



Annual Report 2001





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Dear shareholders and business associates,

During the fiscal year 2001, INTERNOLIX AG was profoundly revamped. Almost its entire management team was replaced and the whole group subjected to a strict – and in certain cases hardline – restructuring course designed to establish a new business model for the firm.

The Background Situation

Resulting from implementation of the far-reaching restructuring measures, the new management team, and myself in particular, both came under public scrutiny. In the following, I will describe why the restructuring became necessary, job reductions unavoidable and a brand new orientation of company policies imperative.

In accordance with legal publication obligations and the concept of 'shareholder value', it is a firm's duty to communicate any important events during the past fiscal year to shareholders, business associates and the financial sector. Furthermore, it is a matter of personal interest for me to clarify INTERNOLIX's route from being an e-Business provider targeting individual clients to a media group focusing on mass consumer markets.

In essence, the resolution passed at the general meeting, held in May, to open up new growth perspectives with a new management team was also a decision regarding the continued existence of INTERNOLIX.

One of the many questions I was asked during the restructuring and new orientation process has a particular significance: What does the new INTERNOLIX still have in common with the old company?

The way that business has developed during the second half of the fiscal year proves that considerable synergies exist to be tapped, and also that innovations – such as, for instance, the online exchange market "BOOOSTER" – will only result from the melding of software expertise with new development initiatives.

Yet in order to set free the potential to develop software applications lying dormant within INTERNOLIX, a way had to be found to separate the wheat from the chaff. The restructuring of the group took on the highest priority.

Restructuring

Why had it become essential to instill a 'new spirit' in the INTERNOLIX group, in order to establish a clear perspective for the future?

The fog that had descended over INTERNOLIX during the past two years had obscured its view of market developments, and thus also of its clients' needs.

Over time, what had, at the firm's inception, originally appeared as an investment in the future – namely of investing large sums in marketing and a course of international expansion – proved to be an over-blown business model.

The original strategic orientation of offering inexpensive e-Business solutions to a broad market could not be realised utilising the existing strategic concept. Operating performance during the first half-year fell well short of the high expectations communicated at the beginning of the year.

Expressed briefly: INTERNOLIX was incapable of effectively utilising the high potential it possessed. The marketing of e-Shop solutions failed not only as a result of the difficult and volatile conditions governing the market. A sense of proportion could have predicted the economic downswing of the e-Commerce sector, whilst just such a drop only partly explains why the firm's financial development lagged so far behind its carefully formulated and highly detailed predictions.

A Dramatic Drain on Liquidity

To maintain its original business model, INTERNOLIX was forced to continuously devour funds from its stock market floatation – without thereby generating any significant sales.

With a business concept that is unworkable in the long term, over time, company policy that incorporates high rates of fixed costs with low sales imposes a drain on shareholders that had invested in INTERNOLIX's future.

It became apparent during the first half-year of 2001 that to continue with the existing company policy would result the firm's insolvency in the foreseeable future. IPO funds were being consumed up to a rate of €3.2 million per month.

At first sight, it may have appeared that the weak economic state of the IT sector, and of developments within the e-Commerce segment in particular, were the primary factors responsible for INTERNOLIX's poor sales. Yet this was not borne out by the firm's costs and income figures.

INTERNOLIX was not suitably organised to meet market developments. Marketing was too extensive and the individual sites unprofitable. Now, INTERNOLIX still stands for inexpensive, quality e-Business solutions, especially among e-Shops in the e-Commerce segment.

Nonetheless, it proved impossible to manoeuvre existing development expertise into profitable marketing routes. In this regard, an overweighted cost block effectively stifled any flexible and demand-orientated configuration of our product and services spectrum.

New Trend Set at General Meeting

The wholly unsatisfactory development of business operations during the first five months of the fiscal year led to shareholders taking critical stock of its business policies at the company's general meeting on May 29 2001. It was established that continuation of the original business model in its existing form was untenable.

Decisions regarding personnel were reached during the general meeting that provided a basis upon which to initiate a restructuring of the INTERNOLIX corporate group. A decisive aspect of this was my taking over of a significant portion of the firm's nominal capital. As of May 23 2001, I own a share exceeding 25.1% of the nominal capital. This enabled the general meeting to place the management and control of INTERNOLIX AG in other hands.

The New Team

Dr. Rainer Bommert, Klaus Kahler and Randolph Krings have been elected to posts on the supervisory board. The supervisory board elects Dr. Bommert as its chairman and also appoints Markus Tarara as a further member at the general meeting. I was elected to become chief executive officer as of 04.07.2001. Simultaneously, Dr. Luigi Carlo De Micco resigned from the board. Steffen Hantke was appointed chief financial officer as of 01.10.2001.

The Most Important Measures

The process of restructuring the group began after the general meeting had convened, and was essentially concluded by the end of the third quarter. The focus was on two objectives. For one, INTERNOLIX's cash burn rate needed to be swiftly and effectively reduced in order to protect the firm's liquidity.

Additionally, the group's structure had to be adapted to market demands. This entailed a significant reduction of staff and monitoring of the firm's worldwide locations in terms of their profit-earning capacities.

Particularly drastic measures were introduced in the firm's marketing operations. Thus, the operative business activities of all those overseas marketing companies belonging 100% to the group were shut down. Other participations (e-wave SA, Paris and INTERNOLIX, Tunisia) were either sold, or, as in the case of Conceptware AG, written down to zero.

A restructuring process is only rigorous enough when it extends beyond the mere focus on cost factors to be incorporated in a continuing concept. In addition to its restructuring measures, INTERNOLIX simultaneously introduced a new strategic orientation. By the end of the year, a profile had been developed for INTERNOLIX as a digital media group.

This means that the areas of operation and thus also the focus for business activities have both been altered. The restructuring process and new orientation were successfully implemented.

The New Business Model

The strategic goal of the new management team is to open up mass consumer markets.

Even before the management changeover, consumers had already been defined as a target group, in particular regarding the marketing of e-Shop solutions. The use of indirect marketing systems at numerous overseas locations offered no direct address of this target segment – with the result that this area generated more costs than income.

What does INTERNOLIX intend to achieve with its orientation as a media group?

e-Business

Firstly, lead the e-Business area back into black figures. As developments during the fourth quarter demonstrate, this is proving successful. This necessitated adapting capacities to developments in the market, and further developing our product and service offers.

Following the management changeover, the company's heavy cash burn rate of up to €3.2 million per month was reduced to roughly €300 K. Marketing partnerships struck up with renowned software and consulting firms enabled the company's marketing and support areas to be largely eliminated.

e-Shop solutions continue to be marketed, albeit through a slimmed-down marketing structure. Moreover, the quality of performance and resources of these e-Shop solutions have been improved.

INTERNOLIX's depth of expertise and competency at developing solutions radiate positively in these business areas. Without proficient software skills it is extremely difficult to depict complex processes in digital media. The other business areas will also profit from this inherited knowledge.

Digital Media

As a media group, INTERNOLIX will maximise the creation of value from content presented on all forms of digital channels. The focus is on addressing individual mass consumers via the digital media DSL, the internet and cable TV. INTERNOLIX thereby perceives itself as a utiliser of content, distributing target group-orientated content via these channels.

The output chain incorporates both the individual distribution channels and also the e-Business business area.

Details concerning the outlined objectives and appropriate strategies developed for this area are covered in the following chapter 'INTERNOLIX - The Media Group for Mass Consumer Markets'.

The chapter provides detailed descriptions of individual products, the respective marketing approach and expertise garnered in the new business areas.

A Clear Swing in Results for the Second Half-Year

Figures for the third quarter clearly manifest the success of INTERNOLIX's restructuring course. Implementation of far-reaching cost-reduction measures and the establishing of new business areas have achieved a classic operative turnaround. For the first time, income before interest, tax and depreciation jumped into the black.

This trend was resolutely continued in the final quarter of the fiscal year, enabling earnings before interest and tax (EBIT) to be likewise in the black.

The development in sales makes the successful strategic new orientation of the business areas apparent. The lion's share was attributed to the new business areas. Sales contributions generated by subsidiary company camPoint AG, in particular, confirm that the cross-over path taken towards becoming a media group is progressing even better than planned.

As the online exchange market "BOOOSTER" went live in November, it was met by a favourable user response on the internet. Increased integration of "BOOOSTER" in premium portals will rapidly promote it to an innovative communication platform of the future, offering sales, exchanges, search possibilities and video chats.

The product's technical profile as a mini browser renders it an interesting source of income to portal providers.

Positive Business Developments

Business developments outstripped expectations during the second half of the fiscal year to end positively. Measures implemented to cut costs fulfilled their objective of steering the group's course into calmer, safer financial waters.

In relation to the overall fiscal year, sales of €11.2 million and an EBIT of €-41.8 million were achieved (second half of the year: sales €9.0 million; EBIT €0.9 million). The board has registered its satisfaction with these results.

Keeping the background situation in mind, the swing in results and contributions that the new business fields have made to sales further emphasise that INTERNOLIX's perspectives for growth have significantly increased.

New Perspectives for Growth

INTERNOLIX's future is as a media group. This entails us focussing all types of digital channels available to private individuals in order to reach the mass market with our products.

The board at INTERNOLIX foresees a strong potential for growth in this strategic new orientation. We are confident of being able to successfully continue this new orientation throughout the current fiscal year and thus operate INTERNOLIX lastingly at a profit.

It would please us if you continue to accompany us along the path to being a full media group.

Runkel-Dehrn, March, 2002

Klaus Helbert
Chief Executive Officer

INTERNOLIX – The Media Group for Mass Consumer Markets

Objectives, Strategy and Experience

INTERNOLIX AG underwent a fundamental change during 2001. The management change-over lent INTERNOLIX a new image today, heralding, as it did, a strategic new orientation. Since the middle of 2001, both its business concept and range of products mirror a corporate group that focuses solely on mass consumer markets.

The transformation from software supplier for e-shop solutions in e-Commerce to that of wide-ranging media group with software expertise and marketing experience was, and remains, a step in the right direction.

Target group: Young, Open-minded People

The company's policies focus on mass consumer market customers. Their wishes, inclinations and desires provide the focal point for a specifically-orientated range of products. INTERNOLIX views itself as an entertainment provider whose content is resolutely aimed at the target group of young and young at heart people.

During 2001 digital media was utilised to directly address this target group. INTERNOLIX has thereby managed to successfully combine internet and entertainment. Moreover, the foundation of this success was, and is, based on a product range wholly focussed on the needs of the target group of 16 to 49 year olds. The combination of the immense possibilities presented by digital media such as the internet, plus the offer of an attractive contents package, provided the key needed to unlock mass consumer markets.

Innovative Addressing of Customers via Digital Media

Digital media provide the 'playgrounds' for new trends, and also the platforms required to promote innovative and interactive forms of communication. Therefore, INTERNOLIX's evolution into a media group inevitably transpired via the use of digital channels. For only these provide the potential to rapidly establish new forms of marketing at a manageable cost.

INTERNOLIX used its software competency in order to develop new forms of communication, entertainment and information digital media. The innovative internet tool 'BOOOSTER' is one indication of their success.

This online exchange market for private advertisements in digital form, which combines numerous communication functions – such as videochat, SMS, email and its user-friendly interface concept – is a new and inexpensive instrument that enables people to buy, exchange, search and chat. It is prototypical for the rapidly emerging trend to communicate with moving images. INTERNOLIX has placed itself at the forefront of this trend and now aims to tap into this exciting new mass consumer market.

Strategy: Utilise Innovative Media

'BOOOSTER', featuring now on premium internet portals, such as, for instance Lycos, Beate Uhse TV etc, represents only one example of the way INTERNOLIX is busy marketing its technical expertise.

Orientation towards the mass consumer markets requires not only a high level of professionalism in dealing with digital media. Market success in the internet arena necessitates an innovative approach, coupled with a range of contents orientated strictly towards the target group. This means that a company must be highly familiar with the requisite target group and its needs.

So which themes and contents distinguish the mass consumer markets that INTERNOLIX focuses on?

The terms 'Tabloid' or 'Popular Press' essentially encapsulate the themes that interest the majority of the populace: Lifestyle, news, eroticism.

Experience: Expertise in Tabloids and Internet Portals

INTERNOLIX's new management team has now supplied it with a broad range of experience in dealing with the distribution of marketable themes aimed at mass consumer markets.

A glance back to the nineties will demonstrate that having a nose for the market combined with the courage to publish new conceptual formats can open up lucrative niches, even in the most saturated of markets. One example of this is the Klaus Helbert Verlag, whose shares were sold by the chief executive officer at the end of 2000.

Here, market leaders in the print segment were published. With Coupé, Blitz-Illy and Piep, magazine titles were created and established that appealed directly to the taste of younger people. Ever since their launches at the beginning of the nineties, these magazines have been speaking their own language in a fiercely competitive market. The new styles catapulted the titles rapidly into the range of leading magazines dealing with the themes of eroticism and popular news stories, gaining them a wide audience.

As the internet evolved as a medium for communication and information for general use, the portal www.coupe.de began its own success story. Within a very brief period, the colourfully designed and youth-orientated portal managed to garner a very high user frequency. The expertise required to market target group-orientated products in the print arena was thus successfully transplanted to the digital medium internet.

Early Recognition of the Trend Towards Digital Communication

The increasing trend towards using digital media as the primary source of information and entertainment is especially evident among people aged between 16 and 40 years old. This trend was recognised early, and the decision was made to address the mass consumer markets increasingly via digital media.

How is this promising market constellation shaped?

- Rapid dissemination of the internet as a consumer medium among young people.
- High growth rates of its use as an entertainment and communication medium.
- Internet portals that provide target group-orientated content, access, charges for usage and communication possibilities are still in their infancy.

Fundamentally, people who use the internet as a daily tool display the same structure of needs as people who have no distinct affinity towards the digital media.

This was essentially the core incentive – to directly address these needs.

Objective: To Maximise Income via Every Digital Media

With this statement of intent, INTERNOLIX's new management has defined the company's range of service. Software competency already in place and the influx of marketing expertise represent, together, an excellent combination of qualities for opening up mass consumer markets in digital media. To facilitate comprehensive access to the target groups, however, appropriate use will also be made of the media channels cable TV, telephony and print.

In addition to a marketing strategy, material sources also play a vital role in the company's range of products. In this regard, INTERNOLIX will make use of a comprehensive library of film material and images, for which the group owns the exclusive licensing rights via digital media.

The following offers two examples from INTERNOLIX's services spectrum to demonstrate the way that dynamic contents – those unfolding afresh each day as a result of interaction between different internet users – can also have a strong effect on other users.

Prominent Examples 'visit-X.de' and 'BOOOSTER.de'

Two examples of a successful mix of content, customer needs and up-to-the-minute style are the erotic portal 'visit-X.de' which incorporates live video chats, and the online exchange market 'BOOOSTER' in the non-erotic segment.

Visit-X.de

A subsidiary of INTERNOLIX, camPoint AG, is the successful provider of this video chat application. In addition to software solutions, tailor-made complete solutions are also supplied by the firm: From consulting through web design, realisation right up to the integration of downstream systems and customer services. Numerous internet portals, such as Lycos and Tomorrow, already make use of this full-service offer from INTERNOLIX in order to extend the services offered on their homepages to include eroticism.

The erotic live video chat service 'visit-X.de' is currently the largest European chat community. Through it, more than 35,000 amateurs offer glimpses of their private lives and most intimate secrets. On average, over 500 cams are switched on live at any time in a wide variety of categories, including, for example girls, boys, couples, S&M, fetishes, lesbian, voyeur, gay etc.

The Idea

Using a modified web design, platform for erotic video-chats displaying amateurs can also be marketed to other portal providers. All visitors to the portal thereby gain access to the same 'content memory' of performers. The more portal providers join up in this regard, the greater is the multiplier effect on the number of performers. As the base homepage, 'visit-X.de' surpassed this critical size a long time ago.

The business model is based on a division of sales between the platform internet portal, the performers (visit-X broadcaster) and camPoint – responsible, as the operator, for billing, security and youth protection.

The Content

Each visitor to 'visit-X.de', or one of the linked pages set up by another portal provider, has the opportunity to engage in a live video-chat with any of the performers (broadcaster) and also directly influence what is happening on the screen. Chats are possible both with a full screen image, and as 'keyboard chat'. Performers voices can also be heard via audiostream. Furthermore, all of the amateur performers may be called live per telephone via a telephone button and PIN number listed under their signature image.

Registration and Payment

Only the video-chat and telephone services within the Visit-X community incur a fee – whereby each performer or broadcaster decides on their individual price. Visitors are provided with all types of modern methods of payment. Registration is free, while membership offers a variety of benefits. For example, free offers of access to all of the broadcasters' private homepages, several picture libraries with over 500,000 images, text-chat and other things.

Registration is unnecessary with 'anonymous instant access' via modem, ISDN, DSL or LAN. Users are given access to the video-chats via download. To do this, the existing internet connection is severed and a new one established via a different number incurring a set charge. Billing is included in customers' telephone invoices.

With regard to payment, users may choose between credit cards, bank transfer, EC cards and payboxes. Online prepaid accounts can also be used if a valid bank account or EC card number is available.

Security

All conventional methods of establishing a user's age are used before access is granted. Therefore, the following systems are activated before any free offers are made available:

Europe's largest youth protection system 'X-Check', the system from Praline 'Praline-Check', plus 'Adult-check', one of the largest systems worldwide. Additionally, other systems utilised include 'Cyberage-check', 'Checkin 2000', the system from 'X-Access' and the 'XXX-Key' system.

Expertise

'Visit-X.de' has advanced to become the leading video-chat portal for amateurs in Europe, encompassing the largest number of broadcasters. It therefore stands a very good chance of being incorporated by the other premium portals aiming to augment their eroticism page with offers of this nature.

For INTERNOLIX, visit-X has been a true success story. It embraces subtle, complex software solutions, technological expertise in transmitting moving images and, finally, a content structure that is constantly being automatically updated by dint of the interaction between users and broadcasters.

BOOSTER.DE

The market for private advertisements is flourishing worldwide. An established facet of the print arena – it can also be transferred to the digital internet medium.

BOOOSTER provides an online supplement to the market for private advertisements, whilst its technical structure as a mini browser enables it to offer a multi-functionality and thus a new form of communication on the internet:

- Private products at the touch of a button: buying, exchanging, trading, searching
- Make contact with singles via a video-chat (instant contact)
- Watch videos
- Email / SMS / Messenger / Friends
- Additional functions are in the pipeline.

In comparison with printed advertisements, BOOOSTER offers many advantages to all taking part.

For buyers:

- A large databank containing many offers
- The comfort of viewing offers from your own home
- Ability to set up a search profile
- Automatic notification
- Simple operation
- An uncluttered and time-saving layout

For sellers:

- Free software
- Download in 1 minute
- Simple operation
- The comfort of writing adverts from your own home
- Quick and free access to a huge group of interested people
- Anonymous mediation

The Concept

BOOOSTER can be downloaded for free and even use of the first action field is free. Because BOOOSTER incorporates numerous action fields, each additional action field is charged at a rate of €0.1 per day, following an individual introductory phase, and the total sum charged monthly to a credit card, EC card or bank account by direct debit.

Contents of the online exchange market alters according to participants' supply and demand. Video or music clips introduced by INTERNOLIX itself are gleaned from its own digital library.

Therefore, films stored on digital media have more than 10.500 licenses. Also, INTERNOLIX will introduce news items and themes.

During the private download, a direct connection is established between the user and INTERNOLIX. The application's construction as a mini-browser allows us to send user-specific contents to respective users – facilitating direct advertising tailor-made to the user's interests. An iron-clad rule nonetheless, exists in this regard – a user's personal data will never be made available to a third party for advertising or other purposes.

An example: All adverts for cars, and thereby the respective advertiser, are capable of being linked via the mini-browser to anonymous advertisements on the part of insurance companies – without the insurance companies being informed who the person is. This enables target groups to be directly addressed by companies in the form of '1 to 1 Marketing'.

Expertise

'BOOSTER' is marketed without advertising, although, with intensified PR work. The innovative product 'BOOSTER' is persuasive by dint of its high quality and concomitant potential to become established as a frequently-used communication tool on the internet.

At present, several internationally-renowned premium portals have already incorporated BOOSTER in their range of services. Its market penetration will result via these multipliers. Negotiations are currently underway with other portal providers. By extending the product's communication functions, BOOSTER will manage to establish itself as a brand for modern communication on the internet and as a platform for private advertisements.

The Future is Digital

INTERNOLIX is pushing ahead with its rapid evolution into a media group. This focus being placed on digital media will continue to promise success into the future. Specific products and offers will always find their circle of clients – as the new products 'Your TV' or the erotic contact market 'kontakt.visit-X.de' prove.

Additional Products

'Your TV' provide free webcam fun for singles, offering them the chance to chat and flirt, vis à vis, around the clock.

After registering, users download the broadcasting software and then enjoy hours of live video-chats with other 'YourTV' members –free of charge.

Those really curious are able to call up their chatting partner directly via an 0190 number. The call is then forwarded to the recipient's private telephone number. Furthermore, a contact market is integrated within the homepage that makes it possible to search for a partner, flirt, or maybe even find the love of your life via a click of a mouse.

A very special kind of contact market can be found at visit-X 'Erotic dating point'. The feature of this contact market unique to the market is that it enables private individuals to create intimate XXX advertisements using a combination of text, image, audio, video, SMS and telephone messages free of charge. Users can then make direct telephone contact with the person advertising via an 0190 number. Informative video clips are available to provide instruction to those wishing to place advertisements.

Another service made available via the contact market at 'visit-X.de' is spiritual welfare of a sexual nature under a variety of 0190 numbers. Users are able to talk uninhibited about the world's favourite topic 24 hours a day here.

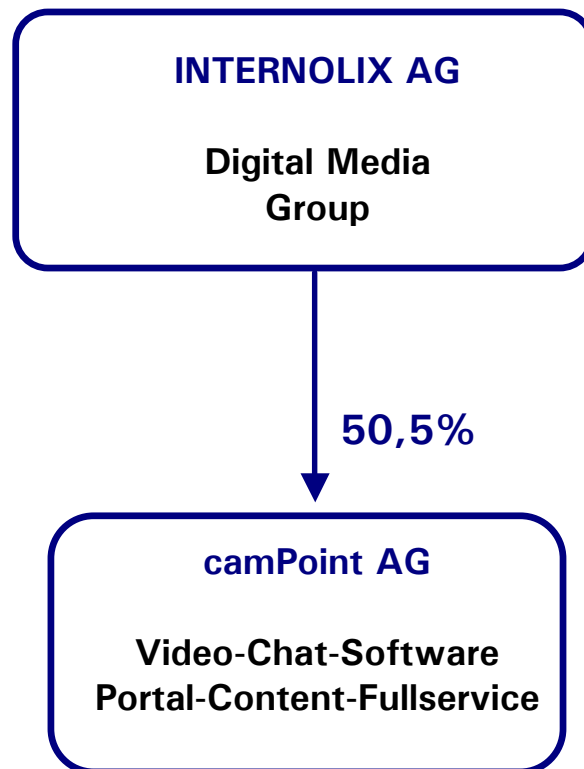
The Future of INTERNOLIX

INTERNOLIX is directly targeting mass consumer markets in all digital media. To bolster its profile in the eroticism segment, subsidiary company camPoint is promoting its branding with a unique and innovative product that enjoys increasingly high levels of user frequency.

INTERNOLIX is busy carving a profile in the sector by supplying competent software solutions offering target group-specific content. The brand name's market penetration places emphasis on the non-eroticism segment.

INTERNOLIX sees the future lying in a skilful combination of software, contents and marketing. The new approaches, especially in the internet field, demonstrate that the firm's new orientation course has significantly improved the group's potential for growth.

Group structure with its operative units as of 31.12.2001



The INTERNOLIX Shares

A difficult Time on the Stock Exchange

During the first half-year of 2001 INTERNOLIX shares performed significantly worse than the NEMAX ALL SHARE index and the sub index software. The generally turbulent period on the stock exchange, during which shareholders and investors lost confidence in the Neuer Markt growth segment, was not the only reason for this negative trend.

The share's disproportionately poor performance up to the middle of the year – when the bottom line of €1.60 was reached on April 11 2001 from a price of €19.00 at the beginning of the year – serves to emphasise the loss of faith in INTERNOLIX's former business model as a software company with internationally-expansionist ambitions. The figures published after the first quarter 2001 contradicted the ambitious objectives that had been outlined in the reports following the firm's flotation in 2000.

In addition to these business management reasons, personnel alterations at board level also contributed to the dramatic drop in share price of more than 90% less than the price at the start of the year. They fed fuel to the rumours in financial circles that problems in adhering to the strategic course were developing.

The dive in long-term interest shown towards INTERNOLIX shares became abundantly apparent in April of the reporting year. At this point, the share price scraped along at an alarmingly low level that in no way mirrored the financial resources available in the form of a high allocation of funds – which themselves justified a much higher price.

Faith in the shares had been utterly destroyed at this point in time. Both existing and potential investors adopted a wait-and-see posture. However, up to the general meeting on May 29 2001, rumours solidified regarding an impending management changeover and concomitant new business management orientation of the group. By the end of May the share price had shot up again with a rise of around €4.88 on the day of the general meeting – translating into a growth rate of more than 200%.

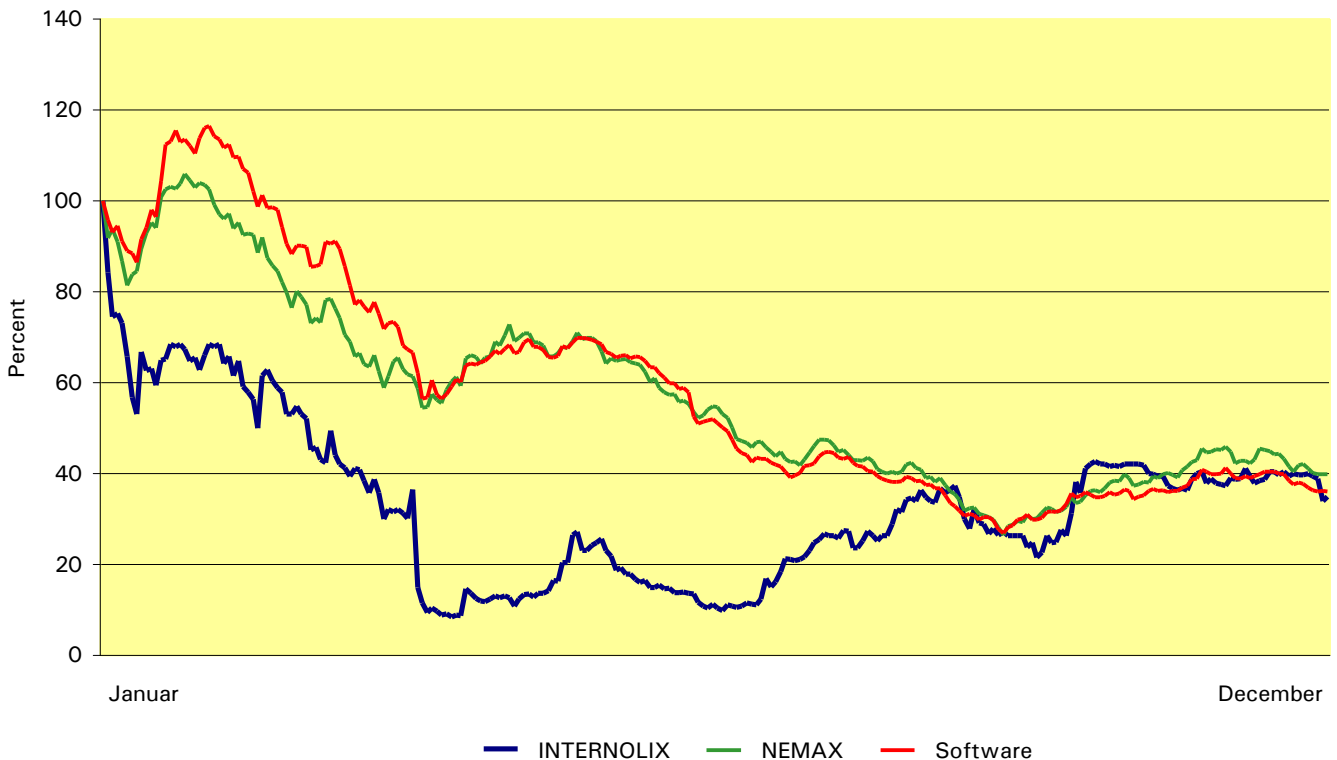
Changing trend to the middle of the year

Up to the end of the year, the changeover of the management and supervisory boards spurred the shares upwards. They attained a final price of €6.64.

This incredibly dynamic share price leading up to the general meeting had slackened off by June and July began with a price drop. However, following publication of the new business model and strict business management consolidation course in August, the price once again took off in a positive direction.

The highest share price following the management changeover was €8.10 listed on 08.10.2001. Although the share price is still 50% below its value at the beginning of the year, when compared with the indexes, throughout the year INTERNOLIX shares have outstripped market development.

Relative Share Price Developments 2001



INTERNOLIX – A Media Stock

INTERNOLIX's strategic new orientation to media group renders a comparison with the software sub index no longer meaningful.

If sales generated are anything to go by, INTERNOLIX is increasingly evolving away from its original business area of software into a group that sees its future lying primarily in providing contents to a mass consumer audience via digital media channels.

Within the business model, the field of software / shop systems still enjoys the status of profit centre, although it is only a sub section of the broad range of INTERNOLIX's product portfolio. Numerous products and services are categorised under the term online-entertainment. In view of INTERNOLIX's constant evolution into a media group, as of 2002 the media sub index will be used as a benchmark to judge the price of the company's shares.

Shareholder Structure

Major changes in the balance of shares held resulted from Klaus Helbert's involvement, who acquired

25% of the voting rights directly prior to the general meeting.

The following allocation of voting rights was registered with the board at the beginning of January 2002:

Klaus Helbert
media[netCom] AG
Klaus Kahler
AGO Treuhand GmbH
Platinum Acquisitions GmbH

Each hold more than 30% of voting rights in INTERNOLIX AG.

The voting rights of board members and supervisory board members at the end of the reporting year 2001 is as follows:

Reportable Holdings of Securities up to December 31 2001

	Shares (number)
Board of Directors:	
Klaus Helbert	104,586
	Rights to indirect purchase: 1,322,430
	Rights to subscribe: 1,700,000
Dr. Bernd Kiel	51,330
Steffen Hantke	0
Markus Tarara	0
Supervisory board:	
Dr. Rainer Bommert	0
Klaus Kahler	2,877,139 *
Randolf Krings	0

* of which 128,000 are held directly and 2,749,139 indirectly

Investor Relations

INTERNOLIX is on the best path to establishing itself as the most diversely operating media group in Europe. Certain products are becoming increasingly well-known due to the resolute way their branding strategy is being implemented. This applies to both the product portfolio in the software / shop systems field as well as to the range of entertainment products marketed via digital media.

INTERNOLIX conducts its contact with the financing sector in a similar way to its PR work for is based on an integrated approach whereby management decisions and descriptions of important strategic processes can be comprehensively communicated externally.

Such integrated forms of communication are part of a value-orientated organisational structure, in which each subsidiary company functions as a self-reliant body to contribute towards the group's overall prosperity. At the core of this structure is a determination to make a profit.

INTERNOLIX maintains a dialogue with shareholders, institutional investors, analysts and the media that is topical and transparent. At the behest of CEO, Klaus Helbert, investor relations are subject to a mid-term objective to conduct roadshows, general company presentations as well as direct contact with shareholders. During the current fiscal year, contact will be further stepped up with both private and institutional investors.

Our investor relations is all-encompassing. It extends beyond the those persons holding, or intending to hold, shares in INTERNOLIX – or those linked to the company in a professional capacity either as an analyst or journalist. The concept of stakeholder value, which incorporates all participants within the INTERNOLIX circle, also plays an important role. In addition to market participants, these also include employees whose creativity and industriousness are assets to the group. As a result, investor relations is a key element of INTERNOLIX's openly-conducted business policies.

An Overview of Shares Statistics 2001

	INTERNOLIX AG
German SIN	622730
Abbreviation	ITX
Stock category	Bearer ordinary shares
Number of shares	10,500,000
Market segment	Neuer Markt
Highest price (XETRA)	€17.80
Lowest price (XETRA)	€1.55
Final price at end of the year	€6.64
Market capitalisation at end of the year	€69.72 million
Average trading volume/day	8,440
Earnings/loss per share	€-4.46

Report of the Board of Directors

Group Management Report

The fiscal year 2001 developed according to highly changing conditions for INTERNOLIX AG.

Up to the general meeting held on May 29 2001 business operations developed along negative lines. Following the successful restructuring and new orientation as part of the management changeover, however, the second half-year heralded in a distinct swing in results. For the first time, operational black figures were attained.

Critical Background Situation

The turnaround of business fortune to a positive result could not yet be confidently predicted at the time of the management changeovers in the middle of 2001. The background situation proved in the light of business management analysis to be untenable for the future: INTERNOLIX was maintaining its operations by feeding off its reserves.

In concrete terms this meant that large quantities of the liquid funds generated by the stock market flotation had already been depleted – whilst sales and earnings figures were failing to attain even the levels envisaged after having already been revised downwards at the beginning of the year.

This highly unsatisfactory state of affairs coincided with a strong downward trend of economic activity on the market. Europe, and especially the market in Germany, suffered from a downswing in demand for software solutions in e-Commerce.

INTERNOLIX was unable to avoid these market developments. The international rate of expansion that had been bolstered by large investments broke away as expected sales failed to materialise. The investments in overseas locations and in marketing had been of a long-term nature, and could not be revised within the time frame and with the flexibility dictated by market conditions. A cost-intensive surplus of capacity resulted.

These negative developments precipitated a critical new appraisal of the firm's business model at the general meeting on May 29, which led to a revision of members of the supervisory and directors' boards.

A Distinctly New Trend

The new restructuring of the corporate group, with a simultaneous new orientation of business operations, instigated at the board's behest, began to bear their first fruits of success by the end of the second half-year.

INTERNOLIX positioned itself anew in the business segment software / shop systems. Equipped with a higher quality range of products and a marketing and support team reduced to suit market requirements, an advantageous basis has been created for the company to continue to remain successful in this segment.

The new business field online-entertainment supplied a positive contribution to income. The field accounted for the major portion of sales and therefore played the decisive role in the new trend towards achieving black operative figures.

Of fundamental importance to the drastic changes to the firm's fortunes was the resolutely implemented restructuring of the group and its new orientation towards the growth market of online-entertainment.

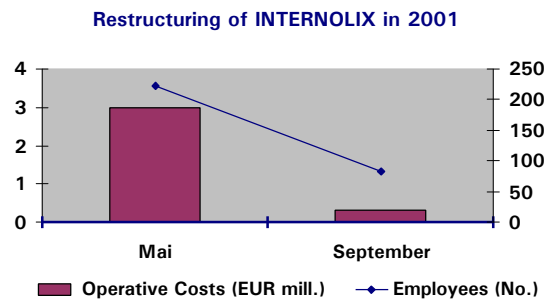
Restructuring

INTERNOLIX's original business concept proved to be untenable – unable to secure a future for the company. The idea of constructing discriminating and inexpensive e-Shops for private customers and mid-sized businesses could not be made a profitable venture given the firm's existing organisational structure.

Restructuring of the INTERNOLIX group commenced immediately after the general meeting. Following a detailed analysis of the firm's status quo, a drastic cost-reduction programme was initiated.

Focus was on two goals. On the one side, INTERNOLIX's cash burn rate needed to be radically reduced to safeguard the firm's liquidity.

In addition, the structure of the group had to be adapted to suit market requirements. This necessitated a considerable adaptation of personnel capacities to adjust to actual needs and the monitoring of overseas locations in terms of their profitability.



For instance, monthly salaries of board members Klaus Helbert and Markus Tarara were set at €1. In May 222 people were employed at INTERNOLIX, and had been reduced to 200 by June, then to 56 by the end of the year.

After the overseas marketing companies had been monitored, their business operations were subsequently discontinued. INTERNOLIX's shares in its Tunisia S.A.R.L. operation were sold off with effect from June 30. Sales negotiations for E-WAVE SA, Paris were successfully concluded in September 2001.

In August TechnoLogics AG shut down its business operation. Its business had focussed on the software modules Data-shape and ERP-connect. Company figures, included for the first time in the quarterly statement for Q1/01, following the acquisitions of E-WAVE and TechnoLogics, were finally written down to zero as of June 30. Participation in conceptware AG was also written down to zero as of the same date.

New orientation

As a result of INTERNOLIX AG's new orientation as a digital media group its business fields – and therefore also the focus of business activities – has altered. The online-entertainment segment has developed into a growth powerhouse.

As a media group, INTERNOLIX will maximise income from content disseminated via all types of digital media platforms. The firm will focus on addressing private consumers via the digital media DSL, internet and cable TV.

INTERNOLIX sees itself hereby as a content user that disseminates target group-orientated contents through these channels. Digital markets require a high standard of technical background. The INTERNOLIX group has technical expertise in developing software at its disposal. This provides the force for innovation.

As the online exchange market 'BOOOSTER' was launched live in November 2001, INTERNOLIX clearly demonstrated its ability to put its competency in the software segment to good use in the online-entertainment field. The exchange market has been established to provide scope for private advertisements in the mass consumer market.

As the first exchange market on the internet, 'BOOOSTER' has multimedia functions enabling such features as video-chatting, email boxes and messages sent per SMS. Additional functions are being planned.

As a mini-browser, the exchange market new content can always be loaded into it – such as video clips or music. This facilitates target group-orientated addressing of consumers.

Participation in camPoint

Its strategic participation in camPoint AG was a vital step of INTERNOLIX's evolution into a digital media group.

The firm's technical competency centres on the development and marketing of digital video-chat platforms enabling communication with moving images. Its market expertise in webCam technology and highly successful software to link moving images into communication platforms both represent significant additions to INTERNOLIX's range of products and services.

The software expertise that both companies have in common, plus the incorporation of webCam technology, will both serve to significantly improve INTERNOLIX's shop solutions.

Equity Measures

The company's nominal capital of €7,100,000 at the beginning of the current fiscal year was increased twice by the permitted capital during the first half-year.

Following a decision reached by the board in February, 171,361 shares were issued. This was followed by a further increase up to 10,500,000 shares, decided on by the board in May to accommodate the acquisition of 50.5% of shares in camPoint AG.

In order to carry out the acquisition of shares in camPoint AG, the board decided on May 22 2001 to increase the firm's nominal capital with the approval of the supervisory board.

By issuing 3,228,639 new bearer stocks, the firm's nominal capital was increased from €7,271,361 to €10,500,000. The shares are ex rights for shareholders. Full dividends are payable for the fiscal year 2001. The capital increase was carried out against assets by making full use of existing authorised capital.

At the general meeting on 29.05.2001 the board was authorised to grant contingent capital from a total of two million ordinary shares for conversion and option rights from conversion and / or option obligations. Furthermore, authorization was also forthcoming for the creation of newly authorised capital from a total of 3,550,000 registered shares.

Development of Business

Business developed quite differently during the fiscal year 2001 in each of the individual business areas. Up to and including May, INTERNOLIX generated its sales only in the areas software / shop systems.

The structure of sales altered considerably after the acquisition of camPoint AG (50.5% of shares), which effectively established the online-entertainment business field.

For instance, during the second half-year, this business field accounted for the lion's share of sales, whilst sales dropped in software / shop systems as the restructuring and new orientation measures took effect which were begun due to the overall market conditions, among other things.

Rendering of accounts

Accounting for the fiscal year 2001 was conducted according to the US Generally Accepted Accounting Principles (US GAAP) regulations.

Sales

Total sales for 2001 were almost as high as during the previous year. In 2000 sales of €11.7 million were achieved and €11.2 million during this reporting period.

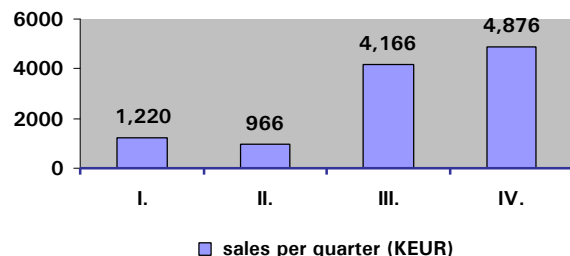
This slight decline of 3.7% is essentially a result of very weak business developments during the first half-year 2001.

A closer look at sales figures for each individual quarter are required for any detailed evaluation of the way sales developed overall, owing to strong fluctuations throughout the year.

For instance in the first quarter, INTERNOLIX generated sales amounting to K€1,220 in the software / shop systems field, yet only K€966 the following quarter. Sales were only generated in this business field during the first five months of the year, because sales generated in the new business field entertainment were only incorporated into the accounts as the consolidation process for camPoint AG was concluded on date of acquisition.

As its operations were extended to include the online entertainment sector, INTERNOLIX's sales jumped considerably in the third quarter. The firm achieved sales of K€4,166, corresponding to a four-fold increase over the previous quarterly turnover.

Sales trends in 2001



The fourth quarter also progressed very favourably, when sales of K€4,876 were generated. Therefore, overall sales for the first half-year totalled €2.2 million, whilst for the second half-year a volume of €9.0 million was achieved.

Development of Income

Operating income produced a variety of results during the reporting period. A distinctly negative trend manifested itself up to the middle of the fiscal year – whilst the second half of the year turned out to be highly profitable. This corresponded to a seismic shift in results.

In the third quarter, INTERNOLIX managed to record black figures – K€257 (previous year: €-3.1 million) – even at EBITDA level (earnings before interest, tax, depreciations and minority interests).

In the final quarter, INTERNOLIX produced an EBITDA of €1.4 million.

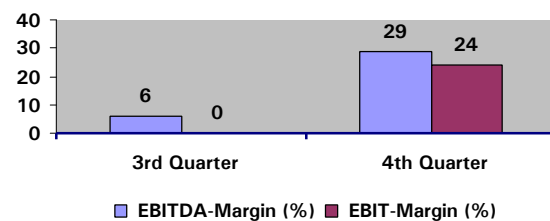
The fourth quarter contributed significantly to the fact that the overall EBIT (earnings before interest and tax) clearly surpassed the break-even mark with €1.2 million – even though the third quarter had posted a negative EBIT of €0.3 million.

A comparison of the two six-month periods clearly demonstrates that INTERNOLIX's course of restructuring and its new orientation were firmly on the right business track. For with an EBITDA of €-30.2 million and an EBIT of €-42.7 million up to the middle of the year, INTERNOLIX's prospects for the future were looking far from rosy.

Owing to its new business orientation, INTERNOLIX achieved an overall EBITDA in the second half-year of €1.7 million and an EBIT of €0.8 million

A few key figures clearly show just how profitable the second half of the year was.

Margins of Earnings for second half year 2001



Although the EBITDA margin was 6.2% in the third quarter, by the fourth quarter this had risen to 29.0%. During the final quarter, an EBIT margin of 24.0% was achieved. These developments serve to underline to which degree INTERNOLIX's business policies are firmly orientated towards profitability.

Yet on the whole, the excellent results produced during the second six-month period were still unable to balance out the disappointing results from the first half-year. Therefore, results for the whole year produced an EBITDA of €-28.6 million and an EBIT of €-41.9 million. At K€520, the net income from interest was considerably less than the K€1,317 recorded for the previous year.

The fiscal year 2001 was therefore concluded with a negative result amounting to €-46.9 million (€-10.0 million the previous year).

Assuming that by the end of the fiscal year all shares would be issued, with 7.1 million ordinary shares, income per share for 2000 was therefore €-1.41. For the reporting period, INTERNOLIX posted a result of €-4.46 per share for 10.5 million ordinary shares.

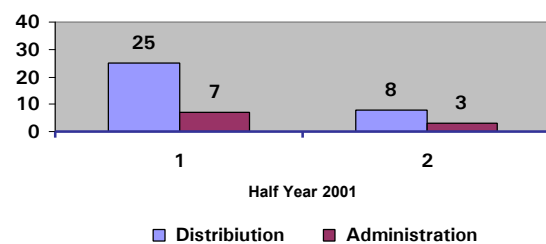
Development of Costs

Regarding costs, the firm's strict course of consolidation and restructuring had a very strong bearing on the radically differing developments of the two six-month periods during 2001. For instance, costs were quite literally wildly off course during the first half-year, whereas afterwards, radical cost-cutting resulted in expenses and income settling into a more profitable relationship to one-another.

As far as the overall fiscal year is concerned, the key expenditure and income items have deteriorated in comparison to the status for the previous year. Marketing expenses totalled €32.4 million by the end of the fiscal year 2001, compared with €15.9 million in 2000, whilst administration expenses also exceeded the previous year's figures at €10.1 million compared to €3.1 million. At €5.3 million, costs for research and development also stood higher than the €5.0 million reported for 2000.

The company's resolute restructuring course led to significantly improved expenses and income entries – which becomes evident through a comparison of key expenses and income items for the half-year periods.

Cost trends in 2001 (EUR mill.)



For example, in the first half-year, marketing costs still stood at €24.6 million, compared to only €7.8 million for the second six-month period. Overall administration costs were also subjected to massive cost-cutting measures. The €7.2 million recorded for the first half-year was reduced to only €2.9 million for the second half.

Order Book

The firm's expansion of its business operations to incorporate the field of online-entertainment had a lasting influence on the development of its other fields of business.

The new field does not adhere to the conventional system for generating income through the signing and realization of contracts. Online-entertainment obeys laws governed by its own content-specific dynamics, that are described in more detail in the chapter "INTERNOLIX – the Media group for the Mass Consumer Market".

This renders a more precise quantification of future developments in this field rather difficult. The co-operation model can nonetheless supply clues in the way it prescribes conditions governing such developments.

The business-model outlined with co-operation partners, whereby income from online projects is shared in principle 50%, INTERNOLIX predicts being able to harness the multiplication factors inherent in these partnerships to progressively increase sales. INTERNOLIX can hereby count on the sweeping range of these co-operation partners' internet portals. The fact that marketing is conducted via these portals and the portal providers receive commission in return (income-splitting), means that an income-generating network is created, attractive to all concerned. In sum, the group foresees these developments resulting in a considerable acceleration in the acquisition of new customers.

In its brand new constellation, the business field software / shop systems will significantly profit from co-operations with renowned international marketing partners. The order situation for the current new fiscal year 2002 is sufficient.

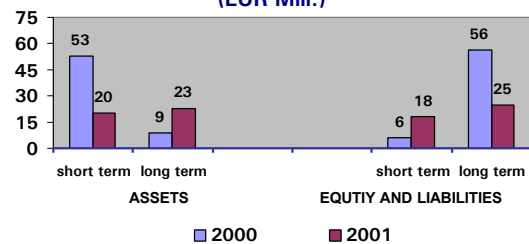
Financial Status

The balance-sheet total fell from €61.5 million to €42.4 million, primarily as a result of a reduction in working capital on the asset side from €52.7 million in 2000 down to €19.5 million during the reporting period.

Posted in working capital were accounts receivables for sales and services of €3.3 million – which thereby fell below the figure of €5.6 million posted in 2000. Numerous value adjustments were the root cause here.

Investments in participations have significantly increased the firm's capital assets, however. At €22.9 million it contributed 54.1% to the aggregate estate – compared with only 14.4% in the previous year.

Balance Sheet Structure at 31. Dec.
(EUR Mill.)



On the liabilities side, accounts payable for purchases and deliveries increased from €3.6 million in 2000 to €7.5 million in the reporting period. Accrued liabilities also rose as a direct result of the restructuring course. In the previous year, it amounted to €0.9 million by the end of the year, and in the reporting period €3.9 million to the end of the year. Equity capital dropped to €21.8 million in 2001 due to the deficit shown at end of year. The equity capital quote therefore also sank from 91.0% at the close of the fiscal year 2000 to 51.5% as of 31.12.2001.

Cash Flow Status

In 2001 the group's cashflow situation was mainly influenced by the high costs incurred during the first six-month period. Significantly more liquidity was pumped in to maintain business operations than was generated through sales. One of the main reasons behind this high-octane cash-burn rate lay in the sorry state of the economy – in addition to the superfluous capacities evolving from the company's course of cost-intensive international expansion.

The restructuring course ushered in a drastic reduction of monthly outgoings and a streamlining of business capacities in response to market developments. The huge cash deficit led to the gross cash flow attaining €–28.4 million compared with €–12.8 million for the previous year. Overall, business operations resulted in a loss of €–15.4 million. During the previous year this figure was €17.9 million.

The course of strategic participation investments placed an additional strain on the firm's liquidity. Liquid funds totalling €7.1 million were spent on acquiring subsidiary companies – minus the liquidity thereby acquired. The outflow of funds for investments thus arrived at a total of €23.1 million compared to €5.4 million in the previous year.

At the end of 2001 €3.0 million were still available in liquid funds to finance the firm's future business operations (the previous year: €41.6 million).

Investments

The most notable operative investments during the reporting period were for office equipment and software licenses. Software-Development at a cost of €0.53 million was booked as self-produced fixed assets. Cumulative investments in fixed assets to 31.12.2001 totalled €2.9 million.

The acquisition of intangible assets in the reporting period accounted for a total of € 1.9 million.

The most important investment, amounting to €19.6 million, was for the acquisition of 50.5% of shares in camPoint AG. The company was first incorporated fully into the group accounts of INTERNOLIX AG as of date of acquisition.

Development Output

Developments at INTERNOLIX in the area of software have been concentrated on the technical development of INTERNOLIX's brand new "Professional Line 2". The product, conceived as a tool for mid-sized companies, has been available on the market since October 2001.

Developments enabling the online exchange market BOOOSTER to be introduced onto the market were finalised in the third quarter. These included essential functions to support subsidiary camPoint. Additional developments at camPoint AG have been invested into product development to expand the firm's product portfolio.

Employees

A total of 56 staff were employed in the group as of 31.12.2001. This figure also includes those employees with whom a dissolution of contract has already been negotiated. At the middle of the year, the firm still employed 223 persons.

This adjustment of personnel capacities as part of the firm's restructuring course was mainly carried out in the distribution and marketing departments. In these areas, tasks were outsourced to specialised co-operation partners.

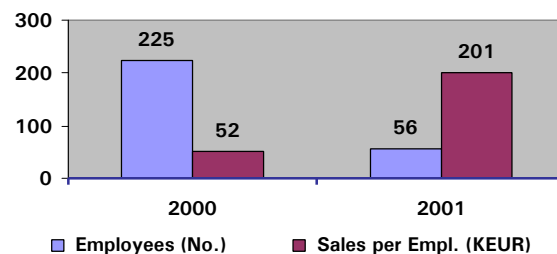
	31.12.2001 number	31.12.2000 number	Change in percentage
Distribution and marketing	25	66	-62.1%
Research and development	21	82	-74.4%
Administration	10	77	-87.0%
<i>Overall</i>	<i>56</i>	<i>225</i>	<i>-75.1%</i>

Personnel capacities were also adjusted in the research and development department. Here, an overcapacity was trimmed down in the software area.

Development in the number of employees differed between the two business areas. Personnel numbers were adapted more strongly to market developments in the software / shop system area. Here, the number of employees was reduced from an overall total throughout the year of 225 to 25 as of 31.12.2001.

The new area online-entertainment employed a total of 31 staff as of 31.12.2001. This thereby represents a proportion of 55% of the total number of staff.

Personnel trend and sales per employee



Thanks

The turnaround of sales and results would have been impossible without the commitment of INTERNOLIX's employees and those of its affiliated companies. The executive board therefore wishes to express its thanks to all employees whose endeavours and hard work have enabled INTERNOLIX to return to a course of positive growth.

Risk Report

INTERNOLIX AG's range of products and services are incorporated in the areas software / shop systems and entertainment.

The area of software / shop systems carries with it a risk of potential loss of account receivables and also due to warranty claims. All receivables are continually examined in detail and appropriate value adjustments performed for all those receivables open to question. Appropriate provident reserves have been accrued to counter any risk of warranty claims.

As the majority of sales of licenses have taken place within the German-speaking zone, no significant exchange risks will occur in this segment.

In order to effectively counter current difficulties in market conditions, the sale of software / shop systems has been focussed on marketing partners, via whom detailed information on the market and on customers are being gathered as part of an early warning system. Acceptance of the products is vital to sales objectives being achieved. No business association in this segment accounts for more than 10% of overall group sales.

The entertainment segment is primarily involved with digital data channels. camPoint AG is market leader in the video-chat applications segment. It is to be expected, however, that competition will increase as the number of rivals grows. The company remains constantly focussed on staying on the cutting edge in technical terms, expanding its product portfolio, bolstering co-operations and resolute observation of the market, in order to consolidate its market position.

Even the internationally-orientated co-operations involve no significant exchange risks, as practically all payment transactions are conducted in euros. Specific provident reserves have been accrued to cope with eventual risks of failure in the relevant payment systems.

Close co-operations incorporating fair sharing models render the risk that an important partner – and thus a marketing channel accounting for more than 10% of the group's sales – calculable. Dependence on individual suppliers is being continually reduced through a constant expansion of the number of marketing partners.

Those products accounting for the majority of sales in the entertainment segment are based on erotic contents. In management's view, cam-Point AG's contents on offer, as a member of the association of "freiwillige Selbstkontrolle Telefonmehrwertdienste" (FST e.V.) [voluntary in-house regulation of telephony services], remain within the framework of both legal and social norms. Measures implemented to guarantee the upholding of legal requirements include, among others, age verification, internal monitoring of what is being offered in addition to regular external examinations performed by a specialised solicitor's office.

At the conclusion of this fiscal year, risks do exist regarding impending lawsuits generated as a result of the restructuring course, although these are relatively small in scope. Specific provident reserves have been accrued to cope with such eventualities as of 31.12.2001.

The new management team has also installed a new system of mechanisms to the middle of the year 2001 aimed at promoting early identification of risks and timely, appropriate reactions to them.

The fundamental goal of improving risk management is being met through the establishment of a business environment, whereby each and every employee feels involved in identifying risks and is able to communicate the fact appropriately. This was achieved through an open and "enlivened" communication between management and staff.

Control of the firm's various participations was also altered in line with the new situation, based, as it is, on the integrated accounting system for the overall group.

To this end, all figures pertaining to parent and subsidiary companies are recorded and evaluated by the financial department on a monthly basis. This recording mechanism forms the basis of the firm's most important instrument to monitor and control operating risks, providing, as they do, detailed data for both business segments. They are founded on standardised evaluations, generally performed on a weekly basis, that aspire to render business operations transparent.

INTERNOLIX must present itself on the market as an appealing employer, attracting qualified personnel in order to intensify the organisation's growth along lines compatible with its new business orientation. Management foresees no problems in attracting high-potentials as future employees.

The branding wrapped around individual products, and also the firm's strong presence in the digital media, provide a positive platform upon which to inspire young, dynamic and highly qualified people's enthusiasm to work for INTERNOLIX or one of its subsidiary companies.

One essential ingredient promoting INTERNOLIX's external growth is participation in strategically important companies able to both complement and intensify its range of product and services. Therefore, prior to each planned acquisition or takeover, a variety of due diligence examinations are performed, which focus on the business aspects, the legal basis and tax situation as well as on market compatibility. Once management is satisfied that such examinations have delivered overall positive results, the shares are bought. INTERNOLIX currently foresees no business risks evolving in this field.

Extraordinary Events Occurring After the Reporting Period

The following events during the current fiscal year 2002 were of particular relevance to INTERNOLIX's business development.

In January 2002 INTERNOLIX acquired 50% of shares in IMPress Verlages from HNN Helbert News Network AG, Wiesbaden, thus initiating INTERNOLIX's entry into the publishing business.

Dr. Bernd Kiel has resigned from his post as member of the board by mutual agreement as of 28.02.2002. His area of responsibility has been taken over by Markus Tarara. There are no plans to fill the post in the near future.

At the beginning of March INTERNOLIX acquired 10% of shares in the Audiofon-group, Hanover, one of the leading European value-added telephone service providers. INTERNOLIX thereby enriched its range of services by breaking into the telephony segment.

Additionally, in March INTERNOLIX deepened the internationalisation of its activities in the entertainment segment. Co-operation agreements between its camPoint subsidiary and the largest US marketing company for eroticism on the internet, as well as with an internet portal specialised in eroticism, meant that INTERNOLIX managed to rigorously pursue its course of expansion.

To facilitate additional expansion steps, INTERNOLIX increased its nominal capital in March. 717,566 bearer ordinary shares were placed with institutional investors. Nominal capital now totals €11,217,566.

Outlook

We are on the best route to establishing INTERNOLIX in the German-speaking zone as a media group providing innovative products. Beyond the confines of borders within Europe, strategic co-operations, in particular, offer the most effective way of breaking into new markets.

Business model

Future operations via the media channels internet, cable TV and telephony – as well as print – will primarily be executed through our refined business model via co-operation partners. Earnings will be allocated via a revenue sharing system. The partners will incur no setup-fees, nor costs for installation, services or hosting. These co-operation partners will therefore neither incur any marketing expenses nor will they be prey to investment risks.

This approach will become the basis for our future course of growth in the international arena. To the present day, our entertainment products are present on a multitude of premium portals. Selecting specific, market-leader online companies as co-operation partners will further accelerate the firm's growth in this new business segment.

Accordingly, in February 2002 a contract was signed with "sex-tracker" the largest US eroticism webmaster association that has over 75,000 webmasters from the USA and Japan as members. This step served to substantially increase the sphere of awareness of "visit-X".

Strategy

Within the business model, designed, as it is to boost the marketing of products and services in co-operation with strategic partners, price politics are assuming a vital role in accelerating market penetration. A whole range of rival online services are able to compete with lower prices for consumers.

At the end of the day, however, INTERNOLIX's growth rate as an online-provider of digital products and services boils down to a combination of having renowned partners and low prices for consumers.

Following are details of strategic phases designed to firmly establish INTERNOLIX as a brand name on the market:

1. The group aims to serve the mass consumer market with a highly comprehensive range of innovative, popular media products.
2. Profit is to be maximised from utilisation of existing licensing rights on content via a wide variety of media forms.
3. Visual and audio rights pertaining to content will be utilised as a basis for a variety of entertainment products being produced for the mass market.
4. A profit-sharing model with co-operation partners will be installed regarding marketing.

Business Developments

The business segment software/shop systems will face a difficult market in 2002. Nonetheless, by winning over renowned software and services companies to provide both marketing and support, INTERNOLIX has managed to establish a profitable marketing position. Furthermore, improvements to its products in terms of functions provided in video-conferencing, for example, also exert a positive effect on the company's future development.

Growth within the entertainment business segment is virtually unaffected by the prevailing economic climate – it being influenced, by and large, by the content available and also, for the past few years, by the ever-increasing number of online-entertainment users overall.

In spite of the slackening state of economic affairs in Europe as a whole, the executive board nonetheless foresees a positive financial development in this business segment in the coming fiscal year. As is the case during the reporting period, the majority of sales will no doubt be generated in the entertainment segment.

The firm's marketing model, with its "win-win" position for co-operation partners, provides a positive peek into the future. The company's streamlined organisational structure plus the enormous creativity potential residing in our employees' strong commitment lend credence to expectations of dynamic developments in 2002.

The fact that operative risks remain calculable, and thus governable, plus the fact that predictions regarding development of our markets are positive means our forecasts for sales and EBIT for 2002 still stand. We are convinced that the INTERNOLIX team of 2002 will achieve a significant rate of growth in sales and also generate positive earnings.

As a result of its course of restructuring and new orientation, INTERNOLIX's scope for future growth has widened considerably. Its new business segment has enabled the corporate group to write black figures for the very first time. Growth is now linked intrinsically to earnings. By these means, the company has forged a basis for investors to regain lost confidence in the growth vitality of INTERNOLIX's shares.

We would be pleased for shareholders, business associates and friends of the company continue to accompany us along this promising path.

Runkel/ Dehrn, March 2002

The Executive Board

Notes on statements regarding future developments:

The financial report for 2001 for INTERNOLIX AG contains information and forecasts pertaining to the group's future development.

These forecasts correspond to INTERNOLIX's in-house estimations – based on those sources of information available at the time they were conceived. Should the assumptions governing these estimations prove unreasonable, or risks arise that were not mentioned in the risk system, then actual events may differ from the developments predicted here.

Report of the Supervisory Board

Report of the Supervisory Board Pursuant to German § 171 para. 2 AktG

Dear Shareholders,

During the fiscal year 2001 the supervisory board of INTERNOLIX joint stock company – referred to as “the company” below – has fulfilled its legal and statutory obligations and been informed by the board of directors of the company’s status in meetings as well as individual consultations. It has also received oral and written reports regarding INTERNOLIX AG’s business development, its strategic orientation and future business policies in addition to the maintenance and optimisation of its risk management and monitoring systems – pursuant to German § 91 para. 2 AktG.

The company’s operative business, its strategic concepts, short and long-term company planning, plans for investment, income and liquidity developments in addition to changes in personnel and organisation were all discussed with the board of directors during 10 regular as well as 2 extraordinary meetings of the supervisory board.

The chairman of the supervisory board also remained in close contact with the board of directors supplementary to its meetings. This entailed regular discussions regarding INTERNOLIX AG’s business policies.

All proceedings requiring authorisation by the supervisory board were presented before it and duly authorised. The supervisory board is satisfied that the business conduct of the company’s management has been correct. Matters reported to the supervisory board included, among others, all important acquisitions and participations.

During the fiscal year 2001 two of the main aspects of the supervisory board’s work focused on INTERNOLIX AG’s re-structuring course and its new orientation.

The company’s annual balance sheet, group financial statement, situation reports of company and group compiled by the board of directors for the fiscal year 2001 have been audited by the firm of PKF Pannell Kerr Forster GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt. The chief auditor raised no objections to these reports, issuing a positive confirmation of their accuracy on 27.03.2002. The motion of supervisory board to engage the auditors was accepted in the general meeting of 29.05.2001.

Pursuant to German §§ 170, 337 AktG the supervisory board was presented for examination in time, before its meeting to discuss the balance sheet, with the company’s annual balance sheet, group financial statement, situation reports of company and group for the fiscal year 2001, the auditor’s statement regarding the company’s annual balance sheet and the group financial statement, in addition to the motion put forward by the board of directors regarding utilisation of the year’s result.

At its meeting to discuss the balance sheet on April 4 2002 together with the board of directors, members of the supervisory board held detailed discussions regarding all queries arising from the company's annual balance sheet, group financial statement and the situation reports of company and group.

The auditor was also present at this meeting, to present the essential aspects of the audit and answer any resulting queries.

Following its detailed examination, the supervisory board raised no objections to the results. The board authorised the annual report for 2001, which is thus confirmed pursuant to German § 172 AktG.

At the conclusion of the general meeting of May 29 2001 Karl-Heinz Killeit (chairman of the supervisory board), and supervisory board members Dr. Ingo Mantzke and Ulrich G. Schneider all resigned their supervisory board posts. Dr. Rainer Bommert, Klaus Kahler and Randolf Krings were all voted in as new members of the supervisory board at the same general meeting.

At the supervisory board meeting of May 29 2001, Markus Tarara was voted in as a member of the board of directors, effective as of 29.05.2001.

On the same day, Dr. Rainer Bommert was elected as chairman of the supervisory board, and Klaus Kahler as its vice chairman.

At the same time, Herr Martin Schwahn resigned from the board of directors.

On June 21 2001 the chairman of the board of directors and founder of INTERNOLIX, Dr. Luigi Carlo De Micco, handed in his resignation to the supervisory board effective as of June 22 2001.

In a letter to the supervisory board from July 21 2001, member of the board of directors, Klaus Peter Stoll, confirmed his post effective as of June 30 2001.

The supervisory board wishes to express its appreciation to all former board members for their efforts and work. At the supervisory board meeting of July 04 2001, Klaus Helbert was elected as a member of the board of directors and simultaneously as its chairman, effective immediately.

At a meeting of the supervisory board on July 23 2001, Steffen Hantke was elected to a post on the board of directors, effective as of October 01 2001.

The supervisory board expresses its thanks and appreciation to the board of directors for its commitment and efforts during the fiscal year 2001. The supervisory board also wishes to express its thanks to all employees of INTERNOLIX AG and its subsidiary companies.

Runkel, April 2002

The Supervisory Board

Management Bodies

Board of Directors

The following persons were active members of the board of directors at INTERNOLIX AG during the fiscal year 2001:

Dr. Luigi Carlo De Micco, to
04.07.2001
Ralf Schneider, to 30.04.2001
Klaus-Peter Stoll, to
30.06.2001
Martin Schwahn, to
29.05.2001
Dr. Bernd Kiel, to 28.02.2002

Klaus Helbert, chairman since
04.07.2001
Markus Tarara, since
29.05.2001
Steffen Hantke, since
01.10.2001

Supervisory Board

The following persons were active members of the supervisory board at INTERNOLIX AG during the fiscal year 2001:

Karl-Heinz Killeit, chairman to
29.05.2001
Dr. Ingo Mantzke, to
29.05.2001
Ulrich G. Schneider, to
29.05.2001

Dr. Rainer Bommert, chairman
since 29.05.2001
Klaus Kahler, since 29.05.2001
Randolf Krings, since
29.05.2001

**INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED BALANCE SHEET
(in KEUR)**

	Annex- notes	31. December		
		2001 KEUR	2000 KEUR	1999 KEUR
ASSETS				
Current assets				
Cash on hand and in the bank	2	2,966	41,578	1,514
Marketable securities		10,500	0	0
Trade receivables minus value adjustments totalling 3,410 (2000: 584)	2	3,284	5,560	1,050
Other assets	4	2,718	3,513	313
Inventories		<u>0</u>	<u>2,008</u>	<u>0</u>
Total		<u>19,468</u>	<u>52,659</u>	<u>2,877</u>
Fixed assets	2 & 5	834	1,486	449
Intangible assets	2 & 6	2,282	2,545	313
Goodwill		16,822	0	0
Trade investments	2	3,010	1,253	0
Deferred taxes	2 & 11	0	3,605	0
		<u>42,416</u>	<u>61,548</u>	<u>3,639</u>
LIABILITIES AND EQUITY (SHORTFALL)				
Current liabilities				
Short-term loans and short-term payments of long-term loans		140	0	0
Trade payables		7,544	3,616	420
Shareholders' loans		0	0	51
Dorment holdings	8	0	0	2,500
Provisions		3,866	899	215
Deferred taxes	2 & 11	43	0	0
Other liabilities	8	6,269	964	281
Total		<u>17,862</u>	<u>5,479</u>	<u>3,467</u>
Long-term liabilities				
Deferred taxes		200	0	0
Total		<u>200</u>	<u>0</u>	<u>0</u>
Offsetting item for minority interests		<u>2,518</u>	<u>36</u>	<u>0</u>
Equity (shortfall)				
Ordinary shares at nominal value of 1 euro 10,500,000 (2000: 7,100,000) authorised and issued shares	9	10,500	7,100	51
Preferred shares nominal value DM 5 (1999: 10,000) authorised and issued shares	9	0	0	26
Capital reserve		71,962	62,526	3,636
Net foreign currency balance		-179	-9	0
Net loss		-60,447	-13,584	-3,541
Equity (shortfall)		<u>21,836</u>	<u>56,033</u>	<u>172</u>
		<u>42,416</u>	<u>61,548</u>	<u>3,639</u>

The annex is an integral part of the group financial statements.

**INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in KEUR)**

		31. Dec. 2001	31. Dec. 2000	31. Dec. 1999
	Annex- notes	KEUR	KEUR	KEUR
Sales	2 & 10	11,228	11,656	1,484
Cost of sales		284	2,506	0
Gross income		10,944	9,150	1,484
Distribution costs		32,403	15,935	3,301
General administrative expenses		10,130	3,147	812
Research and development expenses	2	5,276	5,027	877
Other operating income and expenses		-939	0	0
Write-down of goodwill		5,925	0	0
		52,796	24,109	4,990
Operating profit/loss		-41,852	-14,959	-3,506
Income and expenses from interest		520	1,317	-21
Currency gains		0	0	0
Profit before income taxes and minority interests		-41,322	-13,642	-3,527
Income tax	11	-4,713	3,605	0
Minority interests		-818	-6	0
Net loss for the year		-46,863	-10,043	-3,527
Loss per common stock equivalents	2 & 12	-5,16	-1,72	-176,30
Loss per common share at base 10,500,000 shares (2000: 7,100,000 shares)		-4,46	-1,41	
Common shares (weighted average)		9,083,333	5,843,846	20,000

The annex is an integral part of the group financial statements.

**INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF SHAREHOLDER CAPITAL (SHORTFALL)
AS OF DECEMBER 31 2000
(in KEUR)**

	<u>Ordinary shares</u>		<u>Preferred shares</u>		Capital reserves	Net loss for the year	Conversion effects	Total
	Issued		Issued					
		Sum		Sum				
	000	KEUR	000	KEUR	KEUR	KEUR	KEUR	KEUR
31. December 1999	<u>20</u>	<u>51</u>	<u>10</u>	<u>26</u>	<u>3,636</u>	<u>-3,541</u>	<u>0</u>	<u>172</u>
Capital restructuring	70	39	-10	-26	-13			0
Shares issue	7,010	7,010			64,766			71,776
Issuing expenses					-5,863			-5,863
Net loss for the year						-10,043	-9	-10,052
31. December 2000	<u>7,100</u>	<u>7,100</u>	<u>0</u>	<u>0</u>	<u>62,526</u>	<u>-13,584</u>	<u>-9</u>	<u>56,033</u>
Share issue	3,400	3,400			9,436			12,836
Issuing expenses					0			
Net loss for the year						-46,863	-170	-47,033
31. December 2001	<u>10,500</u>	<u>10,500</u>	<u>0</u>	<u>0</u>	<u>71,962</u>	<u>-60,447</u>	<u>-179</u>	<u>21,836</u>

The annex is an integral part of the group financial statements.

**INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS
AND SUBSIDIARY COMPANIES**

CONSOLIDATED CASH FLOW ACCOUNTS

	Fiscal year to 31. Dec. 2001	Fiscal year to 31. Dec. 2000	Fiscal year to 31. Dec. 1999
	KEUR	KEUR	KEUR
Cash flow from operating activities			
Net loss for the year	-46,863	-10,043	-3,527
Adjustments from operations of inflow / outflow of funds to the net loss for the year			
Write-downs	13,275	892	195
Assets from potential taxes	3,620	-3,605	0
Minority interests	818	6	0
Profit / loss from investment reductions	798	-4	7
Adjustments to current assets and short-term liabilities			
Trade receivables	4,693	-4,510	-1,050
Other assets	2,412	-3,200	-311
Adjustments to inventories	2,066	-2,008	0
Short-term loans	140	0	0
Provisions	1,802	684	215
Liabilities from potential taxes	243	0	0
Trade payables	2,335	3,196	405
Other liabilities	-715	683	275
Outflow of funds from operating activities	<u>-15,376</u>	<u>-17,909</u>	<u>-3,791</u>
Cash flow from investing activities			
Acquisition of subsidiary companies minus acquired liquid funds	-7,075	0	0
Investments in tangible fixed assets	-2,852	-1,601	-570
Investments in intangibles	-1,913	-2,593	-392
Investments in participations	-726	-1,253	0
Income from the sale of fixed assets	0	37	4
Payments due to funds made available as part of a short-term loan	-10,500	0	0
Outflow of funds from investing activities	<u>-23,066</u>	<u>-5,410</u>	<u>-958</u>
Cash flow from financing activities			
Issuing of preferred shares minus issuing expenses	0	65,913	3,713
Dormant holdings	0	-2,500	2,500
Capital contributions from minority shareholders	0	30	0
Shareholders loan	0	-51	0
Inflow of funds from financing activities	<u>0</u>	<u>63,392</u>	<u>6,213</u>
Alterations to liquid funds	-38,442	40,073	1,464
Conversion effects	-170	-9	0
Cash on hand and in the bank as of January 1	41,578	1,514	50
Cash on hand and in the bank as of December 31	<u>2,966</u>	<u>41,578</u>	<u>1,514</u>
Additional cash flow items			
Interest payments	451	553	22
Payments for income tax	871	0	0
Transactions without cash flow *	12,836	0	0

* Assets of subsidiaries acquired by issuing shares, minus liabilities assumed

The annex is an integral part of the group financial statements.

**INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS
AND SUBSIDIARIES**

Group Investments (in KEUR)

Balance sheet items	Cost of Acquisition					Value Adjustments				Net Values	
	Status				Status	Status			Status		
	01.01.01	Additions	Account transfer	Reductions	31.12.01	01.01.01	Additions	Reductions	31.12.01	31.12.01	31.12.00
I. Intangible assets											
1. Licences, trade marks and similar copyrights and rights plus licences covering such rights	2.746	1.757	180	51	4.632	330	2.637	9	2.958	1.674	2.416
3. Goodwill	0	22.747	0	0	22.747	0	5.925	0	5.925	16.822	0
4. Payments made on account	129	2.496	-180	69	2.376	0	1.837	69	1.768	608	129
Total intangible assets	2.875	27.000	0	120	29.755	330	10.399	78	10.651	19.104	2.545
II. Tangible assets											
1. Other assets, operating and office equipment	1.917	1.008	0	1.429	1.496	531	897	765	663	833	1.386
2. Payments made on account	100	0	0	100	0	0	0	0	0	0	100
Total tangible assets	2.017	1.008	0	1.529	1.496	531	897	765	663	833	1.486
III. Financial assets											
1. Shares in affiliated companies	1.253	726	0	0	1.979	0	1.979	0	1.979	0	1.253
2. Participations	0	3.010		0	3.010	0	0	0	0	3.010	0
Total financial assets	1.253	3.010	0	0	3.010	0	1.979	0	1.979	3.010	1.253
Total fixed assets	6.145	31.018	0	1.649	34.261	861	13.275	843	13.293	22.947	5.284

**INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS
AND SUBSIDIARIES**

Outline of Participations

Name	Headquarters	Registered share capital	Equity in KEURO	Share	Income during the fiscal year in KEURO
INTERNOLIX Iberica S. A.	Barcelona	Pts.10,000,000.00	60,1	100%	581,8
INTERNOLIX U.K. Ltd.	London	DM 100,000.00	51,1	100%	725,9
INTERNOLIX Nordic A/S	Copenhagen	DKr 500,000.00	67,2	100%	504,2
INTERNOLIX Corp. USA	New York	US\$ 260,504.00	8,2	100%	-748,9
INTERNOLIX Schweiz AG	Zurich	Sfr. 200,000.00	134,7	100%	736,2
Capital for Growth Beteiligungs-gesellschaft GmbH	Limburg	EURO 500,000.00	500,0	100%	6,2
INTERNOLIX France SAS	Paris	EURO 100,000	100,0	100%	-167,0
Technologics AG	Ettlingen	EURO 100,000	193,4	100%	59,2
camPoint AG	Wiesbaden	DM 3,962,511.56	5.086,9	50,5%	1.658,2

In Great Britain, registered share capital is recorded in DM

INTERNOLIX Tunisia SARL was sold on June 30 2001.

E-WAVE SA was sold on September 7 2001.

camPoint AG was acquired on May 22 2001. Figures are for a proportionate period of time.

INTERNOLIX AG Electronic Business software & Solutions and Subsidiary Companies

Notes on the Consolidated Financial Statement for the Fiscal Year 2001

1. Basic Information

INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS was founded on October 5 1998 and its headquarters in Runkel and central administration are based in Wiesbaden, Hesse, Germany. The company develops and markets internet-based e-Commerce-solutions for firms offering products and services. As a stock market-listed parent company, INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS is obliged to publish a consolidated financial statement according to German para. § 290 HGB. The company also exercises its right of indemnity according to German para. § 292a 2 no. 2a HGB and to publish its consolidated financial statement according to US-GAAP.

2. Accounting Policies

Consolidation

The companies included in the group balance sheet are consolidated following their foundation, respectively acquisition. Consolidation of capital is by book value method by offsetting the cost of acquisition against the market price of shares in equity capital allotted to the parent company at the time of acquisition. Assets and liabilities of the companies in which INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTIONS owns a majority share are set off against one-another whilst internal transactions within the group are eliminated. Group investments totalling less than 20% of a company's shares appear in the accounts as acquisitions. Investments involving between 20% and 50% of a company's shares enter the accounts at cost price minus / plus any respective profit / loss achieved after they were acquired.

Validity of Forecasts

Drawing up of the annual financial statement requires of the executive board forecasts and assumptions which could, in turn, influence the assets and liabilities, accounts of possible liabilities on the accounting dates and the reporting of earnings and expenses during the reporting period. Actual occurrences may be at variance with these predictions and assumptions.

Conversion of Currencies

The group financial statement is drawn up in euros. The respective local currency is used in accounting for overseas investments. Therefore, the assets and liabilities of companies based outside of Germany, whose accounts are not drawn up in euros, are calculated according to the exchange rate on settling day. Earnings and expenses are accounted for in euros in the annual financial statement at the average exchange rate given for the respective reporting period.

Single entries of transactions in foreign currencies are converted into euros at the exchange rate pertaining on the day of transaction. Positions listed in foreign currencies are converted to euros corresponding to the exchange rate on settling day.

Financial resources

Booking of financial resources (liquid funds, short-term financial investments, receivables, liabilities and reserves) in the group's balance sheet is performed at booking value. Due to their short-term nature, they are entered at the relevant market value.

Main areas of risk

Risks may occur due to potential failure of receivables and warranty demands. The company has implemented value adjustments for dubious claims. Appropriate reserves are available for warranty claims.

In 2001 business with one company amounted to more than 10% of the group's overall sales; during the previous fiscal year, four such associations existed.

Risks involving currency variations in legal altercations, or unforeseen risks emerging as part of the firm's restructuring course have been accounted for through appropriate reserves.

Fixed assets

Tangible assets are balanced at price of acquisition and written down linearly over the respective asset's operative lifetime. Operative duration of use is between 4 and 10 years for leased objects, respectively for the shorter leasing period; and between 5 and 10 years for fitments. Costs of acquisition and depreciations accumulated from sold off or scrapped fitments are eliminated from the balance sheet. All profits and losses resulting from eliminated fitments are listed under other income and / or expenses.

Expenses for maintenance and repairs are registered at cost as they occur. Important expenses for replacements and extensions are also listed.

Listings of intangible assets incorporate purchased software for e-Commerce applications and subsequent upgrading via third parties, in addition to standard software packages – as well as activated expenses for software developed in-house and intended for external use.

E-Commerce software is written down over 4 years, respectively, the product is written down as a product of the ratio between current gross receipts and forecast total gross receipts pursuant to declaration no. 86 of the Financial Accounting Standards Board – whereby the respective larger write-down sum is decisive.

Software is written down over three years.

Realisation of Sales

The company generates income from sales of licensing agreements: When an irrevocable contract has been signed, the product delivered and no doubt has been raised regarding its acceptance, the licensing fee has been agreed upon and no doubt exists regarding payment of this. In the occasional case of products being developed specifically for certain customers, payment is made when the customer receives and accepts the product. Sales resulting from services or deliveries are registered as they are produced. Sales generated by the maintenance of software are spread evenly over the period covered by the contract.

Sales income in the online entertainment segment is generated following verification that the product has been used at the corresponding price and also once it is apparent that payment can be cleared.

Tax on earnings

The company and its subsidiaries each submit separate tax returns to their respective tax offices. Deferred taxes on earnings are reported using estimations of assets and liabilities. Deferred taxes are assessed for future effects on taxation resulting from events taken into consideration in the relevant financial statements and / or annual tax returns. Active deferred taxes are assessed utilising the taxation rates and legislation relevant and available at the time. Future, potential, alterations to taxation rates or legislation have not been taken into account – except in the case of those alterations to the German corporation tax that have already been passed; whereby the future corporation tax rate, already at hand, has been used.

Accounting method used for stock options

Regarding the evaluation of employees' profit-sharing stakes, accounting standard SFAS 123 was availed of to choose to continue accounting pursuant to standard APB opinion no. 25. This necessitates requisite entries to be made in the profit and loss statement pursuant to an appraisal in line with SFAS 123.

3. Acquisitions

During 2001 the group acquired companies active, or formally active, in the e-Business sector. All of these acquisitions were reported pursuant to the acquisition method.

By fulfilling certain criteria, the company was able to acquire 70% of shares in **TechnoLogics AG**, Ettlingen on February 22 2001. The remaining shares were purchased at a later date in the year. The total purchasing price was €2.2 million including transaction expenses. The purchasing price was met by issuing 95,696 shares (€1.6 million) and paying €0.5 million in cash. The transaction expenses totalled €0.1 million. TechnoLogics developed and distributed e-Commerce software. Owing to shifts in the market situation, the firm ceased business operations in August 2001.

By fulfilling certain criteria, the company was able to acquire 100% of shares in **E-Wave SA**, Paris, France on February 22 2001. The purchasing price amounted to €3.2 million including transaction expenses. The purchasing price was met by issuing 75,665 shares (€1.7 million) and paying €0.9 million in cash. The transaction expenses totalled €0.6 million. E-WAVE developed, executed and implemented e-Commerce websites. Sales negotiations for E-WAVE SA were concluded in September 2001. Owing to changes in the market situation, E-WAVE SA was re-sold back to the original sellers.

On May 22 2001 the group acquired 50.5% of shares in **camPoint AG**, Wiesbaden for €19.6 million including transaction expenses. €9.5 million of this was financed by issuing 3,228,639 shares and €9.9 million through cash payments – €4.8 million of this payable in quarterly instalments up to December 31 2002. The outstanding amount carries an interest rate of 6.12%. The transaction expenses totalled €0.2 million. camPoint develops and trades in software designed to exchange data in order to communicate through text, images and sound via digital media, the internet and other networks. The firm operates the internet platform "Visit-X", a video-chat platform.

➤ **Distribution of the Differences in Price of Acquisition**

On the day of acquisition, the purchasing price was attributed to the tangible and intangible assets acquired, plus the assumed liabilities and identifiable other intangible assets. The differences in purchasing price were ascribed on the requisite day of acquisition as follows:

	<u>Value</u>	<u>Useful life</u>
	EUR million	Years
E-Commerce software & websites	4.9	3
Internet platform & software	17.9	10

Through sale or cessation of business activities, the purchasing price difference in the sectors e-Commerce software and websites was fully written off for 2001.

The following, unaudited consolidated pro forma accounts show the effects as though the acquisitions had occurred on January 1 2001. The group's consolidated profit and loss accounts for the fiscal year ending on December 31 2001 thus incorporate all of the income and expenses resulting from the participations during 2001. The pro forma accounts provide no indication of what the profit / loss for the year may have been had the transactions taken place at the beginning of the respective year. No future results can be deduced from the pro forma accounts.

	31.Dec. 2001 (unaudited) <u>KEUR</u>
Sales	16,357
Profits due to ordinary shareholders	-47,296
Profit per share	-5,21

➤ **Additional cashflow details regarding the acquisitions:**

	<u>2001</u> <u>KEUR</u>
Assets acquired minus liabilities assumed, plus minority interests	2,292
Portion of the purchasing price for intangible assets	22,747
Total purchasing price	<u>25,039</u>
Minus acquired cash and liquid funds	-1,146
Minus shares issued plus cash payments to sellers of the subsidiaries still outstanding	-16,818
Total cash payments for the acquisitions	<u><u>7,075</u></u>

4. Other Assets

Other assets are listed below:

	<u>2001</u> K€	<u>2000</u> K€
VAT rebate	1,675	1,014
Claims to repayment on profits tax	754	474
Rent paid in advance	0	639
Commission	0	526
Miscellaneous	<u>289</u>	<u>860</u>
	<u><u>2,718</u></u>	<u><u>3,513</u></u>

In principle, evaluation is of the nominal amount. All entries have a residual term of less than one year. Claims to repayment on profits tax are a result of funds for capital-gains tax withheld for the fiscal years 2000 and 2001 plus the relevant solidarity surcharge on income tax payable. Due to the firm's loss status the whole amount will be repaid.

5. Tangible Assets

The firm's tangible assets are as follows:

	<u>2001</u> K€	<u>2000</u> K€
Exhibition stand	113	113
Office equipment	612	1,542
Fixtures	0	172
Vehicles	29	90
Miscellaneous	<u>742</u>	<u>1,000</u>
	1,496	2,017
Minus accumulated write-downs	<u>663</u>	<u>531</u>
	<u>833</u>	<u>1,486</u>

Depreciation expenses for the fiscal years ending December 31 2001, 2000 and 1999 totalled K€ 897, K€ 416 and K€ 115.

6. Intangible Assets

The firm's intangible assets are as follows:

	<u>2001</u> K€	<u>2000</u> K€
Expenses paid to third parties for software development and eCommerce software	4,339	2.491
Software packages for in-house use	293	255
Advance payments for software packages	<u>2,376</u>	<u>129</u>
	7,008	2,875
Minus accumulated depreciations	<u>4,726</u>	<u>330</u>
	<u>2,282</u>	<u>2,545</u>

Depreciation expenses for the fiscal years ending December 31 2001, 2000 and 1999 totalled K€ 4,474, K€ 282 and K€ 79.

7. Provisions

Provisions made are as follows:

	<u>2001</u> K€	<u>2000</u> K€
Personnel-related expenses	511	235
Restructuring expenses	500	0
Actor-related expenses	351	0
Return debits to credit cards	252	0
Legal and consulting expenses	682	41
Outstanding invoices	169	331
Costs for annual financial statement	100	133
Warranties	52	52
Provision for taxation	861	0
Other	<u>388</u>	<u>107</u>
	<u>3,866</u>	<u>899</u>

8. Other Liabilities

Other liabilities are as follows:

	<u>2001</u> K€	<u>2000</u> K€
Outstanding invoices	0	525
Retention of wages	175	435
Liabilities regarding the purchase price of camPoint AG plus interest incurred	4,043	0
Loans	1.940	0
Other	<u>111</u>	<u>4</u>
	<u>6,269</u>	<u>964</u>

9. Equity Capital

As of December 31 2001 nominal capital amounted to K€ 10,500 which is accordingly divided among the holders of 10,500,000 ordinary shares at a theoretical value of each €1.

Capital stock developments

The following resolutions were passed regarding the group's nominal capital at the extraordinary general meeting on February 4 2000:

a. INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTION'S nominal capital totalling DM150,000 was converted to €76,693.78.

b. To even out the sum, the nominal capital was raised from €76,693.78 by €13,306.22 to €90,000 without any new shares being issued. The increase resulted from the conversion of DM26,024.70 = €13,306.22 that had been registered in the balance sheet of December 31 1999 as part of the group's capital reserves.

c. Nominal capital that had previously been divided up into 20,000 ordinary shares and 10,000 preferred shares, in the form of securities each with an accounting value of DM5.00 per share, was divided afresh into 60,000 ordinary shares and 30,000 preferred shares in the form of securities each with an accounting value of €1.00 per share.

d. The new nominal capital totalling €90,000 was increased through cash contributions of €5,130,000 to €5,220,000 resulting from the issuing of 5,130,000 new registered ordinary shares at an issuing price of €1.00 each.

The following resolutions regarding measures to procure capital funds were passed at the extraordinary general meeting held on February 11 2000:

a. Cash contributions (that excluded the right of shareholders to subscribe to new shares) increased the group's nominal capital of €5,220,000 by €1,780,000 to €7,000,000 through the issuance of 1,780,000 new bearer ordinary shares in the form of securities issued at an accounting value of €1.00 per share.

b. Subject to the consent of the supervisory board, the executive board is authorised to increase the group's nominal capital up to the period ending January 31 2005 in single or multiple stages by a nominal total of €3,500,000 through the issuance of 3,500,000 new shares against cash or asset contributions. In co-ordination with the supervisory board, the executive board may decide on the issue of the rights of shareholders to subscribe to new shares. The right to subscribe may be excluded especially:

- In cases of capital increases against assets.
- In cases of capital increases against cash contributions up to a sum totalling €700,000, when the issuing price is not significantly lower than the stock market price.
- In order to issue staff shares to the group's employees.
- In cases of capital increases against cash contributions up to a sum totalling €300,000 implemented to fulfil surplus allocation options that had been granted.

c. The group's nominal capital will be increased by up to €522,000 through the issuance of up to 522,000 new bearer ordinary shares in the form of securities, in line with the rights of shareholders to subscribe to new shares pursuant to the stock option plan of 2000.

At the ordinary general meeting held on May 29 2001, the following resolutions were passed regarding measures to procure capital funds:

a. The general meeting held on 29.5.2001 decided to implement up to two capital increases each totalling €1,000,000.00. These are designed to conform to the shares rights of holders / creditors of debentures, conversion or option privileges. Accordingly, the executive board is authorised to issue the corresponding securities either in a single or in multiple issuances up to 29.05.2006.

b. Furthermore, subject to the consent of the supervisory board, the executive board is authorised to increase the group's nominal capital by up to €3,550,000.00 by 29.05.2006 through the issuance of new shares against cash contributions.

Shares Option Plan

INTERNOLIX AG ELECTRONIC BUSINESS SOFTWARE & SOLUTION'S shares option plan enables options to buy shares in contingent capital to be granted to members of the executive board, the managing bodies of subsidiary companies both at home and abroad (referred to as senior management below) and employees of the group or its subsidiary companies both at home and abroad (referred to as employees below) – providing they were not already shareholders in the company up to October 31 1999.

Members of senior management are to be allocated up to 25% and employees up to 75% of the total of 522,000 subscription rights. Subscription rights are to be granted within a four year period in annual tranches. These will begin in 2000. In the first year, up to 65,000, in the second year up to 110,000, in the third year up to 160,000 and in the fourth year up to 187,000 subscription rights may be granted. Allocation of the first tranche will occur at the time of the initial notification. The following tranches will be allocated at the beginning of each year. These option rights are terminated after ten years.

The subscription price for those options issued on the day of initial notification was the issuing price. In the following years, the subscription price corresponds to the average price during the previous 30 days on the stock market before rights are granted.

Subscription rights may be exercised in two separate years for the first time three years after they have been granted – and each time within four weeks of publication of either the first or third quarterly reports. Prerequisite for exercising rights is that the price development of the company's ordinary shares out-performs a pre-defined peer group garnered from the company's direct competitive business sector. The following details result from the stock option plan:

	<u>Number of options</u>
Total at 31.12.2000	38,730
Granted in 2001	93,161
Terminated in 2001	<u>130,414</u>
Total at 31.12.2001	<u>1,477</u>
Entitled on 31.12.2001	<u>0</u>

If the cost of remuneration for the shares option plan were to be calculated on the basis of the option's estimated market value on the day it is exercised, as stipulated in statement no. 123 of the Financial Accounting Standards Board, then the pro forma loss posted for 2000 would have totalled around €46.9 million (2000: €10.1 million).

This sum corresponds to a loss per share of €5.17 in 2001 and €1.73 in 2000. The annual loss means that a dilution of capital cannot be considered. The market value of shares options granted by INTERNOLIX AG was estimated at around €6 per option. The following assumptions were made for each estimation of market value: No payment of dividends, a risk-free annual rate of interest of 4%, average expected duration of option of five years and a predicted rate of volatility of 0% - as the options were not traded at the time they were exercised.

10. Reporting of Individual Segments

Reporting of accounts pertaining to individual business segments is performed by the firm in line with its internal business structure and organisational methods of reporting. Criteria governing this approach are outlined in statement number 131 of the Financial Accounting Standards Board. The statement also requires information on products, regions and main customers.

The reportable segments are determined through the existing internal business structure and organisational methods of reporting on the basis of current, existing business segments. These segments are:

- e-Commerce software and shop systems
- Online-entertainment.

Reporting of these individual segments is pursuant to the general accounting standards mentioned above. The company evaluates the performance development of segments according to a variety of factors. The main factor is earnings accrued before interest and tax (EBIT).

Prior to the acquisition of camPoint AG in May this year, the firm was only active in the segment e-Commerce software and shop systems.

Sales			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	1.2	11.7	1.5
Online-entertainment	10	-	-
Total	<u><u>11.2</u></u>	<u><u>11.7</u></u>	<u><u>1.5</u></u>
EBIT			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	-44.7	-15.0	-3.5
Online-entertainment	2.8	-	-
Total	<u><u>-41.9</u></u>	<u><u>-15.0</u></u>	<u><u>-3.5</u></u>
Interest income			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	0.5	1.3	-
Online-entertainment	-	-	-
Total	<u><u>0.5</u></u>	<u><u>1.3</u></u>	<u><u>0</u></u>
Income tax			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	-3.6	3.6	-
Online-entertainment	-1.1	-	-
Total	<u><u>-4.7</u></u>	<u><u>3.6</u></u>	<u><u>0</u></u>
Total assets			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	12.8	61.5	3.6
Online-entertainment	29.6	-	-
Total	<u><u>42.4</u></u>	<u><u>61.5</u></u>	<u><u>3.6</u></u>
Investments			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	9.0	5.4	1.0
Online-entertainment	22.0	-	-
Total	<u><u>31.0</u></u>	<u><u>5.4</u></u>	<u><u>1.0</u></u>
Write-downs			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	12.0	0.9	0.2
Online-entertainment	1.3	-	-
Total	<u><u>13.3</u></u>	<u><u>0.9</u></u>	<u><u>0.2</u></u>
Non-cash transactions			
in million EUR	<u>2001</u>	<u>2000</u>	<u>1999</u>
e-Commerce software & shop systems	3.2	-	-
Online-entertainment	9.6	-	-
Total	<u><u>12.8</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>

The following table provides figures on sales and durable economic goods by country. Sales are ascribed to the country in which they were generated, that is, assigned to the resident country of the respective company that has achieved the sales – because clear delineations of services provided in a particular country via the internet are not realisable. Durable economic goods, such as real estate, technical plant and machines, are assigned to the resident regions of their individual companies.

Sales

in million EUR

By country of origin	<u>2001</u>	<u>2000</u>	<u>1999</u>
Germany	10,8	7,9	1,5
Other European country	0,4	3,5	-
Overseas country	-	0,2	-
Total	<u>11,2</u>	<u>11,6</u>	<u>1,5</u>

Durable economic goods

in million EUR

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Germany	22,9	4,8	0,8
Other European country	-	0,4	-
Overseas country	-	0,1	-
Total	<u>22,9</u>	<u>5,3</u>	<u>0,8</u>

11. Income tax

As of December 31 2001 the company and its subsidiary companies reported a loss that can be set off against tax payable on profits made in the future. The losses can be used to set off against tax primarily in Germany and in the USA.

Due to deteriorating market conditions, a realisation of these loss carryovers is no longer likely in the foreseeable future. For this reason, values for the asset-side potential tax sums accrued during 2000 were fully adjusted.

Taxation charges were as follows:

	<u>2001</u>	<u>2000</u>
	K€	K€
Expenditure	-851	0
Asset-side potential tax	-3,620	3,605
Liability-side potential tax	-243	0
	<u>-4,714</u>	<u>3,605</u>

12. Earnings per share

The loss per ordinary share was calculated by dividing the loss by the weighted average price for those ordinary shares issued during the period. The diluted loss per share in the fiscal year 2001 amounted to €5.16 for 9,083,333 ordinary shares (weighted average). Declaration of a diluted loss per share is not permitted, however, due to the lower loss per share.

13. Contingent liabilities and sundry financial obligations

Rent and leasing contracts

Group companies have signed leasing contracts for a variety of business premises, fittings and vehicles. The contracts terminate at differing intervals, up to the longest period ending October 31 2005. Rent paid on all operative leasing contracts in 2001, 2000 and 1999 amounted to K€2,755, K€1,086, K€162. Up to December 31 2001 annual minimum leasing payments, respectively rent payments were as follows:

<u>Fiscal year</u>	<u>K€</u>
2002	697
2003	220
2004	70
2005	54
	<u>1,041</u>

Lawsuits

The group's companies may become involved in lawsuits as a result of pursuing their normal business operations. As of December 31 2001 the executive board and their advisors have no knowledge of demands pending that would have any significant effect on group's asset, financial and income situations. Appropriate provision has been made for reserves.

14. Events following the final day of the reporting period

The following events were of special importance to the business development of INTERNOLIX during the fiscal year 2002:

- In January 2002 INTERNOLIX acquired 50% of shares in IMPress Verlagen [publishing house] from HNN Helbert News Network AG, Wiesbaden.
- Dr. Bernd Kiel resigned as member of the executive board by mutual agreement as of 28.02.2002. Markus Tarara took over his area of responsibility. No plans exist to fill the vacancy in the future.

- At the beginning of March INTERNOLIX acquired 10% of shares in the Audiofon group, Hanover, one of the leading European telephone service providers.
- Pursuant to the executive board's resolution on March 4 2002, the company implemented a capital increase for cash. 717,566 bearer ordinary shares were placed with institutional investors. The group's nominal capital now amounts to €11,217,566.

15. Differences between HGB – US-GAAP

Utilisation of the two differing accounting and assessment methods HGB, respectively US-GAAP led to the following discrepancies:

- The extraordinary expenses resulting from the company's floatation on the stock market were set off neutral in their effect on profits against the premium.
- Software developed in-house as part and parcel of the manufacturing process, and which is also for resale, was reported on the asset-side in 1999 and 2001 and will be written off over the course of four years, respectively over the period to amortisation through sales income – whichever period is shorter.
- No asset-side potential tax was reported for future profit from tax losses carried forward, pursuant to German HGB.

The company is classed as a large public limited company pursuant to German § 267 para. 3 HGB.

In the fiscal year 2001 group employed on average 160 (2000: 190) staff. On average, the number of trainees in the fiscal year was 5 (2000: 4)

	<u>2001</u>	<u>2000</u>
	K€	K€
Wages and salaries	10.170	8,318
Social security costs and expenses for pension schemes and support	<u>1.583</u>	<u>2,191</u>
- of which for the pension scheme K€4 (2000:K€21)		
	<u>11.753</u>	<u>10,509</u>

During the reporting period, members of the executive board of INTERNOLIX AG included:

Dr. Luigi Carlo De Micco, chairman (to 22.06.2001)

- SB member at Clarfeld software AG, Winsen/Luhe (to January 16 2001)
- SB member at conceptware ag, Schwalbach/Ts.

Klaus Peter Stoll, vice-chairman / marketing (to 30.06.2001)

Eng. Ralf Schneider, development (to 30.06.2001)

Martin Schwahn, finance director (to 29.05.2001)

Klaus Helbert, chairman (from 4.07.2001)

(banker)

- Chairman of the board at media[netCom] AG
- Chairman of the board at HNN Helbert News Network AG
- Member of the supervisory board at camPoint AG
- Managing director at IMPress GmbH
- Managing director at Platinum Acquisitions GmbH
- Managing director at Platinum Sky Aviation GmbH
- Managing director at T-JOY GmbH (from 11.12.2001)

Markus Tarara (from 29.05.2001)

(businessman)

- Chairman of the board at camPoint AG
- Managing director at Single TV Fernsehen GmbH
- Managing director at EDEN Erotic Digital Entertainment Network GmbH
- Managing director at Visit-Y GmbH
- Managing director at T-JOY GmbH (to 11.12.2001)

Steffen Hantke (from 1.10.2001)

(banker)

- Member of the supervisory board at TechnoLogics AG (from 7.09.2001)
- Managing director at Internet Arts GmbH (from 2.10.2001)
- Managing director at Campoint technologies GmbH (from 2.10.2001)
- Managing director at Visit-X-GmbH (from 2.10.2001)

Dr. Bernd Kiel (from 19.01.2001; to 28.02.2002)

(Qual. Phys.)

Total earnings of the executive board during the fiscal year amounted to K€1.036.

The following were members of the supervisory board in the fiscal year 2001:

Dr. Ingo Mantzke, chairman (to 29.05.2001)

Member of the administrative board at Highlight Communications AG, Switzerland, and also director in charge of finance and investor relations

Karl-Heinz Killeit, vice-chairman (to 29.05.2001)

Business administrator (HWL)

- SB member at AUTODIGIT software AG
- SB member at Clarfeld software AG (to January 15 2001)
- SB member at Element 5 AG
- SB member at Ihr Partner software&Consulting AG,
- SB member at TennCom AG
- SB member at MobileObjects AG

Ulrich G. Schneider (from December 1 2000)

Managing director of the federal association of Informations- und Kommunikationssysteme e.V. (BVB)

- SB member at SHUTTLEsoft AG (to December 31 2000)

Dr. Rainer Bommert, chairman (from 29.05.2001)

(Main activities: Solicitor at Haarmann, Hemmelrath & Partner, Frankfurt am Main)

- SB chairman at media[netCom] AG

Klaus Kahler, vice-chairman (from 29.05.2001)

(Main activities: independent tax consultant and chartered accountant, solicitor)

- SB member at media[netCom] AG

- SB chairman at camPoint AG

- SB chairman at HNN Helbert News Network AG

- SB chairman at TechnoLogics AG

Randolf Krings, (from 29.05.2001)

(Main activity: Independent designer)

- SB member at media[netCom] AG

- SB member at TechnoLogics AG

In the fiscal year 2001 the supervisory board received allowances totaling K€45.

During the reporting period, no advances or loans were extended to members of the executive board or the supervisory board. In the reporting period no options were granted to members of the executive board or the supervisory board.

Shares held by members of the management bodies to December 31 2001

<u>Executive board</u>	<u>Shares</u>
Klaus Helbert	104,586
Rights to indirect purchase:	1,322,430
Rights to subscribe:	1,700,000
Dr. Bernd Kiel	51,330
Markus Tarara	0
Steffen Hantke	0
 <u>Supervisory board</u>	
Dr. Rainer Bommert	0
Klaus Kahler *	2,877,139
Randolf Krings	0

* Of which 128,000 are held directly and 2,749,139 indirectly

In addition to INTERNOLIX AG, Runkel, (parent company), the consolidated companies encompass those companies upon which the parent company exerts a majority influence. The consolidated companies are listed in the appendix to these commentaries on the annual balance sheet.

16. Associated Companies and Persons

Links formed through voting rights renders Messrs Helbert and Kahler, as well as media[netCom] AG, Helbert News Network AG and other companies belonging to Mr Helbert associates according to SFAS 57.

As of December 31 the company owns around 18% of shares in media[netCom] AG, with an obligation to sell the shares to an associated company in February 2002. The agreed on purchase price was paid in March 2002.

Since the middle of 2001 the company and its subsidiary, camPoint AG, have entered into a subtenancy contract with Helbert News Network AG to receive services from this firm. The conditions correspond to normal market levels. In 2001 the company and its subsidiary paid K€632 to Helbert News Network AG to fulfil this contract.

Auditor's Report

(Translation from the German original)

We have audited the consolidated financial statements prepared by Internolix Aktiengesellschaft Electronic Business Software & Solutions, Runkel, and consisting of balance sheet, statements of income, shareholder's equity and cash-flow and the notes thereto for the year from January 1 to December 31, 2001. The preparation of the consolidated financial statements and their content are the responsibility of the Company's management. Our responsibility is to express an opinion, based on our audit, whether the consolidated financial statements and the group management report have been prepared in accordance with accounting principles generally accepted in the United States of America (US-GAAP).

We conducted our audit in accordance with German auditing regulations and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit in such manner that misstatements materially affecting the presentation of the consolidated financial statements are detected with reasonable assurance. In determining the scope of the audit, knowledge of the business activity and the economic and legal environment as well as the expectation of errors is taken into account. The audit of the consolidated financial statements includes examining evidence supporting the disclosures in the consolidated financial statements on a test basis. The audit also includes examining the accounting and valuation 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 for the year from January 1 to December 31, 2001 give a true and fair view of the net assets, financial position, results of operations and cash flows of the ACG Group, Wiesbaden, in accordance with accounting principles generally accepted in the United States of America (US-GAAP).

Our audit, which included the group management report for the fiscal year January 1 to December 31, 2001 prepared by the Directors, did not lead to any reservations. In our opinion, the group management report taken as a whole provides a suitable understanding of the Company's position and suitably presents the risks of future development. Additionally, we confirm that the consolidated financial statements and the group management report for the year from January 1 to December 31, 2001 fulfil the requirements releasing the Company from the preparation of consolidated financial statements and a group management report in accordance with German Commercial Law.

Frankfurt am Main,
March 28, 2002

P K F P a n n e l l K e r r F o r s t e r G m b H
W i r t s c h a f t s p r ü f u n g s g e s e l l s c h a f t

W. Hofmann
Wirtschaftsprüfer
(Public Accountant)

M. Wales
Wirtschaftsprüfer
(Public Accountant)



Financial Calendar 2002

Annual Report 2001	April
Interim Report 1 st Quarter 2002	May 28
General Meeting	May / June
Interim Report 1 st Half-Year 2002	August
DVFA Analysts' Conference	August
Interim Report 1 st – 3 rd Quarter 2002	November

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