

UNITED ONLINE, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	Sep 30, 2005 (unaudited)	Jun 30, 2005 (unaudited)	Mar 31, 2005 (unaudited)	Dec 31, 2004	Sep 30, 2004 (unaudited)	Jun 30, 2004 (unaudited)	Mar 31, 2004 (unaudited)	Dec 31, 2003	Sep 30, 2003 (unaudited)	Jun 30, 2003	Mar 31, 2003 (unaudited)
ASSETS											
Cash, cash equivalents and short-term investments.....	\$ 240,993	\$ 223,828	\$ 203,046	\$ 232,793	\$ 202,645	\$ 203,502	\$ 189,448	\$ 203,723	\$ 216,724	\$ 192,228	\$ 171,515
Accounts receivable, net.....	20,879	18,763	17,237	17,534	13,414	13,404	11,546	14,065	12,755	12,420	11,930
Deferred tax assets, net.....	70,709	72,257	75,587	76,203	11,172	17,238	20,614	26,373	6,350	8,056	-
Property and equipment, net.....	32,383	28,115	26,888	27,006	18,763	14,749	12,835	13,428	11,554	11,535	12,518
Goodwill and intangible assets, net.....	144,744	151,277	156,805	147,016	41,729	46,018	36,315	40,268	45,631	49,595	53,558
Other assets.....	14,820	16,580	15,962	19,300	13,539	14,547	8,105	10,022	10,420	6,842	9,106
Total assets.....	<u>\$ 524,528</u>	<u>\$ 510,820</u>	<u>\$ 495,525</u>	<u>\$ 519,852</u>	<u>\$ 301,262</u>	<u>\$ 309,458</u>	<u>\$ 278,863</u>	<u>\$ 307,879</u>	<u>\$ 303,434</u>	<u>\$ 280,676</u>	<u>\$ 258,627</u>
LIABILITIES AND STOCKHOLDERS' EQUITY											
Accounts payable.....	\$ 51,333	\$ 47,109	\$ 41,232	\$ 45,379	\$ 38,762	\$ 37,251	\$ 30,141	\$ 31,388	\$ 28,543	\$ 23,041	\$ 23,536
Accrued liabilities.....	37,102	27,457	21,602	18,320	16,952	19,669	17,276	14,028	12,929	17,073	15,255
Deferred revenue.....	57,318	57,564	55,713	50,954	28,231	28,160	27,296	24,639	24,257	23,616	23,902
Capital leases.....	789	879	1,031	1,319	-	-	-	-	12	34	98
Term loan.....	58,333	63,334	69,167	100,000	-	-	-	-	-	-	-
Other liabilities.....	4,334	3,913	3,006	2,181	1,189	-	-	-	-	-	-
Total liabilities.....	<u>209,209</u>	<u>200,256</u>	<u>191,751</u>	<u>218,153</u>	<u>85,134</u>	<u>85,080</u>	<u>74,713</u>	<u>70,055</u>	<u>65,741</u>	<u>63,764</u>	<u>62,791</u>
Stockholders' equity.....	315,319	310,564	303,774	301,699	216,128	224,378	204,150	237,824	237,693	216,912	195,836
Total liabilities and stockholders' equity.....	<u>\$ 524,528</u>	<u>\$ 510,820</u>	<u>\$ 495,525</u>	<u>\$ 519,852</u>	<u>\$ 301,262</u>	<u>\$ 309,458</u>	<u>\$ 278,863</u>	<u>\$ 307,879</u>	<u>\$ 303,434</u>	<u>\$ 280,676</u>	<u>\$ 258,627</u>

UNITED ONLINE, INC.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004	Sep 30, 2004	Jun 30, 2004	Mar 31, 2004	Dec 31, 2003	Sep 30, 2003	Jun 30, 2003	Mar 31, 2003
Three Months Ended											
Revenues:											
Billable services.....	\$ 117,670	\$ 117,490	\$ 116,229	\$ 108,530	\$ 102,113	\$ 102,496	\$ 97,682	\$ 87,993	\$ 79,646	\$ 72,412	\$ 66,035
Advertising and commerce.....	15,108	14,030	14,302	11,090	8,591	8,122	9,993	8,955	9,144	7,196	7,784
Total revenues.....	<u>132,778</u>	<u>131,520</u>	<u>130,531</u>	<u>119,620</u>	<u>110,704</u>	<u>110,618</u>	<u>107,675</u>	<u>96,948</u>	<u>88,790</u>	<u>79,608</u>	<u>73,819</u>
Operating expenses:											
Cost of billable services.....	24,326	24,190	24,401	23,096	23,013	23,294	25,580	23,285	22,897	23,010	23,589
Cost of free services.....	2,858	3,172	3,353	2,474	1,605	1,589	1,725	1,869	2,084	2,572	3,134
Sales and marketing.....	52,470	53,579	53,983	47,962	43,170	44,738	43,035	36,587	33,939	26,467	23,618
Product development.....	9,787	9,208	9,043	7,966	7,069	6,286	6,101	5,368	5,120	5,428	5,963
General and administrative.....	12,614	11,938	11,713	10,918	10,220	9,568	6,863	7,014	7,008	7,930	7,107
Stock-based compensation ^(a)	2,837	2,920	1,075	517	716	739	477	-	-	14	28
Amortization of intangible assets.....	5,252	5,654	5,978	7,651	4,395	4,393	3,964	3,964	3,964	3,964	3,964
Total operating expenses.....	<u>110,144</u>	<u>110,661</u>	<u>109,546</u>	<u>100,584</u>	<u>90,188</u>	<u>90,607</u>	<u>87,745</u>	<u>78,087</u>	<u>75,012</u>	<u>69,385</u>	<u>67,188</u>
Operating income.....	22,634	20,859	20,985	19,036	20,516	20,011	19,930	18,861	13,778	10,223	6,631
Interest and other income, net.....	1,675	1,592	1,417	902	1,380	1,367	1,489	1,492	1,502	1,350	1,296
Interest expense.....	(1,388)	(1,355)	(2,002)	(256)	(321)	(342)	(283)	(268)	(319)	(226)	(191)
Income before income taxes.....	22,921	21,096	20,400	19,682	21,575	21,036	21,136	20,085	14,961	11,347	7,736
Provision (benefit) for income taxes.....	10,327	10,424	8,913	(60,507)	8,955	8,726	8,775	(4,340)	6,059	(3,247)	774
Net income.....	<u>\$ 12,594</u>	<u>\$ 10,672</u>	<u>\$ 11,487</u>	<u>\$ 80,189</u>	<u>\$ 12,620</u>	<u>\$ 12,310</u>	<u>\$ 12,361</u>	<u>\$ 24,425</u>	<u>\$ 8,902</u>	<u>\$ 14,594</u>	<u>\$ 6,962</u>
Basic net income per share.....	\$ 0.21	\$ 0.18	\$ 0.19	\$ 1.33	\$ 0.21	\$ 0.20	\$ 0.20	\$ 0.38	\$ 0.14	\$ 0.23	\$ 0.11
Diluted net income per share.....	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.18</u>	<u>\$ 1.27</u>	<u>\$ 0.19</u>	<u>\$ 0.19</u>	<u>\$ 0.18</u>	<u>\$ 0.35</u>	<u>\$ 0.13</u>	<u>\$ 0.21</u>	<u>\$ 0.10</u>
Shares used to calculate basic income per share.....	61,399	60,831	60,393	60,307	61,183	61,669	62,470	64,166	64,161	62,916	62,202
Shares used to calculate diluted income per share.....	64,107	63,093	63,038	63,250	64,955	66,238	67,352	68,878	70,133	68,327	67,638
Shares outstanding at end of period.....	<u>62,073</u>	<u>61,760</u>	<u>60,669</u>	<u>61,074</u>	<u>60,545</u>	<u>62,764</u>	<u>61,850</u>	<u>63,944</u>	<u>65,168</u>	<u>63,710</u>	<u>62,556</u>

(a) Stock-based compensation is allocated as follows:

Cost of billable services.....	\$ 49	\$ 57	\$ 25	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 3
Sales and marketing.....	297	224	100	(255)	124	124	83	-	-	3	5
Product development.....	329	350	63	32	-	-	-	-	-	1	1
General and administrative.....	2,162	2,289	887	724	592	615	394	-	-	9	19
Total stock-based compensation.....	<u>\$ 2,837</u>	<u>\$ 2,920</u>	<u>\$ 1,075</u>	<u>\$ 517</u>	<u>\$ 716</u>	<u>\$ 739</u>	<u>\$ 477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 28</u>

UNITED ONLINE, INC.
Unaudited Condensed Consolidated Cash Flow Statements
(in thousands)

Three Months Ended	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004 ⁽¹⁾	Sep 30, 2004 ⁽¹⁾	Jun 30, 2004 ⁽¹⁾	Mar 31, 2004 ⁽¹⁾	Dec 31, 2003 ⁽¹⁾	Sep 30, 2003 ⁽¹⁾	Jun 30, 2003 ⁽¹⁾	Mar 31, 2003 ⁽¹⁾
CASH FLOWS FROM OPERATING ACTIVITIES:											
Net income	\$ 12,594	\$ 10,672	\$ 11,487	\$ 80,189	\$ 12,620	\$ 12,310	\$ 12,361	\$ 24,425	\$ 8,902	\$ 14,594	\$ 6,962
Adjustments to reconcile net income to net cash provided by operating activities:											
Depreciation, amortization and stock-based compensation.....	11,809	12,358	10,527	10,936	7,366	7,259	6,039	5,545	5,531	5,932	6,801
Deferred taxes, tax benefits and other.....	3,774	5,716	3,840	(58,931)	8,006	8,317	7,291	(4,396)	6,384	(3,020)	586
Change in operating assets and liabilities (excluding the effects of acquisitions):											
Accounts receivable.....	(2,116)	(1,526)	295	(723)	(10)	(1,566)	2,519	(1,310)	(335)	(490)	(618)
Other assets.....	1,615	(1,031)	2,986	(674)	1,008	(6,373)	1,917	398	(3,578)	1,514	(1,231)
Accounts payable and accrued liabilities.....	14,014	11,750	(2,856)	1,272	(1,206)	9,289	2,001	3,945	1,358	1,323	(240)
Other liabilities.....	421	907	825	706	1,189	-	-	-	-	-	-
Deferred revenue.....	(246)	1,880	4,581	(1,034)	(14)	(761)	2,657	382	641	(286)	3,745
Net cash provided by operating activities.....	<u>41,865</u>	<u>40,726</u>	<u>31,685</u>	<u>31,741</u>	<u>28,959</u>	<u>28,475</u>	<u>34,785</u>	<u>28,989</u>	<u>18,903</u>	<u>19,567</u>	<u>16,005</u>
CASH FLOWS FROM INVESTING ACTIVITIES:											
Purchase of short-term investments.....	(90,281)	(94,120)	(98,317)	(99,466)	(52,483)	(101,021)	(76,113)	(145,794)	(83,147)	(41,379)	(26,176)
Proceeds from maturities of short-term investments.....	66,245	69,475	115,858	119,234	54,470	76,764	94,051	157,158	50,972	15,500	22,605
Cash paid for acquisitions, net of cash acquired.....	-	(98)	(8,540)	(98,168)	(17)	(11,917)	-	-	-	-	-
Proceeds from sale of cost-basis investment.....	-	-	-	-	-	-	-	-	-	750	-
Purchases of rights, patents and trademarks.....	-	(54)	(5,500)	(10)	(4)	(901)	(11)	-	-	-	-
Purchases of property and equipment.....	(7,981)	(5,018)	(3,455)	(1,312)	(6,344)	(3,849)	(1,005)	(3,482)	(1,593)	(1,326)	(2,024)
Proceeds from sales of assets, net.....	-	-	-	-	92	-	-	-	-	-	-
Net cash provided by (used for) investing activities.....	<u>(32,017)</u>	<u>(29,815)</u>	<u>46</u>	<u>(79,722)</u>	<u>(4,286)</u>	<u>(40,924)</u>	<u>16,922</u>	<u>7,882</u>	<u>(33,768)</u>	<u>(26,455)</u>	<u>(5,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:											
Payments on capital leases.....	(90)	(152)	(288)	(166)	-	-	-	(12)	(22)	(64)	(598)
Proceeds from term loan and line of credit, net.....	-	-	-	107,569	-	-	-	-	-	-	-
Payments on term loan and line of credit.....	(5,001)	(5,833)	(30,833)	(10,300)	-	-	-	-	-	-	-
Payment for dividends.....	(12,669)	(12,590)	-	-	-	-	-	-	-	-	-
Repayments of notes receivable.....	-	-	-	-	-	-	-	-	-	1,587	10
Proceeds from employee stock purchase plan.....	-	1,678	-	1,409	-	1,636	-	1,679	-	1,019	-
Common stock repurchases.....	1	-	(14,207)	(792)	(25,011)	-	(48,706)	(40,002)	-	(3,797)	(1,815)
Proceeds from exercises of stock options.....	887	2,024	1,821	992	1,123	2,986	914	951	8,020	3,018	255
Net cash provided by (used for) financing activities.....	<u>(16,872)</u>	<u>(14,873)</u>	<u>(43,507)</u>	<u>98,712</u>	<u>(23,888)</u>	<u>4,622</u>	<u>(47,792)</u>	<u>(37,384)</u>	<u>7,998</u>	<u>1,763</u>	<u>(2,148)</u>
Effect of exchange rate changes on cash and cash equivalents...	(2)	(75)	(14)	-	-	-	-	-	-	-	-
Change in cash and cash equivalents.....	(7,026)	(4,037)	(11,790)	50,731	785	(7,827)	3,915	(513)	(6,867)	(5,125)	8,262
Cash and cash equivalents, beginning of period.....	40,685	44,722	56,512	5,781	4,996	12,823	8,908	9,421	16,288	21,413	13,151
Cash and cash equivalents, end of period.....	<u>\$ 33,659</u>	<u>\$ 40,685</u>	<u>\$ 44,722</u>	<u>\$ 56,512</u>	<u>\$ 5,781</u>	<u>\$ 4,996</u>	<u>\$ 12,823</u>	<u>\$ 8,908</u>	<u>\$ 9,421</u>	<u>\$ 16,288</u>	<u>\$ 21,413</u>

(1) The company has reclassified certain prior period amounts from cash and cash equivalents to short-term investments to conform to current year presentation. This reclassification pertains to certain auction rate securities, for which interest rates reset in less than 90 days, but for which the maturity date is longer than 90 days.

Adjusted net income is defined as net income before the after-tax effect of amortization of intangible assets, stock-based compensation and facility-exit costs. Management believes that adjusted net income provides investors with additional useful information to measure the company's financial performance, particularly from period to period, exclusive of (1) certain non-cash expenses (such as amortization and stock-based compensation); and (2) other items which management believes are not reflective of the company's core operating results over time (non-recurring facility-exit costs in the September 2004 quarter related to the relocation of the company's corporate offices). Management also uses adjusted net income for this purpose. Adjusted net income is not determined in accordance with generally accepted accounting principles (GAAP) and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. The limitations of adjusted net income are that, similar to adjusted OIBDA, it does not include certain costs, and the term adjusted net income does not have a standardized meaning. Therefore, other companies may use the same, or a similarly named measure but exclude different items, which may not provide investors a comparable view of the company's performance in relation to other companies in the same industry. Management compensates for this limitation by presenting the most comparable GAAP measure, net income, directly ahead of adjusted net income in this earnings release and by providing a reconciliation that shows and describes the adjustments made. Management does not believe these limitations are material, particularly when such measure is disclosed with its most comparable GAAP financial measure, net income. A reconciliation to net income is provided in the accompanying tables.

UNITED ONLINE, INC.
Reconciliation of Net Income to Adjusted Net Income
(in thousands, except per-share data)

Three Months Ended	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004	Sep 30, 2004	Jun 30, 2004	Mar 31, 2004	Dec 31, 2003	Sep 30, 2003	Jun 30, 2003	Mar 31, 2003
Net income.....	\$ 12,594	\$ 10,672	\$ 11,487	\$ 80,189	\$ 12,620	\$ 12,310	\$ 12,361	\$ 24,425	\$ 8,902	\$ 14,594	\$ 6,962
Add:											
Facility-exit costs.....	-	-	-	10 (a)	1,646 (a)	1,601 (a)	-	-	-	-	-
Stock-based compensation.....	2,837	2,920	1,075	517	716	739	477	-	-	14	28
Amortization of intangible assets.....	5,252	5,654	5,978	7,651	4,395	4,393	3,964	3,964	3,964	3,964	3,964
Restructuring charges.....	-	-	-	-	-	-	-	-	-	-	(215)
	<u>20,683</u>	<u>19,246</u>	<u>18,540</u>	<u>88,367</u>	<u>19,377</u>	<u>19,043</u>	<u>16,802</u>	<u>28,389</u>	<u>12,866</u>	<u>18,572</u>	<u>11,173</u>
Income tax adjustments.....	(2,097) (b)	(1,538) (b)	(2,315) (c)	(71,722) (d)	(2,459) (c)	(2,440) (c)	(1,609) (c)	(13,883) (d)	(1,605) (c)	(4,384) (d)	(72) (c)
Adjusted net income.....	<u>\$ 18,586</u>	<u>\$ 17,708</u>	<u>\$ 16,225</u>	<u>\$ 16,645</u>	<u>\$ 16,918</u>	<u>\$ 16,603</u>	<u>\$ 15,193</u>	<u>\$ 14,506</u>	<u>\$ 11,261</u>	<u>\$ 14,188</u>	<u>\$ 11,101</u>
Adjusted basic net income per share.....	<u>\$ 0.30</u>	<u>\$ 0.29</u>	<u>\$ 0.27</u>	<u>\$ 0.28</u>	<u>\$ 0.28</u>	<u>\$ 0.27</u>	<u>\$ 0.24</u>	<u>\$ 0.23</u>	<u>\$ 0.18</u>	<u>\$ 0.23</u>	<u>\$ 0.18</u>
Adjusted diluted net income per share.....	<u>\$ 0.28</u>	<u>\$ 0.27</u>	<u>\$ 0.25</u>	<u>\$ 0.26</u>	<u>\$ 0.26</u>	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.21</u>	<u>\$ 0.16</u>	<u>\$ 0.21</u>	<u>\$ 0.16</u>
Shares used to calculate adjusted basic income per share.....	<u>61,399</u>	<u>60,831</u>	<u>60,393</u>	<u>60,307</u>	<u>61,183</u>	<u>61,669</u>	<u>62,470</u>	<u>64,166</u>	<u>64,161</u>	<u>62,916</u>	<u>62,202</u>
Shares used to calculate adjusted diluted income per share.....	<u>65,627 (e)</u>	<u>64,899 (e)</u>	<u>63,713 (e)</u>	<u>63,250</u>	<u>64,955</u>	<u>66,238</u>	<u>67,352</u>	<u>68,878</u>	<u>70,133</u>	<u>68,327</u>	<u>67,638</u>

(a) Facility-exit costs incurred as a result of the relocation of the company's corporate offices. These costs are attributable to lease termination fees and accelerated depreciation incurred in connection with terminated leases.

(b) Income tax effect of adjusting entries and re-measurement of certain deferred tax assets.

(c) Income tax effect of adjusting entries.

(d) Elimination of benefit recognized for deferred tax assets and income tax effect of adjusting entries.

(e) Includes the adjustment of shares used to calculate diluted net income per share resulting from the elimination of stock-based compensation.

Adjusted operating income before depreciation and amortization (adjusted OIBDA) is defined as operating income before depreciation, amortization, stock-based compensation and facility-exit costs. Management believes that because adjusted OIBDA excludes certain items that (1) do not impact the company's cash flows (such as depreciation, amortization and stock-based compensation), or (2) management believes are not reflective of the company's core operating results over time (non-recurring facility-exit costs in the September 2004 quarter related to the relocation of the company's corporate offices), this measure provides investors with additional useful information to measure the company's performance, particularly with respect to changes in performance from period to period. Management uses adjusted OIBDA to measure the company's performance and monitors adjusted OIBDA to ensure compliance with specific financial covenants in our term loan agreement. The company's Board of Directors uses this measure in determining certain compensation incentives for certain members of the company's management. Adjusted OIBDA is not determined in accordance with generally accepted accounting principles (GAAP) and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP.

A limitation associated with the use of adjusted OIBDA is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the company's business. Management evaluates the costs of such tangible and intangible assets through other financial measures such as capital expenditures and purchase accounting. An additional limitation associated with this measure is that it does not include stock compensation expenses related to the company's workforce. Management compensates for this limitation by providing supplemental information about stock compensation expense on the face of the consolidated statements of operations. Management does not believe either of these limitations is material, particularly when such measure is disclosed with its most comparable GAAP financial measure, operating income. A reconciliation to operating income is provided in the accompanying tables.

UNITED ONLINE, INC.
Reconciliation of Adjusted Operating Income Before Depreciation and Amortization
(in thousands)

Three Months Ended	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004	Sep 30, 2004	Jun 30, 2004	Mar 31, 2004	Dec 31, 2003	Sep 30, 2003	Jun 30, 2003	Mar 31, 2003
Operating income (loss)	\$ 22,634	\$ 20,859	\$ 20,985	\$ 19,036	\$ 20,516	\$ 20,011	\$ 19,930	\$ 18,861	\$ 13,778	\$ 10,223	\$ 6,631
Depreciation	3,720	3,784	3,474	2,788	1,957	1,680	1,598	1,581	1,567	1,964	2,809
Amortization	5,252	5,054	5,978	7,651	4,395	4,393	3,964	3,964	3,964	3,964	3,964
Operating income before depreciation and amortization	31,606	30,297	30,437	29,455	26,868	26,084	25,492	24,406	19,309	16,141	13,404
Stock-based compensation	2,837	2,920	1,075	517	716	739	477	-	-	14	28
Facility-exit costs (a)	-	-	-	10	1,646	1,601	-	-	-	-	-
Adjusted operating income before depreciation and amortization	\$ 34,443	\$ 33,217	\$ 31,512	\$ 29,982	\$ 29,230	\$ 28,424	\$ 25,969	\$ 24,406	\$ 19,309	\$ 16,155	\$ 13,651
Adjusted operating income before depreciation and amortization as a percent of total revenues	25.9%	25.3%	24.1%	25.1%	26.4%	25.7%	24.1%	25.2%	21.7%	20.3%	18.5%

(a) Represents costs incurred in connection with the relocation of the company's corporate offices. These costs are primarily attributable to lease termination fees and accelerated depreciation incurred in connection with terminated leases.

Free cash flow is defined as net cash provided by operating activities before cash paid for relocation costs, less capital expenditures. Management believes that free cash flow provides investors with additional useful information to measure operating liquidity because it reflects the company's operating cash flows after investing in capital assets, and excludes the cash impact of items which management believes are not reflective of the company's core operating results over time (non-recurring facility-exit costs in the September 2004 quarter related to the relocation of the company's corporate offices). This measure is used by management, and may also be useful for investors, to assess the company's ability to pay its quarterly dividend, repay debt obligations and generate cash flow for a variety of strategic opportunities, including reinvestment in the business, and effecting potential acquisitions and share repurchases. Free cash flow is not determined in accordance with generally accepted accounting principles (GAAP) and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. The limitation of free cash flow is that it excludes cash paid for non-recurring relocation costs during certain periods. Management does not believe that this is a material limitation, particularly when such measure is disclosed with its most comparable GAAP financial measure, net cash provided by operating activities. A reconciliation to net cash provided by operating activities is provided in the accompanying tables.

UNITED ONLINE, INC.
Reconciliation of Free Cash Flow:
(in thousands)

Three Months Ended	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004	Sep 30, 2004	Jun 30, 2004	Mar 31, 2004	Dec 31, 2003	Sep 30, 2003	Jun 30, 2003	Mar 31, 2003
Net cash provided by operating activities.....	\$ 41,865	\$ 40,726	\$ 31,685	\$ 31,741	\$ 28,959	\$ 28,475	\$ 34,785	\$ 28,989	\$ 18,903	\$ 19,567	\$ 16,005
Add (deduct):											
Capital expenditures.....	(7,981)	(5,018)	(3,455)	(1,312)	(6,344)	(3,849)	(1,005)	(3,482)	(1,593)	(1,326)	(2,024)
Cash paid for relocation costs (a).....	-	-	-	200	4,895	1,315	-	-	-	-	-
Free cash flow.....	\$ 33,884	\$ 35,708	\$ 28,230	\$ 30,629	\$ 27,510	\$ 25,941	\$ 33,780	\$ 25,507	\$ 17,310	\$ 18,241	\$ 15,896

(a) Represents cash payments made in connection with the relocation of the company's corporate offices. These payments relate primarily to lease termination fees and capital expenditures for the new corporate offices.

UNITED ONLINE, INC.
Selected Historical Key Metrics

(in thousands, except per share amounts, number of employees and where noted)

	<u>Sep 30, 2005</u>	<u>Jun 30, 2005</u>	<u>Mar 31, 2005</u>	<u>Dec 31, 2004</u>	<u>Sep 30, 2004</u>	<u>Jun 30, 2004</u>	<u>Mar 31, 2004</u>	<u>Dec 31, 2003</u>	<u>Sep 30, 2003</u>	<u>Jun 30, 2003</u>	<u>Mar 31, 2003</u>
Pay accounts (a).....	5,040	5,033	4,952	4,826	3,232	3,189	3,095	2,892	2,720	2,547	2,405
Active accounts (in millions).....	16.9	16.9	17.0	15.2	6.6	6.8	5.4	5.3	5.2	5.2	5.2
Number of employees at end of period.....	868	828	769	742	598	582	504	499	487	461	447

UNITED ONLINE, INC.
Analysis of Pay Accounts ^(a) and Subscriptions ^(d)
(in thousands)

	<u>Sep 30, 2005</u>	<u>Jun 30, 2005</u>	<u>Mar 31, 2005</u>	<u>Dec 31, 2004</u>	<u>Sep 30, 2004</u>	<u>Jun 30, 2004</u>	<u>Mar 31, 2004</u>	<u>Dec 31, 2003</u>	<u>Sep 30, 2003</u>	<u>Jun 30, 2003</u>	<u>Mar 31, 2003</u>
Internet access.....	2,980	3,078	3,130	3,100	3,111	3,102	3,083	2,890	2,720	2,547	2,405
Non-access services (b).....	2,060	1,955	1,822	1,726	121	87	12	2	-	-	22
Total pay accounts (c).....	<u>5,040</u>	<u>5,033</u>	<u>4,952</u>	<u>4,826</u>	<u>3,232</u>	<u>3,189</u>	<u>3,095</u>	<u>2,892</u>	<u>2,720</u>	<u>2,547</u>	<u>2,427</u>
Internet access.....	2,980	3,078	3,130	3,100	3,111	3,102	3,083	2,890	2,720	2,547	2,405
Accelerator.....	1,205	1,196	1,170	1,105	1,074	1,001	896	638	412	210	
Non-access services (b).....	2,186	2,064	1,900	1,781	165	124	28	7	-	-	22
Total subscriptions (d).....	<u>6,371</u>	<u>6,338</u>	<u>6,200</u>	<u>5,986</u>	<u>4,350</u>	<u>4,227</u>	<u>4,007</u>	<u>3,535</u>	<u>3,132</u>	<u>2,757</u>	<u>2,427</u>

(a) A pay account represents a unique billing relationship with a customer who subscribes to one or more of the company's services. A pay account does not equate to a unique subscriber since one subscriber could have several accounts.

(b) Non-access services include social networking, premium email, Web-hosting and domain name registration, premium content and photo-sharing.

(c) Total pay accounts includes Internet access, community-based networking, premium email, Web-hosting and domain name registration, and premium content accounts.

(d) A subscription represents a unique subscription to any individual pay service offered by the company. Individual pay services include Internet access, community-based networking, accelerator services, premium email, Web-hosting and domain name registration, and premium content subscriptions.