



News Release

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FortuneCity Reports First Nine Months 2000 Operating and Financial Results

**Increased To 11th Largest Internet Company Worldwide by
Audience Reach (Media Metrix). Net Loss Reduced
Significantly**

Cash Burn Rate Dropped 51% 2Q2000 to 3Q2000

**Company Anticipates Further Significant Improvements in
Financial Results in 4Q2000**

FortuneCity Ranked as 7th Largest Internet Property in Hong Kong, 10th in Canada, 11th in Brazil, 11th in France, 12th in Germany, 18th in UK, 29th in the USA and 14th in Australia by Media Metrix and iamasia.

Worldwide Unique Monthly Visitors Increased To Approximately 20 Million.

FortuneCity Is Now the Leading European Listed Internet Company In Terms of Audience Reach

Sales Organisation Expanded and Enhanced in both Europe and the USA

Sale of AcmeCity to Warner Bros. Online to Further Focus Operations

November 13th, 2000 New York, NY FortuneCity.com Inc. (Neuer Markt - FCT), (www.fortunecity.com), the Internet media Company, today announced operating and financial results for the First Nine Months of 2000 ending September 30th.

Overview

The Company continued to attract a very significant audience of Internet users with an estimated 20 million unique visitors to its multi-lingual international network of web sites in the month of September, according to the Company. This was accomplished despite significant reductions in promotion and marketing costs over the past several quarters. Moreover, the Company continued to see strong audience growth in the most recently rated months. According to Media Metrix, in August FortuneCity was the 11th largest Internet Company worldwide in terms of audience reach and the largest of all Internet companies listed in Europe in terms of audience reach.

Revenues in the first nine months increased by 90% over the same period in 1999 to approximately \$9,000,000. The total number of advertisers in the period was 399, an increase of 103% over the same period in 1999. The Company significantly increased the size of its sales organisation during the 3Q2000 and upgraded its sales management in the USA and Germany. The benefits of these changes will not be fully realised for several quarters, however, the Company is confident these enhancements will result in higher sales in the future.

The impact of the Company's restructuring strategy in 2Q2000 quickly produced significant positive results. Net Losses during 3Q2000 were 50% lower at \$(7.7) million compared to a Net Loss of \$(15.5) million, including the restructuring costs of \$5.4 million in 2Q2000 and \$(10.5) million in 1Q2000. The Company's cash burn rate was reduced by 51% to \$5.8 million from \$11.9 million in 2Q2000. FortuneCity anticipates that its cash burn rate will decline significantly again in 4Q2000 due to lower operating costs and higher revenues. Based on the Company's current projections and with \$26,500,000 in cash available at September 30th the Company estimates that it has sufficient cash to operate through 2002 and into 2003 and to reach breakeven and that it will not need to raise additional capital. The Company remains virtually debt free.

The Company has been able to significantly reduce its operating costs as a result of the more focused strategy it adopted in 2Q2000. FortuneCity is now focused on markets where it has created the broadest reach and greatest page view traffic and the strongest product and service offerings (personal publishing and redirect services). Moreover, the Company has recently undertaken some additional efficiency improving measures that will significantly reduce costs and enhance the Company's operating flexibility. The Company is reviewing other strategic initiatives that it anticipates will enable it to establish a more efficient cost structure for its operations. The benefits of these new initiatives will only be partially felt in 4Q2000, however, they will improve the operating cost structure for 2001 and beyond to the extent they are initiated.

Peter Macnee President and CEO stated " We have already started to see the financial benefits of the more focused operating strategy adopted in June. Our cash burn rate is down by 51% quarter over quarter and we have taken additional actions to ensure that it falls further in the next few quarters. During the 3rd Quarter we expanded the sales organisation aggressively to strengthen our position in the key operating markets. We anticipate that the results of this increase will start in the 4th quarter and propel our sales growth into 2001. We are continuing to improve our offering to advertisers in terms of reach and variety of advertising formats they can use. We look forward to stronger results in the future."

Growth in Traffic, Reach and Users

During the first nine months of 2000 FortuneCity continued to grow rapidly both on an absolute basis and relative to most other Internet companies. Media Metrix, a leading independent internet rating agency ranked FortuneCity as the 11th largest Digital Media Property internationally for August 2000 based on their rankings in US, UK, Germany, France, Canada, Japan and Australia. This is the highest ranking ever achieved by the FortuneCity and represents a significant increase from a multi-country rank of 16th largest in July 2000. The Company continues to enjoy strong rankings in Germany, the United Kingdom, France and North America, as well as other countries around the world especially in Asia.

Country	Ranking	Unique Visitors	Market Reach
Core Markets:			
Germany	#12	1,548,000	17.4%
France	#11	812,000	16.8%
UK	#18	1,023,000	9.4%
US	#29	7,936,000	9.9%
Various Other Markets:			
Japan	n/a	2,492,000	15.3%
Hong Kong*	#7	743,000	43.2%
Canada	#10	1,900,000	15.7%
Australia	#14	826,000	12.4%
Brazil	#11	n/a	n/a

Source: Media Metrix August/September 2000

* Source: iamasia, September 2000.

n/a not available

Revenues

Total revenues for the first nine months of 2000 increased 90% to \$9.0 million from \$4.7 million in the same period in 1999. The total number of advertisers in the nine-month period increased 103% compared to the same period in 1999. Amongst major non-Internet companies that advertised on FortuneCity during the first nine months were Audi, Vodafone, Heineken, New Line Films, Thomas Cook, Ford, KPN, Motorola, Chase, JC Penney, Intel and Microsoft.

Revenues in 3Q2000 were \$2.5 million, an increase of 10% over the same period in 1999.

Revenues were negatively impacted in 3Q2000 by a slow down in advertising by certain Internet companies that had been advertising with the Company in prior quarters and by changes in the Company's sales management organisation initiated to increase sales and increase the number of traditional advertisers using the Company's services. Sales were particularly weak in August, however, sales at the start of 4Q2000 have recovered and the Company anticipates a stronger current quarter.

During the 3Q2000 FortuneCity enhanced and increased its sales organisation in the USA and in Europe. The new sales representatives recruited in the 3Q2000 have completed the training process and are

beginning to generate revenue. It is expected to take up to 90 days before they become fully productive. The Company anticipates that the addition of new sales representatives will allow it to further increase sales. The Company also recruited new sales management for its German sales operation and USA sales operation. Out of a total payroll at September 2000, of 154 people the Company now has 54% or 83 people working directly in revenue generating activities. This compares with a payroll of 203 people in May of which 15% or 31 were actively generating revenue.

Revenues continued to be dominated by the sale of banner advertising, which accounted for approximately 65% of revenues in 3Q2000 as compared to 72% in 1Q2000. During the 3Q2000 the Company enhanced the Business Development team that is tasked to focus on non- banner advertising related revenue. This team has already made a positive impact by establishing 30 new partnerships with an additional 6 partnerships to be launched in the 4Q2000. Sponsorship related revenues increased to 17% of revenues in 3Q2000 from just 5% in 1Q2000. FortuneCity expects an increasing percentage of its revenues to be from sources other than banner advertisements.

The sale of pop-up advertisements, as opposed to banners, on the Company's redirect services continued to prove popular with advertisers. Ads in pop-up windows on the Company's redirect services typically achieve above average industry click through rates. The Company commenced a major program to generate revenue from its email database during 3Q2000 and anticipates the percentage of revenue from this source will increase substantially in 2001.

Peter Macnee, President and CEO, stated "In spite of the sluggish summer selling months, we have better positioned FortuneCity to leverage the broad audience reach that our network of sites has achieved worldwide. The Internet Advertising Bureau reported that in 2Q2000 the vast majority of Internet advertising revenue went to the largest sites. We believe that our larger more aggressive sales organization will capitalise on the huge international audience that we have efficiently built over the past two years".

Marketing Expenses

During the Nine Months to September 30th the Company incurred advertising and sales promotion costs of \$9.6 million with approximately \$1.7 spent in 3Q2000, \$3.5million in Q22000 and \$4.4 million in 1Q2000. This compares with advertising and sales promotion costs of \$15.1 million for the whole of 1999 and \$5.4 million for advertising and sales promotion in 4Q1999.

Advertising and sales promotion costs have been reduced each quarter since the 4Q1999 and were cut more substantially starting in April 2000. To date, this has not adversely affected the Company's traffic or audience reach. The Company considers that given its substantial customer base and high traffic levels it can effectively market and cross promote from one site in its network to another without requiring further high expenditures on advertising and sales promotion. The success in maintaining and/or increasing reach in the major Internet markets over the past six months has validated this strategy. The Company still enters into traffic sharing agreements with other Internet companies and undertakes other promotional activities to generate new users. The Company is currently negotiating new traffic distribution agreements with other Internet companies.

The Company will continue to limit its external marketing expenditures for the remainder of 2000 and beyond. The Company believes that the recent slow-down in spending by many of its competitors will allow it to spend less as it already has established a high degree of customer awareness and usage.

Cash Position, Burn Rate and Cash Flow Break-even

FortuneCity continues to enjoy a strong financial position. At September 30th, 2000 FortuneCity's balance sheet included \$ 26.5 million in cash, cash equivalents and short-term investments. Also, the Company continues to be virtually debt free.

The Company consumed 51% less cash in the 3Q2000 as compared to the 2Q2000: \$5.8 million in the 3Q2000 compared to \$11.9 in 2Q2000 and \$12.7 in 1Q2000. As a result of the reorganization, reduction in marketing expenditures and other efficiency improving measures the Company anticipates a further reduction in its quarterly cash consumption and a movement towards cash flow breakeven as revenues continue to grow.

Based on current projections the Company anticipates that it will achieve cash-flow break-even in 2002. This is later than earlier projected and is based on a more conservative estimate of sales growth as a result of the current development of and, concerns regarding, the Internet advertising market. If the Internet advertising market grows more rapidly than is now widely projected and the Company is successful in achieving higher sales then FortuneCity will still break-even as earlier planned in 4Q2001. Based on current projections and the recent reduction in operating costs the Company has sufficient cash reserves to operate through 2002 and into 2003 and reach break-even without requiring further external funding.

Sale of AcmeCity

In order to continue to focus its corporate effort on its core activities FortuneCity agreed in November to sell its 50% ownership in AcmeCity to Warner Bros. Online, a division of Time Warner Entertainment Company, L.P. (WBO). The sales consideration agreed is 3,139,238 ordinary share of FortuneCity.com Inc held by WBO. The agreement is subject to the closing of the merger between Time Warner and AOL, and there is a cancellation fee of \$1 million payable to FortuneCity in the event that the transaction is not closed by January 31,2001. The sale will allow FortuneCity to further reduce costs and will have no material impact on the Company's revenues. AcmeCity represented less than 2% of the Company's revenues in 3Q2000 and has never been consolidated for purposes of estimating the Company's traffic or Internet rankings. As part of this agreement FortuneCity has agreed to support the AcmeCity site for a period of time following the closing of the transaction and Time Warner has agreed to hold its remaining 553,983 shares for at least one year. Following completion of this agreement the Company will have approximately 27,178,874 shares outstanding.

The FortuneCity Network

FortuneCity.com Inc. (Neuer Markt: FCT) is one of the Internet's largest new media companies with an international network of personal publishing, content and entertainment sites.

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FORTUNECITY.COM INC.
CONSOLIDATED BALANCE SHEETS
(IN U.S. DOLLARS)

Assets	September 30,	December 31,
	2000	1999
	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 5,292,351	\$ 8,665,047
Short-term investments	21,262,269	48,316,400
Accounts receivable, net of allowance for doubtful accounts of \$582,080 and \$228,337, respectively	2,088,195	2,988,365
Prepaid expenses and other current assets	1,108,628	1,323,130
Total current assets	<u>29,751,443</u>	<u>61,292,942</u>
Investment in affiliates	4,640,469	5,389,164
Property and equipment, net of accumulated depreciation and amortization of \$3,833,251 and \$1,342,252, respectively	10,015,916	7,637,432
Restricted cash	-	383,750
Goodwill, net of accumulated amortization of \$3,950,055 and \$1,366,451, respectively	13,328,420	16,866,382
Total assets	<u>\$ 57,736,248</u>	<u>\$ 91,569,670</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,258,763	\$ 3,431,222
Accrued expenses	4,466,151	3,839,320
Capital lease obligations	36,320	30,750
Other current liabilities	847,515	822,444
Total current liabilities	<u>6,608,749</u>	<u>8,123,736</u>
Long-term liabilities:		
Capital lease obligations	10,159	30,520
Other long-term liabilities	714,595	320,976
Commitments and contingencies		
Stockholders' equity:		
Common stock; \$.01 par value; 80,000,000 shares authorized; 30,318,112 and 29,194,613 shares issued and outstanding	304,789	291,946
Treasury Stock	(1,052,271)	-
Additional paid-in capital	118,763,703	114,867,884
Accumulated deficit	(65,159,156)	(31,386,812)
Deferred compensation	(125,022)	(270,273)
Other comprehensive loss	(2,329,298)	(408,307)
Total stockholders' equity	<u>50,402,745</u>	<u>83,094,438</u>
Total liabilities and stockholders' equity	<u>\$ 57,736,248</u>	<u>\$ 91,569,670</u>

FORTUNECITY.COM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN U.S. DOLLARS)

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30, 2000</u>	<u>September 30, 1999</u>	<u>September 30, 2000</u>	<u>September 30, 1999</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	\$ 2,470,811	\$ 2,245,188	\$ 8,965,420	\$ 4,713,651
Cost of revenues	2,428,758	1,335,996	7,455,211	3,237,610
Gross profit	42,053	909,192	1,510,209	1,476,041
Operating expenses:				
Sales and marketing	3,889,541	6,998,996	17,227,815	13,219,361
Product development	1,190,459	1,001,100	4,698,643	1,922,860
General and administrative	2,001,693	1,006,748	5,880,211	2,511,671
Amortization of intangible assets	819,035	340,595	2,585,771	419,995
Restructuring and impairment charges	-	-	5,453,716	-
Total operating expenses	7,900,728	9,347,439	35,846,156	18,073,887
Operating loss	(7,858,675)	(8,438,247)	(34,335,947)	(16,597,846)
Interest income (expense), net	386,725	850,263	1,560,386	1,872,990
Loss before provision for income taxes and equity loss	(7,471,950)	(7,587,984)	(32,775,561)	(14,724,856)
Provision for income taxes	-	-	-	-
Equity in loss of affiliates				
Loss of operations	(18,315)	(224,998)	(241,521)	(330,865)
Amortization of goodwill inherent in investment in affiliate	(251,754)	(251,754)	(755,262)	(755,262)
Net loss	<u>\$ (7,742,019)</u>	<u>\$ (8,064,736)</u>	<u>\$ (33,772,344)</u>	<u>\$ (15,810,983)</u>
Basic net loss per share	<u>\$ (0.26)</u>	<u>\$ (0.28)</u>	<u>\$ (1.14)</u>	<u>\$ (0.59)</u>
Weighted average number of common shares outstanding	<u>30,110,632</u>	<u>28,889,621</u>	<u>29,747,204</u>	<u>26,582,982</u>

FORTUNECITY.COM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN U.S. DOLLARS)

	For the Nine Months Ended	
	September 30, 2000	September 30, 1999
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Net loss	\$ (33,772,344)	\$ (15,810,983)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,618,730	772,189
Amortization and deferred compensation	2,406,402	565,245
Equity in affiliates and amortization of related inherent goodwill	996,785	1,141,240
Loss on sale of assets	321,285	-
Restructuring reserve and impairment charges	5,154,255	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	900,171	(1,250,769)
Prepaid expenses and other current assets	211,393	(1,325,894)
Other assets	-	327,819
(Decrease) increase in:		
Accounts payable	(2,168,447)	1,210,713
Accrued expenses	(169,530)	2,748,924
Other current liabilities	19,811	74,537
Other long-term liabilities	(567,724)	-
Net cash used in operating activities	(24,049,213)	(11,546,979)
Cash flows from investing activities:		
Purchase of property and equipment	(5,314,115)	(5,784,908)
Restricted cash	383,750	-
Acquisition of businesses, net of cash acquired	(34,700)	(5,918,251)
Purchases of short-term investments	(51,944,732)	(124,111,511)
Proceeds from maturity of short-term investments	78,998,863	61,914,933
Proceeds from sale of investment in affiliate	256,025	-
Investment in affiliates	(179,052)	(1,428,525)
Net cash provided by (used in) investing activities	22,166,039	(75,328,262)
Cash flows from financing activities:		
Proceeds from issuances of common stock, net of offering costs	(1,004)	87,210,186
Proceeds from issuances of common stock	-	2,648,639
Proceeds from issuances of common stock warrants	-	1,114,206
Proceeds from exercise of options	103,574	1,110,793
Purchase of treasury stock	(1,260,318)	-
Payments under long-term obligations	(77,499)	(214,567)
Net cash (used in) provided by financing activities	(1,235,247)	91,869,257
Effects of foreign exchange	(254,275)	(261,390)
(Decrease) increase in cash and cash equivalents	(3,372,696)	4,732,626
Cash and cash equivalents, beginning of period	8,665,047	4,137,722
Cash and cash equivalents, end of period	\$ 5,292,351	\$ 8,870,348