

Report of the Supervisory Board for Fiscal Year 2011

The members of the Supervisory Board are:

- Kurt Dobitsch, entrepreneur, 57 (chair)
- Kai-Uwe Ricke, businessman, 50
- Michael Scheeren, qualified banker, 54

In the fiscal year 2011, the Supervisory Board of United Internet AG fulfilled its legal and statutory duties to regularly advise the Management Board and monitor its management of the company. The Supervisory Board was directly involved in all decisions of fundamental significance for the company. The Management Board provided the Supervisory Board 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 it 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. With regard to both content and scope, these reports met all statutory requirements, the standards of good corporate governance, and the criteria set by the Supervisory Board. The Management Board's 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 critically analyzed and verified the plausibility of the reports and information provided by the Management Board.

The Supervisory Board was regularly informed by the Management Board about the internal control system, Group-wide risk management system and Internal Audit system which it had introduced. On the basis of its own reviews, the Supervisory Board came to the conclusion that the internal control system, Group-wide risk management system and Internal Audit system are fully functional and effective.

The Supervisory Board comprises three members and has formed no committees. The Supervisory Board is not aware of any conflict of interest of one of its members.

In addition to the regular statutory reports, the Supervisory Board discussed and reviewed the following issues in greater detail:

- Group planning for fiscal year 2011.
- The annual financial statements and consolidated financial statements for fiscal year 2010.
- The invitation to the Annual Shareholders' Meeting 2011, as well as the agenda and motions for resolutions.
- The Remuneration Report to be presented by the Chairman of the Supervisory Board, the Report of the Supervisory Board to the Annual Shareholders' Meeting and the Corporate Governance Report for fiscal year 2010.
- The Management Board's dividend proposal for the Annual Shareholders' Meeting.
- Determining the Management Board's target achievement in fiscal year 2010 and approving the payment of variable compensation components, as well as agreeing new targets for the Management Board for fiscal year 2011.
- The new Rules of Procedure for the Supervisory Board.
- The cancellation of treasury shares and reduction of the Company's capital stock from € 240 million to € 225 million.

- The cancellation of 10 million treasury shares and reduction of the capital stock of United Internet AG from €225 million to €215 million.
- The authorization of the Management Board to transfer shares in Versatel AG to the acquisition offer of VictorianFibre Holding GmbH as well as the respective options and conclusion of a vendor loan.
- The issue of 1.1 million subscription rights in total as part of the employee stock ownership plan.
- Audit planning and the quarterly reports of the Internal Audit department.
- The updated version of the Risk Management Manual.
- The current status of investments belonging to United Internet AG.
- The development of the charitable foundation United Internet for UNICEF.
- The status of restructuring activities at the sub-group 1&1 Internet AG.
- The conclusion of a new syndicated loan agreement and authorization of the Management Board to conclude a new credit facility.
- Group planning for fiscal year 2012 and investment projects.
- Conducting the regular examination of the Supervisory Board's efficiency.
- Arranging dates for the Supervisory Board's meetings in fiscal year 2012.

Meetings and participation

The Supervisory Board held six meetings during fiscal year 2011 during which the Management Board presented detailed information 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. In addition to the meetings, further resolutions on current topics were adopted by means of circular written consent.

Corporate Governance

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 2011 for the company and the Group

The Annual Shareholders' Meeting of United Internet AG on May 26, 2011 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, based in Eschborn/Frankfurt am Main, as auditors for the fiscal year 2011. 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 2011. 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 did not detect any major weaknesses in the internal control system, Group-wide risk management system or Internal Audit 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 28, 2012, 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. The Supervisory Board concurs with the auditor that there are no major weaknesses in the internal control and risk management system, especially with regard to the accounting process. With a resolution on March 28, 2012, the Supervisory Board approved the annual financial statements of United Internet AG, as prepared by the company on March 21, 2012 and the consolidated annual financial statements according to IFRS for fiscal 2011, also prepared by the company on March 21, 2012. 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.

The Supervisory Board thanks the Management Board and all employees for their commitment to the Company in fiscal year 2011.

Montabaur, March 28, 2012

For the Supervisory

Board
Kurt Dobitsch