# 2004

# Annual Report

AdLINK
Internet Media AG
LEAD. DON'T FOLLOW.

# AdLINK at a glance

| Consolidated figures according to IFRS | | | |
|---|---|---|---|
| | | **2004** | **2003** |
| **Income statement** | | | |
| Sales | Euro million | 47.79 | 44.87 |
| Gross margin | % | 23.3 | 24.0 |
| EBITDA | Euro million | 0.30 | –2.24 |
| EBT | Euro million | –3.71 | –6.00 |
| Net loss | Euro million | –2.78 | –8.02 |
| Earnings per share | Euro | –0.11 | –0.31 |
| **Balance sheet** | | | |
| Investment in tangible and intangible assets | Euro million | 0.27 | 0.26 |
| Property plant and equipment | Euro million | 0.27 | 0.37 |
| Shareholders´equity | Euro million | 17.76 | 20.25 |
| Proportion of shareholders´ equity | % | 51.7 | 55.4 |
| Cash and cash equivalents | Euro million | 5.55 | 6.27 |
| Balance sheet total | Euro million | 34.36 | 36.58 |
| **Key figures** | | | |
| PageImpressions per month | Million | 4,100 | 3,400 |
| Websites | | 2,800 | 2,400 |
| Number of advertisers | | 4,100 | 3,600 |
| Average number of employees | | 153 | 143 |
| Sales per employee | Euro million | 0.31 | 0.31 |
| **Key capital market data** | | | |
| Year-end | Euro | 1.70 | 1.57 |
| High | Euro | 3.40 | 2.43 |
| Low | Euro | 1.44 | 0.48 |
| Number of shares at year´s end | | 25,805,580 | 25,750,000 |
| Market capitalization at year´s end | Euro Million | 43.9 | 40.4 |
| Proportion of free float | % | 17.3 | 17.1 |

## Contents


Editorial ... 04

AdLINK – LEAD. DON'T FOLLOW ... 06

The share ... 08

Group Management Report ... 10

Consolidated balance sheet ... 19

Consolidated statement of operations ... 20

Consolidated statement of changes in shareholders' equity ... 21

Consolidated statement of cash flow ... 22

Notes ... 23

Development of fixed assets ... 54

Auditors' Report ... 55

Report of the Supervisory Board ... 56

Corporate Governance ... 58

Glossary ... 60


**Financial calender**

**May 2005:**
Publication of results for first quarter 2005

**May 17, 2005:**
Annual General Meeting

**August 2005:**
Publication of results for first half of 2005
Half-year report 2005

**November 2005:**
Publication of results for first nine months of 2005

# Dear shareholders', employees and friends of the company,

As you will see from this Annual Report we have reached another important milestone in the history of our company – in this business year we have reached an operational break even for the first time. The pre-tax result showed a clear improvement from a prior year loss of 6 million Euro to a current year loss of 3.7 million Euro. These figures include 4.3 million Euro for planned amortisation of goodwill (4.3 million Euro for the previous year) which is a one-off consequence of the accounting regulation according to IAS. If the figures are adjusted to eliminate this negative effect as well as a positive effect stemming from the capitalisation of deferred taxes from our associated company AdLINK Switzerland (0.4 million Euro), the end result is a slight profit for 2004 from the operative business.

This means that after the long period of establishment, integration, adaptation and re-structuring we are now on the right path. In 2004 we have demonstrated that our business model is working well. Now our task is to write a durable and lasting success story. It is, therefore, our declared objective to increase profitability in 2005 so that we can achieve a clear profit.

The consolidated financial statements for AdLINK Internet Media AG were prepared for the first time in accordance with the accountancy regulations which will be mandatory across Europe – IFRS (International Financial Reporting Standards). In the previous year the consolidated financial statements were drawn up in accordance with US-GAAP. The essential difference in terms of our result is that IFRS requires that, regardless of the actual value of the goodwill, it is to be written off over its useful life including business year 2004. Consequently, the goodwill was subject to amortisation charges which would not have been required under US-GAAP. The results of the change represent a one-off situation because under IFRS regulations, planned amortisation is to be replaced from 2005 by a goodwill impairment test in the same way it has been required under US-GAAP.

The satisfactory development in 2004 is reflected in all the typical indices. Thus we were able to increase the turnover in 2004 from 44.9 million Euro to 47.8 million Euro. The figure for 2004 no longer includes a contribution from our Swiss joint venture operation, where we now hold a 50% share. If the contribution made by AdLINK Switzerland in the previous year is deducted this reveals a rate of growth of 15%. This organic growth lies slightly above the growth rate of the total online advertising market which, according to Forrester Research shows a level of 14%.

Not only the financial indices but also the market indices for AdLINK show an upward trend. The number of websites which AdLINK markets in its network grew from 2,400 in 2003 to 2,800 in 2004. On top of this we were able to increase the number of mean monthly PageImpressions from 3.4 billion to 4.1 billion, equivalent to an increase of 21% over the previous year.

There has been a slight increase in the total number of employees, i.e. from 143 in 2003 to 153 in 2004. Liquid resources held at the year end amounted to 5.5 million Euro.

Further evidence for the positive business trend exhibited by AdLINK is provided by the number of newly-acquired websites across Europe. These include: Fussball.de (Germany), Visit Britain (Great Britain), Hitched (Great Britain), TDC (Denmark), Pricerunner (Sweden) and Antenna 3 (Spain). This means we were able to reinforce and extend our leading position as a European network for enhancing brand names and for image advertising. Of special note is the exclusive contract signed with Lycos for the Italian, Spanish and Dutch markets. Here the marketing activity started on February 1, 2005.

The development of Response Republic – our specialist brand for performance based advertising – has also been a source of great satisfaction. We started in this field in 2003 with six countries and in the meantime we have established ourselves in all our European countries and have achieved a turnover of more than 8 million Euro. In 2005, we are also looking forward to a better-than-average rate of growth.

Stéphane Cordier and Guy Challen

**The online advertising market is expanding rapidly**

It is certain that the increasing significance of the Internet contributed to our own positive development in 2004 and that as far as can be seen at the present time this will continue to grow in an unabated manner. In addition to the rising number of users, the number of broadband DSL connections is growing rapidly all over Europe. Thus at the end of 2004, 28.6 million Europeans had a broadband fixed-line connection.[1] In Germany alone, the number of DSL connections increased from 4.4 million in 2003 to 6.7 million in 2004.[2] The faster the rate at which data can be transmitted, the more conveniently can more extensive multimedia contents be received and consequently the Internet medium will become even more interesting for advertising organisations.

It is on this basis that the Internet is developing its influence upon consumers in contrast to the classical vehicles of television or printed matter. In the meantime over 163 million people in Europe surf the net. According to a study by the European Interactive Advertising Association (EIAA) the Internet has already appropriated 20% of all media activity and this online advertising is of great interest to one-third of the individuals questioned.[3] According to Nielsen Net Rating the number of banner advertisements was much greater in 2004 than previously. And both the number of online customers and online campaigns have increased by around 10%.[4] Increasing acceptance and advertising success combined with the emergence of improved business conditions have lead to an increase in the absolute and relative proportions of the advertising budgets of the advertisers. We anticipate that in the future also, online marketing will progress at all levels.

We also see the business area “Online Marketing” by our main shareholder, the United Internet AG, as a visible sign of the optimistic assessment of this segment. In 2004 United Internet AG took over the shares of DoubleClick and now holds 82.44% of AdLINK Internet Media AG. This clear affirmation by our principal owner provides us with additional visibility and motivation.

**Positive outlook**

In all respects we are convinced that during the current business year and in the years thereafter that positive perspectives will open up for us. The basic conditions applying to online advertising will improve still further. It is the opinion of Forrester Research that in 2005 the overall turnover in Europe will amount to 1.4 billion Euro in 2005.

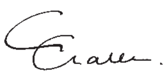
In this environment AdLINK as an independent European network offers solutions for branding, direct marketing (Response Republic) and permission marketing (Composite Digital Media). In the growth markets of search marketing and affiliate marketing we intend to visibly improve our position either by organic growth or by close co-operation.

All in all, we are confident that we will accelerate our growth in this present year and we look forward not only to a significant increase in turnover but also to a positive result.

We will take all the necessary steps to achieve these objectives.

Montabaur, March 2005

Stéphane Cordier
CEO



Guy Challen
CFO

1 Market research institut Point Topic, London 2004
2 Regulierungsbehörde für Telekommunikation und Post (Germany), anual report 2004
3 Millard Brown study, November 2004 on behalf of EIAA
4 Nielsen/NetRating study, January 2005

# Think European – Act Local

**AdLINK is the largest independent European marketer of online advertising! We are represented in all the significant European countries by twelve local companies, joint venture operations or franchise partners. In addition, we offer the possibility to develop and place global campaigns in Latin America, Asia and the USA by means of marketing co-operation services. As a result of our regional companies and partners we ensure that the local target groups are appropriately addressed.**

In the past year AdLINK has once again clearly extended its European area of activity. With a network of 2,800 websites and an average 4.1 billion PageImpressions per month we are in touch with the greater part of the total European Internet community. In addition to the existing websites such as MTV Europe, La Tribune or expedia.de we were able to add further leading brand names across Europe such as Fussball.de, Tickle Deutschland or Visit Britain. And with the online marketing operator Logaritma we now have access to the Turkish market.

The multiplicity of websites in the portfolio guarantees a high diversity of users and, thereby, attractive target groups for the advertisers. The placement network is divided into themes and target groups and this facilitates a simple type of media planning – local, European and global. As a pan-European network we thereby offer our customers the opportunity to plan, order and control international campaigns centrally through a single contact partner.

Because of this international competence AdLINK was able to sign an exclusive marketing contract with Lycos for Italy, Spain and the Netherlands.

**Successful online campaign by Cleverlearn**
Online advertising works! That is demonstrated afresh by the successful advertising campaign, on behalf of Cleverlearn.

Cleverlearn is one of the leading providers for computer-based technology for learning English as a foreign language. The object of the campaign was to increase the level of awareness as well as develop a significant increase in the level of business activity in the European market. By its conception, AdLINK was able to exploit its network and demonstrate its innovative ability. So, the classic full-size banner was accompanied almost exclusively by the new formats of “Universal AdPackage”, “Wide Skyscraper”, or the “Rectangle” medium. At the same time, selected target groups were approached by an e-mail campaign.

All this was decisively successful: by means of excellent click-through rates together with the media- and e-mail campaigns a large number of on the spot orders were obtained. 50 million AdImpressions were booked as a result of the e-mail campaign and backed up by 80,000 new contacts. Furthermore the campaign produced a number of new contacts representing potential customers, companies and associations.

“The results of this online campaign have greatly exceeded our expectations so that we will invest in an online campaign again next year. An advanced teaching concept deserves a modern form of marketing” commented Heinrich Pletschachter, European Country Manager of Cleverlearn in respect of this campaign.


AdLINK subsidiaries and joint venture or franchise partner in Austria, Norway and Switzerland.

# Market and business model

**The product and service offering of AdLINK is remarkable: it embraces the most different types of format starting from branding solutions extending up to the performance-dependent "Cost-per-Order". This provides a foundation for developing a leading position in this still strongly-growing market. We continue to find ourselves in the centre of the digital revolution – from both a technical and an application point of view. In Europe 50% of the population already uses the Internet and spend 20% of the time they are prepared to use on Media on the Internet: broadband Internet access is making triumphal progress and today 28 million people use DSL in Europe.[5] In addition, applications such as music downloads and Internet telephony are currently making a breakthrough.**

The relevence of this to our business is obvious and simple. The more people use the Internet and the more intensively they do so, the more attractive is the medium for advertisers. And the more effective the technology becomes, the more interesting and diverse are the advertising formats. Thus, increasing user numbers, greater use of broadband and encouraging prospects for the E-business are all positive influences on the online advertising industry – and, therefore also upon AdLINK.

There have been a number of positive news items recently. For example, electronic-based business in Germany increased by 76% in 2004 compared with the previous year – to 202.6 billion Euro. This emerged from a study made by the market research institute European Information Technology Observatory (EITO) and authorised by the Bundesverbands Informationwirtschaft, Telekommunikation und neue Medien (BITKOM).[6] The market researchers expect that by the year 2008 E-commerce turnover in Germany will amount to around 670 billion Euro. Studies also predict an equally rosy picture for the online advertising market. At the same time, work carried out by the European Interactive Advertising Association (EIAA) confirm the unrealised potential for online advertising: of the around 7,000 people questioned 83% thought that television contained too much advertising while less than 40% thought the Internet was overloaded.

AdLINK is excellently positioned in this market area. Our business model embraces the following three product lines:

**AdLINK: Branding and image**

Here we offer a very wide range of websites such as CeBIT, ADAC or Fussball.de so that your advertising space can be marketed professionally for brand building. On behalf of advertising customers we assemble the various websites together into target-group-specific networks.

**Response Republic: Performance related direct marketing**

Here we offer advertisers success-oriented solutions where a defined price is paid per mouse-click, per registration or per purchase.

Taking both these products into account we now have 2,800 websites under contract. With a mean 4.1 billion PageImpressions per month we are the largest independent European provider and we are confident that the marketed volume will continue to grow significantly in 2005. In addition to the major feature of our network in terms of brand develop-

5 Market research institut Point Topic, London 2004
6 BITKOM, EITO, January 2005


Theme of the brand AdLINK

ment on behalf of our customers, namely image- or branding campaigns, the growth of Response Republic also contributes to the increase in the volume of marketable PageImpressions.

**Composite Digital Media: Permission marketing**
This form of advertising embraces marketing by newsletter or by the sending of e-mails. Our client only makes contact if the recipient specifically agrees to this and accordingly this is identified as permission marketing. This constitutes our procedure for restricting the volume of spam which is so often highly unwelcome.

Beyond this, the Internet offers some interesting formats for online marketing which we are currently testing. These include success-dependent advertising in partner networks (affiliate marketing) as well as contextual advertising by search engines (search). In both of these growth areas we are currently in the evaluation phase and we are studying the market closely. This is to ensure that during 2005 we will be in a position to make a decision about the involvement of AdLINK in these market segment. Our objective is to be able to offer our customers at any time the form of online marketing which is the most likely to be successful.

# The AdLINK share

**Share price trend**
In the business year 2004, the share price trend for the AdLINK shares was better than the comparable index TecDAX. However, the progress made at the beginning of the year could not be sustained and in the second half of the year the price slipped below the starting price. At the end of the year, however, the price of 1.70 Euro represented a gain of 8%, compared with the previous year.

**AdLINK share price in comparison with TecDAX**


January 1 until December 30, 2004

AdLINK TecDAX P.

| | |
|---|---|
| **ISIN** | DE 000 549 015 5 |
| **WKN** | 549 015 |
| **Ticker symbol** | LKI |

**The share as of December 31**

| | 2004 | 2003 |
|---|---|---|
| Market Capitalisation | 43.9 € m | 40.4 € m |
| Year-end Value | 1.70 € | 1.57 € |
| Number of shares | 25,805,580 | 25,750,000 |
| Highest value | 3.40 € | 2.43 € |
| Lowest value | 1.44 € | 0.48 € |
| Proportion of free float | 17.3 % | 17.1 % |

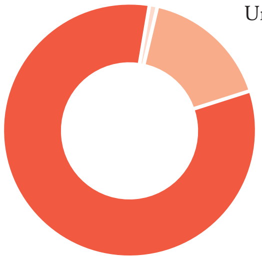
### United Internet AG increases its holding

On September 22, 2004 the United Internet AG had increased its holding in AdLINK Internet Media AG by purchasing 15% after an increase of 21% had taken place on July 27, 2004 due to a lapsed calloption. The seller of the shares was DoubleClick and the purchase price amounted to 7.725 million Euro or 2 Euro per share. This increase demonstrated the confidence of United Internet AG in the future prospects for the business model of AdLINK Internet Media AG.

### Annual General Meeting

The Annual General Meeting of AdLINK Internet Media AG was held at the Steigenberger Esprix Hotel at Frankfurt Airport on May 17, 2004. In its address, the Management Board presented a view of the likely pattern of future progress and the objectives of the company. The more important elements of the agenda were the resolutions relating to the approval of the decisions taken by the members of the Management Board and the Supervisory Board and the acquisition and sale of their own shares, and the associated changes in the articles of association/memorandum. Each of the agenda items that were discussed was approved by more than 99% of the votes.

**Shareholders' structure as of December 31, 2004**




### Changes to the Supervisory Board

Kevin Ryan resigned as a member of the Supervisory Board with effect from May 17, 2004. Lutz Laffers, Controller of United Internet AG and Ruben Regensburger, Managing Director of DoubleClick Tech Solutions EMEA of DoubleClick Europe were nominated as new members of the Supervisory Board, and their appointments were confirmed by a resolution at the Annual General Meeting. This means that on December 31, 2004, the Supervisory Board again consisted of six persons. In addition to the new members the other members are Michael Scheeren (Chairman) Kurt Dobitsch (Deputy Chairman), Norbert Lang and Prof. Dr. Helmut Thoma.

**Shares and subscription rights held by members of the Boards as of December 31, 2004**

| | | Share ownership (units) | Subscription rights (units) |
|---|---|---|---|
| Management Board | Stéphane Cordier | 0 | 400,000 |
| | Guy Challen | 0 | 170,000 |
| Supervisory Board | Kurt Dobitsch | 0 | 0 |
| | Lutz Laffers | 294 | 0 |
| | Norbert Lang | 1,345 | 0 |
| | Ruben Regensburger | 0 | 0 |
| | Michael Scheeren (Chairman) | 72,656 | 0 |
| | Prof. Dr. Helmut Thoma | 0 | 8,000 |

# Group Management Report

## Overall economic development and sector development

Compared with other regions of the world the overall economic development in Europe in 2004 was rather muted. In 2004 the European zone could only achieve a growth of 2%. Spain excelled with a gross national product (GNP) of 2.7% and Great Britain recorded a high value of 3.1%.[7] In comparison, the GNP of Germany increased by only 1.7% – the highest value for 3 years.[8] Unfortunately, this did not have a positive effect upon the high level of unemployment. Furthermore, private consumption remained low because of the lack of confidence amongst consumers.

Against this background, the information technology and telecommunications market together with the advertising market enjoyed a more satisfactory experience. According to Nielsen Media Research in 2004 this increased by around a billion Euro or 5.8% to a value of 18.2 billion Euro.[9] All the indices for Internet business show a significant increase accompanied by further positive predictions for both DSL connections and online trading. It seems probable that further development of the Internet will generally continue with unabated dynamism for years to come.

## Business development

### Important events and developments

While 2003 was characterised by significant restructuring – the key points here were the management buy-out in Norway and the foundation of the Swiss joint venture with Goldbach Media AG – 2004 was a year of clear expansion in terms of new websites, new fields of business and extended geographical markets. Thus, in 2004 we were able to consolidate the lasting viability of our business model by a more efficient structure introduced during the previous years. On a regional basis, business developed produced varying results. Losses in some subsidiaries (especially in Scandinavia and South Europe) were offset by positive progress (especially in Great Britain and in individual subsidiaries in Central Europe).

The outstanding events of the reported year were:

**A 21% increase in usage of the network**

As a result of a number of newly-acquired websites we were able to considerably extend our area of activity. Of particular note were the agreements made with Lycos for Spain, Italy and the Netherlands (for 2005), Tiscali Germany, Fussball.de, Visit Britain, TDC, Pricerunner and Antenna 3. This enabled us to increase the usage our network by 21% to 4.1 billion PageImpressions per month in 2004.

**The execution of successful, innovative campaigns**

In 2004 we were also able to demonstrate the success of online marketing and the capability of AdLINK to develop creative and innovative campaigns, e.g. for Dell, H&M, LG, Cleverlearn and Intel.

**Advertising clients***


* This figure is not part of the Management Report and thus unaudited

7 European statistic bureau Eurostat, Februar 2005; Office for National Statistics, Januar 2005
8 Federal Statistical Office Destatis, January 2005
9 Nielsen/NetRating study, January 2005

**The development and extension of new product lines**

Having started the new division Response Republic in a highly successful manner we are now preparing new product lines. Pre-eminent amongst these is permission marketing under the name "Composite". During 2004 we took care that all the necessary internal requirements were made to ensure future success were taken: namely, the assembly of a strong team, the development of the database infra-structure and the signing of contracts with 44 websites as e-mail providers. During 2004, other promising product lines were evaluated and included affiliated marketing and search marketing. In order to improve our market position we intend to move into both these market areas through either internal growth or close co-operation.

**Acquisition of the DoubleClick holding in AdLINK by United Internet AG**

In September 2004, United Internet AG purchased the AdLINK shares held by DoubleClick and now holds 82.44% of AdLINK Internet Media AG. The inclusion of AdLINK within the business device "Online Marketing" of United Internet AG is evidence of the confidence and trust with which our principal shareholder views the market and ourselves as an important pillar in this business field.

**Exclusive co-operation with Logaritma Internet, Turkey**

In November 2004 we signed an exclusive partnership contract with the leading Turkish online marketer, Logaritma Internet. As a result we have extended our campaign area to Asia Minor and can make our European network accessible to the customers of Logaritma Internet.

**Successful joint venture in Switzerland**

After we signed the joint venture contracts at the end of last year with Goldbach Media AG, the year 2004 was marked by the successful implementation of the project. The sales for the organisation resulting from the amalgamation of AdLINK Switzerland and Goldbach Media AG increased from 3.6 million Euro in the previous year to around 8.7 million Euro in 2004. This means that the new AdLINK Switzerland has made a clear positive financial contribution to AdLINK's result for the first time.

## Sales

The increase in sales of the AdLINK Group was in line with the equally high increase shown in the overall European advertising market. Sales for the period under review amounted to 47.8 million Euro. This figure no longer includes the turnover from our Swiss joint venture. The amount for the previous year after deduction of the Swiss contribution to sales was 41.6 million Euro – so the increase excluding Switzerland amounted to 15%. This growth in 2004 consisted entirely of organic growth. The increase in the fourth quarter of 2004 was particularly strong at 14.80 million Euro compared with 12.79 million Euro excluding the contribution from AdLINK Switzerland in the previous year (+ 15.7%). The traditional strong last quarter performance was also attributable, amongst other matters, to the rise in activity level of advertising towards the end of the year. Our business area, Response Republic, made a particularly strong showing with sales of more than 8 million Euro and thereby contributed materially to the overall growth. The proportion of European sales outside Germany remained stable at 85% (2003: 85%).

Theme of the brand Response Republic

AdLINK improved its market position in terms of sales, commission, customers and is one of the leading independent marketing organisations in Europe.

**Earnings**
For the first time in the history of our company we have produced a positive operating result. The profit before interest, tax and depreciation and amortisation (EBITDA) amounted to 0.3 million Euros (prior year: –2.2 million Euro). This resulted from a continued careful investment policy and cost control coupled with a strong organic growth in sales.

The consolidated operating result for AdLINK Internet Media AG was determined for the first time in accordance with the future accountancy regulations to apply across Europe, IFRS (International Financial Reporting Standards). In the previous year the operating result was determined in accordance with US-GAAP. The essential difference is that IFRS requires that, regardless of the level of goodwill values, these are to be written off over their useful life inclusive of the business year 2004. Consequently, the goodwill was subject to amortisation charges which would not have been required under US-GAAP. The results of the change represent a one-off situation because even under IFRS regulations, planned amortisation is to be replaced by an impairment test in the same way as would have been required under US-GAAP.

The pre-tax result showed an improvement from a prior year loss of 6 million Euro to a current year loss of 3.7 million Euro. The loss per share was reduced over the period under review from 23 cent to 11 cent.

These figures include 4.3 million Euro for planned amortisation of goodwill (4.3 million Euro for the previous year), whereof 0.3 million Euro result from our at equity associate AdLINK Switzerland. The goodwill adjustment is a one-off consequence of the Accounting Regulation IAS 38. If the figures are adjusted to eliminate the effect of this depreciation and the capitalisation of deffered taxes in Switzerland the end result is a positive pre-tax result for 2004 of 0.2 million Euro (prior year: –1.7 million Euro).

Consequently, we have achieved our objective of break even in 2004 and have laid the foundation for profitable growth in the coming years.

**Investments**
In the year under review the company continued its cautious investment policy of the previous year. Investment in tangible and intangible assets amounted to 0.3 million Euro (prior year 0.3 million Euro). In addition to developing a database for the use of e-mail profiles for the Composite brand the investments were predominantly replacement items. It is also intended that during 2005, investments will be made step by step and in conformity with the expansion of business.

**Assets**
The balance sheet total of AdLINK Internet Media AG fell slightly in 2004, principally because of the planned goodwill write-offs required by IFRS and amounted to 34.4 million Euro (2003: 36.6 million Euro). This was made up of 9.8 million Euro for goodwill (28.5% of the balance sheet total) compared with 15.1 million Euro in the previous year (41.3%). Current assets remained stable at 20.6 million Euro thanks to the stable business development (2003: 20.6 million Euro). As a result of the annual loss of 2.8 million Euro equity fell to 17.8 million Euro. The equity capital ratio therefor

**Websites***


* This figure is not part of the Management Report and thus unaudited

amounted to 51.7% (2003: 55.4%). The liquid assets amounted to 5.5 million Euro at the end of the year.

## Employees

In 2004 the company employed an average of 153 employees (2003 average: 143 employees) while at the end of the year the number was 157 compared with 149 at the end of 2003. This increase was necessary to support the development of new product lines and continue the expansion of our business – mainly operational staff are being hired, and this on a step by step basis. During 2004 an average of 41 employees were working in Germany and 112 abroad. In the past, AdLINK offered and still offers a stock-option program to encourage long-term loyalty to the company from both employees and management and to allow them to share in the growth of the company. At the end of the year being reported there were 331,870 convertible bonds outstanding at an average price of 2.28 Euro (prior year: 238,300 convertible bonds at an average of 2.64 Euro).

## Risk Report

It is a basic fact that doing business incurs day-today risks. This is particularly true of a company engaged in the Internet and online advertising market. Both of which are characterised by a high level of change dynamics in the competitive and basic operating conditions. The risk factors described below should always, therefore be given careful consideration when making any judgement relating to AdLINK Internet Media AG. Should any one or more of these events actually occur it could lead to a deterioration of our net asset, financial situation and results of operations. In turn, this could lead to an adverse effect upon our share price. The risks and uncertainties described below are the principle ones to which AdLINK is exposed, but by no means all of them.

## External Risks

### Overall economic development

The overall economic field of activity is increasingly characterised by intensification and globalisation of competition. All marketing activities – inclusive of AdLINK – are exposed to this change. The main danger in this context is weak economic growth in the relevant country's markets. The possibility of threatening world-political dangers such as, for example, terrorist attacks or increasing national budget deficits could negatively affect the behaviour of consumers and companies throughout the world. Consequently there is a risk that faced with worsening economic conditions or external shocks our advertising customers could react by reducing their advertising expenditure or disengage from our advertising network because of insolvency. The result of this could be a deterioration of our net asset, financial situation and results of operations. However the prognosis for 2005 points clearly to a stabilisation of the general economy accompanied by a slight rate of growth.

### Acceptance of the Internet

Basic acceptance of the Internet is of great importance to the further development of the business because investments made by our advertising customers will only continue if there is an adequate number of Internet users. This acceptance is affected by a series of external influences and further growth in all private, commercial and governmental areas cannot be taken for granted. Loss of confidence generated by perhaps a serious security problem – perhaps loss of data, theft of data or

Theme of the brand Composite Digital Media unauthorised transactions – could result in a reduced use of this medium. The result of this could be a deterioration of our net asset, financial situation and results of operations. Currently, however, all the signs point to a further and lasting penetration of all areas of society by the Internet and its manifold applications.

**Competition**

AdLINK is in an intensively competitive growth market with many national and international competitors. Even the increasing degree of globalisation leads to stronger competition. Large international competitors could extend their operations into the European market where AdLINK has a strong position, new competitors could enter the market or advertising companies who have not so far been online could move into Internet operations. AdLINK can only react to these uncertainties in an indirect and very limited manner. Serious developments of this kind could lead to a deterioration of our net asset, financial situation and results of operations. AdLINK attempts by active customer management and the introduction of new, innovative advertising products together with good service to deepen the bonding allegiance of customers to website operations and thereby combat this particular risk while maintaining its own market position and seeking growth both nationally and internationally.

**Politics and Laws**

Changes in the law could make it difficult to manage our current and future business progress, contractual agreements or introduce a change of strategy – or even prevent these activities. In addition to the impact of German law, basic legal requirements in our different international markets or the European legislators could exert an influence and endanger investments that have already been made. However, as far as we can see today no such legal developments are imminent.

## Operational Risks

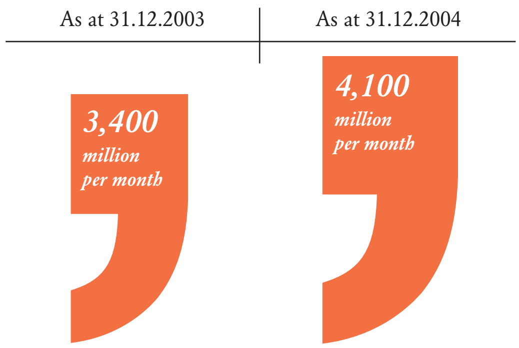
**Technological Advances**

In all Internet markets, technological novelties emerge at very short intervals. For example, new technical possibilities are constantly made available by marketing operators to suit the requirements of Internet users. And these have to be integrated into the product offer. If the technological advance is not then introduced into our business model to generate competitive advantages other operators could then offer a better quality of product, service or procedure than we could. This could result in a loss of important websites and, consequently, of sales. By intensive observation of other competitors, the relevant markets and, of course, technological innovations, AdLINK constantly takes action to counter this risk.

**Product Development**

In the young online advertising market it is essential for ongoing success to constantly develop new future oriented products and services, to acquire new customers and to retain the existing ones. The breakneck pace of technological change in the markets means that it is always possible that new developments will become available too late or will not be as successful as expected. The possibility cannot be excluded that despite extensive testing, new developments will contain faults or security loopholes which could seriously damage AdLINK's market success in that and possibly other areas of activity. Other forms of development work are conceivable which cannot be applied to mature products and services. If one or more of these risks become a reality, the capability of AdLINK to meet all customer requirements could slowly deteriorate. AdLINK constantly strives to negate this risk by

**PageImpressions**



active product management and the careful development of new, innovative advertising products and services.

**Inventory**

An important differentiating characteristic of AdLINK consists of the portfolio of high-value and frequently-visited websites which can be used by advertising customers for branding purposes. If many important websites are lost or if too few renowned advertisers are in the portfolio, AdLINK could suffer serious disadvantages and become less attractive compared with other advertising market operators. Furthermore websites which were previously marketed by service providers such as AdLINK could decide to undertake their own marketing. A loss of turnover could lead to a deterioration in our asset, financial or profit situation. AdLINK endeavours to guard against this risk and also win attractive website partners in the future by providing good website service and improved service quality (e.g. central invoicing of international websites).

**Customer Care**

The publisher and order placement patterns shown by customers are not predictable over the long term. Orders for advertising are often given only as each new campaign is organised. This makes it difficult to achieve a high level of accuracy in planning ahead. AdLINK endeavours to deal with this problem by established key accounts and providing convincing product and service propositions.

**Pressure on Prices and Margins**

The advertisers with large and frequently-visited websites have attempted in the past and will continue in the future to seek to influence the price and / or the margin associated with online marketing in their favour. In the past this sometimes had a negative effect leading to lower prices and margins for the advertising market operator. AdLINK attempts to offset this negative trend by exploiting its special position as a pan-European, independent operator with a large portfolio of websites and innovative products. Should there be any further movement in the direction of sinking prices and / or margins this could lead to a deterioration of our asset, financial or profit situation.

**IT-Infrastructure**

AdLINK uses different IT-systems to manage the business, administer customer data and websites and carry through, monitor and charge for advertising campaigns and pay websites. AdLINK is currently in the process of co-ordinating the internal processes more effectively and to network them. Failures or incompatibility within internal systems or departments can lead to additional manual activity, tie up capital or lead to errors. Even the carrying out of IT-integration projects introduces its own risks, perhaps when plan information is not adhered to or planning errors are caused by lack of sufficient information. Some important data processing systems for the execution of online marketing procedures are not under the control of AdLINK but are run by external service providers. This introduces the risk that the external party might fail to honour the terms of the contract (e.g. because of system breakdown) without AdLINK being able to take any immediate corrective measures. Such situations could endan-

**Locations**

| As at 31.12.2003 | As at 31.12.2004 |
|---|---|
| 11 | 11 |

ger the operation of our own operating procedures and thereby negatively influence our net asset, financial situation and results of operations. AdLINK is currently examining the possibility of still further unifying the internal systems to develop still better internal operations and to increase the level of customer- and website satisfaction.

## Financial Risks

**Liquidity**

The total value of the company's liquid assets fell slightly during the past business year. Because of current company plans, it is not anticipated that in the future there will be any significant outflow of liquid assets as a consequence of our business operations. As we see matters today, the company has sufficient liquid resources and equivalent to be able to meet its obligations. However, it is necessary to point out that the planned financial situation is future-dependent and there is no guarantee that the expected results will materialise in the way we predict. The future financial and profit situation of AdLINK will depend, essentially, on how the total advertising market and online marketing in particular develops. In the event of a significant negative market development, such as might result from an external shock (e.g. terrorist activity) a high operating loss could ensue which opens up the possibility of erosion of the remaining liquid assets. Moreover the possibility of large variations in cash flow cannot be ignored. This could threaten the existence of AdLINK, because there is no guarantee that the necessary alternative financial help to continue the business would be forthcoming. The present indications are, however, that such a scenario is unlikely to develop.

**Non-payment of accounts receivable**

In the past there have been occasions when the company has suffered significant financial losses as a consequence of insolvent advertising customers, because AdLINK carries the full responsibility for non-payment of accounts receivable. The company uses appropriate control procedures and procedural directives to ensure that services are only provided to credit-worthy customers or that the risk attached to new customers is kept within reasonable limits. Furthermore, debt management is so organised that some risks can be identified at an early date and appropriate measures can be taken.

**Exchange-rate Variations**

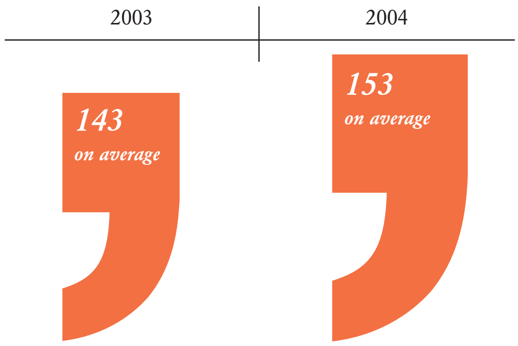
AdLINK is based in Europe and it has non-Euro subsidiaries in Denmark, Sweden and Great Britain. The accounts for the business year of 2004 contain no material financial commitments in foreign currencies. For all practical purposes, exchange-rate variation risks exist only in connection with internal financing procedures involving the subsidiary in Great Britain. Exchange-rate risks associated with the company operations are not of material significance. AdLINK does not insure against currency risks by means of derivative financial instruments.

## Other Risks

**Personnel**

An important factor contributing to the successful operation of AdLINK is the qualification and market knowledge of its employees. There is intensive competition to recruit qualified and capable technical and management personnel with specific knowledge of the industry. There is no guarantee that in the future AdLINK will be able to recruit, integrate and keep such personnel. A high level of personnel turnover or the loss of staff in key positions could have a negative influence upon the development of AdLINK. We face up to this risk with different personnel-participation programmes (incentive schemes) and active development of the existing personnel.

**Employee**



**Acquisitions**
A part of our long-term growth strategy consists of possibly acquiring other businesses to promote quick growth; this might relate to specific or special sub-markets within online marketing where we currently have no or only a little involvement. If a suitable opportunity presents itself, this could supplement our organic growth. If the acquired company or component parts of a company do not fulfill our expectations or its integration proves to be more difficult or expensive than we anticipated this could have a negative influence upon our asset, financial or profit situation. We deal with this risk by extensive and careful due-diligence examinations as a preliminary to the possibility of making an acquisition.

**Qualitative information pertaining to the overall level of risk**
Of all the individual risks which have been reviewed, in our view the ones which are most relevant today are those concerned with competition, website, price/margin and non-payment of accounts receivable. These are carefully monitored by our risk-management system as well as by the relevant management personnel at our locations. On the basis of the information available to us – including the start made in business year 2005 – we assess the risk of any such adverse development to be low in the short term and moderate in the long term.

The analysis of the individual risk positions provided the basis for our statement that the business of AdLINK Internet Media AG is not currently exposed to any direct existence-threatening influence. This risk-management system, in accordance with § 91, Sect. 2 AktG, is already active in important areas but other measures must be taken in 2005 in order to guarantee full control of all the possible risks to the business. These would include the further implementation of the risk-management system to individual areas abroad. The objectives of the risk-management system are the systematic elimination of potential risks and the encouragement of risk-oriented thinking and behaviour throughout the whole organisation. The controlled approach to risks is intended to contribute to taking logical advantage of existing opportunities and thereby increase the profitability of the company. The purpose of the risk-management review is not merely to fulfill legal obligations but to contribute to the value of the company and it is therefore to the general advantage of both the providers of capital and stake-holders.

**Independence Report**
The Management Board of AdLINK Internet Media AG has presented to the Supervisory Board an independence report as required under § 312 Sect. 1 AktG which deals with the possible dependence on its majority shareholder, United Internet AG. It concludes with the statement that under all the circumstances which were known at the time when the transaction was carried out, or the measure had or had not been undertaken the company received appropriate payment in return and has, therefore, not been disadvantaged as a consequence of the measure having been carried out or not carried out.

**Subsequent Events Report**
There were no events worth mentioning which significantly modified either the general company situation after the end of the business year or the growth perspectives for AdLINK with respect to the situation outlined above.

## Outlook

We have set ourselves clear objectives for 2005. We plan to achieve respectable profits from further growth. We are confident that we can achieve these targets. Conditions in general will develop in a manner favourable to online marketing; this will follow on the one hand from further growth of Internet penetration, broadband access and online trading and on the other hand from the positive development which will be directed to the advertising market in general and to the online segment in particular.

With our broadly-based situation in terms of both regional location and the nature of the products we are in a position to exploit the opportunities offered by this development. We intend not only to concentrate on our classical branding-area but also, in particular, to further develop our Response Republic brand and the new product line "Composite".

Furthermore, the fact that we are still in the evaluation phase of the growth markets of search and affiliate marketing indicates the potential that AdLINK will still have in the future. Because of our stable and efficient organisation we should be able to succeed in exploiting our competitive advantages and convert our leading role in the market into a significant profitable economic result.

Montabaur, February 25, 2005

| | |
|---|---|
| Stéphane Cordier | Guy Challen |
| CEO | CFO |

# Consolidated balance sheet according to IFRS

| AdLINK Internet Media AG, Montabaur | | |
|---|---|---|
| As of December 31 | **2004**<br>*EUR* | **2003**<br>*EUR* |
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents (Note 23) | 5,545,204 | 6,274,322 |
| Accounts receivable (Note 24) | 14,272,350 | 13,673,811 |
| Accounts receivable from associated companies (Note 25) | 126,675 | 0 |
| Accounts receivable from affiliated companies | 0 | 3,971 |
| Other current assets (Note 26) | 408,311 | 520,821 |
| Prepaid expenses (Note 27) | 221,213 | 112,940 |
| | 20,573,753 | 20,585,865 |
| Non-current assets | | |
| Equity investments (Note 17) | 1,952,102 | 0 |
| Other financial assets (Note 18) | 109,192 | 129,386 |
| Property, plant and equipment (Note 19) | 272,471 | 371,632 |
| Intangible assets (Note 20) | 220,504 | 370,767 |
| Goodwill (Note 21) | 9,834,000 | 15,120,000 |
| Deferred tax assets (Note 22) | 1,394,408 | 0 |
| | 13,782,677 | 15,991,785 |
| **Total assets** | **34,356,430** | **36,577,650** |
| **Liabilities and Equity** | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable, trade (Note 33) | 8,344,768 | 9,340,626 |
| Accounts payable due to associated companies (Note 34) | 143,018 | 0 |
| Accounts payable due to affiliated companies (Note 35) | 27,760 | 54,252 |
| Accrued trade liabilities (Note 36) | 5,718,674 | 5,059,254 |
| Accrued taxes (Note 37) | 172,235 | 23,158 |
| Other liabilities (Note 38) | 1,278,602 | 952,456 |
| Provisions (Note 39) | 307,181 | 420,645 |
| Deferred income (Note 40) | 267,970 | 234,963 |
| Convertible bonds (Note 32) | 172,065 | 173,890 |
| | **16,432,273** | **16,259,244** |
| Non-current liabilities | | |
| Convertible bonds (Note 32) | 159,805 | 64,410 |
| | **159,805** | **64,410** |
| Total liabilities | 16,592,078 | 16,323,654 |
| Equity | | |
| Capital stock (Note 28) | 25,805,580 | 25,750,000 |
| Additional paid-in capital (Note 30) | 59,410,664 | 59,165,917 |
| Accumulated deficit | –67,719,592 | –64,939,940 |
| Currency translation adjustments | 267,700 | 287,839 |
| Amount due from stock option compensation (Note 31) | 0 | –9,820 |
| Total equity | 17,764,352 | 20,253,996 |
| **Liabilities and equity, total** | **34,356,430** | **36,577,650** |

The accompanying notes are an integral part of these consolidated financial statements.
The parent company's financial statements of AdLINK Internet Media AG are available on request.

# Consolidated statement of operations

| AdLINK Internet Media AG, Montabaur | | |
|---|---|---|
| As of December 31 | 2004<br>*in EUR* | 2003<br>*in EUR* |
| Sales (Note 41) | 47,786,679 | 44,870,964 |
| Cost of sales (Note 7) | –36,656,503 | –34,083,147 |
| *Margin in % of Sales* | *23.3* | *24.0* |
| Gross Profit | 11,130,176 | 10,787,817 |
| Selling expenses (Note 8) | –5,440,582 | –5,614,182 |
| General and administrative expenses (Note 9) | –6,105,909 | –6,536,429 |
| Asset impairment charges (Note 10) | –21,472 | –193,919 |
| Other operating income / expenses (Note 11) | 280,324 | –1,863,767 |
| Amortization of goodwill (Note 12) | –4,035,000 | –4,334,000 |
| Operating Result | –4,192,463 | –7,754,480 |
| Interest and similar expenses | –9,200 | –21,514 |
| Interest and similar income | 82,582 | 126,261 |
| Result from associated companies (Note 13) | 408,616 | 0 |
| Other non-operating income/expenses (Note 14) | 0 | 1,653,941 |
| Pre-tax result | –3,710,465 | –5,995,792 |
| Income taxes (Note 15 and 22) | 930,813 | –1,873 |
| Net loss from continuing operations | –2,779,652 | –5,997,665 |
| Discontinued operations (Note 16) | 0 | –2,020,882 |
| Net income | –2,779,652 | –8,018,547 |
| EBITDA | 299,125 | –2,235,692 |
| **Earnings per share** | | |
| Loss per share from discontinued operations basic and diluted (EUR/share) | n/a | –0.08 |
| Loss per share from continued operations basic and diluted (EUR/share) | –0.11 | –0.23 |
| Loss per share basic and diluted (EUR/share) | –0.11 | –0.31 |
| Weighted average number of shares outstanding | 25,782,771 | 25,697,856 |
| Weighted average number of shares outstanding diluted | 26,041,523 | 25,697,856 |

The accompanying notes are an integral part of these consolidated financial statements.
The parent company's financial statements of AdLINK Internet Media AG are available on request.

# Consolidated statement of changes in shareholders´equity according to IFRS

**AdLINK Internet Media AG, Montabaur**

| | Common stock *Shares and EUR* | Additional paid-in capital *EUR* | Accumulated deficit *EUR* | Amount due for stock option compensation *EUR* | Accumulated other comprehensive loss *EUR* | Treasury stock *EUR* | Shareholders' equity *EUR* |
|---|---|---|---|---|---|---|---|
| **Balance as of December 31, 2002** | **25,750,000** | **59,018,620** | **–56,705,918** | **0** | **–100,564** | **–139,707** | **27,822,431** |
| Acquisition of treasury stock | 0 | 0 | 0 | 0 | 0 | –120,768 | –120,768 |
| Depreciation/disposal of treasury stock | 0 | 0 | –45,578 | 0 | 0 | 260,475 | 214,897 |
| Additional purchase price consideration | 0 | 0 | –169,897 | 0 | 0 | 0 | –169,897 |
| Amortization of deferred stock option compensation | 0 | 147,297 | 0 | –9,820 | 0 | 0 | 137,477 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | 388,403 | 0 | 388,403 |
| Net loss | 0 | 0 | –8,018,547 | 0 | 0 | 0 | –8,018,547 |
| **Balance as of December 31, 2003** | **25,750,000** | **59,165,917** | **–64,939,940** | **–9,820** | **287,839** | **0** | **20,253,996** |
| Amortization of deferred stock option compensation | 0 | 203,985 | 0 | 9,820 | 0 | 0 | 213,805 |
| Exercise of convertible bonds | 55,580 | 40,762 | 0 | 0 | 0 | 0 | 96,342 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | –20,139 | 0 | –20,139 |
| Net loss | 0 | 0 | –2,779,652 | 0 | 0 | 0 | –2,779,652 |
| **Balance as of December 31, 2004** | **25,805,580** | **59,410,664** | **–67,719,592** | **0** | **267,700** | **0** | **17,764,352** |

# Consolidated statement of cash flow according to IFRS

| AdLINK Internet Media AG, Montabaur | | |
|---|---|---|
| As of December 31 | **2004**<br>*EUR* | **2003**<br>*EUR* |
| **Cash flow from operating activities** | | |
| Net loss | –2,779,652 | –8,018,547 |
| **Adjustments to reconcile net income to net cash used in operating activities** | **3,301,582** | **7,045,730** |
| **Depreciation and amortization (from continuing operations)** | **4,491,588** | **5,518,788** |
| Depreciation | 435,116 | 990,869 |
| Asset impairment charges (Note 10) | 21,472 | 193,919 |
| Amortization of goodwill (Note 12) | 4,035,000 | 4,334,000 |
| **Depreciation and amortization (from discontinued operations)** | **0** | **1,304,340** |
| Depreciation | 0 | 44,576 |
| Amortization of goodwill | 0 | 1,259,764 |
| Interest result | –73,382 | –104,747 |
| Tax result before deferred taxes | 463,595 | 1,873 |
| Non-cash disposal of assets | 11,863 | 187,999 |
| Compensation expenses from employee stock option plans | 213,805 | 137,477 |
| Undistributed profit of associated companies (Note 13) | –408,616 | 0 |
| Changes in currency translation adjustments (on cash) | –2,863 | 0 |
| Change in deferred taxes (Note 15) | –1,394,408 | 0 |
| **Operative cash flow** | **521,930** | **–972,817** |
| **Changes in assets and liabilities** | | |
| Change in receivables and other assets | –2,074,500 | 2,190,542 |
| Change in receivables from associated companies | –126,675 | 0 |
| Change in receivables from affiliated companies | 3,971 | 89,506 |
| Deposit of interest | 89,916 | 54,044 |
| Deposit of taxes | 93,837 | 0 |
| Change in prepaid expenses | –117,507 | 320,235 |
| Change in accounts payable, trade | 319,425 | –1,582,885 |
| Change in accounts payable due to associated companies | 143,018 | 0 |
| Change in accounts payable due to affiliated companies | –26,493 | –801,952 |
| Cash paid for interest | –11,856 | –26,473 |
| Cash paid for taxes | –406,378 | 0 |
| Change in accrued trade liabilities | 830,840 | 1,464,673 |
| Change in accrued taxes | 149,077 | 0 |
| Change in other liabilities | 275,353 | –1,923,131 |
| Change in provisions | –113,464 | –420,645 |
| Change in deferred income | 5,466 | –632,338 |
| **Changes in assets and liabilities, total** | **–965,970** | **–1,268,424** |
| **Cash flow from operating activities** | **–444,040** | **–2,241,241** |
| **Cash flow from investment activities** | | |
| Capital expenditure for intangible assets | –108,705 | –96,734 |
| Capital expenditure for property, plant and equipment | –161,390 | –165,307 |
| Cash inflow through disposal of assets | 43,961 | 8,000 |
| Cash disposal through change in the consolidation circle (Full consolidation > At Equity) | –324,727 | 0 |
| **Cash flow from investment activities** | **–550,861** | **–254,041** |
| **Cash flow from financing activities** | | |
| Repayments / payments of loans granted | 300 | 0 |
| Conversion of convertible bonds into nominal capital (Note 28) | 55,580 | 0 |
| Additional payments for the exercise of convertible bonds (Note 30) | 40,762 | 0 |
| Acquisition of treasury stocks | 0 | –120,768 |
| Payment / repayment of convertible bonds | 170,000 | 0 |
| **Cash flow from financing activities** | **266,642** | **–120,768** |
| Net increase / net decrease in cash | –728,259 | –2,616,050 |
| Cash and cash equivalents at the beginning of the fiscal year | 6,274,322 | 8,926,031 |
| Effect of exchange rate differences on cash | –859 | –35,659 |
| **Cash and cash equivalents at the end of the fiscal year** | **5,545,204** | **6,274,322** |
| **Supplemental cash flow information** | | |
| Deposit of interest | 89,916 | 54,044 |
| Cash paid for interest | –11,856 | –26,473 |
| Deposit of taxes | 93,837 | 0 |
| Cash paid for taxes | –406,378 | 0 |

The accompanying notes are an integral part of these consolidated financial statements.
The parent company's financial statements of AdLINK Internet Media AG are available on request.

# Notes on the consolidated financial statements

## (1) Company data

**Management Board:**
Stéphane Cordier (Chief Executive Officer)
Guy Challen (Chief Financial Officer)

**Supervisory Board:**
Michael Scheeren (Chairman)
Kurt Dobitsch (Deputy Chairman)
Norbert Lang
Prof. Dr. Helmut Thoma
Ruben Regensburger
Lutz Laffers

**Employees:**
On December 31, 2004 the AdLINK Group had 157 employees (prior year: 149). The average number of employees was 153 (prior year: 143).

## (2) Nature of the business

The purpose of the business of AdLINK Internet Media AG, Elgendorfer Straße 57, 56410 Montabaur, registered under HRB 5432 in Montabaur, Germany (subsequently referred to as "the company" or "AdLINK") is to acquire, hold and manage investments in other German and foreign companies, to provide marketing, sales and other services connected with information and telecommunication technology, to advise companies on marketing, sales and advertising issues as well as to market information and telecommunication technologies and products associated with these areas of activity.

In accordance with the Articles of Association, the company is authorized to conduct all business activities and to take all action that may be conducive to attaining its purpose. It may acquire or invest in all manner of companies, both German and foreign, and establish branch operations in Germany or other countries

The company is also authorized to conduct its business through subsidiaries, associated companies and joint ventures. It may transfer or outsource all or part of its operations to affiliated companies.

The company co-operates with Internet information providers and website operators over an Internet advertising network in which interested advertisers are able to rent advertising space on Internet sites in the network for their online advertising campaigns. According to the campaign objective, AdLINK offers various options for targeted placement of online advertising. Subsequent invoicing can be based upon either the coverage of the advertising (AdLINK Branding Solution) or upon the results achieved (Response Republic). AdLINK Permission Marketing (Composite) offers advertisers the possibility of making direct contact with interested users by means of newsletter or by e-mail.

The shares are currently being traded on the regulated market of the Frankfurt Stock Exchange. Pursuant to Section 161 of the German Companies Act, AdLINK Internet Media AG's legal representatives have issued a declaration of compliance with the German Corporate Governance Code and made it permanently available to shareholders on the relevant Internet page.

The following companies in which AdLINK Internet Media AG holds all shares, directly or indirectly, are included in the consolidated financial statements.

- AdLINK Internet Media GmbH Germany, Montabaur (“AdLINK Germany”), 100%
- AdLINK Internet Media AB, Stockholm/Sweden (“AdLINK Sweden”), 100%
- AdLINK Internet Media S.A., Levallois Perret/France (“AdLINK France”), 100%
- AdLINK Internet Media Ltd., London/Great Britain(“AdLINK UK”), 100%
- Composite Digital Media Ltd., London/Great Britain (“Composite”), 100%
- AdLINK Internet Media S.L., Madrid/Spain (“AdLINK Spain”), 100%
- AdLINK Internet Media N.V., Zellik/Belgium (“AdLINK Belgium”), 100%
- AdLINK Internet Media APS, Copenhagen/Denmark (“AdLINK Denmark”), 100%
- AdLINK Internet Media B.V., Haarlem/The Netherlands (“AdLINK Netherlands”), 100%
- AdLINK Italy Internet Media Srl, Milan/Italy (“AdLINK Italy”), 100%
- AdLINK International Internet Sales Ltd., Dublin/Republic of Ireland (“AdLINK International Sales”), 100%
- AdLINK Benelux Limited, Dublin/Republic of Ireland (“AdLINK Benelux Ltd”), 100%
- AdLINK Italy Limited, Dublin/Republic of Ireland (“AdLINK Italy”), 100%
- AdLINK International Internet Purchasing Limited, Dublin/Republic of Ireland (“AdLINK International Purchasing”), 100%

On January 1, 2004, AdLINK Internet Media AG sold 50% of its shares in AdLINK Internet Media AG Zurich/Switzerland (“AdLINK Switzerland”) to Goldbach Media AG (“Goldbach”), Küsnacht/Switzerland. In return, Goldbach merged their Swiss online business with AdLINK Switzerland. On December 31, 2004 AdLINK Internet Media AG held 50% of the shares of AdLINK Switzerland. In the previous year AdLINK Switzerland was a fully consolidated subsidiary.

Since January 1, 2004 it has been consolidated as an associated company using the at-equity method. In the course of the fiscal year the following non-operating companies were dissolved: AdLINK Internet Media OY, Helsinki/Finland; DoubleClick Benelux BV, Amsterdam/The Netherlands and DoubleClick Denmark A/S, Copenhagen/Denmark.

Furthermore, the operationally active company Response Republic Europe, GmbH, Montabaur/Germany was amalgamated into AdLINK Internet Media GmbH Germany, effective on January 1, 2004, and Axial Trading et Participation S.A. Paris, France amalgamated into AdLINK Internet Media S.A.

The parent company of AdLINK Internet Media AG which prepares the Group Financial Statement for the larger circle of companies is United Internet AG.

### (3) Summary of significant accounting, valuation and consolidation policies

The consolidated financial statements for AdLINK Internet Media AG were prepared for the first time according to the international accounting regulations IFRS (“International Financial Reporting Standards”) as valid on the balance sheet date of the financial statements.

The balance sheet date is December 31, 2004. The reporting currency is Euro (EUR). The information provided in the notes is in Euros (EUR) or thousands of Euros (EUR k).

The Supervisory Board approved the consolidated financial statements for 2003 at its meeting on March 17, 2004. The annual accounts were published in the German Federal Gazette (Bundesanzeiger) on July 24, 2004.

### a) Transition to the IFRS accounting standards

The consolidated financial statements for AdLINK Internet Media AG are prepared, from fiscal year 2004, in accordance with IFRS of the International Accounting Standards Board ("IASB"). The company took this step prior to the compulsory requirement that, from fiscal year 2005, all companies trading on EU stock exchanges must prepare a Group Financial Statement in accordance with IFRS.

In taking this action, due observance was made of all the requirements of an obligatory nature laid down by the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) which were in force on the balance sheet date of the annual financial statements. The transition was made on the basis of IFRS 1 "First-time adoption of IFRS". The exemptions allowed under IFRS 1 were not applied.

IFRS 1 requires that all standards which apply on the balance sheet date of the annual financial statements must be applied retrospectively to all periods which are represented in the first annual financial statements conforming to IFRS. Reconciliation of equity and net income are shown under Note 4 "Transition accounting from US-GAAP to IFRS".

Accounting of discontinued operations was also effected voluntarily in accordance with IFRS 5. The obligation to use this standard only applies from January 1, 2005.

### b) Revenue recognition

The company obtains its sales income from the sale of advertising space on Internet pages (banners, skyscrapers, interstitials, microsites, pop-ups) with the charges being based upon screening frequency or the number of clicks recorded. Other sales income is generated by sending e-mails and newsletters.

When selling advertising space and placing advertisements, the volume of the sales income is dependent on the coverage achieved. Revenue is recognized if the campaign results correspond to the performance agreement, that is when the relevant screening counts, clicks and registrations are actually generated. The associated charges are, to a large extent, presented on a monthly basis. In sub-segments, or in individual cases, charges are made in advance or at the commencement date of the campaign. Some charges made for services not yet invoiced are posted as accrued expenses and deferred income. Services provided but not yet invoiced are defined as accounts receivable.

Amounts agreed with and invoiced to the customer less all rebates and agreed annual bonuses are declared as sales income. The amounts credited by AdLINK to the operators of the websites are expressed as production costs for providing the services required to obtain the sales income. To a large extent, the value of the sales income is expressed on a gross basis, as the full commercial risk of the transaction is carried by AdLINK.

### c) Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cheques and cash which in total exhibit a high degree of liquidity and a residual term of less than three months.

### d) Trade accounts receivable

Trade accounts receivable in respect of delivery of goods and services are stated at their nominal value net of adequate allowances for doubtful accounts.

Allowances for doubtful accounts are made on the basis of experience in classification of the accounts receivable according to their age and on the basis of other information relating to retention of value of customer-specific accounts.

## e) Property, plant and equipment

Property, plant and equipment is valued at acquisition cost less accumulated depreciation. Gains or losses arising from the disposal of assets are recognized as other operational income or expenditure.

Property, plant and equipment is depreciated using the straight-line method over its expected useful life.

The useful life periods can be found in the following summary:

| | Useful life in years |
|---|---|
| Motor vehicles | 5 to 6 |
| Other operational and business equipment | 3 to 10 |
| Office equipment | 5 to 13 |

## f) Intangible assets and goodwill

Purchased software, licenses and other rights are stated at the cost of acquisition less scheduled straight-line amortization over a normal commercial useful life. The total amortization period and the method of amortization are checked at the end of every fiscal year.

| | Useful life in years |
|---|---|
| Goodwill | 6 |
| Licenses and trademark rights | 3 to 6 |
| Software | 3 |

## g) Impairment of assets

The value of the tangible and intangible assets is checked for impairment of value if circumstances or changes in circumstances indicate that the value of an asset may not be realizable. As soon as an asset's book value exceeds the sum that it can realize, an impairment of value is recognized with an effect on net income. The realizable value is the higher of the net sales price and the useful value of an asset. The net sales price is the amount which can be obtained for an asset under normal market conditions less the costs of the sale. The useful value is the cash value of the estimated future cash flow arising from continued use of the asset and its disposal at the end of its useful working life. The achievable amount is determined for each separate asset item or, if this is not possible, for the cash generating unit to which the asset belongs.

An impairment of value is recognized with an effect on net income if the useful value of the asset is lower than the book value of the net asset plus goodwill.

## h) Income Taxes

Income taxes are calculated by means of the liability method, whereby deferred tax asset and liability items are recorded for all accounting and valuation differences between the tax base of an asset or liability and its carrying amount in the balance sheet according to IAS/IFRS. Deferred tax assets and liabilities are valued on the basis of current tax rates for the respective national subsidiary, which apply for the period in which the temporary differences are expected to be balanced.

## i) Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires the Management Board to make estimates or assumptions which influence the carrying amounts of assets, debts and financial obligations on the balance sheet date as well as income and expenditure during the reporting period. Actual amounts may differ from these estimates and assumptions.

### j) Foreign currency translation

The translation of annual financial statements of individual Group companies prepared in foreign currencies is based on the functional currency method. The functional currency of each subsidiary company is the local currency of the country where the subsidiary company is located. Consequently assets and liabilities which are shown in the financial statements in a foreign currency (excluding equity capital) are converted into Euros at the rate which applied on the balance sheet date. The conversion of revenues and expenses is made using the average exchange rate prevailing during the respective fiscal year. Differential amounts resulting from the foreign currency conversion which arise from valuation of equity capital at an historical rate and the assets and other liabilities on the effective date of the financial statements are stated under equity as a currency adjustment without effect on net income.

### k) Earnings per share

Basic earnings per share is calculated by dividing the result attributable to the owners of registered shares by the time-weighted average of the number of shares issued.

"Diluted" earnings per share is determined in a similar manner to that used for basic earnings per share with the exception that the average number of shares issued is increased by the potential dilution which would have arisen if the conversion rights attached to the issued number of convertible bonds had been exercised. On December 31, 2004 the capital stock was divided into 25,805,580 registered shares having a theoretical share in the capital stock of EUR 1.00. The weighted average for the number of shares used for the calculation amounted to 25,782,771 for fiscal 2004. Using this number of units results in earnings per share of EUR –0.11 (prior year: EUR –0.31).

It is not necessary to take account of a diluting effect in connection with the employee stock option plan operated by AdLINK Internet Media AG since a mathematical improvement in the result per share can occur because of the negative result of the company.

Diluted earnings per share for fiscal year 2004 thus also amounted to EUR –0.11 (prior year: EUR –0.31).

The theoretical diluted number of average outstanding shares for the fiscal year which needed to be taken into consideration amounted to 26,041,523 (prior year: 25,697,856). In calculating the diluted number of average outstanding shares only the options were considered for which the exercised price was greater than the average share price for the relevant year.

### l) Employee stock option models

The treatment of employee stock option models is set out in IFRS 2 (Share-Based Payment). IFRS 2 is to be applied for the first time in reporting periods commencing on or after January 1, 2005. The currently valid standard IAS 19 (Employee Benefits) does not contain any rules about the provision and the evaluation of capital participation benefits. Consequently, up to December 31, 2004 recourse must be made to interpretations and recommendations which lie outside the IFRS. The accounting and valuation principles APB 25 (Accounting for Stock-Based Compensation) of US-GAAP were therefore applied.

This measures the personnel cost on the basis of the difference between the value of the shares when issued and the price at which the employee can acquire them. The personnel cost is divided by the period of duration of the option. In fiscal year 2004, this personnel cost amounted to EUR 214k (prior year: EUR 137k).

Regulations contained in IAS 19 were used to deal with the disclosure and explanation obligations. Furthermore, the company voluntarily reports what effects premature application of the accounting policies of the IFRS would have had over the period of the fiscal year and the previous year.

If determination of the personnel costs for plans which were notified after November 7, 2002 had been made in accordance with the regulations imposed by IFRS 2 then the amount of the contribution to be booked would have been around EUR 366k (prior year: EUR 0).

If IFRS 2 is used for plans notified after November 7, 2002 the annual result and the pro forma result per share is shown in the following table:

| | 2004<br>EUR k | 2003<br>EUR k |
|---|---|---|
| **Loss for the year according to IFRS:** | | |
| as reported | –2,780 | –8,019 |
| pro forma | –2,942 | –8,019 |
| **Earnings per share according to IFRS (diluted and undiluted):** | | |
| as reported | –0.11 | –0.31 |
| pro forma | –0.11 | –0.31 |

### m) Differences between the accounting and consolidation policies used and those permissible according to the 7th EU guideline

The AdLINK-Group makes use of the exempting regulation of Section 292a of the German Commercial Code (HGB) by which the Group Financial Statement can be prepared in accordance with internationally recognized accounting principles. This is in accordance with the 4th and 7th EU Council Directive on the basis of guidelines drawn up in accordance with DRSC (German Accounting Standards Committee).

The important differences for the AdLINK Group between the accounting policies according to IFRS and the German Commercial Code requirements lie in the following areas:

With regard to deferred taxes, contrary to German accounting principles, deferred tax assets are recognized for future benefits resulting from tax loss carryforwards when it is more likely than not that the deferred tax asset is recoverable from future taxable income.

In connection with acquisitions of companies, purchase price components agreed on with sellers are recognized as compensation expenses if certain conditions are fulfilled (e.g. payments are linked with minimum employment periods for the former shareholder). These amounts would be capitalized as incidental acquisition costs in financial statements that use German accounting and valuation methods.

Under IFRS, the difference between the cash payment made by AdLINK and the market value of the acquired DoubleClick business correspondingly reduces the equity capital. According to German accounting policies this difference is allocated to the acquisition cost of the company.

In the context of company acquisitions on or after March 31, 2004, goodwill items will no longer be amortised in a scheduled manner in accordance with IFRS 3; they will instead be reviewed annually year for impairment or whenever circumstances appear to make this necessary.

In the consolidated financial statements amounts are recorded as personnel expenses which relate to employee stock option plans. This procedure need not be followed in consolidated financial statement drawn up under German accounting principles.

Amounts spent on raising equity in IPOs or other capital increases are netted against the additional paid-in capital in consolidated accounts prepared according to IFRS. Under German GAAP, these costs are expensed as incurred.

In the parent company´s annual financial statements of AdLINK Internet Media AG, the subsidiary companies are accounted for according to (German) commercial law.

### (4) Reconciliation from US-GAAP to IFRS

The company has prepared its annual financial statements for the first time according to IFRS, which was applied retrospectively on the basis of those standards valid on the balance sheet date of the initial IFRS statements. The reconciliation of equity capital from US-GAAP to IFRS as of January 1, 2003 and December 31, 2003 was effected as follows:

**AdLINK Internet Media AG, Montabaur**

| | US-GAAP Jan 1, 2003 EUR | Recon- ciliation | IFRS Jan 1, 2003 EUR | US-GAAP Dec 31, 2003 EUR | Recon- ciliation | IFRS Dec 31, 2003 EUR |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Non-current assets** | **26,923,377** | | **23,332,980** | **23,616,182** | | **15,991,785** |
| Other financial assets | 713,495 | | 713,495 | 129,386 | | 129,386 |
| Property, plant and equipment | 711,803 | | 711,803 | 371,632 | | 371,632 |
| Intangible assets | 1.193,918 | | 1,193,918 | 370,767 | | 370,767 |
| Goodwill | 24,304,161 | –3,590,397 | 20,713,764 | 22,744,397 | –7,624,397 | 15,120,000 |
| Deferred taxes | 0 | | 0 | 0 | | 0 |
| **Current assets** | **25,255,469** | | **25,255,469** | **20,585,865** | | **20,585,865** |
| Cash and cash equivalents | 8,926,031 | | 8,926,031 | 6,274,322 | | 6,274,322 |
| Accounts receivable, trade | 14,519,757 | | 14,519,757 | 13,673,811 | | 13,673,811 |
| Accounts receivable from affiliated companies | 93,477 | | 93,477 | 3,971 | | 3,971 |
| Other accounts receivable | 1,283,029 | | 1,283,029 | 520,821 | | 520,821 |
| Prepaid expenses | 433,175 | | 433,175 | 112,940 | | 112,940 |
| **Total assets** | **52,178,846** | | **48,588,449** | **44,202,047** | | **36,577,650** |
| **Liabilities and shareholders' equity** | | | | | | |
| **Shareholders' equity** | | | | | | |
| Common stock | 25,750,000 | | 25,750,000 | 25,750,000 | | 25,750,000 |
| Additional paid-in capital | 59,018,620 | | 59,018,620 | 59,165,917 | | 59,165,917 |
| Accumulated deficit | –53,115,521 | –3,590,397 | –56,705,918 | –57,315,543 | –7,624,397 | –64,939,940 |
| Currency translation adjustments | –100,564 | | –100,564 | 287,839 | | 287,839 |
| Treasury stock | –139,707 | | –139,707 | 0 | | 0 |
| Amount due from stock option compensation | 0 | | 0 | –9,820 | | –9,820 |
| **Total shareholders' equity** | **31,412,828** | | **27,822,431** | **27,878,393** | | **20,253,996** |
| **Liabilities** | **20,766,018** | | **20,766,018** | **16,323,654** | | **16,323,654** |
| **Non-current liabilities** | **337,340** | | **337,340** | **64,410** | | **64,410** |
| Convertible bonds | 337,340 | | 337,340 | 64,410 | | 64,410 |
| **Current liabilities** | **20,428,678** | | **20,428,678** | **16,259,244** | | **16,259,244** |
| Accounts payable, trade | 10,923,512 | | 10,923,512 | 9,340,626 | | 9,340,626 |
| Liabilities to affiliated companies | 856,204 | | 856,204 | 54,252 | | 54,252 |
| Accrued accounts payable, trade | 0 | 3,277,512 | 3,277,512 | 0 | 5,082,412 | 5,082,412 |
| Other liabilities | 3,299,318 | | 3,299,318 | 952,456 | | 952,456 |
| Accrued liabilities | 4,038,383 | –3,277,512 | 760,871 | 5,503,057 | –5,082,412 | 420,645 |
| Advance payments | 867,301 | | 867,301 | 234,963 | | 234,963 |
| Convertible bonds | 443,960 | | 443,960 | 173,890 | | 173,890 |
| **Total liabilities and shareholders' equity** | **52,178,846** | | **48,588,449** | **44,202,047** | | **36,577,650** |

The differences in the Group balance sheet relate primarily to differences relating to the amortization of goodwill and the disclosure of accruals.

In June 2001, FASB introduced the accounting standard SFAS 142 “Goodwill and other intangible assets”, which ended scheduled amortization of goodwill over its economic life for all fiscal years beginning after December 15, 2001. From this time onward, a so-called impairment test was to be carried out annually for each so-called reporting unit (in the case of AdLINK this means the subsidiary companies) for which goodwill was accounted. Under US-GAAP, therefore, only non-scheduled amortization was accounted for.

AdLINK applies the IFRS principles concerning business combinations retrospectively in full and does not utilize the corresponding simplification options according to IFRS 1. The goodwill resulting from business combinations is amortized in scheduled amounts over a useful working life of 6 years. In March 2004, the IASB passed the first amendments concerning business combinations, which included an obligatory annual impairment test (similar to the US-GAAP regulations) for existing goodwill from 2005 onward. AdLINK will therefore only apply this annual impairment test for goodwill resulting from business combinations effected before March 31, 2004, from its fiscal year 2005 onward. The effect arising from this was EUR 3,590k as of January 1, 2003 and EUR 7,624k as of December 31, 2004.

The reclassification of accruals amounting to EUR 3,278k as of January 1, 2003 and EUR 5,082k as of December 31, 2004 resulted mainly from outstanding invoices on the balance sheet day.

The reconciliation of the income statement for fiscal year 2003 is shown below:

| | US GAAP 2003 in EUR | Reconciliation | IFRS 2003 in EUR |
|---|---|---|---|
| Sales | 44,870,964 | | 44,870,964 |
| Cost of sales | –34,083,147 | | –34,083,147 |
| **Gross profit** | **10,787,817** | | **10,787,817** |
| Selling expenses | –5,614,182 | | –5,614,182 |
| General and administration expenses | –6,536,429 | | –6,536,429 |
| Asset impairment charges | –193,919 | | –193,919 |
| Other operating income/expenses | –1,863,767 | | –1,863,767 |
| Amortization of goodwill | 0 | –4,334,000 | –4,334,000 |
| **Operating Result** | **–3,420,480** | | **–7,754,480** |
| Interest and similar expenses | –21,514 | | –21,514 |
| Interest and similar income | 126,261 | | 126,261 |
| Result from associated companies | 0 | | 0 |
| Other non-operational income/expenses | 1,653,941 | | 1,653,941 |
| **Pre-tax result** | **–1,661,792** | | **–5,995,792** |
| Income taxes | –1,873 | | –1,873 |
| **Net loss from continuing operations** | **–1,663,665** | | **–5,997,665** |
| Result from discontinued business activities | –2,320,882 | 300,000 | –2,020,882 |
| **Result for the accounting period** | **–3,984,547** | | **–8,018,547** |

As a result of the scheduled amortization of goodwill, differences appeared in the financial results for the year 2003. The first difference was the recording of the scheduled amortisation of the goodwill relating to continued operations amounting to EUR 4,334k. Another was the reduction in unscheduled amortization of the goodwill pertaining to the sale of AdLINK Norway by the scheduled amortization of the goodwill in accordance with IFRS. This amounted to EUR 300k in fiscal year 2002.

No reconciliation of the cash flow statement was made as the changes only affected the description of a few items and have no influence upon cash flow.

## (5) Acquisition of companies

With effect from January 27, 2002 the AdLINK Media Group acquired the European media activities of DoubleClick Inc., New York ("DoubleClick"). The purchase price was EUR 39.2 million inclusive of incidental acquisition costs and was paid in cash. In addition to the business, financial liabilities of EUR 5 million towards other companies in the DoubleClick group were assumed.

In connection with this acquisition United Internet AG concluded an option agreement with DoubleClick. Under the conditions of this option agreement United Internet AG is entitled to sell 3,862,500 AdLINK shares, equivalent to 15% of the present capital stock of AdLINK, to DoubleClick at a purchase price of EUR 35.5 million (put option). If United Internet AG exercises this put option, DoubleClick receives a call option for a further 5,407,500 AdLINK shares equivalent to 21% of the current share capital of AdLINK. In the event of a further exercise of the call option, which is linked to the attainment of key profit figures by AdLINK, no further purchase price shall be due from DoubleClick.

Based on a declaration made on January 31, 2002, United Internet AG exercised its put option and on February 8, 2002, 3,862,500 AdLINK shares were transferred to DoubleClick and a further 5,407,500 AdLINK shares were transferred to the escrow agent, Contor Treuhandgesellschaft mbH Wirtschaftsprüfungsgesellschaft.
As a result of the non-attainment of the profitability conditions and the expiry of the time for DoubleClick to exercise its call option, the 5,407,500 AdLINK shares reverted back to United Internet AG. Acceptance of those shares took place on July 27, 2004.

The remaining 3,862,500 AdLINK shares held by DoubleClick were reacquired by United Internet AG on September 22, 2004. The purchase price amounted to EUR 7,725k.

## (6) Transactions with related parties

### a) AdLINK Switzerland

In fiscal year 2004, a service contract was signed between AdLINK and AdLINK Switzerland. This regulates access of AdLINK Switzerland to services provided by AdLINK following the establishment of a joint venture agreement with Goldbach Media AG. This relates, in particular, to further involvement of AdLINK Switzerland in the existing DART contract, the inclusion of international website operators into the central accounting system and use of central systems (especially the invoice handling system).

Under this agreement, AdLINK Switzerland was invoiced EUR 155k for its proportion of the DART costs, EUR 210k for the international websites and EUR 22k for other costs. A further EUR 81k was invoiced for services provided under the service contract and recorded as sales income.

### b) United Internet Group

On December 31, 2004 United Internet AG held 82.44% (prior year: directly and indirectly 67.6%) of the capital stock and is consequently the majority shareholder of AdLINK.

In fiscal year 2004, AdLINK was invoiced an amount of EUR 177k (prior year: EUR 225k) by companies of the United Internet group for costs relating principally to services connected with personnel matters, personnel recruitment, office costs, insurance, IT, investor relations and press activities. Furthermore, the business premises of AdLINK in Montabaur are rented from United Internet AG. Rental payments in this connection of EUR 140k were paid by AdLINK for the fiscal year (prior year: EUR 152k). The fiscal unity for VAT trade for purposes between AdLINK and United Internet AG was dissolved on January 1, 2003. A compensating agreement exists between United Internet AG and AdLINK Internet Media AG for the trade tax losses of AdLINK used by United Internet within the earlier relationship.

Websites run by GMX GmbH, a subsidiary of United Internet AG, in Germany and in Switzerland were marketed by AdLINK under normal commercial conditions. AdLINK marketed GMX online advertising space amounting to EUR 125k (prior year: EUR 120k).

### c) DoubleClick Group

Until September 22, 2004 the minority shareholder, DoubleClick, held 15% of the Company's capital stock and one seat on the Supervisory Board. AdLINK concluded an agreement over 10 years with DoubleClick International TechSolutions Ltd., Dublin/Republic of Ireland, a subsidiary of DoubleClick, for the provision of DART services, a software-supported technology for delivery and management of online advertising on the Internet. Costs of EUR 1,562k (prior year: EUR 2,411k) were invoiced to AdLINK for the DART system in fiscal year 2004. As of December 31, 2004 a trade liability of EUR 301k (EUR 356k) was recorded with the former minority shareholder from services purchased in connection with the DART system.

### d) Management Board and Supervisory Board

Following the resignation of Mr. Volker Hamele, a controller of United Internet AG, from the Supervisory Board with effect from October 31, 2003, the Supervisory Board consisted of only 5 persons as of December 31, 2003. Mr. Kevin Ryan, CEO of DoubleClick, resigned from the Supervisory Board of AdLINK with effect of May 17, 2004. Two new members were elected to the Supervisory Board in accordance with due procedure at the Annual General Meeting held on May 17, 2004 – Mr. Lutz Laffers and Mr. Ruben Regensburger. On December 31, 2004 the Supervisory Board consisted of Mr. Michael Scheeren (qualified banker), as Chairman, Mr. Norbert Lang (member of the Management Board of United Internet AG), Mr. Kurt Dobitsch (businessman), Prof. Dr. Helmut Thoma (independent businessman), Mr. Ruben Regensburger (Managing Director, DoubleClick Tech Solutions EMEA of DoubleClick Media Europe Ltd.) and Mr. Lutz Laffers (controller at United Internet AG).

Furthermore, the Chairman of the Supervisory Board, Mr. Michael Scheeren, is also a member of the Supervisory Boards of United Internet AG, Montabaur, 1&1 Internet AG, Montabaur (Chairman), twenty4help Knowledge Service AG, Montabaur (Chairman) and NT plus AG, Osnabrück (Chairman). In addition to his mandate with AdLINK Internet Media AG the Deputy Chairman of the Supervisory Board, Mr. Kurt Dobitsch is also a member of the Supervisory Boards of United Internet AG, Montabaur (Chairman), 1&1 Internet AG, Montabaur, twenty4help Knowledge Service AG, Montabaur, Nemetschek AG, Munich (Chairman), Bechtle AG, Gaildorf, PSB AG, Ober-Mörlen, Hybris AG, Zürich and docuware AG, Munich. Prof. Dr. Helmut Thoma is a member of the Supervisory Boards of typhoon AG, Hürth (Chairman), Vermag Verlags- and Medien AG, Cologne, Q 1 Deutschland AG, Düsseldorf, Mobilcom AG, Büdelsdorf, freenet.de AG, Hamburg (Chairman), and Prima.com AG, Mainz (Deputy Chairman). Mr. Norbert Lang is a member of the Supervisory Boards of twenty4help Knowledge Service AG, Montabaur, Metropolis AG, Reutlingen, and UNION Aktien-Gesellschaft für Versicherungen, Montabaur (Chairman) until September 6, 2004.

The members of the Supervisory Board received remuneration totaling EUR 35k for fiscal year 2004 (prior year: EUR 45k). In 2002 a consultancy agreement was signed with Prof. Dr. Helmut Thoma to cover the period July 1, 2002 until June 30, 2003 with respect particularly to services in connection with the development of customer relations. An accrual of EUR 38k in respect of these services was recognised in the accounts for December 31, 2004.

The Supervisory Board is responsible for determining the remuneration of Management Board members. The remuneration received by the members of the Management Board of AdLINK Internet Media AG is performance-oriented and consists of a fixed and a variable element. The fixed element is paid monthly as a salary. The value of the variable element is dependent upon the attainment of certain fixed financial objectives identified at the beginning of the year and related to the budget.

The total remuneration paid to the members of the Management Board for fiscal year 2004 amounted to EUR 427k (prior year: EUR 698k). Of this total, the fixed sums amounted to EUR 268k and the variable sums to EUR 159k. The remuneration in fiscal year 2004 paid to Mr. Stéphane Cordier amounted to EUR 279k, of which EUR 154k was fixed and EUR 125k variable. In the case of Mr. Guy Challen, the total remuneration of EUR 148k consisted of a fixed element of EUR 114k and a variable element of EUR 34k.

On January 2, 2004, the Supervisory Board approved the issue of convertible bonds to the value of EUR 170k to Mr. Guy Challen by virtue of authority given at the Annual General Meeting held in 2000 (Conditional Capital I/2000). The conversion price of the convertible bonds which produce interest at 3.5% is EUR 1.71. The nominal value is fully paid up. The convertible bonds have a maximum term ending January 1, 2009.

On May 24, 2004, an option agreement was signed between Mr. Stéphane Cordier and United Internet AG. This included the right to acquire 400,000 shares of AdLINK Internet Media AG from the stock held by United Internet AG, divided into 4 options of 100,000 each. The exercise price amounted to EUR 1.50, whereby the first 25% of the shares could not be exercised before July 1, 2004 , 50% not before March 30, 2005, 75% not before March 30, 2006 and 100% not before March 30, 2007. For further information please refer to Note 29b.

The number of shares and subscription rights of AdLINK Internet Media AG held by members of the Management Board and the Supervisory Board is given in the following table:

| | Shareholding | | Subscription rights | |
|---|---|---|---|---|
| | 31.12.2004 | 31.12.2003 | 31.12.2004 | 31.12.2003 |
| **Supervisory Board** | | | | |
| Michael Scheeren | 72,656 | 72,656 | - | - |
| Norbert Lang | 1,345 | 1,345 | - | - |
| Prof. Dr. Helmut Thoma | - | - | 8,000 | 8,000 |
| Lutz Laffers | 294 | 294 | - | - |
| **Management Board** | | | | |
| Stéphane Cordier | - | - | 400,000 | - |
| Guy Challen | - | - | 170,000 | - |
| **Total** | **74,295** | **74,295** | **578,000** | **8,000** |

## (7) Cost of sales

The following table shows a breakdown of the cost of sales:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Direct product costs | 31,439 | 29,833 |
| Personnel expenditure | 4,138 | 3,309 |
| Depreciation | 88 | 107 |
| Other costs | 992 | 834 |
| **Total** | **36,657** | **34,083** |

## (8) Selling expenses

The following table shows a breakdown of the selling expenses:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Personnel expenditure | 3,823 | 3,998 |
| Depreciation | 95 | 166 |
| Other costs | 1,523 | 1,450 |
| **Total** | **5,441** | **5,614** |

## (9) General and administration expenses

The following table shows a breakdown of the general and administration expenses:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Personnel expenditure | 3,046 | 2,898 |
| Depreciation | 252 | 718 |
| Other costs | 2,808 | 2,920 |
| **Total** | **6,106** | **6,536** |

## (10) Asset impairment charges

In fiscal year 2004 an impairment charge of EUR 21k was necessary in connection with leasehold improvements in AdLINK UK, as the company moved to new premises in February 2005. The amount is disclosed in the UK segment.

The charges in the previous year refer to the write off a marketing right which resulted from the incorporation of AdLINK Switzerland into the joint venture with Goldbach Media AG. The amount is disclosed in the Central Europe Sector.

An impairment charge was made in the previous year in respect of the goodwill of AdLINK Norway amounting to EUR 943k. This item is disclosed in the result from discontinued operations.

## (11) Other operating income/expenses

The other operating income and expenses were as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Currency gains/losses | –20 | –588 |
| Accounts receivable losses | 196 | –1,296 |
| Other | 104 | 20 |
| **Total** | **280** | **–1,864** |

The significant reduction in currency losses is due to a more stable development of the British pound over the year, as well as to the change in the consolidation method for our Swiss activities (recorded loss for the previous year: EUR 269k).

Further improvements in the management of accounts receivable led to a lower requirement for allowances during the past fiscal year.

## (12) Amortization of goodwill

Capitalized goodwill is amortized in scheduled amounts in accordance with IAS 38. The assumed useful life is 6 years. The reduction in goodwill amortization compared with the previous year from EUR 4,334k to EUR 4,035k resulted solely from the modified consolidation procedure for AdLINK Switzerland. Scheduled goodwill amortization for AdLINK Switzerland amounting to EUR 299k is included in the result from associated companies. Please see Note 13 for more details.

### (13) Result from associated companies

The investment result refers exclusively to AdLINK Switzerland and consists of the following items:

| | 2004 EUR k |
|---|---|
| Attributable profit for distribution | 326 |
| Attributable profit not for distribution | 7 |
| Capitalized deferred taxes | 375 |
| Scheduled goodwill amortization | –299 |
| At-equity result | **409** |

As the Swiss operation will continue to exceed critical mass in its market, operating profits are also expected in the following years. The tax loss carryforwards of AdLINK Switzerland were therefore proportionately capitalized in the amount of CHF 6,135k. Due to uncertainty regarding recognition and the limitation of use for tax loss carryforwards in Switzerland to 7 years, no account was taken of the tax loss carryforwards of the merged Goldbach companies amounting to CHF 10,841k for fiscal year 2004. Proportionate non-capitalized deferred taxes as of December 31, 2004 amounted to EUR 662k.

The attributable non-distributable profits result from valuation differences between local financial statements and the consolidated financial statements.

### (14) Other non-operating income/expenses

Other non-operating income in the previous year amounting to EUR 1,654k resulted from the negotiation of mutual claims between AdLINK and DoubleClick in connection with the acquisition of the online media business in January 2004. The negotiations were necessary because of mutual claims relating to the provision of salary payments, restructuring costs, the collectability of accounts receivable, as well as customer and website payments which had been both paid and received following the acquisition of the DoubleClick business.

The settlement achieved on October 31, 2003 states that AdLINK and DoubleClick agreed that DoubleClick would provide a compensation payment of EUR 200k and that all other mutual claims would be dropped. This led to non-operating income through elimination of net liabilities of EUR 1,454k.

### (15) Income taxes

The income taxes are made up as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Taxes for earlier periods | –38 | - |
| Taxes for the current period | –425 | –2 |
| Capitalization of deferred taxes | 1,394 | - |
| **Total** | **931** | **–2** |

The recorded taxes for prior periods refer to taxes which were related to the closure of DoubleClick Benelux (EUR 38k).

The recorded taxes for the current fiscal year, an amount of EUR 408k (prior year EUR 2k) relate to AdLINK Netherlands, as there were no longer any loss carried forward, and an amount of EUR 17k to AdLINK Italy, whereby tax in Italy is calculated on gross income.

As a result of sustained improvements in the business situation of the UK and German subsidiaries, deferred taxes on existing loss carryforwards were capitalized (EUR 303k and EUR 1,091k) in fiscal year 2004.

### (16) Discontinued operations

Due to continued loss-making, AdLINK Norway was sold to its management team on December 31, 2003 for a purchase price of EUR 1. The loss from disposal amounted to EUR 914k. This figure includes goodwill impairment of EUR 943k. As of December 31, 2003 the disposed assets of AdLINK Norway amounted to EUR 202k and the liabilities to EUR 231k. The loss from disposal and the losses of fiscal year 2003 (EUR 1,107k) are disclosed separately under the item “Discontinued operations”.

The consolidated income statement for AdLINK Norway is as follows:

| **AdLINK Norway** | **2003 EUR k** |
|---|---|
| Sales | 911 |
| Cost of sales | –654 |
| Gross margin | 257 |
| Selling costs | –387 |
| General and administration costs | –343 |
| Amortization | –316 |
| Non-scheduled write-down of goodwill | –943 |
| Other operative income/expenditure | –313 |
| Results from continued operations | –2,045 |
| Interest result | –5 |
| Result before tax | –2,050 |
| Tax result | 0 |
| Result after tax | –2,050 |
| Consequences of de-consolidation | 29 |
| **Result from discontinued operations** | **–2,021** |

The cash flow statement of AdLINK Norway for fiscal year 2003 is as follows:

| **AdLINK Norway** | **2003 EUR k** |
|---|---|
| **Result from discontinued operations** | **–2.021** |
| Depreciation and amortization | 45 |
| Goodwill amortization | 1.259 |
| Effects from deconsolidation | –29 |
| Adjustments to reconcile net income to net cash provided by operating activities | 1.275 |
| Changes in net current assets | 40 |
| Cash flow from operating activities | –706 |
| Cash flow from investment activities | –5 |
| Cash flow from financing activities | 663 |
| Net increase/decrease in cash and cash equivalents | –48 |
| Cash and cash equivalents at beginning of fiscal year | 54 |
| Change in currency translation adjustments | –6 |
| Cash and cash equivalents at end of fiscal year | 0 |

The negative operative cash flow for the Norwegian company was fully financed from internal Group sources so that the financial result does not appear at the Group level.

## (17) Equity investments

The consolidation of AdLINK Switzerland was effected using the equity method. The Group's shareholding in AdLINK Switzerland is 50%, but on the basis of the Shareholder Agreement with Goldbach Media AG, operative monitoring of business activities was transferred to Goldbach Media AG.

| | 2004 EUR k |
|---|---|
| Addition from initial at-equity consolidation | 1,543 |
| of which goodwill | 1,251 |
| Result 2004 | 409 |
| of which write-down of goodwill | –299 |
| **Total** | **1,952** |
| **of which goodwill** | **952** |

The accounting procedures adopted relating to shares in associated companies are in line with IFRS.

Had AdLINK Switzerland already been consolidated in the previous year under the at-equity method, Group sales for 2003 would have amounted to EUR 41,567k. There is no effect upon the consolidated result for the previous year.

## (18) Other financial assets

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| **Other financial assets** | **109** | **129** |

As in the previous year other financial assets within the fiscal year relate to accounts receivable from employees resulting from the financing of subscriptions to convertible bonds of AdLINK. The reduction resulted from conversions, repayments and from the expiry of convertible bonds in the year 2004.

## (19) Property, plant and equipment

| in EUR k | Company vehicles | Operating equipment | Office equipment | Total |
|---|---|---|---|---|
| **Acquisition costs** | | | | |
| Opening balance | 185 | 1,988 | 157 | 2,330 |
| Additions | 0 | 149 | 12 | 161 |
| Disposals | 30 | 1,133 | 20 | 1,183 |
| **Closing balance** | **155** | **1,004** | **149** | **1,308** |
| **Depreciation** | | | | |
| Opening balance | 100 | 1,779 | 79 | 1,958 |
| Additions | 26 | 134 | 32 | 192 |
| Asset impairment charges | 0 | 0 | 21 | 21 |
| Disposals | 7 | 1,106 | 19 | 1,132 |
| **Closing balance** | **119** | **807** | **113** | **1,039** |
| Net book value at January 1, 2004 | 85 | 209 | 78 | 372 |
| Currency conversion difference | 0 | 1 | 2 | 3 |
| **Net book value at December 31, 2004** | **36** | **198** | **38** | **272** |

The investments were mainly replacement purchases of IT hardware. The careful investment policy of recent years led to a further reduction in net book value.

The high disposal value in the area of operating equipment results from the sale of the server park for the old in-house AdServing system and disposal of the Swiss fixed assets, which are no longer included in the balance sheet due to the change in consolidation status as of December 31, 2004.

As a consequence of the planned move of business premises (in February 2005) of AdLINK UK, it was necessary to write down office equipment by EUR 21k.

### (20) Intangible assets

| in EUR k | Licenses, trade-mark rights, others | Software | Advance payments | Total |
|---|---|---|---|---|
| **Acquisition costs** | | | | |
| Opening balance | 1,382 | 727 | 11 | 2,120 |
| Additions | 0 | 42 | 67 | 109 |
| Disposals | 112 | 175 | 11 | 298 |
| **Closing balance** | **1,270** | **594** | **67** | **1,931** |
| **Depreciation** | | | | |
| Opening balance | 1,158 | 591 | 0 | 1,749 |
| Additions | 139 | 104 | 0 | 243 |
| Disposals | 107 | 175 | 0 | 283 |
| **Closing balance** | **1,190** | **520** | **0** | **1,710** |
| Net book value at January 1, 2004 | 224 | 136 | 11 | 371 |
| Currency conversion difference | 0 | 0 | 0 | 0 |
| **Net book value at December 31, 2004** | **80** | **74** | **67** | **221** |

Advance payments were due for the development of a database for using the e-mail profiles of our websites.

Software, purchases were mainly standard software and content management software.

A continuing consequence of the carefull investment policy is a reduction in the total volume of intangible assets.

## (21) Goodwill

The transition from full consolidation to at-equity consolidation resulted in a re-classification of the residual goodwill of AdLINK Switzerland to shares in associated companies. The scheduled amortization of goodwill of AdLINK Switzerland is therefore contained in the result from associated companies. (See also Note 14).

The goodwill on December 31, 2004 was made up as follows:

| | 2004 | | Amortization | | | |
|---|---|---|---|---|---|---|
| | Gross | Reclassification | Scheduled 2004 | Allowance 2004 | Cum. scheduled and unscheduled previous years | Net |
| Axial | 1,794 | –1,794 | - | - | - | 0 |
| AdLINK Belgium | 1,354 | - | 205 | - | 709 | 440 |
| AdLINK Denmark | 1,228 | - | 204 | - | 393 | 631 |
| AdLINK France | 7,656 | 1,794 | 681 | - | 7,586 | 1,183 |
| AdLINK Germany | 3,174 | - | 529 | - | 1,014 | 1,631 |
| AdLINK Italy | 903 | - | 150 | - | 289 | 464 |
| AdLINK Netherlands | 2,710 | - | 442 | - | 1,068 | 1,200 |
| AdLINK Spain | 3,362 | - | 478 | - | 1,158 | 1,726 |
| AdLINK Sweden | 4,947 | - | 553 | - | 3,546 | 848 |
| AdLINK UK | 5,939 | - | 793 | - | 3,435 | 1,711 |
| **Goodwill total** | **33,067** | **-** | **4,035** | **-** | **19,198** | **9,834** |
| **Reclassification** | | | | | | |
| AdLINK Switzerland | 1,793 | - | 299 | - | 542 | 952 |
| *Reconciliation to previous year* | *34,860* | - | *4,334* | - | *19,740* | *10,786* |

The comparative values for 2003 were:

| | 2003 | | Amortization | | | |
|---|---|---|---|---|---|---|
| | Gross | Reclassification | Scheduled 2003 | Allowance 2003 | Cum. scheduled and unscheduled previous years | Net |
| Axial | 1,794 | - | - | - | 1,794 | 0 |
| AdLINK Belgium | 1,354 | - | 205 | - | 504 | 645 |
| AdLINK Denmark | 1,228 | - | 204 | - | 188 | 836 |
| AdLINK France | 7,656 | - | 681 | - | 5,111 | 1,864 |
| AdLINK Germany | 3,174 | - | 529 | - | 485 | 2,160 |
| AdLINK Italy | 903 | - | 150 | - | 139 | 614 |
| AdLINK Netherlands | 2,710 | - | 442 | - | 626 | 1,642 |
| AdLINK Spain | 3,362 | - | 478 | - | 680 | 2,204 |
| AdLINK Sweden | 4,947 | - | 553 | - | 2,994 | 1,400 |
| AdLINK UK | 5,939 | - | 793 | - | 2,642 | 2,504 |
| AdLINK Switzerland | 1,793 | - | 299 | - | 243 | 1,251 |
| **Goodwill total** | **34,860** | **-** | **4,334** | **-** | **15,406** | **15,120** |
| **Disposals** | | | | | | |
| AdLINK Norway | 1,889 | | 316 | 943 | 630 | 0 |

There was a management buy-out in 2003 of our Norwegian activities. This resulted in an impairment of EUR 943k following the disposal.

## (22) Deferred taxes

Deferred taxes are anticipated income taxes or tax rebates which result from the differences between the book values of assets according to commercial law and debts as shown in the annual financial statements and which are calculated by applying the corresponding rate of tax to the taxable result. Deferred taxes are recognized to the extent that it is probable that a taxable result will arise, against which the temporary deductible difference can be offset.

The book value of deferred tax claims are re-examined on every balance sheet date and reduced, if necessary, by an appropriate amount if it no longer appears probable that a sufficiently high annual result will arise to attract tax and against which the deferred tax assets and liabilities can be set.

Under German tax law income taxes are comprised of corporate income tax and trade tax together with the solidarity surcharge. AdLINK Internet Media AG pays an average trade tax rate of about 14% which is deductible when determining the corporation tax. A supplementary solidarity surcharge of 5.5% is levied on the domestic corporation tax of 25% (prior year: 26.5% including surcharge for the Flood Victim Solidarity Law).

In accordance with IAS 12, deferred tax assets are recognized for future benefits which are associated with losses carried forward. The time limit for utilizing net loss carryforwards in different countries is as follows:

- Germany — indefinite
- Sweden: — indefinite
- France: — indefinite
- Spain: — 15 years
- Denmark: — up to 2002, 5 years; after 2002 indefinite
- Great Britain: — indefinite
- Italy: — 5 years
- Belgium: — indefinite
- The Netherlands: — indefinite

The following table provides a summary of the existing losses carried forward:

| | EUR k | Taxation rate |
|---|---|---|
| Germany | 30,882 | 36.8% |
| Sweden | 4,505 | 28.0% |
| France | 3,845 | 33.3% |
| Spain | 1,858 | 35.0% |
| Denmark | 1,273 | 30.0% |
| Great Britain | 1,154 | 30.0% |
| Italy | 780 | 33.0% |
| Belgium | 259 | 33.0% |
| The Netherlands | 0 | 34.5% |

Deferred taxes were calculated using a composite tax rate for each country.

The carrying amounts for deferred taxes relate to assets based upon tax loss carryforwards (EUR 1,394k). Temporary differences arising in addition to that are not material. Assets were formed according to the probable usefulness of the losses carried forward for AdLINK UK (EUR 303k) and AdLINK Germany (EUR 1,091k). Deferred taxes relating to losses carried forward amounting to a total of EUR 14,234k (prior year: EUR 17,023k) were not capitalised because the probability of being able to use them on the balance sheet date is not sufficiently great.

Reconciliation of the overall tax rate to the effective tax rate of the company was carried out as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| **Net loss before tax and before discontinued operations** | **–3,710** | **–5,997** |
| Tax rate | 36.80% | 38.20% |
| **Anticipated tax income** | **1,365** | **2,291** |
| Goodwill amortization non-deductible for tax purposes | –1,485 | –1,656 |
| Capitalization of deferred taxes on loss carryforwards, not formed in previous years | 1,394 | 0 |
| Tax losses of the fiscal year, not capitalized | –716 | –968 |
| Utilization of tax loss carryforwards, not capitalized in previous years | 245 | 0 |
| Income and expenses non-deductible for tax purposes | –3 | 27 |
| Differences in tax rates between AdLINK and its subsidiaries | –20 | 304 |
| Non-taxable at-equity result | 151 | 0 |
| **Tax income/expense** | **931** | **–2** |

## (23) Cash and cash equivalents

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Bank balances and cash in hand | 5,506 | 5,534 |
| Restricted cash | 39 | 740 |
| **Cash and cash equivalents** | **5,545** | **6,274** |

Restricted cash amounting to EUR 39k relates to collateral for rent guarantees (prior year: EUR 30k). In the previous year there was also a bank guarantee for the residual purchase price obligation from the acquisition of AdLINK UK (EUR 710k).

## (24) Accounts receivable

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Trade accounts receivable | 15,569 | 15,389 |
| Bad debt allowances | –1,297 | –1,715 |
| **Trade accounts receivable, net** | **14,272** | **13,674** |

As of December 31, 2003, trade account receivables and allowances of AdLINK Switzerland amounted to EUR 1,345k and EUR 46k, respectively.

## (25) Accounts receivable from associated companies

The total amount of EUR 127k relates to accounts receivable from AdLINK Switzerland. Had AdLINK Switzerland already been consolidated at equity in 2003, the comparable figure for the previous year would have been EUR 181k.

## (26) Other current assets

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Accounts receivable from tax offices (sales tax, interest income tax) | 131 | 257 |
| Security deposits | 255 | 188 |
| Accounts receivable from employees | 16 | 68 |
| Others | 6 | 8 |
| **Other assets** | **408** | **521** |

The security deposits result from rental agreements with individual subsidiary companies.

## (27) Prepaid expenses

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Rent and associated costs | 127 | 46 |
| Insurance | 5 | 9 |
| Marketing | 37 | 7 |
| Others | 52 | 51 |
| **Prepaid expenses** | **221** | **113** |

## (28) Capital stock

By making partial use of the conditional capital, the capital stock in 2004 amounting to EUR 25,750,000 was increased to EUR 25,805,580 through the issue of 55,580 new registered bearer shares to a value of EUR 55,580 against payment by cash. In fiscal year 2004, the cash contributions result from the conversion of convertible bonds issued as part of the employee stock ownership plans. On December 31, 2004, capital stock amounted to 25,805,580 registered shares each having a theoretical share in the capital stock of EUR 1.

As of December 31, 2004 the capital stock was held as follows:

| | EUR k | % |
|---|---|---|
| United Internet AG | 21,275 | 82.44 |
| Free float shareholders | 4,457 | 17.27 |
| Management Board and Supervisory Board | 74 | 0.29 |
| **Capital stock** | **25,806** | **100.00** |

The authorized and conditional capital of AdLINK was as follows:

| EUR k<br>As of December 31, 2004 | EUR k | Outstanding |
|---|---|---|
| **Capital stock** | **25,806** | **25,806** |
| Authorized capital | | |
| I/2000; until 3rd April 2005 | 11,700 | - |
| II/2000; until 3rd April 2005 | 400 | - |
| Conditional capital | | |
| I/2000 (convertible bond) | 944 | 324 |
| II/2000 (convertible bond) | 8 | 8 |
| 2004 (convertible bond) | 1,250 | - |

### Authorized capital

At the extraordinary Annual General Meeting held on April 4, 2000 it was resolved to increase the authorized capital stock by up to EUR 11,700,000 by issuing up to 11,700,000 new no-par shares (Authorized Capital I), by a maximum of EUR 400,000 by issuing up to 400,000 new no-par shares (Authorized Capital II) and by a maximum of EUR 700,000 by issuing up to 700,000 new no-par shares (Authorized Capital III), each having a theoretical share in the capital stock of EUR 1. Authorized capital III served the purposes of the Greenshoe option in the scope of the IPO and was subject to a time limit which expired on December 31, 2000.

- **Authorized Capital I:**

The Management Board is authorized, subject to approval by the company's Supervisory Board, to increase the company's capital stock on one or more occasions before April 3, 2005 by a maximum of EUR 11,700,000 in total by issuing up to 11,700,000 new no-par shares having a theoretical share in the capital stock of EUR 1 each. The shares may be issued in return for cash and/or non-cash contributions. The Management Board is further authorized, subject to the approval by the Supervisory Board, to exclude shareholders' subscription rights. However, subscription rights may only be excluded in the following cases:

- when the increase in capital through payments in cash does not exceed ten percent of the capital stock and the issue price is not substantially below the stock market price; this authorization to exclude shareholders' subscription rights is reduced by the amount of the treasury shares which the company acquired by virtue of an authorization pursuant to Article 71 (1) No. 8 of the German Companies Act (AktG) and which it will sell, but not on the stock exchange, without granting subscription rights to shareholders;
- to equalize fractional amounts; and
- when capital is increased in return for non-cash contributions in order to acquire companies and equity investments in companies.

The Management Board is authorized, subject to the approval of the Supervisory Board, to define the details of the capital increase and the execution thereof.

- **Authorized Capital II:**

The Management Board is authorized, subject to approval by the Supervisory Board, to increase the capital stock on one or more occasions before April 3, 2005 by a maximum of EUR 400,000 in total by issuing up to 400,000 new no-par shares having a theoretical share in the capital stock of EUR 1 each. The shareholders' right to subscribe is excluded. The capital may only be increased in return for contribution of claims against the Company or affiliated companies in connection with the acquisitions of subsidiaries in Belgium, France, the United Kingdom and Spain. The shares will be issued at the price at which the company's shares were issued at the time of the IPO. Fractional amounts will be avoided by rounding. The Management Board further is authorized, subject to approval by the Supervisory Board, to define the details of the capital increase and the terms of the share issue out of the Authorized Capital II.

## Conditional Capital

- **Conditional Capital I+II/2000**

At the extraordinary Annual General Meeting on April 4, 2000, the resolution was made to increase the capital stock conditionally by a maximum of EUR 1,992,000, divided into up to 1,992,000 no-par shares (Conditional Capital I/2000), and by a maximum of EUR 8,000, divided into up to 8,000 no-par shares (Conditional Capital II/2000). This conditional increase of capital was registered in the commercial register on May 8, 2000.

The conditional increase in capital is earmarked for conversion options to be granted to the bearers of convertible bonds. It will only be implemented to the extent that these conversion options are exercised. The shares will participate in profits from the beginning of the fiscal year in which they are created by exercise of the conversion option. With regard to the members of the Management Board, the Supervisory Board is authorized and, with regard to the other persons entitled to convertible bonds, the company's Management Board is authorized to define further details of the conditional capital increase and the execution thereof.

In accordance with a resolution passed at the Annual General Meeting on May 17, 2004, Conditional Capital I/2000 was amended to the extent that the capital stock is now only at EUR 1,000,000.00 divided into 1,000,000 no-par value shares. The reduction was made to reflect the maximum number of conversion rights when the plan was terminated.

- **Conditional Capital 2004**

At the extraordinary Annual General Meeting held on May 17, 2004, a conditional increase of capital stock was agreed of EUR 1,250,000 divided into 1,250,000 no-par value shares. The relevant entry was made in the commercial register on August 4, 2004.

The conditional increase in capital is earmarked for a new employee stock option plan which guarantees conversion rights to the owners of new convertible bonds. It will only be implemented to the extent that these conversion options are exercised. The shares will participate in profits from the beginning of the fiscal year in which they are created by exercise of the conversion option. With regard to members of the Management Board, the Supervisory Board is authorized, and with regard to the other persons entitled to convertible bonds, the Management Board is authorized, to define further details of the conditional capital increase and the execution thereof. A maximum of EUR 650,000 of the conditional capital increase may be allotted to the members of the Management Board of the company and a maximum of EUR 600,000 to employees of the company or of subsidiary companies, including management employees of the subsidiary companies.

### Treasury Shares

In accordance with the resolution passed by the Annual General Meeting on May 17, 2004 the Management Board is authorized pursuant to Article 71 (1) No. 8 of the German Companies Act to acquire treasury shares not exceeding 10% of its capital stock by November 16, 2005. The price paid for the acquisition of these shares may not be more than 10% above or below the stock market price. The stock market price for the purpose of the above arrangement is the average closing price in floor trading for the company's shares on the Frankfurt Stock Exchange over the 5 trading days preceding the share acquisition. This authority replaces the resolution passed at the Annual General Meeting held on May 15, 2003 regarding the acquisition of treasury shares.

The Management Board is authorized, subject to approval by the Supervisory Board, to sell the acquired treasury shares in another way than on the stock exchange or by offering them to all the shareholders if the shares are sold for cash at a price which is not substantially lower than the quoted market price of the company's shares and subject to the same terms at the time of sale. The stock market price for the purpose of the above arrangement is the average closing price in floor trading for the company's shares on the Frankfurt Stock Exchange over the 5 trading days preceding the share acquisition.

The Management Board is further authorized by a resolution to use treasury shares with the approval of the Supervisory Board to settle subscription rights from employee stock-option plans in respect of members of the Management Board and employees as provided by Article 15 and those that follow of the German Companies Act.

The Management Board is also authorized to cancel the company's treasury shares subject to approval by the Supervisory Board and without a further resolution to be adopted by the Annual General Meeting.

No acquisition of treasury shares was made during fiscal year 2004 (prior year: 112,877 units).

### (29) Employee stock-option plans

Management personnel in the AdLINK Group may participate in the company's success by joining an employee stock-option plan which was introduced in April 2000. At the Annual General Meeting of May 17, 2004, approval was given by resolution for replacement of the original plan approved at the Annual General Meeting of April 4, 2000 by a new plan.

Furthermore, an employee stock-option plan of United Internet AG has existed since 1999 which employees of AdLINK could join. The United Internet AG plan has been closed to employees since the time when our own AdLINK employee stock-option plan became available. The last United Internet AG transaction on behalf of an AdLINK employee took place during fiscal year 2004. In May 2004, United Internet AG introduced a new stock-option plan for one member of the Management Board of AdLINK.

The employee stock-option plans operating in fiscal year 2004 were as follows:

- the employee stock-option plan of United Internet AG from May 1999
- the option agreement of United Internet AG from May 2004
- the AdLINK employee stock-option model in accordance with the resolution passed at the Annual General Meeting in April 2000
- the AdLINK employee stock-option model in accordance with the resolution passed at the Annual General Meeting on May 17, 2004

**a) The employee stock-option model of United Internet AG from May, 1999**

United Internet AG is authorized to issue convertible bonds to executives of the United Internet Group and to members of the representative bodies of United Internet AG subsidiaries and to create the required conditional capital to service the conversion options.

The convertible bonds which bear 4 per cent interest p.a. may be exchanged as a whole or in parts for shares in United Internet AG. Every EUR 2.56 of the convertible bonds can be exchanged for 10 no-par value shares having a theoretical share in the capital stock of EUR 1. If an option is exercised, a cash payment of EUR 3.84 has to be paid for the purchase of one share. The date of issue of the convertible bond was May 12th, 1999.

The conversion right may be exercised for the first time if, in the first three years since the date of issue of the convertible bond (first reference period), the average stock market price (i.e. the cash price on the Frankfurt Stock Exchange) of the company' share has increased by at least 10% p.a. over its initial value (i.e. by at least 30%) and the increase in the first reference period is equal to or greater than the percentage increase of the German stock market index DAX in the same period (exercise hurdles). If these exercise hurdles are not reached for the first reference period, the conversion right may only be exercised if, in one of the following reference periods, i.e. on average within the first 4 years (second reference period) or on average in the first five years (third reference period) after the convertible bonds were issued, the stock market price of the company's share has increased by at least 10% p.a. above its initial value (i.e. by at least 40% or 50% respectively) and the increase in the respective reference period is at least equal to the increase of the DAX in the same period.

The conversion option is dependent upon the reference period in which the exercise hurdles are reached for the first time. It may not be exercised before the end of the first reference period and then only in a partial manner of up to 60%. After the end of the third reference period, a total (i.e. including conversion options exercised previously) of up to 80% may be exercised; 100% of the conversion options may be exercised when the convertible bond falls. The conversion option lapses if the exercise hurdles are not met for any of the three reference periods.

In the past fiscal year personnel costs of EUR 10k (prior year: EUR 137k) were recorded.

The changes which took place in the number of issued or outstanding convertible bonds is shown below:

| | Number | Mean exercise price |
|---|---|---|
| Outstanding on December 31, 2002 | 2,000 | 4.09 |
| Return/Expiry | –1,000 | |
| Outstanding on December 31, 2003 | 1,000 | 4.09 |
| Exercise volume | –1,000 | - |
| Outstanding on December 31, 2004 | 0 | |

The following assumptions were used in the option-pricing model ("binomial tree") to calculate the fair value of the options linked to the conversion options for the shares in United Internet AG granted in 1999, resulting in a fair value of EUR 11.2 per share:

- Dividend yield: 0%
- Volatility of the AdLINK share: 83.62%
- Expected term: 5 years
- Risk-free interest rate: 5.1%

### b) The United Internet AG option agreement from May, 2004

In fiscal year 2004 an option agreement was made on May 24, 2004 between Mr. Stéphane Cordier and United Internet AG. This included the right to acquire 400,000 shares of AdLINK Internet Media AG from the stock of United Internet AG, divided into 4 options of 100,000 shares each. The exercise price is EUR 1.50 and the first 25 % of the shares cannot be acquired before July 1, 2004, 50 % not before March 30, 2005, 75 % not before March 30, 2006 and 100 % not before March 30, 2007. One condition is that the options must be fully taken up and a partial exercising of an option is not permissible. No time limits were set. Personnel costs of EUR 173k were recorded in the past fiscal year.

In using an option-pricing model ("binomial tree") in accordance with SFAS 123, the current value of the options amounted to EUR 1.36 per share. The following assumptions were made:

- Dividend yield: 0 %
- Volatility of the share: 78.90 %
- Expected term: 3 years
- Risk-free interest rate: 3.85 %

| | Number | Mean exercise price |
|---|---|---|
| Outstanding on December 31, 2003 | 0 | |
| Issued | 400,000 | - |
| Outstanding on December 31, 2004 | 400,000 | 1.5 |

### c) The AdLINK stock-option model in accordance with a resolution passed at the Annual General Meeting on April 4, 2000

AdLINK has issued convertible bonds to employees, a member of the Management Board and a member of the Supervisory Board. In 2004, convertible bonds amounting to EUR 170k were issued to Mr. Guy Challen, a member of the Management Board. Altogether EUR 154k was outstanding to employees (prior year: EUR 230k), EUR 170k to the Management Board (prior year: EUR 0) and EUR 8k (prior year: EUR 8k) to a member of the Supervisory Board of AdLINK as of December 31, 2004.

Every nominal amount of EUR 1 of a convertible bond may be converted into a no-par value registered share in AdLINK having a theoretical share in the capital stock of EUR 1. If converted, a cash premium to the amount of the difference between EUR 1 and the conversion prices must be paid. The conversion price is the cash-settlement price of the AdLINK share as recorded during trading in the electronic trading system used by Deutsche Börse AG at the time the convertible bond was issued.

A 20 % portion of the company's convertible bonds may be converted into shares in the company no earlier than 12 months after the date of issue. Up to 40 % may be converted no earlier than 24 months, up to 70 % no earlier than 36 months and the whole amount no earlier than 48 months after they were issued.

In the past fiscal year personnel costs of EUR 31k were recorded by AdLINK (prior year: EUR 0).

### d) The AdLINK employee stock-option model in accordance with the resolution passed at the Annual General Meeting on May 17, 2004

To date, no convertible bonds have been issued on the basis of the new model.

Every nominal amount of EUR 1 of a partial convertible bond may be converted into ten no-par value registered AdLINK shares having a theoretical share in the capital stock amounting to EUR 1. If the conversion right is exercised, payment is required on acquisition of each share of the amount by which the conversion prices exceeds one-tenth of the nominal value of the conversion bond. In that context, the conversion price is calculated as the mean AdLINK Internet Media AG share price over the last 5 working days at the stock exchange before the date of issue of convertible bonds plus a surcharge of 20%.

A 25% portion of the company's convertible bonds may be converted into shares in the company no earlier than 24 months after the date of issue. Up to 50% may be converted no earlier than 36 months, up to 75% no earlier than 48 months and the whole amount no earlier than 60 months after they were issued.

### e) Summary of the changes in the AdLINK stock-option plans

The changes in the individual tranches of the AdLINK plan are set out in the following table:

| | Number | Mean exercise price |
|---|---|---|
| Outstanding at December 31, 2002 | 781,300 | 3.84 |
| Issues | - | - |
| Exercise | - | - |
| Return /expiry Of which the 1st tranche | –445,150 | 4.96 |
| Of which the 2nd tranche | –64,500 | 1.84 |
| Of which the 3rd tranche | –33,350 | 1.28 |
| Outstanding on December 31, 2003 | 238,300 | 2.64 |
| Issue 4th tranche | 170,000 | 1.71 |
| Exercise | - | - |
| Of which the 2nd tranche | –45,000 | 1.84 |
| Of which the 3rd tranche | –10,580 | 1.28 |
| Return/ expiry | - | - |
| Of which the 1st tranche | –10,850 | 4.96 |
| Of which the 2nd tranche | - | 1.84 |
| Of which the 3rd tranche | –10,000 | 1.28 |
| Outstanding on December 31, 2004 | 331,870 | 2.28 |
| Available for conversion on December 31, 2004 | 107,060 | |
| Mean weighted residual term (in months) | 12 | |

By using an option-price model ("binomial tree") in accordance with SFAS 123 the calculated current value of the options associated with the conversion rights of the AdLINK shares which were issued on November 15, 2000 amounted to EUR 3.5 per share. The following assumptions were made:

- Dividend yield: 0%
- Volatility of the AdLINK share: 76.20
- Expected term: 4 years
- Risk-free Interest 4.93%

The following assumptions were made to calculate the current value of the options associated with the conversion rights of the AdLINK shares which were issued on May 15, 2001, the result being EUR 2.3 per share:

- Dividend yield: 0%
- Volatility of the AdLINK share: 112.0%
- Expected term: 4 years
- Risk-free interest: 5.00%

The following assumptions were made to calculate the current value of the options associated with the conversion rights of the AdLINK shares which were issued on May 16, 2002, the result being EUR 1.5 per share.

- Dividend yield: 0%
- Volatility of the AdLINK share: 102.8%
- Expected term: 4 years
- Risk-free interest: 3.64%

The following assumptions were made to calculate the current value of the options associated with the conversion rights of the AdLINK shares which were issued on January 2, 2004, the result being EUR 1.23 per share.

- Dividend yield: 0%
- Volatility of the AdLINK share: 88.0%
- Expected term: 4 years
- Risk-free interest: 3.85%

### (30) Additional paid-in capital

Additional paid-in capital developed as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Capital reserves at the beginning of the fiscal year | 59,166 | 59,019 |
| Addition from stock-option plans | 204 | 147 |
| Increase in capital reserves from the conversion of convertible bonds | 41 | 0 |
| **Capital reserves at December 31** | **59,411** | **59,166** |

During the course of the IPO in 2001, transaction costs of EUR 7,544k were netted with capital reserves .

### (31) Amount due from stock option compensation

This item refers to the United Internet AG employee stock-option plan in the previous year. In the course of the fiscal year this amount was released with a positive effect on net income.

### (32) Convertible bonds

The maturity date of the outstanding convertible bonds at the point of earliest conversion is as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| 2004 | - | 174 |
| 2005 | 172 | 36 |
| 2006 | 58 | 29 |
| 2007 | 51 | 0 |
| 2008 | 51 | 0 |
| **Total** | **332** | **239** |

### (33) Trade accounts payable

The reduction in trade accounts payable resulted, above all, from the non-inclusion of liabilities belonging to AdLINK Switzerland due to the change in consolidation method (effect: EUR 1,049k).

All liabilities are due in fiscal year 2005. The same applies to all following explanatory notes unless explicitly stated otherwise.

### (34) Accounts payable due to associated companies

The total amount of EUR 143k relates to liabilities towards AdLINK Switzerland. Had AdLINK Switzerland already been consolidated using the at-equity method in 2003, the comparable figure for the previous year would have been EUR 119k.

### (35) Accounts payable due to affiliated companies

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| United Internet AG | 21 | 27 |
| 1&1 Internet AG | 4 | 12 |
| GMX GmbH | 0 | 15 |
| affilinet GmbH | 3 | 0 |
| **Total** | **28** | **54** |

The liabilities to affiliated companies result from intercompany trade with United Internet AG and 1&1 Internet AG (e.g. rental costs, IT services).

### (36) Accrued trade liabilities

The breakdown of the position is as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Outstanding invoices from website operators | 2,989 | 2,754 |
| Outstanding salaries (management bonuses) | 548 | 397 |
| Outstanding holiday/ social security items | 525 | 408 |
| Consulting services (tax and legal consultations, audit costs, etc) | 337 | 483 |
| Agency fees | 933 | 570 |
| Closure costs/ disposal costs | 85 | 199 |
| Others | 302 | 248 |
| **Total** | **5,719** | **5,059** |

The rise in the overall position results mainly from higher accruals for bonuses and an increased volume of business, as reflected by higher agency fees.

### (37) Accrued taxes

Individual tax accruals are as follows:

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Germany | 53 | - |
| Italy | 17 | - |
| The Netherlands | 75 | 2 |
| France | 27 | 21 |
| **Total** | **172** | **23** |

### (38) Other liabilities

The increase is largely due to higher liabilities to the German tax office for VAT resulting from increased business volume.

| | 2004 EUR k | 2003 EUR k |
|---|---|---|
| Liabilities to tax offices (VAT, income taxes from wages and salaries, etc.) | 951 | 606 |
| Social security | 288 | 167 |
| Liabilities to employees | 34 | 53 |
| Others | 6 | 126 |
| **Total** | **1,279** | **952** |

### (39) Provisions

The development of provisions during the fiscal year 2004 is shown below:

| in EUR k | Litigation risks | Uncertain liabilities | Total |
|---|---|---|---|
| **01.01.2004** | **150** | **271** | **421** |
| Additions | | 121 | 121 |
| Use | | 68 | 68 |
| Reversal | 150 | 17 | 167 |
| **31.12.2004** | **0** | **307** | **307** |

The reversal of an accrual for litigation relates to a legal dispute affecting the German subsidiary which was settled in 2004.

As of December 31, 2004, accruals for uncertain liabilities related mostly to obligations arising from taking over the previous office accommodation of AdLINK Switzerland in connection with the amalgamation with the Goldbach companies and amounting to EUR 104k (prior year: EUR 93k).

### (40) Deferred income

A significant part of the deferred income of EUR 268k resulted primarily, as in the previous year (EUR 235k), from services which have already been invoiced but which have not yet been completed or fully completed.

## (41) Segment reporting

AdLINK is active in the online advertising market. The company's individual product areas (branding solutions, direct marketing and permission marketing) share similar long-term risks and earning development. On the basis of its business model, there is thus no division into business areas or products in the primary reporting format.

The primary reporting format is therefore based on geographical considerations, as the risks and income of the company's business activities are influenced mainly by its activity in various geographical markets or countries.

Similar geographical segments were created as follows:

- Germany (AdLINK and AdLINK Germany)
- Central Europe: The Netherlands, Belgium, Switzerland
- Southern Europe: Italy, Spain, France
- Scandinavia: Sweden, Denmark

AdLINK Switzerland was included in the Central Europe segment last year as a fully consolidated company. In fiscal year 2004 the result was disclosed as that of an associated company.

The assets of the Germany segment do not include shares in subsidiaries of AdLINK.

| in EUR k | Germany | Central Europe | Scandinavia | United Kingdom | Southern Europe | Consolidation | AdLINK total |
|---|---|---|---|---|---|---|---|
| **Fiscal year 2004** | | | | | | | |
| External revenues | 8,582 | 10,134 | 4,794 | 10,290 | 13,987 | - | |
| Internal revenues | 763 | 561 | 237 | 469 | 565 | - | |
| **Revenues** | **9,345** | **10,695** | **5,031** | **10,759** | **14,552** | **–2,595** | **47,787** |
| Operative result | –1,064 | 1,260 | –89 | 169 | –651 | 217 | –158 |
| Amortization of goodwill | –529 | –647 | –757 | –793 | –1,309 | - | –4,035 |
| Result from associated companies | - | 409 | - | - | - | - | 409 |
| **Segment result** | **–1,593** | **1,022** | **–846** | **–624** | **–1,960** | **217** | **–3,784** |
| Interest income | | | | | | | 83 |
| Interest expenses | | | | | | | –9 |
| **Earnings before taxes / EBT** | | | | | | | **–3,710** |
| Taxes | | | | | | | 930 |
| **Net income** | | | | | | | **–2,780** |
| Operative segment assets | 9,339 | 4,227 | 960 | 2,953 | 8,204 | –4,616 | 21,067 |
| Goodwill | 1,631 | 1,640 | 1,479 | 1,711 | 3,373 | - | 9,834 |
| Equity investments | - | 1,952 | - | - | - | - | 1,952 |
| **Segment assets** | **10,970** | **7,819** | **2,439** | **4,664** | **11,577** | **–4,616** | **32,853** |
| Deferred tax assets | | | | | | | 1,394 |
| Employee credit | | | | | | | 109 |
| **Asset** | | | | | | | **34,356** |
| Operative segment liabilities | 5,480 | 3,335 | 952 | 2,566 | 7,659 | –3,904 | 16,088 |
| Accrued taxes | | | | | | | 172 |
| Convertible bonds | | | | | | | 332 |
| **Liabilities** | | | | | | | **16,592** |
| **Other segment informations** | | | | | | | |
| Segment investment | 147 | 13 | 17 | 35 | 58 | - | 270 |
| Segment amortisation | 253 | 30 | 53 | 42 | 57 | - | 435 |
| Asset impairment charges | - | - | - | 21 | - | - | 21 |
| Essential disposal expenses | - | - | - | - | - | - | - |

| in EUR k | Germany | Central Europe | Scandi-navia | United Kingdom | Southern Europe | Consoli-dation | AdLINK excluding discon-tinued operations | Discon-tinued operations | AdLINK including discon-tinued-operations |
|---|---|---|---|---|---|---|---|---|---|
| **Fiscal year 2003** | | | | | | | | | |
| External revenues | 7,813 | 11,237 | 5,006 | 10,256 | 10,560 | | | | |
| Internal revenues | 539 | 452 | 158 | 335 | 646 | | | | |
| **Revenues** | **8,352** | **11,689** | **5,164** | **10,591** | **11,206** | **-2,131** | **44,871** | **912** | **45,783** |
| Operative result | –1,315 | –697 | –378 | 564 | –1,590 | –4 | –3,420 | –762 | –4,182 |
| Amortization of goodwill | –529 | -946 | –757 | –793 | –1,309 | - | –4,334 | –1259 | –5,593 |
| Result from associated companies | - | - | - | - | - | - | - | - | - |
| **Segment result** | **–1,844** | **–1,643** | **–1,135** | **–229** | **–2,899** | **–4** | **–7,754** | **–2,021** | **-9,775** |
| Interest income | | | | | | | 126 | | 126 |
| Interest expenses | | | | | | | –22 | | –22 |
| Non-operative revenue | | | | | | | 1,654 | | 1,654 |
| **Earnings before taxes / EBT** | | | | | | | **–5,996** | **–2,021** | **–8,017** |
| Taxes | | | | | | | –2 | | –2 |
| **Net income** | | | | | | | **–5,998** | **–2,021** | **–8,019** |
| Operative segment assets | 11,985 | 5,142 | 1,266 | 2,720 | 6,335 | –6,119 | 21,329 | | 21,329 |
| Goodwill | 2,160 | 3,538 | 2,236 | 2,504 | 4,682 | | 15,120 | | 15,120 |
| **Segment assets** | **14,145** | **8,680** | **3,502** | **5,224** | **11,017** | **–6,119** | **36,449** | | **36,449** |
| Employee credit | | | | | | | 129 | | 129 |
| **Asset** | | | | | | | **36,578** | | **36,578** |
| Operative segment liabilities | 5,711 | 3,406 | 1,503 | 2,794 | 7,237 | –4,588 | 16,063 | | 16,063 |
| Accrued taxes | | | | | | | 23 | | 23 |
| Convertible bonds | | | | | | | 238 | | 238 |
| **Liabilities** | | | | | | | **16,324** | | **16,324** |
| **Other segment informations** | | | | | | | | | |
| Segment investment | 115 | 21 | 78 | 28 | 20 | - | 262 | - | 262 |
| Segment amortisation | 715 | 64 | 116 | 40 | 56 | - | 991 | 44 | 1,035 |
| Asset impairment charges | 194 | - | - | - | - | - | 194 | 943 | 1,137 |
| Essential disposal expenses | 150 | - | - | - | - | - | 150 | - | 150 |

## (42) Risk management

### a) Contingency risks

Through the use of appropriate control procedures and instructions based upon experience, the group ensures that services are only provided to those customers who in the past have proved themselves to be creditworthy or that in the case of new customers the risk is kept within reasonable bounds. Furthermore debt management is organized in such a way that some risks can be identified at an early stage and appropriate counter-measures taken.

### b) Change in interest rates

With the exception of the employees' stock-option plan, the group is entirely financed by its own equity and has no credit-liability or other long-term interest-bearing liabilities. Consequently, the group has no significant exposure to the risks associated with a change in interest rates.

### c) Liquidity risks

The Group appears currently to be holding sufficient cash and cash equivalents to be able to meet its payment obligations.

### d) Exchange rate risks

The group operates in Europe including the non-Euro subsidiaries in Denmark, Sweden and Great Britain. The year-end financial statements contain no financial liabilities in foreign currencies. Thus, for all practical purposes exchange rate change risks only exist in respect of internal financing arrangements with the British subsidiary. Exchange rate fluctuation risks within the operations of the group are therefore classified as being not significant.

## (43) Income and expenditure relating to other periods

In fiscal year 2004, AdLINK recorded expenditure amounting to EUR 38k (prior year: EUR 192k) and income of EUR 150k not relating to the period. The majority of the income arose from the reversal of an accrual formed for legal disputes amounting to EUR 150k. The expenses relate to tax payments arising from the closure of DoubleClick Benelux BV.

## (44) Other financial commitments and contingencies

### a) Rent and other services

In January 2004, a new 3-year IT service agreement was signed in connection with server technology resulting in liabilities of EUR 155k as of December 31.

In the fiscal year 2002, AdLINK signed an agreement for the provision of DART services. The agreement has a term of ten years. The terms and conditions of the agreement were adjusted in December 2003. Costs of EUR 1,562k were incurred during fiscal year 2003. The financial liability for 2005 amounts to EUR 1,800k. Comparable levels of expenditure are anticipated in the following years up to January 28, 2012.

As of December 31, 2004, the future obligations from lease agreements came to EUR 1,850k as shown below:

| Residual terms of lease agreements | EUR k |
|---|---|
| < 1 year | 558 |
| 1 to 2 years | 531 |
| 2 to 3 years | 410 |
| 3 to 4 years | 284 |
| > 5 years | 67 |
| **Total** | **1,850** |

Obligations from other agreements, leasing of office furniture and fixtures and, in particular, vehicles amounted to EUR 617k as of December 31, 2004. All leasing agreements are operative leasing agreements.

| Residual terms of operative leasing agreements | EUR k |
|---|---|
| < 1 year | 217 |
| 1 to 2 years | 207 |
| 2 to 3 years | 185 |
| 3 to 4 years | 6 |
| > 5 years | 2 |
| **Total** | **617** |

### b) Contingent liabilities, other liabilities and other possible claims

The taking over of the old rental agreement of AdLINK Switzerland means that a right to make a claim for return compensation still existed on December 31, 2004 (a maximum amount of CHF 30k) against AdLINK Switzerland in the event that the lessor made a claim concerning the guaranteed rental income.

There is also an obligation to make further contributions in respect of AdLINK Switzerland, should the net asset value of AdLINK Switzerland on December 31, 2004 vary from the agreed sum under the terms of the joint venture agreement. At the moment, however, no material impact on the financial results of the Group is expected.

A tax audit took place recently at AdLINK Internet Media AG in respect of the assessment period 1998 to 2001. The resulting consequences were not fully identifiable at the time of the balance sheet date. AdLINK anticipates that the audit will be concluded in 2005 and that the outcome will not have any significant impact upon the financial position of the Group.

Based upon the interlocking relationship regarding trade tax matters between United Internet AG and AdLINK during the years of 2000 and 2001, United Internet AG has been allocated the appropriate loss and has made use of this in its trade tax assessment. In the event that future taxable profits earned by AdLINK result in an additional tax liability for AdLINK as a consequence of the earlier interlocking relationship affecting trade tax, there is a contractual right existing for a reimbursement claim to be made against United Internet AG. This reimbursement claim is limited to the present value of the taxation-relevant losses made by AdLINK, as used by United Internet AG. The taxation-relevant losses made by AdLINK referred back to United Internet AG amounted to EUR 15,543k. As of December 31, 2004 AdLINK had not taken any advantage in their accounts of these future claims for reimbursement.

Furthermore, the Management Board is not aware of any facts which might have a significantly disadvantageous effect upon the company's activity, its financial circumstances or the trading result.

Montabaur, February 25, 2005

The Management Board

Guy Challen Stéphane Cordier

# Development of fixed assets according to IFRS

**AdLINK Internet Media AG, Montabaur**

| | Acquisition costs | | | | | Accumulated depreciation | | | | | Net book values | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01.01.2004 EUR | Additions EUR | Disposals EUR | Rebooking EUR | 31.12.2004 EUR | 01.01.2004 EUR | Additions EUR | Disposals EUR | Rebooking EUR | 31.12.2004 EUR | 01.01.2004 EUR | Currency translation adjustment | 31.12.2004 EUR |
| **Intangible assets** | | | | | | | | | | | | | |
| Licences, trade mark and others | 1,382,079 | 413 | 112,082 | 0 | 1,270,410 | 1,158,332 | 139,383 | 107,594 | 0 | 1,190,121 | 223,747 | –465 | 79,824 |
| Software | 727,120 | 41,558 | 174,769 | 0 | 593,909 | 590,800 | 104,106 | 174,943 | 0 | 519,964 | 136,320 | 0 | 73,946 |
| Prepayments | 10,700 | 66,734 | 10,700 | 0 | 66,734 | 0 | 0 | 0 | 0 | 0 | 10,700 | 0 | 66,734 |
| Intermediate total Licences/Software/ Prepayments | 2,119,899 | 108,705 | 297,551 | 0 | 1,931,053 | 1,749,132 | 243,489 | 282,537 | | 1,710,084 | 370,767 | –465 | 220,504 |
| Goodwill | 34,859,401 | 0 | 0 | –1,793,076 | 33,066,325 | 19,739,401 | 4,035,000 | 0 | –542,076 | 23,232,325 | 15,120,000 | 0 | 9,834,000 |
| | 36,979,300 | 108,705 | 297,551 | –1,793,076 | 34,997,378 | 21,488,533 | 4,278,489 | 282,537 | –542,076 | 24,942,409 | 15,490,767 | –465 | 10,054,504 |
| **Tangible assets** | | | | | | | | | | | | | |
| Property and plant Equipment | 2,329,922 | 161,390 | 1,182,989 | 0 | 1,308,323 | 1,958,290 | 213,099 | 1,132,895 | 0 | 1,038,494 | 371,632 | 2,642 | 272,471 |
| | 2,329,922 | 161,390 | 1,182,989 | 0 | 1,308,323 | 1,958,290 | 213,099 | 1,132,895 | 0 | 1,038,494 | 371,632 | 2,642 | 272,471 |
| **Financial assets** | | | | | | | | | | | | | |
| Equity investment | 0 | 1,000,102 | 0 | 1,793,076 | 2,793,178 | 0 | 299,000 | 0 | 542,076 | 841,076 | 0 | 0 | 1,952,102 |
| Other financial assets | 129,386 | 0 | 20,194 | 0 | 109,192 | 0 | 0 | 0 | 0 | 0 | 129,386 | 0 | 109,192 |
| | 129,386 | 1,000,102 | 20,194 | 1,793,076 | 2,902,370 | 0 | 299,000 | 0 | 542,076 | 841,076 | 129,386 | 0 | 2,061,294 |
| | **39,438,608** | **1,270,197** | **1,500,734** | **0** | **39,208,071** | **23,446,823** | **4,790,588** | **1,415,432** | **0** | **26,821,979** | **15,991,785** | **2,177** | **12,388,269** |

# Auditors' Report

We have audited the consolidated financial statements prepared by AdLINK Internet Media AG, Montabaur, consisting of balance sheet, statements of income, changes in shareholders' equity, cash flows and the notes for the fiscal year from January 1 to December 31, 2004. The preparation and content of the consolidated financial statements are the responsibility of the Company's Management Board. Our responsibility is to express an opinion, based on our audit, whether these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

We have conducted our audit of the consolidated financial statements in accordance with German auditing regulations and generally accepted standards for the audit of financial statements promulgated by the IDW ("Institut der Wirtschaftsprüfer in Deutschland": Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that it can be assessed with reasonable assurance whether the consolidated financial statements are free of material misstatement. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows of the Group for the fiscal year in accordance with IFRS.

Our audit, which also extends to the Group Management Report prepared by the Management Board for the fiscal year from January 1 to December 31, 2004, has not led to any reservations. In our opinion, on the whole the Group Management Report together with the other disclosures in the consolidated financial statements provides a suitable understanding of the Group's position and suitably presents the risks of future development. In addition, we confirm that the consolidated financial statements and the Group Management Report for the fiscal year from January 1 to December 31, 2004 satisfy the conditions required for the Company's exemption from its obligation to prepare consolidated financial statements and the Group Management Report in accordance with German law.

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Fluck | Mair |
| Wirtschaftsprüfer | Wirtschaftsprüfer |

Eschborn/Frankfurt am Main, February 25, 2005

# Report of the Supervisory Board

The Supervisory Board of AdLINK Internet Media AG fulfilled its statutory consultation and control duties during the period under review. We regularly advised the Management Board and monitored their management of the Company. We were directly involved in all decisions of fundamental significance for the Company.

The Management Board presented the Supervisory Board with a comprehensive report every quarter about the state of business, the development of sales and the position of the Company. The Supervisory Board was also informed about the Company's strategy and planning, as well as intended business strategy and the Company's profitability. The reports were made available to all members of the Supervisory Board. On the basis of these reports on AdLINK Internet Media AG, the Supervisory Board was able to monitor all important business transactions and to provide advice where necessary. The Chairman of the Supervisory Board was also kept regularly informed by the Management Board on all business activities and gave advice on questions of business policy.

The Supervisory Board met 4 times in financial year 2004. The Supervisory Board did not form any committees. No conflicts of interest of any member of the Supervisory Board became known to the Supervisory Board in the year reported.

The most important subject of the individual meetings of the Supervisory Board were:

**Meeting on March 17, 2004:** The presentation and discussion of the 2003 annual accounts and the Group accounts of AdLINK Internet Media AG, the Group Management Report for the 2003 financial year, the audit report and the explanations of the auditor were in the foreground at this meeting of the Supervisory Board. The 2003 audited annual accounts of AdLINK Internet Media AG were approved and the Group accounts, which were also audited in accordance with US-GAAP and were approved in the presence of the appointed auditor, Ernst & Young AG Wirtschaftsprüfungsgesellschaft. The invitation and all points of the agenda for the ordinary Annual General Meeting in May and the remuneration report to be presented by the Chairman of the Supervisory Board were discussed and agreed with the Management Board.

**Meeting on May 17, 2004:** The first meeting of the Supervisory Board with the newly elected members, Ruben Regensburger and Lutz Laffers, took place after the Annual General Meeting. Apart from the accounts for the first quarter of 2004, the progress in the development of a business section for Permission Marketing (Composite Digital Media) was discussed intensively and advice was given concerning the European growth strategy in this section.

**Meeting on August 9, 2004:** The focus of this meeting was the half-yearly report as of June 30, 2004 and the further prospects for the current financial year. The possible setting up of a staff development programme, whose aim is to develop key employees and retain them within the company, was discussed with the Management Board. In addition, the Management Board presented a report about the development of AdLINK Switzerland, which was merged with the Swiss marketer Goldbach Media at the beginning of 2004. Following a high loss in the previous year, the joint venture could make a profit in 2004.

**Meeting on November 24, 2004:** The further growth strategy of the AdLINK Group was discussed, apart from the reporting of the Management Board concerning the results as of September 30, 2004. The discussion and adoption of the Group planning, the trading volume and the results planning of the national companies for the 2005 financial year were also an important subject of the meeting. The German Corporate Governance Codex was discussed and the adjustments of the annual declaration of conformity in relation to the corporate governance behaviour of AdLINK Internet Media AG were decided.

The 2004 Annual General Meeting voted Ernst & Young AG Wirtschaftsprüfungsgesellschaft with its headquarters Eschborn/Frankfurt am Main, as the auditor of the accounts for the 2004 financial year. Ernst & Young audited the accounting, the annual accounts of AdLINK Internet Media AG, the Group accounts in accordance with IFRS and the Group Management Report for the 2004 financial year. The risk management system was also audited and significant components of it were analyzed within the framework of the auditing of the annual accounts by Ernst & Young. The auditor of the accounts gave an unqualified certificate in each case.

The Supervisory Board satisfied itself as to the independence of the auditors.

The annual financial statements and the audit reports of the auditor were presented to all the members of the Supervisory Board for viewing punctually. The auditor participated in the meeting of the Supervisory Board on May 15, 2005 to approve the accounts. He reported about the significant findings of his audit and was available to us for additional information. Following its own examination, the Supervisory Board came to the conclusion that the annual accounts, the Management Report, the Group accounts and the Group Management Report did not give cause for any objection. The Supervisory Board approved the annual accounts of AdLINK Internet Media AG drawn up by the Company as of February 25, 2005 and the Group accounts drawn up by the Company on the same date, in accordance with IFRS for the 2004 financial year, on March 15 2005. The financial statements are thus adopted pursuant to see § 172 AktG.

Ernst & Young also audited the report concerning the relationships to affiliated companies ('Independence Report') drawn up by the Management Board in accordance with § 312 AktG. The auditor of the accounts reported on result of his audit and gave an unqualified report. The Supervisory Board examined the report of the Management Board concerning the relationships to connected companies. No objections were raised.

The Supervisory Board would like to thank the Management Board and all employees for their high level of commitment and successful efforts in 2004.

Montabaur, March 15, 2005

The Supervisory Board

Michael Scheeren
(Chairman of the Supervisory Board)

# Corporate Governance Declaration of conformity according to § 161 German Companies Act

In 2001 the German government established a commission in order to develop a German Corporate Governance Code. This Code was presented on February 26, 2002. On May 21, 2003, the third version of the German Corporate Governance Code was completed and published on July 4, 2003 by the government's electronic Federal Gazette. The Code summarizes the key legal regulations governing the management and supervision of listed German companies and contains national and international standards of conduct for responsible management and supervision.

The Code aims to make Germany's Corporate Governance system more transparent and comprehensible as well as to promote the trust of national and international investors, customers, employees and the general public in the management and supervision of listed German stock corporations.

AdLINK Internet Media AG reports annually on whether it has adhered to the Commission's recommendations and on which elements were not applied.

The Code contains three types of standard:

- regulations describing currently valid legal standards in Germany,
- recommendations,
- suggestions.

German corporations are only obliged to observe the legal regulations.

With regard to the recommendations, the German Companies Act (§ 161) requires listed companies to publish a declaration of observance once per year.

Companies are allowed to deviate from the suggestions without the need for declaration.

The Corporate Governance principles of AdLINK Internet Media AG are anchored in the company's statutes (including its articles and rules of procedure) and as such determine our current and future behavior. These principles differ in certain aspects from those of the German Corporate Governance Code, in the version dated May 21, 2003:

**Deductibles in the case of D&O insurance policies**

Should a company take out a so-called D&O insurance policy (directors and officers' liability insurance) for its Management Board and Supervisory Board, the German Corporate Governance Code recommends that a suitable deductible be agreed.

AdLINK Internet Media AG is not of the general opinion that the motivation and responsibility with which the members of its Management and Supervisory Boards exercise their duties can be improved by such a deductible. AdLINK Internet Media AG does not therefore have any arrangement for deductibles and does not plan to change its current D&O policies, which do not provide for any deductibles for members of executive bodies.

**Remuneration of Management Board members**

The German Corporate Governance Code recommends that the remuneration of Management Board members should be listed in the notes to the company's consolidated annual financial statements according to fixed components, performance-related components and long-term incentive components. The Code further recommends that these details be made on an individual basis.

With respect to the disclosure of Management Board remuneration according to fixed components, performance-related components and long-term incentive components, AdLINK Internet Media AG follows the Code's recommendations. The recommendation to publish these details on an individual basis will be observed as of fiscal year 2004.

**Compensation of Supervisory Board members**
The German Corporate Governance Code recommends that the compensation of Supervisory Board members should also take into account the exercising of the Chair and Deputy Chair positions in the Supervisory Board as well as the chair and membership in committees. The Code also recommends that the members of the Supervisory Board receive a performance-oriented remuneration in addition to their fixed payments.

In the case of AdLINK Internet Media AG only the Chair position in the Supervisory Board is considered; there are also currently no plans to introduce performance-oriented remuneration.

**Audit Committee**
The German Corporate Governance Code recommends that the Supervisory Board set up an Audit Committee which, in particular, should handle issues of accounting and risk management, the necessary independence required of the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement.

The Supervisory Board of AdLINK Internet Media AG currently consists of six members. Subject to the approval of the Annual General Meeting, the Supervisory Board shall be downsized to three members. In addition to their other duties, these three members will continue to deal as a group with the above-mentioned topics. A (separate) Audit Committee should only be formed if there are more than three members.

Montabaur, December 2004

# Glossary

**AdClicks:** Frequency with which a user clicks on an advertising banner.

**AdClick-Ratio:** The AdClicks – AdImpression ratio indicates the percentage of AdImpressions which lead to a click on the advertising banner, also called Click-Through-Ratio.

**AdImpressions/AdRequests:** Frequency with which an advertising banner and/or the advertising medium page is loaded by a user and thus, presumably, viewed.

**AdServer:** Banner management system which inserts different advertising banners on the basis of certain criteria, to enable predetermined target groups to be addressed and also to facilitate the centralized scheduling of advertising.

**Advertising format/medium:** Media which transports the message to the audience.

**Banner:** A banner can be a preprogrammed advertising space on a website or an advertising format.

**Branding:** Impressing brand names on the user by means of a variety promotional measures.

**Channel:** Classification of Internet offerings on the basis of different sectors, e.g. finance, IT, entertainment or travel.

**ContentAd (also "Rectangle"):** Advertising space on a website which is placed in the middle of the website content.

**Cost per click:** Price model based on the number of users who have clicked on the advertising banner.

**Cost per interest:** Price model based on the number of prospective customers generated for the advertiser by placing an advertising format on a website, e.g. through the completion of a questionnaire or a coupon.

**Cost per lead:** Price model based on the number of addresses generated by an advertising format.

**Cost per Order:** Price model based on the number of users who have ordered the advertiser´s products as a result of advertising placed on a website.

**Direct Marketing:** Advertising campaigns with the purpose to contact members of preselected target groups individually. This can be done by means of printed mailings but also through electronic mails, newsletters or SMS.

**Double-Opt-in procedure:** The recipient of e-mail or newsletter expressly requests the transmission of the messages. As a first step he confirms the registration in the database. In a second step he checks the data before the address is added to the database. The recipient can withdraw the permission to distribute messages at any time.

**Interactive TV ad:** An advertising format which can reproduce TV campaigns on the Internet.

**Interstitial/Superstitial:** Special pop-up format which allows the implementation of larger multimedia-ads into websites. Interstitials/Superstitials download in the background while the user browses.

**LayerAd:** Content overlying advertising form which move over the content and disappears after a maximum of 10 seconds.

**Media sales:** Marketing of advertising space on the Internet, TV, Radio or in printed documents.

**Microsites:** Embedding and linking product and company information on an advertiser´s website.

**One-stop shopping:** Centralized handling of pan-European advertising campaigns by an online marketing company which is represented on foreign markets by network partners – on the principle of "one campaign, one contact partner, one report, one bill".

**PageImpressions:** Frequency with which a website has been accessed by a user. PageImpressions are the most important measure of the reach of a website.

**Pop-ups:** Advertising windows which are superimposed on a website during navigation.

**Response:** Direct impact of a marketing activity on the market, e.g. a sales increase which can be directly attributed to an advertising campaign.

**Skyscraper:** Long advertising format which looks like a "skyscraper", optimizing layout and format.

**Sponsoring/Sponsorship:** Close linkage of an advertising message to the existing area of an Internet offering in such a manner that the advertiser appears as the sponsor of the content.

**Streaming:** Display of commercial spots/videos on Internet platforms. Streaming videos start showing while download is still in progress.

**Targeting:** The banner is only inserted in the case of those users who have been predefined as a target group. Thus, the advertising message is directly targeted at potential customers.

**Universal AdPackage:** Format definition of the Internet Advertising Bureau (IAB), with the objective of unification and standardisation from online advertising to few formats with more advertising space.

**Visits:** Visits to an Internet offering by an user. If nothing is called down within a certain period of time, the visit has ended.

Ad'LINK
Internet Media AG

Elgendorfer Strasse 57
D-56410 Montabaur
+ 49 (0) 26 02 - 96 18 23
+ 49 (0) 26 02 - 96 10 13
investorrelations@adlink.net
www.adlink.net