



Report of the Supervisory Board for Fiscal Year 2010

The members of the Supervisory Board are:

- Kurt Dobitsch, self-employed entrepreneur, 56 (chair)
- Kai-Uwe Ricke, businessman, 49
- Michael Scheeren, qualified banker, 53

The Supervisory Board of United Internet AG fulfilled its legal and statutory consultation and control duties in the fiscal year 2010. We regularly advised the Management Board and monitored their management of the company. We were directly involved in all decisions of fundamental significance for the company. The Management Board provided us with regular and comprehensive reports, both written and oral, about all relevant questions concerning corporate planning and strategic development, as well as the development and progress of business, planned and current investments, the status of the company, its exposure to risk, the risk management system, and issues of compliance. The Management Board discussed the company's strategic alignment with the Supervisory Board and presented us with a comprehensive report every quarter about the state of business, the development of sales and earnings, and the position of the company and its business policy. These reports were made available to all members of the Supervisory Board. The Chairman of the Supervisory Board was also kept regularly informed by the Management Board on all business activities, also between the meetings, and gave advice on questions of business policy.

The Supervisory Board held four meetings during fiscal year 2010, in which the Management Board informed us in detail about the business situation and the development of the company and Group, as well as about significant business events. The meetings were each attended by all members. On completion of a four-year term of office, the Annual Shareholders' Meeting of June 2, 2010 re-elected the incumbent Supervisory Board members Mr. Kurt Dobitsch, Mr. Michael Scheeren and Mr. Kai-Uwe Ricke. At the constituent Supervisory Board meeting on June 2, 2010, Mr. Kurt Dobitsch was elected Chairman of the Supervisory Board.

In addition to the meetings, further resolutions on current topics were adopted by means of circular written consent. For example, on March 29, June 21, July 12 and October 20, 2010, resolutions were adopted concerning the issue of a total of 860,000 virtual stock options (SARs), on September 21/22, 2010 concerning the acquisition of a 30% shareholding in ProfitBricks GmbH, a start-up in the field of cloud hosting, and on December 15, 2010 the conclusion of a consultancy agreement between Mr. Scheeren and affilinet GmbH was approved.

The Supervisory Board consists of three members and did not form any committees. The Supervisory Board is not aware of any conflict of interest of one of its members.

Meeting on March 24, 2010:

The main topic of this Supervisory Board meeting was the presentation of the annual financial statements and the consolidated financial statements for fiscal 2009, as well as the joint management report for fiscal 2009, and the audit reports and explanations of the chief auditor. In the presence of the appointed chief auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, the audited annual financial statements for 2009 of United Internet AG and audited consolidated financial accounts according to IFRS were approved. The invitation and agenda for the Annual Shareholders' Meeting 2010, the remuneration report of the Chairman of the Supervisory Board and the Supervisory Board's report to the Annual Shareholders' Meeting were discussed with the Management Board and adopted. The target achievement of the Management Board in the past year was adopted and the payment of the variable remuneration elements approved by the Supervisory Board. The Management Board reported on the development of the company and the progress of the share buyback program. The Management Board then informed the Supervisory Board about the plan for the internal audit and current development of the United Internet for UNICEF Foundation.

Meeting on June 2, 2010:

The meeting was held directly after the Annual Shareholders' Meeting of United Internet AG in Frankfurt am Main, at which the incumbent members of the Supervisory Board were re-elected for a further term of office. At the constituent meeting, Mr. Dobitsch was re-elected as Chairman of the Supervisory Board. Moreover, the Management Board reported on the current development of business and various strategic options were evaluated jointly by the Management Board and Supervisory Board.

Meeting on August 25/26, 2010:

The main focus of this meeting was a discussion of strategic topics and the interim financial report as of June 30, 2010. The Supervisory Board was informed about the status of ongoing strategic cooperation talks. In addition, the updated version of the Risk Management Manual was adopted and the Internal Audit report for the first half of 2010 presented and explained. The Management Board also reported on the development of the United Internet for UNICEF Foundation.

Meeting on November 10, 2010:

In addition to the Management Board's report on company events as of September 30, 2010, the Group's planning for fiscal 2011 and investment projects were discussed in detail. Customer growth in Mobile Internet, the internationalization of email services, the preparation of the De-Mail launch and the expansion and harmonization of platforms for the expansion of the Application business are granted priority over growth in earnings. Following the adoption of the investment programs, consolidated EBITDA in 2011 is expected to reach the same nominal level as in 2010. The Management Board also informed us about the planned restructuring of the sub-group 1&1 Internet AG and jointly adopted with the Supervisory Board the prolongation and expansion of the employee stock ownership plan and the dates for the meetings to be held in 2011.

Corporate Governance

The Supervisory Board discussed the further development of United Internet's corporate governance during fiscal year 2010. Together with the Management Board, we submitted the current declaration of conformity with Sec. 161 AktG regarding the recommendations of the Government Commission on the German Corporate Governance Code on March 3, 2011 and made it permanently accessible to the company's shareholders on the website and the government's electronic Federal Gazette. In accordance with section 3.10 of the German Corporate Governance Code, the Management Board reports separately on the corporate governance strategy of United Internet AG, also on behalf of the Supervisory Board, in the Corporate Governance Report.

The German Corporate Governance Code recommends that the Supervisory Board specifies concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, an age limit to be specified for the members of the Supervisory Board and diversity. These concrete objectives shall, in particular, stipulate an appropriate degree of female representation. Recommendations by the Supervisory Board to the competent election bodies shall take these objectives into account.

The current members of the Supervisory Board have been elected for the period ending with the Annual Shareholders' Meeting which adopts the resolution to release the Supervisory Board members from their responsibility for fiscal year 2014. As specific candidate proposals for the Supervisory Board do not have to be made until its scheduled re-election at the Annual Shareholders' Meeting in 2015, it does not appear appropriate to already formulate concrete objectives today without knowing the possible changes in the regulatory environment or the company's market conditions. The Supervisory Board will carefully monitor developments and make a timely decision before the scheduled re-election of the Supervisory Board regarding the Code's recommendations on concrete objectives and their implementation as part of the Supervisory Board's proposals to the Annual Shareholders' Meeting and reporting.

Discussion of the annual financial statements 2010 for the company and the Group

The Annual Shareholders' Meeting of United Internet AG on June 2, 2010 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, based in Eschborn/Frankfurt am Main, as auditors for the fiscal year 2010. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft audited the accounting system, the annual financial statements of United Internet AG, the consolidated financial statements according to IFRS and the combined management report for United Internet AG and the Group for the fiscal year 2010. As part of its audit of the annual financial statements, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft also audited and analyzed key aspects of the company's risk management system. The auditor awarded an unqualified certificate in each case.

The Supervisory Board satisfied itself as to the independence of the auditors and received a written declaration to this end.

The aforementioned annual financial statement documents, the proposal for the appropriation of profit and the auditor's report were presented to all members of the

Supervisory Board in due time. The chief auditor attended the relevant meeting of the Supervisory Board on March 23, 2011, where he answered the Supervisory Board's questions and gave further explanations where necessary. Following its own inspection, the Supervisory Board came to the conclusion that the annual financial statements, the combined management report, the consolidated financial statements and the auditor's report gave no cause for objections. With a resolution on March 23, 2011, the Supervisory Board approved the annual financial statements of United Internet AG, as prepared by the company on March 16, 2011 and the consolidated annual financial statements according to IFRS for fiscal 2010, also prepared by the company on March 16, 2011. The annual financial statements are therefore adopted pursuant to Sec. 172 AktG. The Supervisory Board supports the proposal of the Management Board concerning the allocation of retained earnings.

The report prepared by the Management Board about relations with affiliated companies (Dependent Company Report) was also audited by the external auditors. The following certificate was awarded in this respect:

"On the basis of our statutory examination and evaluation, we can confirm that

1. the details made in the report are accurate,
2. the company was compensated adequately for each transaction mentioned in the report,
3. in the case of those measures mentioned in the report, there is no evidence to suggest a significantly different assessment to that provided by the Management Board."

The Supervisory Board examined the Dependent Company Report as prepared by the Management Board and approves its content. We also concur with the verdict of the chief auditor's examination. On the basis of our final examination, we have no objections to raise regarding the Management Board's declaration at the end of the Dependent Company Report.

Montabaur, March 23, 2011

For the Supervisory Board
Kurt Dobitsch