result (in the reporting period 2009 until the time of disposal) amounting to € -1,577k (prior year: € -81k) and the profit from disposal amounting to € 10,217k.

The result from discontinued operations is calculated as follows:

	2009 €k	2008 €k
Current result from discontinued operations		
Sales revenue	36,180	56,602
Cost of sales		–45,725
Gross profit	6,486	10,877
Other income / expenditure	–7,938	–10,543
Result before taxes	–1,452	334
Income taxes	–125	–415
Net profit	–1,577	–81
Result from disposal		
Preliminary purchase price (after transaction costs)	21,891	–
Less net assets	–11,143	–
Result from disposal before taxes	10,748	–
Income taxes	–531	–
Result from disposal after taxes	10,217	–
Total result from discontinued operations	**8,640**	**-81**

Explanations of balance sheet items

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

12 Shares in associated companies/joint ventures

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

	2009 €k
Carrying amount at the beginning of the fiscal year	221,684
Additions	3,757
Adjustments	
– Shares in result	10,300
– Write-downs	–30,888
– Other	3,808
Disposals	–47,506
	161,155

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 including the prorated write-ups on shares in freenet held by MSP Holding GmbH (€ 31,102k).

The write-downs were mainly made as a result of a decline in the share price of Versatel (€ 28,999k). Further write-downs mainly result from shares in associated companies held by EFF No. 2.

Other adjustments totaling € 2,342k 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. Further adjustments totaling € 1,466k result from the prorated subsequent valuation of shares in freenet held by MSP Holding GmbH to fair value as of the balance sheet date. Due to the sale of shares in freenet held directly by United Internet, the shares in freenet held by MSP Holding GmbH were no longer carried according to the equity method as of the date of disposal, but classified as available-for-sale financial assets pursuant to IAS 39.

Disposals result from the sale of directly held shares in freenet (€ 42,641k) and capital repayments of the investment EFF No. 1 (€ 4,865k).

13 Other financial assets

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

			Amortization of revaluation reserve not recognized in income				
	01.01.2009 €k	Additions €k	Recycling €k	Addition €k	Write-downs €k	Disposals €k	30.09.2009 €k
Goldbach shares	12,047			11,899			23,946
Drillisch shares	8,909			11,897			20,806
Hi-media shares	0	20,313		2,131			22,444
Afilias shares	7,726						7,726
Portfolio companies of EFF No. 3	41,816				–2,851	–1,279	37,686
Hi-media (vendor loan)	0	12,195					12,195
Others	2,287	5,329				–135	7,481
	72,785	**37,785**	**0**	**25,927**	**–2,851**	**–1,414**	**132,284**

The increase in other financial assets results mainly from the purchase of shares in Hi-media in connection with the sale of the AdLINK Group's Display Marketing business. We refer to Note 4. The subsequent valuation of listed shares in Goldbach, Hi-media and Drillisch to fair value as of the balance sheet date resulted in an increase in the revaluation reserve without recognition in income.

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

14 Property, plant and equipment, intangible assets and goodwill

A total of € 28,579k (prior year: € 25,510k) was invested in property, plant and equipment and intangible assets during the interim reporting period. Investments focused mainly on the expansion of infrastructure and the data centers.

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

The increase in goodwill resulted mainly from the acquisition of united-domains AG (€ 27,111k). Foreign currency translation effects led to a rise in goodwill of € 3,492k in the Product segment. The deconsolidation of the Display Marketing business resulted in a disposal of goodwill amounting to € 13,192k in the Online Marketing segment.

Goodwill amounted to € 396,216k and is presented for each business segment of United Internet:

	2009 €k	2008 €k
Product Segment	320,017	289,570
Online Marketing Segment	76,199	89,306
	396,216	**378,876**

15 Liabilities due to banks

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

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

Working capital loans for United Internet AG amounting in total to € 55.0 million have terms ending in 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.

16 Other current liabilities

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

17 Other non-current liabilities

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

18 Employee stock ownership plans

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

	United Internet AG		AdLINK Internet Media AG	
	SAR	Average. exercise price (€)	SAR	Average. exercise price (€)
Outstanding as of Dec. 31, 2008	4,495,000	10.56	627,200	17.26
issued	2,483,000	5.52	30,000	3.72
issued	1,000,000	8.96	100,000	3.72
issued	–	–	70,000	4.32
lapsed / forfeited	–	–	-200,000	18.60
lapsed / forfeited	–	–	-90,000	15.51
lapsed / forfeited	–	–	-30,000	18.15
lapsed / forfeited	–	–	-7,200	7.43
lapsed / forfeited	–	–	-30,000	4.32
Outstanding as of September 30, 2009	**7,978,000**	**8.79**	**470,000**	**12.27**

19 Capital stock

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

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

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

20 Revaluation reserve

The increase in revaluation reserves resulted mainly from the subsequent valuation of shares in Goldbach, Hi-media and Drillisch. Profits and losses from sub-sequent valuation to fair value are recognized directly in equity capital at net value, i.e. less deferred taxes. Please see Note 13 for details.

Other items

21 Transactions with related parties

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

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

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

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

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

United Internet's premises in Montabaur are leased from Mr. Ralph Dommermuth. The resulting rent expenses are customary and amounted to € 1,378k in the reporting period 2009 (prior year: € 1,168k).

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

No significant transactions took place.

22 Subsequent events

Following the concentration of the AdLINK Group on its two performance-based models, Performance Marketing and Domain Marketing, the Management Board and Supervisory Board of AdLINK Internet Media AG decided to acquire the remaining 24.06% of shares in Sedo GmbH from its founders. In a contract dated September 29, 2009, a purchase price of 4.25 million newly created AdLINK shares and a cash component of € 5,500k was agreed. On the basis of a Xetra share price for AdLINK Internet Media AG of € 3.97 as of September 30, 2009, the total value of this transaction amounts to € 22,373k. The assignment of the newly created AdLINK shares is conditional on the registration of the capital increase of AdLINK Internet Media AG in the Commercial Register. The capital increase of AdLINK Internet Media AG is expected to be realized in November 2009.

On October 16, 2009, United Internet sold the 5,150,000 shares it held in Drillisch AG, corresponding to 9.68% of voting rights. The proceeds from the sale amounted to € 21,630k, corresponding to a price of € 4.20 per share. Positive extraordinary income of € 12,463k is expected from the sale of the Drillisch shares in the 4th quarter 2009.

In a contract dated October 26, 2009, United Internet sold its direct investment in jimdo GmbH.

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

Montabaur, November 12, 2009

United Internet AG

Ralph Dommermuth

Norbert Lang

Adjustment of prior-year income statement acc. to IFRS 5

Income statement in € million

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Total
Sales	383.1	390.4	391.7	405.2	1.570.4
Cost of sales	-227.4	-228.2	-236.2	-250.5	-942.3
Gross profit	**155.7**	**162.2**	**155.5**	**154.7**	**628.1**
Selling expenses	-64.1	-63.3	-70.9	-69.8	-268.1
General administrative expenses	-18.9	-19.5	-18.2	-24.3	-80.9
Other operating income / expense	3.1	0.5	4.3	-1.4	6.5
Amortization of intangible assets resulting from company acquisitions	-5.5	-5.5	-5.6	-4.7	-21.3
Amortization of goodwill	0.0	0.0	0.0	-6.4	-6.4
Operating result	**70.3**	**74.4**	**65.1**	**48.1**	**257.9**
Financial result	-5.4	-5.3	-7.3	-11.7	-29.6
Write-down on investments	0.0	0.0	-22.5	-19.9	-42.4
Result from at-equity companies	-0.2	-4.8	-122.2	-107.0	-234.2
Pre-tax result	**64.7**	**64.4**	**-86.9**	**-90.5**	**-48.3**
Income taxes	-19.7	-19.7	-16.2	-14.2	-69.8
Net income (from continued operations)	**45.0**	**44.7**	**-103.1**	**-104.7**	**-118.1**
Result from discontinued operations	0.1	0.5	-0.7	-3.3	-3.4
Net income (after discontinued operations)	**45.1**	**45.2**	**-103.8**	**-108.0**	**-121.5**
Attributabel to					
- minority interests	0.4	0.2	0.0	-1.8	-1.2
- shareholders of United Internet AG	44.7	45.0	-103.8	-106.2	-120.3

Result per share of shareholders of United Internet AG (in €)					
- basic	0.19	0.20	-0.45	-0.46	-0.52
- diluted	0.19	0.20	-0.45	-0.46	-0.52
thereof result per share (in €) – from continued operations					
- basic	0.19	0.20	-0.45	-0.45	-0.51
- diluted	0.19	0.20	-0.45	-0.45	-0.51
thereof result per share(in €) – from discontinued operations					
- basic	–	–	–	-0.01	-0.01
- diluted	–	–	–	-0.01	-0.01

Financial calendar 2009*

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

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

Imprint

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November 2009
Registry court: Montabaur HR B 5762

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

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