



comBOTS®

QUARTERLY REPORT AS OF MARCH 31, 2007

INTERIM ANNOUNCEMENT ACCORDING TO ARTICLE 37X WPHG





COMBOTS AG THE FIRST QUARTER 2007 AT A GLANCE

- * Successful completion of public beta phase at CeBIT – mobile version announced
- * Further partnerships with international license partners; 25 Collections with over 500 Characters and Emotions in the shop
- * Normalization of the cost base continued; EBITDA loss decreases quarter-on-quarter by 16.9% to -5.9 million Euro (Q4/2006: -7.1 million Euro), net loss of -7.2 million Euro
- * 47,6 million Euro unrealized gains from our 9.3% shareholding in United Internet in Q1 alone (+16%)
- * Liquid funds and other securities amount to 496.2 million Euro as of March 31, 2007 (December 31, 2006: 462,7 million Euro)
- * With ComBOTS 1.0 being live, main focus now on the distribution of ComBOTS

COMBOTS AG FINANCIALS AT A GLANCE

in mln. Euro

	Q1/2007	Q4/2006	Q1/2006
Revenues	0.0	0.0	0.0
Marketing and advertising	(1.2)	(1.9)	(0.7)
General administration costs	(0.9)	(0.3)	(1.5)
Research and development	(6.1)	(6.7)	(6.3)
Operating result (EBIT)	(8.2)	(8.8)	(8.5)
Amortization of intangible and tangible assets	2.3	1.7	1.0
EBITDA	(5.9)	(7.1)	(7.5)
Financial income/income from associated companies	1.0	0.9	1.7
Result before taxes	(7.2)	(7.9)	(6.8)
Tax income	0.0	1.0	2.2
Net result for the period	(7.2)	(6.9)	(4.6)
Net result for the period per share (in Euro)	(0.20)	(0.19)	(0.13)
Liquid funds and other securities	496.2	462.7	516.2
Shareholders' equity	523.1	488.5	539.4
Balance sheet total	539.8	562.5	559.5



COMBOTS AG

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as of March 31, 2006

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COMBOTS Q1/2007

LETTER TO SHARE- HOLDERS



COMBOTS AG LETTER TO SHAREHOLDERS

- * Successful completion of public beta phase at CeBIT – mobile version announced
- * Further partnerships with international license partners; 25 Collections with over 500 Characters and Emotions in the shop
- * Normalization of the cost base continued; EBITDA loss decreases quarter-on-quarter by 16.9% to -5.9 million Euro (Q4/2006: -7.1 million Euro), net loss of -7.2 million Euro
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Dear Shareholders,

During the first quarter of fiscal 2007 our company reached important milestones in the product development of ComBOTS. I am pleased to give you another overview of the events of the first three months of the year.

ComBOTS at the Consumer Electronics Show (CES) in Las Vegas

ComBOTS began fiscal 2007 with a very special event, CES in Las Vegas – the leading meeting point of the consumer electronics and IT industry with just under 200,000 visitors. This was the first time that ComBOTS presented itself at an international trade fair outside Europe. It was an excellent opportunity to introduce the ComBOTS product to many visitors.

We were very pleased that for our very first appearance at the show in the USA we were among the nominees for the famous “Best of CES” awards presented by the renowned CNET media corporation.

Successful conclusion of the public beta phase

The most important event in the first quarter was the successful conclusion of the public beta phase at CeBIT in Hanover on March 14. Thanks to the great feedback from our beta testers we were able to considerably improve the product in terms of its performance and functionalities. Version 1.0 is now available without limitations for everybody.





Moreover, the basic version of ComBOTS – the next generation communication product – is free of charge. The premium version announced at CeBIT, will henceforth be available for a monthly basic fee of between 1.99 Euro and 2.99 Euro. Amongst other things it will offer subscribers additional benefits for data transmission and synchronization.

At CeBIT we presented ComBOTS Mobile for the first time to the public at large as a further platform. With ComBOTS Mobile, which will soon be available, users will in future be able to have their entire communication available at all times through a portable terminal device – all perfectly synchronized with the data on their PC.

ComBOTS meets Hollywood!

Another highlight of the first three months of the year concerned the new Collections in the ComBOTS Shop as well as further announcements on future partnerships with renowned international licensors. At CeBIT we published the already announced and eagerly awaited Collections of *The Lord of the Rings*, *Garfield* and *Peanuts*. Our shop now offers 25 Collections with more than 500 Characters and Emotions. And this is just the beginning because a comprehensive agreement with Warner Bros will allow us to soon add *Batman* and *Looney Tunes* with *Tweety*, *Sylvester*, *Bugs Bunny*, *Daffy Duck* and many more to our Shop.



Cost basis is still constant in the first quarter

From Q4/2006, we were already able to continue the normalization of the cost basis into the first quarter of fiscal 2007. The loss on an EBITDA basis dropped on a year-on-year basis by 21.3 percent to -5.9 million Euro (Q1/2006: -7.5 million Euro, Q4/2006: -7.1 million Euro) and was hence in line with management planning. As a result of amortizations and depreciations, which increased to 2.3 million Euro on a year-on-year basis (Q1/2006: 1.0 million Euro, Q4/2006: 1.7 million Euro), the EBIT loss fell less markedly by 3.5% to -8.2 million Euro (Q1/2006: -8.5 million Euro, Q4/2006: -8.8 million Euro). Against the backdrop of the launch of ComBOTS 1.0, R&D costs were again the biggest cost factor with an impact on expenditure of -6.1 million Euro (Q1/2006: -6.3 million Euro, Q4/2006: -6.7 million Euro).

Overall, the loss before taxes decreased versus Q4/2006 by 8.5% to 7.2 million Euro.



Another positive factor is the ongoing value development of our 9.3 percent share in United Internet AG, which we continue to hold. Since December 31, 2006 the market value of the United Internet shares again rose by 47,6 million Euro or 16 percent to 338 million Euro as of March 31, 2007. This means that the unrealized value gain of our United Internet share is again significantly above the investments recognized for the period in the product, company and business model. Since we entered into the strategic alliance in October 2005, the value of our share in the market leader on the German Internet rose by 183 million Euro or +119 percent. Overall, liquid assets including negotiable securities amounted to 496 million Euro by March 31 (12/31/2006: 463 million Euro).



Outlook

With the completion of the public beta phase, our main focus is now on the distribution of ComBOTS. Apart from the corresponding PR and marketing measures, we are also seeking co-operations in the online segment. Moreover, we will further enhance the product through additional license agreements for contents, i.e. Characters and Emotions, and we will of course continue to permanently improve and upgrade the product.

We will be pleased to continue to update you during the months to come by reporting on many interesting novelties related to ComBOTS. We are looking forward to exciting times ahead and will continue to do absolutely everything in our power to make both the company and the product progress.

Michael Greve
Chairman & Founder

COMBOTS

Q1/2007

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

COMBOTS AG

NOTES TO THE CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2007

- * Normalization of the cost base continued; EBITDA loss decreases quarter-on-quarter by 16.9% to -5.9 million Euro (Q4/2006: -7.1 million Euro), net loss of -7.2 million Euro
- * 47,6 million Euro unrealized gains from our 9.3% shareholding in United Internet in Q1 alone (+ 16%)
- * Liquid funds and other securities amount to 496.2 million Euro as of March 31, 2007 (December 31, 2006: 462,7 million Euro)

Information about the company

In the past fiscal year 2006, ComBOTS AG launched its highly innovative communication service as announced. At the same time it created a fully fledged, growth-oriented technical infrastructure and organization. In this way it laid the foundations for its future growth.

Business development in the first quarter 2007

During the first three months of the fiscal year we reached first major milestones in terms of product development and market launch. At CeBIT in Hanover we successfully completed the public beta phase on March 14, 2007. We now enter the next phase with a mature product and a broad portfolio with new functions and collections.

During the first quarter first steps were also taken on the international scene with highly promising feedback after the presentation at the Consumer Electronics Show CES in Las Vegas. Following the conclusion of a success-oriented license agreement with Warner Bros for the heroes from *Looney Tunes* and *Batman*, the business model has been further enhanced. The Shop now offers 25 Collections and more than 500 Characters

and Emotions. At the same time, it was announced that a free-of-charge basic and a fee-based premium version will be offered in future. In the months to come a version for use on mobile terminal devices has been announced in addition. During the first three months of the fiscal year we did not yet generate any noteworthy revenues following the release of the 1.0 version of the product towards the end of the quarter.

The total expenses in fiscal 2006 and during the last quarter were investments in the future of our product in entrepreneurial terms, in the technical and organizational infrastructure and market development. With a total of 8.2 million Euro during the first quarter, total expenses dropped slightly by 0.6 million Euro on a quarter-on-quarter basis. We pursued our research and development projects during Q1 with total costs of around 6.1 million Euro on almost the same high level as in Q4/2006 (6.7 million Euro). Other expenses for marketing and advertising as well as general administration did not change significantly quarter-on-quarter.

These future-proof investments were made against the backdrop of the ongoing sound financial situation of our company. On the reporting date March 31, 2007 our liquid assets amount to 492.2 million Euro. Liquid assets are made up of 158.6 million Euro in cash values and 337.6 million Euro for the 9.3% share in United Internet AG.

The United Internet share price rose during the reporting period from 12.51 Euro (January 1, 2007) to 14.55 Euro (March 31, 2007). This results in theoretical share price gains from the United Internet block of shares of 47 Euro million during the first quarter 2007 alone. These price gains are not reported as income in the consolidated income statement.

EBITDA, EBIT and net income for the period

The share price gains from the United Internet block of shares, which are not recognized as income in the income statements, is set against an EBITDA of -5.9 million Euro from operating expenses for the product development of ComBOTS and the continuation of the market launch (Q4/2006: -7.1 million Euro).

The earnings before interest, taxes, amortizations and depreciations (EBITDA) amounted on a consolidated basis to -8.2 million Euro during the reporting period (Q4/2006: -8.8 million Euro). During Q1/2007 besides the share price gains from the UI shares, a positive financial income of 1.0 Euro was also generated from the investment in fixed interest securities and other liquid assets. Altogether, the first quarter of fiscal 2007 shows a deficit of -7.2 million Euro (Q4/2006: -6.9 million Euro). The pre-tax result improved to -7.2 million Euro compared to -7.9 million Euro in the previous quarter.

Balance sheet, investments and cash flow

The balance sheet total of the group amounted to 540 million Euro at the end of the first quarter and was hence slightly below the balance sheet total as of December 31, 2006 of 562 million Euro.

This resulted essentially from the offsetting of short-term value-added tax liabilities and receivables from the sale of the Portal business to United Internet. In the financial statements for 2006, value added tax liabilities from the sale of the Portal business and the resulting receivables from United Internet AG of 56.7 million Euro each were reported. With effect from March 5, 2007 United Internet AG fully assigned the resulting claim to refunding of input tax to ComBOTS AG. Liabilities to the competent tax authority were then likewise settled by offsetting against the assigned claim. No payments were made within the framework of this transaction.

The consolidated shareholders' equity amounted to 523.1 million Euro at the end of March. This means that on the reporting date March 31, 2007 the equity ratio is 96.9%.

As already announced, the massive investment phase in hardware and infrastructure is largely concluded for the time being. During the first three months of fiscal 2007 investments were made in plant, property and equipment and other fixed assets, primarily hardware and other IT infrastructure totaling 0.7 million Euro.

After the completion of the public beta phase, the development and market launch of the 1.0 version of our product resulted in an operating cash flow of -8.2 million Euro during the reporting period.

The liquid assets (including fungible securities and 23.2 million shares since the share split on June 23, 2006) amounted to 496.2 million Euro as of March 31, 2007 or 14.11 Euro per traded share (i.e. shareholders' equity minus treasury shares).

For the purposes of the cash flow statement of the condensed financial statements, cash and cash equivalents are as follows:

in T Euro _____

Liquid assets	03/31/2007	03/31/2006
Current accounts	7,741	5,825
Term money accounts	36,849	0
Time deposit accounts	4,401	0
Total	48,991	5,825

Generally accepted accounting and valuation principles

The quarterly financial statements of ComBOTS AG for the period from January 1 to March 31, 2007 were prepared in accordance with IAS 34 "Interim Financial Reporting" as condensed financial statements. The condensed interim financial statements do not include all information prescribed for the financial statements of a full fiscal year and should be read in connection with the annual financial statements as of December 31, 2006.

The generally accepted accounting and valuation methods applied for the preparation of the condensed interim financial statements conform without exception with the methods applied in the last annual financial statements as of December 31, 2006. For the interim report the standards and interpretations IAS 1 (modified) as well as IFRIC 7 to 10 had to be applied for the first time. This implementation had no effect on the quarterly report.

Changes to the scope of consolidation

Within the framework of reorganization of the ComBOTS Group under company law, ComBOTS Products GmbH & Co. KG, with registered office in Karlsruhe, was converted in the first quarter 2007 into a limited liability company with fiscal and legal effect from July 1, 2006.

There have been no further reorganisation under company law with significant effect on the consolidated financial statement.

Treasury shares

During the first quarter 387,000 treasury shares were acquired by ComBOTS AG. The average purchase price amounted to 11.02 Euro per share so that the total purchase price amounted to 4,265 T Euro. The stock of treasury shares increased to 3,270,222 shares. This corresponds to a share of 8.51% in the shareholders' equity. The share buybacks are reported during the quarter on the corporate pages of the website in the section Corporate/Governance.

Share-based payment

On March 31, 2007 854,926 options for current and former employees of ComBOTS AG and additionally 743,580 options for employees of the discontinued division WEB.DE portal were issued. There were no major share issues during the past quarter: no options were exercised. During the past quarter 40 T Euro (prior year: 32 T Euro) from the options were recorded as personnel expenses. For further details concerning the existing stock option programs for employees, we refer to the Annual Report 2006 on pp 40 ff.

Segment reporting

ComBOTS AG continues to operate in only one segment.

Information on related parties

The circle of related persons and companies has not changed compared to the annual financial statements. There were no material transactions with related parties. For further details concerning related parties we refer to the Annual Report 2006 on page 51 ff.

Employees

On the reporting date March 31, 2007 ComBOTS AG and associated companies employed a total of 131 people (prior year: 99). This breaks down as follows on the reporting date:

	03/31/2007	03/31/2006
Executive Board and Senior Management	5	5
Customer Service and Marketing	16	4
Research and Development, IT	78	60
General Administration, Finance and Public Relations	32	30
Total	131	99

Directors' Holdings

The reportable shareholdings of executive and non-executive directors as at March 31, 2007 are as follows:

Management	Shares	Options
Michael Greve	none	none
Robert Gratzl	23,800	181,430
Matthias Hornberger	47,353	158,430
Heiko Schneefeld	22,300	90,000
Frank Schüller	34,150	99,670

Supervisory Board	Shares	Options
Hansjörg Reiter	none	none
Felix Greve	none	none
Karl Schlagenhaut	none	none

Cinetic Gesellschaft zur Entwicklung und Vertrieb von Medientechnik mbH (of which CEO Michael Greve and his brother Matthias Greve own 50% each) continues to hold 21,584,505 shares in ComBOTS AG. Felix Greve holds 459,400 shares in ComBOTS AG indirectly through three asset management companies.

Legal disputes

Compared to December 31, 2006 there have been no material changes in respect of pending court proceedings. A more detailed description of legal disputes is given in the Notes to the consolidated financial statements as of December 31, 2006.

Events after the balance sheet date

No material events occurred after the balance sheet date.

Outlook and current developments

During the first quarter of fiscal 2007 we reached further major milestones within the framework of our step-by-step market launch. Against the back-drop of our efforts to achieve the desired growth, we have created a strong basis for the product and the company on which we can build during the coming quarters. 2007 will be a very important year for ComBOTS. Broad market launch, scaling of user and customer numbers with the goal of generating sustainable sales revenues and further improvement of the product will be the focal points of our work. In this connection it is to be expected that losses will continue to be incurred during the quarters to come, which can be financed, as scheduled, from the strong substance of the company.

As discussed in detail in the Annual Report 2006, there is still considerable planning uncertainty in the current launch phase. Business development during the coming quarters will initially be determined by whether we succeed in pursuing the step-by-step launch of the product on schedule. We continue to anticipate breakeven no later than fiscal 2009. We will revise this internal planning on an ongoing basis and submit a corresponding report as soon as the scope and speed of the anticipated market success is easier to assess. For 2007 we anticipate a negative consolidated pre-tax result of 25 million Euro. In Q2/2007 we anticipate a steady development of the cost basis. The net income will be influenced in a very positive manner by the expected dividend from United Internet.

COMBOTS AG

CONSOLIDATED PROFIT AND LOSS STATEMENT (IFRS)

AS OF MARCH 31, 2007

in T Euro, except for share details_>

	Q1/2007	Q1/2006
Revenues	0	0
Cost of Sales	0	0
Gross profit	0	0
Marketing and advertising	(1,210)	(669)
General administration costs	(862)	(1,492)
Research and development	(6,149)	(6,347)
Operating result	(8,221)	(8,508)
Financial income	1,002	1,686
Net income from associated companies	0	3
Net result before taxes	(7,219)	(6,819)
Tax income	(6)	2,230
Net result for the period	(7,225)	(4,589)
Earnings per share (in Euro)		
undiluted	(0.20)	(0.13)
diluted	(0.20)	(0.13)
Average number of outstanding shares		
undiluted	35,352,119	35,953,938
diluted	36,002,497	36,710,765



COMBOTS AG

CONSOLIDATED BALANCE SHEET (IFRS)

AS OF MARCH 31, 2007

ASSETS in T Euro

	03/31/2007	12/31/2006
Long-term Assets		
Property, plant and equipment	32,545	33,983
Intangible assets	5,629	5,748
Lendings	344	348
Marketable securities	409,856	290,232
Total long-term assets	448,374	330,311
Short-term assets		
Cash and cash equivalents	48,991	38,152
Marketable securities	37,311	134,303
Trade accounts receivable	19	34
Tax refund claims	3,378	2,535
Other assets and deferred expenses	1,739	57,128
Total short-term assets	91,438	232,152
Total assets	539,812	562,463

LIABILITIES in T Euro

	03/31/2007	12/31/2006
Shareholders' equity		
Common shares at 1 Euro	38,429	38,429
Capital reserve	104,815	104,776
Other reserve	175,149	129,050
Accumulated total result	229,231	236,456
Treasury stock	(24,520)	(20,255)
Total shareholders' equity	523,104	488,456
Long-term liabilities		
Due to banks from the property leasing company	11,740	11,849
Total long-term liabilities	11,740	11,849
Short-term liabilities		
Trade accounts payable	1,374	1,939
Provisions	2,222	1,930
Tax provisions	35	36
Other short-term liabilities	1,337	58,253
Total short-term liabilities	4,968	62,158
Total liabilities	539,812	562,463



COMBOTS AG

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

AS OF MARCH 31, 2007

in T Euro

	Q1/2007	Q1/2006
Net cash provided by operating activities		
Net result for the period	(7,225)	(4,589)
Result from at equity investment	0	(3)
Interest income	(1,255)	(1,846)
Interest paid	253	160
Tax paid/income	6	(2,230)
Depreciation/amortization on intangible assets and tangible assets	2,298	966
Expenditure from employee stock option plan	39	32
Result from sales of marketable securities	272	91
Change in assets and liabilities		
Trade accounts receivable	15	(641)
Due from associated companies	0	(17)
Other assets and deferred expenses	(1,296)	(1,463)
Short-term liabilities and deferred income	(505)	(27,682)
Taxes paid	(843)	0
Cash flow from operating activities	(8,241)	(37,222)
Cash flow from investing activities		
Investments in intangible assets	(478)	(247)
Investments in property, plant and equipment	(263)	(4,257)
Change in marketable securities	22,765	(102,955)
Cash flow from investing activities	22,024	(107,459)
Cash flow from financing activities		
Capital increase	0	23
Acquisition of treasury stock	(4,265)	(1,724)
Repayments of liabilities of the property leasing company	(109)	0
Repayments of loans	4	7
Interest received	1,679	1,603
Interest paid	(253)	(160)
Cash flow from financing activities	(2,944)	(251)
Increase/decrease of cash and cash equivalents	10,839	(144,932)
Cash and cash equivalents at the beginning of the period	38,152	150,757
Cash and cash equivalents at the end of the period	48,991	5,825



COMBOTS AG

DEVELOPMENT OF SHAREHOLDERS' EQUITY (IFRS)

FROM 12/31/2006 TO 03/31/2007

in T Euro

	Common stock	Capital reserve	Other reserves	Accu- mulated result	Treasury stock	Total
December 31, 2005	38,361	104,373	32,523	269,795	(16,175)	428,877
Capital increase of conditional capital	6	17				23
Acquisition of treasury stock					(1,724)	(1,724)
Effect from employee stock option plan		32				32
Equity variations with no effect on income from available-for-sale securities			116,808			116,808
Result for the period				(4,589)		(4,589)
March 31, 2006	38,367	104,422	149,331	265,206	(17,899)	539,427
December 31, 2006	38,429	104,776	129,050	236,456	(20,255)	488,456
Acquisition of treasury stock					(4,265)	(4,265)
Effect from employee stock option plan		39				39
Equity variations with no effect on income from available-for-sale securities			46,099			46,099
Result for the period				(7,225)		(7,225)
March 30, 2007	38,429	104,815	175,149	229,231	(24,520)	523,104



COMBOTS AG FINANCIAL CALENDAR

DATES

07/19/2007	Annual General Meeting 2007
07/26/2007	Publication of Q2 and Mid-year Report
10/18/2007	Publication of Q3 and Nine-month Report
11/12-14/2007	German Equity Forum Fall 2007

COMBOTS AG IMPRINT

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