

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
America Online, Inc.

We have audited the accompanying consolidated balance sheets of America Online, Inc. as of June 30, 1999 and 1998, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended June 30, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of America Online, Inc. at June 30, 1999 and 1998, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 1999, in conformity with generally accepted accounting principles.

As discussed in Note 14 to the consolidated financial statements, in 1998 the Company changed its method of accounting for income taxes.

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What Next?
A Unified Response to Recent Events

IM 2000

Initial Target Partners and Strategy

Key Issues

[E-mail] Re: Notes from Gang Call

[E-mail] Re: Instant Messaging Talking Points

Update on AIM

[E-mail] Re: Another View of Raymond Article

Letter to Vijay Saraswat

America Online's Vision

[E-mail] Re: IMPT: AIM 3.0 Release and Q&A

MS/AIM Statement

[E-mail] Re: Draft Statement and Q & A