

Jubii Europe N.V.

Interim report
for the six months ended December 31, 2014

Key Figures

		Six months ended December 31, 2014 (unaudited)	Six months ended December 31, 2013 (unaudited)	Twelve months ended December 31, 2014 (unaudited)	Year ended December 31, 2013 (audited)
EBITDA ¹	in KEUR	568	343	(433)	78
EBIT ¹	in KEUR	568	343	(433)	78
Net profit/(loss)	in KEUR	608	384	(349)	149
Shares (total outstanding) ²	number	312,300,000	312,300,000	312,300,000	312,300,000
Earnings per share (diluted and undiluted)	in EUR	0.00	0.00	0.00	0.00

		Year ended December 31, 2014 (unaudited)	Year ended December 31, 2013 (audited)
Cash and Cash equivalents and Other investments	in mln EUR	17.7	19.2
Cash ratio (Cash and Cash equivalents and Other investments/total liabilities)	number	15.8	8.1
Shareholders' equity	in mln EUR	16.8	17.2
Equity ratio (Shareholders' equity/total assets)	in percent	93.7	87.9
Total assets	in mln EUR	17.9	19.5
Employees ³	number	1,3	1,5

¹ EBITDA is Earnings Before Interest, Taxes, Depreciation, Amortization and Impairment, EBIT is Earnings Before Interest and Taxes.

² Including Treasury shares.

³ Employee figures are presented on full time equivalent basis.

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Report to the shareholders

This 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 Jubii Europe based on the beliefs of Jubii Europe as well as assumptions made by and information currently available to Jubii Europe. When used in this document, words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “plan” and “project” and similar expressions, as they relate to Jubii Europe or its management, are intended to identify forward-looking statements. These statements, which reflect Jubii 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.

1 Message from the CEO

Dear Shareholders,

In 2014 Jubii Europe N.V. continued to move forward with the liquidation process. The companies still remaining are Jubii Europe N.V., the German subsidiary Jubii Europe GmbH and the Swedish subsidiary Yarps Network Services AB.

For those two remaining subsidiaries, Yarps Network Services AB and Jubii Europe GmbH, a formal application for liquidation has been filed. The liquidation of Yarps Network Services AB cannot be finalized until the conclusion of the legal dispute with TeliaSonera. The proceedings are progressing; however, they are behind the originally envisaged schedule. At this stage it cannot be said when a judgment in the first instance can be expected. Jubii Europe N.V. can immediately be liquidated after these two remaining subsidiaries are closed down.

In the twelve months the Company realized a net loss of KEUR 349 which is mainly attributable to the legal dispute with TeliaSonera.

Dr. Fred Wilsdorf
Chief Executive Officer

2 Economic Development

Result analysis

During the six months of the second half of 2014, the EBITDA amounted to kEUR 568 compared to kEUR 343 for the same period in 2013.

In these six months general and administration expenses amounted to kEUR (384) compared to kEUR (854) for the same period in 2013. Other income in this period which resulted from the release of accruals amounted to kEUR 952 (kEUR 1,197 for 2013). During the six months of the second half of 2014 the net finance income amounted to kEUR 40 compared to kEUR 30 for the same period in 2013.

This resulted in a net profit before tax of kEUR 608 for the six months of the second half 2014, compared to kEUR 384 for the same period in the prior year.

During the twelve months of 2014, the EBITDA amounted to kEUR (433) compared to kEUR 78 for the same period in 2013.

In this period general and administration expenses amounted to kEUR (1,385) compared to kEUR (1,350) for the same period in 2013. This increase was due to the lawsuit against TeliaSonera; the legal and consulting fees incurred by this lawsuit amounted in 2014 to kEUR 993 compared to kEUR 729 in 2013. The Ordinary expenses for the winding up decreased from kEUR 621 in 2013 to kEUR 392 in 2014. Other income which resulted from the release of accruals amounted to kEUR 952 for 2014 (2013: kEUR 1,428).

During the twelve month of 2014 the net finance income amounted to kEUR 84 compared to kEUR 71 for the same period in 2013.

This resulted in a net loss before tax of kEUR (349) for the twelve months ending December 31, 2014 compared to kEUR 149 for the same period in the prior year.

The earnings per share in 2014 was EUR 0.00 compared to EUR 0.00 in 2013.

Balance Sheet Analysis

Total assets decreased from EUR 19.5 million as of December 31, 2013 to EUR 17.9 million as of December 31, 2014. Cash and Cash equivalents and Other investments amounted to EUR 17.7 million as of December 31, 2014 (EUR 19.2 million as of December 31, 2013). This includes the last instalment from the escrow of the sale of united domains AG. The decrease reflects mainly the cash used in operating activities. Total liabilities as of December 31, 2014 decreased to EUR 1.1 million compared to EUR 2.4 million as of December 31, 2013.

The above yields a cash ratio of 15.8 (Cash and Cash equivalents and other investments divided by total liabilities).

Cash Flow Analysis

The consolidated cash flow statements comprise of movements in Cash and Cash equivalents with an original maturity below three months. Other investments are classified as short term (original maturity 3-12 months) in the balance sheet.

3 Share Information

In the six months of the second half of 2014 the Jubii Europe Share price remained relatively stable. The top share price of EUR 0.070 was reached on December 9, 2014. The lowest quotation of EUR 0.050 was reached on December 23, 2014.

Annual Shareholders Meeting

The Annual General Meeting of Jubii Europe took place in Amsterdam on May 22, 2014. 74.44 percent of the 311,576,344 ordinary voting shares were represented at this meeting.

The Annual General Meeting approved the 2013 annual financial statements. KPMG Accountants N.V., Amstelveen, was appointed as auditors for the 2014/2015 financial year. Further the company was authorized to repurchase shares (anticipatory resolution) and extend its current financial year by amending its Articles of Association.

Capital Stock

The company's capital stock consists of AA, AB and B shares, each with a par value of EUR 0.01. The average and absolute number of issued and outstanding shares, including 723,656 treasury shares with a nominal value of EUR 7,236.56 totalled 312,300,000. The number of voting shares outstanding therefore amounts to 311,576,344 as of December 31, 2014. The treasury shares were the result of both issuance and acquisition in the context of an indemnification from Spray Ventures in 2002.

Shareholder Structure

	Number of shares as of December 31, 2014	% of voting rights	% of shares	Number of shares as of December 31, 2013	% of voting rights	% of shares
Telefónica SA	100,000,000	32.1%	32.0%	100,000,000	32.1%	32.0%
Reinhard Mohn GmbH / G+J Digital Products GmbH/ Jahr VVG mbH & Co. KG	62,270,000	20.0%	19.9%	62,270,000	20.0%	19.9%
Christoph Mohn Internet Holding GmbH	37,730,000	12.1%	12.1%	37,730,000	12.1%	12.1%
JUBII Europe N.V. (treasury shares)	723,656	0.0%	0.2%	723,656	0.0%	0.2%
Free float	111,576,344	35.8%	35.8%	111,576,344	35.8%	35.8%
Total	312,300,000	100.0%	100.0%	312,300,000	100.0%	100.0%

4 Employees

During the twelve months period under review, the number of full time equivalents employees was 1.3 (1.5 employees as of December 31, 2013).

The remaining employees are ensuring the proper liquidation process of Jubii Europe.

5 Risks and Uncertainties

In our annual report 2013 we have extensively described certain risk categories and risk factors which could have a material adverse effect on our financial position and results. Those risk categories and risk factors are deemed incorporated and repeated in this report by reference. Additional risks are not known to us, or currently believed not to be material, could later turn out to have a material impact on our business objectives, income, assets, liquidity or capital resources.

6 Outlook

Jubii Europe will continue the liquidation process; however, a detailed time schedule for the completion of this process cannot be provided at present. This is mainly due to the proceedings against TeliaSonera.

As previously reported, within 4 months after September 30, 2015, the end of the financial year 2014/2015, Jubii Europe will publish its Annual Report 2014/2015. Accordingly, the Annual General Meeting of Shareholders will be held within six months after the end of the financial year 2014/2015.

Haarlem, the Netherlands
February 27, 2015

The Management Board
Jubii Europe N.V.

Responsibilities in respect of the financial statements and half-year report

The Management Board is responsible for preparing the financial statements and the half-year report in accordance with applicable Dutch law and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Management Board is required to prepare financial statements for each financial year as well as interim reports, which give a true and fair view of the state of affairs, of the profit or loss and of the respective companies included in the consolidation. It is further responsible for maintaining proper accounting records, for safeguarding assets, and for taking reasonable steps to prevent and detect fraud and other irregularities. The Management Board is also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent and reasonable. Applicable accounting standards have been followed and Jubii Europe N.V.'s financial statements are prepared using accounting policies which comply with IFRS.

As required by section 5:25c(2)(c) of the Dutch Financial Supervision Act (Wet op het Financieel Toezicht) and on the basis of the foregoing the Management Board has confirmed that to its knowledge:

- the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Jubii Europe N.V. and the undertakings included in the consolidation taken as a whole.
- the half-year report includes a fair view of the position at the balance sheet date, the development and performance of the business during the financial year of Jubii Europe N.V. and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that Jubii Europe N.V. faces.

Management Board

Dr. Fred Wilsdorf, CEO

Jubii Europe N.V.

Unaudited Condensed Consolidated Interim Financial Statements

for the period ended December 31, 2014

Jubii Europe N.V. Unaudited Condensed Consolidated Interim Statements of Financial Position

In thousand Euro	Notes	December 31, 2014	December 31, 2013
ASSETS			
Cash and Cash equivalents	2	16,193	7,189
Other investments	2	1,500	11,976
Accounts receivable and other receivables		42	81
Current tax assets		111	104
Prepaid expenses and other current assets		91	184
Total current assets		17,937	19,534
Total assets		17,937	19,534
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		3,123	3,123
Share premium		1,482,092	1,482,092
Treasury shares		(2,052)	(2,052)
Translation reserve		10	18
Accumulated deficit		(1,466,010)	(1,466,159)
Unappropriated result		(349)	149
Total shareholders' equity attributable to owners of the Company		16,814	17,171
Accounts payable		226	404
Provision	3	634	1,586
Other short-term liabilities		263	373
Total current liabilities		1,123	2,363
Total liabilities		1,123	2,363
Total shareholders' equity and liabilities		17,937	19,534

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Jubii Europe N.V. Unaudited Condensed Consolidated Interim Statements of Comprehensive Income

In thousand Euro (except share data)	Notes	Six months ended December 31, 2014	Six months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Total revenues		0	0	0	0
Gross profit/(loss)		0	0	0	0
General and administration	6	568	343	(433)	78
Other operating income/(expenses)		0	0	0	0
Total operating income/(expenses)		568	343	(433)	78
Profit/(loss) from operations		568	343	(433)	78
Finance income		40	41	84	71
Net finance income		608	384	84	71
Profit/(loss) before tax		608	384	(349)	149
Income tax benefit		0	0	0	0
Net profit/(loss) for the period attributable to owners of the Company		608	384	(349)	149
Other comprehensive income					
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences from foreign operations		(8)	(8)	(8)	(8)
Other comprehensive income for the period, net of income tax		(8)	(8)	(8)	(8)
Total comprehensive income/(loss) for the period attributable to owners of the company		600	376	(357)	141
Basic/diluted profit/(loss) per share (Euro) - continued operation		0.00	0.00	0.00	0.00
Basic/diluted profit per share (Euro)		0.00	0.00	0.00	0.00
Weighted average number of shares outstanding		311,576,344	311,576,344	311,576,344	311,576,344

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Jubii Europe N.V. Unaudited Condensed Consolidated Interim Statements of Cash Flows

In thousand Euro	Notes	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Cash flows from operating activities			
Profit/(loss) before tax		(349)	149
Adjustments for:			
Net finance income and expense		(95)	(84)
Change in accounts receivable		39	43
Change in prepaid expenses and other current assets		86	(128)
Change in other non-current assets		0	2,996
Change in other investments		10,476	2,041
Change in accounts payable		(178)	122
Change in current liabilities		(1,062)	(1,363)
Interest received		95	84
Net cash used in operating activities		9,012	3,859
Cash flows from financing activities			
Share Premium repayment		0	(7,478)
Net cash provided / (used) in financing activities		0	(7,478)
Effect of exchange rate changes on cash and cash equivalents		(8)	(6)
Change in cash and cash equivalents		9,004	(3,625)
Cash and cash equivalents, beginning of the period		7,189	10,814
Cash and cash equivalents, end of the period		16,193	7,189

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

JUBII Europe N.V. Unaudited Condensed Consolidated Interim Statements of Shareholders' Equity

In thousand Euro (except share data)	Class AA shares		Class AB shares		Class B shares		Share premium	Legal reserve	Treasury shares		Translation reserve
	No. of shares	EUR	No. of shares	EUR	No. of shares	EUR	EUR	EUR	No. of shares	EUR	EUR
Balance as of January 1, 2013	62,000,000	620	62,000,000	620	188,300,000	1,883	1,489,570	0	(723,656)	(2,052)	24
Appropriation of the result of previous year											
Net profit for the year											
Translation loss											(8)
Total comprehensive income											(8)
Distribution to shareholders							(7,478)				
Balance as of December 31, 2013	62,000,000	620	62,000,000	620	188,300,000	1,883	1,482,092	0	(723,656)	(2,052)	16
Appropriation of the result of previous year											
Net loss for the year											
Translation loss											(8)
Total comprehensive income											(8)
Balance as of December 31, 2014	62,000,000	620	62,000,000	620	188,300,000	1,883	1,482,092	0	(723,656)	(2,052)	8

In thousand Euro (except share data)	Accumulated deficit	Unappropriated result	Total
	EUR	EUR	EUR
Balance as of January 1, 2013	(1,466,850)	693	24,508
Appropriation of the result of previous year	693	(693)	0
Net profit of the year		149	149
Translation loss			(8)
Total comprehensive income		149	141
Distribution to shareholders			(7,478)
Balance as of December 31, 2013	(1,466,159)	149	17,171
Appropriation of the result of previous year	149	(149)	0
Net loss for the year		(349)	(349)
Translation loss			(8)
Total comprehensive income			(357)
Balance as of December 31, 2014	(1,466,010)	(349)	16,814

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1. Significant accounting policies
2. Cash and Cash equivalents and other investments
3. Provisions
4. Related party transactions
5. Commitments and Contingencies
6. Other operating expenses

1. Significant accounting policies

a) The Company

Jubii Europe N.V. (“Jubii Europe” or the “Company” / ISIN NL0000233195 / formerly “LYCOS Europe N.V.”) is a former operator of an international network of websites being wound up. The Company commenced operations in the year 1997 and the entities existing before 2000 were reorganized as subsidiaries of Jubii Europe N.V. in January 2000. The registered office of the Company is in Haarlem, the Netherlands (Jubii Europe N.V., Fonteinlaan 7, 2012 JG Haarlem, the Netherlands). The company announced its liquidation in November 2008 and immediately started the shutdown process.

The condensed consolidated interim financial statements of the Company comprise the Company and its subsidiaries (together referred to as the “Group”).

b) Accounting policies

These unaudited condensed consolidated interim financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Jubii Europe consolidated financial statements for the year ended December 31, 2013. Jubii Europe’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards and its interpretations as adopted by Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards (Official Journal EC L 243 p.1) (“IFRS”).

The Annual General Meeting of Shareholders amended the Company’s Articles of Association to extend the financial year to the eighteen months ended September 30, 2015. Therefore, this interim report for the six months ended December 31, 2014 includes the current accounting period from 1 July 2014 up to 31 December 2014 as well as the year to date interim accounting period for the twelve months ended 31 December 2014 (accounting period 1 January 2014 up to 31 December 2014).

The preparation of unaudited condensed consolidated interim financial statements in conformity with IFRS requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2013.

The company further has to apply IFRS 8 “operating segments” as of January 1, 2009. Since the company is currently in the process of discontinuing its operations and to liquidate its assets, a segment reporting does not exist any longer. Furthermore since February 2009 all operations and services were stopped.

2. Cash and Cash equivalents and other investments

Cash consists of bank balances and deposits, cash equivalents consist of short-term deposits with an original and remaining maturity below than three months. Other investments are classified as short term (original maturity 3-12 months) in the balance sheet.

3. Provisions

In thousand Euro	Provision
Balance at January 1, 2014	1.586
Provisions released during the year 2014	952
Balance at December 31, 2014	634

The provision mainly consists of liabilities and exposures related to the wind up process. An amount of EUR 1.0 million of prior year's provision was released as it was no longer required.

4. Related party transactions

The Company engages in some related party transactions with Bertelsmann SE & Co. KGaA and their subsidiaries. These transactions are booked on separate accounts and are generally settled within thirty days of the relevant transaction. The billing rates are set at rates, which are arms-length.

5. Contingencies and commitments

Any contingencies or commitments have been provided for in the provision when appropriate.

Litigation

From time to time, the Company is subject to legal proceedings and claims in the course of the winding up process.

The Swedish subsidiary of Jubii Europe, Yarps Network Services AB, is conducting a lawsuit against the Swedish telecommunication services company, Telia Sonera, for abuse of dominant position in relation to the internet access business previously offered in Sweden. In another lawsuit by the Swedish Competition Authority based on similar facts, a fine was imposed on TeliaSonera by the Stockholm District Court in the amount of 144 million SEK. TeliaSonera appealed the fine before the appellate Market Court. In 2013 the Market Court found that TeliaSonera had abused its dominant position through margin squeeze; however for a shorter period of time and the fine was lowered to 35 million SEK.

Jubii's subsidiary will pursue its claim against TeliaSonera; the proceedings are ongoing, but they have been delayed and therefore it cannot be said at this point in time when a judgment in the first instance can be expected. Although the fact pattern of the Market Court decision is similar, the impact of that judgment on the lawsuit of Jubii's subsidiary, which is currently claiming damages of approx. MEUR 43 plus interest, cannot conclusively be assessed and there can be no assurance that it would prevail in court proceedings and obtain a money verdict in its favour. Also, if Yarps lost the lawsuit against TeliaSonera, this could lead to additional costs impacting the financial situation of the Company.

6. Operating income/expenses

Operating expenses comprise of:

In thousand Euro	Twelve months ended December 31, 2014		
	Ordinary expenses	Other income	Total
General and administration	(1,385)	952	(433)
Total	(1,385)	952	(433)

In thousand Euro	Twelve months ended December 31, 2013		
	Ordinary expenses	Other income	Total
General and administration	(1,350)	1,428	78
Total	(1,350)	1,428	78

A main part of the Ordinary expenses in 2014 (kEUR 993) and in 2013 (kEUR 729) relates to the legal and consulting fees for the lawsuit against TeliaSonera in Sweden.

Haarlem, the Netherlands
February 27, 2015

The Management Board
Jubii Europe N.V.

Quarterly Financial Information (unaudited)

In thousand Euro (except per share data)	Quarter ended March 31, 2010	Quarter ended June 30, 2010	Quarter ended September 30, 2010	Quarter ended December 31, 2010
Revenues	(3)	0	1	0
EBITDA ¹	630	(407)	1,524	(175)
EBIT ¹	626	(408)	1,524	(176)
Net profit	275	(181)	1,249	732
Net profit / (net loss) per share basic and diluted in Euro	0.00	0.00	0.00	0.00

In thousand Euro (except per share data)	Quarter ended March 31, 2011	Quarter ended June 30, 2011	Quarter ended September 30, 2011	Quarter ended December 31, 2011
Revenues	0	0	0	0
EBITDA ¹	(281)	310	(354)	896
EBIT ¹	(281)	310	(354)	895
Net profit	(249)	403	(215)	1,020
Net profit / (net loss) per share basic and diluted in Euro	0.00	0.00	0.00	0.00

In thousand Euro (except per share data)	Quarter ended March 31, 2012	Quarter ended June 30, 2012	Quarter ended September 30, 2012	Quarter ended December 31, 2012
Revenues	0	0	0	0
EBITDA ¹	(402)	(266)	322	802
EBIT ¹	(402)	(266)	322	802
Net profit	(311)	(194)	371	827
Net profit / (net loss) per share basic and diluted in Euro	0.00	0.00	0.00	0.00

In thousand Euro (except per share data)	Quarter ended March 31, 2013	Quarter ended June 30, 2013	Quarter ended September 30, 2013	Quarter ended December 31, 2013
Revenues	0	0	0	0
EBITDA ¹	(193)	(72)	(307)	650
EBIT ¹	(193)	(72)	(307)	650
Net profit	(180)	(55)	(287)	671
Net profit / (net loss) per share basic and diluted in Euro	0.00	0.00	0.00	0.00

In thousand Euro (except per share data)	Quarter ended March 31, 2014	Quarter ended June 30, 2014	Quarter ended September 30, 2014	Quarter ended December 31, 2014
Revenues	0	0		
EBITDA ¹	(410)	(591)	(118)	686
EBIT ¹	(410)	(591)	(118)	686
Net profit	(382)	(575)	(102)	710
Net profit / (net loss) per share basic and diluted in Euro	0.00	0.00	0.00	0.00

¹ EBITDA is Earnings Before Interest, Taxes, Depreciation, Amortization and Impairment, EBIT is Earnings Before Interest and Taxes.

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