

LYCOS Europe N.V

interim report 2009

for the period from 1 July 2009 to 30 September 2009

This interim report of LYCOS Europe N.V. (ISIN NL0000233195) refers to the third quarter of the financial year 2009 (1 July to 30 September 2009).

business development

LYCOS Europe N.V. is pushing forward the liquidation process of the company.

During the period under review the company took strong efforts to find a buyer for the shopping unit (Pangora). The search for a potential buyer turned out to be a long lasting process. Several negotiations did not result in an according sales agreement until after the period under review. Therefore LYCOS Europe was forced to also look at other options for Pangora.

The intelligent search LYCOS iQ was transferred to Hubert Burda Media in June already. The sale was completed on receipt of the final purchase price of TEUR 400 by July 8, 2009.

Similar to that several payments relating to the sale of LYCOS brand and search to Lycos Inc. were received. According to the sales contract the purchase price of USD 800,000 has to be paid in 8 instalments. By September 30, 2009 four payments totalling USD 400,000 were received.

The UK office has been shutdown by the end of July. Jubii Services Ltd. (UK), Jubii IP Ltd. (UK), Pangora LLC (USA, Delaware) and Jubii LLC (USA, Delaware) have already been liquidated to date.

Besides that LYCOS was looking for a next tenant for the entire office facilities in Gütersloh (Germany).

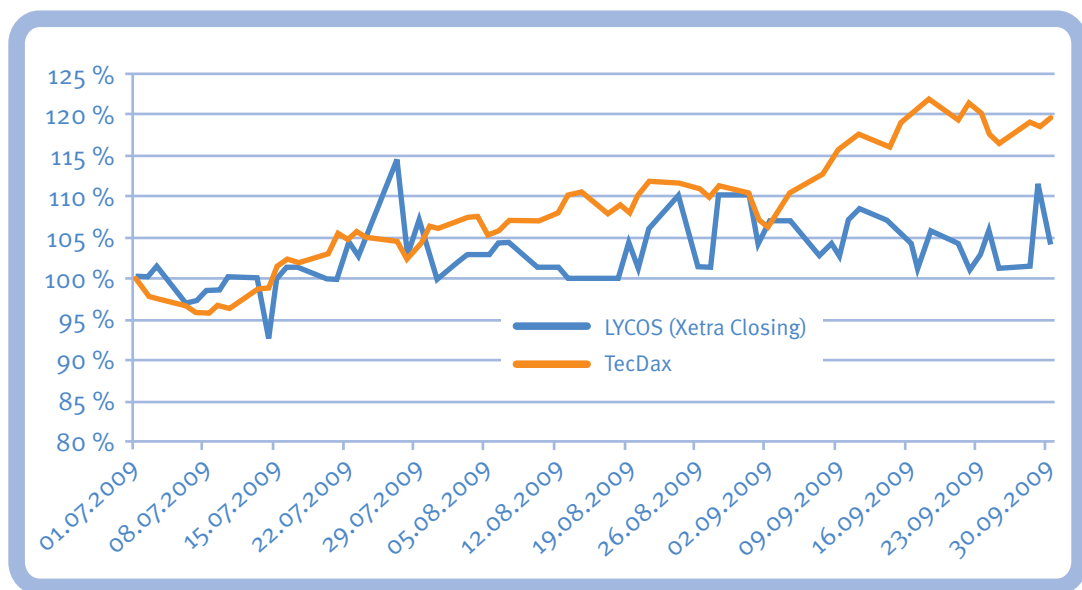
shareprice development

The shareprice developed mainly side wards in the period under review and rose by 4 percent while the TecDax gained 19 percent. The announcement of the delisting in France by the beginning of 2010 did not have significant impact on the shareprice.

The highest shareprice was EUR 0.08 on July 27, 2009. On July 14, 2009 the LYCOS Europe share dropped to 0.065, the lowest quotation in the period under review.

An average of 163,266 shares was traded on Xetra in the third quarter of 2009.

LYCOS-Share (Xetra Closing) vs. TecDax



On September 30, 2009 we were informed that former shareholder Bertelsmann Internet Holding GmbH was merged into Reinhard Mohn GmbH. All shares and voting rights were transferred to Reinhard Mohn GmbH. The shareholder structure remains unchanged.

HSBC Trinkaus & Burkhardt served as a Designated Sponsor in the period under review.

headcount development

By the end of the third quarter the number of employees was reduced to 38.

The employment contracts of 30 employees have already been terminated and the bigger part will end by September 2009. 30 of these employees have already been released from their duties earlier.

The small remaining staffs was mainly working in the legal and accounting department mainly taking care of a proper winding down.

key financials

The revenues (without discontinued operations) in the three months ended September 30, 2009 declined further to EUR 0.0 million compared to EUR 5.0 million in the previous year as LYCOS terminated all products and services by the middle of February 2009.

EBITDA for the third quarter amounted to EUR (1.7) million compared to EUR (8.9) million in the same period 2009. The net loss of the period amounted to EUR (2.8) million (three months ended September 30, 2008: EUR (7.4) million).

Cash, cash equivalents and other investments were EUR 45.9 million as of September 30, 2009 compared to EUR 76.1 million as of December 31, 2008 due to the capital repayment of EUR 35 million in May 2009.

Cash ratio accordingly changed to 1.9 compared to 1.6 at the end of the financial year 2008.

risks and uncertainties

The risk categories and risk factors have extensively been described in the annual report 2008 and the six months report 2009. Please refer to these reports.

supplemental report

By the beginning of October 2009 LYCOS entered into an agreement with a Swedish limited liability company to take over the Swedish subsidiary Yarps Networks AB. The purchase price less shareholders' equity was about EUR 2 million.

After long lasting negotiations with several potential buyers LYCOS found a buyer (Affiliate Company of Become, Inc.) for the shopping unit finally. The transaction will be closed by the end of October 2009.

outlook

Following the return of the LYCOS brand to Lycos Inc. the company LYCOS Europe GmbH will be renamed to Jubii Europe GmbH and LYCOS Eastern Europe GmbH will change its company name to Jubii Eastern Europe GmbH within the next months.

Further LYCOS Europe will implement the shutdown plan step by step and continue to liquidate its entities as soon as possible.

The Management Board

key figures *

| | | Three months ended September 30, 2009 | Three months ended September 30, 2008 (restated) | Change |
|------------------------------|-------------|---|---|--------|
| Revenues | Million EUR | 0.0 | 5.0 | (100)% |
| EBITDA | Million EUR | (1.7) | (8.9) | 81% |
| EBIT | Million EUR | (1.7) | (9.4) | 82% |
| Net profit/(loss) | Million EUR | (2.8) | (7.4) | 62% |
| Shares (average outstanding) | | 312,300,000 | 312,300,000 | 0% |
| Profit/(loss) per share | Million EUR | (0.01) | (0.02) | 50% |

| | | Nine months ended September 30, 2009 | Nine months ended September 30, 2008 (restated) | Change |
|-------------------------------------|-------------|--|--|--------|
| Revenues | Million EUR | 3.4 | 18.0 | (81)% |
| EBITDA | Million EUR | (14.3) | (22.6) | 37% |
| EBIT | Million EUR | (15.6) | (24.2) | 36% |
| Result from discontinued operations | Million EUR | 24.1 | 1.6 | >100% |
| Net profit/(loss) | Million EUR | 8.2 | (17.1) | >100% |
| Shares (average outstanding) | | 312,300,000 | 312,300,000 | 0% |
| Profit/(loss) per share | Million EUR | 0.03 | (0.06) | >100% |

| | | Nine months ended September 30, 2009 | Year ended December 31, 2008 | Change |
|--|-------------|--|------------------------------------|--------|
| Cash, cash equivalents and other investments | Million EUR | 45.9 | 76.1 | (40)% |
| Cash ratio (Cash, cash equivalents and other investments/total liabilities) | percent | 1.9 | 1.6 | 18% |
| Shareholders' equity | Million EUR | 35.2 | 60.6 | (42)% |
| Equity ratio (Shareholders' equity/total assets) | percent | 59.1 | 56.0 | 6% |
| Total assets | Million EUR | 59.5 | 108.2 | (45)% |
| Employees | number | 38 | 501 | (92)% |

* unaudited

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Disclaimer

This interim report to the shareholders should be read in conjunction with the (consolidated) financial statements and notes thereto. This report contains certain forward-looking statements and information relating to LYCOS Europe based on the beliefs of LYCOS Europe as well as assumptions made by and information currently available to LYCOS Europe. These statements include, but are not limited to, statements about LYCOS Europe's strategies, plans, objectives, expectations, intentions, revenues, expenditures and assumptions as well as other statements contained in this report that are not historical facts. When used in this document, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" and similar expressions, as they relate to LYCOS Europe or its management, are intended to identify forward-looking statements. These statements, which reflect LYCOS Europe's current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Investors are cautioned that forward-looking statements contained in this section involve both risk and uncertainty. Several important factors cause actual results to differ materially from those anticipated by these statements.