

***Three month report
January 1 to March 31, 2001
(acc. to IAS)***

| | |
|------------------------------|----|
| Key data | 2 |
| Introduction | 3 |
| Business progress | 4 |
| Economic developments | 6 |
| Prospects | 8 |
| Shares held by board members | 9 |
| IAS notes | 10 |
| Balance Sheet | 12 |
| Income Statement | 14 |
| Cash Flow Statement | 15 |

Contact:

fluxx.com Aktiengesellschaft
Herrenhaus Stift
D-24161 Altenholz

Phone: +49.431.88 10 4-80

Fax: +49.431.88 10 4-70

Email: info@fluxx.com

<http://www.fluxx.com>

Investor Relations:

Stefan Zenker

Phone: +49.431.88 10 4-84

Email: zenker@fluxx.com

Key Data (IAS):

| | 1. Quartal 2001 01.01.-31.03.2001 | | 1. Quartal 2000 01.01.-31.03.2000 | |
|------------------------------------|--------------------------------------|--------|--------------------------------------|--------|
| | TDM | T€ | TDM | T€ |
| Gross sales | 18,682 | 9,552 | 10,421 | 5,328 |
| Betting stakes | 10,381 | 5,308 | 4,465 | 2,283 |
| Net sales | 8,301 | 4,244 | 5,956 | 3,045 |
| EBITDA | -5,675 | -2,902 | -4,883 | -2,497 |
| EBIT | -6,815 | -3,484 | -5,372 | -2,747 |
| Consolidated net loss for the year | -4,164 | -2,129 | -2,685 | -1,373 |
| Earnings per share (DM/€) | -0,82 | -0,42 | -0,54 | -0,27 |

| | 31.03.2001 | | 31.12.2000 | |
|---------------------|------------|--------|------------|--------|
| | TDM | T€ | TDM | T€ |
| Non-current assets | 35,504 | 18,153 | 29,907 | 15,291 |
| Equity and reserves | 26,768 | 13,686 | 30,268 | 15,476 |
| Balance-sheet total | 51,603 | 26,384 | 49,757 | 25,440 |

| Other key data: | 31.03.2001 | 31.03.2000 |
|-------------------|------------|------------|
| Employees | 169 | 155 |
| jaxx.de customers | 380,000 | 100,000 |
| jaxx.de partners | 1,300 | 200 |

Introduction

Dear Shareholders and Business Partners,

Despite the generally poor market environment in the IT and Internet sector, fluxx.com was able to realise a further significant growth in sales of 79 per cent during the first quarter of the new fiscal year. The growth of our gambling interests in particular, e-gambling, has been unstoppable, with the number of registered customers increasing from 307,000 to 380,000 during the first quarter, bringing the total to over 420,000 users of our products jaxx.de, horses.de, lotto-sh.de, Interjockey.com and the TV-based telephone betting system Telewette. The stakes placed through these products have risen by 133 per cent from DM 4.5 million (EUR 2.3 million) during the first quarter of 2000 to DM 10.4 million (EUR 5.3 million) during the first quarter of 2001.

Due to the fact that we are focussing on the two core areas of e-business services and e-gambling, we resolved to restructure the Board of Management of fluxx.com Aktiengesellschaft, and as a result, we have had only four Board members since April 1. In addition to the Chairman Rainer Jacken and the Finance Director Holger Pilgenröther, there are two further divisions: The Director of e-gambling is Mathias Dahms, and the Director of e-business services is Christoph Tonn. Our fifth Director, Uwe Wanger, retired from the Board of Management on 31. March following the restructuring of our Group. May we take this opportunity of thanking him most warmly for his help in establishing the fluxx.com Group.

We held our second public annual general meeting in Hamburg on May 3, 2001. The Board of Management and the Supervisory Board were discharged, Susat & Partner Wirtschaftsprüfungsgesellschaft OHG were again elected as auditors for fiscal 2001. By increasing the approved capital to EUR 529,000, the general meeting of shareholders also made it possible for the company to be provided with sufficient funds to implement capital measures, in a positive stock market environment, for example to strengthen the equity base for the acquisition of other companies.

Kiel, May 2001

The Board of Management

e-gambling

Gambling on the Internet continues to expand. Following consolidation on the e-commerce market, due amongst other things to poor online advertising, Internet portals and e-commerce shops are looking for profit-orientated services for their products. fluxx.com recognised this trend early, and laid the foundation stone for the marketing of fluxx.com gambling products with the marketing company any-bet.com in December 2000. The marketing organisation reached its highest point during in May 2001, with its first major order to set up a gambling product at WEB.DE, the leading German Internet portal for Unified Messaging. It was subsequently possible to establish some other promising contacts with potential international customers.

fluxx.com develops gambling portal for WEB.DE

During the summer, WEB.DE will open its own lottery and horse betting product in its portal, for which it has acquired the necessary licences from fluxx.com. fluxx.com will develop the gambling channel for WEB.DE, and will acquire a sizeable share of the sales, primarily in the long term, via operation and hosting. In addition to the existing joint venture models, in which over 1,300 Internet products already operate as branches of jaxx.de, WEB.DE will be marketing the gambling product as a separate service. As far as fluxx.com is concerned, this means that it does not need to spend any money on marketing itself, but is nevertheless guaranteed a share of sales in the long-term. WEB.DE is one of the three largest portals in Germany, with 4.5 million registered users, and over 450 pages a month hit by these users. WEB.DE consequently reaches close on 30 per cent of all the Internet users in Germany.

420,000 registered customers

Growth in the products marketed by fluxx.com itself, namely jaxx.de, horses.de, Interjockey.com and Telewette, has remained good. With over 420,000 registered customers, fluxx.com remains the market leader for online gambling in Germany. During the first quarter of 2001, a total of DM 10.4 million (EUR 5.3 million) was handled via these products, 133 per cent more than during the first quarter of 2000 and 21 per cent more than during the final quarter of 2000.

High cross-selling potential from horse betting at jaxx.de

At the end of January, a separate horseracing channel started up at jaxx.de, which uses the products of horses.de. Interest and betting levels exceeded all expectations. Within just a few weeks, the sales handled exceeded the total annual revenue of horses.de. This fact confirms our theory that jaxx.de, as a gambling portal, has considerable cross-selling potential, with lottery players becoming horse gamblers and vice versa.

Due to the initially slow start to the racing season and to a few cancelled race meetings due to the foot and mouth outbreak, sales figures were below those of the fourth quarter of last year. However in comparison with the first quarter of 2001, betting stakes have risen significantly. The online bookmaker Interjockey.com was also able to maintain its high gross market on betting stakes at 18 per cent during the first quarter of 2001, which is significantly higher than the average of other online bookmakers.

e-business services

The M-portal project for Mobilcom was the focus of activities of the e-business services division. At the largest IT fair in the world, CeBIT in Hanover, held in March, the public was presented with the first pilot version, which provides an initial insight into the design and functionality of the future UMTS portal.

The new customers in the e-business services division include the logistics service provider Hermes General Service, the pharmaceuticals group Schering and the tour operator Öger Tours.

During the first quarter, marketing focussed on the topics of M-commerce, M-business, M portals and on the sectors of financial service providers, consumer goods (manufacturers and commerce) and tourism.

Gross sales up 79 per cent

Gross sales within the Group rose in comparison with the same quarter last year by 79 per cent, from DM 10.4 million (EUR 5.3 million) to DM 18.7 million (EUR 9.6 million). This figure includes lottery and betting stakes of DM 10.4 million (EUR 5.3 million), realised through the Internet products jaxx.de, horses.de, lotto-sh.de and the telephone horse betting service Telewette.

Net sales up 39 per cent

Net sales during the first quarter of 2001 totalled DM 8.3 million (EUR 4.2 million) – a rise of 39 per cent in comparison with the same period last year. However the Group's overall performance, at DM 10.7 million (EUR 5.5 million) was significantly higher. This figure includes income from the sale of the participating interest in handy.de Vertriebs GmbH totalling DM 0.7 million (EUR 0.4 million) and inventory changes totalling DM 1.4 million (EUR 0.7 million), the latter being due to the fact that services already provided in conjunction with the setting up of the M-portal for Mobilcom were not charged until after the end of the quarter.

The e-gambling division contributed 22 per cent to the net sales, at DM 1.8 million (EUR 0.9 million). However we can assume that its proportion during subsequent quarters will increase significantly, since we expect additional revenue from licences and sales from the marketing and operation of the gambling platform. Additionally, no further proceeds are anticipated from the sale of scratch cards and other cross-marketing activities, since sales had more or less reached capacity when the platform marketing was established. The share of the e-business services division in net sales totalled 78 per cent, i.e. DM 6.5 million (EUR 3.3 million).

Material costs during the first quarter totalled DM 7.1 million (EUR 3.6 million). The relatively high proportion of expenses of 85 per cent is essentially due to the fairly high proportion of bought-in services charged during the first quarter for the M-portal project. Salaries and social contributions during the first quarter amounted to DM 3.9 million (EUR 2 million). These include extraordinary costs for severance payments. Over the year, the effects of future personnel costs will again be positive.

Other operating expenses during the first quarter stood at DM 5.4 million (EUR 2.8 million) and essentially include costs for marketing, sales and consultancy services.

Result

The cumulative earnings before interest, taxes, depreciation and amortisation (EBITDA) for the first quarter consequently stood at DM –5.7 million (EUR –2.9 million), compared with DM –4.9 million (EUR –2.5 million) during the first quarter of 2000 (+16 per cent). After depreciation of DM 1.1 million (EUR 0.6 million), the negative EBIT amounts to DM –6.8 million (EUR 3.5 million), whereby analysts had forecast a negative figure in this order. It has consequently risen by 27 per cent in comparison with the same period last year.

The net loss for the year according to IAS rose in comparison with the first quarter of 2000 by 55 per cent, from DM –2.7 million (EUR –1.4 million) to DM –4.2 million (EUR –2.1 million). This produces earnings per share of EUR –0.42, on the basis of 5,058,000 shares.

Liquid assets

As a result of effective change in cash totalling DM 5.1 million (EUR 2.5 million), financial resources reduced from DM 11.1 million (EUR 5.6 million) at the end of December to DM 6.0 million (EUR 3.1 million). Continued financing of business activity is secured by the provision of credit lines for the AG and a subsidiary in the total amount of DM 15 million (EUR 7.6 million) by company member NIB Norddeutsche Innovations- und Beteiligungsgesellschaft mbH, 3 million of which had been utilised at the accounting date.

The balance sheet total rose slightly from DM 49.8 million (EUR 25.4 million) to DM 51.6 million (EUR 26.4 million).

Employees

As envisaged in the "path to profit" programme, growth was realised without employing additional staff. The number of employees remained unchanged since the previous quarter at 169. 56 of these were employed in the e-gambling division and 87 in the e-business services division. At 31. March, the AG employed 26 staff.

In contrast to the majority of the competition, fluxx.com has not pursued an aggressive acquisition strategy over the past few months, which would have led to a massive increase in employee numbers. The strategy of realising major projects with subcontractors is now producing positive effects. This allows fluxx.com to react flexibly to circumstances even in a difficult market environment.

"path to profit"

The Group "path to profit" project was launched at the end of March. Concrete measures and timing plans are being implemented, under the leadership of the Board of Management, in order on the one hand to significantly reduce the cost base and on the other hand to identify concrete marketing projects which will generate interesting future profit contributions. The collaboration with WEB.DE is the first of such projects, and other comparable ones should follow. We may currently assume that the initial effects of the programme will noticeably affect results as early as the second quarter.

On an operational level, all measures are focussed on short-term projects aimed at improving sales and profits. New product features and further improvements in platform structure should lead to lasting customer loyalty and consequently to a higher per capita sales. Consequently, the regular lottery entry was introduced, which enables lottery players to set up an automatic entry into the draw every week simply by completing a single lottery form. The live transmissions of horseraces on the Internet has been online at horses.de since mid May. The videos will soon also be accessible at jaxx.de.

The marketing and restructuring measures introduced under the "path to profit" programme have made us well prepared in the e-business services division for the negative effects of the current difficult market environment in the IT and e-business services segment. Thanks to the efficient combination of a slimline personnel structure and a comprehensive network of partners, fluxx.com is able to react flexibly to the current market situation. The major order to set up the M-portal and other promising sales activities point toward continued good capacity employment during the second quarter.

Shares held by board members at March 31, 2001

| Name | Position | Type | Number |
|---------------------------|---|-------------|---------------|
| Rainer Jacken | Chairman of the Board of Management | Shares | 280,000 |
| Mathias Dahms | Deputy Chairman of the Board of Management | Shares | 280,000 |
| Christoph Tonn | Member of the Board of Management | Shares | 280,000 |
| Uwe Wanger* | Member of the Board of Management | Shares | 280,000 |
| Holger Pilgenröther | Finance Director | Options | 6,500 |
| Goetz Graf von Hardenberg | Chairman of the Supervisory Board | Shares | 2,848 |
| Prof. Dr. Sönke Albers | Deputy Chairman of the Supervisory Board | Shares | 263 |
| Frank Motte | Member of the Supervisory Board | Shares | 6,250 |

*Uwe Wanger retired from the Board of Management on 31.03.2001

Key information in the Notes to the 3 month report according to IAS

For the first time, fluxx.com Aktiengesellschaft has prepared its report for the 1st quarter of 2001 according to IAS (International Accounting Standards). In previous quarterly and annual reports, the consolidated financial statements originally prepared in accordance with the HGB [Commercial Code] were simply converted to IAS. The figures for comparison therefore contain the figures from the accounts converted from HGB to IAS which have previously been produced.

The main differences between the now fully applied IAS accounting and the formerly applied HGB accounting with conversion to IAS involves on the one hand the capitalisation of internally produced assets (essentially software and software development), the treatment of the resulting deferred tax and the capitalisation of deferred tax on tax losses brought forward.

The internally produced assets capitalised according to IAS 38 have been allowed for using the benchmark method, without affecting net income, using the depreciated acquisition costs at 01.01.2001. Depreciation of these assets capitalised according to IAS 38 is on a straight line basis over a useful life of 4 years.

The intangible assets acquired as goodwill under company purchases have been valued at their acquisition costs, which correspond approximately to the market value. These intangible assets have been assigned a useful life of 6 years, and have been depreciated accordingly.

The tax burden on the capitalisation of these assets to be depreciated in previous years has also been allowed for without affecting net income and has been reported under provisions for deferred tax. The tax rate of 50 % applicable in the past has been used. The reduction in the provisions for deferred taxes is in line with the depreciation to be undertaken in subsequent years.

The changes in assets resulting from the use of this IAS standard for the first time have been undertaken so as not to affect net income and they have been reported as a separate item under equity (difference arising from preparation according to IAS for the first time).

The capitalisation of the deferred taxes on the losses brought forward has already been allowed for in the converted accounts of previous years and depreciated accordingly. A total rate of corporation and trade tax of 42 % has been used as basis, as in the year 2000, for the future tax relief.

Tangible assets have been valued at depreciated acquisition costs, since it is assumed that these values are essentially in line with current market values. In the case of land and buildings, the special depreciation has been deducted from the assets in order to take account of the actual reduction in value of the buildings. The book value now reported corresponds approximately to the current market value.

Receivables and other assets have also been valued at current market values. Any reductions in value caused by losses of receivables outstanding or discounting have been taken into account under individual and general provisions for bad debt.

The provisions and liabilities have been valued in the amount of their likely repayment obligation, taking any discounting into account. Generally speaking it may however be assumed that the provisions and liabilities only have a very short term, so that an amount of interest need not be allowed for.

Balance Sheet

Consolidated Balance Sheet at March 31, 2001 (according to IAS)

| Assets | 31.03.2001 | | 31.12.2000 | |
|---|---------------|---------------|---------------|---------------|
| | TDM | T€ | TDM | T€ |
| A. Non-current assets | | | | |
| I. Intangible assets | 10,655 | 5,448 | 7,294 | 3,729 |
| II. Tangible assets | 4,969 | 2,541 | 4,910 | 2,510 |
| III. Financial assets | 887 | 454 | 1,398 | 715 |
| IV. Deferred taxes | 18,993 | 9,711 | 16,305 | 8,337 |
| A. Total | 35,504 | 18,153 | 29,907 | 15,291 |
| B. Current assets | | | | |
| I. Inventories | 1,935 | 989 | 1,173 | 600 |
| II. Accounts receivable from affiliated parties | – | – | 4 | 2 |
| III. Accounts receivable and other assets | 5,497 | 2,811 | 5,273 | 2,696 |
| IV. Cash on hand, cash in banks | 6,010 | 3,073 | 11,070 | 5,660 |
| V. Prepayments | 2,657 | 1,359 | 2,330 | 1,191 |
| B. Total | 16,099 | 8,231 | 19,850 | 10,149 |
| Total assets | 51,603 | 26,384 | 49,757 | 25,440 |

Consolidated Balance Sheet at March 31, 2001 (according to IAS)

| Equity and liabilities | 31.03.2001 | | 31.12.2000 | |
|---|---------------|---------------|---------------|---------------|
| | TDM | T€ | TDM | T€ |
| A. Equity and reserves | | | | |
| I. Subscribed capital | 9,877 | 5,050 | 9,877 | 5,050 |
| II. Balancing item | 18 | 9 | 18 | 9 |
| III. Capital reserves | 41,336 | 21,135 | 41,336 | 21,135 |
| IV. Difference resulting from preparation acc. to IAS for the first time | 687 | 351 | – | – |
| V. Loss carry-forward | –21,739 | –11,115 | –9,558 | –4,887 |
| VI. Net loss for the year | –4,164 | –2,129 | –12,181 | –6,228 |
| VII. Minority interest | 753 | 385 | 776 | 397 |
| A. Total | 26,768 | 13,686 | 30,268 | 15,476 |
| B. Difference resulting from capital consolidation | 50 | 26 | – | – |
| C. Special items for capital increase | 60 | 31 | 60 | 31 |
| D. Non-current liabilities | | | | |
| 1. Provisions for taxation | 76 | 39 | 47 | 24 |
| 2. Provisions for deferred taxes | 1,224 | 626 | 600 | 307 |
| 3. Long-term loans | 4,414 | 2,257 | 4,292 | 2,194 |
| 4. Bonds | 62 | 32 | 65 | 33 |
| D. Total | 5,776 | 2,953 | 5,004 | 2,559 |
| E. Current liabilities | | | | |
| 1. Other provisions | 3,131 | 1,601 | 2,160 | 1,104 |
| 2. Short-term loans | 230 | 118 | 518 | 265 |
| 3. Short-term portion of long-terms loans | 110 | 56 | 135 | 69 |
| 4. Advances from customers | 250 | 128 | 250 | 128 |
| 5. Trade accounts payable | 6,458 | 3,302 | 8,110 | 4,147 |
| 6. Other liabilities | 8,770 | 4,484 | 3,252 | 1,663 |
| E. Total | 18,949 | 9,688 | 14,425 | 7,375 |
| Total equity and liabilities | 51,603 | 26,384 | 49,757 | 25,440 |

Income Statement

Consolidated Statement of Earnings from 01.01.-31.03.2001 and 2000 (acc. to IAS)

| 1st quarter 2001 and 2000 | 01.01.-31.03.2001 | | 01.01.-31.03.2000 | |
|---|-------------------|---------------|-------------------|---------------|
| | TDM | T€ | TDM | T€ |
| 1a. Gross sales | 18,682 | 9,552 | 10,421 | 5,328 |
| 1b. Betting stakes | 10,381 | 5,308 | 4,465 | 2,283 |
| 1. Net sales | 8,301 | 4,244 | 5,956 | 3,045 |
| 2. Change in inventories | 1,408 | 720 | 25 | 13 |
| 3. Other operating income | 954 | 488 | 235 | 120 |
| 4. Cost of materials | | | | |
| a. Raw materials, consumables and supplies | -232 | -119 | -517 | -264 |
| b. Cost of purchased services | -6,824 | -3,489 | -4,179 | -2,137 |
| 5. Personnel expenses | | | | |
| a. Wages and salaries | -3,346 | -1,711 | -3,134 | -1,602 |
| b. Social security and other pension costs | -527 | -269 | -564 | -288 |
| 6. Depreciation | | | | |
| a. of intangible fixed assets and tangible assets | -1,140 | -583 | -489 | -250 |
| 7. Other operating expenses | -5,410 | -2,766 | -2,705 | -1,383 |
| 8. Other interest and similar income | 38 | 19 | 201 | 103 |
| 9. Interest and similar expenses | -94 | -48 | -95 | -49 |
| 10. Result from ordinary activities | -6,872 | -3,514 | -5,266 | -2,692 |
| 11. Taxes on income | 2,730 | 1,396 | 2,595 | 1,327 |
| 12. Other taxes | -22 | -11 | -14 | -7 |
| 13. Net loss of the year | -4,164 | -2,129 | -2,685 | -1,373 |
| For information: | | | | |
| Development costs capitalised according to IAS | | | 103 | 53 |
| Amortisation of development costs | | | -433 | -221 |
| Deferred taxes on the assets/equity and liabilities sides which affect the result | | | 165 | 84 |
| Result of development costs which can be capitalised | | | -165 | -84 |
| Result for information only | | | -2,850 | -1,457 |

Cash Flow Statement

Cash Flow Statement at March 31, 2001

| | 01.01.-31.03.2001 | | 01.01.-31.03.2000 | |
|--|-------------------|---------------|-------------------|---------------|
| | TDM | T€ | TDM | T€ |
| Cash outflow from operating activities | | | | |
| Consolidated net loss | -4,164 | -2,129 | -2,685 | -1,373 |
| Depreciation | 1,140 | 583 | 489 | 250 |
| Cash flow acc. to DVFA/SG | -3,024 | -1,546 | -2,196 | -1,123 |
| Changes: | | | | |
| Increase in inventories, trade receivables and other assets | -3,997 | -2,044 | -2,823 | -1,443 |
| Increase in short-term provisions | 938 | 480 | 348 | 178 |
| Increase in trade payables and other liabilities | 863 | 441 | 165 | 84 |
| | -5,220 | -2,669 | -4,506 | -2,304 |
| Cash outflow from investing activities | | | | |
| Deposits from disposals of fixed assets | 713 | 365 | - | - |
| Cash payments for investments in intangible assets and tangible assets | -3,339 | -1,707 | -5,514 | -2,819 |
| | -2,626 | -1,343 | -5,514 | -2,819 |
| Cash inflow from financing activities | | | | |
| Issue of bonds | - | - | 34 | 17 |
| Inpayments from borrowings of company members | 3,000 | 1,534 | - | - |
| Repayment of loan liabilities | -166 | -85 | -743 | -380 |
| Changes in short-term amounts due to banks | -25 | -13 | - | - |
| Changes in repayment of Minority interest | -23 | -12 | - | - |
| | 2,786 | 1,424 | -709 | -363 |
| Overall effective change | -5,060 | -2,587 | -10,729 | -5,486 |
| Cash on 01.01. | 11,070 | 5,660 | 31,446 | 16,078 |
| Cash on 31.03. | 6,010 | 3,073 | 20,717 | 10,592 |