



HALF-YEAR FINANCE REPORT

AS OF JUNE 30, 2008



KIZOO AG FINANCIALS AT A GLANCE

in mln. Euro

	Q2/2008	Q2/2007	Q1-Q2/2008	Q1-Q2/2007
General administrative costs	(1.7)	(1.6)	(3.6)	(3.3)
Operating income from the continuing business lines	(1.7)	(1.6)	(3.6)	(3.3)
Financial result	12.2	4.9	13.1	5.9
Tax income (expenses)	0	0	0	0
Profit/loss from continuing business lines	10.4	3.3	9.5	2.6
Profit/loss from the discontinued product line „ComBOTS“	0	(6.6)	(0.7)	(13.2)
Result for the period	10.4	(3.3)	8.8	(10.5)
Earnings per share for the period (in Euro)	0.32	(0.09)	0.26	(0.30)
Liquid assets and other securities	347.3	510.3	347.3	510.3
Shareholders'equity	360.1	536.1	360.1	536.1
Balance sheet total	376.7	553.0	376.7	553.0



KIZOO AG

CONTENTS

Half-Year Finance Report as of June 30, 2007

Letter to Shareholders	04
Consolidated Profit and Loss Statement	08
Consolidated Balance Sheet	09
Consolidated Cash Flow Statement	10
Development of Shareholders' Equity	11
Notes to the Condensed Financial Statements	12
Interim Management Report	20
Affirmation by the statutory representatives	30
Financial Calendar & Imprint	31



KIZOO

Q2/2008

LETTER TO SHARE- HOLDERS

KIZOO AG

LETTER TO THE SHAREHOLDERS FROM THE EXECUTIVE BOARD OF KIZOO AG

Dear Shareholders,

The realignment of the company, which began in Fall 2007, was completed on schedule at the end of the second quarter. The operational reorganization is likewise concluded apart from some residual work. In May this year's general meeting confirmed with a broad majority the newly formulated strategy consisting in an adjustment of our object and the change of our company name to Kizoo AG. For the first time in the company's history a dividend of 1.20 Euro was paid to our shareholders. Together with the share buyback conducted during the first half-year, more than 70 million Euro were paid to the shareholders, and the capital resources of the company were significantly adjusted.

General meeting and extension of the object

The newly formulated business strategy, accompanied by a change in company name to Kizoo AG, met with a large approval at this year's general meeting. Kizoo AG will emerge on the market in future – together with the addition "Technology Ventures" – as a development and investment company focusing on Internet services and digital communication.

As in the past, we will continue to screen the general environment in respect of new growth possibilities and business opportunities in the field of online services and/or digital communication. Subsequently, we plan to acquire shareholdings in young technology ventures focusing on online services and communication products.

In this connection we evaluated already a large number of requests for investments during the past weeks. As already considered in our strategic reflections, technology companies have a particularly large need not only for financial resources but also for know-how and advice in respect of sustainability of business models, market appearance and technical solutions during the early stages.

Dividend, share buyback through the stock exchange and public share buyback offer

As announced, we reviewed the capital resources of the company. With the dividend of 1.20 Euro per share adopted by the general meeting, a total volume of 40.3 million Euro was paid to our shareholders. Moreover, 7.1 million Euro were used for the buyback of shares through the stock exchange. Since full utilization of the empowerment issued by the general meeting 2007 was not possible within a reasonable time frame through the stock exchange alone due to limited volumes, we announced immediately before the general meeting a public buyback offer for all shareholders, which was very successfully executed. The offer was accepted by more than 4,000 shareholders and was 2.5 times over-subscribed. With an offering price of 11.66 Euro and an acceptance quota of about 38.8% a



total of 1,979,544 no par value shares (23.1 million Euro) were bought back by the company. This corresponded to a 5.66 per cent share in the nominal capital of the company.

With the dividend, the public buyback offer and the share buyback through the stock exchange a total of 70.5 million Euro was paid to our shareholders during the first half-year 2008.

Shareholding in United Internet at 8.8 %

In May we sold one million of our 23.2 million shares in United Internet AG. The proceeds of approx. 14 million Euro were used for share buyback purposes. After the completion of the transaction the direct or indirect shareholding of Kizoo AG in United Internet still amounts to around 8.8 per cent.

We continue to believe that the United Internet share has a clear upside potential. Market experts and the company information published during the first half-year confirm our view.

Financials during the second quarter of 2008

The quarterly result is primarily marked by the dividend paid by United Internet in the amount of 4.4 million Euro and the one off earnings of 7.1 million Euro from the sale of one million United Internet shares.

For the second quarter 2008 total operating expenses were reduced to 1.7 million Euro (first quarter of 2008: 1.9 million Euro).

The significant reduction of the cost basis is also reflected by the development of the EBITDA in a period on period comparison. With depreciations and amortizations of 1.3 million Euro during the first half-year 2008 the EBITDA, i.e. the result before interest, taxes, depreciation and amortization amounts to -3.1 million Euro (first quarter to second quarter of 2007: -11.7 million Euro). On a

quarterly basis the EBITDA for the second quarter of 2008 amounted to -1.1 million Euro (first quarter of 2008: -1.9 million Euro).

The earnings before taxes for the period amounted to 10.4 million Euro (first quarter of 2008: -1.6 million Euro; second quarter of 2007: 3.3 million Euro). The remaining general administrative costs amounted to 1.7 million Euro (first quarter of 2008: 1.9 million Euro; second quarter of 2007: 1.6 million Euro) which contrasted with a financial result of 12.2 million Euro (first quarter of 2008: 1.0 million Euro; second quarter of 2007: 4.9 million Euro).

Retirement of treasury shares and change in the nominal capital

In June the Executive Board implemented, based on a resolution by the general meeting, the cancellation of a total of 3,417,861 treasury shares – this corresponded to 9.73 per cent of the nominal capital. As a result of this measure the number of the company's shares was reduced to 31,711,412 and the nominal capital of the company decreased to 31,711,412 Euro.

The general meeting 2008 authorized the Executive Board to buy back another 10 per cent of the nominal capital from September 1, 2008 onwards.



Outlook

We will continue to drive the implementation of the Technology Ventures strategy in the months to come. We assume that based on our successful and efficient market entry in the ventures segment, a first investment can already be made during the third quarter.

In addition, we will pursue the implementation of the realization and continuation concept for real property and the data center. We currently do not assume that we will generate any sales or realization revenues from this in 2008.

As already reported, we will continue to review the economic development of our investment into United Internet, also against the backdrop of capital market conditions.

We would be pleased if you were to accompany us on our way and if we could continue to count you among our shareholders in the future, too.

Karlsruhe, July 2008

Kizoo AG
The Executive Board

KIZOO AG

CONSOLIDATED PROFIT AND LOSS STATEMENT (IFRS)

AS OF JUNE 30, 2008 (unaudited)

in T Euro

	Q2/2008	Q2/2007	Q1-Q2/2008	Q1-Q2/2007
Revenues	0	0	0	0
Cost of Sales	0	0	0	0
Gross profit	0	0	0	0
Marketing and advertising	0	0	0	0
General administration costs	(1,726)	(1,575)	(3,593)	(3,277)
Research and development	0	0	0	0
Operating result	(1,726)	(1,575)	(3,593)	(3,277)
Financial income	12,150	4,910	13,113	5,912
Net result before taxes	10,424	3,335	9,520	2,635
Income taxes	0	(3)	0	(9)
Result from ordinary operations	10,424	3,332	9,520	2,626
Result from discontinued operation "ComBOTS"	(29)	(6,640)	(721)	(13,159)
Net result for the period	10,395	(3,308)	8,799	(10,533)
Earnings per share (in Euro)				
undiluted	(0,32)	(0,09)	0,26	(0,30)
diluted	(0,31)	(0,09)	0,26	(0,29)
Earnings per share from ordinary operations				
undiluted	(0,32)	0,10	0,28	0,07
diluted	(0,31)	0,09	0,28	0,07
Earnings per share from the discontinued operation "ComBOTS"				
undiluted	(0,00)	(0,19)	(0,02)	(0,37)
diluted	(0,00)	(0,19)	(0,02)	(0,37)
Average number of outstanding shares				
undiluted	32,909,052	34,990,419	33,507,671	35,176,269
diluted	33,393,318	35,640,797	33,828,336	35,821,647



KIZOO AG

CONSOLIDATED BALANCE SHEET (IFRS)

AS OF JUNE 30, 2008 (unaudited)

ASSETS in T Euro

	30.06.2008	31.12.2007
Long-term assets		
Intangible assets	178	117
Property, plant and equipment	6,087	6,293
Real property held as financial investment	15,567	16,592
Other lendings	135	153
Marketable securities	52,700	67,413
Total long-term assets	74,667	90,568
Short-term assets		
Cash and cash equivalents	6,552	44,280
Marketable securities	288,039	404,201
Trade accounts receivable	380	285
Tax refund claims	4,742	5,665
Other assets and deferred expenses	1,885	1,681
Subtotal short-term assets	301,598	456,112
Non-current assets held for sale	462	1,678
Total short-term assets	302,060	457,790
Total Assets	376,727	548,358

LIABILITIES in T Euro

	30.06.2008	31.12.2007
Shareholders' equity		
Common shares at 1 Euro	31,711	35,001
Capital reserve	44,208	80,408
Other reserve	115,784	223,637
Accumulated total result	168,352	199,863
Treasury stock	0	(10,350)
Total shareholders' equity	360,055	528,559
Long-term liabilities		
Due to banks from the property leasing company	11,214	11,630
Total long-term liabilities	11,214	11,630
Short-term liabilities		
Trade accounts payable	810	806
Provisions	1,774	3,893
Tax provisions	80	77
Other short-term liabilities	2,794	3,393
Total short-term liabilities	5,458	8,169
Total liabilities	376,727	548,358



KIZOO AG

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

AS OF JUNE 30, 2008 (unaudited)

in T Euro

	30.06.2008	30.06.2007
Net cash provided by operating activities		
Net result for the period	8,799	(10,533)
Income from investments	(4,440)	0
Interest income	(2,027)	(7,003)
Interest paid	398	394
Tax income	0	9
Depreciation/amortization on intangible assets and tangible assets	1,258	4,698
Disposal of fixed assets	0	350
Result from the retirement of available-for-sale assets	29	0
Expenditure from employee stock option plan	29	79
Result from sales of marketable securities	(7,044)	697
Change in assets and liabilities Trade accounts receivable	(95)	34
Other assets and deferred expenses	(203)	(1,226)
Trade payables	4	0
Short-term liabilities and deferred income	(2,716)	(210)
Tax refund / Taxes paid	923	(2,073)
Cash flow from operating activities	(5,085)	(14,784)
<i>thereof from continued operations</i>	<i>(3,401)</i>	<i>(6,260)</i>
<i>thereof from discontinued operation "ComBOTS"</i>	<i>(1,684)</i>	<i>(8,524)</i>
Cash flow from investing activities		
Investments in intangible assets	0	(972)
Investments in property, plant and equipment	(88)	(464)
Change in marketable securities	15,565	27,473
Incoming payments from sales of marketable securities	13,770	0
Dividends received	4,440	4,176
Incoming payments from the retirement of available-for-sale assets	1,187	0
Cash flow from investing activities	34,874	30,213
<i>thereof from continued operations</i>	<i>33,687</i>	<i>27,438</i>
<i>thereof from discontinued operation "ComBOTS"</i>	<i>1,187</i>	<i>(1,401)</i>
Cash flow from financing activities		
Dividends paid	(40,310)	0
Capital increase of share options	983	0
Acquisition of treasury stock	(30,152)	(7,814)
Repayments of liabilities from property leasing company	(416)	(219)
Repayment of loans	18	8
Interest received	2,758	2,423
Interest paid	(398)	(394)
Cash flow from financing activities	(67,517)	(5,996)
<i>thereof from continued operations</i>	<i>(67,517)</i>	<i>(5,996)</i>
<i>thereof from discontinued operation "ComBOTS"</i>	<i>0</i>	<i>0</i>
Increase/decrease of cash and cash equivalents	(37,728)	9,433
Cash and cash equivalents at the beginning of the period	44,280	38,152
Cash and cash equivalents at the end of the period	6,552	47,585

KIZOO AG**DEVELOPMENT OF SHAREHOLDERS' EQUITY (IFRS)
FROM 01/01/2008 TO 06/30/2008 (unaudited)**

in T Euro

	Common stock	Capital reserve	Other reserves	Accumulated result	Treasury stock	Total
December 31, 2006	38,429	104,776	129,050	236,456	(20,255)	488,456
Acquisition of treasury stock					(7,814)	(7,814)
Effect from employee stock option plan		79				79
Equity variations with no effect on income from available-for-sale securities			65,931			65,931
Net loss of the year				(10,533)		(10,533)
June 30, 2007	38,429	104,855	194,981	225,923	(28,069)	536,119
December 31, 2007	35,001	80,408	223,637	199,863	(10,350)	528,559
Acquisition of treasury stock					(30,152)	(30,152)
Capital increase of share options	127	(224)			1,080	983
Cancellation of treasury stock	(3,417)	(36,005)			39,422	0
Effect from employee stock option plan		29				29
Dividend				(40,310)		(40,310)
Equity variations with no effect on income from available-for-sale securities			(107,853)	8,799		(107,853)
Net profit for the year						8,799
June 30, 2008	31,711	44,208	115,784	168,352	0	360,055

KIZOO

Q2/2008

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

KIZOO AG

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FROM 01/01/2008 TO 06/30/2008 (unaudited)

1. Information about the Company

Since 2000 Kizoo AG (until May 9, 2008: ComBOTS AG, previously: WEB.DE AG), Amalienbadstrasse 41, 76227 Karlsruhe has been listed on the stock exchange.

Kizoo is a development and investment company with a focus on Internet services and digital communication. Apart from own products, the company invests primarily in early stage, innovative ventures with high growth potential.

2. Business development during the first half-year 2008

The first half-year 2008 was marked by the completion of the reorganization and the comprehensive realignment of the company. Restructuring, which started in early Q4/2007 developed on schedule and is concluded apart from some residual work.

The reorganization and adaptation of the cost-intensive product area, in particular in view of the adjustment of material and personnel resources and capacities, was already successfully completed at the end of January 2008. The realignment of the internal operating organization was carried out in two phases. The first phase concerning the direct product areas was completed at the end of the first quarter. The second phase, which concerned the adaptation of internal functions to the existing scope of business, was implemented by the end of Q2/2008.

The focus of current operating activities is, in addition to the development and investment business, more particularly on the development and implementation of the realization and continuation concepts for existing assets, mainly the data center and real estate. The realization concepts for the data center and real estate were elaborated and are currently in the realization phase; the time required is in this connection longer than originally planned. Revenues from the realization of the real estate and the data center were not recorded during H1/2008.

The realization of IT equipment no longer needed is currently taking place in an orderly manner and within the framework of planning.

In the wake of the comprehensive realignment the Executive Board decided on March 19, 2008 with the approval of the Supervisory Board that the future business activities would, in addition to the existing focus, also be oriented towards investments in young technology ventures, more particularly in the field of online services and communication products.

The general meeting on May 6, 2008 approved the future orientation of the company with a large majority and adjusted the object of the company, together with the goal of highlighting the future company focus also in the by-laws. At the same time the name of the company was changed to Kizoo AG, in order to clearly document the commencement of a new phase of corporate development to the outside, too.

Since the extension of business activities to investments in young technology ventures the company has already received and processed more than 60 investment requests. No investment commitments have been made so far.

In the wake of the review of capital resources to be carried out as announced by the end of the first half-year 2008, the company had a total of 70.5 million Euro paid back to the shareholders during the first half-year. An amount of 40.3 million Euro was paid, following a resolution by the general meeting, as dividend for 2007. A total of 7.1 million Euro was used between January 1 and June 30, 2008 for the buyback of treasury shares through the stock exchange. In addition, treasury shares with a value of 23.1 million Euro were acquired within the scope of a public share buyback offer in May. For financing purposes the proceeds from the sale of 1 million shares of United Internet AG, Karlsruhe, of 13.8 million Euro were used in addition to the existing cash and cash equivalents. The sale not only served for the financing of the buyback but also to continue more or less the diversification of the assets of the company. After the exhaustion of the empowerment to buy back treasury shares issued by the annual general meeting 2007, all held treasury shares were retired and the capital reduced accordingly.

Beyond the reductions already achieved in Q1/2008, the operating cost level was further reduced as scheduled.

Total operating expenses amounted in H1/2008 to 3.6 million Euro after 3.3 million Euro in H1/2007. In Q2/2008 total operating expenses amounted to 1.7 million Euro after 1.9 million Euro in Q1/2008.

Of the total costs in H1/2008 2.3 million Euro relate to structural, administrative and managerial costs of the group holding company. Furthermore, 0.5 million Euro are accounted for by fixed costs in the Real Estate segment as well as 0.8 million Euro in the Data Center segment. Further restructuring costs did not arise in Q2/2008 (Q1/2008: 0.7 million Euro).

In the wake of the completion of the restructuring measures we will continue to reduce the cost structure in the course of fiscal 2008.

The result of the first half-year is marked by the financial income including the dividend paid in Q2/2008 in the amount of 0.20 Euro per United Internet share and one off earnings of 7.1 million Euro from the sale of one million United Internet shares.

The financial position of the Group is sound. On the reporting date June 30, 2008 the cash and cash equivalents as well as securities (without treasury shares) amounted to 347.3 million Euro despite the above-mentioned considerable outflows to shareholders. They consist of 69.4 million Euro of cash and cash equivalents/ other securities and 277.9 million Euro for the still 8.8% share in United Internet AG.

By June 30, 2008 the share price (Xetra) of United Internet dropped from 16.65 Euro per share on December 31, 2007 to 12.52 Euro per share. Referred to the share position held by the Group of 22.2 million United Internet shares there was a share price decline since December 31, 2007 in respect of this position by 91.7 million Euro. Compared to June 30, 2007 (15.47 Euro per share) there was a total shareprice declines of June 30, 2008 of approximately 65.5 million Euro.

3. Generally accepted accounting and valuation principles

The quarterly financial statements of Kizoo AG for the period from January 1 to June 30, 2008 were prepared in accordance with IAS 34 "Interim Financial Reporting" as condensed financial statements. The condensed interim financial statements do not include all information prescribed for the financial statements of a full fiscal year and should be read in connection with the consolidated financial statements as of December 31, 2007.

The generally accepted accounting and valuation methods applied for the preparation of the condensed interim financial statements are, without exception, in conformity with the methods applied in the last consolidated financial statements as of December 31, 2007. For the interim report on the first quarter 2008 the standards and interpretations IAS 1 (changed) as well as IFRIC 7 to 10 had to be applied for the first time. The first time application of these standards did not have any impact on the presentation of the assets, financial and earnings position of Kizoo AG.

Due to the new orientation of the company decided at the end of the fiscal year and the discontinuation of the product line "ComBOTS", an adjustment of the comparative figures on June 30, 2007 had to be made, in order to ensure comparability between the two interim financial statements.

4. Impact of estimates

The preparation of the consolidated interim financial statements in conformity with IFRS partly requires the Executive Board to make estimates and assumptions which have an impact on the amounts stated for assets, liabilities and contingent liabilities on the balance sheet date as well as the recognition of income and expenses during the reporting period. Any actual amounts and/or developments can deviate from these estimates.

During the fiscal year and during prior year a number of estimates were made in respect of the future business activity of the company following the decision on its new orientation. Based on these estimates and assumptions the recognition of deferred tax assets in respect of losses carried forward, the impairment test for the development of the continued business line and in particular the expected development of the newly defined cash generating units (CGUs) as well as the recognition of the restructuring provisions were evaluated.

In connection with the new orientation estimates were also made in respect of the net disposal proceeds of the assets for sale.

Furthermore, estimates were made in respect of the classification of possible payment commitments as provision or contingent liability. This is determined by the classification of a utility outflow as likely which leads to the recognition of a provision or as unlikely which leads to a recognition as contingent liability.

The estimates and underlying assumptions are reviewed on a permanent basis. Impairment Tests have last been made with regard to the consolidated financial statements as of December 31, 2007. Corrections of estimates are stated during the period during which the estimate is reviewed and possibly also in later periods if the review concerns both current and later periods.

5. Changes to the scope of consolidation

During the first half-year 2008 the wholly owned subsidiary of the then ComBOTS AG, ComBOTS Corporate Services GmbH was merged into the then ComBOTS AG with an economic and tax effect.

With the entry in the commercial register on May 9, 2008 the name of the parent company was changed from cCombots AG to Kizoo AG.

Furthermore, the company names of the consolidated subsidiaries were changed during the first half-year 2008: ComBOTS Data Center GmbH, Karlsruhe, became Online-Dienste Karlsruhe Data Center GmbH, Karlsruhe, ComBOTS Payment Services GmbH, Karlsruhe, became Online Dienste Karlsruhe Internet Services GmbH, Karlsruhe, ComBOTS International GmbH, Karlsruhe, became Kizoo Asset Management GmbH, Karlsruhe, and ComBOTS Customer Care GmbH, Karlsruhe, became Kizoo Technology Capital GmbH, Karlsruhe.

6. Treasury shares

During the first half-year 638,132 treasury shares (prior year: 723,400) were regularly acquired by Kizoo AG through the stock exchange. The average purchase price amounted to 11.08 Euro per share (prior year: 10.80 Euro) so that the total purchase price was 7,071 T Euro (prior year: 7,813 T Euro). 95,000 treasury shares were disposed of within the framework of the exercise of stock options.

Based on the public buyback offer announced within the framework of the general meeting additional 1,979,544 treasury shares were acquired at a purchase price of 11.66 Euro per share. The public offer by the company was accepted by a large number of shareholders of Kizoo AG so that there was an allocation quota of approximately 39% taking into account the priority granted to small shareholders. Treasury shares increased as of June 30, 2008 to 3,417,861 shares (prior year: 3,606,622) or 9.73% of the nominal capital of

the company. They were fully retired effective June 30, 2008. The subscribed capital of the company was reduced accordingly by 3,417,861 Euro; the remaining difference between the acquisition costs of the shares and the nominal value was offset against the capital reserve in an amount of 36,004,511 Euro. Taking into account the shares issued under the exercise of stock options, the nominal capital of the company amounts to 31,711,412 Euro as of June 30, 2008.

7. Securities

During the second quarter of fiscal 2008 1 mln. shares in United Internet AG were sold. The selling price amounted to 13.77 Euro per share, so that a profit of 7.12 Euro per share or 7,120 T Euro was generated from the sale. The stock of shares in United Internet AG was reduced to 22,200,000 shares.

The carried forward change in securities available for sale results on the one hand from the price decline of shares held by Kizoo AG in United Internet AG. On June 30, 2008 the price amounted to 12.52 Euro (prior year: 15.47 Euro).

On the other hand, this concerns disposals of bonds at maturity. Within the framework of the disposal losses of 41 T Euro (prior year: 697 T Euro) were realized. During the second quarter 2008 a security deposit with a total value of 3,430 T Euro was prematurely sold with a loss of 31 T Euro.

8. Cash flow statement

For the purposes of the cash flow statement of the condensed financial statements, the cash and cash equivalents are as follows:

	06/30/2008	06/30/2007
Current accounts	1,159	2,039
Term money accounts	2,500	42,246
Time deposit accounts	2,893	3,300
Total liquid assets	6,552	47,585

By analogy to the financial statements 2007 the accrued dividends from the shareholding in United Internet for the first half-year 2008 as well as the comparative period were shown as inflows from investments.

9. Share-based compensation

Kizoo has a stock option plan for the benefit of its employees. On June 30, 2008 891,622 (prior year: 1,558,759) options were issued to subscribe to Kizoo shares to current and former employees and members of the senior management of Kizoo AG and its subsidiaries. The options may only be exercised if the Kizoo share price has increased at least once by 10% since the issue of the option. The exercise price is determined by the stock exchange price of the Kizoo share at the time of allocation of the option plus a premium of 10%. The options may be exercised in the amount of one-third after the 2nd, 3rd and 4th year on the 3rd to 20th stock exchange trading day after the annual balance sheet press conference or the announcement of a quarterly or half-year report and in the event of full exercise of the options the contingent capital would be used in an amount of up to 891,622 T Euro (prior year: 1,559 T Euro). The options become forfeited after a maximum of 10 years.

As a matter of principle, employees lose their claims under the stock options granted if they leave the company within the qualifying period. Within the framework of the transfer of the Portal business and the corresponding employees to 1&1 Internet AG, Montabaur in fiscal 2005 a special agreement was reached for the employees concerned so that the options issued to them are only forfeited if and to the extent that the employment relationship with 1&1 Internet AG ends within the qualifying period. The expenses associated with these options were completely recognized in fiscal 2005.

On June 30, 2008 430,838 options (prior year: 852,759) for employees of Kizoo AG as well as 460,784 options (prior year: 706,000) for employees of the discontinued WEB.DE portal business line were outstanding. During the past half-year no options were allocated. During the past half-year 29 T Euro (prior year: 80 T Euro) from the options were recorded as personnel expenses.

During the second quarter of the fiscal year 222,797 options were exercised by current and former employees of Kizoo AG, of which 95,000 were covered by treasury shares. The average exercise price was 4.41 Euro. The nominal capital of the company was increased by 127,134 Euro and the capital reserve by 511,324 euro.

10. Non-current assets available for sale

During the first half-year assets with a carrying value of 1,216 T Euro were sold of the assets classified as available for sale as of December 31, 2007. In this connection a book loss of 29 T Euro was realized which was allocated to the result from the discontinued business line.

11. Result of the discontinued business line

The result of the discontinued business line refers to additional costs incurred in Q1/2008 and Q2/2008 within the framework of the restructuring following the discontinuation of the product line ComBOTS. This concerns essentially incremental costs within the framework of the reduction of the headcount.

12. Segment reporting

The Company runs its business activities in three segments called Technology Ventures, Data Center and Real Estate. Within the framework of the adjustment of prior year figures because of the new orientation of the company adopted in fiscal 2007 and the simultaneous first-time application of IFRS 8 "Operating Segments," the segment reporting of the previous year was adjusted accordingly. During the two reporting periods no revenues were generated. During the current quarter the segment "Real Estate" generated a result of -520 T Euro (prior year: -372 T Euro), the segment "Data Center" generated a result of -808 T Euro (prior year: -746 T Euro). The remaining costs in the amount of 2,265 T Euro (prior year: 2,159 T Euro) are accounted for by the administrative and holding activities of Kizoo AG.

13. Transactions with related parties

The group of related persons and companies remained unchanged versus the annual financial statements. There were no material transactions with related persons and companies. Further details on related parties can be found in the Annual Report 2007 on page 99.

14. Employees

On the reporting date June 30, 2008 the Kizoo Group employed a total of 20 employees (prior year: 129).

After the completion of the ongoing operating restructuring the headcount will be reduced to approximately 15 employees.

Against the backdrop of the fundamentally new strategic orientation of Kizoo AG the company and the former CFO Robert Gratzl reviewed the contents and perspectives of future co-operation together and agreed that Robert Gratzl would resign effective March 31, 2008 and leave the company in full mutual consent. His responsibilities are taken over by

the member of the Executive Board, Matthias Hornberger. Mr Gratzl will continue to advise the company after his resignation.

By resolution of June 6, 2008 the Supervisory Board appointed Mr Frank Schüler as a further member of the Executive Board.

15. Directors' Holdings

The reportable shareholdings of Executive and non Executive Directors as of June 30, 2008 are as follows:

Management	Shares	Options
Michael Greve	none	none
Matthias Hornberger	73,049	86,430
Heiko Schneefeld	22,300	90,000
Frank Schüler	41,303	46,336

Supervisory Board	Shares	Options
Hansjörg Reiter	none	none
Felix Greve	none	none
Karl Schlagenhaut	none	none

Cinetic Gesellschaft zur Entwicklung und Vertrieb von Medientechnik mbH, Karlsruhe, (of which CEO Michael Greve and his brother Matthias Greve own 50% each) continues to hold 21,584,505 shares in Kizoo AG. Mr Felix Greve holds 640,483 shares in Kizoo AG through the three asset management companies FARAH Vermögensverwaltungs- und Beteiligungsgesellschaft mbH, Karlsruhe, MAG Vermögensverwaltungs- und Beteiligungsgesellschaft mbH, Karlsruhe und MIRA Vermögensverwaltungs- und Beteiligungsgesellschaft mbH, Karlsruhe.

16. Legal disputes

As already explained in the consolidated financial statements as of December 31, 2007 an action under trademark law of another company concerning the name "ComBOTS" was admitted in the appeal proceedings before the Higher Regional Court Düsseldorf. Following the realignment and the related change in company name, the company withdrew an appeal on points of law with the Federal Supreme Court which had been submitted in the meantime and accepted the second instance judgment. No major impact is to be expected from this. Provisions were made for any costs which may still have to be borne.

The action documented in the consolidated financial statements 2007 filed by an IT service provider under a purchase and service agreement was settled together with the corresponding counterclaim during the second quarter 2008 in court proceedings and the corresponding provision was written back.

Apart from that there have been no significant changes in respect of pending proceedings compared to December 31, 2007. As far as a more detailed description of such litigation is concerned, reference is made to the notes to the consolidated financial statements as of December 31, 2007.

17. Events after the balance sheet date

There were no major events after the balance sheet date.

18. Liability situation

Within the framework of the disposal of the Portal business to United Internet AG, Kizoo AG issued, in line with standard practice during such transactions, in its capacity as seller the usual comprehensive warranties in respect of the object of the contract for the buyers. The liability of Kizoo AG under the violation of these guarantees was limited to a maximum amount of 100 million Euro. Concerning the fulfillment of the main performance obligations, in particular concerning procurement of title and other transfer obligations and the ancillary performance and indemnification obligations expressly regulated in the asset contribution agreement and/or the share purchase agreement with United Internet AG, an absolute maximum liability sum together with claims under warranty violations of 300 million Euro was agreed upon. The guarantees have different terms; in individual cases up to five years from completion (October 31, 2005).

Actual payment obligations under the guarantees are currently not to be expected.

Karlsruhe, July 2008

Kizoo AG
The Executive Board

KIZOO

Q2/2008

INTERIM MANAGEMENT REPORT

KIZOO AG **INTERIM MANAGEMENT REPORT (unaudited)** **AS OF JUNE 30, 2008**

1. Business and general situation

Strategic overview

After the completion of the realignment and reorganization of the company Kizoo AG will emerge on the market in future – together with the addition “Technology Ventures” – as a development and investment company focusing on Internet services and digital communication.

As in the past, the company will continue to screen the general environment in respect of new growth possibilities and business opportunities in the field of online services and/or digital communication. Subsequently, shareholdings in young and promising technology ventures focusing on online services and communication products shall be acquired.

This orientation of the company proposed by the Executive Board and the Supervisory Board was approved by a large majority of the general meeting on May 6, 2008; and the object of the company was adjusted accordingly. At the same time the name of the company was changed to Kizoo AG, in order to clearly document the commencement of a new phase in the corporate development for the outside.

With the decision to seize, in addition to the development of own products, business opportunities in the technological environment through an investment approach, the company takes the uncertain market environment for Internet/communication services into account. This hardly allows for any reliable forecasts on future prospects for products and concepts as a basis for significant invest-

ment decisions. Through early phase investments in technology ventures the company is provided with incremental opportunities to seize investment possibilities in a rapid and diversified manner, with reduced risk and a transparent overall volume. For the investment business, an investment volume of up to 5 million Euro has been earmarked until 2009. In individual cases it may amount to up to 1 million Euro. As opposed to pure financial investors, the company not only has the necessary financial resources, but also in-depth own entrepreneurial experience in the environment of Internet services, which can be perceived as a true added value for companies in search of an investor and which are a USP within the market of early stage investments.

Since business activities have been extended to investments in young technology ventures, the company has already received and examined more than 60 investment requests. No investment commitment has been made so far. The evaluation of own products is continued with a small team.

In parallel to its new orientation, the company reviewed, as announced, its capital resources and distributed during the first half-year through dividend payments and share buybacks a total of 70.5 million Euro to the shareholders. The authorization for further share buybacks up to 10% of the capital stock was given by the annual general meeting 2008.

The current operating activities focus, in addition to the development and investment business, more particularly on the development and implementation of the realization and

continuation concepts for the existing assets, mainly for the data center and the real estate. The realization concepts for the data center and the real estate were prepared and are currently in the realization phase.

2. Earnings position

Development of the segments Technology Ventures, Data Center and Real Estate Realization

The company runs its business activities in three segments called Technology Ventures, Data Center and Real Estate.

In the business line Technology Ventures the development and investment activities are combined (previous „communication services“). The business segment „Real Estate“ concerns essentially the real estate and building in Karlsruhe, Amalienbadstrasse 41 held by Sarah Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Munich, which is to be let or sold in future. The business segment „Data Center“ concerns a data center which is to be realized within the framework of renting/housing.

The restructuring started in early Q4/2007 developed on schedule and is completed apart from some residual work.

The reorganization of the product area, more particularly in view of the adjustment of material and personnel resources and capacities, was successfully completed already at the end of January 2008. The new orientation of the internal operational organization was implemented until the end of Q2/2008 in two phases. The direct product areas were adjusted to the scope of business until the end of the first quarter 2008, the internal functions essentially by the end of the first half-year 2008.

The operating activities in the development and investment business were carried out with a small team of Kizoo AG with the existing resources of the AG. The same applies to operating activities relating to the development and implementation of the realization and continuation concepts for the existing assets, mainly the data center and real estate. No revenues or realization proceeds were recorded in this respect during the first half-year of 2008.

The second quarter of fiscal 2008 was characterized by total operating expenses of 1.7 million Euro after 1.9 million Euro in Q1/2008. On a quarterly basis the total cost level continued to be reduced. These costs were exclusively allocated to the area of general administration.

The significant reduction of the overall cost basis is also reflected by the development of the EBITDA in a period on period comparison. With depreciations and amortizations of 1.3 million Euro during the first half-year 2008 the EBITDA, i.e. earnings before interest, taxes, depreciation and amortization amounted to -3.1 million Euro. On a quarterly basis the EBITDA for Q2/08 amounted to -1.1 million Euro after -1.9 million Euro in Q1/08.

The EBIT, i.e. the earnings before interest and taxes, amounted to -3.6 million Euro during the first half-year 2008 versus -3.3 million Euro during the comparable prior year period.

Shareholding in United Internet AG, Montabaur

On June 30, 2008 the Kizoo Group held 22,200,000 shares in United Internet AG; this corresponded to an 8.8% share in the nominal capital on the balance sheet date. On May 1, 2008, Kizoo AG sold one million United Internet shares at a share price of 13.77 Euro (Xetra closing price on April 30, 2008) through an international broker. The sale served for the partial refinancing of the public share buyback



3. Net assets and financial position

Cash flow statement

The essential cash flow streams during the fiscal year can be presented as follows:

in mln. Euro-----

	Q1-Q2/2008	Q1-Q2/2007
Cashflow from the operating activity	(5.1)	(14.8)
Cashflow from the investing activity	34.9	30.2
Cashflow from the financing activity	(67.5)	(6.0)
Change in cash and cash equivalents	(37.7)	9.4
Cash and cash equivalents at the beginning of the reporting period	44.3	38.2
Cash and cash equivalents at the end of the reporting period	6.6	47.6

During the reporting period the cash flow from operating activities amounted to -5.1 million Euro versus -14.8 million Euro during the comparable prior year period. This significant improvement of the operating cash flow during the reporting period versus prior year is a direct consequence of the successfully implemented cost and expense reduction measures during the reporting period.

In fiscal 2008 638,132 treasury shares and acquisition costs of a total 7.1 million Euro or an average 11.08 Euro per share were acquired in accordance with the empowerments of the general meeting 2007.

Inflows from interest and dividends amounted to 7.2 million Euro during the reporting period and outflows in respect of interest totaled 0.4 million Euro.

Net assets and financial position

The following table shows in condensed form the key balance sheet items versus prior year:

in mln. Euro-----

	06/30/2008	12/31/2007
Cash and cash equivalents and securities	347	515
Other short term assets	22	10
Tangible and intangible assets	7	23
Total assets	376	548
Short term liabilities	5	7
Long term bank liabilities from property leasing company	11	12
Shareholders' equity	360	529
Total liabilities	376	548

The balance sheet total decreased significantly by 172 million Euro versus December 31, 2007. This resulted essentially from the reduction of the shareholders' equity through dividend payment, the capital reduction through the retirement of treasury shares as well as share price losses for securities, more particularly concerning the United Internet shares. The shareholders' equity of the Kizoo Group amounted to 360 million Euro on June 30, 2008 (December 31, 2007: 529 million Euro) or 96% of the balance sheet total.

Cash and cash equivalents and securities of the Kizoo Group amounted to 347 million Euro on June 30, 2008 (prior year: 510 million Euro). This corresponds to 92% of the balance sheet total. Of the total 347 million Euro, 278 million Euro are accounted for by the market value of the 22.2 million shares in United Internet (valued at the price on the balance sheet date of 12.52 Euro/share) as well as 69 million Euro cash and cash equivalents as well as interest-bearing bonds.

The United Internet shares are reported as non-current securities in the consolidated financial statements.

During the first half-year 2008 investments dropped significantly versus prior year periods. They amounted merely to 0.1 million Euro during the reporting period. With depreciations and amortizations of 1.3 million Euro the fixed assets (including intangible assets) decreased accordingly.

On June 30, 2008 the Kizoo Group held no longer any treasury shares.

On June 30, 2008 there were no dues to banks except for liabilities in connection with the financing of the property in Karlsruhe within the framework of a property leasing relationship. Under this long-term real property leasing agreement, the area "Amalienbadstrasse" in Karlsruhe used for operating purposes was leased in 2001. In this connection and as a result of additional investment measures in 2004 payment obligations with a cash value of 11.2 million Euro have resulted for the next 15 years.

4. Employees

On the reporting date June 30, 2008 Kizoo AG and its subsidiaries had a total headcount of 20 (prior year: 129). The personnel structure breaks down as follows on the reporting date:

	06/30/2008	06/30/2007
Executive Board and Senior Management	4	5
Customer Service and Marketing	0	16
Research and Development, IT	4	76
General Administration, Finance and IR	12	32
Total	20	129

In addition to the payment of fixed salaries, the compensation system of Kizoo provides in large parts of the company also for variable salary components which depend on the

achievement of individually agreed performance targets. In order to have the staff participate in the long-term success of the company and to provide incentives for their long-term loyalty to the company, the employees of Kizoo AG and its majority subsidiaries are integrated into an employee participation scheme in the form of a stock option plan.

5. Events after the balance sheet date

On July 23, 2008 the share price of United Internet fell from 12.52 Euro on June 30, 2008 to 12.22 Euro. Referred to the share position held by us of 22.2 million United Internet shares this means that there has been a share price decrease since June 30, 2008 of 6.7 million Euro. Compared to December 31, 2007 the value of this item decreased by 98.3 million Euro until July 23, 2008.

6. Forecast report

Little less than nine months after its announcement, the restructuring and new orientation is essentially completed. In the final phase of adjustment of the indirect functions merely some residual work needs to be concluded.

Furthermore, the implementation of the realization and continuation concepts for the existing assets, more particularly the data center and the real estate, are advanced. From the current point of view the company assumes that more time will be necessary for the marketing of the data center and the real estate. Currently it is not expected that sales or realization revenues will be gained from it in 2008.

The realization of the hardware no longer used, which develops on schedule, should be completed by the end of the third quarter.

Kizoo will in future emerge on the market as a development and investment company focusing on Internet services and digital communication. Apart from the realization of own products, the company intends to invest primarily in young innovative companies with high growth potential and make an optimum use of existing experience with the resources made available. The experience of the first months shows that there are excellent management teams with highly interesting concepts and products in the targeted environment of Internet/communication services. It will, however, be necessary to make a very careful selection from the large number of requests. The targeted investment volume of up to 5 million Euro by the end of 2009 with a focus on next year therefore appears to be realistic. In fiscal 2008 we nonetheless do not expect any noteworthy economic effects from these activities.

For the full-year 2008 the company plans on the basis of its actual net assets and finance structure and taking into account the effects from the sale of United Internet shares and the capital measures during the first quarter a result of around 6 million Euro. The initiated cost cutting measures will have a relieving impact throughout the year. After the result in Q2/2008 was marked by the dividend and the sale of United Internet shares, slightly negative results for the periods Q3/2008 and Q4/2008 are currently anticipated. In this connection the financial result reduced by the considerable capital outflows will successively take effect. Business planning 2008 does not provide for any major investments in fixed assets. Furthermore, there are not yet any sufficiently concrete plans for new operating business lines. Additional income or expense effects from this are not taken into account in the business planning 2008.

The shareholding in United Internet continues to have an overriding significance for the asset situation of our company. After losses of

the share during the first three months of the year, the value of the share has considerably improved since the quarterly closing of 12.52 Euro to 12.22 Euro, albeit with an ongoing high volatility. We continue to believe that the company has a clear upside potential. As already reported, we will continue to check the economic development of our investment also against the backdrop of the capital market conditions.

On September 1 the new empowerment for share buybacks, issued by the general meeting on May 6, 2008, will become effective. Consequently, the company will then be able to buyback again 10% of its nominal capital within the framework of the authorization.

7. Opportunities and risk report

Opportunities and Risks in connection with the restructuring and new orientation of the Group

In the wake of the initiated restructuring measures, realization and continuation concepts for the different existing assets, more particularly for the data center, hardware and real estate, were elaborated which are now in an implementation phase.

The assets to be disposed of were classified in accordance with the provisions of IFRS 5 as for sale and hence evaluated with the lower of book value and expected sales proceeds minus costs to sell. These include, more particularly after the new orientation, any IT equipment (mainly servers and routers) no longer required, which was devalued as of the balance sheet date to the expected net sales proceeds. In the area of the real estate and the data center no devaluations to the existing assets had to be made on the basis of the impairment tests of December 31, 2007. An impairment test as of June 30, 2008 has not been carried out because no triggering event has been given.

The realization of the IT equipment no longer required is currently developing in an orderly manner and on schedule. It is to be completed during the third quarter.

As far as the real estate and the data center are concerned, the company is still carrying out its realization activities. If the company were not to succeed in realizing the assets for sale and/or other realization on the basis of the planned terms and conditions, this might possibly result in a need for additional unscheduled depreciations with a corresponding negative impact on the assets, financial and earnings position. Furthermore, there could be general warranty, damage and solvency risks in connection with the realization of the different assets. At present there are no material indications for that.

After the restructuring measures have been largely completed, the company continues to proceed on the assumption of a significantly reduced cost structure. For the full year 2008 the company expects a result of approx. 6 million Euro based on the current asset and finance structure, taking into account the financial and shareholding result. Based on the current state of the restructuring measures a scheduled achievement of the cost objectives is to be expected. Nonetheless, it cannot be excluded that the company will not meet or not fully meet the defined cost and budget goals for the planning periods, for instance because of changed plan assumptions or framework conditions.

Chances and Risks in connection with the business line Technology Ventures

The company intends to further on screen the general environment in respect of new growth possibilities and business opportunities in the field of online services and/or digital communication and subsequently, will invest in in-house developments as well as in shareholdings in young technology ventures. There is a risk that it will not be possible within an overseable period of time to define a future-safe product and/or business model or to find appropriate investments. This might have a considerable impact on the future business strategy and the resulting scope of business of the Group.

The investment in own developments and in young technology ventures pursues the objective of high returns. At the same time it involves a high risk potential. Since own developments at the beginning of the project or companies at the time of acquisition do neither initially generate earnings nor a success for the implementation of a business idea can be assumed at that time, there are risks in the amount of the investment volume for the company. With the new investment process in place, chances are high to identify strong new business models in our target industries. This will lead to access returns on our early stage investments.

Investment risks and chances in connection with financial investments

A considerable part of the financial resources of Kizoo is currently held in the form of 22.2 million shares in United Internet AG. The market value of these shares amounted to approximately 278 million Euro on June 30, 2008. Like all listed securities, these shares are subject to price fluctuations which cannot be excluded because of general influences on the stock markets or specific corporate developments at United Internet. This risk partly materialized during the first half-year 2008 because of rejections on the financial markets. Further price losses could have a major negative impact on our net assets, financial and earnings position. The consensus of analyst views currently continues to see an upside potential for the share price of the United Internet share on the basis of an ongoing good business development at the company. At the same time the stock market has been in an increasingly volatile and unstable phase since the beginning of 2008, more particularly because of the subprime crisis, the development of the USD exchange rate and the oil price. Depending on the actual development, a positive or negative development of the stock markets during the further course of fiscal 2008 may also have a material impact on the price development of the United Internet block of shares; from the current point of view this is, however, difficult to forecast.

As far as the shareholding in United Internet is concerned, the company will, therefore, closely monitor the economic development of the investee and the capital market conditions and permanently check in how far the value potentials have been exhausted.

The liquid assets and other securities consist almost exclusively of bonds and money market securities of different issuers and are broadly diversified in terms of issuers and terms. The investment in fixed interest bonds with investment grade could involve variations in interest rate, solvency risks or the similar which could lead to share price losses and/or restricted fungibility for the securities and jeopardize or significantly reduce the profitability of investments by Kizoo. In particular the current developments and turbulences on the international capital markets in connection with the subprime crisis have resulted in a significant increase in the credit and liquidity spread for corporate bonds and so-called „Asset Backed Securities“ (ABS structures) which have company loans as underlying or reference instrument. At the same time, the market prices for these financial securities have come under pressure and the tradability of these financial instruments has become severely restricted. The portfolio of Kizoo AG included at the balance sheet date individual bonds with different maturities whose prices and fungibility have come under pressure in the wake of the subprime crisis. Based on information available to us, we assume that the current price markdowns are only of a temporary nature and we do not expect a concrete default of one or more securities but we rather expect the realizability of the nominal amount no later than at their maturity. At the same time we cannot, however, fully excluded such losses which can have a material negative impact on our assets, financial and earnings position. With our investment in United Internet we profit from its positive development on a large scale.

KIZOO AG **AFFIRMATION BY THE STATUTORY REPRESENTATIVES** **AS OF JUNE 30, 2008**

We hereby affirm that, to the best of our knowledge, the interim financial statements give a true and fair view of the Group's asset, financial and earnings position in accordance with the generally accepted accounting principles for interim financial statements and that in the interim group management report the business development including the business result and the situation of the Group during the reporting period are presented in such a way that its real fair view is given and that the essential opportunities and risks of the probable development of the Group during the remaining fiscal year are described.

Karlsruhe, July 2008

Kizoo AG
The Executive Board



KIZOO AG FINANCIAL CALENDAR*

DATES*

10/16/2008	Quarterly Financial Report Q3/2008
12/11/2008	German Equity Forum Fall 2008

*all dates are preliminary and subject to change

KIZOO AG IMPRINT

Publisher

Kizoo AG
Amalienbadstr.41
76227 Karlsruhe, Germany
Fon +49 721 5160 0
Fax +49 721 18 37 586
www.kizoo.com

Contact

Investor Relations

Silvia Teschner
Fon +49 721 5160 2701
Fax +49 721 5160 2702

Nina Hill

Fon +49 721 5160 4800
Fax +49 721 5160 2702

investor.relations@kizoo.com

Design/Production

Art Crash Werbeagentur GmbH
Weberstr. 9
76133 Karlsruhe, Germany
www.artcrash.com

This report appears in German (original language) and English (translation). Only the German language version is legally binding.



Kizoo AG

Amalienbadstr. 41 76227 Karlsruhe Germany Fon +49 721 5160 0 Fax +49 721 18 37 586 www.kizoo.com