As filed with the Securities and Exchange Commission on December 3, 1999

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

Under

The Securities Act of 1933

CMGI, INC.

(Exact name of registrant as specified in its charter)

Delaware	7331	04-2921333
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

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100 Brickstone Square, Andover, Massachusetts 01810, (978) 684-3600

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

David S. Wetherell

Chairman of the Board, President and Chief Executive Officer

CMGI, Inc.

100 Brickstone Square

Andover, Massachusetts 01810

(978) 684-3600

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Mark G. Borden, Esq.	Larry W. Sonsini, Esq.
Hale and Dorr LLP	Blair W. Stewart, Jr., Esq.
60 State Street	Wilson Sonsini Goodrich & Rosati, P.C.
Boston, Massachusetts 02109	650 Page Mill Road
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	Telecopy: (650) 493-6811

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and certain other conditions under the Merger Agreement are met or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common stock, $.01 par value per share...........	9,801,662 shares	$147.00	$1,440,844,314	$380,383

(1) Based upon the estimated maximum number of shares of common stock of the Registrant issuable in the merger described herein in respect of (a) outstanding shares of Flycast common stock and (b) options and warrants to

acquire Flycast common stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and 457(f) under the Securities Act of 1933, as amended, and based upon the average of the high and low sale prices of the Registrant's common stock as reported on the Nasdaq National Market on November 26, 1999.

(3) Pursuant to Rule 457(b) under the Securities Act, $185,278 of the registration fee was paid as of November 19, 1999 in connection with the filing of preliminary proxy materials.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Flycast Communications Corporation

December 7, 1999

Dear Flycast Communications Corporation Stockholders:

I am writing to you today about our proposed merger with CMGI. This merger will create a combined company offering a broad set of solutions for Internet advertising and direct marketing.

In the merger, each share of Flycast common stock will be exchanged for 0.4738 shares of CMGI common stock. Based on the number of shares of Flycast common stock and options and warrants to purchase Flycast common stock outstanding as of December 1, 1999, CMGI expects to issue a total of approximately 9,406,800 shares of CMGI common stock and options and warrants to purchase shares of CMGI common stock in the merger. CMGI common stock is traded on the Nasdaq National Market under the trading symbol "CMGI," and closed at $156.13 per share on December 2, 1999. The merger is described more fully in this proxy statement/prospectus.

You will be asked to vote upon the merger agreement with CMGI and the merger at a special meeting of Flycast stockholders to be held on Thursday, January 13, 2000, at 10:00 a.m., local time, at the W Hotel, 181 3rd Street, San Francisco, California 94103. The merger cannot be consummated unless the holders of a majority of the shares of Flycast common stock approve the merger. Only stockholders who hold shares of Flycast common stock at the close of business on December 1, 1999 will be entitled to vote at the special meeting.

We are very excited by the opportunities we envision for the combined company. Your board of directors has determined that the terms and conditions of the merger are fair to you and in your best interests, and has unanimously recommended that you approve the merger agreement and the merger.

This proxy statement/prospectus provides detailed information about CMGI and the merger. Please give all of this information your careful attention. In particular, you should carefully consider the discussion in the section entitled "Risk Factors" beginning on page 7 of this proxy statement/prospectus.

Your vote is very important regardless of the number of shares you own. To vote your shares, you may use the enclosed proxy card or attend the special stockholders meeting in person. To approve the merger agreement and the merger, you MUST vote "FOR" the proposal by following the instructions stated on the enclosed proxy card. If you do not vote at all, your non-vote will, in effect, count as a vote against the merger agreement and the merger. We urge you to vote FOR this proposal. The approval of this proposal is a necessary step in the merger of Flycast and CMGI.

Sincerely,

/s/ George R. Garrick
George R. Garrick
Chief Executive Officer

This proxy statement/prospectus is being furnished to Flycast stockholders in connection with the solicitation of proxies by Flycast's management for use at the special meeting of Flycast stockholders to be held at 10:00 a.m., local time, on Thursday, January 13, 2000, at the W Hotel, 181 3rd Street, San Francisco, California 94103, and at any adjournment of the special meeting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or the CMGI common stock to be issued in the merger, or determined that this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated December 7, 1999, and was first mailed to Flycast stockholders on or about December 9, 1999.

[FLYCAST LOGO APPEARS HERE]

FLYCAST COMMUNICATIONS CORPORATION
181 Fremont Street
San Francisco, California 94105
(415) 977-1000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON THURSDAY, JANUARY 13, 2000

We will hold a special meeting of stockholders of Flycast at 10:00 a.m., local time, on January 13, 2000 at the W Hotel, 181 3rd Street, San Francisco, California 94103.

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of September 29, 1999, by and among CMGI, Inc., Freemont Corporation and Flycast Communications Corporation, and the merger, under which Flycast will become a wholly owned subsidiary of CMGI and each outstanding share of Flycast common stock will be converted into the right to receive 0.4738 shares of CMGI common stock; and

2. To transact such other matters which may properly come before the special meeting or any and all adjournment(s) thereof.

Only Flycast stockholders of record at the close of business on December 1, 1999 are entitled to notice of and to vote at the special meeting or any adjournment of the special meeting.

Your vote is important regardless of the number of shares you own. To ensure that your shares are represented at the special meeting, we urge you to complete, date and sign the enclosed proxy card and mail it promptly in the postage-paid envelope provided whether or not you plan to attend the special meeting in person. You may revoke your proxy in the manner described in this proxy statement/ prospectus at any time before it has been voted at the special meeting. You may vote in person at the special meeting even if you have returned a proxy.

By Order of the Board of Directors

/s/ Thomas L. Marcus
Thomas L. Marcus
Executive Vice President and Secretary

San Francisco, California
December 7, 1999

[CMGI LOGO]

[FLYCAST LOGO]

CMGI, Inc.
100 Brickstone Square
Andover, Massachusetts 01810

Flycast Communications Corporation
181 Fremont Street
San Francisco, California 94105

Proxy Statement/Prospectus

This proxy statement/prospectus is the prospectus of CMGI, Inc. with respect to the issuance by CMGI of approximately 9,406,800 shares of CMGI common stock and options and warrants to purchase shares of CMGI common stock in connection with the Agreement and Plan of Merger among CMGI, Freemont Corporation, a wholly owned subsidiary of CMGI, and Flycast Communications Corporation. This merger agreement provides for the merger of Flycast with Freemont. Following the merger, Flycast will be a wholly owned subsidiary of CMGI.

This proxy statement/prospectus is the proxy statement of Flycast and is being furnished to the stockholders of Flycast in connection with the special meeting of Flycast stockholders to be held on Thursday, January 13, 2000 at 10:00 a.m., local time, at the W Hotel, 181 3rd Street, San Francisco, California 94103.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this disclosure document. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is December 7, 1999.

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ANNEXES

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why are the companies proposing to merge?

A: CMGI and Flycast are proposing to merge because we believe the resulting combination will create a stronger, more competitive company capable of achieving greater financial strength, operational efficiencies, earning power and growth potential than either company would have on its own.

We believe that Flycast's technology will complement the technology of CMGI's current network of Internet marketing and advertising companies, which includes Engage Technologies, Inc. and ADSmart Corporation, and consequently strengthen CMGI's position to offer a complete advertising network solution for both advertisers and Web publishers. We also believe that Flycast will be able to continue to expand its customer base by providing services to many of the companies affiliated with CMGI.

Q: How will these two companies merge?

A: CMGI and Flycast will combine under a merger agreement providing that a wholly owned subsidiary of CMGI will merge with and into Flycast, with Flycast surviving the merger as a wholly owned subsidiary of CMGI.

Q: What will I receive in the merger?

A: If the merger is completed, you will receive 0.4738 shares of CMGI common stock for each share of Flycast common stock that you own. CMGI will not issue fractional shares of its common stock. Instead, you will receive cash, without interest, based on the average of the last reported sales prices of CMGI common stock on the Nasdaq National Market during the ten consecutive trading days ending on and including the last trading day prior to the day on which the merger is completed.

On September 29, 1999, the last full trading day before the public announcement of the proposed merger, the last reported sale price of CMGI common stock on the Nasdaq National Market was $100.31 per share. On December 2, 1999, the most recent practicable date prior to the printing of this proxy statement/prospectus, the last reported sale price of CMGI common stock on the Nasdaq National Market was $156.13 per share.

Q: CMGI has announced that it is acquiring several companies, including AdForce, Inc. How will those proposed acquisitions affect CMGI's proposed merger with Flycast?

A: CMGI's proposed acquisitions of other companies, including AdForce, will not affect the consummation of the proposed merger with Flycast. The consummation of the other acquisitions is not a condition to the consummation of CMGI's merger with Flycast.

Q: When do you expect to complete the merger of CMGI and Flycast?

A: We are working to complete the merger as quickly as possible. We expect to complete the merger promptly following the special meeting. If necessary or desirable, CMGI and Flycast may agree to complete the merger at a later date.

Q: What are the federal income tax consequences of the merger?

A: The merger is intended to qualify as a tax-free reorganization under the Internal Revenue Code. Accordingly, no gain or loss will generally be recognized by CMGI, Flycast or the transitory subsidiary as a result of the merger. Additionally, no gain or loss will be recognized by Flycast stockholders to the extent they receive shares of CMGI common stock in the merger. In general, however, Flycast stockholders will recognize taxable gain to the extent they receive cash in the merger. Flycast stockholders should consult their tax advisors for a full understanding of the tax consequences of the merger.

Q: Who must approve the merger?

A: In addition to the approvals by the CMGI board of directors and the Flycast board of directors, each of which has already been obtained, the merger agreement and the merger must be approved by Flycast stockholders. On November 23, 1999, early termination of the waiting period under the Hart-Scott-Rodino Act was granted.

Q: What stockholder vote is required to approve the merger agreement and the merger?

A: A majority of the outstanding shares of Flycast common stock entitled to vote constitutes a quorum for the Flycast special meeting. The affirmative vote of the holders of at least a majority of the outstanding shares of Flycast common stock is required to approve the merger agreement and the merger.

Q: Does the Flycast board of directors recommend approval of the merger agreement and the merger?

A: Yes. After careful consideration, the Flycast board of directors unanimously recommends that its stockholders vote in favor of the merger agreement and the merger. For a more complete description of the recommendation of the Flycast board of directors, see the section entitled "The Merger--Flycast's Reasons for the Merger; Recommendation of the Flycast Board of Directors" on page 41.

Q: What do I need to do now?

A: We urge you to read this proxy statement/ prospectus, including its annexes, carefully, and to consider how the merger will affect you as a stockholder. You also may want to review the documents referenced under "Where You Can Find More Information" on page 91.

Q: How do I vote?

A: You may indicate how you want to vote on your proxy card and then sign and mail your proxy card in the enclosed return envelope as soon as possible so that your shares will be represented at the Flycast special meeting. You may also attend the special meeting and vote in person instead of submitting a proxy.

If you fail either to return your proxy card or to vote in person at the special meeting, or if you mark your proxy "abstain," the effect will be a vote against the merger agreement and the merger. If you sign and send in your proxy without indicating how you want to vote, your proxy will be counted as a vote for the merger agreement and the merger unless your shares are held in a brokerage account.

Q: If my shares are held in a brokerage account, will my broker vote my shares for me?

A: Your broker will not be able to vote your shares without instructions from you on how to vote. Therefore, it is important that you follow the directions provided by your broker regarding how to instruct your broker to vote your shares. If you fail to provide your broker with instructions, it will have the same effect as a vote against the merger agreement and the merger.

Q: May I change my vote after I have mailed in my signed proxy card?

A: You may change your vote at any time before the vote takes place at the Flycast special meeting. To do so, you may either complete and submit a later dated proxy card or send a written notice stating that you would like to revoke your proxy. In addition, you may attend the special meeting and vote in person. However, if you elect to vote in person at the special meeting and your shares are held by a broker, bank or other nominee, you must bring to the special meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares.

Q: When and where is the Flycast special meeting?

A: The special meeting of Flycast stockholders will be held at 10:00 a.m., local time, on January 13, 2000 at the W Hotel, San Francisco, California.

Q: Should I send in my certificates now?

A: No. After we complete the merger, CMGI or its transfer agent will send instructions to you explaining how to exchange your shares of Flycast common stock for the appropriate number of shares of CMGI common stock.

Q: Who may I contact with any additional questions?

A: You may call Carolyn Bass or Jim Byers of Morgen Walke Associates, Inc., the investor relations firm for Flycast at (415) 439-4513.

Q: Are there any risks associated with the merger?

A: The merger does involve some risks. For a discussion of risk factors that should be considered in evaluating the merger, see "Risk Factors" on page 7.

SUMMARY

This summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we have referred you. See "Where You Can Find More Information" on page 91. We have included page references parenthetically to direct you to a more complete description of the topics in this summary.

The Companies

CMGI, Inc.
100 Brickstone Square
Andover, Massachusetts 01810
(978) 684-3600

CMGI develops and operates Internet and fulfillment services companies. CMGI's Internet strategy includes the internal development and operation of majority-owned subsidiaries as well as taking strategic positions in other Internet companies that have demonstrated synergies with CMGI's core businesses. CMGI's strategy also envisions and promotes opportunities for synergistic business relationships among the Internet companies within its portfolio. In addition, CMGI provides fulfillment services through three wholly owned subsidiaries, SalesLink Corporation, InSolutions Incorporated and On-Demand Solutions, Inc. SalesLink's services are also provided through its subsidiary, Pacific Direct Marketing Corporation. CMGI's fulfillment services offerings include product and literature fulfillment, supply chain management, telemarketing, and outsourced e-business program management. Other than references to a specific CMGI subsidiary, any reference to CMGI includes its subsidiaries.

Flycast Communications Corporation
181 Fremont Street, Suite 120
San Francisco, California 94105
(415) 977-1000

Flycast Communications Corporation is a leading provider of Web-based direct response advertising solutions to advertisers. Flycast works closely with advertisers to maximize the value of their advertising campaigns on the Web. Flycast's advertiser customers are primarily companies selling goods and services over the Internet, direct marketing agencies, or other advertisers who are interested in driving Web users towards specific actions, including clicking on advertisements, registering their names or other information, or buying products. Flycast offers its customers direct response solutions that include widespread placement of advertisements over the Web, prices that minimize their cost per action and continuous improvement and optimization of their campaign through the application of technology and through the services of Flycast's trained staff.

The Merger

Through the merger, Flycast will become a wholly owned subsidiary of CMGI. Flycast stockholders will receive CMGI common stock in exchange for their shares of Flycast common stock. The merger agreement is attached to this proxy statement/prospectus as Annex A. We encourage you to read the merger agreement as it is the legal document that governs the merger.

Vote Required
(Page 35)

Approval of the merger agreement and the merger requires the vote of a majority of the outstanding shares of Flycast common stock. Flycast's directors and executive officers and their affiliates held 26.4% of the outstanding shares of Flycast common stock on September 30, 1999.

Holders of Flycast common stock, who on September 30, 1999 collectively beneficially held approximately 40.6% of the outstanding voting power of Flycast, have already agreed to vote in favor of the merger agreement.

Flycast Recommendation to Stockholders
(Page 35)

The Flycast board of directors unanimously voted to approve the merger agreement and the merger. The Flycast board of directors believes that the merger is advisable and in your best interest and unanimously recommends that you vote FOR the proposal to approve the merger agreement and the merger.

What Holders of Flycast Common Stock Will Receive
(Page 50)

Each share of Flycast common stock will be exchanged for 0.4738 shares of CMGI common stock.

CMGI will not issue fractional shares of CMGI common stock in connection with the merger. Instead, CMGI will pay cash, without interest, for any fractional shares.

Based on 15,260,089 shares of Flycast common stock outstanding on September 29, 1999, the day the merger agreement was entered into, CMGI estimates that Flycast stockholders will receive approximately 7,230,000 shares of CMGI common stock in the merger.

Conditions to the Merger
(Page 58)

The completion of the merger depends upon meeting a number of conditions, including:

- the approval of Flycast stockholders;
- the approval of the listing on the Nasdaq National Market of the CMGI common stock to be issued to Flycast stockholders in the merger;
- the receipt of legal opinions regarding the treatment of the merger as a tax-free reorganization; and
- other customary contractual conditions specified in the merger agreement.

Certain of the conditions to the merger may be waived by the party entitled to assert the condition.

No Solicitation by Flycast
(Page 57)

With certain exceptions and subject to applicable fiduciary duties to stockholders of the Flycast board of directors to recommend a superior proposal to Flycast stockholders, Flycast has agreed that neither it nor any of its subsidiaries will (1) solicit, initiate or encourage any proposal that might lead to an alternative transaction, (2) enter into discussions or negotiations concerning, or provide any non-public information to a third party relating to an alternative transaction or (3) agree to recommend an alternative transaction to the Flycast stockholders. Flycast has further agreed to cause each of its officers, directors, employees, financial advisors, representatives and agents, as well as the officers, directors, employees, financial advisors, representatives and agents of its subsidiaries, not to take any of these actions.

Additionally, Flycast may comply with the Securities and Exchange Commission's tender offer requirements with respect to an alternative transaction.

Termination of the Merger Agreement
(Page 59)

CMGI and Flycast can mutually agree to terminate the merger agreement without completing the merger, and either CMGI or Flycast can terminate the merger agreement upon the occurrence of a number of events, including:

- the other party breaches any material representation, warranty or covenant in the merger agreement and fails to cure the breach within 45 days of receiving notice of the breach;
- the merger is not completed by April 30, 2000; or
- Flycast stockholders do not approve the merger agreement and the merger at a special meeting of Flycast stockholders.

In addition, CMGI can terminate the merger agreement upon the occurrence of a number of events, including:

- the Flycast board of directors fails to recommend approval of the merger agreement and the merger to the Flycast stockholders or withdraws or modifies its recommendation;
- the Flycast board of directors fails to reconfirm its recommendation of the merger agreement and the merger to Flycast stockholders within five business days after CMGI requests that it do so;

- the Flycast board of directors approves or recommends to Flycast stockholders an alternative transaction with a third party meeting the requirements set forth in the merger agreement;

- a third party, other than CMGI or an affiliate of CMGI, commences a tender offer or exchange offer for the outstanding shares of Flycast common stock and the Flycast board of directors recommends that Flycast stockholders tender their shares in such tender or exchange offer, or within ten days after such tender or exchange offer is commenced, the Flycast board of directors fails to recommend that Flycast stockholders reject the offer or takes no position with respect to the offer; or

- for any reason, Flycast fails to call and hold the special meeting by April 29, 2000.

Termination Fees
(Page 60)

Flycast must pay CMGI a termination fee of $20 million if CMGI terminates the merger agreement upon the occurrence of a number of events, including:

- the Flycast board of directors fails to recommend approval of the merger agreement and the merger to Flycast stockholders or withdraws or modifies its recommendation;

- the Flycast board of directors fails to reconfirm its recommendation of the merger agreement and the merger to Flycast stockholders within five business days after CMGI requests that it do so;

- the Flycast board of directors approves or recommends to Flycast stockholders an alternative transaction with a third party meeting the requirements set forth in the merger agreement;

- a third party, other than CMGI or an affiliate of CMGI, commences a tender offer or exchange offer for the outstanding shares of Flycast common stock and the Flycast board of directors recommends that Flycast stockholders tender their shares in such tender or exchange offer, or within ten days after such tender or exchange offer is commenced, the Flycast board of directors fails to recommend that Flycast stockholders reject the offer or takes no position with respect to the offer;

- for any reason, Flycast fails to call and hold the special meeting by April 29, 2000; or

- there has been a breach of any representation, warranty or covenant of the merger agreement by Flycast, which breach causes specified conditions to CMGI's obligation to effect the merger to not be satisfied, such as the condition relating to Flycast being year 2000 compliant, and is not cured within 45 days after Flycast receives a written notice of the breach from CMGI.

Additionally, Flycast must pay CMGI up to $500,000 as reimbursement for the costs incurred by CMGI related to the merger if CMGI terminates the merger agreement in certain circumstances, including the failure of the merger to be closed by April 30, 2000 because specified conditions to CMGI's obligation to effect the merger, such as the condition relating to Flycast being year 2000 compliant, are not satisfied.

CMGI must pay Flycast a termination fee of $20 million if Flycast terminates the merger agreement because of a breach of any representation, warranty or covenant of the merger agreement by CMGI which is not cured within 45 days after CMGI receives a written notice of the breach from Flycast. Additionally, CMGI must pay Flycast up to $500,000 as reimbursement for the costs incurred by Flycast related to the merger if Flycast terminates the merger agreement in certain circumstances.

Stock Option Agreement
(Page 61)

In connection with the merger agreement, CMGI and Flycast entered into a stock option agreement, dated as of September 29, 1999. The option agreement grants CMGI the right to purchase up to 3,036,750 shares of Flycast common stock, constituting approximately 19.9% of Flycast's outstanding common stock, at a price of $47.53 per share, subject to adjustment. However, CMGI may not exercise this option to acquire more than 19.9% of the outstanding shares of Flycast common stock.

The option becomes exercisable only after CMGI terminates the merger agreement under specified circumstances, including:

- the Flycast board of directors fails to recommend that Flycast stockholders approve and adopt the merger agreement and the merger;

- the Flycast board of directors fails to reconfirm its recommendation of the merger agreement and the merger to Flycast stockholders within five business days after CMGI requests that it do so;

- the Flycast board of directors recommends that the Flycast stockholders tender their shares in a tender or exchange offer commenced by a third party or fails to recommend against it;

- Flycast fails to call and hold its stockholders meeting by April 29, 2000; or

- there has been a breach of any representation, warranty or covenant of the merger agreement by Flycast, which breach causes specified conditions to CMGI's obligation to effect the merger to not be satisfied, such as the condition relating to Flycast being year 2000 compliant, and is not cured within 45 days after Flycast receives a written notice of the breach from CMGI.

Once the option is exercisable, CMGI may exercise its option in whole or in part, at any time or from time to time prior to its termination at the earliest of:

- the time the merger becomes effective;

- termination of the merger agreement under circumstances that do not allow CMGI to receive a termination fee;

- the amount of cash received by CMGI as a termination fee under the merger agreement and from actual or potential sales of the shares of Flycast common stock issuable upon exercise of the option exceeds $30 million; and

- 90 days after the merger agreement is terminated (this period will be extended by 30 days if either CMGI cannot exercise its option or Flycast cannot deliver to CMGI the shares of Flycast common stock purchased upon exercise of the option because conditions to Flycast's obligation to deliver the shares have not been met).

Opinion of Financial Advisor
(Page 44)

In deciding to approve the merger, the Flycast board of directors received an opinion from its financial advisor, Deutsche Bank Securities Inc., that the exchange ratio is fair, from a financial point of view, to the holders of Flycast common stock. The full text of Deutsche Bank's opinion is attached as Annex B to this proxy statement/prospectus and should be read carefully in its entirety. Deutsche Bank's opinion is addressed to the Flycast board of directors and does not constitute a recommendation to any Flycast stockholder with respect to matters relating to the merger.

Interests of Financial Advisor
(Page 48)

Pursuant to an engagement letter dated August 11, 1999, Flycast has paid Deutsche Bank a cash fee of $1.05 million and has agreed to pay an additional cash fee of approximately $12.6 million upon consummation of the merger. This fee will be based on a percentage of the aggregate value of the transaction. Regardless of whether the merger is consummated, Flycast has agreed to reimburse Deutsche Bank for reasonable fees and disbursements of its counsel and reasonable travel and other out-of-pocket expenses. Flycast has also agreed to indemnify Deutsche Bank and certain related persons to the full extent of the law against certain liabilities, including liabilities under the federal securities laws, arising out of its engagement or the merger.

Interests of Executive Officers and Directors of Flycast in the Merger
(Page 49)

In considering the recommendation of the Flycast board of directors, you should be aware of the interests that Flycast executive officers and directors have in the merger. These include:

- the Flycast executive officers will receive retention and severance benefits;

- the Flycast executive officers who together hold a total of 1,305,000 stock options granted under Flycast's stock option plans will have the benefit of accelerated vesting as described below in connection with the merger; and

- Flycast officers and directors have customary rights to indemnification against specified liabilities.

In considering the fairness of the merger to Flycast stockholders, the Flycast board of directors took into account these interests. These interests are different from and in addition to your and their interests as stockholders. Flycast executive officers and directors have options to acquire Flycast common stock that will be converted under the terms of Flycast's stock option plans into options to acquire shares of CMGI common stock. As of September 30, 1999 the executive officers and directors of Flycast, and their respective affiliates, held options for an aggregate of 2,065,000 shares of Flycast common stock, which options were vested to acquire 631,246 shares. Assuming the merger is completed on January 13, 2000, these options will vest to acquire an additional 92,184 shares of Flycast common stock upon completion of the merger. These options will be converted in the merger into options to acquire approximately 43,676 shares of CMGI common stock. In addition, as of December 1, 1999, the record date, the executive officers and directors of Flycast, and their respective affiliates, beneficially owned 4,026,057 shares of Flycast common stock, of which 740,210 shares are subject to vesting. Assuming the merger is completed on January 13, 2000, an additional 16,559 of these shares will vest. These shares will be converted in the merger into approximately 7,845 shares CMGI common stock.

Accounting Treatment
(Page 50)

CMGI will account for the merger using the purchase method of accounting, which means that the assets and liabilities of Flycast, including intangible assets, will be recorded at their fair value and the results of operations of Flycast will be included in CMGI's results from the date of acquisition.

Material United States Federal Income Tax Considerations
(Page 50)

We have structured the merger in order to qualify as a tax-free reorganization under the Internal Revenue Code. It is our intention that no gain or loss generally will be recognized by Flycast stockholders for federal income tax purposes on the exchange of shares of Flycast common stock solely for shares of CMGI common stock.

Tax matters are very complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.

Flycast Stockholders Have No Appraisal Rights
(Page 52)

Under Delaware law, Flycast stockholders do not have appraisal rights.

Forward-Looking Statements May Prove Inaccurate
(Page 26)

We have made forward-looking statements in this proxy statement/prospectus (and in documents that are incorporated by reference) that are subject to risks and uncertainties. Forward-looking statements include the information concerning possible or assumed future results of operations of CMGI. Also, when we use words such as "believes," "expects," "anticipates" or similar expressions, we are making forward-looking statements. Stockholders should note that many factors could affect the future financial results of CMGI and Flycast, and could cause these results to differ materially from those expressed in our forward-looking statements. These factors include the following:

- the risk that CMGI encounters greater than expected costs and difficulties related to combining Flycast's technology with the technology of CMGI's current network of Internet advertising companies;

- changes in laws or regulations, including increased government regulation of the Internet, and privacy related issues;

- increased competitive pressures from the issuance of patents and other intellectual property to competitors of CMGI and Flycast;

- the risk that CMGI will be unable to retain certain Flycast employees if, after the merger, some of the activities and management of Flycast moves from the West Coast to the East Coast;

- the risk that CMGI will be unable to retain certain customers of Flycast who may terminate their relationship with Flycast as a result of the merger because they deem themselves competitors of CMGI; and

- the risk that our analyses of these risks and forces could be incorrect and/or that the strategies developed to address them could be unsuccessful.

CMGI Market Price Information
(Page 32)

Shares of CMGI common stock are quoted on the Nasdaq National Market. On September 29, 1999, the last full trading day prior to the public announcement of the proposed merger, CMGI common stock closed at $100.31 per share. On December 2, 1999, CMGI common stock closed at $156.13 per share.

Flycast Market Price Information
(Page 32)

Shares of Flycast common stock are also quoted on the Nasdaq National Market. On September 29, 1999, the last full trading day prior to the public announcement of the proposed merger, Flycast common stock closed at $38.00 per share. On December 2, 1999, Flycast common stock closed at $71.94 per share.

Recent Developments

On September 20, 1999, CMGI entered into an agreement to acquire AdForce, Inc., a leading provider of Web-based direct response advertising in a stock-for-stock merger.

Under the terms of the AdForce agreement, CMGI will issue 0.262 shares of CMGI common stock for each outstanding share of AdForce common stock. In addition, all outstanding options and warrants to acquire shares of AdForce common stock will be assumed by CMGI and converted at the 0.262 exchange ratio into options and warrants to purchase CMGI common stock. Based on the number of outstanding shares of AdForce common stock as of September 20, 1999, CMGI will exchange approximately 5,200,000 shares of CMGI common stock for all the issued and outstanding capital stock of AdForce.

Following the merger, AdForce will become a wholly owned subsidiary of CMGI. CMGI and AdForce expect the merger will qualify as a tax-free reorganization. CMGI will account for the merger with AdForce using the purchase method of accounting. The merger is subject to a number of conditions, including approval by AdForce stockholders. CMGI anticipates that the AdForce merger will be consummated during the first calendar quarter of 2000.

The primary effects of this merger will be dilution of former Flycast stockholders' share ownership of CMGI, consolidation of AdForce's profits and losses by CMGI in CMGI's statements of operations and increased costs associated with the integration of AdForce into CMGI. Based on the number of shares of CMGI issued and outstanding as of December 1, 1999, immediately after the acquisition of Flycast, assuming the AdForce merger has not yet been completed, and further assuming the exercise of all outstanding Flycast options, Flycast stockholders would own approximately 7.0% of CMGI. Based on the number of shares of CMGI issued and outstanding as of December 1, 1999, after the acquisition of Flycast, and, assuming the AdForce merger has also been completed, and further assuming the exercise of all outstanding Flycast and AdForce options and warrants, Flycast stockholders would own approximately 6.7% of CMGI.

RISK FACTORS

You should carefully consider the following risk factors before you decide whether to vote to approve and adopt the merger agreement. You should also consider the other information in this proxy statement/prospectus and the additional information in CMGI's other reports on file with the Securities and Exchange Commission and in the other documents incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" on page 91.

Risks Relating to the Merger

CMGI's stock price is volatile and the value of CMGI common stock issued in the merger will depend on its market price at the time of the merger, and no adjustment will be made as a result of changes in the market price of CMGI's common stock.

At the closing of the merger, each share of Flycast common stock will be exchanged for 0.4738 shares of CMGI common stock. This exchange ratio will not be adjusted for changes in the market price of CMGI common stock or of Flycast common stock. In addition, neither CMGI nor Flycast may terminate or renegotiate the merger agreement, and Flycast may not resolicit the vote of its stockholders solely because of changes in the market price of CMGI common stock or of Flycast common stock. Any reduction in CMGI's common stock price will result in you receiving less value in the merger at closing. You will not know the exact value of CMGI's common stock to be issued to you in the merger at the time of the special meeting of Flycast stockholders.

The market price of CMGI's common stock, like that of the shares of many other high technology and Internet companies, has been and may continue to be volatile. For example, from November 1, 1998 to November 1, 1999, the CMGI common stock traded as high as $165.00 per share and as low as $14.31 per share.

Recently, the stock market in general and the shares of Internet companies in particular have experienced significant price fluctuations. The market price of CMGI's common stock may continue to fluctuate significantly in response to various factors, including:

- quarterly variations in operating results or growth rates;
- the announcement of technological innovations;
- the introduction of new products;
- changes in estimates by securities analysts;
- market conditions in the industry;
- CMGI may not succeed in addressing these risks or any other problems encountered in connection with these potential business combinations and acquisitions potentially disrupting CMGI's business and causing increased losses;
- announcements of mergers and acquisitions by CMGI;
- announcements of mergers and acquisitions and other actions by competitors;
- regulatory and judicial actions;
- general economic conditions; and
- patents and other intellectual property rights issued to competitors of CMGI.

CMGI may face challenges in integrating CMGI and Flycast and, as a result, may not realize the expected benefits of the anticipated merger.

Integrating the operations and personnel of CMGI and Flycast will be a complex process, and CMGI is uncertain that the integration will be completed rapidly or will achieve the anticipated benefits of the merger. Since Flycast is located on the West Coast, it will be more difficult to retain employees of Flycast if after the merger, some of the activities and management of Flycast move from the West Coast to the East Coast. The successful integration of CMGI and Flycast will require, among other things, integration of their finance, human resources and sales and marketing groups and coordination of development efforts. The diversion of the attention of CMGI's management and any difficulties encountered in the process of combining the companies could cause the disruption of, or a loss of momentum in, the activities of CMGI's business. Further, the process of combining CMGI and Flycast could negatively affect employee morale and the ability of CMGI to retain some of its key employees after the merger.

If CMGI does not successfully integrate Flycast or the merger's benefits do not meet the expectations of financial or industry analysts, the market price of CMGI common stock may decline.

The market price of CMGI common stock may decline as a result of the merger if:

- the integration of CMGI and Flycast is unsuccessful;

- CMGI does not achieve the perceived benefits of the merger as rapidly as, or to the extent, anticipated by financial or industry analysts; or

- the effect of the merger on CMGI's financial results is not consistent with the expectations of financial or industry analysts.

If CMGI does not manage the integration of other acquired companies successfully, it may be unable to achieve desired results.

As a part of its business strategy, CMGI may enter into additional business combinations and acquisitions, such as AdForce, Inc. and AdKnowledge Inc. Acquisitions are typically accompanied by a number of risks, including:

- the difficulty of integrating the operations and personnel of the acquired companies;

- the potential disruption of CMGI's ongoing business and distraction of management;

- the difficulty of incorporating acquired technology and rights into CMGI's products and services;

- unanticipated expenses related to acquired technology and its integration into existing technology;

- the maintenance of uniform standards, controls, procedures and policies;

- the impairment of relationships with employees and customers as a result of any integration of new management personnel; and

- potential unknown liabilities associated with acquired businesses.

CMGI may not succeed in addressing these risks or any other problems encountered in connection with these potential business combinations and acquisitions potentially disrupting CMGI's business and causing increased losses.

Failure to complete the merger could negatively impact the market price of Flycast common stock and Flycast's operating results.

If the merger is not completed for any reason, Flycast may be subject to a number of material risks, including:

- Flycast may be required to pay CMGI a termination fee of $20 million and/or reimburse CMGI for expenses of up to $500,000;

- Flycast stockholders may experience dilutive effects to their stock ownership because an option to acquire up to 19.9% of the outstanding shares of Flycast common stock granted to CMGI by Flycast may become exercisable;

- the market price of Flycast common stock may decline to the extent that the current market price of Flycast common stock reflects a market assumption that the merger will be completed; and

- costs related to the merger, such as legal and accounting fees, must be paid even if the merger is not completed.

If the merger is terminated and the Flycast board of directors seeks another merger or business combination, you cannot be certain that Flycast will be able to find a partner willing to pay an equivalent or more attractive price than the price to be paid by CMGI in the merger. In addition, CMGI's option to acquire up to 19.9% of the outstanding shares of Flycast common stock, which may become exercisable upon termination of the merger agreement, may impede an alternative merger or business combination. You should read more about this stock option under "Other Agreements--Stock Option Agreement" on page 61.

Flycast may not be able to enter into a merger or business combination with another party at a favorable price because of restrictions in the merger agreement.

While the merger agreement is in effect, subject to specified exceptions, Flycast is prohibited from entering into or soliciting, initiating or encouraging any inquiries or proposals that may lead to a proposal or offer for a merger, consolidation, business combination, sale of substantial assets, tender offer, sale of shares of capital stock or other similar transactions with any person other than CMGI. As a result of this prohibition, Flycast may not be able to enter into an alternative transaction at a favorable price.

Flycast's officers and directors have conflicts of interest that may influence them to support or approve the merger.

The directors and officers of Flycast participate in arrangements and have continuing indemnification against liabilities that provide them with interests in the merger that are different from, or in addition to, yours, including the following:

- as of September 30, 1999, the executive officers and directors of Flycast owned stock options to purchase an aggregate of 2,065,000 shares of Flycast common stock, of which 1,433,754 are unvested. If the merger is completed, approximately 550,000 of the unvested options will accelerate and become immediately exercisable;

- directors and officers and their affiliates, representing a significant percentage of Flycast stockholders, have agreed to vote in favor of the merger;

- certain officers of Flycast are entitled to certain benefits, including substantial severance packages, under their employment agreements with Flycast if their employment is terminated upon Flycast's change of control, such as the merger;

- upon completion of the merger, CMGI and Flycast may enter into employment agreements with some executive officers of Flycast; and

- CMGI has agreed to cause the surviving corporation in the merger to indemnify each present and former Flycast officer and director against liabilities arising out of such person's services as an officer or director. CMGI will cause the surviving corporation to maintain officers' and directors' liability insurance to cover any such liabilities for the next six years.

The directors and officers of Flycast may therefore have been more likely to vote to approve the merger agreement and the merger than if they did not have these interests. Flycast stockholders should consider whether these interests may have influenced these directors and officers to support or recommend the merger. You should read more about these interests under "The Merger--Interests of Executive Officers and Directors of Flycast in the Merger" on page 49.

Uncertainties associated with the merger may cause Flycast to lose key personnel.

Current and prospective Flycast employees may experience uncertainty about their future roles with CMGI. This uncertainty may adversely affect Flycast's ability to attract and retain key management, sales, marketing and technical personnel.

Customers of CMGI and Flycast may delay or cancel orders as a result of concerns over the merger.

The announcement and closing of the merger could cause customers and potential customers of CMGI and Flycast to delay or cancel contracts for services. In particular, customers could be concerned about future service offerings and integration support of current services. Moreover, they may terminate their relationship with Flycast because they deem themselves competitors of CMGI. Such a delay or cancellation of orders could have a material adverse effect on the business, results of operations and financial condition of CMGI or Flycast.

Risks Relating to CMGI's Business

CMGI may not have operating income or net income in the future.

During the fiscal year ended July 31, 1999, CMGI had an operating loss of approximately $127 million and a net income of approximately $475 million. CMGI may not have operating income or net income in the future. If CMGI continues to have operating losses, CMGI may not have enough money to grow its business in the future.

CMGI may have problems raising money it needs in the future.

In recent years, CMGI has financed its operating losses in part with profits from selling some of the stock of companies in which it had invested. This funding source may not be sufficient in the future, and CMGI may need to obtain funding from outside sources. However, CMGI may not be able to obtain funding from outside sources. In addition, even if CMGI finds outside funding sources, CMGI may be required to issue to such outside sources securities with greater rights than that currently possessed by holders of shares of CMGI common stock. CMGI may also be required to take other actions which may lessen the value of CMGI's common stock, including borrowing money on terms that are not favorable to CMGI.

CMGI's success depends greatly on increased use of the Internet by businesses and individuals.

CMGI's success depends greatly on increased use of the Internet for advertising, marketing, providing services, and conducting business. Commercial use of the Internet is currently at an early stage of development and the future of the Internet is not clear. In addition, it is not clear how effective advertising on the Internet is in generating business as compared to more traditional types of advertising such as print, television, and radio. Because a significant portion of CMGI's business depends on CMGI's Internet operating company subsidiaries, CMGI's business will suffer if commercial use of the Internet fails to grow in the future.

CMGI may incur significant costs to avoid investment company status and may suffer other adverse consequences if deemed to be an investment company.

CMGI may incur significant costs to avoid investment company status and may suffer other adverse consequences if deemed to be an investment company under the Investment Company Act of 1940. Some equity investments in other businesses made by CMGI and its venture subsidiaries may constitute investment securities under the 1940 Act. A company may be deemed to be an investment company if it owns investment securities with a value exceeding 40% of its total assets, subject to certain exclusions. Investment companies are subject to registration under, and compliance with, the 1940 Act unless a particular exclusion or Securities and Exchange Commission safe harbor applies. If CMGI were to be deemed an investment company, it would become subject to the requirements of the 1940 Act. As a consequence, CMGI would be prohibited from engaging in business or issuing its securities as it has in the past and might be subject to civil and criminal penalties for noncompliance. In addition, certain of CMGI's contracts might be voidable, and a court-appointed receiver could take control of CMGI and liquidate its business.

Although CMGI's investment securities currently comprise less than 40% of its assets, fluctuations in the value of these securities or of CMGI's other assets may cause this limit to be exceeded. Unless an exclusion or safe harbor were available to it, CMGI would have to attempt to reduce its investment securities as a percentage of its total assets. This reduction can be attempted in a number of ways, including the disposition of investment securities and the acquisition of non-investment security assets. If CMGI were required to sell investment securities, it may sell them sooner than it otherwise would. These sales may be at depressed prices and CMGI may never realize anticipated benefits from, or may incur losses on, these investments. Some investments may not be sold due to contractual or legal restrictions or the inability to locate a suitable buyer. Moreover, CMGI may incur tax liabilities when it sells assets. CMGI may also be unable to purchase additional investment securities that may be important to its operating strategy. If CMGI decides to acquire non-investment security assets, it may not be able to identify and acquire suitable assets and businesses.

CMGI depends on certain important employees, and the loss of any of those employees may harm CMGI's business.

CMGI's performance is substantially dependent on the performance of its executive officers and other key employees, in particular, David S. Wetherell, its Chairman, President, and Chief Executive Officer, Andrew J. Hajducky III, its Executive Vice President, Chief Financial Officer and Treasurer, and David Andonian, its President, Corporate Development. The familiarity of these individuals with the Internet industry makes them especially critical to CMGI's success. In addition, CMGI's success is dependent on its ability to attract, train, retain and motivate high quality personnel, especially for its management team. The loss of the services of any of CMGI's executive officers or key employees may harm its business. CMGI's success also depends on its continuing ability to attract, train, retain, and motivate other highly qualified technical and managerial personnel. Competition for such personnel is intense.

In 1999, CMGI's revenue depended in large part on a single customer and loss of that customer could significantly damage CMGI's business.

During the fiscal year ended July 31, 1999, CMGI derived a significant portion of its revenues from a small number of customers. During the fiscal year ended July 31, 1999, sales to CMGI's largest customer, Cisco Systems, Inc., accounted for 36% of CMGI's total revenues and 47% of CMGI's revenues from its fulfillment services business. CMGI believes that it will continue to derive a significant portion of its operating revenues from sales to a small number of customers. CMGI currently does not have any agreements with Cisco which obligate Cisco to buy a minimum amount of products from CMGI or to designate CMGI as its sole supplier of any particular products or services.

CMGI's strategy of expanding its business through acquisitions of other businesses and technologies presents special risks.

CMGI intends to continue to expand through the acquisition of businesses, technologies, products and services from other businesses. Acquisitions involve a number of special problems, including:

- difficulty integrating acquired technologies, operations, and personnel with the existing business;
- diversion of management attention in connection with both negotiating the acquisitions and integrating the assets;
- strain on managerial and operational resources as management tries to oversee larger operations;
- exposure to unforeseen liabilities of acquired companies;
- potential issuance of securities in connection with the acquisition, which securities lessen the rights of holders of CMGI's currently outstanding securities;
- the need to incur additional debt; and
- the requirement to record additional future operating costs for the amortization of good will and other intangible assets, which amounts could be significant.

CMGI may not be able to successfully address these problems. Moreover, CMGI's future operating results will depend to a significant degree on its ability to successfully manage growth and integrate acquisitions. In addition, many of CMGI's investments are in early-stage companies with limited operating histories and limited or no revenues. CMGI may not be able to successfully develop these young companies.

Growing concerns about the use of "cookies" and data collection may limit CMGI's ability to develop user profiles.

Web sites typically place small files of information commonly known as "cookies" on a user's hard drive, generally without the user's knowledge or consent. Cookie information is passed to the Web site through the Internet user's browser software. CMGI's technology currently uses cookies to collect information about an Internet user's movement through the Internet. Most of the currently available Internet browsers allow users to modify their browser settings to prevent cookies from being stored on their hard drive, and a small minority of users currently choose to do so. Users can also delete cookies from their hard drive at any time. Some Internet commentators and privacy advocates have suggested limiting or eliminating the use of cookies. The effectiveness of our technology could be limited by any reduction or limitation in the use of cookies. If the use or effectiveness of cookies is limited, CMGI would likely have to switch to other technology that allows it to gather demographic and behavioral information. This could require significant reengineering time and resources, might not be completed in time to avoid negative consequences to CMGI's business, financial condition or results of operations, and might not be possible at all.

If the United States or other governments regulate the Internet more closely, CMGI's business may be harmed.

Because of the Internet's popularity and increasing use, new laws and regulations may be adopted. These laws and regulations may cover issues such as privacy, pricing and content. The enactment of any additional laws or regulations may impede the growth of the Internet and CMGI's Internet-related business and could place additional financial burdens on CMGI's business.

To succeed, CMGI must respond to the rapid changes in technology and distribution channels related to the Internet.

The markets for CMGI's Internet products and services are characterized by:

- rapidly changing technology;
- evolving industry standards;
- frequent new product and service introductions;
- shifting distribution channels; and
- changing customer demands.

CMGI's success will depend on its ability to adapt to this rapidly evolving marketplace. CMGI may not be able to adequately adapt its products and services or to acquire new products and services that can compete successfully. In addition, CMGI may not be able to establish and maintain effective distribution channels.

CMGI is subject to intense competition.

The market for Internet products and services is highly competitive. Moreover, the market for Internet products and services lacks significant barriers to entry, enabling new businesses to enter this market relatively easily. Competition in the market for Internet products and services may intensify in the future. Numerous well-established companies and smaller entrepreneurial companies are focusing significant resources on developing and marketing products and services that will compete with CMGI's products and services. In addition, many of CMGI's current and potential competitors have greater financial, technical, operational, and marketing resources. CMGI may not be able to compete successfully against these competitors in selling its goods and services. Competitive pressures may also force prices for Internet goods and services down and such price reductions may reduce CMGI's revenues.

CMGI's strategy of selling assets of or investments in the companies that CMGI has acquired and developed presents risks.

One element of CMGI's business plan involves raising cash for working capital for its Internet business by selling, in public or private offerings, some of the companies, or portions of the companies, that it has acquired and developed. Market and other conditions largely beyond CMGI's control affect:

- CMGI's ability to engage in such sales;
- the timing of such sales; and
- the amount of proceeds from such sales.

As a result, CMGI may not be able to sell some of these assets. In addition, even if CMGI is able to sell, it may not be able to sell at favorable prices. If CMGI is unable to sell these assets at favorable prices, its business will be harmed.

The value of CMGI's business may fluctuate because the value of some of its assets fluctuates.

A portion of CMGI's assets includes the equity securities of both publicly traded and non-publicly traded companies. In particular, CMGI owns a significant number of shares of common stock of Engage Technologies, Inc., NaviSite, Inc., Lycos, Inc., Yahoo!, Inc., Pacific Century CyberWorks Limited, Hollywood Entertainment Corporation, Chemdex Corporation and Silknet Software, Inc., which are publicly traded companies. The market price and valuations of the securities that CMGI holds in these and other companies may fluctuate due to market conditions and other conditions over which CMGI has no control. Fluctuations in the market price and valuations of the securities that CMGI holds in other companies may result in fluctuations of the market price of CMGI's common stock and may reduce the amount of working capital available to CMGI.

CMGI's growth places strains on its managerial, operational and financial resources.

CMGI's rapid growth has placed, and is expected to continue to place, a significant strain on its managerial, operational and financial resources. Further, as the number of CMGI's users, advertisers and other business partners grows, CMGI will be required to manage multiple relationships with various customers, strategic partners and other third parties. Further growth of CMGI or increase in the number of its strategic relationships will increase this strain on CMGI's managerial, operational and financial resources, inhibiting CMGI's ability to achieve the rapid execution necessary to successfully implement its business plan. In addition, CMGI's future success will also depend on its ability to expand its sales and marketing organization and its support organization commensurate with the growth of CMGI's business and the Internet.

CMGI must develop and maintain positive brand name awareness.

CMGI believes that establishing and maintaining its brand names is essential to expanding its Internet business and attracting new customers. CMGI also believes that the importance of brand name recognition will increase in the future because of the growing number of Internet companies that will need to differentiate themselves. Promotion and enhancement of CMGI's brand names will depend largely on CMGI's ability to provide consistently high-quality products and services. If CMGI is unable to provide high-quality products and services, the value of its brand names may suffer.

CMGI's quarterly results may fluctuate widely.

CMGI's operating results have fluctuated widely on a quarterly basis during the last several years, and CMGI expects to experience significant fluctuation in future quarterly operating results. Many factors, some of which are beyond CMGI's control, have contributed to these quarterly fluctuations in the past and may continue to do so. These factors include:

- demand for CMGI's products and services;

- payment of costs associated with CMGI's acquisitions, sales of assets and investments;
- timing of sales of assets;
- market acceptance of new products and services;
- specific economic conditions in the Internet and direct marketing industries; and
- general economic conditions.

The emerging nature of the commercial uses of the Internet makes predictions concerning CMGI's future revenues difficult. CMGI believes that period-to-period comparisons of its results of operations will not necessarily be meaningful and should not be relied upon as indicative of CMGI's future performance. It is also possible that in some future fiscal quarters, CMGI's operating results will be below the expectations of securities analysts and investors. In such circumstances, the price of CMGI's common stock may decline.

The price of CMGI's common stock has been volatile.

The market price of CMGI's common stock has been, and is likely to continue to be, volatile, experiencing wide fluctuations. In recent years, the stock market has experienced significant price and volume fluctuations which have particularly impacted the market prices of equity securities of many companies providing Internet-related products and services. Some of these fluctuations appear to be unrelated or disproportionate to the operating performance of such companies. Future market movements may adversely affect the market price of CMGI's common stock.

CMGI faces security risks.

The secure transmission of confidential information over public telecommunications facilities is a significant barrier to electronic commerce and communications on the Internet. Many factors may cause compromises or breaches of the security systems used by CMGI or other Internet sites to protect proprietary information, including advances in computer and software functionality or new discoveries in the field of cryptography. A compromise of security on the Internet would have a negative effect on the use of the Internet for commerce and communications and could negatively impact CMGI's business. Security breaches of the activities of CMGI, its customers and sponsors involving the storage and transmission of proprietary information, such as credit card numbers, may expose CMGI to a risk of loss or litigation and possible liability. CMGI cannot assure you that its security measures will prevent security breaches.

Ownership of CMGI is concentrated.

David S. Wetherell, CMGI's Chairman, President, and Chief Executive Officer, beneficially owned approximately 15% of CMGI's outstanding common stock as of October 28, 1999. As a result, Mr. Wetherell possesses significant influence over CMGI on matters, including the election of directors. Additionally, Compaq Computer Corporation and its wholly owned subsidiary, Digital Equipment Corporation, owned approximately 18% of CMGI's outstanding common stock as of October 28, 1999. The concentration of CMGI's share ownership may:

- delay or prevent a change in control of CMGI;
- impede a merger, consolidation, takeover or other business involving CMGI; or
- discourage a potential acquiror from making a tender offer or otherwise attempting to obtain control of CMGI.

CMGI's business will suffer if any of its products or systems, or the products or systems of third parties on which CMGI relies, fail to be year 2000 compliant.

Many currently installed computer systems and software products are coded to accept only two digit entries in the date code field. These date code fields will need to accept four digit entries distinguishing 21st century dates from 20th century dates. CMGI's products and systems and those of third parties on whom CMGI relies may fail to be year 2000 compliant. CMGI's failure to resolve year 2000 issues may damage its business and expose CMGI to third party liability. If third party equipment or software used in CMGI's business is not year 2000 compliant, CMGI may incur significant unanticipated expenses to remedy such problems. CMGI also relies on vendors, utility companies, telecommunications service companies, delivery service companies and other service providers, each of which may not be year 2000 compliant.

As of July 31, 1999, CMGI had incurred approximately $3 million in connection with year 2000 compliance and expects to incur an additional $1.5 to $2.0 million. Because of CMGI's recent acquisitions of a number of companies in varying stages of year 2000 compliance assessment, and unforeseeable year 2000 expenses, CMGI's year 2000 costs may exceed these estimates.

NaviSite, a subsidiary of CMGI that hosts and provides application management services, may fail to be year 2000 compliant. NaviSite may be exposed to additional year 2000 risks because its customers, or their outside service providers, have customized much of the customer-provided hardware and software hosted at NaviSite's data centers. NaviSite's customers are responsible for their year 2000 compliance. However, CMGI cannot assure you that NaviSite's customers will be year 2000 compliant. Many of CMGI's majority owned subsidiaries rely on NaviSite in connection with their businesses. NaviSite's failure to be year 2000 compliant may negatively impact these subsidiaries.

CMGI relies on NaviSite for network connectivity.

CMGI and many of its majority owned subsidiaries rely on NaviSite for network connectivity and hosting of servers. If NaviSite fails to perform such services, CMGI's internal business operations may be interrupted, and the ability of CMGI's majority owned subsidiaries to provide services to customers may also be interrupted. Such interruptions may have an adverse impact on the business and revenues of CMGI and its majority owned subsidiaries.

The success of CMGI's global operations is subject to special risks and costs.

CMGI has begun, and intends to continue, to expand its operations outside of the United States. This international expansion will require significant management attention and financial resources. CMGI's ability to expand offerings of its products and services internationally will be limited by the general acceptance of the Internet and intranets in other countries. In addition, CMGI has limited experience in such international activities. Accordingly, CMGI expects to commit substantial time and development resources to customizing its products and services for selected international markets and to developing international sales and support channels.

CMGI expects that its export sales will be denominated predominantly in United States dollars. As a result, an increase in the value of the United States dollar relative to other currencies may make CMGI's products and services more expensive and, therefore, potentially less competitive in international markets. As CMGI increases its international sales, its total revenues may also be affected to a greater extent by seasonal fluctuations resulting from lower sales that typically occur during the summer months in Europe and other parts of the world.

CMGI could be subject to infringement claims.

From time to time, CMGI has been, and expects to continue to be, subject to third party claims in the ordinary course of business, including claims of alleged infringement of intellectual property rights by CMGI. Any such claims may damage CMGI's business by:

- subjecting CMGI to significant liability for damages;

- resulting in invalidation of CMGI's proprietary rights;

- being time-consuming and expensive to defend even if such claims are not meritorious; and

- resulting in the diversion of management's time and attention.

CMGI may have liability for information retrieved from the Internet.

Because materials may be downloaded from the Internet and subsequently distributed to others, CMGI may be subject to claims for defamation, negligence, copyright or trademark infringement, personal injury, or other theories based on the nature, content, publication and distribution of such materials.

CMGI Litigation

AltaVista Company is a party to certain litigation with One Zero Media, Inc., pursuant to which One Zero is seeking, among other things, compensatory damages in the amount of $28.5 million for breach of contract, multiple damages, costs, interest, attorneys' fees, specific performance and injunctive relief. AltaVista intends to defend such claims vigorously.

Risks Relating to Flycast's Business

Flycast has only a three-year operating history, making it difficult for you to evaluate its business and your investment.

Flycast commenced operations in April 1996. Thus, Flycast has only a limited operating history upon which you can evaluate its business. Flycast's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by early-stage companies in the Web advertising market, which is new and rapidly evolving. Flycast may not be successful in addressing these risks and its business strategy may not be successful. These risks include Flycast's ability to:

- maintain and increase its inventory of advertising space on Web sites;

- maintain and increase the number of advertisers that use its products and services; and

- continue to expand the number of products and services Flycast offers.

Please see "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 69 for more detailed information.

Flycast has a history of losses and anticipates continued losses.

Flycast's accumulated deficit as of September 30, 1999 was $32.8 million. Although Flycast has experienced revenue growth in recent periods, this growth may not be sustained and is not necessarily indicative of Flycast's future revenue. Flycast has not achieved profitability and, given the level of planned operating and capital expenditures, Flycast expects to continue to incur losses for the foreseeable future. Flycast's future revenue and operating results will be affected by a number of factors, including those set forth in this section. It is likely that Flycast's internal projections for 1999 and 2000 will change throughout 1999 and 2000. In addition, projections published by market analysts may differ from Flycast's internal revenue projections. Flycast does not believe that it will be required to provide any updates or further information as to its internal revenue projections for 1999 and 2000 and it is not Flycast's present intention to do so.

Flycast plans to increase its operating expenses to expand its infrastructure to support its current business and new lines of business, including Flycast's reseller network. The timing of this expansion and the rate at which Flycast's reseller network generates revenue could cause material fluctuations in Flycast's results of operations. Flycast also plans to purchase additional capital equipment. Flycast's losses may increase in the future and it may not be able to achieve or sustain profitability. Even if Flycast does achieve profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis in the future. If Flycast's revenue grows more slowly than it anticipates, or if its operating expenses exceed its expectations and cannot be adjusted accordingly, Flycast's business, results of operations and financial condition will be materially and adversely affected. Please see "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 69 for more detailed information.

Flycast's quarterly operating results are subject to fluctuations and seasonality that make it difficult to predict Flycast's financial performance.

Flycast's revenue and operating results may vary significantly from quarter to quarter due to a number of factors, some of which are outside of Flycast's control. Therefore, you should not rely on period-to-period comparisons of results of operations as an indication of Flycast's future performance. It is possible that in some future periods Flycast's operating results may fall below the expectations of market analysts and investors. In this event, the market price of Flycast common stock would likely fall.

The factors that affect Flycast's quarterly operating results include:

- demand for Flycast's advertising solutions;
- the number of available advertising views on Web sites in the Flycast Network;
- the mix of types of advertising Flycast sells, including the amount of advertising sold at higher rates;
- changes in Flycast's pricing policies, the pricing policies of Flycast's competitors or the pricing policies for advertising on the Web generally; and
- costs related to acquisitions of technology or businesses.

Flycast believes that its revenue will be subject to seasonal fluctuations because advertisers generally place fewer advertisements during the first and third calendar quarters of each year. In addition, expenditures by advertisers tend to be cyclical, reflecting overall economic conditions as well as budgeting and buying patterns. A decline in the economic prospects of advertisers or the economy generally, which could alter current or prospective advertisers' spending priorities or the time periods in which they determine their budgets, or increase the time it takes to close a sale with Flycast's advertisers, could cause Flycast's business to be materially and adversely affected.

Revenue and results of operations for the foreseeable future are difficult to forecast. Flycast's current and future expense estimates are based, in large part, on Flycast's estimates of future revenue and on its investment plans. In particular, Flycast plans to increase its operating expenses significantly in order to expand its sales and marketing operations, including its reseller network, to enhance its AdExchange system (AdEx), its advertising management platform, and to expand internationally. To the extent that these expenses precede increased revenue, Flycast's business, results of operations and financial condition would be materially and adversely affected. Flycast may be unable to, or may elect not to, adjust spending quickly enough to offset any unexpected revenue shortfall. Therefore, any significant shortfall in revenue in relation to Flycast's expectations would also have a material adverse effect on its business, results of operations and financial condition. Please see "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 69 for more detailed information.

Flycast may experience capacity constraints that could affect its advertising revenue.

Flycast's future success depends in part on the efficient performance of AdEx, as well as the efficient performance of the systems of third parties such as Flycast's Internet service providers. An increase in the volume of advertising delivered through Flycast's servers could strain the capacity of the software or hardware that Flycast has deployed, which could lead to slower response times or system failures and adversely affect the availability of advertisements, the number of advertising views received by advertisers and Flycast's advertising revenues. Due to unexpected growth in the number of advertising views that Flycast served in 1998, Flycast experienced a slowdown, and in some cases an interruption, in delivering advertisements to viewers over a three-week period that limited the number of advertising views Flycast was able to serve. As the numbers of Web pages and users increase, Flycast's products, services and infrastructure may not be able to grow to meet the demand. To the extent that Flycast does not effectively address any capacity constraints or system failures, Flycast's business, results of operations and financial condition would be materially and adversely affected.

Flycast runs the risk of system failure that could adversely affect its business.

The continuing and uninterrupted performance of Flycast's system is critical to its success. Customers may become dissatisfied by any system failure that interrupts Flycast's ability to provide services to them, including failures affecting the ability to deliver advertisements quickly and accurately to the targeted audience. Sustained or repeated system failures would reduce significantly the attractiveness of Flycast's solutions to advertisers and Web sites. Flycast's business, results of operations and financial condition could be materially and adversely affected by any damage or failure that interrupts or delays its operations.

Flycast's operations depend on its ability to protect its computer systems against damage from a variety of sources, including telecommunications failures, malicious human acts and natural disasters. In this regard, Flycast leases server space in the San Francisco Bay Area. Therefore, any of the above factors affecting the San Francisco Bay Area would have a material adverse effect on Flycast's business, results of operations and financial condition. Further, despite network security measures, Flycast's servers are vulnerable to computer viruses and disruptions from unauthorized tampering with Flycast's computer systems. Flycast carries business interruption insurance, but, it may not be enough to compensate for losses that may occur as a result of any of these events. Despite precautions, unanticipated problems affecting Flycast's systems could cause interruptions in the delivery of Flycast's solutions in the future. Flycast's data storage centers incorporate redundant systems, consisting of additional servers, but the primary system does not switch over to the backup system automatically.

Flycast also depends upon Internet service providers that provide consumers with access to Flycast's products and services. In the past, users have occasionally experienced difficulties due to system failures unrelated to Flycast's systems. Any disruption in the Internet access provided by third-party providers or any failure of third-party providers to handle higher volumes of user traffic could have a material adverse effect on Flycast's business, results of operations and financial condition.

Flycast has a limited number of customers upon whom it relies, and the loss of a major customer could adversely affect Flycast's revenue.

Flycast expects that a limited number of customers will account for a significant portion of its revenue for the foreseeable future. As a result, if Flycast loses a major customer, its revenue could be adversely affected. In addition, Flycast cannot be certain that customers that have accounted for significant revenue in past periods, individually or as a group, will continue to generate revenue in any future period. In particular, advertisers may not achieve desired results from the use of Flycast's products and may therefore choose not to continue to use Flycast's products. Flycast also targets small advertisers that have limited advertising budgets and/or are interested in reaching small and limited target audiences. Flycast may not be able to generate sufficient revenue from these advertisers to lessen its dependence on its largest customers. Flycast typically enters into short-term contracts with Web sites for their supply of advertising views. The loss of a significant number of these advertising views might result in the loss of customers, which could have a material adverse effect on Flycast's business, results of operations and financial condition. For more detailed information, see "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 69.

Flycast depends on the evolution of Web advertising for its future success.

Flycast expects to derive substantially all of its revenue in the foreseeable future from Web advertising. Therefore, Flycast's future success depends on increased use of the Web as an advertising medium. If the market for Web advertising fails to develop or develops more slowly than Flycast expects, then Flycast's business, results of operations and financial condition would be materially and adversely affected. The Web has not existed long enough as an advertising medium to demonstrate its effectiveness relative to traditional advertising media. Customers that have relied on traditional media for advertising may be reluctant to use Web advertising. Many customers have limited or no experience using the Web as an advertising medium, have allocated only a limited portion of their advertising budgets to Web advertising or may find Web advertising to be less effective for promoting their products and services than advertising using traditional media. In addition, advertisers and advertising agencies that have invested substantial resources in traditional methods of advertising may be reluctant to reallocate their media buying resources to Web advertising. Flycast cannot assure you that the market for Web advertising will continue to develop or be sustainable.

Substantially all of Flycast's revenue is derived from the delivery of banner advertisements. If advertisers determine that banner advertising is not effective or attractive as an advertising medium, Flycast may not be able to shift to any other form of Web advertising. Also, users can install "filter" software programs that limit or prevent advertising from being delivered to a Web site. The widespread adoption of filter software by Web users or the failure to develop successful alternative forms of Web advertising could have a material and adverse effect on the Web advertising market and Flycast's business, results of operations and financial condition.

Flycast's business model has a limited history, is different from other Web advertising networks and may not succeed.

Flycast's business model is to generate revenue primarily by providing Web advertising solutions to response-oriented advertisers. Flycast cannot assure you that Web advertising, response-oriented marketing or its model for providing solutions based upon providing an improved return on investment for advertisers will achieve broad market acceptance or generate significant revenue. Other Web advertising companies' business models focus on selling advertising space on premium Web sites. Many of these other Web advertising companies have a longer history than Flycast does. Flycast's ability to generate significant revenue from advertisers will depend, in part, on Flycast's ability to:

- demonstrate to advertisers the effectiveness of direct response advertising on the Web;
- demonstrate to advertisers that they do not need to pay higher rates for advertisements on premium Web sites in order to conduct an effective advertising campaign on the Web;
- attract advertisers and Web sites to the Flycast Network;
- retain advertisers by differentiating the technology and services Flycast provides to them;
- obtain adequate available advertising space from a large base of Web sites, whether they are small Web sites or large, premium Web sites; and
- obtain adequate advertising space from large, premium Web sites that either have direct sales forces or are represented by Web advertising companies that focus on selling advertising space on premium Web sites.

Further, the Web sites in the Flycast Network must continue to generate sufficient user traffic characteristics attractive to advertisers. The intense competition among Web sites has led to the creation of a number of pricing alternatives for Web advertising. These alternatives make it difficult for Flycast to project future levels of advertising revenue and applicable gross margins that can be sustained either by Flycast or the Web advertising industry in general. A key component of Flycast's strategy is to enhance return on investment and other performance measurements for the advertisers using the Flycast Network. Flycast has limited experience in implementing and following this strategy and Flycast cannot assure you that this strategy will succeed or that Flycast will be able to achieve or maintain adequate gross margins.

Flycast faces intense competition from more established Web advertising companies and potential new competitors that could adversely affect Flycast's business.

We face intense competition from Web advertising networks and providers of advertising inventory management products and services. We expect this competition to continue to increase because there are no substantial barriers to entry. Many of Flycast's existing competitors, as well as a number of potential new competitors, have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than it does. This may allow them to respond more quickly than Flycast can to new or emerging technologies and changes in customer requirements. It may also allow them to devote greater resources than Flycast can to the development, promotion and sale of their products and services. These competitors may also engage in more extensive research and development, undertake more far-reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to existing and potential employees, strategic partners, advertisers and Web sites. Flycast's competitors may develop products or services that are equal or superior to Flycast's solutions or that achieve greater market acceptance than its solutions. In addition, current and potential competitors have established or may establish cooperative relationships among themselves or with third parties to increase the ability of their products or services to address the needs of Flycast's prospective advertisers, advertising agency customers and Web sites. As a result, it is possible that new competitors may emerge and rapidly acquire significant market share. Increased competition is likely to result in price reductions, reduced gross margins and loss of market share. Flycast may not be able to compete successfully, and competitive pressures may materially and adversely affect its business, results of operations and financial condition.

Flycast will depend on distribution relationships to increase its revenue.

Flycast believes that its future success will depend in part on its relationships with companies that distribute or resell its Web advertising solutions. These relationships have not generated significant revenue to date, and, in order for Flycast to be successful, revenue generated by its resellers must increase. Flycast's inability to enter into future distribution relationships might limit the number and size of the markets Flycast serves. This could limit Flycast's revenue growth and have a material adverse effect on Flycast's business, results of operations and financial condition. Flycast has recently initiated reseller relationships with BellSouth, SBC Communications and U S WEST. Flycast's agreements with them provide that Flycast will deliver a wholesale supply of local Web advertising that their Yellow Pages sales forces will resell to local advertisers. These resellers have no obligation to resell Flycast's inventory of advertising space on Web sites and can terminate their relationships with Flycast with limited or no penalty with as little as 120 days' notice. The loss of any reseller, the failure of any reseller to perform under its agreement with Flycast or Flycast's inability to attract and retain new resellers could have a material adverse effect on Flycast's business, results of operations and financial condition.

Intensive marketing and sales efforts may be necessary to educate prospective local advertisers about the uses and benefits of Flycast's products and services in order to generate demand for Flycast's services in the local advertiser market segment. These companies may not have adequate resources available to advertise their products and services and may not be willing to devote the staff necessary to educate themselves on the uses and benefits of Flycast's advertising solutions for localized or otherwise limited target customers. Flycast will depend on its distributors to sell its Web advertising solutions. If these distributors do not sell Flycast's solutions in an effective manner, Flycast's business, results of operations and financial condition may be materially and adversely affected.

Flycast needs to manage its available advertising space and to establish relationships with diverse Web sites to attract customers.

Flycast needs to make available a consistent supply of attractive advertising space to attract customers. Flycast's failure to do so could have a material and adverse effect on Flycast's business, results of operations and financial condition. The Web sites that list their unsold advertising space with Flycast are not bound by contracts that ensure Flycast a consistent supply of inventory. In addition, Web sites can change the number of advertising views they make available to Flycast at any time, subject to monthly minimums. If a Web site publisher decides not to make advertising space from its Web sites available to the Flycast Network, Flycast may not be able to replace this advertising space with advertising space from other Web sites that have comparable traffic patterns and user demographics in time to fulfill a buyer's request. Flycast expects its customers' requirements to become more sophisticated as the Web matures as an advertising medium. For example, Flycast expects its customers to become more precise in their requirements for geographicallytargeted advertising that Flycast sells through its reseller network. Flycast cannot assure you that the amount or type of advertising space listed or the number of Web sites listing their advertising space on the Flycast Network will increase or even remain constant in the future.

Flycast needs to manage its growth effectively in a rapidly growing Web advertising market where the requirements for success change frequently.

As Flycast continues to increase the scope of its operations, Flycast will need an effective planning and management process to implement its business plan successfully in the rapidly evolving market for Web advertising. Flycast's business, results of operations and financial condition will be materially and adversely affected if Flycast is unable to manage its expanding operations effectively. Flycast has grown from 86 employees on March 31, 1999 to 153 employees on September 30, 1999. Flycast plans to continue to expand its sales and marketing, customer support and research and development organizations. Past growth has placed, and any future growth will continue to place, a significant strain on Flycast's management systems and resources. Flycast has recently implemented a new financial reporting system and expects that it will need to continue to improve its financial and managerial controls and its reporting systems and procedures.

Flycast depends on key personnel for its future success.

Flycast's future success depends to a significant extent on the continued service of Flycast's key senior management, technical and sales personnel. Flycast does not have long-term employment agreements with any of its key personnel nor does it have key-person insurance on any of its employees. The loss of the services of any member of Flycast's management team, or of any other key employees, would have a material adverse effect on Flycast's business, results of operations and financial condition. Flycast's future success also depends on its continuing ability to attract, retain and motivate highly skilled employees. Competition for employees in the industry is intense. Flycast may be unable to retain its key employees or attract, assimilate or retain other highly qualified employees in the future. Flycast has experienced difficulty from time to time in attracting the personnel necessary to support the growth of its business, and may experience similar difficulty in the future.

Flycast depends on the continued growth of Internet usage and infrastructure for its business.

Flycast's market is new and rapidly evolving. Flycast's business would be adversely affected if Web usage does not continue to grow. Web usage may be inhibited for a number of reasons, such as:

- inadequate network infrastructure;
- security concerns;
- inconsistent quality of service; and
- unavailability of cost-effective, high-speed service.

If Web usage grows, the Internet infrastructure may not be able to support the demands placed on it by this growth or its performance and reliability may decline. In addition, Web sites have experienced interruptions in their service as a result of outages and other delays occurring throughout the Internet network infrastructure. If use of the Internet does not continue to grow, or if the Internet infrastructure does not effectively support growth that may occur, Flycast's business, results of operations and financial condition would be materially and adversely affected.

Flycast must keep pace with rapidly changing technologies to be successful.

The Web and Web advertising markets are characterized by rapidly changing technologies, evolving industry standards, frequent new product and service introductions and changing customer demands. The introduction of new products and services embodying new technologies and the emergence of new industry standards and practices can render existing products and services obsolete and unmarketable or require unanticipated investments in research and development.

Flycast's future success will depend on its ability to adapt to rapidly changing technologies, to enhance existing solutions and to develop and introduce a variety of new solutions to address its customers' changing demands. For example, advertisers may require the ability to deliver advertisements utilizing new formats that go beyond stationary images and incorporate video, audio and interactivity, and more precise consumer targeting techniques. In addition, increased availability of Internet access that delivers greater amounts of data faster is expected to enable the development of new products and services that take advantage of this expansion in delivery capability. Flycast's failure to adapt successfully to these changes could adversely affect Flycast's business, results of operations and financial condition. Flycast may also experience difficulties that could delay or prevent the successful design, development, introduction or marketing of Flycast's solutions. In addition, any new solutions or enhancements that Flycast develops must meet the requirements of Flycast's current and prospective customers and must achieve significant market acceptance. Material delays in introducing new solutions and enhancements may cause customers to forego purchases of Flycast's solutions and purchase those of Flycast's competitors.

Flycast's patent status is uncertain.

Flycast has filed two regular patent applications and one provisional patent application in the United States, but Flycast does not have any issued patents. A provisional patent application is a type of patent application under which a patent will not issue. A provisional patent application only provides a priority date for a regular patent application that is filed within a one-year period following the filing of the provisional patent application. In September 1998, Flycast mistakenly announced that Flycast had been issued one United States patent. At the time of Flycast's announcement, that patent had been allowed by the United States Patent and Trademark Office. Subsequently, the United States Patent and Trademark Office informed Flycast that the patent application had been withdrawn from issue. A Patent Cooperation Treaty application covering this invention has been filed and an application has also been filed in the European Patent Office. The application relates to Flycast's AdEx Technology, specifically the ability to serve Web advertisements targeted to yield a viewer response. In January 1999, the United States Patent and Trademark Office suggested a claim for interference purposes with respect to this application. In March 1999, the United States Patent and Trademark Office informed Flycast that all claims were allowable but that ex parte prosecution was suspended pending action by the United States Patent and Trademark Office. Therefore, Flycast cannot currently take any action relative to this application. The purpose of an interference proceeding is to determine the relative priority between two or more applicants, and which of the applicants, if any, will ultimately be issued the patent. The United States Patent and Trademark Office has not informed Flycast of the identity of the other patent applicant(s) involved. If an interference is declared, Flycast may not obtain a patent with respect to the application that is the subject of the interference or may obtain a patent only for some subset of its original claims. Regardless of the outcome of any interference, it may take years to resolve and it might result in substantial expense to Flycast. Patents may not be issued with respect to Flycast's pending or future patent applications. Even if patents are issued, the patents may not be upheld as valid or prevent the development of competitive solutions.

Third parties may have or may in the future be granted patents that cover Flycast's technology. In September 1999, Flycast became aware of a patent that was granted to DoubleClick entitled "Method of Delivery, Targeting and Measuring Advertising Over Networks." In an article published in the Wall Street Journal on September 13, 1999, Flycast, along with other companies, was identified as a potential infringer of the DoubleClick patent. Flycast is reviewing its intellectual property and patents owned by others with regard to the DoubleClick patent for any possible patent infringement claims. Flycast may be limited in its ability to use its technology, whether or not patented, without licenses, which may not be available on commercially reasonable terms.

Flycast depends on its intellectual property rights and is subject to the risk of infringement.

Flycast's success and ability to compete are substantially dependent on its internally-developed technologies, including AdEx, its advertising management platform, and applications that use the AdEx platform, and its trademarks AdAgent, AdEx, AdExchange, AdReporter, Category Select, Flycast, Run of Category, Run of Network, SiteRegistry, SiteReporter and Site Select, which it protects through a combination of patent, copyright, trade secret and trademark law. Flycast has applied for patents and applied to register trademarks in the United States and has registered the trademark Flycast. Flycast cannot guarantee that any of its patent applications or trademark registrations will be approved. Even if they are approved, these patents or trademarks might be successfully challenged by others or invalidated. If Flycast's trademark registrations are not approved because third parties own these trademarks, its use of these trademarks will be restricted unless it enters into arrangements with these third parties, which may be unavailable on commercially reasonable terms.

Flycast generally enters into confidentiality or license agreements with its employees, consultants and corporate partners, and generally controls access to and distribution of AdEx, tools and documentation and other information. Despite these efforts, unauthorized parties may attempt to disclose, obtain or use Flycast's solutions or technologies. Flycast's precautions may not prevent misappropriation of its solutions or technologies, particularly in foreign countries where laws or law enforcement practices may not protect Flycast's rights as fully as in the United States.

Flycast's customized advertiser, affiliate and sales applications collect and utilize data derived from user activity on the Flycast Network and the Web sites of Web advertisers and sites using Flycast's solutions. This information is used for targeting advertising and predicting advertising performance. Although Flycast believes it has the right to use this information and the compilation of this information in its database, trade secret, copyright or other protection may not be available for this information. In addition, others may claim rights to this information. Flycast has licensed, and may license in the future, elements of its trademarks and similar intellectual property rights to third parties. Although Flycast attempts to ensure that the quality of its brand is maintained by these third parties, they may take actions that could materially and adversely affect the value of Flycast's intellectual property rights or its reputation.

Flycast cannot guarantee that any of its intellectual property rights will be viable or valuable in the future since the validity, enforceability and scope of protection of intellectual property rights in Internet-related industries is uncertain and still evolving. Furthermore, third parties may assert infringement claims against Flycast or the Web publishers with Web sites in the Flycast Network. Any claims could subject Flycast to significant liability for damages and could result in the invalidation of its intellectual property rights. In addition, any claims could result in litigation, which would be time-consuming and expensive to defend, and divert Flycast's time and attention. Even if Flycast prevails, this litigation could materially and adversely affect its business, results of operations and financial condition. Any claims or litigation from third parties may also result in limitations on Flycast's ability to use the intellectual property subject to these claims or litigation unless Flycast enters into arrangements with the third parties responsible for these claims or litigation, which may be unavailable on commercially reasonable terms.

Flycast is subject to privacy concerns that may limit its success.

Flycast's technology collects and utilizes data derived from user activity on the Web sites in the Flycast Network. AdEx enables the use of personal profiles, in addition to other mechanisms, to deliver targeted advertising, to help compile demographic information and to limit the frequency with which an advertisement is shown to the user. The effectiveness of Flycast's technology and the success of Flycast's business could be limited by any reduction or limitation in the use of personal profiles. These personal profiles contain bits of information keyed to a specific server, file pathway or directory location that are stored in the Internet user's hard drive and passed to a Web site's server through the user's browser software. Personal profiles are placed on the user's hard drive without the user's knowledge or consent, but can be removed by the user at any time through the modification of the user's browser settings. In addition, currently available Web browsers can be configured to prevent personal profiles from being stored on their hard drive. Some commentators, privacy advocates and governmental bodies have suggested limiting or eliminating the use of personal profiles.

The European Union has recently adopted a directive addressing data privacy that may result in limitations on the collection and use of information regarding Internet users. These limitations may limit Flycast's ability to target advertising or collect and use information in most European countries.

Flycast is subject to government regulation and legal uncertainties of doing business on the Web.

Laws and regulations that apply to Internet communications, commerce and advertising are becoming more prevalent. These regulations could affect the costs of communicating on the Web and adversely affect the demand for Flycast's advertising solutions or otherwise have a material and adverse effect on Flycast's business, results of operations and financial condition. Recently, the United States Congress enacted Internet legislation regarding children's privacy, copyrights and taxation. A number of other laws and regulations may be adopted covering issues such as user privacy, pricing, acceptable content, taxation and quality of products and services. This legislation could hinder growth in the use of the Web generally and decrease the acceptance of the Web as a communications, commercial and advertising medium. In addition, the growing use of the Web has burdened the existing telecommunications infrastructure and has caused interruptions in telephone service. Telephone carriers have petitioned the government to regulate and impose fees on Internet service providers and online service providers in a manner similar to long distance carriers.

Due to the global nature of the Web, it is possible that, while Flycast's transmissions originate in California, the governments of other states or foreign countries might attempt to regulate Flycast's transmissions or levy sales or other taxes relating to Flycast's activities. Furthermore, the European Union recently adopted a directive addressing data privacy that may result in limits on the collection and use of user information. The laws governing the Internet remain largely unsettled, even in areas where there has been some legislative action. It may take years to determine whether and how existing laws including those governing intellectual property, privacy, libel and taxation apply to the Internet and Internet advertising. In addition, the growth and development of the market for Internet commerce may prompt calls for more stringent consumer protection laws, both in the United States and abroad, that may impose additional burdens on companies conducting business over the Internet. Flycast's business, results of operations and financial condition could be adversely affected by the adoption or modification of laws or regulations relating to the Internet, or the application of existing laws to the Internet.

Flycast faces an unknown number of year 2000 risks.

Many currently installed computer systems and software products are coded to accept or recognize only two digit entries in the date code field. These systems and software products will need to accept four digit entries to distinguish 21st century dates from 20th century dates. As a result, computer systems and/or software used by many companies and governmental agencies may need to be upgraded to comply with these year 2000 requirements or risk system failure or miscalculations causing disruptions of normal business activities.

Flycast has made an assessment of its year 2000 readiness. Flycast performed a year 2000 simulation on its software. Flycast has also contacted third-party vendors, licensors and providers of software, hardware and services regarding their year 2000 readiness.

Please see "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 69 for more detailed information.

Flycast expects to experience volatility in its stock price that could affect your investment.

The price at which Flycast's common stock will trade at is likely to be highly volatile and may fluctuate substantially due to factors such as:

- actual or anticipated fluctuations in Flycast's results of operations;
- changes in or failure by Flycast to meet securities analysts' expectations;
- announcements of technological innovations;
- introduction of new services by Flycast or its competitors;
- developments with respect to intellectual property rights;
- conditions and trends in the Internet and other technology industries; and
- general market conditions.

In addition, the stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the common stocks of technology companies, particularly Internet companies. In the past, these broad market fluctuations have been unrelated or disproportionate to the operating performance of these companies. Any significant fluctuations in the future might result in a material decline in the market price of Flycast's common stock. In the past, following periods of volatility in the market price of a particular company's securities, securities class action litigation has often been brought against that company. Flycast may become involved in this type of litigation in the future. Litigation is often expensive and diverts management's attention and resources, which could have a material adverse effect upon Flycast's business and results of operations and financial condition.

Flycast may not achieve the expected benefits from its acquisition of InterStep, Inc.

On August 30, 1999, Flycast acquired InterStep, Inc. by issuing 480,337 shares of common stock for all of the outstanding shares of InterStep. Of the 480,337 shares of common stock, 47,558 shares are held by an escrow agent to serve as security for the indemnity provided by some of the shareholders of InterStep. Flycast accounted for the acquisition as a pooling-of-interests. The acquisition of InterStep and any other company involve numerous risks, including difficulties in the assimilation of the operations, technologies, products and personnel of the acquired company, the diversion of management's attention from other business concerns, risks of entering markets in which Flycast has no or limited direct prior experience and the potential loss of key employees of the acquired company. Therefore, Flycast's business, results of operations, financial condition and the trading price of its common stock may be materially and adversely affected due to the factors described above.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

CMGI and Flycast believe this proxy statement/prospectus and the documents incorporated by reference herein contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management of CMGI and Flycast, based on information currently available to each company's management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "likely," "potential" or similar expressions, we are making forward-looking statements. Forward-looking statements include the information concerning possible or assumed future results of operations of CMGI or Flycast set forth under:

- "Summary," "Selected Historical Condensed Consolidated and Unaudited Pro Forma Financial Information," "Risk Factors," "The Merger--Background of the Merger," "The Merger--CMGI's Reasons for the Merger," "The Merger--Flycast's Reasons for the Merger; Recommendation of the Flycast Board of Directors," "The Merger--Opinion of Financial Advisor to Flycast," "Unaudited Pro Forma Condensed Combined Financial Statements," "Description of Flycast's Business" and "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations;" and

- "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in CMGI's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q incorporated by reference into this proxy statement/prospectus.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and stockholder values of CMGI or Flycast may differ materially from those expressed in the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Stockholders are cautioned not to put undue reliance on any forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under "Risk Factors" on page 7. In addition to the risk factors and other important factors discussed elsewhere in the documents which are incorporated by reference into this proxy statement/prospectus, you should understand that the following important factors could affect the future results of CMGI and could cause results to differ materially from those suggested by the forward-looking statements:

- increased competitive pressures, both domestically and internationally, including pressures that result from the issuance of patents or other intellectual property to competitors of CMGI, which may affect sales of CMGI's services and impede CMGI's ability to maintain its market share and pricing goals;

- changes in United States, global or regional economic conditions which may affect sales of CMGI's products and services and increase costs associated with distributing such products;

- changes in United States and global financial and equity markets, including significant interest rate fluctuations, which may increase the cost of external financing for CMGI's operations, and currency fluctuations, which may negatively impact CMGI's reportable income;

- problems arising from the potential inability of computers to properly recognize and process date-sensitive information beyond January 1, 2000 which may result in an interruption in, or a failure of, normal business activities or operations of CMGI, its suppliers and customers;

- changes in laws or regulations, including increased government regulation of the Internet and privacy related issues, third party relations and approvals, decisions of courts, regulators and governmental bodies which may adversely affect CMGI's business or ability to compete

- CMGI may encounter greater than expected costs and difficulties related to combining Flycast's technology with the technology of CMGI's current network of Internet advertising companies;

- CMGI may be unable to retain certain customers of Flycast who may terminate their relationship with Flycast as a result of the merger because they deem themselves competitors of CMGI;

- CMGI may be unable to retain certain Flycast employees if, after the merger, some of the activities and management of Flycast moves to the East Coast; and

- other risks and uncertainties as may be detailed from time to time in CMGI's public announcements and Securities and Exchange Commission filings.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

SELECTED HISTORICAL CONDENSED CONSOLIDATED AND
UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following tables present selected historical condensed consolidated financial information, selected unaudited pro forma condensed combined financial information and comparative per share data for CMGI and Flycast. This information has been derived from their respective financial statements and notes, certain of which are included or incorporated by reference in this proxy statement/prospectus.

CMGI Selected Historical Condensed Consolidated Financial Information
(In thousands, except per share data)

The following selected historical condensed consolidated financial information should be read in conjunction with CMGI's audited consolidated financial statements and related notes and with CMGI's "Management's Discussion and Analysis of Financial Condition and Results of Operations" which are incorporated by reference in this proxy statement/prospectus. The consolidated statement of operations information for each of the years in the five year period ended July 31, 1999, and the consolidated balance sheet data as of July 31, 1999, 1998, 1997, 1996 and 1995 have been derived from CMGI's consolidated financial statements. Historical results are not necessarily indicative of the results to be expected in the future. No cash dividends have been declared or paid on CMGI common stock.

	Fiscal Year ended July 31,				
	1999	1998	1997	1996	1995
Consolidated Statement of Operations Data:					
Net revenues	$ 175,666	$ 81,916	$ 60,056	$ 17,735	$11,091
Cost of revenues	168,909	72,950	34,866	11,215	7,259
Research and development expenses	22,478	19,223	17,767	5,412	--
In-process research and development expenses	6,061	10,325	1,312	2,691	--
Selling, general and administrative expenses	104,877	49,677	47,031	16,812	2,722
Operating income (loss)	(126,659)	(70,259)	(40,920)	(18,395)	1,110
Interest income (expense), net	269	(870)	1,749	2,691	225
Gains on issuance of stock by subsidiaries and affiliates	130,729	46,285	--	19,575	--
Other gains, net	758,312	96,562	27,140	30,049	4,781
Other expense, net	(13,406)	(12,899)	(769)	(746)	(292)
Income tax expense	(325,402)	(31,555)	(2,034)	(17,566)	(2,113)
Income (loss) from continuing operations	423,843	27,264	(14,834)	15,608	3,711
Discontinued operations, net of income taxes	52,397	4,640	(7,193)	(1,286)	24,504
Net income (loss)	476,240	31,904	(22,027)	14,322	28,215
Preferred stock accretion	(1,662)	--	--	--	--
Net income (loss) available to common stockholders	$ 474,578	$ 31,904	$(22,027)	$ 14,322	$28,215
Diluted earnings (loss) per share:					
Income (loss) from continuing operations	$ 4.10	$ 0.30	$ (0.20)	$ 0.20	$ 0.05
Discontinued operations	0.50	0.06	(0.09)	(0.02)	0.33
Net income (loss)	$ 4.60	$ 0.36	$ (0.29)	$ 0.18	$ 0.38
Shares used in computing diluted earnings (loss) per share	103,416	90,060	75,432	77,456	75,128

	July 31,				
	1999	1998	1997	1996	1995
Consolidated Balance Sheet Data					

Working capital..................	$1,381,005	$ 12,784	$ 38,554	$ 72,009	$47,729
Total assets.....................	2,404,594	259,818	146,248	106,105	77,803
Long-term obligations............	34,867	5,801	16,754	514	415
Redeemable preferred stock.......	411,283	--	--	--	--
Stockholders' equity.............	1,062,461	133,136	29,448	53,992	55,490

Flycast's Selected Historical Condensed Consolidated Financial Information
(In thousands, except per share data)

The following selected condensed historical consolidated financial information should be read in conjunction with Flycast's consolidated financial statements and related notes and "Flycast Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 69, which are included in this proxy statement/prospectus. The consolidated statement of operations information for each of the three years ended December 31, 1998, and the consolidated balance sheet data at December 31, 1996, 1997 and 1998, are derived from the audited consolidated financial statements of Flycast appearing elsewhere in this proxy statement/prospectus. The selected financial data for the nine month periods ended September 30, 1998 and 1999 and as of September 30, 1999 have been derived from Flycast's unaudited consolidated financial statements and in the opinion of Flycast's management include all adjustments (consisting only of normal recurring adjustments) which are necessary to present fairly the results of operations and financial position of Flycast for those periods in accordance with generally accepted accounting principles. Historical results are not necessarily indicative of the results to be expected in the future. No cash dividends have been declared or paid on Flycast common stock.

	Year Ended December 31,			Nine Months Ended September 30,	
	1996	1997	1998	1998	1999
Consolidated Statement of Operations Data:					
Revenue	$ 123	$ 934	$ 9,282	$ 4,765	$ 24,066
Cost of revenue	5	600	6,118	3,066	16,811
Gross profit	118	334	3,164	1,699	7,255
Operating expenses	(512)	(3,673)	(11,612)	(7,030)	(26,004)
Interest income (expense), net	(1)	(7)	(412)	(71)	56
Net loss	$ (395)	$(3,346)	$ (8,860)	$(5,402)	$(18,693)
Accretion of mandatorily redeemable preferred stock	--	(206)	(656)	(491)	(667)
Loss attributable to common stockholders	$ (395)	$(3,552)	$ (9,516)	$(5,893)	$(19,360)
Basic and diluted loss per share	$(0.83)	$ (6.03)	$ (7.26)	$ (4.77)	$ (2.18)
Shares used in basic and diluted loss per share	476	589	1,311	1,235	8,895
Pro forma basic and diluted loss per share (1)			$ (1.25)	$ (0.79)	$ (1.61)
Shares used in pro forma basic and diluted loss per share (1)			7,589	7,471	12,027

	December 31,			September 30,
	1996	1997	1998	1999
Consolidated Balance Sheet Data				
Cash, cash equivalents and short-term investments	$27	$3,593	$ 5,380	$71,416
Working capital (deficiency)	(41)	3,569	4,518	66,293
Total assets	319	4,885	11,502	94,675
Long-term obligations, less current portion	--	40	4,723	3,413
Mandatorily redeemable preferred stock	--	8,195	13,855	--
Total common stockholders' equity (deficit)	198	(3,945)	(12,007)	72,801

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(1) Pro forma basic and diluted loss per common share is computed by dividing loss attributable to common stockholders by the weighted average number of common shares outstanding for the period (excluding shares subject to

repurchase) and the weighted average number of common shares resulting from the assumed conversion of outstanding shares of mandatorily redeemable preferred stock.

Selected Unaudited Pro Forma Condensed Combined Financial Information

The selected unaudited pro forma condensed combined financial information, which has been derived from the selected historical consolidated financial statements, appearing elsewhere herein or incorporated herein by reference, gives effect to the acquisitions of AltaVista and Flycast as purchases. This pro forma combined financial information should be read in conjunction with the pro forma financial statements and their notes, as well as the Forms 8-K and 8-K/A filed by CMGI with respect to its acquisition of AltaVista on August 18, 1999. For the purpose of the unaudited pro forma condensed combined statement of operations data, CMGI's results of operations for the fiscal year ended July 31, 1999 have been combined with both AltaVista's results of operations for its comparable twelve month period and Flycast's results of operations for the twelve month period ended June 30, 1999, giving effect to the acquisitions as if they had occurred on August 1, 1998. For the purpose of the unaudited pro forma condensed combined balance sheet data, CMGI's consolidated balance sheet as of July 31, 1999 has been combined with both AltaVista's and Flycast's consolidated balance sheets as of June 30, 1999, giving effect to the acquisitions as if they had occurred on July 31, 1999.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the acquisitions had occurred on August 1, 1998, nor is it necessarily indicative of the future operating results or financial position of the combined enterprise.

CMGI and Flycast
Selected Unaudited Pro Forma Condensed Combined Financial Information
(In thousands, except per share data)

	Year Ended July 31, 1999
Pro Forma Condensed Combined Statement of Operations Data:	
Net revenue	$ 292,100
Operating loss	(1,377,365)
Loss from continuing operations available to common stockholders	(485,806)
Loss from continuing operations per share--basic and diluted	(4.02)

	July 31, 1999
Pro Forma Condensed Combined Balance Sheet Data:	
Working capital	$1,410,589
Total assets	5,964,875
Long-term obligations and convertible, redeemable preferred stock	847,090
Stockholders' equity	3,984,461

COMPARATIVE PER SHARE DATA

The following table summarizes certain unaudited per share information for CMGI and Flycast on a historical pro forma condensed combined and equivalent pro forma condensed combined basis. The following information should be read in conjunction with the audited consolidated financial statements of CMGI and Flycast, the selected condensed consolidated financial data and the unaudited pro forma condensed combined financial information included elsewhere or incorporated by reference herein, including the Forms 8-K and 8-K/A filed by CMGI related to its August 18, 1999 acquisition of AltaVista. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the acquisitions of AltaVista and Flycast had been consummated as of August 1, 1998. The historical book value per share is computed by dividing total stockholders' equity by the number of common shares outstanding at the end of the period. The pro forma net loss per share from continuing operations is computed by dividing the pro forma net loss from continuing operations by the pro forma weighted average number of shares outstanding. The pro forma combined book value per share is computed by dividing total pro forma stockholders' equity by the pro forma number of basic and diluted shares outstanding at the end of the period. The Flycast equivalent pro forma combined per share amounts as of July 31, 1999 are calculated by multiplying the CMGI pro forma combined per share amounts by the common stock exchange ratio of 0.4738.

CMGI	Year Ended July 31, 1999
Historical Per Common Share Data:	
Income from continuing operations--basic	$ 4.53
Income from continuing operations--diluted	4.10
Book value	11.12
Pro Forma Combined Per Common Share Data:	
Loss from continuing operations--basic and diluted	$(4.02)
Book value	32.23

Flycast	Twelve Months Ended July 31, 1999
Historical Per Common Share Data:	
Loss from continuing operations--basic and diluted	$(3.87)
Book value	5.35
Equivalent Pro Forma Combined Per Common Share Data:	
Loss from continuing operations--basic and diluted	$(1.90)
Book value	15.27

MARKET PRICE INFORMATION

CMGI Market Price Information

CMGI common stock has traded on the Nasdaq National Market under the symbol "CMGI" since January 25, 1994.

The table below sets forth, for the periods indicated, the high and low sale prices of CMGI common stock as reported on the Nasdaq National Market, as adjusted for 2-for-1 stock splits effected on each of May 11, 1998, January 11, 1999 and May 27, 1999.

	CMGI Common Stock	
	High	Low
Fiscal 1998		
Quarter ended October 31, 1997	$ 3.56	$ 1.84
Quarter ended January 31, 1998	$ 4.63	$ 2.39
Quarter ended April 30, 1998	$ 13.44	$ 4.57
Quarter ended July 31, 1998	$ 22.94	$ 8.31
Fiscal 1999		
Quarter ended October 31, 1998	$ 22.50	$ 8.63
Quarter ended January 31, 1999	$ 77.50	$14.53
Quarter ended April 30, 1999	$165.00	$41.00
Quarter ended July 31, 1999	$129.19	$71.50
Fiscal 2000		
Quarter ended October 31, 1999	$115.19	$66.25
Quarter ending January 31, 2000 (through December 2, 1999)	$170.75	$96.19

Flycast Market Price Information

The Flycast common stock has traded on the Nasdaq National Market under the symbol "FCST" since May 4, 1999, the date of Flycast's initial public offering.

The table below sets forth, for the periods indicated, the high and low sale prices per share of Flycast common stock as reported on the Nasdaq National Market.

	Flycast Common Stock	
	High	Low
Fiscal 1999		
Quarter ended June 30, 1999	$30.38	$16.75
Quarter ended September 30, 1999	$45.50	$18.38
Quarter ending December 31, 1999 (through December 2, 1999)	$78.81	$41.25

Recent Closing Prices

The following table sets forth the closing prices per share of CMGI common stock and Flycast common stock as reported on the Nasdaq National Market on (1) September 29, 1999, the last full trading day prior to the public announcement that CMGI and Flycast had entered into the merger agreement and (2) December 2, 1999, the most recent practicable date prior to the printing of this proxy statement/prospectus. This table also sets forth the equivalent price per share of Flycast common stock on those dates. The equivalent price per share is equal to the closing price of a share of CMGI common stock on that date multiplied by 0.4738, the number of shares of CMGI common stock to be issued in the merger in exchange for each share of Flycast common stock.

Date	CMGI Common Stock	Flycast Common Stock	Equivalent per Share Price
September 29, 1999	$100.31	$38.00	$47.53
December 2, 1999	$156.13	$71.94	$73.97

Flycast and CMGI believe that Flycast common stock presently trades on the basis of the value of CMGI common stock expected to be issued in exchange for the Flycast common stock in the merger, discounted primarily for the uncertainties associated with the merger.

Flycast stockholders are advised to obtain current market quotations for CMGI common stock and Flycast common stock. No assurance can be given as to the market prices of CMGI common stock or Flycast common stock at any time before the consummation of the merger or as to the market price of CMGI common stock at any time after the merger. Because the exchange ratio is fixed, the exchange ratio will not be adjusted to compensate Flycast stockholders for decreases in the market price of CMGI common stock which could occur before the merger becomes effective. In the event the market price of CMGI common stock decreases or increases prior to the consummation of the merger, the value of the CMGI common stock to be received in the merger in exchange for Flycast common stock would correspondingly decrease or increase.

Dividends

CMGI has never declared or paid cash dividends on its common stock. CMGI currently intends to retain earnings, if any, to support its growth strategy and does not anticipate paying cash dividends in the foreseeable future. Payment of future dividends, if any, will be at the discretion of the CMGI board of directors after taking into account various factors, including CMGI's financial condition, operating results, current and anticipated cash needs and plans for expansion.

Flycast has never declared or paid cash dividends on its capital stock. Flycast currently intends to retain all available funds and any future earnings for use in the operation of its business and does not anticipate paying any cash dividends in the foreseeable future.

THE SPECIAL MEETING

We are furnishing this proxy statement/prospectus to holders of Flycast common stock in connection with the solicitation of proxies by the Flycast board of directors for use at the special meeting of Flycast stockholders to be held on Thursday, January 13, 2000, and any adjournment of the meeting.

This proxy statement/prospectus is first being mailed to Flycast stockholders on or about December 9, 1999. This proxy statement/prospectus is also furnished to Flycast stockholders as a prospectus in connection with the issuance by CMGI of shares of CMGI common stock as contemplated by the merger agreement.

Date, Time and Place

The special meeting will be held on Thursday, January 13, 2000 at 10:00 a.m., local time, at the W Hotel, 181 3rd Street, San Francisco, California 94103.

Matters to be Considered at the Special Meeting

At the special meeting of Flycast stockholders, and any adjournment of the special meeting, Flycast stockholders will be asked:

- to consider and vote upon a proposal to approve and adopt the agreement and plan of merger, dated as of September 29, 1999, by and among CMGI, Freemont Corporation and Flycast, and their merger, under which Flycast will become a wholly owned subsidiary of CMGI and each outstanding share of Flycast common stock will be converted into the right to receive 0.4738 shares of CMGI common stock; and

- to transact such other matters which may properly come before the special meeting or any and all adjournment(s) thereof.

Record Date

Only stockholders of record of Flycast common stock at the close of business December 1, 1999 are entitled to notice of and to vote at the special meeting.

Voting and Revocation of Proxies

We request that Flycast stockholders complete, date and sign the accompanying proxy and promptly return it in the accompanying postage-paid envelope to U.S. Stock Transfer Corporation, or otherwise mail it to them at P.O. Box 27302, Glendale, California 91225. Brokers holding shares in "street name" may vote the shares only if the beneficial stockholder provides instructions on how to vote. Brokers will provide beneficial owners instructions on how to direct the brokers to vote the shares. All properly executed proxies that Flycast receives prior to the vote at the special meeting, and that are not revoked, will be voted in accordance with the instructions indicated on the proxies. If no direction is indicated, the proxies will be voted to approve the merger agreement and the merger. The Flycast board of directors does not currently intend to bring any other business before the special meeting and, so far as the Flycast board of directors knows, no other matters are to be brought before the special meeting. If other business properly comes before the special meeting or any adjournment, the proxies will vote in accordance with Flycast's management's own judgment.

Flycast stockholders may revoke their proxies at any time prior to its use:

- by delivering to the secretary of Flycast a signed notice of revocation or a later-dated, signed proxy; or

- by attending the special meeting and voting in person.

Attendance at the special meeting does not in itself constitute the revocation of a proxy.

Vote Required

As of the close of business on December 1, 1999, the record date, there were 15,182,128 shares of Flycast common stock outstanding and entitled to vote. As of the close of business on the record date, there were approximately 250 stockholders of record. The holders of a majority of the outstanding shares of Flycast common stock must approve the merger agreement and the merger. Flycast stockholders have one vote per share of Flycast common stock owned on the record date.

As of December 1, 1999, the directors and officers of Flycast and their affiliates beneficially owned an aggregate of 4,026,057 shares of Flycast common stock (excluding any shares issuable upon the exercise of options) or approximately 26.5% of the shares of Flycast common stock outstanding on that date. Certain directors, officers and their affiliates, holding an aggregate of 3,175,968 shares of Flycast common stock, have agreed to vote their shares in favor of the merger. See "The Merger--Interests of Executive Officers and Directors of Flycast in the Merger" on page 49.

Quorum; Abstentions and Broker Non-Votes

The required quorum for the transaction of business at the special meeting is a majority of the shares of Flycast common stock issued and outstanding on the record date. Abstentions and broker non-votes each will be included in determining the number of shares present and voting at the meeting for the purpose of determining the presence of a quorum. Because approval of the merger agreement and the consummation of the merger requires the affirmative vote of a majority of the outstanding shares of Flycast common stock entitled to vote, abstentions and broker non-votes will have the same effect as votes against the merger agreement and the consummation of the merger. In addition, the failure of a Flycast stockholder to return a proxy or vote in person will have the effect of a vote against the approval of the merger agreement and the merger. Brokers holding shares for beneficial owners cannot vote on the actions proposed in this proxy statement/prospectus without the beneficial owners' specific instructions. Accordingly, Flycast stockholders are urged to return the enclosed proxy card marked to indicate their vote.

You Do Not Have Appraisal Rights

Holders of Flycast common stock are not entitled to appraisal rights with respect to the merger.

Solicitation of Proxies and Expenses

Flycast has retained the services of Corporate Investor Communications, Inc. to assist in the solicitation of proxies from its stockholders. The fees to be paid to Corporate Investor Communications, Inc. for its services will be paid by Flycast and are expected to be $5,500, plus reasonable expenses. Flycast will bear its own expenses in connection with the solicitation of proxies for its special meeting of stockholders, except that CMGI and Flycast each will pay one-half of all printing and filing costs, fees and expenses, other than attorneys' fees, incurred in connection with the registration statement, of which this proxy statement/prospectus is a part.

In addition to solicitation by mail, the directors, officers and employees of Flycast may solicit proxies from Flycast stockholders by telephone, facsimile, e-mail or in person. Brokerage houses, nominees, fiduciaries and other custodians will be requested to forward proxy materials to beneficial owners and will be reimbursed for their reasonable expenses incurred in sending the proxy materials to beneficial owners.

Board Recommendation

The Flycast board of directors has determined that the merger agreement and the merger are fair to, and in the best interests of, Flycast and its stockholders. Accordingly, the Flycast board of directors has unanimously approved the merger agreement and has unanimously recommended that the Flycast stockholders vote for approval of the merger agreement and the merger. In considering the recommendation of the Flycast board of directors, Flycast stockholders should be aware that Flycast's directors and officers have interests in the merger that are different from, or in addition to, those of Flycast's other stockholders, and that CMGI has agreed to provide employment, severance and/or indemnification arrangements to the directors and senior officers of Flycast. See "The Merger-Interests of Executive Officers and Directors of Flycast in the Merger" on page 49.

The matters to be considered at the special meeting are of great importance to Flycast stockholders. Accordingly, Flycast stockholders are urged to read and carefully consider the information presented in this proxy statement/prospectus, and to complete, date, sign and promptly return the enclosed proxy in the enclosed postage-paid envelope.

Flycast stockholders should not send any stock certificates with their proxy cards. A transmittal form with instructions for the surrender of Flycast common stock certificates will be mailed to Flycast stockholders promptly after completion of the merger. For more information regarding the procedures for exchanging Flycast stock certificates for CMGI stock certificates, see "The Merger Agreement--Exchange of Certificates" on page 54.

THE MERGER

Background of the Merger

Flycast and CMGI have been familiar with each other for well over a year. As participants in related segments of a rapidly emerging new industry, executives of Flycast, CMGI and Engage Technologies, a majority-owned subsidiary of CMGI, had occasional contact in the normal course of doing business and discussing possible ways of working together.

On June 12, 1998, shortly after Mr. George Garrick assumed the position of Chief Executive Officer of Flycast, representatives from Flycast, CMGI and Engage met at CMGI's offices in Andover, Massachusetts in order to discuss potential business opportunities. Present from Flycast were Mr. Garrick and Mr. Ted Dintersmith, then a member of the Flycast board of directors. Present from CMGI were Mr. David Andonian, President, Business Development, and Mr. Bill White, Executive Vice President of Marketing and Communications. Present from Engage were Mr. Paul Schaut, Chief Executive Officer of Engage, Mr. David Fish, Vice President, Marketing for Engage, and Mr. Dan Jaye, Chief Technical Officer for Engage. At this meeting, the parties provided overviews of their companies and discussed mutual opportunities for working together, including a possible partnering between ADSmart, a wholly owned subsidiary of CMGI, and Flycast, a possible acquisition of ADSmart by Flycast, possible reseller and licensing agreements between Flycast and Engage, a possible investment in Flycast by CMGI, and other related topics.

Over the next few months, executives from Flycast and CMGI continued to maintain contact and to have discussions concerning primarily the possible acquisition of ADSmart by Flycast and Flycast licensing Engage's technology. These discussions included the exchange of specific terms for possible commercial agreements, as well as several follow up meetings.

Eventually, Flycast and CMGI realized that they were not likely to agree on terms that would lead to a substantive agreement of any kind, and discussions between the two companies tapered off.

In early January 1999, Mr. Schaut contacted Mr. Garrick to revive discussions about Flycast agreeing to license and resell Engage's technology. Over the next two to three months, teams from the respective companies conducted evaluations of the compatibility of the two companies' technologies and held discussions concerning the terms of such an agreement. Again, the two companies were unable to reach an agreement satisfactory to both sides.

On May 4, 1999, Flycast completed its initial public offering.

During the last week of July 1999, Mr. Garrick received a telephone call from a company indicating interest in the possible acquisition of Flycast. During the first week of August 1999, Mr. Garrick received a telephone call from a second company indicating its interest in the possible acquisition of Flycast.

In early August 1999, Mr. Garrick received a phone call from a representative of Robertson Stephens, one of CMGI's investment bankers. Robertson Stephens proposed a possible merger of Flycast and ADSmart. Mr. Garrick indicated that he would be interested in a discussion if this were a CMGI initiative rather than solely an ADSmart initiative, and if it involved additional companies beyond Flycast and ADSmart. On August 11, 1999, Flycast formally retained Deutsche Bank Securities Inc. to act as its financial advisor in connection with possible business combinations. Mr. Garrick asked Robertson Stephens to follow up by contacting Deutsche Bank.

On August 18, 1999, Mr. Garrick met with Mr. Andonian in New York City. They spent the evening discussing the industry in general, emerging trends, their respective visions for the industry and their companies, and the opportunities associated with a CMGI acquisition of Flycast. Mr. Garrick indicated to Mr. Andonian that Flycast would be interested in talking further, and apprised Mr. Andonian of the fact that there were other interested suitors.

On August 25, 1999, the Flycast board of directors held a special meeting at the San Francisco offices of Deutsche Bank to review discussions held with CMGI and the two other companies regarding the possible acquisition of Flycast. Directors David Cowan, Howard Draft, George Garrick, Gary Prophitt and Michael Solomon attended the meeting. The meeting was also attended by members of Flycast management, representatives from Wilson Sonsini Goodrich & Rosati, outside legal counsel to Flycast, and representatives from Deutsche Bank. The chairman of the board summarized the interactions with the interested suitors. Legal counsel reviewed and commented upon the duties of the board of directors in the context of a potential acquisition of Flycast. Deutsche Bank presented an analysis of hypothetical combinations of Flycast with each suitor and the strategic effects of each combination. Legal counsel advised the board of directors on their responsibilities as board members with regard to both the interests of Flycast stockholders and Flycast's long term strategy and answered questions regarding the acquisition process and their fiduciary duties to Flycast stockholders. Deutsche Bank provided further analysis of the respective suitors.

On August 30, 1999, the first of the other interested suitors delivered to Deutsche Bank a proposal for the acquisition of Flycast. The proposal was considered inadequate. The second interested suitor continued to express interest. Representatives of Deutsche Bank were instructed to maintain contact with both of these companies.

Over the next week, several conversations took place between Robertson Stephens and Deutsche Bank in order to discuss the terms of a potential proposal for the acquisition of Flycast by CMGI.

On September 3, 1999, Mr. Garrick and Ralph Harms, Chief Financial Officer, Thomas L. Marcus, Executive Vice President, and Patricia Mattler, Vice President of Finance of Flycast met with representatives of CMGI and Robertson Stephens at the offices of Deutsche Bank and discussed the potential complementary nature of the businesses of Flycast and CMGI and the possible ways the two companies could work together.

On September 7, 1999, Mr. Garrick, Mr. Harms, Mr. Marcus and Ms. Mattler of Flycast again met with representatives from CMGI and Robertson Stephens at the offices of Deutsche Bank and discussed the business models of the two companies.

On September 9, 1999, representatives of Flycast, and representatives of CMGI and Robertson Stephens participated on a conference call. The parties again discussed the business models of the two companies.

On September 10, 1999, Robertson Stephens submitted a written proposal on behalf of CMGI to Deutsche Bank, outlining the principal acquisition terms under which CMGI was prepared to enter into a definitive merger agreement to acquire Flycast, including an exclusive negotiating period between Flycast and CMGI.

On September 11, 1999, the Flycast board of directors held a series of three special meetings. Directors Cowan, Draft, Garrick, Prophitt and Solomon participated in each meeting by telephone. Each meeting was also attended by a member of Flycast management, a representative from Wilson Sonsini Goodrich & Rosati, and representatives from Deutsche Bank. At the first meeting, the Flycast board of directors discussed the economic terms of the acquisition proposal from CMGI. Deutsche Bank described the economic terms of the proposal and described CMGI's organizational structure and its businesses. At the second meeting, the Flycast board of directors engaged in a discussion with an executive officer of the second suitor who described the potential combination of Flycast with his company. The executive officer noted that any acquisition proposal would be further delayed and the likelihood of a proposal had been reduced due to other pending strategic transactions. At the third meeting, the Flycast board of directors considered the meeting with the executive officer of the second suitor and noted the potential delay and uncertainty of an acquisition with the second suitor. The Flycast board of directors instructed the officers to continue negotiations with both CMGI and the second suitor and to continue due diligence efforts with both companies.

On September 13, 1999, Flycast, through Deutsche Bank, countered CMGI's September 10th proposal and communicated to CMGI that the price was not acceptable to the Flycast board of directors.

On September 14, 1999, Robertson Stephens communicated verbally to Deutsche Bank an informal set of improved terms which involved a higher per-share price for Flycast.

On September 16, 1999, Mr. Garrick, Mr. Marcus and Ms. Mattler of Flycast met with Mr. Andonian and Mr. Zur Muhlen of CMGI at the offices of Deutsche Bank to discuss pricing and other terms of the proposed merger.

On September 18, 1999, the Flycast board of directors held a special meeting to consider the revised CMGI proposal to acquire Flycast. Directors Cowan, Draft, Garrick, Prophitt and Solomon participated in the meeting by telephone. The meeting was also attended by a member of Flycast management, and representatives from Deutsche Bank. A representative of Deutsche Bank briefed the Flycast board of directors on the revised proposal and the economic terms of the proposal. The Flycast board of directors instructed Deutsche Bank to communicate back to Robertson Stephens a counter-offer. The Flycast board of directors noted that discussions with the second suitor had been delayed.

On September 21, 1999, Robertson Stephens communicated to Deutsche Bank that Flycast's counter-offer had been presented to the CMGI board of directors. However, the CMGI board of directors decided not to amend its prior offer and informed Flycast, through Robertson Stephens, of its decision not to accept Flycast's counter-offer. Afterwards, Mr. Garrick and Mr. Andonian had several telephone conversations to discuss the status of the negotiations and to explore acceptable terms. That evening, Flycast and CMGI entered into a mutual confidentiality agreement.

On September 22, 1999, Mr. Garrick and Mr. Andonian had several telephone conversations to discuss the proposed principal terms of the acquisition. Following the telephone calls, Flycast, CMGI, Deutsche Bank and Robertson Stephens engaged in a conference call to review the proposed terms. The Flycast board of directors held a special meeting that afternoon to discuss the CMGI proposal to acquire Flycast. Directors Cowan, Draft, Garrick and Solomon participated in the meeting by telephone. The meeting was also attended by a member of Flycast management, representatives from Wilson Sonsini Goodrich & Rosati, and representatives from Deutsche Bank. A representative from Deutsche Bank presented the status of discussions with the potential acquiring parties. The representative from Deutsche Bank reported that the first suitor had failed to continue discussions, the second suitor had cited factors that would cause it to delay any possible proposal and CMGI had presented a proposal. The representative then reviewed the principal terms of the CMGI proposal. Legal counsel commented on certain aspects of the CMGI proposal. The Flycast board of directors held a full discussion of the terms of the proposed merger, including the strategic benefits of the combination, the exchange ratio and the stock option to be granted by Flycast to CMGI. In addition, the Flycast board of directors discussed the lock-up letter by which Flycast would agree that it would negotiate exclusively with CMGI until October 12, 1999 and discussed the standstill agreement by which Flycast would agree not to acquire shares of CMGI for one year. The Flycast board of directors then authorized Mr. Garrick to sign the lock-up letter and the standstill agreement, and to proceed with negotiating a definitive merger agreement.

On September 23, 1999 and for the next several days, representatives of CMGI conducted due diligence of Flycast at the San Francisco offices of Deutsche Bank.

On September 25, 1999, CMGI's legal counsel delivered draft definitive merger agreement documents. Negotiation of the terms of these documents commenced on September 26 and continued among Flycast, CMGI and their respective legal counsel and financial advisors over the next several days.

On September 26, 1999, the CMGI board of directors held a special meeting and approved the definitive merger agreement.

On September 27, 1999, representatives from Flycast and Deutsche Bank met with representatives from CMGI in Andover, Massachusetts and conducted due diligence on CMGI.

On September 28, 1999, Mr. Garrick met with Mr. Zur Muhlen, Mr. Huey, and Mr. Andonian at CMGI's offices in Andover, Massachusetts to discuss certain terms of the proposed transaction. That afternoon, the Flycast board of directors held a special meeting at the Palo Alto offices of Wilson Sonsini Goodrich & Rosati to discuss the CMGI proposal to acquire Flycast. Directors Cowan, Garrick, and Solomon attended the meeting. The meeting was also attended by members of Flycast management, representatives from Wilson Sonsini Goodrich & Rosati, and representatives from Deutsche Bank. Legal counsel advised the Flycast board of directors on the status of the definitive merger agreement and of the Flycast board of directors' fiduciary duties to Flycast stockholders. Deutsche Bank reviewed the principal terms of the transaction, discussed the proposed consideration to be paid to Flycast stockholders and provided a preliminary financial analysis of the proposed transaction. Legal counsel reviewed with the Flycast board of directors a number of factors which the Flycast board of directors had considered relating to the evaluation of strategic alternatives and Flycast's long term strategy goals. The Flycast board of directors asked questions of management, legal counsel and Deutsche Bank.

In the afternoon of September 29, 1999, Flycast and CMGI met at the San Francisco offices of Flycast to finalize the remaining issues of the definitive merger agreement. The Flycast board of directors convened a special meeting at Flycast's offices to consider and act upon approval of the proposed acquisition by CMGI. Directors Cowan, Draft, Prophitt and Solomon participated in the meeting by telephone. Director Garrick attended the meeting in person. The meeting was also attended by members of Flycast management, representatives from Wilson Sonsini Goodrich & Rosati and representatives from Deutsche Bank. Legal counsel reported on the negotiation of certain issues with CMGI. Representatives of Deutsche Bank presented their due diligence, reviewed and updated the financial analysis previously presented to the Flycast board of directors, presented an analysis of the valuation of Flycast, of CMGI and the value of the proposed acquisition, and commented further on the financial aspects of the acquisition. The representatives from Wilson Sonsini Goodrich & Rosati reviewed the principal terms of the definitive merger agreement, advised the Flycast board of directors of their fiduciary duties to the Flycast stockholders and noted that the Flycast board of directors had considered other strategic alternatives that were available to Flycast. Deutsche Bank delivered its opinion that the exchange ratio is fair, from a financial point of view, to the holders of Flycast common stock. After an extensive discussion of issues and alternatives, the Flycast board of directors unanimously approved the final terms of the definitive merger agreement and related agreements and determined to recommend to the Flycast stockholders that they approve the definitive merger agreement and the merger. The Flycast board of directors authorized Mr. Garrick to sign the definitive merger agreement on behalf of Flycast. Following the resolution of certain open issues, the parties signed the definitive merger agreement.

Prior to the opening of the stock market on September 30, 1999, Flycast and CMGI announced the transaction and hosted a joint conference call announcing the merger.

CMGI's Reasons for the Merger

The CMGI board of directors unanimously concluded that the merger was fair to, and in the best interest, of CMGI and its stockholders.

The decision by the CMGI board of directors was based on several potential benefits of the merger that it believes will contribute to the success of CMGI's family of Internet advertising companies. These potential benefits include:

- adding and integrating Flycast to its family of Internet advertising companies to offer Internet advertisers a complete spectrum of Internet advertising solutions;
- enhancing the functionality and performance of the Internet advertising products offered by CMGI's family of Internet advertising companies with Flycast's technology;
- increasing CMGI's customer base; and
- accelerating CMGI's growth rate.

The CMGI board of directors reviewed a number of factors in evaluating the merger, including, but not limited to, the following:

- historical information concerning CMGI's and Flycast's respective business focus, financial performance and condition, operations, technology and management;
- CMGI management's view of the financial condition, results of operations and businesses of CMGI and Flycast before and after giving effect to the merger and the determination by the CMGI board of directors of the merger's effect on stockholder value;
- current financial market conditions and historical stock market prices, volatility and trading information;
- the consideration Flycast stockholders will receive in the merger in light of comparable merger transactions;
- the terms of the merger agreement;
- the impact of the merger on CMGI's customers and employees, as well as CMGI's majority owned subsidiaries within the CMGI group of Internet companies;
- results of the due diligence investigation conducted by CMGI's management, accountants and counsel; and
- the expectation that the merger will be accounted for as a purchase for accounting purposes.

The CMGI board of directors also identified and considered a number of potentially negative factors in its deliberations concerning the merger including the following:

- the risk that the potential benefits of the merger may not be realized;
- the possibility that the merger may not be consummated, even if approved by the Flycast stockholders;
- exposure to patents and other intellectual property issued to competitors of Flycast;
- loss of customers of Flycast who may terminate their relationship with Flycast as a result of the merger because they deem themselves competitors of CMGI;
- loss of Flycast employees if after the merger some of the activities and management of Flycast moves from the West Coast to the East Coast; and
- other applicable risks described in this proxy statement/prospectus under "Risk Factors" on page 7.

The CMGI board of directors concluded, however, that, on balance, the merger's potential benefits to CMGI and its stockholders outweighed the associated risks. The discussion of the information and factors considered by the CMGI board of directors is not intended to be exhaustive. In view of the variety of factors considered in connection with its evaluation of the merger, the CMGI board of directors did not find it practicable to, and did not quantify or otherwise assign relative weight to, the specific factors considered in reaching its determination.

Flycast's Reasons for the Merger; Recommendation of the Flycast Board of Directors

The Flycast board of directors has determined that the terms of the merger and the merger agreement are fair to, and in the best interests of, Flycast and its stockholders. Accordingly, the Flycast board of directors has approved the merger agreement and the consummation of the merger and recommends that you vote FOR approval of the merger agreement and the merger.

In reaching its decision, the Flycast board of directors identified several potential benefits of the merger, the most important of which included:

- the merger will represent a significant step forward in Flycast's strategy of becoming the leading provider of Web-based direct response advertising solutions to advertisers;
- the expectation that the combination of Flycast's design expertise and products together with CMGI's breadth of Internet advertising products and services, CMGI's greater size and resources, and the complementary nature of Flycast's and CMGI's products and services will provide opportunities to realize significant benefits and long-term value to stockholders;
- the potentials for accelerating new product development and features for current and future e-commerce solutions;
- the greater opportunities for Flycast to offer its solution to a larger, more diverse customer base;
- the potential of an increased ability to compete effectively in a rapidly consolidating industry;
- the exchange ratio's premium of approximately 44.8% over the ratio of the closing prices of Flycast common stock divided by the corresponding closing prices of CMGI common stock over the 30 day trading period ending on September 29, 1999;
- the increased trading liquidity for Flycast stockholders by receiving shares of CMGI common stock; and
- the expectation that the merger will be treated as a tax-free reorganization to Flycast and its stockholders.

The decision of the Flycast board of directors was the result of its careful consideration of a range of strategic alternatives, including potential business combinations and relationships with CMGI and other companies in the pursuit of Flycast's long-term business strategy. In reaching its decision to approve the merger, the Flycast board of directors consulted with Flycast's senior management, as well as its legal counsel, independent accountants and financial advisors. Among the factors considered by the Flycast board of directors in its deliberations were the following:

- the current and prospective economic and industry environment in which Flycast operates, including (a) the continued trend for consolidation in the Internet advertising industry; (b) the ability of larger industry participants to increase market share; and (c) the trend of such companies toward offering a complete spectrum of Internet advertising solutions;
- the historical information concerning Flycast's, CMGI's and certain other potential acquirors' respective businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including public reports filed with the SEC;
- the complementary nature of the technology, products, services and customer base of Flycast and CMGI;
- the consideration to be received by Flycast stockholders in the proposed merger and the relationship between the market value of the CMGI common stock to be issued in exchange for the Flycast common stock and a comparison of comparable merger transactions;
- the prospects of Flycast as an independent company;
- the potential for parties, other than CMGI, to acquire or enter into strategic relationships with Flycast;
- the comparison of financial conditions, results of operations and businesses of Flycast before and after giving effect to a merger with each potential acquiror;
- financial market conditions and historical stock market prices, volatility and trading information;
- the belief that the terms of the merger agreement are reasonable;

- the impact of the merger on Flycast's customers and employees;

- the results of the due diligence investigation of CMGI conducted by Flycast's management and financial advisors;

- the fairness and reasonableness to Flycast of the terms of the merger agreement, stock option agreement and related agreements, which were the product of extensive arm's length negotiations; and

- the analysis prepared by Deutsche Bank and presented to the Flycast board of directors and the opinion of Deutsche Bank, more fully described in "The Merger--Opinion of Financial Advisor to Flycast," that as of the date of such opinion and based on and subject to the assumptions made, matters considered and limits of the review undertaken, the exchange ratio in the merger was fair, from a financial point of view, to the holders of Flycast common stock.

In particular, the Flycast board of directors considered (1) the stock option granted to CMGI, (2) the events triggering payment of the termination fee to CMGI, (3) the limitations on Flycast's ability to negotiate an alternative transaction with other companies, and (4) the potential effect of these provisions on Flycast receiving alternative proposals that could be superior to the merger. Because the Flycast board of directors conducted an extensive review of its strategic alternatives prior to entering into the merger agreement, and because these provisions were required by CMGI in order for it to enter into the merger agreement, the Flycast board of directors determined that the value for Flycast stockholders represented by the merger justified these requirements.

The Flycast board of directors also identified and considered a number of uncertainties and risks concerning the merger, including:

- the risk that the per share value of the consideration to be received by Flycast stockholders might be significantly less than the price per share implied by the exchange ratio immediately prior to the announcement of the merger because the exchange ratio will not be adjusted for changes in the market price of either CMGI common stock or Flycast common stock;

- the risk that the merger might not be consummated;

- the risk that the benefits sought in the merger might not be fully achieved;

- the difficulty of and risks associated with the integration of a different management and organizational structure;

- the risk that Flycast might suffer employee attrition or fail to attract key personnel due to uncertainties associated with the merger;

- the risks that Flycast might face if it remains independent;

- the risk that if CMGI's stock option becomes exercisable, it would impair a third party acquiror's ability to account for an acquisition of Flycast using the pooling of interests method of accounting and thereby reduce the number of potential acquirors; and

- the other applicable risks described in this proxy statement/prospectus under "Risk Factors" on page 7.

As a result of the foregoing considerations, the Flycast board of directors determined that the potential advantages of the merger outweighed the benefits of remaining as a separate company. The Flycast board of directors believes that the combined company will have far greater opportunity than Flycast alone to compete in its industry.

In view of the variety of factors considered in connection with its evaluation of the merger, the Flycast board of directors did not find it practicable to, and accordingly did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. In addition, many of the factors contained elements which may have both a positive and negative effect on the fairness of the merger. Except as described above, the Flycast board of directors, as a whole, did not attempt to analyze each individual factor separately to determine its impact on the fairness of the merger. Consequently, individual members of the

Flycast board of directors may have given different weight to different factors and may have viewed differently each factor's effect on the fairness determination.

For the reasons discussed above, the Flycast board of directors has unanimously approved the merger agreement and has determined that the merger is advisable and fair to, and in the best interests of, Flycast and its stockholders and unanimously recommends that Flycast stockholders vote for approval of the merger agreement and the merger.

In considering the recommendation of the Flycast board of directors with respect to the merger agreement, Flycast stockholders should be aware that directors and officers of Flycast have interests in the merger that are different from, or are in addition to, the interests of Flycast stockholders generally. Please see "The Merger--Interests of Executive Officers and Directors of Flycast in the Merger" on page 49.

Opinion of Financial Advisor to Flycast

Deutsche Bank Securities Inc. acted as financial advisor to Flycast in connection with the merger. At the September 29, 1999 meeting of the Flycast board of directors, Deutsche Bank delivered its oral opinion, subsequently confirmed in writing as of the same date, to the Flycast board of directors to the effect that, as of the date of such opinion, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio was fair, from a financial point of view, to Flycast stockholders.

The full text of Deutsche Bank's written opinion, dated September 29, 1999, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in connection with the opinion, is attached as Annex B to this proxy statement/prospectus and is incorporated herein by reference. Flycast stockholders are urged to read Deutsche Bank's opinion in its entirety. The summary of the opinion of Deutsche Bank set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.

In connection with Deutsche Bank's role as financial advisor to Flycast, and in arriving at its opinion, Deutsche Bank has, among other things, reviewed certain publicly available financial information and other information concerning Flycast and CMGI and certain internal analyses and other information furnished to it by Flycast and CMGI. Deutsche Bank also held discussions with the members of the senior managements of Flycast and CMGI regarding the businesses and prospects of their respective companies and the joint prospects of a combined enterprise. In addition, Deutsche Bank:

- reviewed the reported prices and trading activity for the common stock of both Flycast and CMGI;
- reviewed recent public research analyst reports concerning CMGI;
- compared certain financial and stock market information for Flycast and CMGI with similar information for selected companies whose securities are publicly traded;
- reviewed the financial terms of selected recent business combinations which it deemed comparable in whole or in part;
- reviewed the terms of a draft of the merger agreement dated September 27, 1999 and drafts of certain related documents dated September 27, 1999; and
- performed such other studies and analyses and considered such other factors as it deemed appropriate.

In preparing its opinion, Deutsche Bank did not assume responsibility for the independent verification of, and did not independently verify, any information, whether publicly available or furnished to it, concerning Flycast or CMGI, including, without limitation, any financial information, forecasts or projections, considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank assumed and relied upon the accuracy and completeness of all such information.

Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of Flycast or CMGI. With respect to the financial forecasts and projections made available to Deutsche Bank and used in its analysis, Deutsche Bank has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Flycast as to the matters covered thereby. In rendering its opinion, Deutsche Bank expressed no view as to the reasonableness of such forecasts and projections or the assumptions on which they are based. Deutsche Bank was not provided with, and did not rely on, any forecasts or projections concerning CMGI.

Deutsche Bank assumed for purposes of its analysis that the value of the CMGI common stock to be received by stockholders of Flycast in the proposed merger is equal to the closing trading price of the CMGI common stock as of September 28, 1999, and Deutsche Bank expressed no opinion or view on the value of the CMGI common stock. Deutsche Bank did not express any opinion as to the price at which the shares of CMGI common stock that are to be issued pursuant to the proposed merger will be traded in the future. The opinion of Deutsche Bank was necessarily based upon economic, market and other conditions as in effect on, and the information made available to Deutsche Bank as of, the date of such opinion. Although subsequent developments may affect its opinion, Deutsche Bank has assumed no obligation to update, revise or reaffirm it.

In rendering its opinion, Deutsche Bank assumed that, in all respects material to its analysis,

- the representations and warranties of Flycast, CMGI and the transitory subsidiary contained in the merger agreement are true and correct;
- Flycast, CMGI and the transitory subsidiary will each perform all of the covenants and agreements to be performed by it under the merger agreement;
- all conditions to the obligation of each of Flycast, CMGI and the transitory subsidiary to consummate the merger will be satisfied without any waiver thereof;
- all material governmental, regulatory or other approvals and consents required in connection with the consummation of the merger will be obtained; and
- in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Flycast or CMGI is a party or subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Flycast or CMGI or materially reduce the contemplated benefits of the merger to Flycast.

In addition, Deutsche Bank has been advised by Flycast, and accordingly has assumed for purposes of its opinion, that the merger will be tax-free to each of Flycast and CMGI and their respective stockholders and that the merger will be accounted for as a purchase for accounting purposes.

Set forth below is a brief summary of some of the financial analyses performed by Deutsche Bank in connection with its opinion and reviewed with the Flycast board of directors at its meeting on September 29, 1999. These summaries of financial analyses include information presented in a tabular format. In order to understand fully the financial analyses used by Deutsche Bank, the tables must be read with the text of each summary because the tables alone are not a complete description of the financial analyses.

Historical Stock Performance

Deutsche Bank reviewed and analyzed recent and historical market prices and trading volume for CMGI common stock and Flycast common stock and compared such market prices to certain stock market indices.

Analysis of Selected Publicly Traded Companies

Deutsche Bank compared certain financial information and commonly used valuation measurements for Flycast to corresponding information and measurements for a group of three publicly traded Internet advertising companies (consisting of AdForce, Inc., DoubleClick, Inc. and 24/7 Media, Inc., which we refer to as the selected companies). Such financial information and valuation measurements included, among other things, (1) common equity market valuation; (2) operating performance; (3) ratios of enterprise value, defined as common equity market value as adjusted for debt and cash, to revenues; and (4) ratios of enterprise value to gross profit. To calculate the trading multiples for Flycast and the selected companies, Deutsche Bank used publicly available information concerning historical and projected financial performance, including published historical financial information as well as revenue and earnings estimates reported by research analysts who cover the selected companies.

The following table summarizes the multiples of enterprise value to revenues and gross profit for Flycast and the selected companies for the indicated periods.

	Flycast		Selected Companies		
	Research Estimates	Management Estimates	Mean	Median	Range
Enterprise value to revenues					
Trailing twelve months.....	45.2x	45.2x	33.8x	40.3x	16.2x to 44.8x
Calendar year 1999.......	29.3x	23.7x	22.3x	27.0x	8.3x to 31.6x
Calendar year 2000.......	17.6x	12.4x	13.1x	14.2x	4.5x to 20.6x
Enterprise value to gross profit					
Trailing twelve months.....	172.5x	172.5x	159.6x	158.4x	72.9x to 247.4x
Calendar year 1999.......	118.1x	84.5x	63.3x	52.2x	33.8x to 103.9x
Calendar year 2000.......	68.5x	39.2x	27.4x	33.0x	16.0x to 33.1x

None of the companies utilized as a comparison is identical to Flycast. Accordingly, Deutsche Bank believes the analysis of publicly traded comparable companies is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Deutsche Bank's opinion, concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect the public trading value of the comparable companies.

Analysis of Selected Precedent Transactions

Deutsche Bank reviewed the financial terms, to the extent publicly available, of fifteen proposed, pending or completed merger and acquisition transactions since January 15, 1998 involving companies in the Internet industry. We refer to these transactions as the selected transactions. Deutsche Bank calculated various financial multiples and premiums over market value based on certain publicly available information for each of the selected transactions and compared them to corresponding financial multiples and premiums over market value for the merger, based on the exchange ratio and the per share market price of CMGI common stock on September 28, 1999. The transactions reviewed were:

- the acquisition of AdKnowledge by Engage Technologies, announced September 24, 1999;
- the acquisition of AdForce, Inc. by CMGI, announced September 20, 1999;
- the acquisition of ConsumerNet by 24/7 Media Inc., announced August 4, 1999;
- the acquisition of NetGravity by DoubleClick Inc., announced July 13, 1999;
- the acquisition of DotOne Corp. by Critical Path Inc., announced June 14, 1999;
- the acquisition of Abacus Direct Corp. by DoubleClick Inc., announced June 14, 1999;
- the acquisition of Revnet Systems by MessageMedia, Inc., announced June 9, 1999;
- the acquisition of Excite, Inc. by At Home Corporation, announced January 19, 1999;
- the acquisition of Netscape Communications Corporation by America Online, Inc., announced November 24, 1998;

- the acquisition of LinkExchange by Microsoft Corporation, announced November 5, 1998;
- the acquisition of Relevant Knowledge by Media Metrix, announced November 5, 1998;
- the acquisition of Yoyodyne entertainment by Yahoo! Inc., announced October 12, 1998;
- the acquisition of CKS Group by USWeb Corporation, announced September 2, 1998;
- the acquisition of Tripod, Inc. by Lycos, Inc., announced February 3, 1998; and
- the acquisition of MatchLogic, Inc. by Excite, Inc., announced January 15, 1998.

The following table summarizes the calculations by Deutsche Bank of the multiples of enterprise value to revenues for the merger (the enterprise value of Flycast being derived from the exchange ratio and the market value of CMGI common stock on September 28, 1999) and the selected transactions:

	Flycast		Selected Transactions		
	Research Estimates	Management Estimates	Mean	Median	Range
Enterprise value to revenues					
Trailing twelve months.........	45.2x	45.2x	25.5x	20.8x	1.9x to 63.7x
1 year forward...............	29.3x	23.7x	14.4x	14.8x	1.8x to 29.5x
2 year forward...............	17.6x	12.4x	10.2x	9.8x	1.4x to 23.3x

All multiples for the selected transactions were based on public information available at the time of announcement of such transaction, without taking into account differing market and other conditions during the two-year period during which the selected transactions occurred.

For the six selected transactions in which the stock of the acquired company was publicly traded (CMGI/ AdForce, DoubleClick/NetGravity, DoubleClick/Abacus Direct, At Home/Excite, America Online/Netscape and USWeb/CKS), Deutsche Bank also calculated the premium of the exchange ratio at which such transactions were announced or effected to each acquired company's average exchange ratio for the one day and 15, 30 and 60 trading days prior to the announcement of the transaction. This premium analysis is summarized in the following table:

		Exchange ratio premium		
	CMGI/Flycast	Mean	Median	Range
1 day average...........................	25.4%	14.9%	13.5%	(4.5%)-36.5%
15 day average..........................	31.8%	24.9%	23.7%	10.8%-41.8%
30 day average..........................	44.8%	26.2%	29.4%	11.9%-36.3%
60 day average..........................	61.5%	22.6%	20.9%	7.9%-38.3%

Because the reasons for, and circumstances surrounding, each of the selected transactions analyzed were so diverse, and due to the inherent differences between the operations and financial conditions of CMGI and Flycast and the companies involved in the selected transactions, Deutsche Bank believes that a comparable transaction analysis is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Deutsche Bank's opinion, concerning differences between the characteristics of the selected transactions and the merger that could affect the value of the subject companies and businesses and CMGI and Flycast.

Pro Forma Combined Revenue Analysis

Deutsche Bank analyzed certain pro forma effects of the merger. Based on such analysis, Deutsche Bank computed the resulting dilution to the combined company's revenue per share estimate for the fiscal year ending July 31, 2000. Deutsche Bank noted, based on public analysts' and Flycast's management estimates of Flycast's fiscal year 2000 revenues, that the merger would be approximately 1.2% dilutive and 0.2% dilutive to the combined company's revenue per share for the fiscal year ending July 31, 2000, respectively.

The foregoing summary describes all analyses and factors that Deutsche Bank deemed material in its presentation to Flycast board of directors and in preparing its opinion, but is not a comprehensive description of all analyses performed and factors considered by Deutsche Bank in connection with preparing its opinion. The preparation of a fairness opinion is a complex process involving the application of subjective business judgment in determining the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. Deutsche Bank believes that its analyses must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses and factors could create a misleading view of the process underlying the opinion. In arriving at its fairness determination, Deutsche Bank did not assign specific weights to any particular analyses.

In conducting its analyses and arriving at its opinions, Deutsche Bank utilized a variety of generally accepted valuation methods. The analyses were prepared solely for the purpose of enabling Deutsche Bank to provide its opinion to the Flycast board of directors as to the fairness of the exchange ratio to the Flycast stockholders and do not purport to be appraisals of or necessarily reflect the prices at which businesses or securities actually may be sold, which are inherently subject to uncertainty. In connection with its analyses, Deutsche Bank made, and was provided by Flycast management with, numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond Flycast's and CMGI's control. Analyses based on estimates or forecasts of future results are not necessarily indicative of actual past or future values or results, which may be significantly more or less favorable than suggested by such analyses. Because such analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of Flycast, CMGI or their respective advisors, none of Flycast, Deutsche Bank nor any other person assumes responsibility if future results or actual values are materially different from these forecasts or assumptions.

The terms of the merger were determined through negotiations between Flycast and CMGI and were approved by the Flycast board of directors. Although Deutsche Bank provided advice to Flycast during the course of these negotiations, the decision to enter into the merger was solely that of the Flycast board of directors. As described above, the opinion and presentation of Deutsche Bank to the Flycast board of directors were only one of a number of factors taken into consideration by the Flycast board of directors in making its determination to approve the merger. Deutsche Bank's opinion was provided to the Flycast board of directors to assist it in connection with its consideration of the merger and does not constitute a recommendation to any holder of Flycast common stock as to how to vote with respect to the merger.

Interests of Financial Advisor to Flycast in the Merger

Flycast selected Deutsche Bank Securities Inc. as its financial advisor in connection with the merger based on Deutsche Bank's qualifications, reputation and experience in mergers and acquisitions. Flycast retained Deutsche Bank pursuant to a letter agreement dated August 11, 1999, which we refer to as the engagement letter. As compensation for Deutsche Bank's services in connection with the merger, Flycast has paid Deutsche Bank a cash fee of $1.05 million which will be credited against a total fee based on the consideration paid to Flycast's stockholders in the merger, valued and to be paid upon consummation of the merger. Based upon the closing price of CMGI stock on December 1, 1999, the total fee would equal approximately $12.6 million. Regardless of whether the merger is consummated, Flycast has agreed to reimburse Deutsche Bank for reasonable fees and disbursements of Deutsche Bank's counsel and all of Deutsche Bank's reasonable travel and other out-of-pocket expenses incurred in connection with the merger or otherwise arising out of the retention of Deutsche Bank under the engagement letter. Flycast has also agreed to indemnify Deutsche Bank and certain related persons to the full extent lawful against certain liabilities, including certain liabilities under the federal securities laws arising out of its engagement or the merger.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank Securities Inc. is an affiliate of Deutsche Bank AG, and we refer to Deutsche Bank, Deutsche Bank AG and its affiliates collectively as the DB

Group. One or more members of the DB Group have, from time to time, provided investment banking and other financial services to Flycast or its affiliates for which such member has received compensation, including the initial public offering of 3.2 million shares of Flycast common stock on May 4, 1999. In the ordinary course of business, members of the DB Group publish research reports regarding the Internet industry and the business and services of publicly owned companies in the Internet industry. Members of the DB Group may actively trade securities and other instruments and obligations of Flycast and CMGI for their own account or the account of their customers and, accordingly, may from time to time hold a long or short position in such securities, instruments or obligations.

Interests of Executive Officers and Directors of Flycast in the Merger

When considering the recommendation of the Flycast board of directors, Flycast stockholders should be aware that the officers and directors of Flycast have interests in the merger that differ from, or are in addition to, those of Flycast stockholders. The Flycast board of directors was aware of these potential conflicts and considered them in reaching its decision to approve the merger agreement and recommend that Flycast stockholders vote for approval of the merger agreement and the merger.

Flycast Options Being Assumed by CMGI

As of September 30, 1999, Flycast's executive officers and directors, and their respective affiliates, held options to purchase a total of 2,065,000 shares of Flycast common stock, at exercise prices ranging from $0.10 to $18.50 per share, of which 1,433,754 shares were unvested.

Employment Agreements

In May 1998, Flycast entered into a letter agreement with George R. Garrick, its President and Chief Executive Officer, which entitles Mr. Garrick to continued salary and benefits in the event of his termination without cause by Flycast or its successor for a period that is the greater of (1) six months or (2) the time between the date of termination and the first anniversary of Mr. Garrick's initial date of employment. In addition, the agreement provides that, in the event that Flycast enters into a change of control transaction, 70% of the unvested shares acquired or acquirable from the exercise of options granted to Mr. Garrick on June 30, 1998 will accelerate and become immediately vested upon the closing of a change of control transaction, unless this acceleration would preclude a pooling of interests accounting treatment of the change of control transaction.

In March 1999, Flycast entered into a letter agreement with Thomas L. Marcus, its Executive Vice President Finance, Administration and Corporate Development, which entitles Mr. Marcus to continued salary and benefits in the event of his termination without cause by Flycast or its successor. In addition, the agreement provides that, in the event that Flycast enters into a change of control transaction, 25% of the unvested shares acquired or acquirable from the exercise of options initially granted to Mr. Marcus will accelerate and become immediately vested upon the closing of this transaction, unless this acceleration would preclude a pooling of interests accounting treatment for the transaction.

In January 1999, Flycast entered into a letter agreement with Ralph Harms, its Vice President and Chief Financial Officer, which entitles Mr. Harms to continued salary and benefits for six months in the event of his termination without cause by Flycast or its successor. In addition, the agreement provides that, in the event that Flycast enters into a change of control transaction, 25% of the unvested shares acquired or acquirable from the exercise of options initially granted to Mr. Harms will accelerate and become immediately vested upon the closing of this transaction, unless this acceleration would preclude a pooling of interests accounting treatment for the transaction.

Pursuant to the merger agreement, CMGI has agreed to cause the surviving corporation in the merger to indemnify each present and former Flycast officer and director against liabilities arising out of such person's services as an officer or director. CMGI will cause the surviving corporation to maintain officers' and directors' liability insurance to cover any such liabilities for the next six years.

As a result of the interests described above, these directors and executive officers may have been more likely to approve the merger than Flycast stockholders generally.

Treatment of Flycast Common Stock

In the merger, each share of Flycast common stock will be exchanged for 0.4738 shares of CMGI common stock.

Holders of Flycast common stock should not send their Flycast common stock certificates at this time. Following the effective time of the merger, holders of Flycast common stock will receive instructions for the surrender and exchange of such stock certificates.

Accounting Treatment of the Merger

The merger will be accounted for by CMGI using the purchase method of accounting for a business combination. Under this method of accounting, the assets and liabilities of Flycast, including intangible assets, will be recorded at their fair market values and included in the financial statements of CMGI. The aggregate merger consideration will be allocated based on the fair values of the assets acquired and the liabilities assumed. Any excess of cost over the fair value of the net tangible assets acquired from Flycast will be recorded as goodwill and other intangible assets and will be amortized by charges to operations under generally accepted accounting principles. These allocations will be made based upon valuations and other studies that have not yet been finalized. The results of operations and cash flows of Flycast will be included in CMGI's financial statements prospectively as of the consummation of the merger.

Regulatory Approvals

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, the acquisition of shares of Flycast common stock in the merger by CMGI may not be consummated until notifications have been furnished to the Federal Trade Commission and the Antitrust Division of the Department of Justice and specified waiting period requirements have been satisfied. CMGI and Flycast each filed a pre-merger notification and report form with the FTC and the Antitrust Division on November 5, 1999. Early termination of the waiting period with respect to the merger was granted by the FTC, on behalf of itself and the Antitrust Division, on November 23, 1999.

At any time before the effective time of the merger, the FTC, the Antitrust Division or a private person or entity could seek under antitrust laws, among other things, to enjoin the merger and, any time after the effective time of the merger, to cause CMGI to divest itself, in whole or in part, of the surviving corporation of the merger or of certain businesses conducted by the surviving corporation. There can be no assurance that a challenge to the merger will not be made or that, if such a challenge is made, CMGI will prevail.

Material United States Federal Income Tax Considerations

The discussion below summarizes certain material United States federal income tax considerations generally applicable to United States holders of Flycast common stock who, pursuant to the merger, exchange their Flycast common stock solely for CMGI common stock. Consummation of the merger is conditioned upon CMGI's receipt of an opinion from Hale and Dorr LLP (or Wilson Sonsini Goodrich & Rosati if Hale and Dorr LLP does not provide such an opinion) and Flycast's receipt of an opinion from Wilson Sonsini Goodrich & Rosati (or Hale and Dorr LLP if Wilson Sonsini Goodrich & Rosati does not provide such an opinion) to the effect that the merger will qualify for federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The discussion below assumes that the merger will be treated in accordance with the opinions of Hale and Dorr LLP and Wilson Sonsini Goodrich & Rosati, described in the preceding sentence, which are included as exhibits 8.1 and 8.2 of the registration statement of which this proxy statement/prospectus forms a part.

The discussion below and the opinions of Hale and Dorr LLP and Wilson Sonsini Goodrich & Rosati are based upon current provisions of the Internal Revenue Code, currently applicable U.S. Treasury regulations promulgated thereunder, and judicial and administrative decisions and rulings. The opinions of Hale and Dorr LLP and Wilson Sonsini Goodrich & Rosati are based on the facts, representations and assumptions set forth or referred to in such opinions, including representations contained in certificates executed by officers of CMGI and Flycast. The opinions are not binding on the Internal Revenue Service or the courts, and there can be no assurance that the Internal Revenue Service or the courts will not take a contrary view. No ruling from the Internal Revenue Service has been or will be sought. Future legislative, judicial or administrative changes or interpretations could alter or modify the statements and conclusions set forth herein, and any such changes or interpretations could be retroactive and could affect the tax consequences of the merger to the stockholders of CMGI and Flycast.

The discussion below does not purport to deal with all aspects of federal income taxation that may affect particular stockholders in light of their individual circumstances, and is not intended for stockholders subject to special treatment under federal income tax law. Stockholders subject to special treatment include insurance companies, tax-exempt organizations, financial institutions, broker-dealers, foreign persons, stockholders who hold their stock as part of a hedge, appreciated financial position, straddle or conversion transaction, stockholders who do not hold their stock as capital assets and stockholders who have acquired their stock upon the exercise of employee options or otherwise as compensation. In addition, the discussion below and such opinions do not consider the effect of any applicable state, local or foreign tax laws.

Holders of Flycast common stock are urged to consult their tax advisors as to the particular tax consequences to them of the transaction described herein, including the applicability and effect of any state, local or foreign tax laws, and of changes in applicable tax laws.

In the opinion of Hale and Dorr LLP, counsel to CMGI, and in the opinion of Wilson Sonsini Goodrich & Rosati, counsel to Flycast, the merger will constitute a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code. Accordingly, subject to the limitations and qualifications referred to herein, the following tax consequences will result:

- No gain or loss will be recognized by CMGI, Flycast or the transitory subsidiary solely as a result of the merger.
- No gain or loss will be recognized by the holders of Flycast common stock upon the receipt of CMGI common stock solely in exchange for such Flycast common stock in the merger, except to the extent of cash received in lieu of fractional shares.
- Cash payments received by holders of Flycast common stock in lieu of a fractional share will be treated as capital gain (or loss) measured by the difference between the cash payment received and the portion of the tax basis in the shares of Flycast common stock surrendered that is allocable to such fractional share. Such gain (or loss) will be long-term capital gain (or loss) if such fractional share of CMGI common stock has been held for more than one year at the effective time of the merger.
- The aggregate tax basis of the CMGI common stock so received by Flycast stockholders in the merger, including any fractional share of CMGI common stock not actually received, will be the same as the aggregate tax basis of the Flycast common stock surrendered in exchange.
- The holding period with respect to CMGI common stock received by each Flycast stockholder in the merger will include the holding period for the Flycast common stock surrendered in exchange, provided that the Flycast common stock surrendered is held as a capital asset at the effective time of the merger.

A successful Internal Revenue Service challenge to the "reorganization" status of the merger would result in a Flycast stockholder recognizing gain or loss with respect to each share of Flycast common stock surrendered in the merger equal to the difference between the Flycast stockholder's basis in such share and the fair market value, as of the effective time of the merger, of the CMGI common stock received in exchange. In such event, a Flycast stockholder's aggregate tax basis in the CMGI common stock received would equal its fair market value, and the Flycast stockholder's holding period for such stock would begin the day after the merger.

Nasdaq National Market Quotation

It is a condition to the closing of the merger that the shares of CMGI common stock to be issued in the merger be listed on the Nasdaq National Market. CMGI intends to file a notification form for listing of additional shares promptly following the date of this proxy statement/prospectus.

Resales of CMGI Common Stock Issued in Connection with the Merger; Affiliate Agreements; Lock-up Agreements

CMGI common stock issued in connection with the merger will be freely transferable, except that shares of CMGI common stock received by persons who are deemed to be "affiliates," as such term is defined by Rule 144 under the Securities Act, of Flycast at the effective time of the merger may be resold by them only in transactions permitted by the resale provisions of Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Each executive officer and director and those who may be an affiliate of Flycast is expected to execute a written affiliate agreement providing, among other things, that such person will not offer, sell, transfer or otherwise dispose of any of the shares of CMGI common stock obtained as a result of the merger except in compliance with the Securities Act and the related rules and regulations.

In addition, certain stockholders and optionholders of Flycast have agreed to certain volume limitations with respect to the sale or transfer of the shares of CMGI common stock they are to be issued in connection with the merger.

No Appraisal Rights

Appraisal rights under Delaware law are not available to stockholders of a Delaware corporation if:

- the securities of the corporation are listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.; and

- the stockholders of the corporation are not required to accept in exchange for their stock anything other than (a) stock in another corporation listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the NASD and (b) cash in lieu of fractional shares.

Flycast stockholders will not have appraisal rights under Delaware law with respect to the merger because:

- Flycast common stock is traded on the Nasdaq National Market;

- Flycast stockholders are being offered shares of CMGI common stock which is traded on the Nasdaq National Market; and

- Flycast stockholders are being offered cash in lieu of fractional shares.

Delisting and Deregistration of Flycast's Common Stock Following the Merger

If the merger is consummated, Flycast's common stock will be delisted from the Nasdaq National Market and will be deregistered under the Securities Exchange Act of 1934, as amended.

THE MERGER AGREEMENT

The following is a brief summary of the material provisions of the merger agreement, stock option agreement and stockholder agreement, copies of which are attached as Annex A to this proxy statement/prospectus and are incorporated by reference into this summary. The summary description is not complete and is qualified in its entirety by reference to the merger agreement. We urge all Flycast stockholders to read the merger agreement, stock option agreement and stockholder agreement, in their entirety for a more complete description of the terms and conditions of the merger, the option granted to CMGI and related matters.

General

Following the adoption of the merger agreement and approval of the merger by Flycast stockholders and the satisfaction or waiver of the other conditions to the merger, the transitory subsidiary, a wholly owned subsidiary of CMGI, will merge into Flycast. Flycast will survive the merger as a wholly owned subsidiary of CMGI. If all conditions to the merger are satisfied or waived, the merger will become effective at the time of the filing by the surviving corporation of a duly executed certificate of merger with the Secretary of State of the State of Delaware.

The Exchange Ratio and Treatment of Flycast Common Stock

At the effective time of the merger, generally, each issued and outstanding share of Flycast common stock will be converted into 0.4738 shares of CMGI common stock. However, shares held in the treasury of Flycast and shares held by CMGI, the transitory subsidiary or any other wholly owned subsidiary of each of CMGI and Flycast, will be cancelled without conversion. CMGI will adjust the exchange ratio for any stock split, stock dividend, reorganization or other similar change with respect to CMGI common stock or Flycast common stock occurring before the effective time of the merger.

Based on the exchange ratio of 0.4738, and based on the number of shares of Flycast common stock and options and warrants to purchase Flycast common stock outstanding as of December 1, 1999, a total of approximately 9,406,800 shares of CMGI common stock and options and warrants to purchase CMGI common stock will be issued in the merger.

Treatment of Unvested Restricted Stock of Flycast

At the effective time of the merger, each unvested share of Flycast common stock granted by Flycast under any of its plans or arrangements will be converted into unvested shares of CMGI common stock based on the exchange ratio and will remain subject to the same terms, restrictions and vesting schedules as were applicable prior to the effective time of the merger. CMGI will assume any rights Flycast held prior to the effective time of the merger to repurchase these unvested shares.

Treatment of Flycast Stock Options

At the effective time of the merger, CMGI will assume each outstanding option to purchase shares of Flycast common stock, whether vested or unvested, previously granted by Flycast under its stock option plans and convert them into options to purchase shares of CMGI common stock subject to the same terms, restrictions and vesting schedules as were applicable prior to the effective time of the merger. The number of shares of CMGI common stock issuable upon the exercise of Flycast stock options assumed by CMGI in the merger will be adjusted based on the exchange ratio. Any fractional shares of CMGI common stock resulting from such adjustment will be rounded down to the nearest whole number. The exercise price per share of CMGI common stock issuable under each Flycast stock option will equal the aggregate exercise price of the Flycast common stock purchasable under the Flycast stock option divided by such number of shares of CMGI common stock such Flycast optionholder is entitled to purchase based on the exchange ratio. The exercise price will be rounded up to the nearest whole cent.

CMGI will reserve for issuance a sufficient number of shares of its common stock for delivery if a Flycast optionholder exercises its options as described above. After the effective time of the merger, CMGI will file a registration statement on Form S-8 with respect to the assumed Flycast stock options. During the period that any options remain outstanding, CMGI will use its best efforts to maintain the effectiveness of any registration statement on Form S-8.

Exchange of Certificates

Exchange Agent; Exchange Procedures; No Further Ownership Rights. As soon as practicable after the effective time of the merger, CMGI's exchange agent will mail to each record holder of Flycast common stock a letter of transmittal and instructions for surrendering their certificates. Only those holders who properly surrender their certificates in accordance with the instructions will receive certificates representing shares of CMGI common stock, cash in lieu of any fractional shares of CMGI common stock and any dividends or distributions to which they are entitled. The surrendered certificates representing shares of Flycast common stock will be cancelled. After the effective time of the merger, under the merger agreement, each certificate representing shares of Flycast common stock that have not been surrendered will only represent the right to receive (1) shares of CMGI common stock, (2) cash in lieu of any fractional shares of CMGI common stock and (3) dividends or distributions. Following the effective time of the merger, Flycast will not register any transfers of its common stock on its stock transfer books.

No Fractional Shares. CMGI will not issue any fractional shares of CMGI common stock in the merger. Instead, each holder of shares of Flycast common stock exchanged in connection with the merger who would otherwise be entitled to receive a fraction of a share of CMGI common stock will receive cash, without interest, in an amount equal to the product of the fractional share multiplied by the average closing price per share of the CMGI common stock on the Nasdaq National Market during the ten consecutive trading days ending on and including the trading day immediately preceding the closing of the merger. As of the effective time of the merger, CMGI will deposit with its designated exchange agent the shares of CMGI common stock issuable in connection with the merger and cash in an amount sufficient to cover any fractional shares.

Distributions With Respect to Unexchanged Shares. No dividends or other distributions declared or made on or after the closing date of the merger with respect to shares of CMGI common stock will be paid to the holder of any unsurrendered Flycast certificate with respect to the shares of CMGI common stock that the holder is entitled to receive, and no cash payment in lieu of fractional shares will be paid to any such holder until the holder surrenders its Flycast certificate in accordance with the letter of transmittal. Upon surrender, CMGI will pay to the person, in whose name the Flycast certificate representing such shares of CMGI common stock will be issued, without interest, any dividends or distributions with respect to the shares of CMGI common stock which have a record date on or after the closing date of the merger and have become payable between the effective time of the merger and the time of surrender.

Lost Certificates. If any certificate representing shares of Flycast common stock are lost, stolen or destroyed, a Flycast stockholder must provide an appropriate affidavit of that fact. CMGI may require the Flycast stockholder to deliver a bond as indemnity against any claim that may be made against CMGI with respect to such certificates alleged to have been lost, stolen or destroyed.

Holders of Flycast common stock should not send in their certificates until they receive a letter of transmittal from the exchange agent.

Representations and Warranties

The merger agreement contains representations and warranties of CMGI, Flycast and the transitory subsidiary. These relate to:

- their organization, existence, good standing, corporate power and similar corporate matters;
- their capitalization;

- the authorization, execution, delivery, required filings and consents and performance and the enforceability of the merger agreement and related matters;
- any filings with the Securities and Exchange Commission;
- their financial statements;
- the absence of certain changes in their business;
- the absence of conflicts, violations and defaults under their corporate charters and by-laws and other agreements and documents;
- the absence of actions which may jeopardize the tax-free nature of the merger;
- litigation; and
- the accuracy of information provided in connection with this proxy statement/prospectus.

Flycast also represented and warranted as to:

- required governmental and third-party consents;
- subsidiaries;
- the absence of undisclosed liabilities;
- brokers and related fees;
- the absence of restrictions on its business activities;
- owned and leased real properties;
- taxes and tax returns;
- employee benefit plans;
- material contracts;
- licenses and permits;
- insurance;
- compliance with laws;
- intellectual property;
- labor matters;
- environmental matters;
- assets;
- customers;
- transactions with affiliates;
- absence of existing discussions with other parties regarding an acquisition proposal;
- the actions by its board of directors that make Section 203 of the Delaware General Corporation Law statute inapplicable to this merger; and
- year 2000 compliance.

Certain Covenants

Conduct of Flycast's Business Prior to the Merger. Except as contemplated by the merger agreement, Flycast has agreed that it and its subsidiaries will carry on their business in the ordinary course in substantially the same manner as previously conducted. Specifically, Flycast has agreed that neither it nor any of its subsidiaries will, without the prior written consent of CMGI:

- declare, set aside or pay any dividends or other distributions on its shares of capital stock;
- effect a stock split, combine or reclassify any of its capital stock or authorize the issuance of any other securities in substitution of its shares of capital stock;
- with certain exceptions, purchase, redeem or otherwise acquire any shares of its capital stock;
- issue, deliver, sell, grant, pledge or otherwise dispose of any shares of capital stock or other securities, except (1) pursuant to the exercise of its options or warrants and (2) in connection with the grant of options to new hires or promotions in the ordinary course of business, in accordance with, or otherwise consented to, under the merger agreement;
- except as provided in the merger agreement, amend its charter or bylaws;
- acquire any business, corporation, partnership, association, joint venture or limited liability company;

. acquire any assets that are material, in the aggregate, to Flycast and any of its subsidiaries, takes as a whole, other than any assets Flycast purchases in the ordinary course of its business, consistent with past practice;

. sell, lease, license, pledge, or otherwise dispose of or encumber any assets or property, other than in the ordinary course of business and consistent with past practice;

. whether or not in the ordinary course of business or consistent with past practice, sell or dispose of any assets material to and its subsidiaries, taken as a whole, including any accounts, leases, contracts or intellectual property or any assets or the stock of any subsidiaries, but excluding the sale of product in the ordinary course of business consistent with past practice;

. adopt or implement any stockholder rights plan;

. enter into an agreement with respect to any merger, consolidation, liquidation or business combination, or any acquisition or disposition of all or substantially all of the assets or securities of Flycast or any of its subsidiaries (other than any superior proposal the Flycast board of directors is required to recommend to its stockholders to comply with its fiduciary obligations to the stockholders);

. except as set forth below, create, incur or assume indebtedness other than indebtedness which existed on the unaudited balance sheet of Flycast as of June 30, 1999;

. issue or sell any debt securities or warrants or other rights to acquire any debt securities of Flycast or any of its subsidiaries, guarantee any debt securities of another person, enter into any keep well or other agreement to maintain any financial statement condition of another person;

. make any loans, advances (other than routine advances to employees of Flycast in the ordinary course of business consistent with past practice) or capital contributions to, or investment in, any other person;

. make or commit to any capital expenditure in excess of an amount as specified in, or otherwise consented to, under the merger agreement;

. change its accounting methods or assumptions underlying such methods except as required by applicable accounting rules;

. pay, discharge, settle or satisfy any claim, liability or obligation other than (1) in the ordinary course of business consistent with past practice or (2) as reserved against on Flycast's consolidated financial statements included in any reports or forms it had filed with the Securities and Exchange Commission prior to September 29, 1999;

. modify, amend or terminate any material contract or agreement or knowingly waive, release or assign any material rights or claims;

. enter into any material contract or agreement except in the ordinary course of business consistent with past practice;

. license any material intellectual property rights to or from any third party;

. except as required to comply with applicable law, plans or agreements existing as of September 29, 1999, take any action with regard to any plans or agreements related to employee matters, including, adopting or terminating any employee benefit plan or employment or severance arrangement, materially increasing the compensation or fringe benefits of, or pay any bonus to, any director, officer or key employee, or accelerating the payment or vesting of any compensation or benefits;

. initiate, compromise or settle any material litigation or arbitration proceeding;

. make or rescind any tax election or settle or comprise any tax liability;

. close any material facility or office; and

. take or agree to take any action which would result in Flycast's representations and warranties being untrue or incorrect in any material respect or that would result in the conditions of the merger set forth in the merger agreement being satisfied in a material way.

CMGI and Flycast have each agreed to use reasonable efforts to:

- take all appropriate action to consummate the transactions contemplated by the merger agreement as promptly as practical;

- obtain any consents, licenses, permits, waivers, approvals, authorizations or orders from governmental entities or other third parties required in connection with the transactions contemplated by the merger agreement; and

- make all necessary filings and submissions with respect to the transactions contemplated by the merger agreement under federal and state securities laws, antitrust laws and other applicable laws.

CMGI and Flycast have also agreed to use reasonable efforts to obtain any governmental clearances or approvals required under antitrust laws before the closing of the merger. CMGI has the right to direct any governmental proceedings or negotiations relating to those governmental clearances, as long as its allows Flycast a reasonable opportunity to participate in the proceedings. CMGI is not required either to divest any of its businesses, product lines or assets or take any other action that could reasonably be expected to have a material adverse effect on CMGI or, if the merger is consummated, CMGI as combined with Flycast, or to take any action with respect to such government clearances or approvals if the Department of Justice or the FTC authorizes its staff to seek a preliminary injunction or restraining order to enjoin consummation of the merger.

Flycast is Restricted from Trying to Sell Itself to Another Party. Flycast has agreed that neither it nor any of its subsidiaries will, directly or indirectly through their officers, directors, employees, financial advisors or agents, (1) solicit, initiate, or encourage any proposal that could reasonably be expected to lead to an alternative transaction, (2) enter into discussions or negotiations concerning, or provide any non-public information relating to, an alternative transaction, or (3) agree to or recommend an alternative transaction to the Flycast stockholders. The merger agreement defines an alternative transaction to mean:

- an acquisition by a third party of more than 20% of the outstanding shares of Flycast common stock by a tender offer, exchange offer, merger or similar transaction;

- an acquisition of control by a third party of more than 20% of the fair market value of all Flycast's assets; or

- a public announcement by a third party of a proposal, plan, intention or agreement to do any of the above.

However, Flycast and the Flycast board of directors may, so long as Flycast has not breached this covenant:

- furnish non-public information to, or enter into discussions or negotiations with, a third party in connection with an unsolicited bona fide written proposal for an alternative transaction or recommend any such unsolicited bona fide written proposal to the Flycast stockholders, if and only to the extent that (1) the Flycast board of directors believes in good faith, after consultation with its financial advisor, that the alternative transaction is reasonably capable of being completed on the terms proposed and constitutes a superior proposal to this merger, and the Flycast board of directors determines in good faith after consultation with outside legal counsel that it must recommend the proposal to the Flycast stockholders to comply with applicable fiduciary duties to stockholders, (2) prior to furnishing the non-public information to, or entering into discussions or negotiations with such a third party, that third party provides to the Flycast board of directors an executed confidentiality agreement no less favorable than the confidentiality agreement between CMGI and Flycast, and (3) prior to recommending a superior proposal, Flycast gives CMGI at least five business days' prior notice of its intent to recommend the superior proposal in order to provide CMGI an opportunity to make a counterproposal which Flycast and its advisors must negotiate in good faith with CMGI during that period; or

- comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to such an alternative transaction.

Flycast has agreed to notify CMGI in reasonable detail (orally and in writing) within 24 hours of receipt of any proposal for an alternative transaction or request for non-public information. Flycast has agreed to continue to keep CMGI informed on a current basis of the status of any discussions or negotiations and all material terms being discussed or negotiated.

Director and Officer Indemnification. The merger agreement provides that for a period of six years after the effective time of the merger, CMGI will cause the surviving corporation to honor its obligations to indemnify each present and former director and officer of Flycast against any costs or expenses pertaining to matters existing or occurring at or prior to the effective time of the merger.

Conditions to Obligations to Effect the Merger

The obligations of CMGI and Flycast to effect the merger are subject to the satisfaction or waiver of the following conditions:

- the Flycast stockholders must have approved and adopted the merger agreement and the merger;
- the parties must have obtained all government authorizations and consents other than those the failure of which to obtain would not result in a material adverse effect on Flycast or CMGI;
- the registration statement must have become effective and not be subject of a stop order or other similar proceeding; and
- there must be no order, executive order, stay, decree, judgment or injunction, or statute, rule or regulation in effect that makes the merger illegal.

In addition, the obligations of CMGI and the transitory subsidiary to effect the merger are subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of Flycast in the merger agreement must be true and correct as of the date of the merger agreement, unless the representations and warranties are made as of another date, in which case they must be true and correct as of such date, except where the failure to be true and correct has not had and is not reasonably likely to have a material adverse effect on Flycast;
- Flycast must have performed in all material respects all obligations required to be performed by it under the merger agreement at or prior to the effective time of the merger;
- CMGI receives an opinion from its counsel (or Flycast's counsel if CMGI's counsel does not provide such an opinion) to the effect that the merger will be treated as a tax-free reorganization for federal income tax purposes under Section 368(a) of the Internal Revenue Code;
- Flycast obtains all material third party consents; and
- CMGI receives copies of the resignations of each Flycast director.

In addition, the obligation of Flycast to effect the merger is subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of CMGI and the transitory subsidiary in the merger agreement must be true and correct as of the date of the merger agreement, unless the representations and warranties are made as of another date, in which case they must be true as of such date, except where the failure to be true and correct has not had, and is not reasonably likely to have a material adverse effect on CMGI;
- CMGI and the transitory subsidiary must have performed in all material respects all obligations required to be performed by them under the merger agreement at or prior to the effective time of the merger; and
- Flycast receives an opinion from its counsel (or from CMGI's counsel if Flycast's counsel does not provide such an opinion) to the effect that the merger will be treated as a tax-free reorganization for federal income tax purposes under Section 368(a) of the Internal Revenue Code.

Termination; Expenses and Termination Fees

Termination

The merger agreement may be terminated by written notice by the terminating party under the following circumstances at any time prior to the effective time of the merger:

- by mutual written consent of the parties;
- by either CMGI or Flycast if the merger has not closed by April 30, 2000, unless the delay was due to the terminating party's failure to fulfill any obligation under the merger agreement;
- by either CMGI or Flycast, if a governmental entity has issued a nonappealable final order, decree or ruling or taken any other nonappealable final action, which permanently restrains, enjoins or otherwise prohibits the merger;
- by either CMGI or Flycast, if at the special meeting of Flycast stockholders, the Flycast board of directors does not obtain the requisite vote of its stockholders in favor of the merger agreement and the merger (unless the terminating party is in breach of the merger agreement);
- by CMGI or Flycast, if there has been a breach of any representation, warranty or covenant of the merger agreement by the other party which is not cured within 45 days after the breaching party receives a written notice of the breach; or
- by CMGI, if (1) the Flycast board of directors fails to recommend approval of the merger agreement and the merger to the Flycast stockholders or withdraws or modifies its recommendation; (2) the Flycast board of directors fails to reconfirm its recommendation of the merger agreement and the merger to the Flycast stockholders within five business days after CMGI requests that it do so; (3) the Flycast board of directors recommends to the Flycast stockholders an alternative transaction; (4) a third party, other than CMGI or an affiliate of CMGI, commences a tender offer or exchange offer for the outstanding shares of Flycast common stock and the Flycast board of directors recommends that the Flycast stockholders tender their shares in such tender or exchange offer, or within ten days after such tender or exchange offer is commenced, the Flycast board of directors fails to recommend that the Flycast stockholders reject the offer or takes no position with respect to the offer; or (5) for any reason Flycast fails to call and hold the special meeting by April 29, 2000.

If either CMGI or Flycast terminates the merger agreement because of any of the reasons above, all obligations of the parties under the merger agreement will terminate (with certain exceptions) and there will be no liability, except for any liability for willful breaches of the merger agreement or the provisions of the stock option agreement, on the part of CMGI, Flycast, the transitory subsidiary or their respective officers, directors, stockholders or affiliates. In addition, certain representations and warranties, as well as the mutual confidentiality agreement dated September 21, 1999 between CMGI and Flycast will survive any termination of the merger agreement.

In addition to any termination fee described below, Flycast has agreed to pay up to a maximum of $500,000 to CMGI as reimbursement for its fees and expenses paid in connection with the merger if CMGI terminates the merger agreement because the merger is not consummated by April 30, 2000 because:

- the representations and warranties of Flycast fail to be true and correct, except to the extent that such failure has not had and is not reasonably likely to have a material adverse effect on Flycast;
- CMGI did not receive a report from Whitman Hart, in the event the closing of the merger occurs on or before December 31, 1999, to the effect that each of the following is year 2000 compliant: (1) the material internal systems used in the business or operations of Flycast or its subsidiaries, including, without limitation, computer hardware systems, software applications, firmware, equipment containing embedded microchips and other embedded systems, and (2) the software, hardware, firmware and other technology which constitute part of the products and services marketed or sold by Flycast or its subsidiaries or licensed by Flycast or its subsidiaries to third parties; or

- the failure of each of the following to be year 2000 compliant: (1) the material internal systems used in the business or operations of Flycast or its subsidiaries, including, without limitation, computer hardware systems, software applications, firmware, equipment containing embedded microchips and other embedded systems, and (2) the software, hardware, firmware and other technology which constitute part of the products and services marketed or sold by Flycast or its subsidiaries or licensed by Flycast or its subsidiaries.

In addition, to any termination fee described below, CMGI agrees to pay up to a maximum of $500,000 to Flycast as reimbursement for its fees and expenses paid in connection with the merger if Flycast terminates the merger agreement because the merger is not consummated by April 30, 2000 as a result of the representations and warranties of CMGI failing to be true and correct, except to the extent that such failure has not had and is not reasonably likely to have a material adverse effect on CMGI.

Expenses

Except as set forth in the previous section, CMGI and Flycast will bear their own expenses incurred in connection with the merger. However, CMGI and Flycast will share equally any expenses, other than attorney's fees, incurred with respect to the printing and filing of this proxy statement/prospectus and the registration statement.

Termination Fees

Flycast agrees to pay CMGI a $20 million termination fee if the merger agreement is terminated under the following circumstances:

- by CMGI, because (1) the Flycast board of directors fails to recommend the merger agreement and the merger to the Flycast stockholders or withdraws or modifies its recommendation; (2) the Flycast board of directors fails to reconfirm its recommendation of the merger agreement and the merger to the Flycast stockholders within five business days after CMGI requests that it do so; (3) the Flycast board of directors recommends to the Flycast stockholders an alternative transaction; (4) a third party, other than CMGI or an affiliate of CMGI, commences a tender offer or exchange offer for the outstanding shares of Flycast common stock and the Flycast board of directors recommends that the Flycast stockholders tender their shares in such tender or exchange offer, or within ten days after such tender or exchange offer is commenced, the Flycast board of directors fails to recommend that the Flycast stockholders reject the offer or takes no position with respect to the offer; or (5) for any reason Flycast fails to call and hold the special meeting by April 29, 2000;

- by CMGI because there has been a breach of any representation, warranty or covenant of the merger agreement by Flycast, which breach causes specified conditions to CMGI's obligation to effect the merger to not be satisfied, such as the condition relating to Flycast being year 2000 compliant, and is not cured within 45 days after Flycast receives a written notice of the breach from CMGI; or

- by CMGI or Flycast because Flycast fails to obtain the requisite vote of Flycast stockholders to approve the merger agreement.

CMGI agrees to pay Flycast a $20 million termination fee if Flycast terminates the merger agreement because of a breach of any representation, warranty or covenant of the merger agreement by CMGI which is not cured within 45 days after CMGI receives a written notice of the breach from Flycast.

If applicable, any expenses and fees payable as described above shall be paid within one business day after demand for such payment is made following the first to occur of the relevant termination events.

Amendment

Generally, the board of directors of each of CMGI and Flycast may amend the merger agreement at any time prior to the effective time. However, after the Flycast stockholders approve the merger agreement and the merger, any amendment will be restricted by the Delaware corporation statute. Amendments must be in writing and signed by all parties.

OTHER AGREEMENTS

Stock Option Agreement

In connection with the merger agreement, CMGI and Flycast entered into a stock option agreement, dated as of September 29, 1999, which is attached as Exhibit A to Annex A of this proxy statement/prospectus. The option agreement grants CMGI the right to purchase up to 3,036,750 shares of Flycast common stock, constituting approximately 19.9% of Flycast's outstanding common stock, at an exercise price of $45.73 per share, subject to adjustment. However, CMGI may not exercise this option to acquire more than 19.9% of the outstanding shares of the Flycast common stock. The option becomes exercisable after the earliest to occur of the following:

- CMGI terminates the merger agreement because (1) the Flycast board of directors fails to recommend the merger agreement and the merger to the Flycast stockholders or withdraws or modifies its recommendation; (2) the Flycast board of directors fails to reconfirm its recommendation of the merger agreement and the merger to the Flycast stockholders within five business days after CMGI requests that it do so; (3) the Flycast board of directors recommends to the Flycast stockholders an alternative transaction; (4) a third party, other than CMGI or an affiliate of CMGI, commences a tender offer or exchange offer for the outstanding shares of Flycast common stock and the Flycast board of directors recommends that the Flycast stockholders tender their shares in such tender or exchange offer, or within ten days after such tender or exchange offer is commenced, the Flycast board of directors fails to recommend that the Flycast stockholders reject the offer or takes no position with respect to the offer; or (5) for any reason Flycast fails to call and hold the special meeting by April 29, 2000;

- CMGI terminates the merger agreement because there has been a breach of any representation, warranty or covenant of the merger agreement by Flycast, which breach causes specified conditions to CMGI's obligation to effect the merger to not be satisfied, such as the condition relating to Flycast being year 2000 compliant, and is not cured within 45 days after Flycast receives a written notice of the breach from CMGI; and

- an alternative transaction has been proposed or consummated prior to the special meeting of Flycast stockholders, and the termination fee of $20 million becomes payable to CMGI because Flycast fails to receive the requisite stockholder vote for approval of the merger agreement and the merger in which event, CMGI may exercise its option immediately prior to the occurrence of any event causing such termination fee to become payable.

Once the option is exercisable, CMGI may exercise its option in whole or in part, at any time or from time to time, prior to its termination at the earliest of:

- the effective time of the merger;

- termination of the merger agreement under circumstances that do not entitle CMGI to receive a termination fee;

- the date on which CMGI realizes a total profit of $30 million based on the sum of the amount of cash received by CMGI as a result of the termination of the merger agreement plus cash amounts CMGI from actual or potential sales of the shares of Flycast common stock issuable to CMGI upon exercise of its option less CMGI's purchase price for such shares of Flycast common stock; and

- 90 days after the date on which the merger agreement is terminated, unless CMGI cannot exercise its option or Flycast cannot deliver to CMGI the shares of Flycast common stock purchased upon exercise of the option because conditions to Flycast's obligation to deliver such shares of its common stock have not been met, in which case the option will not expire until 30 days after such impediment to exercise has been removed.

At any time during which CMGI's option is exercisable, CMGI has the right to cause Flycast to repurchase from CMGI all or any portion of CMGI's option (to the extent not previously exercised) and the shares of Flycast common stock that CMGI purchased by exercising its option. CMGI must give written notice to Flycast of such demand for repurchase.

The repurchase price for CMGI's option is the difference between the market/tender offer price and the purchase price (if the market/tender offer price is greater). The market/tender offer price is the greater of:

- the price per share of Flycast common stock offered pursuant to a tender or exchange offer or an acquisition proposal that was made prior to and not terminated or withdrawn as of the date on which CMGI gave notice of its repurchase demand to Flycast; and

- the average of the closing price per share of Flycast common stock on the Nasdaq National Market for the ten trading days immediately preceding the notice date.

The purchase price is the product of the exercise price per share of Flycast common stock and the number of shares of Flycast common stock purchasable pursuant to the option for which CMGI is demanding repurchase.

The repurchase price for the shares of Flycast common stock that CMGI had acquired by exercising its option is the product of:

- the number of such shares of Flycast common stock for which CMGI is demanding repurchase; and

- the purchase price per share (plus the difference between the market/tender offer price and the purchase price if the market/tender offer price is greater) paid by CMGI for such shares of Flycast common stock.

In the event that Flycast is prohibited under applicable law or regulation, or as a consequence of administrative policy, from repurchasing in full the option or shares of Flycast common stock as demanded by CMGI, then Flycast must immediately notify CMGI of the prohibition. In addition, within five business days after each date on which Flycast is no longer so prohibited, Flycast must deliver to CMGI that portion of the repurchase price. However, during the prohibition period and so long as Flycast is using its best efforts to obtain all required regulatory and legal approvals and to file any required notices as promptly as practicable to accomplish such repurchase, CMGI may revoke its notice demanding repurchase, in whole or to the extent of the prohibition. If CMGI revokes its notice, Flycast must promptly deliver to CMGI the portion of the repurchase price which Flycast is not prohibited from delivering and, as appropriate:

- a new stock option agreement evidencing CMGI's right to purchase that number of shares of Flycast common stock obtained by multiplying (1) the number of shares of Flycast common stock for which the surrendered stock option agreement was exercisable at the time of delivery of the notice by (2) a fraction, the numerator of which is the repurchase price less the portion of the repurchase price previously delivered to CMGI, and the denominator of which is the repurchase price; and

- a certificate for the shares of Flycast common stock that Flycast is then so prohibited from repurchasing.

Flycast has agreed to file up to two registration statements within two years following any purchase by CMGI of shares of Flycast common stock under the option to register the resale by CMGI of those shares under applicable federal and state securities laws.

Stockholder Agreement

As an inducement to CMGI to enter into the merger agreement, some of the Flycast stockholders, who beneficially owned as of September 29, 1999 an aggregate of 5,651,107 shares of Flycast common stock, entered into a stockholder agreement with CMGI, dated as of September 29, 1999, which is attached as Exhibit B to Annex A of this proxy statement/prospectus, agreeing to vote their shares in favor of the merger agreement and the merger and against specified alternative transactions. The stockholders retain the right to vote their shares on all other matters.

The stockholders also agreed to execute a proxy, which would give CMGI, or any nominee of CMGI, the limited right to vote each of the 5,651,107 shares of Flycast common stock as lawful attorney and proxy, at every Flycast stockholders meeting and every written consent in lieu of such meeting, in favor of approval of the merger and the merger agreement. The stockholder agreement terminates upon the earlier of the merger becoming effective in accordance with the terms and provisions of the merger agreement and the termination of the merger agreement.

DESCRIPTION OF FLYCAST'S BUSINESS

Overview

Flycast Communications Corporation, is a leading provider of Web-based direct response advertising solutions to advertisers. Flycast works closely with advertisers to maximize the value of their advertising campaigns on the Web. Flycast's advertiser customers are primarily companies selling goods and services over the Internet, direct marketing agencies, or other advertisers who are interested in driving the Web user towards specific actions. Those actions include clicking on advertisements, registering their names or other information, or buying products. Flycast offers its customers direct response solutions that include widespread placement of advertisements over the Web, prices that minimize their cost per action and continuous improvement and optimization of their advertising campaign through the application of technology and through the services of its trained staff.

The Flycast Network

Flycast delivers Web-based advertising solutions designed to maximize the return on investment for response-oriented advertisers, direct marketers and e-commerce companies. Flycast provides these solutions through a large network of Web sites, proprietary technology and responsive customer service. By combining unsold advertising inventory from the over 1,400 Web sites comprising the Flycast Network, Flycast offers advertisers a large audience of Web users and high-quality advertising space at favorable prices. These Web sites include both small Web sites and large, premium Web sites. Additionally, by selling advertising space on an unnamed basis, Flycast creates a supplemental and incremental revenue opportunity for Web sites that does not conflict with their other sales efforts, including large, premium Web sites with direct sales forces. Flycast's AdExchange (AdEx) system, a proprietary automated advertising management platform, analyzes response rates across the network. Flycast's customer service staff translates real-time feedback regarding advertising effectiveness into further optimization for the advertiser.

Strategy

Flycast's objective is to be the leading provider of response-oriented advertising solutions on the Web. Key elements of Flycast's strategy include:

Create Value for Web Sites and Advertisers. By combining its inventory acquisition model with personalized optimization of advertising performance, the Flycast Network offers advertisers advertising solutions designed to maximize return on investment and attractive pricing levels, while at the same time providing incremental advertising revenue for its Web site affiliates. Flycast intends to continue to increase the number of advertising impressions it acquires from its current Web sites and to expand the number and type of Web sites in the Flycast Network.

Leverage Proprietary Technologies. Flycast seeks to increase the efficiency, effectiveness and attractiveness of its service to advertisers through the use of technology. AdEx facilitates the simultaneous processing and management of millions of advertising transactions. AdEx allows Flycast to target advertising to users based on a wide selection of Web site and user characteristics, including geographical location, nature of content, type of browser and operating system, originating Internet domain, Web usage patterns and prior advertising exposure. It also enables advertisers to track their advertising campaigns effectively and increase response rates.

Expand Service Offerings. Flycast intends to continue to expand its products and services. In July 1998, Flycast began to offer differentiated, geo-targeted Internet advertising to local advertisers. In August 1999, Flycast announced the creation of a new division, eDispatch, which, in conjunction with the Flycast Network, will provide response and e-commerce marketers with an integrated suite of tools and services designed to maximize the effectiveness of email and other online marketing initiatives. As part of eDispatch, Flycast acquired InterStep, Inc. in August 1999. In September 1999, Flycast announced a new product called Valet, whereby Flycast offers e-commerce solutions that enable the Web sites in the Flycast Network to develop an online shopping area. In October 1999, Flycast announced its launch into several European markets, specifically, Germany, Sweden, and the United Kingdom.

Provide Superior Customer Service. Flycast believes that strong customer service is vital to generating repeat business. Flycast intends to continue to hire, train and support a staff of customer service representatives who work with both advertisers and Web sites. Flycast also plans to continue enhancing its service by providing on-demand customized online reports that allow advertisers and Web sites to rapidly assess the efficiency and performance of their advertising campaigns.

Expand Sales and Marketing Efforts. Flycast believes that aggressive marketing and sales programs are essential to selling Web advertising solutions effectively. Flycast intends to increase the size of its direct sales force and continue its public relations and marketing campaign that began in the first quarter of 1999. In addition, Flycast intends to continue expanding all marketing and sales categories to extend its presence in the marketplace, as well as to acquire new advertisers and attract new Web sites.

Products and Services

The Flycast Network

The Flycast Network offers a comprehensive system for planning, buying, selling, managing, evaluating and administering Web advertising. To fulfill the needs of response-oriented advertisers, the Flycast Network aggregates advertising inventory from Web sites that meet minimum size and quality requirements. Many small and medium-size Web sites that are unable to support their own sales forces list all of their inventory with Flycast. Other Web sites that maintain either a direct or outsourced sales force, but that are unable to sell all of their inventory, list the unsold portion on the Flycast Network. When a Web site joins the Flycast Network, Flycast makes no guarantees with respect to revenue, cost per thousand or impressions sold, and Web sites are free to leave the Flycast Network at any time. Flycast pays each Web site on the Flycast Network a percentage of the revenue generated by delivering advertisements on their Web sites. The Flycast Network currently consists of over 1,400 Web sites and in the quarter ended September 30, 1999, the Flycast Network generated approximately 4.4 billion total advertising impressions.

Flycast designed its AdEx technology platform to deliver return on investment-oriented advertising solutions to advertisers. AdEx receives orders from advertisers and matches them with the appropriate advertising space available on the Flycast Network. Each time a Web user visits a Flycast Network Web site, a signal is sent to the AdEx system. This signal contains information on the type of advertising space represented. The system then selects the appropriate advertisement and serves it to the Web site, concluding a process that typically takes less than one second.

Through comprehensive performance reports generated by AdEx, advertisers can track the progress of their advertising campaigns via online reports. These reports contain detailed information such as the Web sites included in an advertising campaign, the number of impressions served and the click-through rates or other performance measurements. They provide the information that advertisers need to actively manage their advertising campaigns to maximize effectiveness. In addition, Flycast's media consultants monitor the progress of each advertising campaign relative to the performance goals set by the advertiser. As each campaign progresses our media consultants are able to adjust the advertiser's media plan in real time to optimize the performance of the advertising campaign. Sites generating low response rates are either rotated out of the campaign or their impression allocations are reduced, while sites generating higher responses are allocated increased impressions. Although this optimization process can be partially or fully automated, most Flycast advertisers prefer to interact with media consultants during the process.

Flycast maximizes value for advertisers by enabling them to gauge response of the effectiveness of advertisements placed across the Flycast Network. Flycast's media consultants advise advertisers to purchase higher cost per thousand advertising space only if it can be justified on the basis of proportionately increased responses. For example, if an advertiser receives a one percent response rate from advertisements with a $5 cost per thousand, then that advertiser would need to attain a response rate of at least eight percent in order to justify purchasing advertising space with a $40 cost per thousand.

Advertising space on the Flycast Network is sold directly to advertisers and agencies as one of four media products: Run of Network, Run of Category, Category Select or Site Select. Flycast sales representatives work with advertisers to select the appropriate media product based on the advertisers' requirements for the amount and timing of impressions, and desired response rates. The following is a more detailed description of the four media products.

Run of Network: Run of Network offers advertising placements across the entire Flycast Network without specificity regarding individual Web sites. This product provides the greatest overall reach for advertisers at the lowest-cost per thousand impressions.

Run of Category: Flycast Network sites are categorized into 25 affinity categories based on nature of content, such as sports and outdoors, entertainment, and news and information. Run of Category allows the advertiser to select one or more specific content types within which to run its advertising, at a higher cost than Run of Network, but without specificity regarding individual Web sites.

Category Select: Category Select allows an advertiser to define a set of Web sites as a unique category in which its advertising is to be run, without allocating a specific number of impressions to individual Web sites. Flycast's rates for Category Select vary based on the number of Web sites and impressions.

Site Select: Flycast offers advertisers the ability to allocate the number of impressions on specifically designated individual Web sites. Pricing is in accordance with the Web site's current rate card, or by agreement with the Web site directly. Flycast does not discount the named individual Web site's advertising space or sell at rates that conflict with those published by the Web site.

Substantially all advertisers purchase the Run of Network media product. Actual base rates for each media product may vary depending on the length of contract and number of impressions purchased. In addition to the base rates charged for each media product, Flycast charges, on a cost per thousand basis, for special targeting or advertising format requirements.

Flycast Local Market/Value Added Reseller Division

In addition to direct sales of advertising space, Flycast also packages and sells impressions on a wholesale basis to value added resellers. To develop this channel, Flycast recently initiated relationships with BellSouth Corporation, SBC Communications Inc. and U S WEST. Under these agreements, Flycast will deliver local Web advertising inventory to the BellSouth, SBC and U S WEST sales forces for resale to local advertisers. Reseller arrangements allow Flycast to leverage the existing market presence, customer relationships, sales forces and brand recognition of its channel partners.

Flycast has also developed a suite of tools and services to support value added resellers with a turnkey offering. In addition to supplying geo-targeted advertising inventory for resale in accordance with the value added reseller's specifications, Flycast supplies customized, co-branded applications, performance reporting, billing services and training and sales support.

eDispatch

In August 1999, Flycast acquired InterStep, Inc., an email management company based in Cambridge, Massachusetts, in a transaction accounted for as a pooling-of-interests. InterStep provides publishers with email content management, list management and distribution services on an outsourced basis. The acquisition of InterStep will facilitate the launching of eDispatch, which will provide marketers with a complete suite of email marketing services, tying together customer acquisition, management, and customer retention programs.

Valet

Valet provides e-commerce solutions targeted to Web sites in the Flycast Network, by offering the sites the ability to link to an online shopping area. Further, Valet enables the Web sites in the Flycast Network to integrate search capabilities into their sites, allowing consumers to search the Web for a wide range of information about products and services made available through Valet.

International

In October 1999, Flycast opened offices in Germany, Sweden and the United Kingdom to facilitate Flycast's expansion in key European markets. Initially, Flycast will offer direct marketers based in Europe the ability to advertise across the entire Flycast Network, as well as the ability to geo-target on specific European Web sites only.

Technology and Operations

Flycast's proprietary AdEx technology platform is a complete suite of agent based solutions that enables real-time advertising delivery and management. The key applications that utilize the AdEx platform are:

AdAgent, a Java-based client interface that allows buyers to plan, execute and manage advertising purchases.

AdReporter, a Web-based tool that provides media buyers real-time reports on their purchases.

ValueTrak, a program that provides e-commerce advertisers the ability to track viewers beyond a click to a transaction on an e-commerce Web site to measure viewer responses, including registrations, units downloaded or products purchased.

SiteRegistry, a tool that allows affiliated Web sites to control the pages they provide to Flycast and to create instant online information packages about Flycast and its advertising opportunities that are then made available to advertisers.

SiteReporter, a tool that allows affiliated Web sites to monitor the performance of advertising campaigns on their sites and to track the revenue they have earned through the Flycast Network.

AdEx is designed to be scaleable through a segmented and redundant, distributed processing architecture. Flycast's modular and open architecture allows it to interface with third-party ad servers, as well as providers of proprietary media formats. Separate sub-systems that utilize Oracle databases support real-time, agent-based tools, including media planning, media buying, tracking, reporting, auditing and billing. These applications are based on a three-tiered architecture that allows the rapid development of new applications and interfaces.

All transaction information is backed up periodically and all billing and reporting information is archived and kept in fireproof storage facilities. Flycast's network management software utilizes SNMP and Optivity, and constantly monitors each aspect of network performance. System engineers are notified in the event performance falls outside of expected bounds. Flycast leases space for its servers at three physically separate locations in the San Francisco Bay Area.

Flycast intends to enhance its existing advertising solutions and to introduce new solutions in order to meet changing consumer demands. These enhancements may include the ability to deliver advertisements utilizing new rich media formats and more precise consumer targeting techniques. In addition, Flycast expects increased availability of broadband Internet access to enable the development of new products and services that take advantage of this expansion in delivery capability. As of September 30, 1999, Flycast had 42 employees in research and development.

Sales, Marketing and Customer Service

Flycast sells its products and services primarily through its direct sales force and also sells impressions on a wholesale basis to selected value added reseller partners. Flycast's direct sales organization, which included 49 salespeople as of September 30, 1999, mainly targets larger advertisers and agencies. These employees are located at Flycast's headquarters in San Francisco and in Atlanta, Boston, Boulder, Chicago, Los Angeles, New York, Philadelphia, Sarasota, Seattle and Fairfax,Virginia. Flycast intends to increase its sales presence by opening additional offices and expanding its direct sales force. To support its direct sales force, Flycast has established a Media Consulting Group as well as a Site Network Services Group to help increase the effectiveness and ease-of-use of Flycast's services.

The Media Consulting Group's goals are to maintain advertiser relationships, achieve optimal advertising results and maximize current and future media revenue streams. Media consultants assist clients in the planning and design of their Web advertising campaigns. Once the campaign is underway, a media consultant monitors the progress of each campaign according to the goals set by the advertiser and can adjust the campaign in real time in order to optimize the performance of the campaign. Media consultants also review and analyze media data to communicate campaign status to the client and provide technical support. The Site Network Services Group reviews Web sites that apply to be included in the Flycast Network, recruits new Web sites, maintains Web site relationships and provides general Web site technical support. The Site Network Services Group also defines and monitors the advertising categories on the Flycast Network and analyzes existing inventory to identify categories that require more advertising space.

To support its direct sales efforts and to promote the Flycast brand, Flycast markets its products and services to clients via direct marketing, print advertising, online advertising, Flycast's Web site, trade show participation and other media events. In addition, Flycast actively pursues a public relations program to promote the Flycast brand and Flycast's products and services to potential advertising buyers and potential members of the Flycast Network.

Flycast's ten largest customers accounted for 40% of its revenue for the year ended December 31, 1998 and 34% of its revenue for the nine months ended September 30, 1999. No single customer accounted for more than 10% of our revenue for the nine months ended September 30, 1999.

Competition

The Internet advertising market is intensely competitive. Flycast expects this competition to continue to increase because there are no substantial barriers to entry. Competition may also increase as a result of industry consolidation. Flycast believes that its ability to compete depends upon many factors both within and beyond its control, including the following:

- the timing and market acceptance of new solutions and enhancements to existing solutions developed either by Flycast or its competitors;
- customer service and support efforts;
- sales and marketing efforts;
- Flycast's ability, relative to its competitors, to scale its technology as customer needs grow; and
- the ease of use, performance, price and reliability of solutions developed either by Flycast or its competitors.

Competition among current and future suppliers of Internet navigational and informational services, high-traffic Web sites and Internet service providers, as well as competition with other media for advertising placements, could result in significant price competition and reductions in advertising revenues.

As Flycast expands the scope of its Web services, it may compete with a greater number of Web sites and other media companies across a wide range of different Web services, including in vertical markets where competitors may have advantages in expertise, brand recognition and other factors. Several companies offer competitive products or services through Web advertising networks, including DoubleClick, 24/7 Media and

AdSmart Corporation. Flycast's business may also encounter competition from providers of advertising inventory management products and related services, including NetGravity (now part of DoubleClick), Accipiter (now part of CMGI) and AdForce. In addition, Flycast may compete with a number of content aggregation companies, advertising agencies and other companies that facilitate Web advertising.

Employees

As of September 30, 1999, Flycast had 153 employees, including 49 in sales, 17 in marketing, 42 in research and development and 11 in general and administrative functions. Flycast is not subject to any collective bargaining agreements and believes that its employee relations are good. Flycast's future success depends on its ability to attract, retain and motivate highly skilled employees. Competition for employees in the industry is intense.

FLYCAST MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations of Flycast contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. Such statements involve risks and uncertainties. Flycast's actual results and timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of certain factors including, but not limited to, those set forth under "Risk Factors" on page 7 and elsewhere in this proxy statement/prospectus. In this proxy statement/prospectus, the words "anticipates," "believes," "expects," "future," "intends" and similar expressions identify forward-looking statements which speak only as of the date of this proxy statement/prospectus.

Overview

Flycast delivers Web-based advertising solutions designed to maximize the return on investment for response-oriented advertisers, direct marketers and electronic commerce companies. By combining unsold advertising space from over 1400 Web sites, the Flycast Network offers advertisers a large audience of Web users and high-quality advertising space at favorable prices. Additionally, by selling advertising space on an unnamed basis, Flycast creates a supplemental revenue opportunity for Web sites that does not conflict with their other sales efforts.

Flycast completed its initial public offering of 3,200,000 shares of common stock, which includes 200,000 shares from the exercise of the underwriters' over-allotment option, at a price of $25.00 per share on May 4, 1999. The net proceeds of approximately $74.4 million from the initial public offering were added to Flycast's working capital. Pending use of the net proceeds, Flycast has invested such funds in short-term, interest bearing investment grade obligations.

On August 30, 1999, Flycast completed a merger with InterStep, Inc., a Massachusetts corporation which commenced operations in 1995. Flycast has accounted for this transaction as a pooling-of-interests and, accordingly, the consolidated financial statements of Flycast for all periods presented have been restated to include the accounts of InterStep.

Flycast commenced operations in April 1996 as a California corporation. From April 1996 through May 1997, Flycast's operating activities related primarily to developing its AdEx technology and the Flycast Network, identifying markets and recruiting personnel.

Revenue from advertisements delivered on the Flycast Network began in the second quarter of 1997. Flycast generates revenue by delivering advertisements to Web sites in the Flycast Network. Pricing of advertising is generally based on cost per advertising impression and varies depending on whether the advertising is run across the network, across specific categories or on individual Web sites. Flycast sells its services through its sales and marketing staff located in San Francisco, Atlanta, Boston, Boulder, Chicago, Detroit, Los Angeles, New York, Philadelphia, Sarasota, Seattle and Fairfax, Virginia. The advertisements Flycast delivers are typically sold under short-term agreements that are subject to cancellation. Advertising revenue is recognized in the period that advertisements are delivered. Flycast pays each Web site in the Flycast Network an agreed upon percentage of the revenue generated by advertisements run on its site. That amount is included in cost of revenues. Generally, Flycast bills and collect for advertisements delivered on the Flycast Network and assumes the risk of non-payment from advertisers.

Flycast expects to generate most of its revenue for the foreseeable future from advertisements delivered to Web sites on the Flycast Network. Flycast's ten largest customers accounted for 40% of its revenue for the year ended December 31, 1998 and 34% of its revenue for the nine months ended September 30, 1999. No single customer accounted for more than 10% of Flycast's revenue for the nine months ended September 30, 1999. No Web site contributed more than 5% of Flycast's advertising views served, as measured based on the fees Flycast paid to Web sites, during the nine months ended September 30, 1999.

Flycast has entered into value added reseller relationships with BellSouth, SBC Communications and U S WEST. Under these agreements, Flycast will deliver local Web advertising inventory to BellSouth's, SBC's and U S WEST's sales forces that they, in turn, will offer to local advertisers. To date, these agreements have not accounted for a material percentage of revenue. However, Flycast anticipates that revenue from these agreements will account for an increasing percentage of its revenue in the future.

Flycast has incurred significant losses since inception and, as of September 30, 1999, had an accumulated deficit of $32.9 million. In addition, Flycast has recorded stock-based compensation, which represents the difference between the exercise price and the fair market value of its common stock issuable upon the exercise of stock options granted to employees. Stock-based compensation of $1.1 million was amortized during the year ended December 31, 1998 and $1.3 million was amortized during the nine months ended September 30, 1999. Stock-based compensation of $1.6 million will be amortized over the remaining vesting periods of the related options, including $303,000 in the remainder of the year ending December 31, 1999.

In light of the rapidly evolving nature of Flycast's business and Flycast's limited operating history, Flycast believes that period-to-period comparisons of its operating results are not meaningful and that the results for any period should not be relied upon as an indication of future performance. Flycast currently expects to increase significantly its operating expenses in order to expand its sales and marketing operations, including its reseller network, to enhance its AdEx technology platform and to expand internationally. As a result of these factors, Flycast expects to incur significant losses on a quarterly and annual basis for the foreseeable future.

Recent Developments

On August 30, 1999, Flycast completed the acquisition of InterStep, Inc. by issuing 480,337 shares of its common stock for all of the outstanding shares of InterStep. Of the 480,337 shares of Flycast common stock, 47,558 shares are held by an escrow agent to serve as security for the indemnity provided by some of the stockholders of InterStep. The information presented in this document reflects the combination of Flycast and InterStep using the pooling-of-interests method of accounting for a business combination.

Results of Operations

The following table sets forth statements of operations data for the periods indicated as a percentage of revenue. This information should be read in conjunction with Flycast's financial statements and related notes included elsewhere in this proxy statement/prospectus:

Flycast Communications Corporation
Statements of Operations
(unaudited)

	Year Ended December 31,			Nine Months Ended Sept 30,	
	1996	1997	1998	1998	1999
Revenues	100%	100%	100%	100%	100%
Cost of revenues	4%	64%	66%	64%	70%
Gross Profit	96%	36%	34%	36%	30%
Operating expenses:					
Sales and marketing	90%	149%	56%	70%	59%
Research and development	177%	158%	32%	33%	23%
General and administrative	149%	86%	24%	29%	20%
Stock-based compensation	--	--	12%	15%	5%
Total operating expenses	416%	393%	124%	147%	107%
Operating loss	(320)%	(357)%	(91)%	(112)%	(78)%
Interest income, net	(1)%	(1)%	(4)%	(1)%	0%
Net Loss	(321)%	(358)%	(95)%	(113)%	(78)%

Three and Nine Month Periods Ended September 30, 1998 and 1999

Revenue

Flycast's revenue is derived primarily from the delivery of advertisements on Web sites in the Flycast Network. Flycast's revenue increased from $2.5 million for the quarter ended September 30, 1998 to $12.5 million for the quarter ended September 30, 1999. Revenue was $24.1 million for the nine months ended September 30, 1999, up from $4.8 million for the same period in 1998. This increase was primarily due to an increase in the number of advertisers purchasing advertisements on the Flycast Network and an increase in purchases made by existing advertisers.

Cost of Revenues

Cost of revenues consists primarily of amounts Flycast pays to Web sites on the Flycast Network, which represent a percentage of the revenue generated by delivering advertisements. Cost of revenues also includes costs of the advertising delivery system and Internet access costs. Cost of revenues was $1.6 million for the quarter ended September 30, 1998 and $8.6 million for the quarter ended September 30, 1999. Cost of revenues was $16.8 million for the nine months ended September 30, 1999, up from $3.1 million for the same period in 1998. The increase in cost of revenues was due to the related growth in advertising revenue and associated amounts paid to Web sites, increased expenses from third-party Internet service providers and increased capital investment in infrastructure to increase Flycast's network serving capacity. This investment resulted in a decline in Flycast's overall gross margin from the same quarter in the prior year. These expenses increased in absolute dollars and increased as a percentage of revenue due to investments in upgrading the advertising delivery system.

Operating Expenses

Sales and Marketing. Sales and marketing expenses consist primarily of compensation (including commissions), travel, advertising, trade show costs and marketing materials expenses. Sales and marketing expenses were $1.6 million or 64% of revenue for the quarter ended September 30, 1998 and $6.0 million, or 48% of revenue, for the quarter ended September 30, 1999. Sales and marketing expenses were $14.1 million or 59% of revenue for the nine months ended September 30, 1999, up from $3.3 million or 70% of revenue for the same period in 1998. The increase in absolute dollars was due primarily to the increase in sales personnel and costs related to the continued development and implementation of Flycast's marketing campaigns. Flycast expects sales and marketing expenses to increase on an absolute dollar basis in future periods as Flycast hires additional personnel in sales and marketing, expands into new markets and continues to promote its advertising solutions.

Research and Development. Research and development expenses were $655,000, or 26% of revenue, for the quarter ended September 30, 1998 and $2.6 million, or 21% of revenue, for the quarter ended September 30, 1999. Research and development costs were $5.6 million or 23% of revenues for the nine months ended September 30, 1999 up from $1.6 million or 33% of revenues for the same period in 1998. The increase in absolute dollars was due primarily to increased personnel expenses. Flycast believes that continued investment in research and development is critical to attaining its strategic objectives and, as a result, Flycast expects research and development expenses to increase on an absolute dollar basis in future periods.

General and Administrative. General and administrative expenses were $490,000, or 19% of revenue, for the quarter ended September 30, 1998, and $2.5 million, or 20% of revenue, for the quarter ended September 30, 1999. General and administrative expenses increased from $1.4 million or 29% of revenues for the nine months ended September 30, 1998 to $4.9 million or 20% of revenues for the nine months ended September 30, 1999. The increase in absolute dollars was due to the growth in staffing and internal administrative expenses related to the staffing growth and expenses related to the pending merger with CMGI. Acquisition related expenses incurred during the quarter ended September 30, 1999 were approximately $1.5 million. Flycast expects general and administrative expenses to increase on an absolute dollar basis in future periods as Flycast hires additional personnel and incurs additional costs related to the growth of its business, but decrease as a percentage of revenue.

Stock-Based Compensation. Stock-based compensation of $407,000 and $365,000 was amortized during the quarters ended September 30, 1998 and 1999, respectively. Stock-based compensation of $737,000 and $1.3 million was amortized during the nine months ended September 30, 1998 and 1999, respectively. Stock-based compensation of $1.6 million will be amortized over the remaining vesting periods of the related options, including $303,000 in the quarter ending December 31, 1999.

Interest Income (Expense), Net. Interest income (expense), net consists of interest paid on capital lease and debt obligations, offset in part by interest earnings on Flycast's cash, cash equivalents and investments. Interest expense consisted primarily of interest incurred in connection with debt and capital lease financing and interest income consisted mostly of interest earned on the proceeds from Flycast's initial public offering. Interest expense increased from $77,000 in the quarter ended September 30, 1998 to $206,000 in the quarter ended September 30, 1999 and from $150,000 for the nine months ended September 30, 1998 to $596,000 for the nine months ended September 30, 1999. Interest income decreased from $14,000 in the quarter ended September 30, 1998 to $(102,000) in the quarter ended September 30, 1999 and increased from $78,000 for the nine months ended September 30, 1998 to $652,000 for the nine months ended September 30, 1999.

Income Taxes. No income tax benefits have been recorded for any of the periods presented due to Flycast's current loss position.

Years Ended December 31, 1996, 1997 and 1998

Revenue. For the year ended December 31, 1996 revenues were $123,000. Flycast's revenue increased from $934,000 for the year ended December 31, 1997 to $9.3 million for the year ended December 31, 1998. This increase was mainly due to an increase in the number of advertisers purchasing advertisements on the Flycast Network and the acquisition of InterStep.

Cost of Revenue. For the year ended December 31, 1996 cost of revenues was $5,000. Cost of revenues was $600,000 for the year ended December 31, 1997 and $6.1 million for the year ended December 31, 1998. The increase in cost of revenues was due to the related growth in advertising revenue and associated amounts paid to Web sites, increased expenses from third-party Internet service providers and increased depreciation expenses. These expenses increased in absolute dollars but decreased as a percentage of revenue due to a decrease in the average percentage of revenue paid to Web sites.

Sales and Marketing. For the period ended December 31, 1996, sales and marketing expenses were $111,000 or 90.2% of revenue. Sales and marketing expenses were $1.4 million, or 149.1% of revenue, for the year ended December 31, 1997, and $5.2 million, or 56.3% of revenue, for the year ended December 31, 1998. The increase in absolute dollars was due primarily to the increase in sales personnel and costs related to the continued development and implementation of Flycast's marketing campaigns.

Research and Development. For the period ended December 31, 1996, research and development expenses were $218,000 or 177.2% of revenue. Research and development expenses were $1.5 million, or 157.7% of revenue, for the year ended December 31, 1997, and $3.0 million, or 32.4% of revenue, for the year ended December 31, 1998. The increase in absolute dollars was due primarily to increased personnel expenses.

General and Administrative. For the period ended December 31, 1996, general and administrative expenses were $183,000 or 148.8% of revenue. General and administrative expenses were $807,000, or 86.4% of revenue, for the year ended December 31, 1997, and $2.2 million, or 23.9% of revenue, for the year ended December 31, 1998. The increase in absolute dollars was consistent with Flycast's growth.

Stock-Based Compensation. Stock-based compensation of $1.2 million was amortized during the year ended December 31, 1998.

Interest Income (Expense), Net. Interest expense, net consists of interest paid on capital lease and debt obligations, offset in part by interest earnings on Flycast's cash, cash equivalents and investments. Interest expense was $2,000 in 1996, $102,000 in 1997 and $510,000 in 1998. Interest income was $1,000, in 1996, $95,000 in 1997 and $98,000 in 1998.

Income Taxes. No income tax benefits have been recorded for any of the periods presented. At December 31, 1998, Flycast had approximately $11.0 million of federal net operating loss carryforwards available to offset future taxable income; these carryforwards expire in various years through 2018. As a result of various equity transactions during 1996, 1997, 1998 and 1999, Flycast believes that it may have undergone an "ownership change" as defined in section 382 of the Internal Revenue Code. Accordingly, the utilization of a portion of the net operating loss carryforwards may be limited. Due to the uncertainty regarding the ultimate utilization of the net operating loss carryforwards, we have not recorded any benefit for losses and a valuation allowance has been recorded for the entire amount of the net deferred tax asset.

Liquidity and Capital Resources

Since inception, Flycast has financed its operations primarily through the private placement of equity and convertible debt securities, borrowings from a related party and others and its initial public offering. As of September 30, 1999, Flycast had raised approximately $100.8 million from the issuance of common and preferred stock. As of September 30, 1999, Flycast had $14.2 million of cash and cash equivalents and $57.2 million in short-term investments and had borrowings of $6.1 million under credit and capital lease facilities.

Net cash used in operating activities was $349,000 for the year ended December 31, 1996, $3.2 million for the year ended December 31, 1997, $7.3 million for the year ended December 31, 1998 and $12.7 million for the nine months ended September 30, 1999. Cash used in operating activities for the years ended December 31, 1996, 1997 and 1998 and the nine months ended September 30, 1999 resulted from net losses and increases in accounts receivable, which were partially offset by increases in accounts payable and accrued liabilities.

Net cash used in investing activities was $252,000 for the year ended December 31, 1996, $569,000 for the year ended December 31, 1997, $311,000 for the year ended December 31, 1998 and $65.2 million for the nine months ended September 30, 1999. Cash used in investing activities was primarily related to purchases of property and equipment in the first two years, investment of initial public offering proceeds for the nine months ended September 30, 1999 and for short-term investments for the year ended December 31, 1998.

Net cash provided by financing activities was $614,000 for the year ended December 31, 1996, $7.3 million for the year ended December 31, 1997, $9.2 million for the year ended December 31, 1998 and $87.0 million for the nine months ended September 30, 1999. Cash provided by financing activities in the first two years resulted almost entirely from sales of preferred stock. For the nine months ended September 30, 1999 net cash provided by financing activities resulted almost entirely from the sale of common stock in Flycast's initial public offering. In the year ended December 31, 1998, net cash provided by financing activities resulted primarily from $5.1 million of long-term debt and the sale of $4.5 million of preferred stock.

While Flycast does not have any material commitments for capital expenditures, Flycast anticipates that it will experience an increase in its capital expenditures consistent with its anticipated growth in operations, infrastructure and personnel. Flycast plans to incur approximately $2.0 million to $4.0 million in capital expenditures during the remainder of 1999. Flycast currently anticipates that it will continue to experience significant growth in its operating expenses for the foreseeable future and that its operating expenses will be a material use of its cash resources. Flycast believes that its existing cash, cash equivalents and short-term investments and available credit facilities will be sufficient to meet its anticipated cash needs for working capital, repayment of debt and capital expenditure for at least the next twelve months.

Year 2000 Compliance

Many currently installed computer systems and software products are coded to accept or recognize only two digit entries in the date code field. These systems and software products will need to accept four digit entries to distinguish 21st century dates from 20th century dates. As a result, computer systems and software used by many companies and governmental agencies may need to be upgraded to comply with year 2000 requirements or risk system failure or miscalculations causing disruptions of normal business activities.

State of Readiness. Flycast has made an assessment of the year 2000 readiness of its information technology, or IT, systems, including the hardware and software that enables Flycast to provide and deliver its solutions, and its non-IT systems. Flycast's assessment plan consisted of (1) an audit, performed by an independent third-party consulting company of AdEx Technology, Flycast's internally developed proprietary software incorporated in its solutions; (2) contacting third-party vendors and licensors of material hardware, software and services that are both directly and indirectly related to the delivery of Flycast solutions to advertisers and the Web sites on the Flycast Network; (3) contacting third-party vendors who provide important business services (non-IT systems); (4) an assessment of repair or replacement requirements; and (5) creating of contingency plans in the event of year 2000 failures.

Based on the results of the independent audit, Flycast revised the code of its AdEx Technology as necessary to achieve year 2000 compliance. The third party consulting company has verified the results of Flycast's year 2000 remediation efforts. Flycast has contacted its hardware and software component vendors and has been informed by its hardware and software component vendors for its IT systems that the products Flycast uses are currently year 2000 compliant. Because Flycast's AdEx Technology has undergone changes due to maintenance and enhancement since the third-party independent audit, Flycast intends to re-test the current version of the AdEx Technology before the end of 1999 to ensure that it has maintained full year 2000 compliance.

Flycast has assessed third party vendors that provide important business services (non-IT systems) and is seeking assurance of year 2000 compliance from these providers.

Costs. To date, Flycast has not incurred significant costs in connection with identifying or evaluating year 2000 compliance issues. Most of Flycast's expenses have related to, and are expected to continue to relate to, the operating costs associated with time spent by employees and consultants in the evaluation and conversion process and year 2000 compliance matters generally. At this time, Flycast estimates the potential costs of revisions to its AdEx Technology and the replacement of some third-party software and hardware to be minimal. Although Flycast does not anticipate that these expenses will be material, these expenses, if higher than anticipated, could have a material adverse effect on Flycast's business, results of operations and financial condition.

Risks. Flycast is not currently aware of any major year 2000 compliance problems relating to AdEx Technology or its IT or non-IT systems that would have a material adverse effect on Flycast's business, results of operations or financial condition, without taking into account Flycast's efforts to avoid or fix these problems. Flycast may discover additional year 2000 compliance problems in its AdEx Technology that will require substantial revisions. In addition, third-party software, hardware or services incorporated into Flycast's material IT and non-IT systems may need to be revised or replaced, all of which could be time consuming and expensive. If Flycast fails to fix its AdEx Technology or to fix or replace third-party software, hardware or services on a timely basis, the result could be lost revenues, increased operating costs, the loss of customers and other business interruptions, any of which could have a material adverse effect on Flycast's business, results of operations and financial condition. Moreover, the failure to adequately address year 2000 compliance issues in Flycast's AdEx Technology, and its IT and non-IT systems could result in claims of mismanagement, misrepresentation or breach of contract and related litigation, which could be costly and time-consuming to defend.

In addition, there is no assurance that governmental agencies, utility companies, Internet access companies, third-party service providers and non-IT systems providers outside Flycast's control will be year 2000 compliant. The failure by these entities to be year 2000 compliant could result in a systemic failure beyond Flycast's control, including a prolonged Internet, telecommunications or electrical failure, which could also prevent Flycast from delivering services to its customers, decrease the use of the Internet or prevent users from accessing the Web sites in the Flycast Network, which could have a material adverse effect on Flycast's business, results of operations and financial condition.

Contingency Plan. As discussed above, Flycast is engaged in an ongoing year 2000 compliance assessment. The results of Flycast's year 2000 simulation testing and the responses received from third-party vendors and service providers is being taken into account in determining the nature and extent of Flycast's contingency plans.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On August 18, 1999, CMGI acquired an 81.495% equity stake in the former AltaVista division of Digital Equipment Corporation, referred to as the AltaVista business, from Compaq Computer Corporation and its wholly owned subsidiary Digital Equipment Corporation. Consideration for the acquisition was preliminarily valued at approximately $2.42 billion, including approximately $4 million of direct costs of the acquisition. The AltaVista business includes the assets and liabilities constituting the AltaVista Internet search service, referred to as AltaVista search, which was a division of Digital, and also includes former Compaq/Digital wholly owned subsidiaries Zip2 Corporation and Shopping.com. In consideration for the acquisition, CMGI issued 18,994,975 shares of its common stock valued at approximately $1.816 billion, 18,090.45 shares of its Series D preferred stock (which were converted into 1,809,045 shares of CMGI common stock on October 28, 1999) valued at approximately $173 million and promissory notes with an aggregate principal amount of $220 million. Additionally, stock options of the AltaVista business and CMGI stock options issued in the transaction, preliminarily valued at approximately $203 million and $4 million, respectively, have been included in the purchase consideration.

On September 29, 1999, CMGI entered into an agreement to acquire Flycast for consideration preliminarily valued at $920 million, consisting of: CMGI common stock valued at approximately $709 million, options to purchase CMGI common stock valued at approximately $190 million and estimated direct acquisition costs of $21 million. Since the acquisition has not yet been completed, the actual consideration for the acquisition of Flycast can not yet be determined. For the purpose of the following pro forma financial information, the number of shares of CMGI common stock assumed to be issued in the acquisition of Flycast is approximately 7.2 million. This amount is based on the number of shares of Flycast common stock outstanding as of September 29, 1999, the date of the CMGI-Flycast merger agreement. Similarly, the estimated value of the options to purchase CMGI common stock to be issued in the acquisition of Flycast is based on the outstanding options to purchase Flycast common stock as of September 29, 1999. The actual number of CMGI common shares and stock options to be issued will be based on the actual outstanding Flycast common shares and stock options as of the date of completion of the merger. The estimated acquisition related costs consist primarily of investment banker, legal and accounting fees to be incurred directly related to the acquisition of Flycast.

The following pro forma unaudited combined condensed financial statements give effect to CMGI's acquisitions of the AltaVista business and Flycast, both of which will be accounted for under the purchase method of accounting. The unaudited pro forma condensed combined statement of operations for the fiscal year ended July 31, 1999 gives effect to the acquisitions of the AltaVista business and Flycast by CMGI as if each had occurred on August 1, 1998. The pro forma statement of operations is based on historical results of operations of CMGI for the fiscal year ended July 31, 1999, the historical results of operations of Flycast for the twelve months ended June 30, 1999 and the historical results of operations of the components of the AltaVista business as follows: the carve-out historical results of AltaVista search and the historical results of Zip2 Corporation for the twelve months ended June 30, 1999 and the historical results of Shopping.com for the twelve months ended July 31, 1999. The unaudited pro forma condensed combined balance sheet as of July 31, 1999 gives effect to the acquisitions of the AltaVista business and Flycast as if these transactions had occurred on that date. The pro forma balance sheet is based on the historical balance sheet of CMGI as of July 31, 1999 and the historical balance sheets of the AltaVista business and Flycast as of June 30, 1999. More recent financial statements of Flycast, as of and for the period ended September 30, 1999, are available on page S-1. The following pro forma financial information, consisting of the pro forma statement of operations and the pro forma balance sheet and the accompanying notes, should be read in conjunction with and are qualified by the historical financial statements and notes of CMGI, which are incorporated by reference in this pro forma financial information.

The pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the future financial position or future results of operations of the consolidated company after the acquisitions of the AltaVista business and Flycast, or of the financial position or results of operations of the consolidated company that would have actually occurred had the acquisitions of the AltaVista business and Flycast been effected as of the dates described above.

Unaudited Pro Forma Condensed Combined Balance Sheet

July 31, 1999
(In thousands)

	CMGI	AltaVista Business	Pro Forma Adjustments (A)	Subtotal	Flycast	Pro Forma Adjustments (A)	Pro Forma As Adjusted
Assets							
Cash and cash equivalents	$ 468,912	$ 16,753	$ (16,753)	$ 468,912	$50,099	$ --	$ 519,011
Available-for-sale securities	1,532,327	--	--	1,532,327	31,857	--	1,564,184
Other current assets	56,095	32,383	--	88,478	9,737	--	98,215
Total current assets	2,057,334	49,136	(16,753)	2,089,717	91,693	--	2,181,410
Goodwill and other intangible assets, net of accumulated amortization	149,703	733,906	1,790,898	2,674,507	--	839,559	3,514,066
Other non-current assets	197,557	64,935	--	262,492	6,907	--	269,399
Total assets	$2,404,594	$847,977	$1,774,145	$5,026,716	$98,600	$839,559	$5,964,875
Liabilities and Stockholders' Equity							
Deferred income taxes	$ 508,348	$ --	$ --	$ 508,348	$ --	$ --	$ 508,348
Other current liabilities	167,981	55,462	4,000	227,443	14,030	21,000	262,473
Total current liabilities	676,329	55,462	4,000	735,791	14,030	21,000	770,821
Non-current liabilities	70,007	3,811	220,000	293,818	4,129	--	297,947
Minority interest	184,514	--	142,849	327,363	--	--	327,363
Convertible, redeemable preferred stock	411,283	--	173,000	584,283	--	--	584,283
Stockholders' equity	1,062,461	788,704	1,234,296	3,085,461	80,441	818,559	3,984,461
Total liabilities and stockholders' equity	$2,404,594	$847,977	$1,774,145	$5,026,716	$98,600	$839,559	$5,964,875

Unaudited Pro Forma Condensed Combined Statement of Operations
Twelve Months Ended July 31, 1999
(In thousands, except per share data)

	CMGI	AltaVista Business	Pro Forma Adjustments	Subtotal	Flycast	Pro Forma Adjustments	Pro Forma as Adjusted
Net revenues	$175,666	$ 97,838	$ --	$ 273,504	$ 18,596	$ --	$ 292,100
Operating expenses:							
Cost of revenues	168,909	64,155	--	233,064	12,901	--	245,965
Research and development	22,478	27,105	--	49,583	4,760	--	54,343
In-process research and development	6,061	--	--	6,061	--	--	6,061
Selling	45,667	79,210	--	124,877	12,309	--	137,186
General and administrative	59,210	203,748	688,465 (B) (8,906)(D)	942,517	5,326	279,853 (C) (1,786)(D)	1,225,910
Total operating expenses	302,325	374,218	679,559	1,356,102	35,296	278,067	1,669,465
Operating loss	(126,659)	(276,380)	(679,559)	(1,082,598)	(16,700)	(278,067)	(1,377,365)
Other income (expense):							
Interest income (expense), net	269	(7,555)	(23,100)(E)	(30,386)	(39)	--	(30,425)
Equity in losses of affiliates	(15,737)	--	--	(15,737)	--	--	(15,737)
Minority interest	2,331	--	75,870 (F)	78,201	--	--	78,201
Non-operating gains, net	889,041	--	--	889,041	--	--	889,041
	875,904	(7,555)	52,770	921,119	(39)	--	921,080
Income (loss) from continuing operations before income taxes	749,245	(283,935)	(626,789)	(161,479)	(16,739)	(278,067)	(456,285)
Income tax expense (benefit)	325,402	--	(292,309)(G)	33,093	2	(5,236)(G)	27,859
Income (loss) from continuing operations	423,843	(283,935)	(334,480)	(194,572)	(16,741)	(272,831)	(484,144)
Preferred stock accretion	(1,662)	--	--	(1,662)	(998)	998 (H)	(1,662)
Income (loss) from continuing operations available to common stockholders	$422,181	$(283,935)	$(334,480)	$ (196,234)	$(17,739)	$(271,833)	$ (485,806)
Basic earnings (loss) from continuing operations per share	$ 4.53	--	--	$ (1.73)(I)	--	--	$ (4.02)(J)
Diluted earnings (loss) from continuing operations per share	$ 4.10	--	--	$ (1.73)(I)	--	--	$ (4.02)(J)
Shares used in computing earnings (loss) from continuing operations per share:							
Basic	93,266	--	--	113,718 (I)	--	--	120,948 (J)
Diluted	103,416	--	--	113,718 (I)	--	--	120,948 (J)

Notes to the Unaudited Pro Forma Condensed Combined Financial Information

(1) Pro Forma Adjustments and Assumptions

(A) The pro forma financial information reflects CMGI's acquisition of an 81.495% equity stake in the AltaVista business for consideration preliminarily valued at approximately $2.42 billion on August 18, 1999, including approximately $4.0 million in costs of acquisition (see description of the components of the consideration above). The acquisition costs consist primarily of investment banker, legal and accounting fees incurred by CMGI directly related to the acquisition of the AltaVista business.

The pro forma financial information also reflects the acquisition of Flycast for consideration preliminarily valued at $920 million, consisting of: CMGI common stock valued at approximately $709 million, options to purchase CMGI common stock valued at approximately $190 million and estimated direct acquisition costs of $21 million. Since the acquisition has not yet been completed, the actual consideration for the acquisition of Flycast can not yet be determined. For the purpose of the pro forma financial information, the number of shares of CMGI common stock assumed issued in the acquisition of Flycast is approximately 7.2 million. This amount is based on the number of shares of Flycast common stock outstanding as of September 29, 1999, the date of the CMGI-Flycast merger agreement. Similarly, the estimated value of the options to purchase CMGI common stock to be issued in the acquisition of Flycast is based on the outstanding options to purchase Flycast common stock as of September 29, 1999. The actual number of CMGI common shares and stock options to be issued will be based on the actual outstanding Flycast common shares and stock options as of the date of completion of the merger. The estimated acquisition costs consist primarily of investment banker, legal and accounting fees to be incurred which are directly related to the acquisition of Flycast.

The following represents the allocations of the purchase prices over 81.495% of the historical net book values of the acquired assets and assumed liabilities of the AltaVista business and 100% of the historical net book values of the acquired assets and assumed liabilities of Flycast as of the date of the pro forma balance sheet, and is for illustrative purposes only. The actual purchase price allocation will be based on fair values of the acquired assets and assumed liabilities as of the actual acquisition dates. Assuming the transactions occurred on July 31, 1999, the allocation would have been as follows (in thousands):

	AltaVista Business	Flycast
Working capital (deficit), including cash acquired	$ (18,808)	$ 77,663
Other non-current assets	52,919	6,907
Non-current liabilities	(3,106)	(4,129)
Goodwill and other intangible assets	2,388,995	839,559
Purchase price	$2,420,000	$920,000

The pro forma adjustment reconciles the historical balance sheets of the AltaVista business and Flycast to the allocated purchase prices above and include the accrual of approximately $4.0 million and $21.0 million of estimated acquisition costs to be paid by CMGI related to the acquisitions of the AltaVista business and Flycast, respectively.

The cash and cash equivalents of the AltaVista business as of August 18, 1999 were retained by Compaq at the date of acquisition and, accordingly, the pro forma adjustment and the allocation of the purchase price as of July 31, 1999 include the effect of this event.

(B) The pro forma adjustment includes $796.3 million in amortization of goodwill and other intangible assets (per the allocation in (A) above) that would have been recorded during the period covered by the pro forma statement of operations related to the acquisition of the AltaVista business. The adjustment amount has been reduced by $132.8 million, which represents 81.495% of the amortization of goodwill and other intangible assets recorded in the historical financial statements of the AltaVista business. The historical financial statements of the AltaVista business represented in the pro forma statement of operations include amortization of goodwill and other intangible assets totaling $163.0 million. These amounts relate to Compaq's acquisition of Digital in June 1998 and Compaq/Digital's acquisitions of Shopping.com and Zip2 Corporation in January 1999 and April 1999, respectively. The pro forma adjustment also includes an increase in expense of $24.9 million, which represents 18.505% of the incremental amount of goodwill and other intangible assets amortization that would have been recorded in the historical financial statements of the AltaVista business if Compaq/Digital's acquisitions of Shopping.com and Zip2 Corporation had occurred on August 1, 1998.

The pro forma adjustment is based on the assumption that the entire amount identified as goodwill and other intangible assets in CMGI's acquisition of the AltaVista business will be amortized on a straight-line basis over a three-year period. CMGI has not yet completed the valuation of the actual intangible assets acquired at August 18, 1999. When completed, certain amounts identified as intangible assets may be amortized over periods other than the three-year period represented in the pro forma statement of operations. Additionally, a portion of the purchase price may be identified as in-process research and development. This amount, if any, will be charged to operating results in CMGI's fiscal year 2000 financial statements when the acquisition accounting and valuation amounts are finalized. The pro forma statement of operations does not give effect to any potential in-process research and development charge related to the acquisition of the AltaVista business.

(C) The pro forma adjustment represents amortization of goodwill and other intangible assets (per the allocation in (A) above) that would have been recorded during the period covered by the pro forma statement of operations related to the acquisition of Flycast.

The pro forma adjustment is based on the assumption that the entire amount identified as goodwill and other intangible assets in CMGI's acquisition of Flycast will be amortized on a straight-line basis over a three-year period. The valuation of the actual intangible assets will not be completed until the acquisition of Flycast is complete. When completed, certain amounts identified as intangible assets may be amortized over periods other than the three-year period represented in the pro forma statement of operations. Additionally, a portion of the purchase price may be identified as in-process research and development. This amount, if any, will be charged to operating results in CMGI's fiscal year 2000 financial statements when the acquisition accounting and valuation amounts are finalized. The pro forma statement of operations does not give effect to any potential in-process research and development charge related to the acquisition of Flycast.

(D) The pro forma adjustments relate to stock-based compensation charges recorded in the historical financial statements of the AltaVista business and Flycast. The value of the stock options to which these charges related is included in the calculation of the purchase consideration. Accordingly, on a pro forma basis, these expenses have been eliminated.

(E) The pro forma adjustment reflects the interest expense that would have been recorded by CMGI related to the $220 million of aggregate principal amounts of notes payable issued in the acquisition of the AltaVista business. The notes bear interest at an annual rate of 10.5%.

(F) The pro forma adjustment reflects the 18.505% minority interest in the results of operations of the AltaVista business assuming that CMGI's acquisition of 81.495% of the AltaVista business occurred on August 1, 1998.

(G) The pro forma adjustments reflect the income tax benefit that would have been recorded by CMGI in its fiscal 1999 consolidated statement of operations related to the AltaVista business' and Flycast's losses for the comparable period and the income tax effect, if any, of the other pre-tax pro forma adjustments. The pro forma adjustments assume that CMGI would recognize a federal tax benefit for the amortization of goodwill and other intangible assets related to the acquisition of the AltaVista business, but would not recognize a federal tax benefit for the amortization of goodwill and other intangible assets related to the acquisition of Flycast. The pro forma adjustments also assume that CMGI would record a valuation allowance for all state tax benefits associated with the AltaVista business and Flycast. Actual effective tax rates may differ from pro forma rates reflected in this pro forma financial information.

(H) The pro forma adjustment reflects the elimination of preferred stock accretion recorded in Flycast's historical financial statements. Assuming the acquisition of Flycast occurred on August 1, 1998, the preferred stock, to which this accretion relates, would not have been outstanding during the period covered by the pro forma statement of operations.

(I) Since the pro forma statement of operations results in a loss from continuing operations, the pro forma basic and diluted loss from continuing operations per common share are computed by dividing the loss from continuing operations available to common stockholders by the weighted average number of common shares outstanding. The calculation of the pro forma weighted average number of common shares outstanding assumes that the 18,994,975 shares of CMGI's common stock issued in the acquisition of the AltaVista business were outstanding for the entire period. The calculation of the pro forma weighted average number of common shares outstanding also assumes that the 18,090.45 shares of CMGI's Series D preferred stock were converted into 1,809,045 shares of CMGI common stock on October 11, 1998 (the 71st day after the assumed acquisition date of August 1, 1998) and that such common shares were outstanding for the entire period thereafter. The Series D preferred shares were converted into common stock on October 28, 1999 (the 71st day after the actual acquisition date of August 18, 1999).

(J) Since the pro forma statement of operations results in a loss from continuing operations, the pro forma basic and diluted loss from continuing operations per common share are computed by dividing the loss from continuing operations available to common stockholders by the weighted average number of common shares outstanding. The calculation of the weighted average number of common shares outstanding assumes that the 18,994,975 shares of CMGI's common stock issued in the acquisition of the AltaVista business and the 7.2 million shares of CMGI's common stock estimated to be issued in the acquisition of Flycast were outstanding for the entire period. The calculation of the weighted average number of common shares outstanding also assumes that the 18,090.45 shares of CMGI's Series D preferred stock were converted into 1,809,045 shares of CMGI common stock on October 11, 1998 (the 71st day after the assumed acquisition date of August 1, 1998) and that such common shares were outstanding for the entire period thereafter. The Series D preferred shares were converted into common stock on October 28, 1999 (the 71st day after the actual acquisition date of August 18, 1999).

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT OF CMGI

The following table sets forth information as to the number of shares of CMGI common stock beneficially owned as of September 30, 1999, and certain pro forma ownership information, assuming that the merger had been consummated as of September 30, 1999, as to the number of shares of CMGI common stock that will be beneficially owned, by:

- each person that beneficially owns more than 5% of the outstanding shares of CMGI common stock,
- each director of CMGI,
- the chief executive officer and the four other most highly compensated executive officers of CMGI; and
- CMGI executive officers and directors, as a group.

Except as indicated by the notes to the following table, the holders listed below will have sole voting power and investment power over the shares beneficially held by them.

	Amount and Nature of Beneficial Ownership(1)		Amount and Nature of Beneficial Ownership After the Merger(1)	
Name and Address of Beneficial Owner	Number of Shares	Percent of Class(2)	Number of Shares	Percent of Class(3)
5% Stockholders				
Compaq Computer Corporation(4)	20,804,020	17.6%	20,804,020	16.8%
FMR Corp.(5)	9,594,100	8.2%	9,594,100	7.8%
Directors				
David S. Wetherell(6)	17,776,828	15.1%	17,776,828	14.2%
William H. Berkman	--	--	--	--
Craig D. Goldman(7)	195,200	*	195,200	*
Avram Miller(8)	--	--	--	--
Robert J. Ranalli(9)	5,200	*	5,200	*
William D. Strecker	--	--	--	--
Other Named Executive Officers				
Andrew J. Hajducky III(10)	146,249	*	146,249	*
Hans Hawrysz(11)	27,800	*	27,800	*
Richard F. Torre(12)	57,544	*	57,544	*
Paul L. Schaut(13)	14,296	*	14,296	*
All executive officers and directors, as a group (14 persons)(14)	18,466,714	15.6%	18,466,714	14.7%

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* Less than 1% of CMGI's outstanding common stock.

(1) The number of shares beneficially owned by each director, executive officer and stockholder is determined under rules promulgated by the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any presently exercisable options, which are any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days after September 30, 1999 through the exercise of any stock option or other right. The inclusion herein of such shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of such shares. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares such power with his or her spouse) with respect to all shares of capital stock listed as owned by such person or entity.

(2) Number of shares deemed outstanding includes 116,505,138 shares of common stock as of September 30, 1999, plus any shares subject to presently exercisable options held by the person in question.

(3) Number of shares deemed outstanding includes 116,505,138 shares of common stock as of September 30, 1999 and 7,185,187 shares of CMGI common stock to be issued in the merger (based on the number of shares of Flycast common stock outstanding on such date), plus any shares subject to presently exercisable options held by the person in question.

(4) Consists of shares held of record by Digital Equipment Corporation, a wholly owned subsidiary of Compaq Computer Corporation, as of October 28, 1999. Compaq and Digital share investment and voting control regarding these shares. The address of Compaq Computer Corporation is 20555 State Highway 249, Houston, TX 77070-2698.

(5) Based on the information provided in Amendment No. 7 to the Schedule 13G filed by FMR Corp. with the Securities and Exchange Commission on May 10, 1999. FMR Corp. has sole dispositive power with respect to such shares, and sole voting power with respect to 5,001,060 of such shares. The address of FMR Corp. is 82 Devonshire Street, Boston, MA 02109.

(6) Includes 1,345,888 shares which may be acquired by Mr. Wetherell pursuant to presently exercisable options. Also includes (i) 8,466,336 shares held by a limited liability company of which Mr. Wetherell owns a membership interest and which is managed by a limited liability company of which Mr. Wetherell is a manager and (ii) 23,372 shares held by Mr. Wetherell and his wife as trustees for the David S. Wetherell Charitable Trust, for a total of 8,489,708 shares with respect to which Mr. Wetherell disclaims beneficial ownership. Mr. Wetherell's address is c/o CMGI, Inc., 100 Brickstone Square, Andover, MA 01810.

(7) Includes 75,200 shares which may be acquired by Mr. Goldman pursuant to presently exercisable options. Mr. Goldman is also deemed the beneficial owner of (i) 10,000 shares of the common stock, $0.01 par value per share, of SalesLink Corporation, a subsidiary of CMGI, (ii) 10,000 shares of the common stock, $0.01 par value per share, of NaviSite, Inc., a subsidiary of CMGI, and (iii) 41,666 shares of the common stock, $0.01 par value per share, of Engage Technologies, Inc., a subsidiary of CMGI, all of which shares may be acquired by Mr. Goldman pursuant to presently exercisable options. These shares represent less than 1% of the voting power of the outstanding capital stock of SalesLink, NaviSite and Engage, respectively.

(8) Mr. Miller is deemed the beneficial owner of 5,208 shares of common stock, $0.01 par value per share, of AltaVista Company, a subsidiary of CMGI, which shares may be acquired by Mr. Miller pursuant to presently exercisable options. These shares represent less than one percent of the voting power of the outstanding capital stock of AltaVista Company.

(9) Consists of 5,200 shares which may be acquired by Mr. Ranalli pursuant to presently exercisable options. Mr. Ranalli is also deemed the beneficial owner of (i) 5,000 shares of the common stock, $0.01 par value per share, of MyWay.com (formerly Planet Direct Corporation), a subsidiary of CMGI, and (ii) 5,208 shares of common stock, $0.01 par value per share, of AltaVista Company, all of which shares may be acquired by Mr. Ranalli pursuant to presently exercisable options. These shares represent less than 1% of the voting power of the outstanding capital stock of MyWay.com and AltaVista Company, respectively.

(10) Includes 125,497 shares which may be acquired by Mr. Hajducky pursuant to presently exercisable options.

(11) Includes 11,800 shares which may be acquired by Mr. Hawrysz pursuant to presently exercisable options. Mr. Hawrysz also owns 250,000 shares of the common stock, $0.01 par value per share, of MyWay.com. These shares represent approximately 3% of the voting power of the outstanding capital stock of MyWay.com.

(12) Includes 36,669 shares which may be acquired by Mr. Torre pursuant to presently exercisable options and 250 shares held in trust for the benefit of Mr. Torre's minor children. Mr. Torre is also deemed the beneficial owner of 261,250 shares of the common stock, $0.01 par value per share, of SalesLink, which shares may be acquired by Mr. Torre pursuant to presently exercisable options. These shares represent approximately 3% of the voting power of the outstanding capital stock of SalesLink.

(13) Includes 13,582 shares which may be acquired by Mr. Schaut pursuant to presently exercisable options. Mr. Schaut is also deemed the beneficial owner of 302,483 shares of the common stock, $0.01 par value per share, of Engage, including 49,999 shares of common stock of Engage which shares may be acquired by Mr. Schaut pursuant to presently exercisable options. These shares represent less than 1% of the voting power of the outstanding capital stock of Engage.

(14) Includes 1,856,905 shares which may be acquired pursuant to presently exercisable options.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT OF FLYCAST

The following table sets forth information concerning the beneficial ownership of common stock of Flycast for the following:

- each person or entity who is known by Flycast to own beneficially more than 5% of the outstanding shares of Flycast's common stock;

- each of Flycast's current directors; and

- all directors and executive officers of Flycast as a group.

The pre-merger percentage ownership is based on 15,165,021 of Flycast common stock outstanding as of September 30, 1999. All shares subject to options and warrants exercisable within 60 days after September 30, 1999 are deemed to be beneficially owned by the person or entity holding that option or warrant and to be outstanding solely for calculating that person's or entity's percentage ownership. Except as indicated by the notes to the following table, the holders listed below will have sole voting power and investment power over the shares beneficially held by them.

Except as otherwise noted, the address of each person listed in the table is c/o Flycast Communications Corporation, 181 Fremont Street, San Francisco, California 94105. Unless otherwise indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

	Pre-Merger Amount and Nature of Beneficial Ownership	
Name and Address of Beneficial Owner	Number of Shares	Percent of Class
5% Stockholders		
Entities affiliated with Charles River Partnership(1) 1000 Winter Street, Suite 3300 Waltham, MA 02154	2,093,837	13.81%
Entities affiliated with St. Paul Venture Capital(2) 8500 Normandale Lake Blvd., Suite 1940 Bloomington, MN 55437	1,256,302	8.28%
Richard L. Thompson(3)	1,030,000	6.87%
Directors and Officers		
David J. Cowan Entities affiliated with Bessemer Venture Partners(4) 1400 Old Country Rd., Suite 407 Westbury, NY 11590	2,130,968	14.05%
George R. Garrick(5)	900,833	5.94%
Gary L. Prophitt(6)	442,477	2.92%
Lyn Chitow Oakes(7)	131,825	*
Thomas L. Marcus(8)	26,666	*
Jeff Lehman(9)	36,459	*
Michael D. Solomon	140,000	*
Peter T. Nicas(10)	132,604	*
Ralph Harms(11)	28,646	*
Howard C. Draft(12)	25,531	*
All current directors and officers as a group (10 persons)(13)	3,996,009	26.4%

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* Less than 1% of Flycast's outstanding common stock.

(1) Represents 2,055,928 shares of outstanding common stock held by Charles River Partnership VIII, A Limited Partnership; and 37,909 shares of outstanding common stock held by Charles River VIII-A, LLC.

(2) Represents 34,548 shares of outstanding common stock held by St. Paul Venture Capital Affiliates Fund I, LLC and 1,221,754 shares of outstanding common stock held by St. Paul Venture Capital IV, LLC.

(3) Represents 80,000 shares of outstanding common stock held by Richard L. Thompson (in the name of his individual retirement account); and 950,000 shares of outstanding common stock held by Mr. Thompson. Includes 9,524 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option and 2,976 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(4) Represents:

- 761,855 shares of outstanding common stock held by Bessec Ventures IV, L.P.;
- 209,762 shares of outstanding common stock held by Bessemer Venture Investors, L.P.;
- 761,852 shares of outstanding common stock held by Bessemer Venture Partners IV, L.P.;
- 71,884 shares of outstanding common stock held by BVP IV Special Situations, L.P.; and
- 325,615 shares of outstanding common stock held by various other individuals or entities, including 19,099 shares of outstanding common stock held by David J. Cowan, that are either managers or former members of Deer IV & Co. LLC or employees of Deer II & Co. LLC or individuals or entities associated with Bessemer Securities Corporation.

Mr. Cowan, a director of Flycast and a manager of Deer IV & Co., LLC, which is the general partner of each of these partnerships, shares voting and dispositive power with respect to the shares held by each this entity, and disclaims beneficial ownership of those shares in which he has no pecuniary interest.

(5) Includes 320,000 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option, and 410,833 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(6) Represents 442,477 shares of common stock held by Intelligent Media Ventures, Inc., an entity of which Mr. Prophitt is an executive officer. Mr. Prophitt disclaims beneficial ownership of these shares except to the extent he has pecuniary interest in these shares.

(7) Includes 5,555 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option and 1,270 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(8) Includes 5,555 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option and 21,111 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(9) Includes 9,524 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option and 26,935 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(10) Includes 57,359 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option and 5,245 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(11) Includes 10,784 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of an incentive stock option and 17,862 shares of common stock issuable upon the exercise of nonqualified stock options within 60 days of September 30, 1999.

(12) Represents 5,531 shares of common stock held in the name of DF LLC, an Illinois limited liability company in which Mr. Draft is a managing partner and 20,000 shares of common stock previously exercised through an nonqualified stock option, all of which have vested.

(13) Represents shares listed as to all current directors and executive officers, notwithstanding the fact that some directors or executive officers may disclaim beneficial ownership of these shares, and includes 1,155,178 shares of common stock issuable within 60 days of September 30, 1999 upon the exercise of outstanding options.

COMPARISON OF STOCKHOLDER RIGHTS

Both CMGI and Flycast are corporations organized under the laws of Delaware and are therefore subject to the Delaware corporation statute. However, there are differences in the charters and by-laws of CMGI and Flycast. The following is a brief summary of certain differences between the rights of Flycast stockholders and the rights of CMGI stockholders, and is qualified in its entirety by reference to the relevant provisions of the charter and by-laws of CMGI and Flycast. See "Where You Can Find More Information" on page 91. Following the effective time of the merger, the rights of former Flycast stockholders will be governed by the charter and by-laws of CMGI.

Capitalization

CMGI. CMGI is authorized to issue 400,000,000 shares of common stock and 5,000,000 shares of preferred stock, of which 250 shares are designated Series A convertible preferred stock, 50,000 shares are designated Series B preferred stock and 375,000 shares have been designated as Series C preferred stock. The CMGI board of directors has the authority, without stockholder approval, to issue shares of authorized preferred stock from time to time in one or more series and to fix the rights and preferences, including voting rights, of each series of preferred stock, which rights and preferences may be superior to that of CMGI common stock. On November 1, 1999, CMGI had issued and outstanding:

- 118,314,183 shares of common stock;
- no shares of Series A preferred stock;
- 35,000 shares of Series B preferred stock (convertible into an aggregate of 1,384,538 shares of common stock); and
- 375,000 shares of Series C preferred stock (convertible into an aggregate of 4,722,215 shares of common stock).

The maximum number of shares of CMGI common stock into which shares of Series B preferred stock may be converted is 4,166,668, subject to adjustment.

Flycast. Flycast is authorized to issue 100,000,000 shares of common stock and 2,000,000 shares of preferred stock. Flycast's board of directors has the authority, without stockholder approval, to determine or alter the rights, preferences, privileges and restrictions on any unissued shares of preferred stock. On November 12, 1999, Flycast had issued and outstanding:

- 15,131,668 shares of common stock; and
- no shares of preferred stock

Voting Rights

CMGI. Each holder of CMGI common stock is entitled one vote for each share. Holders of each of Series B preferred stock and Series C preferred stock have no voting power except as otherwise provided by the Delaware corporation statute and the charter. On such matters where the holders of each of Series B preferred stock and Series C preferred stock have a right to vote with the holders of CMGI common stock, they are entitled to vote their shares on an as converted basis.

CMGI's charter also gives the holders of each of Series B preferred stock and Series C preferred stock the right to vote on enumerated actions that if taken by CMGI would impair their rights, preferences and privileges. Accordingly, CMGI must first obtain the affirmative vote or written consent of the holders of a majority of the outstanding shares of such series of preferred stock being adversely affected, before taking actions such as:

- changing the rights, preferences or privileges of such series of preferred stock or any other capital stock of CMGI;

- increasing the number of authorized shares of such series of preferred stock;

- authorizing or issuing any new class or series of securities senior or equal to such series of preferred stock; and

- increasing the par value of the CMGI common stock.

Flycast. Each holder of Flycast common stock is entitled to one vote for each share and may not cumulate votes for the election of directors.

Number and Classification of Directors

CMGI. CMGI's by-laws provide that its board of directors will consist of at least three, but not more than 15, persons, and will designate the authorized number of directors. CMGI's charter and by-laws provide for a classified board of directors with three classes, each elected for a three year term, consisting of as nearly an equal number of directors as possible. The elections are staggered to provide for the election of a different class at each annual meeting of the CMGI stockholders.

Flycast. Flycast's bylaws provide that its board of directors will consist of at least one person, unless changed by the board of directors. Currently, there are five directors. The board of directors is elected at Flycast's annual meeting and holds office until the next annual meeting.

Removal of Directors

CMGI. Subject to the rights of holders of any class or series of CMGI capital stock having a preference over the CMGI common stock, CMGI's charter and by-laws provide that the CMGI stockholders may remove directors from office at any annual or special meeting of the stockholders by the affirmative vote of at least 75% of the outstanding shares of capital stock of CMGI entitled to vote in an election of directors.

Flycast. Flycast's charter and bylaws provide that the Flycast stockholders may remove directors from office at any time with cause by the affirmative vote of the holders of at least a majority of the outstanding shares of capital stock of Flycast, voting together as a single class. Flycast stockholders may also remove directors without cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of capital stock of Flycast.

Filling Vacancies on the Board of Directors

CMGI. CMGI's charter and by-laws provide that its board of directors may fill a vacancy on the board, including a vacancy resulting from an increase in the size of the board, by an affirmative vote of the majority of the directors then in office, although less than a quorum, or by a sole remaining director, except as may be required by law. A director so elected will hold office until the next election of such director's class and until a successor is elected and qualified. A decrease in the number of authorized directors will not shorten an incumbent director's term.

Flycast. Flycast's bylaws provide that its board of directors may fill a vacancy on the board, including a vacancy resulting from any increase in the authorized number of directors, by an affirmative vote of the majority of the directors then in office, although less than a quorum, or by a sole remaining director.

Charter Amendments

CMGI. CMGI's charter provides that the affirmative vote of at least 75% of the shares of CMGI capital stock outstanding and entitled to vote is required to amend, repeal or adopt a provision inconsistent with the following provisions of the charter:

- stockholder action and special meetings of stockholders;
- the board's authority and powers, including the authority to amend the by-laws and provide for the issuance of preferred stock without stockholder approval;
- number, election and terms of directors;
- personal liability of directors;
- indemnification of directors and officers;
- factors the board may consider in determining tender offers or offers relating to business combinations or sale of assets;
- restrictions on repurchases by CMGI of shares of its capital stock from a holder who beneficially owns more than 5% of the outstanding shares of CMGI capital stock entitled to vote in the election of directors;
- the requirement for a higher vote of stockholders for business combination proposals; and
- CMGI's reservation of its right to amend, alter, change or repeal any other provision of the charter in the manner prescribed by Delaware corporate statute.

In addition, any amendment to the charter that would adversely affect the rights and preferences of each of Series B preferred stock and Series C preferred stock must be approved by a majority of the outstanding shares of the holders of the series being so affected.

Flycast. Flycast's charter provides that the affirmative vote of at least 66 2/3% of the shares of Flycast capital stock outstanding and entitled to vote is required to amend, repeal or adopt a provision inconsistent with the purpose or intent of the following provisions of the charter:

- the board's authority and powers, including the authority to adopt, alter, amend or repeal Flycast's bylaws;
- the number of directors;
- the election of directors;
- the meeting of stockholders;
- the availability of stockholder action by written consent;
- the manner of notice for new business and stockholder nominations for directors;
- the indemnification of directors of the corporation; and
- the status of the corporation as a Listed Corporation within the meaning of Section 301.5 of the California Corporations Code permitting.

Amendments to By-Laws

CMGI. CMGI's charter and by-laws provide that its board of directors may amend the by-laws by a majority vote of the authorized number of directors. In addition, CMGI's charter and by-laws provide that the CMGI stockholders may amend the by-laws by an affirmative vote of 75% of the shares of CMGI capital stock outstanding and entitled to vote in an election of directors, voting together as a single class.

Flycast. Flycast's charter and bylaws provide that the board of directors may amend the bylaws. In addition, Flycast's charter and bylaws provide that the Flycast stockholders may amend the bylaws by an affirmative vote of 75% of the shares of Flycast capital stock outstanding and entitled to vote in an election of directors, voting together as a single class.

Notice of Stockholder Actions

CMGI. CMGI's by-laws provide that in order to nominate directors or bring business before an annual meeting, stockholders must provide written notice to the secretary of CMGI at least 120 days before the annual meeting date that was stated in connection with the previous year's annual meeting. However, if CMGI did not hold an annual meeting in the previous year or has changed the annual meeting date by more than 30 days, then a stockholder must provide notice at least 30 calendar days before the date on which the notice of the annual meeting date is first mailed to stockholders.

Flycast. Flycast's bylaws provide that in order for a stockholder to nominate directors or bring business before an annual meeting, the stockholder's notice must be mailed to and received at Flycast's offices not less than 60 nor more than 90 days prior to the first anniversary of the preceding year's annual meeting. However, if the date of the meeting is changed by more than 30 days from the anniversary of the preceding year's annual meeting, the stockholder's notice must be received not later than the close of business on the tenth day following the earlier of the day on which the notice of the date of the meeting was mailed or public disclosure about the date of the meeting was made.

Right to Call Special Meeting of Stockholders

CMGI. CMGI's by-laws restrict the persons who may call a special meeting of CMGI stockholders to the chairman of the board, the board of directors if pursuant to a resolution approved by a majority of the total authorized number of directors, or the CMGI stockholders if pursuant to a written request of the holders of 20% of the shares outstanding and entitled to vote at an election of directors. The business to be conducted at any special meeting of CMGI stockholders is limited to the business brought before the meeting by such persons.

Flycast. Flycast's bylaws restrict the persons who may call a special meeting of Flycast stockholders to the board of directors, the chairman of the board, the president and Flycast stockholders holding not less than 50% of the shares entitled to vote at the meeting. The business to be conducted at any special meeting of Flycast stockholders is limited to the business brought before the meeting by such persons.

Dividends and Distributions

CMGI. CMGI's charter provides that its board of directors, at its discretion, may declare and pay dividends out of funds legally available for dividends to the holders of CMGI common stock and Series C preferred stock. Series B preferred stock does not bear any dividends. Series C preferred stock ranks senior to CMGI common stock as to payment of dividends.

Holders of Series C preferred stock are entitled to receive cumulative dividends equal to the annual dividend amount of 2% of its stated value ($1,000), payable semiannually, either in cash or, at CMGI's option, by an upward adjustment to the stated value per share. In addition, in most circumstances, restrictions apply on distributions made to a series or class of CMGI securities junior in rank to each of Series B preferred stock and Series C preferred stock. Accordingly, CMGI must obtain the written consent of the holders of the majority of the outstanding shares of each of Series B preferred stock and Series C preferred stock, each voting as a class, prior to making such a junior security distribution.

Flycast. The Flycast bylaws provide that the board of directors may declare and pay dividends upon its shares, subject to any restrictions in the DGCL. The DGCL provides that the Flycast board of directors, at its discretion, may declare and pay dividends out of funds legally available to the holders of Flycast common stock.

Redemption

CMGI. CMGI common stock is not subject to redemption.

CMGI must redeem shares of Series B preferred stock upon the occurrence of circumstances specified in the charter, including CMGI's assignment of all or substantially all its property or business for the benefit of its creditors and the institution of bankruptcy, insolvency, reorganization or liquidation proceedings by or against

CMGI. In addition, holders of Series B preferred stock have the right to cause CMGI to redeem their shares under specified circumstances, including CMGI's failure either to issue shares of its common stock upon the conversion by holders of shares of Series B preferred stock or to maintain the listing of its common stock on the Nasdaq National Market. The redemption price per share is the greater of a specified percentage of the stated value ($1,000) of Series B preferred stock plus an amount equal to 4% per annum of the stated value and the market price of CMGI common stock during the period specified in CMGI's charter.

In addition, at any time after December 21, 1999, CMGI has the option to redeem shares of Series B preferred stock in the event that the closing price of CMGI common stock is less than $18.25 for a period of ten consecutive trading days. In such an event, the redemption price per share is 115% of the stated value plus an amount equal to 4% per annum of the stated value.

Holders of shares of Series C preferred stock have the right to cause CMGI to redeem their shares upon the occurrence of events specified in the charter, including CMGI's failure to issue shares of common stock upon conversion by holders of shares of Series C preferred stock. The redemption price will be an amount per share equal to the liquidation preference on the date of notice to CMGI from the holder of Series C preferred stock demanding redemption.

Flycast. Flycast common stock is not subject to redemption.

Liquidation

CMGI. In the event of any liquidation or dissolution of CMGI, holders of CMGI capital stock are entitled to liquidation distributions. Series B preferred stock ranks senior to Series C preferred stock which ranks senior to CMGI common stock as to liquidation distributions.

Holders of Series B preferred stock are entitled to an amount per share equal to the sum of the stated value plus an amount equal to 4% per annum of the stated value for the period beginning on the issue date and ending on the date of final distribution to the holder (prorated for any portion of such period). CMGI's charter specifies corporate events, including a consolidation or merger where CMGI is not the surviving corporation, that holders of Series B preferred stock may elect to treat as a liquidation event and receive a liquidation distribution equal to 118% of the stated value plus an amount equal to 4% per annum of the stated value. Alternatively, holders of Series B preferred stock may elect to have the conversion price for each share of Series B preferred stock be adjusted accordingly. An affirmative vote of the holders of a majority of the outstanding shares of Series B preferred stock is required for either election.

Holders of Series C preferred stock are entitled to receive an amount per share equal to the sum of the stated value, as adjusted, plus accrued but unpaid dividends. CMGI's charter specifies corporate events, including a consolidation or merger in which the CMGI stockholders do not own at least 50% of the voting power of the acquiring company, that holders of Series C preferred stock may elect either to treat as a liquidation event and receive a liquidation distributions or to have the conversion price for each share of Series C preferred stock be adjusted accordingly. An affirmative vote of the holders of at least two-thirds of the outstanding shares of Series C preferred stock is required for either election.

Flycast. Flycast's charter does not provide liquidation rights for any class of Flycast capital stock.

STOCKHOLDER PROPOSALS

Although it is expected that the closing of the merger with CMGI will occur promptly after the stockholder's special meeting, in the event the closing of the merger is delayed and Flycast is required to hold an annual meeting in 2000, it is expected that such annual meeting will be held on or about June 6, 2000. In such event, stockholder proposals for inclusion in the proxy material for Flycast's 2000 annual meeting of stockholders should be submitted to the secretary of Flycast in writing and received at the executive offices of Flycast by March 31, 2000. Such proposals must also have met the other requirements of the rules of the Securities and Exchange Commission relating to stockholder proposals and must have satisfied the notice procedures for stockholder proposals set forth in the Flycast by-laws.

The Flycast bylaws require that for business to be properly brought before a meeting called by a stockholder, the stockholder must have given timely written notice thereof, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail to the to the chairman of the board, the president, any vice president, or the secretary of Flycast.

LEGAL MATTERS

The validity of the shares of CMGI common stock to be issued in connection with the merger will be passed upon for CMGI by Hale and Dorr LLP.

EXPERTS

The consolidated financial statements and schedule of CMGI as of July 31, 1999 and 1998, and for each of the years in the three-year period ended July 31, 1999, have been incorporated by reference herein and elsewhere in this proxy statement/prospectus in reliance upon the report of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon authority of said firm as experts in accounting and auditing.

The financial statements of AltaVista Company for each of the years in the three-year period ended December 31, 1998, the financial statements of Zip2 for each of the years in the three-year period ended December 31, 1998, and the financial statements of Shopping.com for each of the years in the two-year period ended January 31, 1999, have been incorporated by reference herein in reliance upon the reports of PricewaterhouseCoopers LLP, independent accountants, given the authority of said firm as experts in auditing and accounting. The financial statements of Shopping.com as of the year ended January 31, 1997, have been incorporated by reference herein in reliance upon the report of Singer Lewak Greenbaum & Goldstein LLP, independent certified public accountants, upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Flycast as of December 31, 1997 and 1998 and for each of the three years in the period ended December 31, 1998, included in this proxy statement/prospectus and the related financial statement schedule included elsewhere in the registration statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and have been so included in reliance on the reports of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

CMGI and Flycast each files annual, quarterly and special reports, proxy statement/prospectus and other information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information that CMGI or Flycast files at the Securities Exchange Commission's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the Securities Exchange

Commission at 1-800-SEC-0330 for further information on the public reference rooms. Securities and Exchange Commission filings are also available to the public from commercial document retrieval services and at the web site maintained by the Securities and Exchange Commission at http://www.sec.gov.

CMGI filed with the Securities and Exchange Commission a registration statement on Form S-4 under the Securities Act of 1933 to register with the Securities and Exchange Commission the CMGI common stock issuable pursuant to the merger agreement. This proxy statement/prospectus does not contain all the information you can find in the registration statement or the exhibits and schedules to the registration statement. For further information with respect to CMGI, Flycast and the CMGI common stock, please refer to the registration statement, including the exhibits and schedules. You may inspect and copy the registration statement, including the exhibits and schedules, as described above. Statements contained in this proxy statement/prospectus about the contents of any contract or other document are not necessarily complete, and CMGI refers you, in each case, to the copy of such contract or other document filed as an exhibit to the registration statement.

The Securities and Exchange Commission allows us to "incorporate by reference" information into this proxy statement/prospectus, which means that CMGI can disclose important information to you by referring you to another document filed separately with the Securities and Exchange Commission. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information in this proxy statement/prospectus. This proxy statement/prospectus incorporates by reference the documents set forth below that CMGI has previously filed with the Securities and Exchange Commission. These documents contain important information about CMGI and its finances that you should read.

CMGI Securities and Exchange Commission Filings (File No. 000-23262)	Period
Annual Report on Form 10-K	Fiscal year ended July 31, 1999
Current Reports on Form 8-K	Filed on August 12, 1999, September 2, 1999, September 3, 1999, September 27, 1999 and October 1, 1999
Current Reports on Form 8-K/A	Filed on November 1, 1999 (amending the Current Report on Form 8-K filed on September 2, 1999) and filed on November 17, 1999 (further amending the Current Report on Form 8-K filed on September 2, 1999)
Definitive Proxy Statement on Schedule 14A	Annual Meeting of Stockholders to be held on December 17, 1999
Registration Statement on Form 8-A	Filed on January 11, 1994

CMGI is also incorporating by reference additional documents that CMGI may file with the Securities and Exchange Commission between the date of this proxy statement/prospectus and the date of the special meeting of Flycast stockholders.

CMGI has supplied all information contained or incorporated by reference in this proxy statement/prospectus relating to CMGI, and Flycast has supplied all information contained in this proxy statement/prospectus relating to Flycast.

Documents incorporated by reference are available from CMGI without charge, excluding all exhibits unless CMGI has specifically incorporated by reference an exhibit in this proxy statement/prospectus. Stockholders may obtain documents incorporated by reference in this proxy statement/prospectus from CMGI by requesting them in writing or by telephone at the following address:

CMGI, Inc.
Attention: Catherine Taylor
Director of Investor Relations
100 Brickstone Square
Andover, MA 01810
Telephone: (978) 684-3600
Internet address: http://www.cmgi.com

If you would like to request documents from CMGI, please do so by January 6, 2000, to receive them before the Flycast special meeting.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus to vote on the merger. CMGI and Flycast have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus. This proxy statement/prospectus is dated December 7, 1999. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than December 7, 1999, and neither the mailing of the proxy statement/prospectus to Flycast stockholders nor the issuance of CMGI common stock in the merger shall create any implication to the contrary.

Flycast Communications Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Flycast Communications Corporation:

We have audited the accompanying consolidated balance sheets of Flycast Communications Corporation and subsidiary (the "Company") as of December 31, 1997 and 1998, and the related consolidated statements of operations, common stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 1998. 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. The consolidated financial statements give retroactive effect to the merger of InterStep, Inc. with and into Flycast Communications Corporation on August 30, 1999, which has been accounted for as a pooling-of-interests as described in Note 9 to the consolidated financial statements.

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 misstatement. 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, such consolidated financial statements present fairly, in all material respects, the financial position of Flycast Communications Corporation and subsidiary at December 31, 1997 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
October 18, 1999

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	1997	1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,593	$ 5,197
Investments		183
Accounts receivable, net of allowance for doubtful accounts of $12 and $178, respectively	531	3,802
Prepaid expenses and other assets	40	267
Total current assets	4,164	9,449
PROPERTY AND EQUIPMENT, NET	703	1,945
OTHER ASSETS	18	108
TOTAL ASSETS	$ 4,885	$ 11,502
LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	$ 361	$ 2,561
Accrued liabilities	82	375
Accrued compensation and related expenses	63	460
Notes payable to stockholders	58	62
Short-term capital lease obligations	31	490
Short-term debt	--	983
Total current liabilities	595	4,931
LONG-TERM CAPITAL LEASE OBLIGATIONS	40	1,041
LONG-TERM DEBT	--	3,682
Total liabilities	635	9,654
MANDATORILY REDEEMABLE PREFERRED STOCK:		
Mandatorily redeemable convertible preferred stock, $0.0001 par value, 9,904,000 shares authorized:		
Series A, 920,000 shares designated, 911,295 shares issued and outstanding in 1997 and 1998 (aggregate liquidation preference $911)	951	1,027
Series B, 5,500,000 shares designated, 5,324,532 shares issued and outstanding in 1997 and 1998 (aggregate liquidation preference $7,082)	7,244	7,824
Series C, 3,484,000 shares designated, 497,785 shares issued and outstanding in 1998 (aggregate liquidation preference $4,500)	--	5,004
Total mandatorily redeemable preferred stock	8,195	13,855
COMMON STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock, $0.0001 par value, 20,000,000 shares authorized, 2,827,615 and 3,132,219 shares issued and outstanding in 1997 and 1998, respectively	247	922
Common stock options		2,929
Deferred stock compensation		(1,771)
Notes receivable from stockholders	(227)	(606)
Accumulated deficit	(3,965)	(13,481)
Total common stockholders' equity (deficit)	(3,945)	(12,007)
TOTAL LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY (DEFICIT)	$ 4,885	$ 11,502

See notes to consolidated financial statements.

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Years Ended December 31,		
	1996	1997	1998
REVENUE	$ 123	$ 934	$ 9,282
COST OF REVENUE	5	600	6,118
GROSS PROFIT	118	334	3,164
OPERATING EXPENSES:			
Sales and marketing	111	1,393	5,228
Research and development	218	1,473	3,010
General and administrative	183	807	2,216
Stock-based compensation			1,158
Total operating expenses	512	3,673	11,612
OPERATING LOSS	(394)	(3,339)	(8,448)
INTEREST INCOME	1	95	98
INTEREST EXPENSE	(2)	(102)	(510)
NET LOSS	$ (395)	$ (3,346)	$ (8,860)
ACCRETION OF MANDATORILY REDEEMABLE PREFERRED STOCK		(206)	(656)
LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (395)	$ (3,552)	$ (9,516)
BASIC AND DILUTED LOSS PER SHARE	$ (0.83)	$ (6.03)	$ (7.26)
SHARES USED IN BASIC AND DILUTED LOSS PER SHARE	476	589	1,311
PRO FORMA BASIC AND DILUTED LOSS PER SHARE (Note 1)			$ (1.25)
SHARES USED IN PRO FORMA BASIC AND DILUTED LOSS PER SHARE (Note 1)			7,589

See notes to consolidated financial statements.

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Common Stock		Common	Deferred Stock	Notes	Accumulated	
	Shares	Amount	Stock Options	Compensation	Receivable	Deficit	Total
BALANCE, JANUARY 1, 1996	475	$ 10				$ (18)	$ (8)
ISSUANCE OF COMMON STOCK FOR CASH AND NOTES RECEIVABLE	1	611			$ (16)		595
NET LOSS						(395)	(395)
BALANCE, DECEMBER 31, 1996	476	621			(16)	(413)	192
CONVERSION OF COMMON STOCK TO SERIES A PREFERRED STOCK	(1)	(611)			16		(595)
ISSUANCE OF COMMON STOCK FOR CASH AND NOTES RECEIVABLE	2,284	228			(227)		1
EXERCISE OF COMMON STOCK OPTIONS	68	7					7
ISSUANCE OF COMMON WARRANTS IN CONNECTION WITH ISSUANCE OF DEBT		2					2
ACCRETION OF MANDATORILY REDEEMABLE PREFERRED STOCK						(206)	(206)
NET LOSS						(3,346)	(3,346)
BALANCE, DECEMBER 31, 1997	2,827	247			(227)	(3,965)	(3,945)
EXERCISE OF COMMON STOCK OPTIONS	686	492			(446)		46
REPURCHASE OF COMMON STOCK	(425)	(42)			42		
PAYMENT ON NOTES RECEIVABLE					25		25
ISSUANCE OF COMMON STOCK FOR SERVICES	44	47					47
COMPENSATORY STOCK ARRANGEMENTS			$2,929	$(2,929)			
AMORTIZATION OF DEFERRED STOCK COMPENSATION				1,158			1,158
ISSUANCE OF COMMON STOCK OPTIONS AND WARRANTS FOR SERVICES		178					178
ACCRETION OF MANDATORILY REDEEMABLE PREFERRED STOCK						(656)	(656)
NET LOSS						(8,860)	(8,860)
BALANCE, DECEMBER 31, 1998	3,132	$922	$2,929	$(1,771)	$(606)	$(13,481)	$(12,007)

See notes to consolidated financial statements.

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	1996	1997	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (395)	$ (3,346)	$ (8,860)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	30	204	585
Provision for bad debts		12	236
Loss on sale of property and equipment			5
Stock and warrants issued for services			225
Noncash interest expense		71	248
Stock-based compensation expense			1,158
Changes in operating assets and liabilities:			
Accounts receivable	(50)	(493)	(3,507)
Prepaid expenses and other assets	(4)	(54)	(317)
Accounts payable	40	321	2,200
Accrued liabilities	30	121	694
Net cash used in operating activities	(349)	(3,164)	(7,333)
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Purchases of property and equipment	(252)	(569)	(132)
Proceeds from sale of property and equipment			4
Purchases of short term investments			(183)
Net cash used in investing activities	(252)	(569)	(311)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long term debt			5,100
Payments on long term debt			(179)
Payments on capital leases		(28)	(244)
Proceeds from notes payable to shareholders	19		
Payment on notes payable to shareholders		(5)	
Proceeds from payment of notes receivable from stockholders		16	25
Proceeds from issuance of common stock	595	8	46
Proceeds from issuance of preferred stock		7,308	4,500
Net cash provided by financing activities	614	7,299	9,248
NET INCREASE IN CASH AND CASH EQUIVALENTS	13	3,566	1,604
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	14	27	3,593
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 27	$ 3,593	$ 5,197
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest		$ 27	$ 258
Noncash financing and investing activities:			
Purchase of equipment under capital lease		$ 100	$ 1,704
Issuance of common stock for notes receivable	$ 16	$ 228	$ 446
Repurchase of common stock for extinguishment of debt			$ 42
Conversion of common stock to preferred stock		$ 611	

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization--Flycast Communications Corporation ("Flycast") commenced operations on April 14, 1996 (inception). Flycast is a leading provider of Web-based advertising solutions designed to maximize the return on investment for direct response advertisers and e-commerce companies. Flycast is headquartered in San Francisco.

Basis of Presentation--On August 30, 1999, Flycast completed a merger with InterStep, Inc. ("InterStep") a Massachusetts corporation which commenced operations in 1995. The transaction has been accounted for as a pooling-of-interests and, accordingly, the consolidated financial statements of Flycast Communications Corporation (the "Company") for all periods presented have been restated to include the accounts of InterStep (see Note 9). No adjustments were required to conform accounting policies of the entities. There were no significant intercompany transactions requiring elimination for any periods presented.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company performs ongoing credit evaluations of its customers' respective financial conditions, and, generally, requires no collateral from its customers. The Company maintains an allowance for uncollectible accounts receivable based on the expected collectibility of accounts receivable.

Cash equivalents consist of money market funds and certificates of deposit with original maturities of three months or less at the time of acquisition.

Investments consist of certificates of deposit with an original maturity date of greater than three months at the time of acquisition. Such investments are considered available for sale and have carrying values which approximate fair value.

Property and Equipment--Property and equipment are stated at cost. Equipment held under capital leases is stated at the present value of minimum lease payments. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Equipment held under capital leases is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

Revenue Recognition--Revenues derived from the delivery of advertising impressions through third-party Web sites and delivery of e-mail content are recognized in the period the advertising impressions or e-mail contents are delivered provided collection of the resulting receivable is probable. Revenues from list management and distribution services are recognized when services have been performed. Amounts payable to third party Web sites for advertisements displayed on such sites are recorded as cost of revenue in the period the advertising impressions or e-mails are delivered.

Advertising expenses are charged to operations as incurred. Advertising expenses were not significant in 1996 or 1997 and were $634,000 in 1998.

Research and development expenses are charged to operations as incurred.

Income Taxes--Deferred tax liabilities are recognized for future taxable amounts, and deferred tax assets are recognized for future deductions, net of a valuation allowance to reduce net deferred tax assets to amounts that are more likely than not to be realized.

Concentration of Credit Risk--Financial instruments that potentially subject the Company to concentration of credit risk consist of trade receivables. The Company's credit risk is mitigated by the Company's credit evaluation process and the reasonably short collection terms. The Company does not require collateral or other security to support accounts receivable and maintains reserves for potential credit losses.

Financial Instruments--The Company's financial instruments include cash and cash equivalents, short-term investments, notes receivable from stockholders and long-term debt. At December 31, 1997 and 1998, the fair values of these instruments approximated their financial statement carrying amounts.

Stock-Based Compensation--The Company accounts for its employee stock option plan in accordance with the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no accounting recognition is given to stock options granted to employees (including directors) at fair market value until they are exercised. Upon exercise, the net proceeds are credited to stockholders' equity (deficit). Compensation expense is recognized for stock options granted to employees (including directors) at less than fair market value.

The Company accounts for stock options issued to non-employees in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation" and Emerging Issues Task Force Issue No. 96-18 under the fair value based method.

Impairment of Long-Lived Assets and Long-Lived Assets To Be Disposed Of--The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets or intangibles may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Loss per Common Share--Basic loss per common share excludes dilution and is computed by dividing loss attributable to common stockholders by the weighted average number of common shares outstanding for the period (excluding shares subject to repurchase). Diluted loss per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Common share equivalents are excluded from the computation in loss periods as their effect would be antidilutive.

Pro Forma Net Loss per Common Share--Pro forma basic and diluted loss per common share is computed by dividing loss attributable to common stockholders by the weighted average number of common shares outstanding for the period (excluding shares subject to repurchase) and the weighted average number of common shares resulting from the assumed conversion of outstanding shares of mandatorily redeemable preferred stock.

Recently Issued Accounting Standards--In June 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income," which requires an enterprise to report, by major components and as a single total, the change in its net assets during the period from nonowner sources; and SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information," which establishes annual and interim reporting standards for an enterprise's business segments and related disclosures about its products, services, geographic areas and major customers. The Company had no comprehensive income items to report for the three years in the period ended December 31, 1998. The Company currently operates one reportable segment under SFAS No. 131. Adoption of these statements in 1998 did not impact the Company's financial position, results of operations or cash flows.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which defines derivatives, requires that all derivatives be carried at fair value, and provides for hedge accounting when certain conditions are met. SFAS No. 133 is effective for the Company in fiscal 2001. Although the Company has not fully assessed the implications of SFAS No. 133, the Company does not believe that adoption of this statement will have a material impact on the Company's financial position or results of operations.

2. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 1997 and 1998 consisted of the following (in thousands):

	1997	1998
Computer equipment and purchased software	$ 810	$ 904
Computer equipment under capital lease	100	1,796
Furniture, fixtures and office equipment	29	60
Total	939	2,760
Less accumulated depreciation	(236)	(815)
Net	$ 703	$1,945

The accumulated depreciation associated with computer equipment under capital lease was $24,000 and $312,000 at December 31, 1997 and 1998, respectively.

3. NOTES PAYABLE TO STOCKHOLDERS

The Company has notes payable to two stockholders, payable on demand, with interest of 6.74%. The outstanding amount as of December 31, 1997 and 1998 is $58,000 and $62,000, respectively.

4. DEBT

In 1998, the Company borrowed $600,000 from a lending institution at an 8% interest rate. Principal and interest payments are due in monthly installments through July 2001. As of December 31, 1998, the outstanding obligation was $445,000.

In 1998, the Company obtained a $175,000 letter of credit as a security deposit on office space leased. The letter of credit is collateralized by all assets of the Company.

In 1998, the Company entered into a financing agreement with a preferred stockholder and lender for $2,500,000, due in April 2002 with interest at 11% per annum, and for an additional $5,000,000, due in August 2001 with interest at 14%. The Company granted this lender Series C preferred stock warrants to purchase 55,409 shares at $4.51 per share, and 72,324 shares of preferred stock at $4.42 per share. The estimated fair value allocated to the warrants of $304,000 is being accreted over the life of the financing agreements. As of December 31, 1998, the recorded obligation totaled $4,220,000 and $3,000,000 is available for future borrowing.

Debt outstanding excluding capital lease obligations (Note 8) as of December 31, 1998 will be due in annual principal payments of $983,000, $1,876,000, $1,646,000 and $160,000 in 1999, 2000, 2001 and 2002, respectively.

5. INCOME TAXES

The Company's deferred income tax assets are comprised of the following (in thousands):

	1997	1998
Deferred tax assets:		
Net operating loss carryforwards	$1,368	$4,239
Reserves and accruals not currently deductible	28	807
Research and development tax credit	40	135
Other	23	28
Total gross deferred tax assets before valuation allowance	1,459	5,209
Valuation allowance	(1,452)	(4,945)
	7	264
Deferred tax liabilities:		
Accrual to cash adjustments		(264)
Other	(7)	
Total gross deferred liabilities	(7)	(264)
Net deferred tax assets	$ 0	$ 0

The Company established 100% valuation allowance at December 31, 1996, 1997 and 1998 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets.

At December 31, 1998, the Company had net operating loss ("NOL") carryforwards of approximately $11,000,000 for federal and state income tax purposes. These carryforwards begin to expire in 2004 for state and 2011 for federal purposes. The Company also has available federal and state research and development tax credit carryforwards of $77,000 and $58,000, respectively, which had no expiration date as of December 31, 1998.

Internal Revenue Code Section 382 and similar California rules place a limitation on the amount of taxable income which can be offset by NOL carryforwards after a change in control (generally greater than 50% change in ownership). Due to these provisions, utilization of the NOL and tax credit carryforwards may be limited.

6. STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock Reserved For Future Issuance

At December 31, 1998, the Company has reserved the following shares of common stock for issuance in connection with:

Conversion of Series A preferred stock	911,295
Conversion of Series B preferred stock	5,324,532
Conversion of Series C preferred stock	497,785
Warrants issued and outstanding	386,237
Options issued and outstanding	1,938,705
Options available under stock option plans	132,230
Total	9,190,784

Mandatorily Redeemable Preferred Stock

In July 1997, the Company issued 611,295 shares of Series A redeemable convertible stock in exchange for all 1,000 shares of outstanding common stock. Additionally, in July 1997, 300,000 shares of Series A preferred stock were issued upon conversion of $300,000 of convertible notes. In July, August and December 1997, the Company issued 5,324,532 shares of Series B preferred stock for $1.33 per share. In December 1998, the Company issued 497,785 shares of Series C preferred stock for $9.04 per share.

Significant terms of the Series A, B and C redeemable convertible preferred stock are as follows (see Note 9):

- At the option of the holder, each share of preferred stock is convertible at any time into one share of common stock, subject to adjustment for certain dilutive issuances. As of December 31, 1998, no such adjustments had occurred. Shares automatically convert into common stock upon the earlier of (a) completion of a public offering with aggregate proceeds greater than $15,000,000 at not less than $8.00 per share or (b) upon the consent of more than 50% of the holders of the preferred stock, voting together as a single class.

- Series A, B and C convertible preferred stock are entitled to annual noncumulative cash dividends of $0.08, $0.106 and $0.723 per share, respectively, when and if declared by the Board of Directors.

- In the event of any liquidation of the Company (which includes the acquisition of the Company by another entity), the holders of Series B and Series C preferred stock have a liquidation preference over common stock and Series A preferred stock of $1.33 per share and $9.04 per share, respectively, plus all declared but unpaid dividends. After such payment, the holders of Series A preferred stock have a liquidation preference of $1.00 per share plus any declared but unpaid dividends. Upon payment of all preferred stock liquidation preferences, any remaining proceeds will be allocated to the common stockholders.

- Any time after May 31, 2002, upon the vote of at least two-thirds of the then outstanding redeemable convertible preferred stock, the Company will be required to redeem all of the redeemable convertible preferred stock at the liquidation preference plus an amount equal to $0.08, $0.106 and $0.723 per share per year compounded annually for Series A, B and C, respectively, less any cash dividends paid. As a result, the Company has recorded an increase to the carrying values by the accretion of the mandatorily redeemable preferred stock of $206,000 in 1997 and $656,000 in 1998.

- Holders of preferred stock have the same voting rights as the holders of common stock.

Preferred Stock Warrants

In 1997, in connection with certain loan arrangements, the Company issued five year warrants to purchase 33,834 shares of Series B preferred stock at $1.33 per share and 7,500 shares of Series A preferred stock at $1.00 per share to a bank. The warrants expire in 2002. The fair value of these warrants of $33,000 was recognized as interest expense in 1997.

Also in 1997, in connection with a bridge loan arrangement, the Company issued a five year warrant to purchase 43,854 shares of Series B preferred stock at $1.33 per share. The warrant expires in 2002 or upon closing of an underwritten public offering. The fair value of these warrants of $36,000 was recognized as interest expense in 1997.

As discussed in Note 4, in 1998, the Company granted a lender Series C preferred stock warrants to purchase 55,409 shares at $4.51 per share, and 72,324 shares at $4.42 per share. The warrants expire upon the earlier of five years from the grant date or two years from closing of an underwritten public offering. The fair value of the warrants of $304,000 is being accreted to interest expense over the life of the financing agreements.

In 1998, in connection with certain bridge loan arrangements, the Company issued warrants to purchase 132,840 shares of Series C preferred stock at $9.04 per share to various lenders. The warrants expire in 2003 or upon closing of an underwritten public offering. The fair value of these warrants of $200,000 was recognized as interest expense in 1998.

Notes Receivable from Stockholders

In July 1997, the Company issued an aggregate of 2,275,011 shares of common stock to officers and members of the Board of Directors. In connection with such issuance, the Company's board members paid for the stock by issuing notes payable (secured by the shares of the Company's common stock purchased) to the Company. The secured note payable bears interest at 6.65% per annum with the entire principal balance of the note, together with all accrued and unpaid interest, due and payable on the earlier of (a) nine months after the closing of an initial public offering of the Company's common stock or (b) July 2002 or (c) termination of employment. The shares vest over a four year period. Any unvested shares purchased are subject to repurchase rights by the Company upon occurrence of certain events or conditions, such as employment termination, at the original purchase price. Of such shares, there were 1,990,635 and 997,500 shares subject to repurchase at December 31, 1997 and 1998, respectively.

Additionally, in September 1998, two officers of the Company exercised options to purchase 357,000 shares with an exercise price of $1.25 by issuing notes payable (secured by the shares of the Company's common stock purchased). The secured note payable bear interest at 5.54% per annum with the entire principal balances of the notes, together with all accrued and unpaid interest, due and payable on the earlier of (a) nine months after the closing of an underwritten public offering, (b) September 2003 or (c) termination of employment.

Stock Option Plans

The Company's stock option plans (the "Plans") provide for the grant of up to 2,850,000 incentive or nonstatutory options to employees, directors and consultants of the Company at the fair market value of the common stock on the date of grant as determined by the Board of Directors. Options granted under the Plans generally vest ratably over periods of up to four years and expire ten years from the date of grant. The Plans also provide for early exercise of options prior to full vesting. Any unvested shares purchased are subject to repurchase rights by the Company upon occurrence of certain events or conditions, such as employment termination, at the original purchase price. There were 528,289 shares subject to repurchase at December 31, 1998.

Options and Warrants Granted to Nonemployees

In 1998, the Company granted options and warrants for common stock to nonemployees for services performed and to be performed through 2002. In connection with these awards, the Company recognized $178,000 in stock-based compensation expense related to such options which vested during 1998. At December 31, 1998, unvested options granted to nonemployees totaled 24,479 shares.

Stock-Based Compensation

During 1998, the Company issued common stock options at less than the fair value of its common stock. The fair value of the common stock, weighted based on options granted in 1998, was $2.75 per share. Accordingly, the Company recorded $2,929,000 as the value of such options in 1998. Stock-based compensation of $1,158,000 was amortized to expense in 1998 and at December 31, 1998, the Company had $1,771,000 in deferred stock compensation related to such options, which will be amortized to expense through 2002.

During 1997, the Company issued common stock options at exercise prices equal to the fair value of its common stock. Accordingly, no stock-based compensation was recorded for that period.

Stock Option Activity

A summary of the Company's stock option activity follows (in thousands):

	Outstanding Options	Weighted Average Exercise Price
Balance, January 1, 1997		
Granted	497,125	$0.11
Exercised	(68,020)	0.10
Canceled or expired	(27,605)	0.10
Balance, December 31, 1997 (68,503 shares vested at a weighted average exercise price of $0.11)	401,500	0.11
Granted	2,551,756	1.61
Exercised	(686,076)	0.73
Canceled or expired	(328,475)	0.24
Balance, December 31, 1998	1,938,705	$1.85
Available for grant at December 31, 1998	132,230	

The following table summarizes information about currently outstanding and vested stock options at December 31, 1998:

	Options Outstanding			Options Vested	
Range of Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
$0.10 to $0.13	416,799	8.76	$0.12	333,348	$0.12
1.25	866,500	9.46	1.25	176,135	1.25
1.40	270,400	9.67	1.40	24,871	1.40
1.48	4,506	9.67	1.48	250	1.48
1.75	156,050	9.75	1.75	9,753	1.75
8.00	224,450	9.92	8.00	4,676	8.00
	1,938,705		$1.85	549,033	$0.64

Additional Stock Plan Information

As discussed in Note 1, the Company accounts for its stock-based awards to employees using the intrinsic value method in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," and its related interpretations.

SFAS No. 123, "Accounting for Stock-Based Compensation," requires the disclosure of pro forma net income (loss) and earnings (loss) per share had the Company adopted the fair value method since the Company's inception. Under SFAS No. 123, the fair value of stock-based awards to employees is calculated through the use of option pricing models, even though such models were developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company's stock option awards.

The Company's calculations for employee grants were made using the minimum value option pricing model with the following weighted average assumptions:

	Year Ended December 31,	
	1997	1998
Dividend yield	None	None
Risk free interest rate	6.1%	5.2%
Expected term, in years	2.5	2.5

The weighted average minimum value per option as of the date of grant for options granted during 1997 and 1998 was $0.02 and $1.31, respectively.

If the computed minimum values of the Company's stock-based awards to employees had been amortized to expense over the vesting period of the awards as specified under SFAS No. 123, loss attributable to common stockholders and basic and diluted loss per share on a pro forma basis (as compared to such items as reported) would have been (in thousands):

	Year Ended December 31,	
	1997	1998
Loss attributable to common stockholders:		
As reported	$ (3,552)	$ (9,516)
Pro forma	$ (3,555)	$ (9,640)
Basic and diluted net loss per share:		
As reported	$ (6.03)	$ (7.26)
Pro forma	$ (6.03)	$ (7.35)

7. NET LOSS PER SHARE

The following is a reconciliation of the denominators used in computing basic and diluted net loss per share.

	Years Ended December 31,		
	1996	1997	1998
Shares (denominator):			
Weighted average common shares outstanding	476,584	1,644,053	2,834,981
Weighted average common shares outstanding subject to repurchase	0	(1,054,562)	(1,524,202)
Shares used in computation, basic and diluted	476,584	589,491	1,310,779

For the three years ended December 31, 1996, 1997 and 1998, the Company had securities outstanding which could potentially dilute basic earnings per share in the future, but were excluded in the computation of diluted net loss per share in the periods presented, as their effect would have been antidilutive. Such outstanding securities consist of the following at December 31, 1998: 6,733,612 shares of convertible preferred stock, warrants to purchase 345,761 shares of preferred stock, and options and warrants to purchase 1,979,181 shares of common stock. There were 1,990,635 and 1,525,789 shares subject to repurchase by the Company at December 31, 1997 and 1998, respectively.

8. COMMITMENTS AND CONTINGENCIES

Leases

Future minimum net lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments as of December 31, 1998 are as follows (in thousands):

	Capital Leases	Operating Leases
Year ending December 31:		
1999	$ 598	$ 366
2000	561	369
2001	464	343
2002	34	322
2003		319
Thereafter		346
Total	1,657	$2,065
Less amount representing interest	(126)	
Present value of net minimum capital lease payments	1,531	
Less current installments of obligations under capital leases	(490)	
Obligations under capital leases, excluding current installments	$1,041	

Total rent expense under operating leases for the years ended 1996, 1997 and 1998 was $22,000, $127,000 and $400,000, respectively.

Legal Matters

In connection with the termination of employment of an officer, the Company foreclosed on 264,560 shares of the Company's common stock securing a promissory note from that officer. If that officer should elect to legally contest the number of shares issued to him, and if additional shares are ultimately issued, the Company could incur a charge equal to the fair market value of such shares. The ultimate outcome of this matter cannot be determined at this time.

Additionally, the Company is involved in various other claims and legal actions. Management does not expect that the outcome of these other claims and actions will have a material effect on the Company's financial position or results of operations.

9. SUBSEQUENT EVENTS

In January 1999, the Company sold 1,496,347 shares of Series C preferred stock at $9.04 per share for proceeds of $13,527,000.

On January 4, 1999, the Board of Directors adopted, subject to stockholder approval, the 1999 Stock Option Plan (the "1999 Stock Plan"). The 1999 Stock Plan will serve as the successor equity incentive program to the Company's existing 1997 Stock Option Plan. A total of 2,000,000 shares of common stock were initially reserved for issuance under the 1999 Stock Plan. On March 30, 1999, the Board of Directors adopted an amendment to the 1999 Stock Plan that increased the shares of common stock reserved for issuance to 3,500,000. The number of shares reserved will increase for each of the next five years by the lesser of 1,000,000 shares or 3% of the number of shares of common stock outstanding at the beginning of the year.

On January 28, 1999, the Board of Directors adopted, subject to stockholder approval, the 1999 Directors' Stock Option Plan (the "Directors' Plan"). Under the Directors' Plan, each person who becomes a nonemployee director after the effective date of the Directors' Plan may be granted nonstatutory stock options. A total of 200,000 shares of common stock have initially been reserved for issuance under the Directors' Plan.

On January 28, 1999, the Board of Directors approved, subject to stockholder approval, the reincorporation of the Company in the State of Delaware and the associated exchange of one share of common stock or preferred stock of the Company for every share of common stock or preferred stock, as the case may be, of the Company's California predecessor. Such reincorporation and stock exchange will become effective prior to the effective date of the initial public offering contemplated by the Company.

Additionally, on January 28, 1999, the Board of Directors adopted, subject to stockholder approval, the 1999 Employee Stock Purchase Plan (the "Purchase Plan"). Under the Purchase Plan, eligible employees are allowed to have salary withholdings of up to 10% of their base compensation to purchase shares of common stock at a price equal to 85% of the lower of the market value of the stock at the beginning or end of defined purchase periods. The initial purchase period commences upon the effective date for the initial public offering of the Company's common stock. The Company has initially reserved 350,000 shares of common stock for issuance under this plan, and the number of shares reserved will increase for each of the next five years by the lesser of 75,000 shares or 0.5% of the shares of common stock outstanding at the beginning of the year.

On May 4, 1999, Flycast completed an initial public offering of 3,000,000 shares of the Flycast's common stock. In addition, on June 4, 1999, the Company sold an additional 200,000 shares under the underwriters' overallotment option. Total net proceeds were $74.4 million. Upon the closing of the initial public offering, Flycast's mandatorily redeemable preferred stock converted into 6.9 million shares of common stock.

On August 30, 1999, Flycast completed a merger with InterStep, Inc., a Massachusetts corporation which commenced operations in 1995. InterStep provides publishers with e-mail content management, list management and distribution services on an outsourced basis. In the transaction, Flycast issued 480,337 shares of common stock to InterStep's stockholders, of which 47,558 shares are held by an escrow agent to serve as security for the indemnity provided by stockholders of InterStep. The Company also assumed all outstanding InterStep common stock options, which were converted to options to purchase approximately 10,012 shares of the Company's common stock. No adjustments were required to conform accounting policies of the entities. There were no significant intercompany transactions requiring elimination for any periods presented.

The above transaction has been accounted for as a pooling-of-interests and, accordingly, the supplemental consolidated financial statements of the Company for all periods presented have been restated to include the accounts of InterStep.

Revenue and net income (loss) of the separate companies for the periods preceding the acquisition were as follows (in thousands):

	Revenue	Net Income (Loss)
Fiscal year ended December 31, 1998		
Flycast	$8,029	$(9,306)
InterStep	1,253	446
Combined	$9,282	$(8,860)
Fiscal year ended December 31, 1997		
Flycast	$ 630	$(3,417)
InterStep	304	71
Combined	$ 934	$(3,346)
Fiscal year ended December 31, 1996		
Flycast	$ --	$ (445)
InterStep	123	50
Combined	$ 123	$ (395)

On September 30, 1999, the Company announced that a definitive agreement was entered into to be acquired by CMGI, Inc. ("CMGI") in a stock-for-stock merger. Under the terms of the agreement, CMGI will issue 0.4738 CMGI shares for every Flycast share held on the closing date of the transaction. Closing of the merger is subject to customary conditions, including formal approval by the Company's shareholders. In connection with the merger, the Company also entered into a Stock Option Agreement dated as of September 29, 1999, whereby the Company granted CMGI an option to purchase up to 19.9% of the outstanding shares of the Company common stock, which option may be exercised in the event that the Merger Agreement is terminated under certain circumstances. Related to the acquisition, the Company incurred $1,350,000 in expenses in the quarter ended September 30, 1999.

INDEPENDENT AUDITORS' REPORT ON SCHEDULE

To the Board of Directors and Stockholders of
Flycast Communications Corporation

Our audits of the consolidated financial statements of Flycast Communications Corporation for the years ended December 31, 1996, 1997 and 1998 also include the financial statement schedule of Flycast Communications Corporation. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
October 18, 1999

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of period	Charged to cost and expenses	Deductions/ write-offs	Balance at end of period
Year ended December 31, 1996				
Allowance for doubtful accounts......................	$ --	$ --	$ --	$ --
Year ended December 31, 1997				
Allowance for doubtful accounts......................	$ --	$ 12,000	$ --	$ 12,000
Year ended December 31, 1998				
Allowance for doubtful accounts......................	$12,000	$236,000	$70,000	$178,000

FLYCAST COMMUNICATIONS CORPORATION

Interim Consolidated Financial Statements

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)
(unaudited)

	Dec. 31, 1998	Sept. 30, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,197	$14,221
Short-term investments	183	57,195
Accounts receivable, net	3,802	11,336
Prepaid expenses	267	2,002
Total current assets	9,449	84,754
Property and equipment, net	1,945	9,606
Other assets	108	315
TOTAL ASSETS	$11,502	$94,675
LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 2,561	$10,270
Accrued liabilities	375	3,141
Accrued compensation and benefits	460	2,392
Short-term capital lease obligations	490	841
Short-term debt	1,045	1,817
Total current liabilities	4,931	18,461
Long-term capital lease obligations	1,041	1,189
Long-term debt	3,682	2,224
Total liabilities	9,654	21,874
Mandatorily redeemable preferred stock, $0.0001 par value, 9,904,000 shares authorized:		
Series A, 920,000 designated, 918,295 shares issued and outstanding at December 31, 1998; none at September 30, 1999	1,027	
Series B, 5,500,000 designated, 5,324,532 shares issued and outstanding at December 31, 1998; none at September 30, 1999	7,824	
Series C, 3,484,000 designated, 497,785 shares issued and outstanding at December 31, 1998; none at September 30, 1999	5,004	
	13,855	--
Stockholders' equity (deficit):		
Common stock, $.001 par value: 20,000,000 shares authorized; issued 2,690,787 shares--December 31, 1998; 15,165,021 shares--September 30, 1999	922	103,747
Common stock options	2,929	3,931
Deferred stock compensation	(1,771)	(1,556)
Notes receivable from stockholders	(606)	(404)
Accumulated deficit	(13,481)	(32,917)
Total stockholders' equity (deficit)	(12,007)	72,801
TOTAL LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)	$11,502	$94,675

See notes to consolidated financial statements

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1999	1998	1999
Revenues	$ 2,544	$12,531	$ 4,765	$ 24,066
Cost of revenues	1,630	8,592	3,066	16,811
Gross profit	914	3,939	1,699	7,255
Operating expenses:				
Sales and marketing	1,627	5,981	3,330	14,136
Research and development	655	2,576	1,574	5,623
General and administrative	490	2,481	1,389	4,922
Stock-based compensation	407	365	737	1,323
Total operating expenses	3,179	11,403	7,030	26,004
Operating loss	(2,265)	(7,464)	(5,331)	(18,749)
Interest income (expense), net	(63)	(309)	(71)	56
Net loss	$(2,328)	$(7,773)	$(5,402)	$(18,693)
Accretion of mandatorily redeemable preferred stock	(165)	--	(491)	(667)
Loss attributable to common stockholders	$(2,493)	$(7,773)	$(5,893)	$(19,360)
Basic and diluted loss per common share	$ (1.75)	$ (0.57)	$ (4.77)	$ (2.18)
Shares used in computing basic and diluted loss per common share	1,426	13,645	1,235	8,895
Proforma basic and diluted loss per common share	$ (0.33)	$ (0.57)	$ (0.79)	$ (1.61)
Shares used in computing proforma basic and diluted loss per common share	7,662	13,645	7,471	12,027

See notes to consolidated financial statements

FLYCAST COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands) (unaudited)

	Nine Months Ended September 30, 1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(5,402)	$(18,693)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	388	1,590
Provision for doubtful accounts	107	735
Loss on sale of property and equipment	5	
Stock and warrants issued for services	180	139
Non-cash interest expense	43	
Stock-based compensation expense	736	1,323
Changes in operating assets and liabilities:		
Accounts receivable	(1,936)	(8,269)
Prepaids and other assets	(372)	(1,942)
Accounts payable	1,212	7,710
Accrued liabilities	181	4,684
Net cash used by operations	(4,858)	(12,723)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(93)	(8,197)
Proceeds from sales of property and equipment	3	
Purchase of short term investments, net	(180)	(57,025)
Net cash used by financing activities	(270)	(65,222)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	2,100	
Payments on long-term debt	(115)	(673)
Payments on capital leases	(163)	(492)
Proceeds from payment of notes receivable from stockholders		58
Payments on note payable to shareholders		(49)
Shareholder distributions		(79)
Proceeds from issuance of common stock	25	73,668
Proceeds from issuance of preferred stock	--	14,536
Net cash provided by investing activities	1,847	86,969
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,281)	9,024
CASH AND CASH EQUIVALENTS--BEGINNING OF PERIOD	3,593	5,197
CASH AND CASH EQUIVALENTS--END OF PERIOD	$ 312	$ 14,221
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 101	$ 575
Non-cash financing and investing activities:		
Purchase of equipment under capital leases	$ 1,612	$ 1,041
Issuance of common stock for notes receivable	$ 446	$ 31
Repurchase of common stock for extinguishment of debt	$ 35	$ 175
Conversion of preferred stock to common stock	$ --	$ 28,856

See notes to consolidated financial statements

FLYCAST COMMUNICATIONS CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation

The interim consolidated financial statements are unaudited and have been prepared on the same basis as the audited financial statements. In the opinion of management, such unaudited financial statement includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the Company's financial position as of September 30, 1999 and the results of operations for the three and nine months ended September 30, 1998 and 1999 and cash flows for the nine months ended September 30, 1998 and 1999.

The unaudited financial statements should be read in conjunction with Flycast's audited financial statements and the notes thereto as included in Flycast's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on May 4, 1999, and its periodic filings with the Securities and Exchange Commission thereafter. The results of operations for the three and nine months ended September 30, 1999 are not necessarily indicative of the results to be expected for any subsequent quarter or the entire year ending December 31, 1999.

On August 30, 1999, Flycast acquired InterStep by issuing 480,337 shares of common stock for all of the outstanding shares of InterStep, Inc. in transaction that was accounted for as a pooling-of-interests. As a result, InterStep became a wholly owned subsidiary of Flycast. For purposes of financial statement presentation, historical financial information for InterStep has been consolidated into the statements presented herein.

Certain reclassifications have been made to prior period financial statements to conform to the current period presentation.

2. Initial Public Offering

On May 4, 1999, Flycast completed an initial public offering of 3,000,000 shares of the Flycast's common stock. In addition, on June 4, 1999, the Company sold an additional 200,000 shares under the underwriters' overallotment option. Total net proceeds were $74.4 million. Upon the closing of the initial public offering, Flycast's mandatorily redeemable preferred stock converted into 6.9 million shares of common stock.

3. Acquisitions

On August 30, 1999, we acquired InterStep by issuing 480,337 shares of common stock for all of the outstanding shares of InterStep, Inc. Of the 480,337 shares of common stock, 47,558 shares are held by an escrow agent to serve as security for the indemnity provided by some of the shareholders of InterStep. The information presented herein reflects the combination of Flycast and InterStep accounted for as a pooling-of-interests.

On September 30, 1999, we announced that we had signed a definitive agreement to be acquired by CMGI, Inc. in a stock-for-stock merger. Under the terms of the agreement, CMGI will issue 0.4738 CMGI shares for every Flycast share held on the closing date of the transaction. Closing of the merger is subject to customary conditions, including formal approval by our shareholders. It is anticipated that the transaction will close in January 2000. A significant percentage of our shareholders have agreed to vote in favor of the merger. In connection with the merger, we also entered into a Stock Option Agreement dated as of September 29, 1999, whereby we granted CMGI an option to purchase up to 19.9% of the outstanding shares of our common stock, which option may be exercised in the event that the Merger Agreement is terminated under certain circumstances. We incurred approximately $1.5 million in expenses, which are reflected as general and administrative operating expenses herein for the quarter ended September 30, 1999. We expect to incur additional financial advisory accounting and legal fees estimated to be between $6.0 million and $8.0 million contingent upon completion of the acquisition. This range is a preliminary estimate only and is, therefore, subject to change.

4. Basic and Diluted Loss per Share

Basic net loss per share is computed by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding for the period (excluding shares subject to repurchase). Diluted loss per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Common share equivalents are excluded from the computation in loss periods, as their effect would be antidilutive.

The following is a reconciliation of the denominators used in calculating basic and diluted net loss per share (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1999	1998	1999
Shares (denominator)				
Weighted average common shares outstanding....	2,677	14,980	2,744	10,310
Weighted average common shares outstanding subject to repurchase......................	(1,251)	(1,335)	(1,509)	(1,415)
Shares used in computation, basic and diluted.....................................	1426	13,645	1,235	8,895

5. Pro Forma Loss per Common Share

Pro forma basic and diluted loss per common share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding for the period (excluding shares subject to repurchase) and the weighted average number of common shares resulting from the assumed conversion of outstanding mandatorily redeemable preferred stock.

6. Combining Financial Information

The acquisition of InterStep has been accounted for as a pooling-of-interests and, accordingly, our historical consolidated financial statements have been restated to include the accounts and results of operations of InterStep. The results of operations previously reported by the separate businesses and the combined amounts presented in the accompanying consolidated financial statements are presented below.

	Three months ended September 30, 1998	Nine months ended September 30, 1998
	(unaudited)	(unaudited)
Revenues:		
Flycast..................................	$ 2,126	$ 3,890
InterStep................................	418	875
Combined.................................	$ 2,544	$ 4,765
Net income (loss):		
Flycast..................................	$(2,321)	$(5,775)
InterStep................................	(7)	373
Combined.................................	$(2,328)	$(5,402)

We have restated our results of operations for the three and nine month periods ended September 30, 1998 and 1999 by combining InterStep's financial statements with our financial statements. We have restated the balance sheet as of December 31, 1998 to include our balance sheet and InterStep's balance sheet as of December 31, 1998. The equity accounts of the separate entities were combined. There were no significant transactions between our Company and InterStep prior to the combination.

ANNEX A

AGREEMENT AND PLAN OF MERGER

by and among

CMGI, INC.,

FREEMONT CORPORATION

and

FLYCAST COMMUNICATIONS CORPORATION

Dated as of September 29, 1999

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Company Stock Plans	Section 3.2(b)
Company Systems	Section 3.20(b)
Company Voting Proposal	Section 6.5(a)
Company Warrants	Section 3.2(b)
Confidentiality Agreement	Section 5.3
Constituent Corporations	Section 1.3
DGCL	Section 1.1
Effective Time	Section 1.1
Employee Benefit Plans	Section 3.13(a)
Environmental Law	Section 3.12(b)
ERISA Affiliate	Section 3.13(a)
ERISA	Section 3.13(a)
Exchange Agent	Section 2.2(a)
Exchange Fund	Section 2.2(a)

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of September 29, 1999, is by and among CMGI, Inc., a Delaware corporation (the "Buyer"), Freemont Corporation, a Delaware corporation and a wholly owned subsidiary of Buyer (the "Transitory Subsidiary"), and Flycast Communications Corporation, a Delaware corporation (the "Company").

WHEREAS, the Boards of Directors of the Buyer and the Company deem it advisable and in the best interests of each corporation and its respective stockholders that the Buyer and the Company combine in order to advance the long-term business interests of the Buyer and the Company;

WHEREAS, the combination of the Buyer and the Company shall be effected by the terms of this Agreement through a merger of the Transitory Subsidiary into the Company, as a result of which the stockholders of the Company will become stockholders of the Buyer (the "Merger");

WHEREAS, concurrently with the execution and delivery of this Agreement and as a condition and inducement to the Buyer's willingness to enter into this Agreement, the Company has entered into a Stock Option Agreement dated as of the date of this Agreement and attached hereto as Exhibit A (the "Company Stock Option Agreement"), pursuant to which the Company granted the Buyer an option to purchase shares of common stock of the Company under certain circumstances;

WHEREAS, concurrently with the execution and delivery of this Agreement and as a condition and inducement to the Buyer's willingness to enter into this Agreement, the stockholders of the Company specified in Section 6.5(c) of this Agreement have entered into a Stockholder Agreement dated as of the date of this Agreement in the form attached as Exhibit B (the "Stockholder Agreement"), pursuant to which such stockholders agreed to give the Buyer a proxy to vote all of the shares of capital stock of the Company that such stockholders own; and

WHEREAS, concurrently with the execution and delivery of this Agreement and as a condition and inducement to the Buyer's willingness to enter into this Agreement, certain employees and stockholders of the Company have entered into Stock Lock-Up Agreements dated as of the date of this Agreement and attached hereto as Exhibit C-1 and C-2, respectively (collectively, the "Lock-Up Agreements"), pursuant to which such parties have agreed to certain restrictions relating to the disposition of Buyer Common Stock following the Effective Time (as defined in Section 1.1) under certain circumstances;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, the Buyer, the Transitory Subsidiary and the Company agree as follows:

ARTICLE I

THE MERGER

1.1 Effective Time of the Merger. Subject to the provisions of this Agreement, prior to the Closing (as defined in Section 1.2), the Buyer shall prepare, and on the Closing Date (as defined in Section 1.2) or as soon as practicable thereafter the Buyer shall cause to be filed with the Secretary of State of the State of Delaware, a certificate of merger (the "Certificate of Merger") in such form as is required by, and executed by the Surviving Corporation (as defined in Section 1.3) in accordance with, the relevant provisions of the Delaware General Corporation Law ("DGCL") and shall make all other filings or recordings required under the DGCL. The Merger shall become effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Delaware or at such later time as is established by the Buyer and the Company and set forth in the Certificate of Merger (the "Effective Time").

1.2 Closing. The closing of the Merger (the "Closing") shall take place at 10:00 a.m., Boston time, on a date to be specified by the Buyer and the Company (the "Closing Date"), which shall be no later than the second business day after satisfaction or waiver of the conditions set forth in Article VII (other than delivery of items to be delivered at the Closing), at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, unless another date, place or time is agreed to in writing by the Buyer and the Company.

1.3 Effects of the Merger. At the Effective Time (i) the separate existence of the Transitory Subsidiary shall cease and the Transitory Subsidiary shall be merged with and into the Company (the Transitory Subsidiary and the Company are sometimes referred to below as the "Constituent Corporations" and the Company following the Merger is sometimes referred to below as the "Surviving Corporation"), (ii) the Certificate of Incorporation of the Company shall be amended so that Article FOURTH of such Certificate of Incorporation reads in its entirety as follows: "The total number of shares of all classes of stock which the Corporation shall have authority to issue is 1,000, all of which shall consist of common stock, $.01 par value per share," and, as so amended, such Certificate of Incorporation shall be the Certificate of Incorporation of the Surviving Corporation, and (iii) the By-laws of the Transitory Subsidiary as in effect immediately prior to the Effective Time shall be the By-laws of the Surviving Corporation. The Merger shall have the effects set forth in Section 259 of the DGCL.

1.4 Directors and Officers. The directors and officers of the Transitory Subsidiary immediately prior to the Effective Time shall be the initial directors and officers of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-laws of the Surviving Corporation.

ARTICLE II

CONVERSION OF SECURITIES

2.1 Conversion of Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of the capital stock of the Company or capital stock of the Transitory Subsidiary:

(a) Capital Stock of the Transitory Subsidiary. Each issued and outstanding share of the capital stock of the Transitory Subsidiary shall be converted into and become one fully paid and nonassessable share of common stock, $.01 par value per share, of the Surviving Corporation.

(b) Cancellation of Treasury Stock and Buyer-Owned Stock. All shares of common stock, $.0001 par value per share, of the Company ("Company Common Stock") that are owned by the Company as treasury stock or by any wholly owned Subsidiary (as defined in Section 3.1) of the Company and any shares of Company Common Stock owned by the Buyer, the Transitory Subsidiary or any other wholly owned Subsidiary of the Buyer shall be canceled and retired and shall cease to exist and no stock of the Buyer or other consideration shall be delivered in exchange therefore.

(c) Exchange Ratio for Company Common Stock. Subject to Section 2.2, each share of Company Common Stock (other than shares to be canceled in accordance with Section 2.1(b)) issued and outstanding immediately before the Effective Time, and all rights in respect thereof, shall be automatically converted into 0.4738 shares (the "Exchange Ratio") of common stock, $.01 par value per share, of the Buyer ("Buyer Common Stock"). As of the Effective Time, all such shares of Company Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate representing any such shares of Company Common Stock shall cease to have any rights with respect thereto, except the right to receive the shares of Buyer Common Stock and any cash in lieu of fractional shares of Buyer Common Stock to be issued or paid in consideration therefor upon surrender of such certificate in accordance with Section 2.2, without interest.

(d) Adjustments to Exchange Ratio. The Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Buyer Common Stock or Company Common Stock), reorganization, recapitalization or other like change with respect to Buyer Common Stock or Company Common Stock occurring after the date hereof and prior to the Effective Time.

(e) Unvested Stock. At the Effective Time, any unvested shares of Company Common Stock awarded to employees, directors or consultants pursuant to any of the Company's plans or arrangements and outstanding immediately prior to the Effective Time shall be converted to unvested shares of Buyer Common Stock in accordance with the Exchange Ratio and shall remain subject to the same terms, restrictions and vesting schedule as in effect immediately prior to the Effective Time, except to the extent by the terms such unvested shares of Company Common Stock vest at the Effective Time and copies of the relevant agreements governing such vesting had been provided to Buyer. All outstanding rights which the Company may hold immediately prior to the Effective Time to repurchase unvested shares of Company Common Stock shall be assigned to the Buyer in the Merger and shall thereafter be exercisable by Buyer by Buyer upon the same terms and conditions in effect immediately prior to the Effective Time, except that the shares purchasable pursuant to such rights and the purchase price payable per share shall be adjusted to reflect the Exchange Ratio.

(f) Treatment of Company Options and Company Warrants. Outstanding Company Options and Company Warrants (in each case as defined in Section 3.2(b)) shall be treated following the Effective Time in the manner set forth in Section 6.11.

2.2 Exchange of Certificates. The procedures for exchanging outstanding shares of Company Common Stock for Buyer Common Stock pursuant to the Merger are as follows:

(a) Exchange Agent. As of the Effective Time, the Buyer shall deposit with a bank or trust company designated by the Buyer (the "Exchange Agent"), for the benefit of the holders of shares of the Company Common Stock, for exchange in accordance with this Section 2.2, through the Exchange Agent, (i) certificates representing the shares of Buyer Common Stock (such shares of Buyer Common Stock, together with any dividends or distributions with respect thereto, being hereinafter referred to as the "Exchange Fund") issuable pursuant to Section 2.1 in exchange for outstanding shares of the Company Common Stock, (ii) cash in an amount sufficient to make payments required pursuant to Section 2.2(e), and (iii) any dividends or distributions to which holders of Certificates (as defined below) may be entitled pursuant to Section 2.2(c).

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of the Company Common Stock (the "Certificates") whose shares were converted pursuant to Section 2.1 into the right to receive shares of Buyer Common Stock (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as the Buyer may reasonably specify) and (ii) instructions for effecting the surrender of the Certificates in exchange for certificates representing shares of Buyer Common Stock (plus cash in lieu of fractional shares, if any, of Buyer Common Stock and any dividends or distributions as provided below). Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by the Buyer, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Buyer Common Stock which such holder has the right to receive pursuant to the provisions of this Article II plus cash in lieu of fractional shares pursuant to Section 2.2(e) and any dividends or distributions pursuant to Section 2.2(c), and the Certificate so surrendered shall immediately be canceled. In the event of a transfer of ownership of Company Common Stock which is not registered in the transfer records of the

Company, a certificate representing the proper number of shares of Buyer Common Stock plus cash in lieu of fractional shares pursuant to Section 2.2(e) and any dividends or distributions pursuant to Section 2.2(c) may be issued and paid to a person other than the person in whose name the Certificate so surrender is registered, if such Certificate is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.2, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate representing shares of Buyer Common Stock plus cash in lieu of fractional shares pursuant to Section 2.2(e) and any dividends or distributions pursuant to Section 2.2(c) as contemplated by this Section 2.2.

(c) Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made after the Effective Time with respect to Buyer Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Buyer Common Stock represented thereby and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 2.2(e) until the holder of record of such Certificate shall surrender such Certificate. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be issued and paid to the record holder of the Certificate, (i) certificates representing whole shares of Buyer Common Stock issued in exchange therefor, without interest, (ii) at the time of such surrender, the amount of any cash payable in lieu of a fractional share of Buyer Common Stock to which such holder is entitled pursuant to Section 2.2(e) and the amount of dividends or other distributions with a record date after the Effective Time previously paid with respect to such whole shares of Buyer Common Stock, and (iii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of Buyer Common Stock.

(d) No Further Ownership Rights in Company Common Stock. All shares of Buyer Common Stock issued upon the surrender for exchange of Certificates in accordance with the terms hereof (including any cash or other distributions paid pursuant to Sections 2.2(c) or 2.2(e)) shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of Company Common Stock, and from and after the Effective Time there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Common Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be canceled and exchanged as provided in this Article II.

(e) No Fractional Shares. No certificate or scrip representing fractional shares of Buyer Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a stockholder of the Buyer. Notwithstanding any other provision of this Agreement, each holder of shares of Company Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Buyer Common Stock (after taking into account all Certificates delivered by such holder) shall receive, in lieu thereof, cash (without interest) in an amount equal to such fractional part of a share of Buyer Common Stock multiplied by the average of the last reported sales prices of the Buyer Common Stock on the Nasdaq National Market during the ten (10) consecutive trading days ending on and including the last trading day prior to the Effective Time.

(f) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the holders of Company Common Stock for 180 days after the Effective Time shall be delivered to the Buyer, upon demand, and any holder of Company Common Stock who has not previously complied with this Section 2.2 shall thereafter look only to the Buyer for payment of its claim for Buyer Common Stock, any cash in lieu of fractional shares of Buyer Common Stock and any dividends or distributions with respect to Buyer Common Stock.

(g) No Liability. To the extent permitted by applicable law, none of the Buyer, the Transitory Subsidiary, the Company, the Surviving Corporation or the Exchange Agent shall be liable to any holder of shares of Company Common Stock or Buyer Common Stock, as the case may be, for such shares (or dividends or distributions with respect thereto) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Certificate shall not have been surrendered prior to one year after the Effective Time (or immediately prior to such earlier date on which any shares of Buyer Common Stock, and any cash payable to the holder of such Certificate pursuant to this Article II or any dividends or distributions payable to the holder of such Certificate would otherwise escheat to or become the property of any Governmental Entity (as defined in Section 3.3(c))), any such shares of Buyer Common Stock or cash, dividends or distributions in respect of such Certificate shall, to the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto.

(h) Withholding Rights. Each of the Buyer and the Surviving Corporation shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code, or any other applicable provision of law. To the extent that amounts are so withheld by the Surviving Corporation or the Buyer, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which such deduction and withholding was made by the Surviving Corporation or the Buyer, as the case may be.

(i) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the shares of Buyer Common Stock and any cash in lieu of fractional shares, and unpaid dividends and distributions on shares of Buyer Common Stock deliverable in respect thereof pursuant to this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Buyer and the Transitory Subsidiary that the statements contained in this Article III are true and correct, except as set forth herein or in the disclosure schedule delivered by the Company to the Buyer on or before the date of this Agreement (the "Company Disclosure Schedule"). The Company Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article III and the disclosure in any paragraph shall qualify other paragraphs in this Article III only to the extent that it is reasonably apparent from a reading of such disclosure that it also qualifies or applies to such other paragraphs.

3.1 Organization, Standing and Power; Subsidiaries.

(a) Each of the Company and its Subsidiaries (as defined below) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified, individually or in the aggregate, would have a Company Material Adverse Effect. "Company Material Adverse Effect" shall mean a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Company and its Subsidiaries, taken as a whole, or a material adverse effect on the ability of the Company to consummate the transactions contemplated by this Agreement or the Company Stock Option Agreement, excluding any material adverse effect (a) demonstrably shown to have been proximately caused by the public announcement of this Agreement, the Company Stock Option Agreement or any of the transactions contemplated thereby, (b) attributable to any legal proceeding brought by or on behalf of stockholders of the Company alleging that the Board of Directors of the Company breached its fiduciary duties in connection with its approval of this Agreement or the Company Stock Option Agreement, or (c) arising or resulting from general industry, economic or stock market conditions that affect the Company (or the markets in which the Company competes) in a manner not disproportionate to the manner in which such conditions affect other companies in the industries or markets in which the Company competes.

(b) Except as set forth in the Company SEC Reports (as defined in Section 3.4) filed prior to the date of this Agreement, neither the Company nor any of its Subsidiaries directly or indirectly owns any equity, membership, partnership or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity, membership, partnership or similar interest in, any corporation, partnership, joint venture, limited liability company or other business association or entity, whether incorporated or unincorporated. As used in this Agreement, the word "Subsidiary" means, with respect to a party, any corporation, partnership, joint venture, limited liability company or other business association or entity, whether incorporated or unincorporated, of which (i) such party or any other Subsidiary of such party is a general partner (excluding partnerships, the general partnership interests of which held by such party and/or one or more of its Subsidiaries do not have a majority of the voting interest in such partnership), (ii) such party and/or one or more of its Subsidiaries holds voting power to elect a majority of the board of directors or other governing body performing similar functions, or (iii) such party and/or one or more of its Subsidiaries, directly or indirectly, owns or controls more than 50% of the equity, membership, partnership or similar interests.

(c) The Company has delivered to the Buyer complete and accurate copies of the Certificate of Incorporation and By-laws of the Company and of the charter, by-laws or other organization documents of each Subsidiary of the Company.

3.2 Capitalization.

(a) The authorized capital stock of the Company consists of 50,000,000 shares of Company Common Stock and 2,000,000 shares of preferred stock, $.0001 par value per share ("Company Preferred Stock"). As of the close of business on the date of this Agreement, (i) 15,260,089 shares of Company Common Stock were issued and outstanding, (ii) no shares of Company Common Stock were held in the treasury of the Company or by Subsidiaries of the Company, and (iii) no shares of the Company Preferred Stock were issued and outstanding.

(b) Section 3.2(b) of Company Disclosure Schedule lists the number of shares of Company Common Stock reserved for future issuance pursuant to stock options granted and outstanding as of the date of this Agreement and the plans under which such options were granted (collectively, the "Company Stock Plans") and sets forth a complete and accurate list of all holders of outstanding options to purchase shares of Company Common Stock (such outstanding options, the "Company Stock Options") under the Company Stock Plans, indicating the number of shares of Company Common Stock subject to each Company Stock Option, and the exercise price, the date of grant, vesting schedule and the expiration date thereof. Section 3.2 of the Company Disclosure Schedule shows the number of shares of Company Common Stock reserved for future issuance pursuant to warrants or other outstanding rights to purchase shares of Company Common Stock outstanding as of the date of this Agreement (such outstanding warrants or other rights, the "Company Warrants") and the agreement or other document under which such Company Warrants were granted and sets forth a complete and accurate list of all holders of Company Warrants indicating the number and type of shares of Company Common Stock subject to each Company Warrant, and the exercise price, the date of grant and the expiration date thereof. Except (x) as set forth in this Section 3.2 and (y) as reserved for future grants under Company Stock Plans, (i) there are no equity securities of any class of the Company or any of its Subsidiaries, or any security exchangeable into or exercisable for such equity securities, issued, reserved for issuance or outstanding and (ii) there are no options, warrants, equity securities, calls, rights, commitments or agreements of any character to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound obligating the Company or any of its Subsidiaries to issue, transfer, deliver or sell, or cause to be issued, transferred, delivered or sold, additional shares of capital stock of the Company or any of its Subsidiaries or any security or rights convertible into or exchangeable or exercisable for any such shares, or obligating the Company or any of its Subsidiaries to grant, extend, accelerate the vesting of, otherwise modify or amend or enter into any such option, warrant, equity security, call, right, commitment or agreement. Neither the Company nor any of its Subsidiaries has issued and outstanding any stock appreciation rights, phantom stock, performance based rights or similar rights or obligations. To the knowledge of the Company, other than the Stockholders Agreements, there are no agreements or understandings with respect to the voting (including voting trusts and proxies) or sale or transfer (including agreements imposing transfer restrictions) of any shares of capital stock of the Company or any of its Subsidiaries.

(c) All outstanding shares of Company Common Stock are, and all shares of Company Common Stock subject to issuance as specified above, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be, duly authorized, validly issued, fully paid and nonassessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, the Company's Certificate of Incorporation or By-laws or any agreement to which the Company is a party or is otherwise bound. There are no obligations, contingent or otherwise, of Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of the Company Common Stock or the capital stock of the Company or any of its Subsidiaries or to provide funds to or make any material investment (in the form of a loan, capital contribution or otherwise) in the Company or any Subsidiary of the Company or any other entity, other than guarantees of bank obligations of Subsidiaries of the Company entered into in the ordinary course of business.

(d) All of the outstanding shares of capital stock of each of the Company's Subsidiaries are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights and all such shares (other than directors' qualifying shares in the case of non-U.S. Subsidiaries, all of which the Company has the power to cause to be transferred for no or nominal consideration to the Buyer or the Buyer's designee) are owned, of record and beneficially, by the Company or another Subsidiary of the Company free and clear of all security interests, liens, claims, pledges, agreements, limitations in the Company's voting rights, charges or other encumbrances of any nature.

(e) No consent of the holders of Company Stock Options is required in connection with the conversion of such options contemplated by Section 6.11.

3.3 Authority; No Conflict; Required Filings and Consents.

(a) The Company has all requisite corporate power and authority to enter into this Agreement and the Company Stock Option Agreement and to consummate the transactions contemplated by this Agreement and the Company Stock Option Agreement. The execution and delivery of this Agreement and the Company Stock Option Agreement and the consummation of the transactions contemplated by this Agreement and the Company Stock Option Agreement by the Company have been duly authorized by all necessary corporate action on the part of the Company, subject only to the approval of the Merger by the Company's stockholders under the DGCL. This Agreement and the Company Stock Option Agreement have been duly executed and delivered by the Company and constitute the valid and binding obligations of the Company, enforceable in accordance with their respective terms.

(b) The execution and delivery of this Agreement and the Company Stock Option Agreement by the Company does not, and the consummation of the transactions contemplated by this Agreement and the Company Stock Option Agreement will not, (i) conflict with, or result in any violation or breach of, any provision of the Certificate of Incorporation or By-laws of the Company or the charter, by-laws, or other organizational document of any Subsidiary of the Company, (ii) conflict with, or result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract or other agreement, instrument or obligation to which the Company or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound, or (iii) subject to compliance with the requirements specified in clauses (i), (ii), (iii), (iv) and (v) of Section 3.3(c), conflict with or violate any permit, concession, franchise, license, judgment, injunction, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries or any of its or their properties or assets, except in the case of (ii) and (iii) for any such conflicts, violations, breaches, defaults, terminations, cancellations or accelerations which, individually or in the aggregate, would not have a Company Material Adverse Effect.

(c) No consent, approval, license, permit, order or authorization of, or, registration, declaration, notice or filing with, any court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority or agency (a "Governmental Entity") is required by or with respect to the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement and the Company Stock Option Agreement by the Company or the consummation of the transactions contemplated by this Agreement or the Company Stock Option Agreement, except for (i) the filing of a pre-merger notification report under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iii) the filing of the Proxy Statement (as defined in Section 3.16 below) with the Securities and Exchange Commission (the "SEC") in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (iv) the filing of such reports or schedules under Section 13 of the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and (v) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable state securities laws.

(d) The affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock on the record date for the Company Meeting (as defined below) is the only vote of the holders of any class or series of the Company's capital stock or other securities necessary to approve the Merger. There are no bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Company may vote.

3.4 SEC Filings; Financial Statements.

(a) The Company has filed and made available to the Buyer all forms, reports and other documents required to be filed by the Company with the SEC since May 4, 1999. All such required forms, reports and other documents (including those that the Company may file after the date hereof until the Closing) are referred to herein as the "Company SEC Reports." The Company SEC Reports (i) were or will be filed on a timely basis, (ii) were or will be prepared in compliance in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Company SEC Reports, and (iii) did not or will not at the time they were or are filed contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Company SEC Reports or necessary in order to make the statements in such Company SEC Reports, in the light of the circumstances under which they were made, not misleading. No Subsidiary of the Company is required to file any forms, reports or other documents with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any related notes and schedules) contained or to be contained in the Company SEC Reports (i) complied or will comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were or will be prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited statements, as permitted by the SEC on Form 10-Q under the Exchange Act) and (iii) fairly presented or will fairly present the consolidated financial position of the Company and its Subsidiaries as of the dates and the consolidated results of its operations and cash flows for the periods indicated, consistent with the books and records of the Company and its Subsidiaries, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount. The unaudited balance sheet of the Company as of August 31, 1999 is referred to herein as the "Company Balance Sheet."

3.5 No Undisclosed Liabilities. Except as disclosed in the Company SEC Reports filed prior to the date of this Agreement, and except for normal or recurring liabilities incurred since the date of the Company Balance Sheet in the ordinary course of business consistent with past practices, the Company and its Subsidiaries do not have any liabilities, either accrued, contingent or otherwise (whether or not required to be reflected in financial statements in accordance with generally accepted accounting principles), and whether due or to become due, which, individually or in the aggregate, would have a Company Material Adverse Effect.

3.6 Absence of Certain Changes or Events. Except as disclosed in the Company SEC Reports filed prior to the date of this Agreement, since the date of the Company Balance Sheet, the Company and its Subsidiaries have conducted their respective businesses only in the ordinary course and in a manner consistent with past practice and, since such date, there has not been (i) any event, change or development in the business, properties, financial condition, results of operations or prospects of the Company and its Subsidiaries, taken as a whole, which, individually or in the aggregate, has had, or is reasonably likely to have, a Company Material Adverse Effect; (ii) any damage, destruction or loss (whether or not covered by insurance) with respect to the Company or any of its Subsidiaries which, individually or in the aggregate, has had, or is reasonably likely to have, a Company Material Adverse Effect; or (iii) any other action or event that would have required the consent of the Buyer pursuant to Section 5.1 of this Agreement had such action or event occurred after the date of this Agreement.

3.7 Taxes.

(a) The Company and each of its Subsidiaries has filed all Tax Returns (as defined below) that it was required to file, and all such Tax Returns were correct and complete except for any errors or omissions which would not, individually or in the aggregate, have a Company Material Adverse Effect. The Company and each of its Subsidiaries has paid on a timely basis all Taxes (as defined below) that are shown to be due on any such Tax Returns. The unpaid Taxes of the Company and its Subsidiaries for Tax periods through the date of the Company Balance Sheet do not exceed the accruals and reserves for Taxes set forth on the Company Balance Sheet exclusive of any accruals and reserves for "deferred taxes" or similar items that reflect timing differences between Tax and financial accounting principles. All Taxes that the Company or any of its Subsidiaries is or was required by law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Entity. For purposes of this Agreement, (i) "Taxes" means all taxes, charges, fees, levies or other similar assessments or liabilities, including income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, services, transfer, withholding, employment, payroll and franchise taxes imposed by the United States of America or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof and (ii) "Tax Returns" means all reports, returns, declarations, statements or other information required to be supplied to a taxing authority in connection with Taxes.

(b) The Company has delivered to the Buyer correct and complete copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Company or any of its Subsidiaries since inception. The federal income Tax Returns of the Company and each of its Subsidiaries have been audited by the Internal Revenue Service or are closed by the applicable statute of limitations for all taxable years through the taxable year specified in Section 3.7(b) of the Company Disclosure Schedule. The Company has made available to the Buyer correct and complete copies of all other Tax Returns of the Company and its Subsidiaries together with all related examination reports and statements of deficiency for all periods from and after January 1, 1996. No examination or audit of any Tax Return of the Company or any of its Subsidiaries by any Governmental Entity is currently in progress or, to the knowledge of the Company, threatened or contemplated. Neither the Company nor any of its Subsidiaries has been informed by any Governmental Entity that the Governmental Entity believes that the Company or any of its Subsidiaries was required to file any Tax Return that was not filed. Neither the Company nor any of its Subsidiaries has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency.

(c) Neither the Company nor any of its Subsidiaries: (i) is a "consenting corporation" within the meaning of Section 341(f) of the Code, and none of the assets of the Company or its Subsidiaries are subject to an election under Section 341(f) of the Code; (ii) has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(l)(A)(ii) of the Code; (iii) has made any payments, is obligated to make any payments, or is a party to any agreement that could obligate it to make any payments that may be treated as an "excess parachute payment" under Section 280G of the Code; (iv) has any actual or potential liability for any Taxes of any person (other than the Company and its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of law in any jurisdiction), or as a transferee or successor, by contract, or otherwise; or (v) is or has been required to make a basis reduction pursuant to Treasury Regulation Section 1.1502-20(b) or Treasury Regulation Section 1.337(d)-2(b).

(d) None of the assets of the Company or any of its Subsidiaries: (i) is property that is required to be treated as being owned by any other person pursuant to the provisions of former Section 168(f)(8) of the Code; (ii) is "tax-exempt use property" within the meaning of Section 168(h) of the Code; or (iii) directly or indirectly secures any debt the interest on which is tax exempt under Section 103(a) of the Code.

(e) Neither the Company nor any of its Subsidiaries has undergone, or will undergo as a result of the transactions contemplated by the Agreement, a change in its method of accounting resulting in an adjustment to its taxable income pursuant to Section 481(h) of the Code.

(f) No state or federal "net operating loss" of the Company determined as of the Closing Date is subject to limitation on its use pursuant to Section 382 of the Code or comparable provisions of state law as a result of any "ownership change" within the meaning of Section 382(g) of the Code or comparable provisions of any state law occurring prior to the Closing Date.

(g) Neither the Company nor any of its Subsidiaries (i) is or has ever been a member of a group of corporations with which it has filed (or been required to file) consolidated, combined or unitary Tax Returns, other than a group of which only the Company and its Subsidiaries are or were members or (ii) is a party to or bound by any Tax indemnity, Tax sharing or Tax allocation agreement.

3.8 Owned and Leased Real Properties.

(a) The Company does not and has never owned any real property.

(b) The Company has provided to the Buyer a complete and accurate list of all real property leased by the Company or its Subsidiaries (collectively "Company Leases") and the location of the premises. The Company is not in default under any of the Company Leases. Each of the Company Leases is in full force and effect and will not cease to be in full force and effect as a result of the transactions contemplated by this Agreement.

3.9 Intellectual Property.

(a) The Company and its Subsidiaries exclusively own, or are licensed or otherwise possess legally enforceable rights to use on an exclusive basis, without any obligation to make any fixed or contingent payments, including any royalty payments, all patents, trademarks, trade names, domain names, service marks and copyrights, any applications for and registrations of such patents, trademarks, trade names, domain names, service marks and copyrights, and all processes, formulae, methods, schematics, technology, know-how, computer software programs or applications and tangible or intangible proprietary information or material that are used or necessary to conduct the business of the Company and its Subsidiaries as currently conducted (the "Company Intellectual Property Rights").

(b) The execution and delivery of this Agreement and consummation of the Merger will not result in the breach of, or create on behalf of any third party the right to terminate or modify, any material license, sublicense or other agreement relating to the Company Intellectual Property Rights, or any license, sublicense and other agreement as to which the Company or any of its Subsidiaries is a party and pursuant to which the Company or any of its Subsidiaries is authorized to use any third party patents, trademarks, copyrights or trade secrets (the "Company Third Party Intellectual Property Rights"), including software that is used in the manufacture of, incorporated in, or forms a part of any product or service sold by or expected to be sold by a Company or any of its Subsidiaries.

(c) All patents, registered trademarks, service marks and copyrights which are held by the Company or any of its Subsidiaries and which are material to the business of the Company and its Subsidiaries, taken as a whole, are valid and subsisting. The Company and its Subsidiaries have taken reasonable measures to protect the proprietary nature of the Company Intellectual Property Rights that are material to the business of the Company and its Subsidiaries, taken as a whole, and to maintain in confidence all trade secrets and confidential information owned or used by the Company or any of its Subsidiaries and that are material to the business of the Company and its Subsidiaries, taken as a whole. To the knowledge of the Company, no other person or entity is infringing, violating or misappropriating any of the Company Intellectual Property Rights. None of the activities or business previously or currently conducted by the Company or any of the Subsidiaries infringes, violates or constitutes a misappropriation of, any patents, trademarks, trade names, service marks and copyrights, any applications for and registrations of such patents, trademarks, trade names, service marks and copyrights, and all processes, formulae, methods, schematics, technology, know-how, computer software programs or applications and tangible or intangible proprietary information or material of any other person or entity, except for any infringement, violation or misappropriation that would not have a Company Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received any complaint, claim or notice alleging any such infringement, violation or misappropriation.

3.10 Agreements, Contracts and Commitments.

(a) There are no contracts or agreements that are material contracts (as defined in Item 601(b)(10) of Regulation S-K) with respect to the Company and its Subsidiaries (the "Company Material Contracts"), other than the Company Material Contracts identified on the exhibit indices of the Company SEC Reports filed prior to the date of this Agreement. Each Company Material Contract has not expired by its terms and is in full force and effect. Neither the Company nor any of its Subsidiaries is in violation of or in default under (nor does there exist any condition which, upon the passage of time or the giving of notice or both, would cause such a violation of or default under) any loan or credit agreement, note, bond, mortgage, indenture, lease, permit, concession, franchise, license or other contract, arrangement or understanding to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults which, individually or in the aggregate, have not resulted in, and would not result in, a Company Material Adverse Effect.

(b) Section 3.10(b) of the Company Disclosure Schedule sets forth a complete list of each contract or agreement to which the Company or any of its Subsidiaries is a party or bound with any Affiliate of the Company (other than any Subsidiary which is a direct or indirect wholly owned Subsidiary of the Company).

(c) The Company is not a party to any agreement under which a third party would be entitled to receive a license or any other right to intellectual property of the Buyer or any of the Buyer's affiliates (as such term is defined in Rule 405 promulgated under the Securities Act) following the Closing.

3.11 Litigation. Except as disclosed in the Company SEC Reports filed prior to the date of this Agreement, there is no action, suit, proceeding, claim, arbitration or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries which, individually or in the aggregate, has had, or is reasonably likely to have, a Company Material Adverse Effect. There are no judgments, orders or decrees outstanding against the Company.

3.12 Environmental Matters.

(a) Except as disclosed in the Company SEC Reports filed prior to the date of this Agreement and except for such matters which, individually or in the aggregate, have not had, and would not have a Company Material Adverse Effect: (i) the Company and each of its Subsidiaries has complied with, and is not in violation of, any applicable Environmental Laws (as defined in Section 3.12(b)); (ii) the properties currently owned or operated by the Company and its Subsidiaries (including soils, groundwater, surface water, buildings or other structures) are not contaminated with any Hazardous Substances (as defined in Section 3.12(c)); (iii) the properties formerly owned or operated by the Company or any of its Subsidiaries were not contaminated with Hazardous Substances prior to or during the period of ownership or operation by the Company or any of its Subsidiaries; (iv) neither the Company nor its Subsidiaries are subject to liability for any Hazardous Substance disposal or contamination on the property of any third party; (v) neither the Company nor any of its Subsidiaries have released any Hazardous Substance to the environment; (vi) neither the Company nor any of its Subsidiaries has received any notice, demand, letter, claim or request for information alleging that the Company or any of its Subsidiaries may be in violation of, liable under or have obligations under any Environmental Law; (vii) neither the Company nor any of its Subsidiaries is subject to any orders, decrees, injunctions or other arrangements with any Governmental Entity or is subject to any indemnity or other agreement with any third party relating to liability under any Environmental Law or relating to Hazardous Substances; and (viii) there are no circumstances or conditions involving the Company or any of its Subsidiaries that could reasonably be expected to result in any claims, liability, obligations, investigations, costs or restrictions on the ownership, use or transfer of any property of the Company or any of its Subsidiaries pursuant to any Environmental Law.

(b) For purposes of this Agreement, "Environmental Law" means any law, regulation, order, decree, permit, authorization, opinion, common law or agency requirement of any jurisdiction relating to: (A) the protection, investigation or restoration of the environment, human health and safety, or natural resources, (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance or (C) noise, odor, wetlands, pollution, contamination or any injury or threat of injury to persons or property.

(c) For purposes of this Agreement, "Hazardous Substance" means any substance that is: (A) listed, classified, regulated or which falls within the definition of a "hazardous substance" or "hazardous material" pursuant to any Environmental Law; (B) any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, radioactive materials or radon; or (C) any other substance which is the subject of regulatory action by any Governmental Entity pursuant to any Environmental Law.

(d) Section 3.12(d) of the Company Disclosure Schedule sets forth a complete and accurate list of all documents (whether in hard copy or electronic form) that contain any environmental reports, investigations and audits relating to premises currently or previously owned or operated by the Company or any of its Subsidiaries (whether conducted by or on behalf of the Company or one of its Subsidiaries or a third party, and whether done at the initiative of the Company or one of its Subsidiaries or directed by a Governmental Entity or other third party) which were issued or conducted during the past five years and which the Company has possession of or access to. A complete and accurate copy of each such document has been provided to the Buyer.

3.13 Employee Benefit Plans.

(a) Section 3.13(a) of the Company Disclosure Schedule sets forth a complete and accurate list of all Employee Benefit Plans (as defined below) maintained, or contributed to, by the Company, any Subsidiary of the Company or any ERISA Affiliate (as defined below) (together, the "Company Employee Plans"). For purposes of this Agreement, the following terms shall have the following meanings: (i) "Employee Benefit Plan" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA), and any other written or oral plan, agreement or arrangement involving direct or indirect compensation, including insurance coverage, severance benefits, disability benefits, deferred compensation, bonuses, stock options, stock purchase, phantom stock, stock appreciation or other forms of incentive compensation or post-retirement compensation; (ii) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended; and (iii) "ERISA Affiliate" means any entity which is, or at any applicable time was, a member of (1) a controlled group of corporations (as defined in Section 414(b) of the Code), (2) a group of trades or businesses under common control (as defined in Section 414(c) of the Code), or (3) an affiliated service group (as defined under Section 414(m) of the Code or the regulations under Section 414(o) of the Code), any of which includes or included the Company or a Subsidiary.

(b) With respect to each Company Employee Plan, the Company has furnished to the Buyer, a complete and accurate copy of (i) such Company Employee Plan (or a written summary of any unwritten plan), (ii) the most recent annual report (Form 5500) filed with the IRS, (iii) each trust agreement, group annuity contract and summary plan description, if any, relating to such Company Employee Plan and (iv) all reports regarding the satisfaction of the nondiscrimination requirements of Sections 410(b), 401(k) and 401(m) of the Code.

(c) Each Company Employee Plan has been administered in all material respects in accordance with its terms and each of the Company, the Company's Subsidiaries and their ERISA Affiliates has in all material respects met its obligations with respect to such Company Employee Plan and has made all required contributions thereto. With respect to the Company Employee Plans, no event has occurred, and to the knowledge of the Company, there exists no condition or set of circumstances in connection with which the Company or any of its Subsidiaries could be subject to any liability under ERISA, the Code or any other applicable law which, individually or in the aggregate, would have a Company Material Adverse Effect.

(d) With respect to the Company Employee Plans, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations which have not been accounted for by reserves, or otherwise properly footnoted in accordance with generally accepted accounting principles, on the financial statements of the Company.

(e) All the Company Benefit Plans that are intended to be qualified under Section 401(a) of the Code have received determination letters from the Internal Revenue Service to the effect that such Company Benefit Plans are qualified and the plans and trusts related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, no such determination letter has been revoked and revocation has not been threatened, and no such Employee Benefit Plan has been amended or operated since the date of its most recent determination letter or application therefor in any respect, and no act or omission has occurred, that would adversely affect its qualification or materially increase its cost.

(f) Neither the Company, any Subsidiary of the Company nor any ERISA Affiliate has (i) ever maintained a Company Employee Plan which was ever subject to Section 412 of the Code or Title IV of ERISA or (ii) ever been obligated to contribute to a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA). No Company Benefit Plan is funded by, associated with or related to a "voluntary employee's beneficiary association" within the meaning of Section 501(c)(9) of the Code.

(g) Each Company Benefit Plan is amendable and terminable unilaterally by the Company at any time without liability to the Company as a result thereof and no Company Benefit Plan, plan documentation or agreement, summary plan description or other written communication distributed generally to employees by its terms prohibits the Company from amending or terminating any such Company Benefit Plan.

(h) Except as disclosed in the Company SEC Reports filed prior to the date of this Agreement, neither the Company nor any of its Subsidiaries is a party to any oral or written (i) agreement with any stockholders, director, executive officer or other key employee of the Company or any of its Subsidiaries (A) the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving the Company or any of its Subsidiaries of the nature of any of the transactions contemplated by this Agreement, (B) providing any term of employment or compensation guarantee or (C) providing severance benefits or other benefits after the termination of employment of such director, executive officer or key employee; (ii) agreement, plan or arrangement under which any person may receive payments from the Company or any of its Subsidiaries that may be subject to the tax imposed by Section 4999 of the Code or included in the determination of such person's "parachute payment" under Section 280G of the Code; and (iii) agreement or plan binding the Company or any of its Subsidiaries, including any stock option plan, stock appreciation right plan, restricted stock plan, stock purchase plan or severance benefit plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement.

3.14 Compliance With Laws. The Company and each of its Subsidiaries has complied with, is not in violation of, and has not received any notice alleging any violation with respect to, any applicable provisions of any statute, law or regulation with respect to the conduct of its business, or the ownership or operation of its properties or assets, except for failures to comply or violations which, individually or in the aggregate, have not had, and would not have, a Company Material Adverse Effect.

3.15 Permits. The Company and each of its Subsidiaries have all permits, licenses and franchises from Governmental Entities required to conduct their businesses as now being conducted or as presently contemplated to be conducted (the "Company Permits"), except for such permits, licenses and franchises the absence of which, individually or in the aggregate, have not resulted in, and would not result in, a Company Material Adverse Effect. The Company and its Subsidiaries are in compliance, in all material respects, with the terms of the Company Permits.

3.16 Registration Statement; Proxy Statement/Prospectus. The information to be supplied by the Company for inclusion in the registration statement on Form S-4 pursuant to which shares of Buyer Common Stock issued in the Merger will be registered under the Securities Act (the "Registration Statement"), shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Registration Statement or necessary in order to make the statements in the Registration Statement, in light of the circumstances under which they were made, not misleading. The information to be supplied by the Company for inclusion in the proxy statement/prospectus (the "Proxy Statement") to be sent to the stockholders of the Company in connection with the meeting of the Company's stockholders to consider this Agreement and the Merger (the "Company Meeting") shall not, on the date the Proxy Statement is first mailed to stockholders of the Company, at the time of the Company Meeting and at the Effective Time, contain any statement which, at such time and in light of the circumstances under which it shall be made, is false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements made in the Proxy Statement not false or misleading; or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Company Meeting which has become false or misleading. If at any time prior to the Effective Time any event relating to the Company or any of its Affiliates, officers or directors should be discovered by the Company which should be set forth in an amendment to the Registration Statement or a supplement to the Proxy Statement, the Company shall promptly inform the Buyer.

3.17 Labor Matters. Neither the Company nor any of its Subsidiaries is a party to or otherwise bound by any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization. Neither the Company nor any of its Subsidiaries is the subject of any proceeding asserting that the Company or any of its Subsidiaries has committed an unfair labor practice or is seeking to compel it to bargain with any labor union or labor organization, nor is there pending or, to the knowledge of the Company, threatened, any labor strike, dispute, walkout, work stoppage, slow-down or lockout involving the Company or any of its Subsidiaries.

3.18 Insurance. Each of the Company and its Subsidiaries maintains the insurance policies (the "Insurance Policies") set forth in Section 3.18 of the Company Disclosure Schedule. Each Insurance Policy is in full force and effect and is valid, outstanding and enforceable, and all premiums due thereon have been paid in full. None of the Insurance Policies will terminate or lapse (or be affected in any other materially adverse manner) by reason of the transactions contemplated by this Agreement. The Company and its Subsidiaries have complied in all material respects with the provisions of each Insurance Policy under which it is the insured party. No insurer under any Insurance Policy has canceled or generally disclaimed liability under any such policy or indicated any intent to do so or not to renew any such policy. All material claims under the Insurance Policies have been filed in a timely fashion.

3.19 Business Activity Restrictions. There is no non-competition or other similar agreement, commitment, judgment, injunction, order to create to which the Company or any Subsidiary of the Company is a party or subject to that has or could reasonably be expected to have the effect of prohibiting or impairing the conduct of the business by the Company in any material respect. The Company has not entered into any agreement under which it is restricted in any material respect from selling, licensing or otherwise distributing any of its technology or products, or providing services to, customers or potential customers or any class of customers, in any geographic area, during any period of time or any segment of the market or line of business.

3.20 Year 2000 Compliance.

(a) The Company has conducted "year 2000" audits with respect to (i) all of the internal systems of the Company and each of its Subsidiaries used in the business or operations of the Company or any of its Subsidiaries, including, without limitation, computer hardware systems, software applications, firmware, equipment firmware and other embedded systems, and (ii) the software, hardware, firmware and other technology which constitute part of the products and services marketed or sold by the Company or any of its Subsidiaries or licensed by the Company or any of its Subsidiaries to third parties. The Company has obtained "year 2000" certificates with respect to all material third-party systems used in connection with the business or operations of the Company and its Subsidiaries.

(b) All of (i) the material internal systems of the Company and each of its Subsidiaries used in the business or operations of the Company or any of its Subsidiaries, as the case may be, including, without limitation, computer hardware systems, software applications, firmware, equipment containing embedded microchips and other embedded systems (collectively, the "Company Systems"), and (ii) the software, hardware, firmware and other technology which constitute part of the products and services marketed or sold by the Company or any of its Subsidiaries or licensed by the Company or any of its Subsidiaries to third parties (collectively, the "Company Products") are Year 2000 Compliant.

(c) The Company has no knowledge of any failure to be Year 2000 Compliant of any material third-party system used in connection with the business or operations of the Company and its Subsidiaries.

(d) For purposes of this Agreement, "Year 2000 Compliant" means that the applicable system or item:

(i) accurately receives, records, stores, provides, recognizes and processes all date and time data from, during, into and between the twentieth and twenty-first centuries, the years 1999 and 2000 and all leap years;

(ii) accurately performs all date-dependent calculations and operations (including, without limitation, mathematical operations, sorting, comparing and reporting) from, during, into and between the twentieth and twenty-first centuries, the years 1999 and 2000 and all leap years; and

(iii) does not malfunction, cease to function or provide invalid or incorrect results as a result of (x) the change of years from 1999 to 2000 or from 2000 to 2001, (y) date data, including date data which represents or references different centuries, different dates during 1999 and 2000, or more than one century or (z) the occurrence of any particular date;

in each case without human intervention, other than original data entry; provided, in each case, that all applications, hardware and other systems used in conjunction with such system or item which are not owned or licensed by the Company or any of its Subsidiaries correctly exchange date data with or provide data to such system or item.

(e) Neither the Company nor any of its Subsidiaries has provided any guarantee or warranty for any product sold or licensed, or service provided, by the Company or any Subsidiary to the effect that such product or service (i) complies with or accounts for the fact of the arrival of the year 2000, (ii) will not be adversely affected with respect to functionality, interoperability, performance or volume capacity (including, without limitation, the processing and reporting of data) by virtue of the arrival of the year 2000 or (iii) is otherwise Year 2000 Compliant.

3.21 Assets. Each of the Company and its Subsidiaries owns or leases all tangible assets necessary for the conduct of its businesses as presently conducted and as presently proposed to be conducted. All of such tangible assets which are owned, are owned free and clear of all mortgages, security interest, pledges, liens and encumbrances ("Liens") except for (i) Liens which are disclosed in the Company SEC Reports filed prior to the date of this Agreement and (ii) other Liens which, individually and in the aggregate, do not materially interfere with the ability of the Company and its Subsidiaries to conduct their business as currently conducted and as presently proposed to be conducted and have not resulted in, and would not result in, a Company Material Adverse Effect. The tangible assets of the Company and its Subsidiaries, taken as a whole, are free from material defects, have been maintained in accordance with normal industry practice, are in good operating condition and repair (subject to normal wear and tear) and are suitable for the purpose for which they are presently used.

3.22 Customers. No customer of the Company or any of its Subsidiaries that represented 5% or more of the Company's consolidated revenues in the fiscal year ended December 31, 1998 or in the six-month period ended June 30, 1999 has indicated to the Company or any of its Subsidiaries that it will stop, or decrease the rate of, buying products or services from the Company or any of its Subsidiaries.

3.23 No Existing Discussions. As of the date of this Agreement, neither the Company nor any of its Subsidiaries is engaged, directly or indirectly, in any discussions or negotiations with any other party with respect to an Alternative Transaction (as defined in Section 6.1).

3.24 Opinion of Financial Advisor. The financial advisor of the Company, Deutsche Banc Alex. Brown, has delivered to the Company an opinion dated the date of this Agreement to the effect, as of such date, that the Exchange Ratio is fair to the holders of the Company Common Stock from a financial point of view, a signed copy of which opinion has been delivered to the Buyer.

3.25 Section 203 of the DGCL Not Applicable. The Board of Directors of the Company has taken all actions necessary so that the restrictions contained in Section 203 of the DGCL applicable to a "business combination" (as defined in Section 203) will not apply to the execution, delivery or performance of this Agreement, the Company Stock Option Agreement, the Stockholder Agreements or the consummation of the Merger or the other transactions contemplated by this Agreement, the Company Stock Option Agreement or the Stockholder Agreements.

3.26 Tax Matters. To the Company's knowledge, after consulting with its independent auditors, neither the Company nor any of its Affiliates has taken or agreed to take any action which would prevent the Merger from constituting a transaction qualifying as a reorganization under Section 368(a) of the Code.

3.27 Transactions with Affiliates. Except as disclosed in the Company SEC Reports filed prior to the date of this Agreement, neither the Company nor any of its Subsidiaries has entered into any transaction with any director, officer or other affiliate of the Company or any of its Subsidiaries or any transaction that would be subject to proxy statement disclosure pursuant to Item 404 of Regulation S-K.

3.28 Brokers; Schedule of Fees and Expenses.

(a) No agent, broker, investment banker, financial advisor or other firm or person is or will be entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with any of the transactions contemplated by this Agreement, except Deutsche Banc Alex. Brown, whose fees and expense will be paid by the Company. The Company has delivered to the Buyer a complete and accurate copy of all agreements pursuant to which Deutsche Banc Alex. Brown is entitled to any fees and expenses in connection with any of the transactions contemplated by this Agreement.

(b) Section 3.28(b) of the Company Disclosure Schedule sets forth a complete and accurate list of the estimated fees and expenses incurred and to be incurred by the Company and any of its Subsidiaries in connection with this Agreement and the transactions contemplated by this Agreement (including the fees and expenses of Deutsche Banc Alex. Brown and of the Company's legal counsel and accountants).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BUYER AND THE TRANSITORY SUBSIDIARY

The Buyer and the Transitory Subsidiary represent and warrant to the Company that the statements contained in this Article IV are true and correct, except as set forth herein or in the disclosure schedule delivered by the Buyer to the Company on or before the date of this Agreement (the "Buyer Disclosure Schedule"). The Buyer Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article IV and the disclosure in any paragraph shall qualify other paragraphs in this Article IV only to the extent that it is reasonably apparent from a reading of such document that it also qualifies or applies to such other paragraphs.

4.1 Organization, Standing and Power. Each of the Buyer and the Transitory Subsidiary and the Buyer's other Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified, individually or in the aggregate, would be reasonably likely to have a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Buyer and its Subsidiaries, taken as a whole, or to have a material adverse effect on the ability of the Buyer to consummate the transactions contemplated by this Agreement, excluding any material adverse effect (a) demonstrably shown to have been proximately caused by the public announcement of, this Agreement, the Buyer Stock Option Agreement or any of the transactions contemplated thereby, or (b) arising or resulting from general industry, economic or stock market conditions that affect the Buyer (or the markets in which the Buyer competes) in a manner not disproportionate to the manner in which such conditions affect other companies in the industries or markets in which the Buyer competes.

4.2 Capitalization. The authorized capital stock of the Buyer consists of 400,000,000 shares of Buyer Common Stock and 5,000,000 shares of preferred stock, $.01 par value per share (the "Buyer Preferred Stock"), of which (i) 250 shares are designated Series A Preferred Stock, (ii) 50,000 shares are designated Series B Preferred Stock, (iii) 375,000 shares have been designated as Series C Preferred Stock and (iv) 18,090.45 shares have been designated as Series D Preferred Stock. As of the close of business on

September 20, 1999, 116,177,788 shares of Buyer Common Stock were issued and outstanding, and (i) no shares of Series A Preferred Stock, (ii) 35,000 shares of Series B Preferred Stock (convertible into an aggregate of 1,384,538 shares of Buyer Common Stock), (iii) 375,000 shares of Series C Preferred Stock (convertible into an aggregate of 3,925,674 shares of Buyer Common Stock), and (iv) 18,090.45 shares of Series D Preferred Stock (convertible into an aggregate of 1,809,045 shares of Buyer Common Stock) were issued and outstanding. All outstanding shares of Buyer Common Stock are, and all shares of Buyer Common Stock subject to issuance upon conversion of outstanding shares of Buyer Preferred Stock will be, upon issuance, duly authorized, validly issued, fully paid and nonassessable. All of the shares of Buyer Common Stock issuable in connection with the Merger, when issued in accordance with this Agreement, will be duly authorized, validly issued, fully paid and nonassessable.

4.3 Authority; No Conflict; Required Filings and Consents.

(a) Each of the Buyer and the Transitory Subsidiary has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement by the Buyer and the Transitory Subsidiary have been duly authorized by all necessary corporate action on the part of each of the Buyer and the Transitory Subsidiary (including the approval of the Merger by the Buyer as the sole stockholder of the Transitory Subsidiary). This Agreement and has been duly executed and delivered by each of the Buyer and the Transitory Subsidiary and constitutes the valid and binding obligation of each of the Buyer and the Transitory Subsidiary, enforceable in accordance with its terms.

(b) The execution and delivery of this Agreement by each of the Buyer and the Transitory Subsidiary does not, and the consummation of the transactions contemplated by this Agreement will not, (i) conflict with, or result in any violation or breach of, any provision of the Certificate of Incorporation or By-laws of the Buyer or the Transitory Subsidiary, (ii) conflict with, or result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract or other agreement, instrument or obligation to which the Buyer or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound, or (iii) subject to compliance with the requirements specified in clause (i), (ii), (iii), (iv), (v) and (vi) of Section 4.3(c), conflict with or violate any permit, concession, franchise, license, judgment, injunction, order, decree, statute, law, ordinance, rule or regulation applicable to the Buyer or any of its Subsidiaries or any of its or their properties or assets, except in the case of (ii) and (iii) for any such conflicts, violations, breaches, defaults, terminations, cancellations or accelerations which, individually or in the aggregate, are not reasonably likely to have a Buyer Material Adverse Effect.

(c) No consent, approval, license, permit, order or authorization of, or registration, declaration, notice or filing with, any Governmental Entity is required by or with respect to the Buyer or any of its Subsidiaries in connection with the execution and delivery of this Agreement by the Buyer or the Transitory Subsidiary or the consummation of the transactions contemplated by this Agreement, except for (i) the filing of a pre-merger notification report under the HSR Act, (ii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iii) the filing of the Registration Statement with the SEC in accordance with the Securities Act, (iv) the filings of such reports or schedules under Section 13 of the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby, (v) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable state securities laws and (vi) the filing with the Nasdaq National Market of a Notification Form for Listing of Additional Shares with respect to the Buyer Common Stock issuable in connection with the Merger.

4.4 SEC Filings; Financial Statements.

(a) The Buyer has filed and made available to the Company all forms, reports and other documents required to be filed by the Buyer with the SEC since January 1, 1998. All such required forms, reports and other documents (including those that the Buyer may file after the date hereof until the Closing) are referred to herein as the "Buyer SEC Reports." The Buyer SEC Reports (i) were or will be filed on a timely basis, (ii) were or will be prepared in compliance in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Buyer SEC Reports, and (iii) did not or will not at the time they were or are filed contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Buyer SEC Reports or necessary in order to make the statements in such Buyer SEC Reports, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements (including, in each case, any related notes and schedules) contained or to be contained in the Buyer SEC Reports (i) complied or will comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were or will be prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited statements, as permitted by the SEC on Form 10-Q under the Exchange Act) and (iii) fairly presented or will fairly present the consolidated financial position of the Buyer and its Subsidiaries as of the dates and the consolidated results of its operations and cash flows for the periods indicated, consistent with the books and records of the Buyer and its Subsidiaries, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount. The unaudited balance sheet of the Buyer as of April 30, 1999 is referred to herein as the "Buyer Balance Sheet."

4.5 Absence of Certain Changes or Events. Except as disclosed in the Buyer SEC Reports filed prior to the date of this Agreement, since the date of the Buyer Balance Sheet, there has not been any event, change or development in the business, properties, financial condition, results of operations or prospects of the Buyer and its Subsidiaries, taken as a whole, which has had, or is reasonably likely to have, a Buyer Material Adverse Effect.

4.6 Tax Matters. To the Buyer's knowledge, after consulting with its independent auditors, neither the Buyer nor any of its Affiliates has taken or agreed to take any action which would prevent the Merger from constituting a transaction qualifying as a reorganization under Section 368(a) of the Code.

4.7 Litigation. Except as disclosed in the Buyer SEC Reports filed prior to the date of this Agreement, there is no action, suit, proceeding, claim, arbitration or investigation pending or, to the knowledge of the Buyer, threatened against or affecting the Buyer or any of its Subsidiaries which, individually or in the aggregate, has had, or is reasonably likely to have, a Buyer Material Adverse Effect. There are no judgments, orders or decrees outstanding against the Buyer.

4.8 Compliance with Laws. Each of the Buyer and the Transitory Subsidiary has complied with, is not in violation of, and has not received any notice alleging any violation with respect to, any applicable provisions of any statute, law or regulation with respect to the conduct of its business, or the ownership or operation of its properties or assets, except for failures to comply or violations which, individually or in the aggregate, have not had, and would not have, a Buyer Material Adverse Effect.

4.9 Registration Statement; Proxy Statement/Prospectus. The information in the Registration Statement (except for information supplied by the Company for inclusion in the Registration Statement, as to which the Buyer makes no representation and which shall not constitute part of the Buyer SEC Report for purposes of this Agreement) shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Registration Statement or necessary in order to make the statements in the Registration Statement, in light of the circumstances under which they were made, not misleading. If at any time prior to the Effective Time any event relating to the Buyer or any of its Affiliates, officers or directors should be discovered by the Buyer which should be set forth in an amendment to the Registration Statement, the Buyer shall promptly inform the Company.

4.10 Operations of the Transitory Subsidiary. The Transitory Subsidiary was formed solely for the purpose of engaging in the transactions contemplated by this Agreement, has engaged in no other business activities and has conducted its operations only as contemplated by this Agreement.

ARTICLE V

CONDUCT OF BUSINESS

5.1 Covenants of the Company. Except as expressly provided herein or in Section 5.1 of the Company Disclosure Schedule, as consented to in writing by the Buyer, from and after the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms or the Effective Time, the Company shall, and shall cause each of its Subsidiaries to, act and carry on its business in the usual, regular and ordinary course in substantially the same manner as previously conducted, pay its debts and Taxes and perform its other obligations when due (subject to good faith disputes over such debts, Taxes or obligations), and use all reasonable efforts, consistent with past practices, to maintain and preserve its and each Subsidiary's business organization, assets and properties, and preserve its advantageous business relationships with customers, suppliers, distributors and others having business dealings with it. Without limiting the generality of the foregoing, from and after the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms or the Effective Time, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, do any of the following without the prior written consent of the Buyer:

(a) (A) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, securities or other property) in respect of, any of its capital stock (other than dividends and distributions by a direct or indirect wholly owned subsidiary of the company to its parent); (B) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution of shares of its capital stock; or (C) purchase, redeem or otherwise acquire any shares of its capital stock or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(b) issue, deliver, sell, grant, pledge or otherwise dispose of or encumber any shares of its capital stock, any other voting securities or any securities convertible into or exchangeable for, or any rights, warrants or options to acquire, any such shares, voting securities or convertible or exchangeable securities (other than the issuance of shares of Company Common Stock upon the exercise of Company Options or Company Warrants outstanding on the date of this Agreement in accordance with their present terms) and granting of options to new employees in the ordinary course of business for an aggregate number of shares of Company Common Stock equal to 200,000 ("Permitted New Options");

(c) amend its certificate of incorporation, by-laws or other comparable charter or organizational documents, except as expressly provided by this Agreement;

(d) acquire (A) by merging or consolidating with, or by purchasing a substantial portion of the assets or any stock of, or by any other manner, any business or any corporation, partnership, joint venture, limited liability company, association or other business organization or division thereof or (B) any assets that are material, in the aggregate, to the Company and the Subsidiaries, taken as a whole, except purchases of inventory in the ordinary course of business consistent with past practice;

(e) except in the ordinary course of business consistent with past practice, sell, lease, license, pledge, or otherwise dispose of or encumber any properties or assets of the Company or of any of its Subsidiaries;

(f) whether or not in the ordinary course of business or consistent with past practice, sell or dispose of any assets material to the Company and its Subsidiaries, taken as a whole (including any accounts, leases, contracts or intellectual property or any assets or the stock of any Subsidiaries, but excluding the sale of products in the ordinary course of business consistent with past practice);

(g) adopt or implement any stockholder rights plan;

(h) except as permitted by Section 6.1, enter into an agreement with respect to any merger, consolidation, liquidation or business combination, or any acquisition or disposition of all or substantially all of the assets or securities of the Company or any of its Subsidiaries;

(i) (A) incur or suffer to exist any indebtedness for borrowed money other than such indebtedness which existed as of June 30, 1999 as reflected on the Company Balance Sheet or guarantee any such indebtedness of another person, (B) issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Company or any of its Subsidiaries, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, or (C) make any loans, advances (other than routine advances to employees of the company in the ordinary course of business consistent with post practice) or capital contributions to, or investment in, any other person;

(j) make any capital expenditures or expenditures with respect to property, plant or equipment in excess of $2,000,000 in the aggregate for the Company and its Subsidiaries, taken as a whole;

(k) make any changes in accounting methods, principles or practices, except insofar as may have been required by a change in generally accepted accounting principles or, except as so required, change any assumption underlying, or method of calculating, any bad debt, contingency or other reserve;

(l) (A) pay, discharge, settle or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice or in accordance with their terms, of liabilities reflected or reserved against in, or contemplated by, the most recent consolidated financial statements (or the notes thereto) of the Company included in the Company SEC Reports filed prior to the date of this Agreement (to the extent so reflected or reserved against) or incurred thereafter in the ordinary course of business consistent with past practice, or (B) waive any material benefits of any confidentiality, standstill or similar agreements to which the Company or any of its Subsidiaries is a party;

(m) modify, amend or terminate any material contract or agreement to which the Company or any of its Subsidiaries is party, or knowingly waive, release or assign any material rights or claims (including any write-off or other compromise of any accounts receivable of the Company of any of its Subsidiaries);

(n) (A) except in the ordinary course of business consistent with past practice enter into any material contract or agreement or (B) license any material intellectual property rights to or from any third party;

(o) except as required to comply with applicable law or agreements, plans or arrangements existing on the date hereof, (A) adopt, enter into, terminate or amend any employment, severance or similar agreement or benefit plan for the benefit or welfare of any current or former director, officer or employee or any collective bargaining agreement, (B) increase in any material respect the compensation or fringe benefits of, or pay any bonus to, any director, officer or key employee, (C) accelerate the payment, right to payment or vesting of any compensation or benefits, including any outstanding options or restricted stock awards, (D) pay any material benefit not provided for as of the date of this Agreement under any benefit plan, (E) grant any awards under any bonus, incentive, performance or other compensation plan or arrangement or benefit plan (including the grant of stock options, stock appreciation rights, stock based or stock related wards, performance units or restricted stock, or the removal of existing restrictions in any benefit plans or agreements or awards made thereunder), or (F) take any action other than in the ordinary course of business consistent with past practice to fund or in any other way secure the payment of compensation or benefits under any employee plan, agreement, contract or arrangement or benefit plan, except for the grant of Permitted New Options;

(p) make or rescind any Tax election, settle or compromise any Tax liability or amend any Tax return;

(q) initiate, compromise or settle any material litigation or arbitration proceeding;

(r) close any material facility or office;

(s) invest funds in debt securities or other instruments maturing more than 90 days after the date of investment;

(t) fail to pay accounts payable and other obligations in the ordinary course of business consistent with past practice; or

(u) authorize any of, or commit or agree, in writing or otherwise, to take any of, the foregoing actions or any action which would make any representation or warranty in Article III untrue or incorrect in any material respect, or would materially impair or prevent the occurrence of any conditions Article VII hereof.

5.2 Cooperation. Subject to compliance with applicable law, from and after the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with its terms or the Effective Time, the Company and each of its Subsidiaries shall make its officers available to confer on a regular and frequent basis with one or more representatives of the Buyer to report on the general status of ongoing operations and shall promptly provide the Buyer or its counsel with copies of all filings made by such party with any Governmental Entity in connection with this Agreement, the Merger and the transactions contemplated hereby.

5.3 Confidentiality. The parties acknowledge that the Buyer and the Company have previously executed a Mutual Confidentiality Agreement, dated as of September 21, 1999 (the "Confidentiality Agreement"), which Confidentiality Agreement will continue in full force and effect in accordance with its terms, except as expressly modified herein.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 No Solicitation.

(a) From and after the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms or the Effective Time, the Company and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, financial advisor, representative or agent (i) solicit, initiate, or encourage any inquiries or proposals that constitute, or could reasonably be expected to lead to, an Alternative Transaction (as defined below), other than the transactions contemplated by this Agreement, (ii) engage in negotiations or discussions concerning, or provide any non-public information to any person or entity relating to, any Alternative Transaction, or (iii) agree to or recommend any Alternative Transaction; provided, however, that, if the Company has not breached this Section 6.1, nothing contained in this Agreement shall prevent the Company or its Board of Directors, from:

(A) furnishing non-public information to, or entering into discussions or negotiations with, any person or entity in connection with an unsolicited bona fide written proposal for an Alternative Transaction by such person or entity or recommending an unsolicited bona fide written Alternative Transaction to the stockholders of the Company, if and only to the extent that

(1) the Board of Directors of the Company believes in good faith (after consultation with its financial advisor) that such Alternative Transaction is reasonably capable of being completed on the terms proposed and would, if consummated, result in a transaction more favorable than the transaction contemplated by this Agreement (any such more favorable Alternative Transaction being referred to in this Agreement as a "Superior Proposal") and the Company's Board of Directors determines in good faith after consultation with outside legal counsel that failure to take such action would be reasonably likely to constitute a breach of its fiduciary duties to stockholders under applicable law,

(2) prior to furnishing such non-public information to, or entering into discussions or negotiations with, such person or entity, such Board of Directors receives from such person or entity an executed confidentiality agreement with terms no less favorable to such party than those contained in the Confidentiality Agreement, and

(3) prior to recommending a Superior Proposal, the Company shall provide the Buyer with at least five business days' prior notice of its proposal to do so, during which time the Buyer may make, and in such event the Company shall consider, a counterproposal to such Superior Proposal, and the Company shall itself and shall cause its financial and legal advisors to negotiate in good faith on its behalf with the Buyer with respect to the terms and conditions of such counterproposal; or

(B) complying with Rule 14d-9 and 14e-2 promulgated under the Exchange Act with regard to an Alternative Transaction.

As used in this Agreement, "Alternative Transaction" means either (i) a transaction pursuant to which any person (or group of persons) other than the Buyer or its affiliates (a "Third Party"), acquires more than 20% of the outstanding shares of the Company Common Stock pursuant to a tender offer or exchange offer or otherwise, (ii) a merger or other business combination involving the Company pursuant to which any Third Party acquires more than 20% of the outstanding shares of Company Common Stock or of the entity surviving such merger or business combination, (iii) any other transaction pursuant to which any Third Party acquires control of assets (including for this purpose the outstanding equity securities of Subsidiaries of the Company, and the entity surviving any merger or business combination including any of them) of the Company having a fair market value equal to more than 20% of the fair market value of all the assets of the Company immediately prior to such transaction, or (iv) any public announcement by a Third Party of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

(b) The Company will immediately cease any and all existing activities, discussions or negotiations with any parties conducted heretofore of the nature described in Section 6.1(a) and will use reasonable efforts to obtain the return of any confidential information furnished to any such parties.

(c) The Company shall notify the Buyer immediately (but in any event, within 24 hours) after receipt by the Company (or its advisors) of any proposal for an Alternative Transaction or any request for nonpublic information in connection with an Alternative Transaction or for access to the properties, books or records of the Company by any person or entity that informs the Company that it is considering making, or has made, an Alternative Transaction. Such notice shall be made orally and in writing and shall indicate in reasonable detail the identity of the offer or and the terms and conditions of such proposal, inquiry or contact. The Company shall continue to keep the Buyer informed, on a current basis, of the status of any such discussions or negotiations and the terms being discussed or negotiated.

(d) Nothing in this Section 6.1 shall (i) permit the Company to terminate this Agreement (except as specifically provided in Section 8.1 hereof), (ii) permit the Company to enter into any agreement with respect to an Alternative Transaction during the term of this Agreement (it being agreed that during the term of this Agreement, the Company shall not enter into any agreement with any person that provides for, or in any way facilitates, an Alternative Transaction (other than a confidentiality agreement of the type referred to in Section 6.1(a) above)) or (iii) affect any other obligation of the Company under this Agreement.

6.2 Proxy Statement/Prospectus; Registration Statement.

(a) As promptly as practicable after the execution of this Agreement, the Buyer and the Company shall prepare and the Company shall file with the SEC the Proxy Statement, and the Buyer shall prepare and file with the SEC the Registration Statement, in which the Proxy Statement will be included as a prospectus, provided that the Buyer may delay the filing of the Registration Statement until approval of the Proxy Statement by the SEC. The Buyer and the Company shall use reasonable efforts to cause the Registration Statement to become effective as soon after such filing as practicable. Each of the Buyer and the Company will respond to any comments of the SEC and will use its respective reasonable efforts to have the Proxy Statement cleared by the SEC and the Registration Statement declared effective under the Securities Act as promptly as practicable after such filings and the Company will cause the Proxy Statement and the prospectus contained within the Registration Statement to be mailed to its stockholders at the earliest practicable time after both the Proxy Statement is cleared by the SEC and the Registration Statement is declared effective under the Securities Act. Each of the Buyer and the Company will notify the other promptly upon the receipt of any comments from the SEC or its staff or any other government officials and of any request by the SEC or its staff or any other government officials for amendments or supplements to the Registration Statement, the Proxy Statement or any filing pursuant to Section 6.2(b) or for additional information and will supply the other with copies of all correspondence between such party or any of its representatives, on the one hand, and the SEC, or its staff or any other government officials, on the other hand, with respect to the Registration Statement, the Proxy Statement, the Merger or any filing pursuant to Section 6.2(b). Each of the Buyer and the Company will cause all documents that it is responsible for filing with the SEC or other regulatory authorities under this Section 6.2 to comply in all material respects with all applicable requirements of law and the rules and regulations promulgated thereunder. Whenever any event occurs which is required to be set forth in an amendment or supplement to the Proxy Statement, the Registration Statement or any filing pursuant to Section 6.2(b), the Buyer or the Company, as the case may be, will promptly inform the other of such occurrence and cooperate in filing with the SEC or its staff or any other government officials, and/or mailing to stockholders of the Company, such amendment or supplement.

(b) The Buyer and the Company shall make all necessary filings with respect to the Merger under the Securities Act, the Exchange Act, applicable state blue sky laws and the rules and regulations thereunder.

6.3 Nasdaq Quotation. The Company agrees to continue the quotation of the Company Common Stock on the Nasdaq National Market during the term of this Agreement.

6.4 Access to Information. The Company shall (and shall cause each of its Subsidiaries to) afford to the Buyer's officers, employees, accountants, counsel and other representatives, reasonable access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, commitments, personnel and records and, during such period, the Company shall (and shall cause each of its Subsidiaries to) furnish promptly to the Buyer (a) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal or state securities laws and (b) all other information concerning its business, properties, assets and personnel as the Buyer may reasonably request. Unless otherwise required by law, the Buyer will hold any such information which is nonpublic in confidence in accordance with the Confidentiality Agreement. No information or knowledge obtained in any investigation pursuant to this Section or otherwise shall affect or be deemed to modify any representation or warranty contained in this Agreement or the conditions to the obligations of the parties to consummate the Merger.

6.5 Stockholders Meetings; Lock-Up Agreements.

(a) The Company, acting through its Board of Directors, shall, subject to and according to applicable law and its Certificate of Incorporation and By-laws, promptly and duly call, give notice of, convene and hold as soon as practicable following the date on which the Registration Statement becomes effective the Company Meeting for the purpose of voting to approve and adopt this Agreement and the Merger (the "Company Voting Proposal"). The Board of Directors of the Company shall (i) recommend approval and adoption of the Company Voting Proposal by the stockholders of the Company and include in the Proxy Statement such recommendation and (ii) take all reasonable and lawful action to solicit and obtain such approval; provided, however, that in response to a proposal for an Alternative Transaction the Board of Directors of the Company may withdraw such recommendation if (but only if) (i) the Board of Directors of the Company has received a Superior Proposal, (ii) such Board of Directors upon advice of its outside legal counsel determines that failure to recommend such Superior Proposal to the stockholders of the Company would be reasonably likely to constitute a breach of its fiduciary duties under applicable law, and (iii) the Company has complied with the provisions of Section 6.1.

(b) The Company shall call and hold the Company Meeting for the purpose of voting upon the approval of this Agreement and the Merger whether its Board of Directors at any time subsequent to the date hereof determines that this Agreement is no longer advisable or recommends that the Company's stockholders reject it.

(c) The stockholders of the Company listed on Section 6.5(c) of the Company Disclosure Schedule have each executed and delivered a Stockholder Agreement to the Buyer concurrently with the signing of this Agreement.

(d) The Company shall use its reasonable best efforts to cause the employees of the Company designated on Section 6.5(d) of the Company Disclosure Schedule to execute and deliver to the Buyer (i) an Employee Lock-Up Agreement and (ii) a Non-Compete Agreement (in a form agreed upon by the Buyer and the Company). The stockholders of the Company designated on Section 6.5(d) of the Company Disclosure Schedule have each executed and delivered a Stockholder Lock-Up Agreement to the Buyer.

6.6 Legal Conditions to the Merger.

(a) Subject to the terms hereof, the Company and the Buyer shall each use its reasonable efforts to (i) take, or cause to be taken, all actions, and do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby as promptly as practicable, (ii) obtain from any Governmental Entity or any other third party any consents, licenses, permits, waivers, approvals, authorizations, or orders required to be obtained or made by the Company or the Buyer or any of their Subsidiaries in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, (iii) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement and the Merger required under (A) the Securities Act and the Exchange Act, and any other applicable federal or state securities laws, (B) the HSR Act and any related governmental request thereunder, and (C) any other applicable law and (iv) execute or deliver any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement. The Company and the Buyer shall cooperate with each other in connection with the making of all such filings, including providing copies of all such documents to the non-filing party and its advisors prior to filing and, if requested, to accept all reasonable additions, deletions or changes suggested in connection therewith. The Company and the Buyer shall use their respective reasonable efforts to furnish to each other all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable law (including all information required to be included in the Proxy Statement and the Registration Statement) in connection with the transactions contemplated by this Agreement.

(b) Subject to the terms hereof, the Buyer and the Company agree, and shall cause each of their respective Subsidiaries, to cooperate and to use their respective reasonable efforts to obtain any government clearances or approvals required for Closing under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other federal, state or foreign law or, regulation or decree designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade (collectively "Antitrust Laws"), to respond to any government requests for information under any Antitrust Law, and to contest and resist any action, including any legislative, administrative or judicial action, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) (an "Antitrust Order") that restricts, prevents or prohibits the consummation of the Merger or any other transactions contemplated by this Agreement under any Antitrust Law. The parties hereto will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with proceedings under or relating to any Antitrust Law. The Buyer shall be entitled to direct any proceedings or negotiations with any Governmental Entity relating to any of the foregoing, provided that it shall afford the Company a reasonable opportunity to participate therein. Notwithstanding anything to the contrary in this Section, neither the Buyer nor any of its Subsidiaries shall be required to (i) divest any of their respective businesses, product lines or assets, or to take or agree to take any other action or agree to any limitation, that could reasonably be expected to have a material adverse effect on the Buyer or on the Buyer combined with the Company after the Effective Time or (ii) take any action under this Section if the United States Department of Justice or the United States Federal Trade Commission authorizes its staff to seek a preliminary injunction or restraining order to enjoin consummation of the Merger.

(c) Each of the Company and the Buyer shall give (or shall cause their respective Subsidiaries to give) any notices to third parties, and use, and cause their respective Subsidiaries to use, their reasonable efforts to obtain any third party consents related to or required in connection with the Merger that are (A) necessary to consummate the transactions contemplated hereby, (B) disclosed or required to be disclosed in the Company Disclosure Schedule or the Buyer Disclosure Schedule, as the case may be, or (C) required to prevent a Company Material Adverse Effect or a Buyer Material Adverse Effect from occurring prior to or after the Effective Time.

6.7 Public Disclosure. The Buyer and the Company shall each use its reasonable efforts to consult with the other before issuing any press release or otherwise making any public statement with respect to the Merger or this Agreement and shall not issue any such press release or make any such public statement prior to using such efforts, except as may be required by law.

6.8 Tax-Free Reorganization. The Buyer and the Company shall each use its reasonable efforts to cause the Merger to be treated as a reorganization within the meaning of Section 368(a) of the Code. The parties hereto hereby adopt this Agreement as a plan of reorganization.

6.9 Affiliate Agreements. Upon the execution of this Agreement, the Company will provide the Buyer with a list of those persons who are, in the Company's reasonable judgment, "affiliates" of the Company, within the meaning of Rule 145 (each such person who is an "affiliate" of the Company within the meaning of Rule 145 is referred to as an "Affiliate") promulgated under the Securities Act ("Rule 145"). The Company shall provide to the Buyer such information and documents as the Buyer shall reasonably request for purposes of reviewing such list and shall notify the Buyer in writing regarding any change in the identity of its Affiliates prior to the Closing Date. The Company shall use its reasonable efforts to deliver or cause to be delivered to the Buyer by October 21, 1999 (and in any case prior to the mailing of the Proxy Statement) from each of its Affiliates, an executed Affiliate Agreement, in substantially the form appended hereto as Exhibit D (the "Affiliate Agreement"). The Buyer shall be entitled to place appropriate legends on the certificates evidencing any shares of Buyer Common Stock to be received by Rule 145 Affiliates of the Company pursuant to the terms of this Agreement, and to issue appropriate stop transfer instructions to the transfer agent for the Buyer Common Stock (provided that such legends or stop transfer instructions shall be removed, two years after the Effective Date, upon the request of any stockholder that is not then an Affiliate of the Buyer).

6.10 Nasdaq National Market Listing. The Buyer shall file with the Nasdaq National Market a Notification Form for Listing of Additional Shares with respect to the Buyer Common Stock issuable in connection with the Merger.

6.11 Company Stock Plans and the Company Warrants.

(a) At the Effective Time, each outstanding Company Stock Option under Company Stock Plans, whether vested or unvested, shall be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under the Company Stock Option immediately prior to the Effective Time, the same number of shares of Buyer Common Stock as the holder of the Company Stock Option would have been entitled to receive pursuant to the Merger had such holder exercised such option in full immediately prior to the Effective Time (rounded down to the nearest whole number), at a price per share (rounded up to the nearest whole cent) equal to (y) the aggregate exercise price for the shares of Company Common Stock purchasable pursuant to the Company Stock Option immediately prior to the Effective Time divided by (z) the number of full shares of Buyer Common Stock deemed purchasable pursuant to the Company Stock Option in accordance with the foregoing.

(b) As soon as practicable after the Effective Time, the Buyer shall deliver to the participants in the Company Stock Plans appropriate notice setting forth such participants' rights pursuant thereto and the grants pursuant to the Company Stock Plans shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section after giving effect to the Merger).

(c) The Buyer shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Buyer Common Stock for delivery under the Company Stock Plans assumed in accordance with this Section. As soon as practicable after the Effective Time, the Buyer shall file a registration statement on Form S-8 (or any successor form) or another appropriate form with respect to the shares of Buyer Common Stock subject to such options and shall use its best efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such options remain outstanding.

(d) The Board of Directors of the Company shall, prior to or as of the Effective Time, take all necessary actions, pursuant to and in accordance with the terms of Company Stock Plans and the instruments evidencing the Company Stock Options, to provide for the conversion of the Company Stock Options into options to acquire Buyer Common Stock in accordance with this Section, and that no consent of the holders of the Company Stock Options is required in connection with such conversion.

(e) The Company shall terminate its Employee Stock Purchase Plan in accordance with its terms as of or prior to the Effective Time.

6.12 Stockholder Litigation. Until the earlier of the termination of this Agreement in accordance with its terms or the Effective Time, the Company shall give the Buyer the opportunity to participate in the defense or settlement of any stockholder litigation against the Company or its Board of Directors relating to this Agreement or any of the transactions contemplated by this Agreement, and shall not settle any such litigation without the Buyer's prior written consent, which will not be unreasonably withheld or delayed.

6.13 Indemnification. From and after the Effective Time, the Buyer shall, to the fullest extent permitted by law, cause the Surviving Corporation, for a period of six years from the Effective Time, to honor all of the Company's obligations to indemnify and hold harmless each present and former director and officer of the Company (the "Indemnified Parties"), against any costs or expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities or amounts paid in settlement incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, to the extent that such obligations to indemnify and hold harmless exist on the date of this Agreement.

6.14 Notification of Certain Matters. The Buyer will give prompt notice to the Company, and the Company will give prompt notice to the Buyer, of the occurrence, or failure to occur, of any event, which occurrence or failure to occur would be reasonably likely to cause (a) (i) any representation or warranty of such party contained in this Agreement that is qualified as to materiality to be untrue or inaccurate in any respect or (ii) any other representation or warranty of such party contained in this Agreement to be untrue or inaccurate in any material respect, in each case at any time from and after the date of this Agreement until the Effective Time, or (b) any material failure of the Buyer and the Transitory Subsidiary or the Company, as the case may be, or of any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Notwithstanding the above, the delivery of any notice pursuant to this Section will not limit or otherwise affect the remedies available hereunder to the party receiving such notice or the conditions to such party's obligation to consummate the Merger.

ARTICLE VII

CONDITIONS TO MERGER

7.1 Conditions to Each Party's Obligation To Effect the Merger. The respective obligations of each party to this Agreement to effect the Merger shall be subject to the satisfaction prior to the Closing Date of the following conditions:

(a) Stockholder Approval. The Company Voting Proposal shall have been approved and adopted at the Company Meeting, at which a quorum is present, by the affirmative vote of the holders of a majority of the shares of the Company Common Stock outstanding on the record date for the Company Meeting.

(b) HSR Act. The waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated.

(c) Governmental Approvals. Other than the filings provided for by Section 1.1, all authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure of which to file, obtain or occur is reasonably likely to have a Buyer Material Adverse Effect or a Company Material Adverse Effect shall have been filed, been obtained or occurred.

(d) Registration Statement. The Registration Statement shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order.

(e) No Injunctions. No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any order, executive order, stay, decree, judgment or injunction (each an "Order") or statute, rule or regulation which is in effect and which has the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger.

7.2 Additional Conditions to Obligations of the Buyer and the Transitory Subsidiary. The obligations of the Buyer and the Transitory Subsidiary to effect the Merger are subject to the satisfaction of each of the following additional conditions, any of which may be waived in writing exclusively by the Buyer and the Transitory Subsidiary:

(a) Representations and Warranties. The representations and warranties of the Company set forth in this Agreement shall be true and correct (i) as of the date of this Agreement (except to the extent such representations and warranties are specifically made as of a particular date, in which case such representations and warranties shall be true and correct as of such date) and (ii) as of the Closing Date as though made on and as of the Closing Date (except (x) to the extent such representations and warranties are specifically made as of a particular date, in which case such representations and warranties shall be true and correct as of such date, (y) for changes contemplated by this Agreement and (z) where the failures to be true and correct (without regard to any materiality, Company Material Adverse Effect or knowledge qualifications contained therein), individually or in the aggregate, have not had, and are not reasonably likely to have, a Company Material Adverse Effect); and the Buyer shall have received a certificate signed on behalf of the Company by the chief executive officer and the chief financial officer of the Company to such effect.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and the Buyer shall have received a certificate signed on behalf of the Company by the chief executive officer and the chief financial officer of the Company to such effect.

(c) Tax Opinion. The Buyer shall have received a written opinion from Hale and Dorr LLP, counsel to the Buyer, to the effect that the Merger will be treated for federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code; provided that if Hale and Dorr LLP does not render such opinion, this condition shall nonetheless be deemed satisfied if Wilson Sonsini Goodrich & Rosati, P.C. renders such opinion to the Buyer (it being agreed that the Buyer and the Company shall each provide reasonable cooperation, including making reasonable representations, to Hale and Dorr LLP and Wilson Sonsini Goodrich & Rosati, P.C. as the case may be, to enable them to render such opinion).

(d) Third Party Consents. The Company shall have obtained (i) all consents and approvals of third parties referred to in Section 3.3(b) of the Company Disclosure Schedule and (ii) any other consent or approval of any third party (other than a Governmental Entity) the failure of which to obtain, individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect.

(e) Resignations. The Buyer shall have received copies of the resignations, effective as of the Effective Time, of each director of the Company and its Subsidiaries.

(f) Year 2000 Matters. (i) In the event that the Closing occurs on or prior to December 31, 1999, the Buyer shall have received a report from Whitman Hart to the effect that each of the Company Systems and Company Products is Year 2000 Compliant. (ii) In the event that the Closing occurs on or after January 1, 2000, each of the Company Systems and Company Products is Year 2000 Compliant.

(g) Releases. The Buyer shall have received executed general releases in a form acceptable to the Buyer from each of Lawrence Braitman and Richard Thompson.

7.3 Additional Conditions to Obligations of the Company. The obligation of the Company to effect the Merger is subject to the satisfaction of each of the following additional conditions, any of which may be waived, in writing, exclusively by the Company:

(a) Representations and Warranties. The representations and warranties of the Buyer and the Transitory Subsidiary set forth in this Agreement shall be true and correct (i) as of the date of this Agreement (except to the extent such representations are specifically made as of a particular date, in which case such representations and warranties shall be true and correct as of such date) and (ii) as of the Closing Date as though made on and as of the Closing Date (except (x) to the extent such representations and warranties are specifically made as of a particular date, in which case such representations and warranties shall be true and correct as of such date, (y) for changes contemplated by this Agreement and (z) where the failures to be true and correct (without regard to any materiality, Buyer Material Adverse Effect or knowledge qualifications contained therein), individually or in the aggregate, have not had, and are not reasonably likely to have, a Buyer Material Adverse Effect); and the Company shall have received a certificate signed on behalf of the Buyer by the chief executive officer or the chief financial officer of the Buyer to such effect.

(b) Performance of Obligations of the Buyer and the Transitory Subsidiary. The Buyer and Sub shall have performed in all material respects all obligations required to be performed by them under this Agreement at or prior to the Closing Date, and the Company shall have received a certificate signed on behalf of the Buyer by the chief executive officer or the chief financial officer of the Buyer to such effect.

(c) Tax Opinion. The Company shall have received the opinion of Wilson Sonsini Goodrich & Rosati, P.C. counsel to the Company, to the effect that the Merger will be treated for federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code; provided that if Wilson Sonsini Goodrich & Rosati, P.C. does not render such opinion, this condition shall nonetheless be deemed satisfied if Hale and Dorr LLP renders such opinion to the Company (it being agreed that the Buyer and the Company shall each provide reasonable cooperation, including making reasonable representations, to Wilson Sonsini Goodrich & Rosati, P.C. and Hale and Dorr LLP to enable them to render such opinion).

ARTICLE VIII

TERMINATION AND AMENDMENT

8.1 Termination. This Agreement may be terminated at any time prior to the Effective Time (with respect to Sections 8.1(b) through 8.1(f), by written notice by the terminating party to the other party), whether before or after approval of the Merger by the stockholders of the Company:

(a) by mutual written consent of the Buyer and the Company; or

(b) by either the Buyer or the Company if the Merger shall not have been consummated by April 30, 2000 (the "Outside Date") (provided that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been a principal cause of or resulted in the failure of the Merger to occur on or before such date); or

(c) by either the Buyer or the Company if a Governmental Entity of competent jurisdiction shall have issued a nonappealable final order, decree or ruling or taken any other nonappealable final action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger; or

(d) by either the Buyer or the Company if at the Company Meeting (including any adjournment or postponement), the requisite vote of the stockholders of the Company in favor of the Company Voting Proposal shall not have been obtained (provided that the right to terminate this Agreement under this Section 8.1(d) shall not be available to any party seeking termination who at the time is in breach of or has failed to fulfill its obligations under this Agreement); or

(e) by the Buyer, if: (i) the Board of Directors of the Company shall have failed to recommend approval of the Company Voting Proposal in the Proxy Statement or shall have withdrawn or modified its recommendation of the Company Voting Proposal; (ii) the Board of Directors of the Company fails to reconfirm its recommendation of this Agreement or the Merger within five business days after the Buyer requests in writing that the Board of Directors of the Company do so; (iii) the Board of Directors of the Company shall have approved or recommended to the stockholders of the Company an Alternative Transaction (as defined in Section 6.1); or (iv) a tender offer or exchange offer for outstanding shares of the Company Common Stock is commenced (other than by the Buyer or an Affiliate of the Buyer) and the Board of Directors of the Company recommends that the stockholders of the Company tender their shares in such tender or exchange offer or, within 10 days after such tender or exchange offer, fails to recommend against acceptance of such offer or takes no position with respect to the acceptance thereof; or (v) for any reason the Company fails to call and hold the Company Meeting by the date which is one business day prior to the Outside Date; or

(f) by either the Buyer or the Company, if there has been a breach of any representation, warranty, covenant or agreement on the part of the other party set forth in this Agreement, which breach (i) causes the conditions set forth in Section 7.2(a), 7.2(b) or 7.2(f) (in the case of termination by the Buyer) or Section 7.3(a) or 7.3(b) (in the case of termination by the Company) not to be satisfied, and (ii) shall not have been cured within 45 days following receipt by the breaching party of written notice of such breach from the other party.

8.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 8.1, this Agreement shall immediately become void and there shall be no liability or obligation on the part of the Buyer, the Company, the Transitory Subsidiary or their respective officers, directors, stockholders or Affiliates, except as set forth in Sections 3.29, 5.3, 8.3 and Article IX; provided that any such termination shall not relieve any party from liability for any willful breach of this Agreement (which includes without limitation the making of any representation or warranty by a party in this Agreement that the party knew was not true and accurate when made) and the provisions of the Company Stock Option Agreement, Sections 3.29, 5.3, 8.3 and Article IX of this Agreement and the Confidentiality Agreement shall remain in full force and effect and survive any termination of this Agreement.

8.3 Fees and Expenses.

(a) Except as set forth in this Section 8.3, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees and expenses, whether or not the Merger is consummated; provided however, that the Company and the Buyer shall share equally all fees and expenses, other than attorneys' fees, incurred with respect to the printing and filing of the Proxy Statement (including any related preliminary materials) and the Registration Statement and any amendments or supplements thereto.

(b) The Company shall pay the Buyer up to $500,000 as reimbursement for expenses of the Buyer actually incurred relating to the transactions contemplated by this Agreement prior to termination (including, but not limited to, fees and expenses of the Buyer's counsel, accountants and financial advisors, but excluding any discretionary fees paid to such financial advisors), upon the termination of this Agreement by the Buyer pursuant to Section 8.1(b) as a result of the failure to satisfy the condition set forth in Section 7.2(a) or Section 7.2(f).

(c) The Company shall pay the Buyer a termination fee of $20,000,000 upon the earliest to occur of the following events:

(i) the termination of this Agreement by the Buyer pursuant to Section 8.1(e); or

(ii) the termination of this Agreement by the Buyer pursuant to Section 8.1(f) after a breach by the Company of this Agreement; or

(iii) the termination of the Agreement by the Buyer or the Company pursuant to Section 8.1(d) as a result of the failure to receive the requisite vote for approval of the Company Voting Proposal by the stockholders of the Company at the Company Meeting.

(d) The Buyer shall pay the Company up to $500,000 as reimbursement for expenses of the Company actually incurred relating to the transactions contemplated by this Agreement prior to termination (including, but not limited to, but excluding any discretionary fees paid to such financial advisors), upon the termination of this Agreement by the Company pursuant to Section 8.1(b) as a result of the failure to satisfy the condition set forth in Section 7.3(a).

(e) The Buyer shall pay the Company a termination fee of $20,000,000 upon the termination of this Agreement by the Company pursuant to Section 8.1(f) after a breach by the Buyer of this Agreement.

(f) The expenses and fees, if applicable, payable pursuant to Section 8.3(b), 8.3(c), 8.3(d) and 8.3(e) shall be paid within one business day after demand therefor following the first to occur of the events giving rise to the payment obligation described in Section 8.3(b), 8.3(c)(i), (ii) or (iii), 8.3(d) or 8.3(e). If one party fails to promptly pay to the other any expense reimbursement or fee due hereunder, the defaulting party shall pay the costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the amount of any unpaid fee at the publicly announced prime rate of Fleet Bank, N.A. plus five percent per annum, compounded quarterly, from the date such expense reimbursement or fee was required to be paid.

8.4 Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the stockholders of the Company, but, after any such approval, no amendment shall be made which by law requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

8.5 Extension; Waiver. At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

ARTICLE IX

MISCELLANEOUS

9.1 Nonsurvival of Representations and Warranties. The respective representations and warranties of the Company, the Buyer and the Transitory Subsidiary contained in this Agreement or in any instrument delivered pursuant to this Agreement shall expire with, and be terminated and extinguished upon, the Effective Time.

9.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered (i) four business days after being sent by registered or certified mail, return receipt requested, postage prepaid, or (ii) one business day after being sent for next business day delivery, fees prepaid, via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

(a) if to the Buyer or Transitory Subsidiary, to

CMGI, Inc.
100 Brickstone Square
Andover, MA 01810
Attn: General Counsel
Telecopy: (978) 684-3814

with a copy to:

Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attn: Mark G. Borden, Esq.
Telecopy: (617) 526-5000

(b) if to the Company, to

Flycast Communications Corporation
181 Fremont Street
San Francisco, CA 94105
Attn: President
Telecopy: (650) 561-9082

with a copy to:

Wilson Sonsini Goodrich & Rosati, P.C.
650 Page Mill Road
Palo Alto, CA 94306
Attn: Larry W. Sonsini, Esq.
Telecopy: (650) 461-5375

Any party may give any notice or other communication hereunder using any other means (including personal delivery, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless and until it actually is received by the party for whom it is intended. Any party may change the address to which notices and other communications hereunder are to be delivered by giving the other parties notice in the manner herein set forth.

9.3 Entire Agreement. This Agreement (including the Schedules and Exhibits hereto and the documents and instruments referred to herein that are to be delivered at the Closing) constitutes the entire agreement among the parties hereto and supersedes any prior understandings, agreements or representations by or among the parties hereto, or any of them, written or oral, with respect to the subject matter hereof; provided that the Confidentiality Agreement shall remain in effect in accordance with its terms.

9.4 No Third Party Beneficiaries. Except as provided in Section 6.13, this Agreement is not intended, and shall not be deemed, to confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns, to create any agreement of employment with any person or to otherwise create any third-party beneficiary hereto.

9.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of the other parties, and any such assignment without such prior written consent shall be null and void, except that the Buyer and/or the Transitory Subsidiary may assign this Agreement to any direct or indirect wholly owned Subsidiary of the Buyer without consent of the Company, provided that the Buyer and/or the Transitory Subsidiary, as the case may be, shall remain liable for all of its obligations under this Agreement. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns.

9.6 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties agree hereto that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term.

9.7 Counterparts and Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties hereto and delivered to the other parties, it being understood that all parties need not sign the same counterpart. This Agreement may be executed and delivered by facsimile transmission.

9.8 Interpretation. When reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or Section of this Agreement, unless otherwise indicated. The table of contents, table of defined terms and headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation".

9.9 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the State of Delaware.

9.10 Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof this being in addition to any other remedy to which they are entitled at law or in equity.

9.11 Waiver of Jury Trial. EACH OF THE BUYER, THE TRANSITORY SUBSIDIARY AND THE COMPANY HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE BUYER, THE TRANSITORY SUBSIDIARY OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

[Signature Page to follow]

IN WITNESS WHEREOF, the Buyer, the Transitory Subsidiary and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

CMGI, Inc.

/s/ Andrew J. Hajducky III
By______________________________
Executive Vice President, Chief
Financial Officer and Treasurer

Freemont Corporation

/s/ Andrew J. Hajducky III
By______________________________
Vice President and Treasurer

Flycast Communications Corporation

/s/ George R. Garrick
By______________________________
Chief Executive Officer and
President

STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT, dated as of September 29, 1999 (the "Agreement"), between CMGI, Inc., a Delaware corporation (the "Grantee"), and Flycast Communications Corporation, a Delaware corporation (the "Grantor").

WHEREAS, the Grantee, the Grantor and Freemont Corporation, a wholly owned subsidiary of the Grantee ("Newco"), are entering into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), which provides, among other things, for the merger (the "Merger") of Newco with and into the Grantor;

WHEREAS, as a condition to its willingness to enter into the Merger Agreement, the Grantee has requested that the Grantor grant to the Grantee an option to purchase the shares of Common Stock of the Grantor (the "Common Stock") covered hereby, upon the terms and subject to the conditions hereof; and

WHEREAS, in order to induce the Grantee to enter into the Merger Agreement, the Grantor is willing to grant the Grantee the requested option.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. The Option; Exercise; Adjustments; Termination.

(a) Contemporaneously herewith the Grantee, Newco and the Grantor are entering into the Merger Agreement. Subject to the other terms and conditions set forth herein, the Grantor hereby grants to the Grantee an irrevocable option (the "Option") to purchase up to 3,036,750 shares of Common Stock (the "Shares") at a cash purchase price equal to $47.53 per Share (the "Purchase Price"); provided, however, that the number of shares issuable to Buyer pursuant hereto shall not exceed 19.9% of the outstanding shares of Common Stock. The Option may be exercised by the Grantee, in whole or in part, at any time, or from time to time, after the earlier of (i) termination of the Merger Agreement by Buyer under Section 8.1(e) or Section 8.1(f) of the Merger Agreement, or (ii) immediately prior to the occurrence of any event causing the termination fee to become payable to Buyer pursuant to Section 8.3(c)(iii) of the Merger Agreement, provided that, in the case of clause (ii), an Alternative Transaction involving the Company has been proposed or consummated prior to the Company Meeting.

(b) In the event of any change in the number of issued and outstanding shares of Common Stock by reason of any stock dividend, stock split, split-up, recapitalization, merger or other change in the corporate or capital structure of the Grantor, the number of Shares subject to the Option and the purchase price per Share shall be appropriately adjusted to restore the Grantee to its rights hereunder.

(c) In the event the Grantee wishes to exercise the Option, the Grantee shall send a written notice to the Grantor (the "Exercise Notice") specifying a date (subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act")) not later than 10 business days and not earlier than the next business day following the date such notice is given for the closing of such purchase.

(d) The right to exercise the Option shall terminate at the earliest of (i) the Effective Time (as defined in the Merger Agreement), (ii) the termination of the Merger Agreement pursuant to circumstances under which the Grantee is not entitled to receive the termination fee pursuant to Section 8.3 of the Merger Agreement, (iii) the date on which Grantee realizes a Total Profit equal to the Profit Limit (as such terms are defined in Section 8) and (iv) 90 days after the date (the "Merger Termination Date") on which the Merger Agreement is terminated (the date referred to in clause (iv) being hereinafter referred to as the "Option Expiration Date"); provided that if the Option cannot be exercised or the Shares cannot be delivered to Grantee upon such exercise because the conditions set forth in Section 2(a) or Section 2(b) hereof have not yet been satisfied, the Option Expiration Date shall be extended until 30 days after such impediment to exercise has been removed.

2. Conditions to Delivery of Shares. The Grantor's obligation to deliver Shares upon exercise of the Option is subject only to the conditions that:

(a) No preliminary or permanent injunction or other order issued by any federal or state court of competent jurisdiction in the United States prohibiting the delivery of the Shares shall be in effect; and

(b) Any applicable waiting periods under the HSR Act shall have expired or been terminated.

3. The Closing.

(a) Any closing hereunder shall take place on the date specified by the Grantee in its Exercise Notice at 9:00 A.M., local time, at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, or, if the conditions set forth in Section 2(a) or 2(b) have not then been satisfied, on the second business day following the satisfaction of such conditions, or at such other time and place as the parties hereto may agree (the "Closing Date"). On the Closing Date, the Grantor will deliver to the Grantee a certificate or certificates, duly endorsed (or accompanied by duly executed stock powers), representing the Shares in the denominations designated by the Grantee in its Exercise Notice and the Grantee will purchase such Shares from the Grantor at the price per Share equal to the Purchase Price. Any payment made by the Grantee to the Grantor, or by the Grantor to the Grantee, pursuant to this Agreement shall be made by certified or official bank check or by wire transfer of federal funds to a bank designated by the party receiving such funds.

(b) The certificates representing the Shares may bear an appropriate legend relating to the fact that such Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act").

4. Representations and Warranties of the Grantor. The Grantor represents and warrants to the Grantee that: (a) the Grantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to enter into and perform this Agreement; (b) the execution and delivery of this Agreement by the Grantor and the consummation by it of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Grantor and this Agreement has been duly executed and delivered by a duly authorized officer of the Grantor and constitutes a valid and binding obligation of the Grantor, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; (c) the Grantor has taken all necessary corporate action to authorize and reserve the Shares issuable upon exercise of the Option and the Shares, when issued and delivered by the Grantor upon exercise of the Option, will be duly authorized, validly issued, fully paid and non-assessable and free of any lien, security interest or other adverse claim and free of any preemptive rights; (d) except as otherwise required by the HSR Act, the execution and delivery of this Agreement by the Grantor and the consummation by it of the transactions contemplated hereby do not require the consent, waiver, approval or authorization of or any filing with any person or public authority and will not violate, require a consent or waiver under, result in a breach of or the acceleration of any obligation under, or constitute a default under, any provision of any charter or by-law, indenture, mortgage, lien, lease, agreement, contract, instrument, order, law, rule, regulation, stock market rule, judgment, ordinance, decree or restriction by which the Grantor or any of its subsidiaries or any of their respective properties or assets is bound; and (e) no "fair price", "moratorium", "control share acquisition" or other form of anti-takeover statute or regulation is or shall be applicable to the acquisition of Shares pursuant to this Agreement.

5. Representations and Warranties of the Grantee. The Grantee represents and warrants to the Grantor that: (a) the execution and delivery of this Agreement by the Grantee and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Grantee and this Agreement has been duly executed and delivered by a duly authorized officer of the Grantee

and will constitute a valid and binding obligation of Grantee; and (b) the Grantee is acquiring the Option and, if and when it exercises the Option, will be acquiring the Shares issuable upon the exercise thereof for its own account and not with a view to distribution or resale in any manner which would be in violation of the Securities Act.

6. Listing of Shares; HSR Act Filings; Governmental Consents. Subject to applicable law and the rules and regulations of the Nasdaq National Market, the Grantor shall (i) promptly file a notice to list the Shares on the Nasdaq National Market and (ii) make, as promptly as practicable, all necessary filings by the Grantor under the HSR Act and use its best efforts to obtain all necessary approvals thereunder as promptly as practicable; provided, however, that if the Grantor is unable to effect such listing on the Nasdaq National Market by the Closing Date, the Grantor will nevertheless be obligated to deliver the Shares upon the Closing Date. Each of the parties hereto will use its best efforts to obtain consents of all third parties and governmental authorities, if any, necessary to the consummation of the transactions contemplated.

7. Registration Rights.

(a) In the event that the Grantee shall desire to sell any of the Shares within two years after the purchase of such Shares pursuant hereto, and such sale requires, in the opinion of counsel to the Grantee, which opinion shall be reasonably satisfactory to the Grantor and its counsel, registration of such Shares under the Securities Act, the Grantor will cooperate with the Grantee and any underwriters in registering such Shares for resale, including, without limitation, promptly filing a registration statement which complies with the requirements of applicable federal and state securities laws and entering into an underwriting agreement with such underwriters upon such terms and conditions as are customarily contained in underwriting agreements with respect to secondary distributions; provided that the Grantor shall not be required to have declared effective more than two registration statements hereunder and shall be entitled to delay the filing or effectiveness of any registration statement for up to 120 days if the offering would, in the judgment of the Board of Directors of the Grantor, require premature disclosure of any material corporate development or otherwise interfere with or adversely affect any pending or proposed offering of securities of the Grantor or any other material transaction involving the Grantor.

(b) If the Common Stock is registered pursuant to the provisions of this Section 7, the Grantor agrees (i) to furnish copies of the registration statement and the prospectus relating to the Shares covered thereby in such numbers as the Grantee may from time to time reasonably request and (ii) if any event shall occur as a result of which it becomes necessary to amend or supplement any registration statement or prospectus, to prepare and file under the applicable securities laws such amendments and supplements as may be necessary to keep available for at least 90 days a prospectus covering the Common Stock meeting the requirements of such securities laws, and to furnish to the Grantee such numbers of copies of the registration statement and prospectus as amended or supplemented as may reasonably be requested. The Grantor shall bear the cost of the registration, including, but not limited to, all registration and filing fees, printing expenses, and fees and disbursements of counsel and accountants for the Grantor, except that the Grantee shall pay the fees and disbursements of its counsel and the underwriting fees and selling commissions applicable to the Shares sold by the Grantee. The Grantor shall indemnify and hold harmless Grantee, its affiliates and its officers and directors from and against any and all losses, claims, damages, liabilities and expenses arising out of or based upon any statements contained in, omissions or alleged omissions from, each registration statement filed pursuant to this paragraph; provided, however, that this provision does not apply to any loss, liability, claim, damage or expense to the extent it arises out of any statement or omission made in reliance upon and in conformity with written information furnished to the Grantor by the Grantee, its affiliates or its officers expressly for use in any registration statement (or any amendment thereto) or any preliminary prospectus filed pursuant to this paragraph. The Grantor shall also indemnify and hold harmless each underwriter and each person who controls any underwriter within the meaning of either the Securities Act or the Securities Exchange Act of 1934 against any and all losses, claims, damages, liabilities and expenses arising out of or based upon any statements contained in, omissions or alleged omissions from, each registration statement filed pursuant to this paragraph; provided, however, that this provision does not apply to any loss, liability, claim, damage or expense to the extent it arises out of any statement or omission made in reliance upon and in conformity with written information furnished to the Grantor by the underwriters expressly for use in any registration statement (or any amendment thereto) or any preliminary prospectus filed pursuant to this paragraph.

8. Profit Limitation.

(a) Notwithstanding any other provision of this Agreement, in no event shall the Grantee's Total Profit (as hereinafter defined) exceed $30 million (the "Profit Limit") and, if it otherwise would exceed such amount, the Grantee, at its sole election, shall either (i) deliver to the Grantor for cancellation Shares previously purchased by Grantee, (ii) pay cash to the Grantor, (iii) receive a smaller termination fee under Section 8.3 of the Merger Agreement or (iv) undertake any combination thereof, so that Grantee's Total Profit shall not exceed the Profit Limit after taking into account the foregoing actions.

(b) Notwithstanding any other provision of this Agreement, the Option may not be exercised for a number of Shares as would, as of the date of the Exercise Notice, result in a Notional Total Profit (as defined below) of more than the Profit Limit and, if exercise of the Option otherwise would exceed the Profit Limit, the Grantee, at its discretion, may increase the Purchase Price for that number of Shares set forth in the Exercise Notice so that the Notional Total Profit shall not exceed the Profit Limit; provided, that nothing in this sentence shall restrict any exercise of the Option permitted hereby on any subsequent date at the Purchase Price set forth in Section 1(a) hereof.

(c) As used herein, the term "Total Profit" shall mean the aggregate amount (before taxes) of the following: (i) the amount of cash received by Grantee pursuant to Section 8.3(c) of the Merger Agreement, and (ii) (x) the cash amounts (net of customary brokerage commissions paid in connection with the transaction) received by Grantee pursuant to the sale of Shares (or any other securities into which such Shares are converted or exchanged) to any unaffiliated party, less (y) the Grantee's purchase price for such Shares.

(d) As used herein, the term "Notional Total Profit" with respect to any number of Shares as to which Grantee may propose to exercise the Option shall be the Total Profit determined as of the date of the Exercise Notice assuming that the Option were exercised on such date for such number of Shares and assuming that such Shares, together with all other Shares held by Grantee and its affiliates as of such date, were sold for cash at the closing market price for the Common Stock as of the close of business on the preceding trading day (less customary brokerage commissions).

9. Put.

(a) At any time during which the Option is exercisable under this Agreement (the "Repurchase Period"), upon demand by the Grantee, the Grantee shall have the right to sell to the Grantor (or any successor entity thereof) and Grantor (or such successor entity, shall be obligated to repurchase from the Grantee (the "Put"), all or any portion of the Option, to the extent not previously exercised, at the price set forth in subparagraph (i) below, and/or all or any portion of the Shares purchased by the Grantee pursuant thereto, at a price set forth in subparagraph (ii) below:

(i) the difference between the "Market/Tender Offer Price" for shares of Common Stock as of the date (the "Notice Date") notice of exercise of the Put is given to the other party (defined as the greater of (A) the price per share offered as of the Notice Date pursuant to any tender or exchange offer or other Acquisition Proposal which was made prior to the Notice Date and not terminated or withdrawn as of the Notice Date (the "Tender Price") or (B) the average of the closing prices of shares of Common Stock on the Nasdaq National Market for the ten (10) trading days immediately preceding the Notice Date (the "Market Price")), and the Purchase Price multiplied by the number of Shares purchasable pursuant to the Option (or portion thereof with respect to which the Grantee is exercising its rights under this Section 9), but only if the Market/Tender Offer Price is greater than the Purchase Price;

(ii) the Purchase Price paid by the Grantee for the Shares acquired pursuant to the Option plus the difference between the Market/Tender Offer Price and the Purchase Price, but only if the Market/Tender Offer Price is greater than the Purchase Price, multiplied by the number of Shares so purchased;

(b) In the event Grantee exercises its rights under this Section 9, the Grantor shall, within ten business days of the Notice Date, pay the required amount (the "Repurchase Price") to the Grantee in immediately available funds and the Grantee shall surrender to the Grantor the Option or the certificates evidencing the Shares purchased by the Grantee pursuant thereto, and the Grantee shall represent and warrant that it owns such shares and that such shares are then free and clear of all liens, claims, charges and encumbrances of any kind or nature whatsoever, other than any of the same created by the Grantor or its affiliates.

(c) To the extent that the Grantor is prohibited under applicable law or regulation, or as a consequence of administrative policy, from repurchasing the Option and/or Shares in full, the Grantor shall immediately so notify the Grantee and thereafter deliver or cause to be delivered, from time to time, to the Grantee the portion of the Repurchase Price that it is no longer prohibited from delivering within five business days after the date on which the Grantor is no longer so prohibited; provided that, if the Grantor at any time after delivery of a notice of exercise of the Put pursuant to Section 9(a) is prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Grantee the Repurchase Price in full (and the Grantor hereby undertakes to use its best efforts to obtain all required regulatory and legal approvals and to file any required notices as promptly as practicable in order to accomplish such repurchase), the Grantee may revoke its notice of the exercise of the Put whether in whole or to the extent of the prohibition, whereupon, in the latter case, the Grantor shall promptly (1) deliver to the Grantee that portion of the Repurchase Price that the Grantor is not prohibited from delivering and (2) deliver to the Grantee as appropriate, (A) a new Agreement evidencing the right of the Grantee to purchase that number of shares of Common Stock obtained by multiplying the number of shares of Common Stock for which the surrendered Agreement was exercisable at the time of delivery of the notice of exercise of the Put by a fraction, the numerator of which is the Repurchase Price less the portion of the Repurchase Price previously delivered to the Grantee and the denominator of which is the Repurchase Price, and/or (B), a certificate for the Shares the Grantor is then so prohibited from repurchasing.

10. Expenses. Each party hereto shall pay its own expenses incurred in connection with this Agreement, except as otherwise specifically provided herein.

11. Specific Performance. The Grantor acknowledges that if the Grantor fails to perform any of its obligations under this Agreement, immediate and irreparable harm or injury would be caused to the Grantee for which money damages would not be an adequate remedy. In such event, the Grantor agrees that the Grantee shall have the right, in addition to any other rights it may have, to specific performance of this Agreement. Accordingly, if the Grantee should institute an action or proceeding seeking specific enforcement of the provisions hereof, the Grantor hereby waives the claim or defense that the Grantee has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. The Grantor further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

12. Notice. All notices, requests, demands and other communications hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by facsimile transmission, upon receipt of oral confirmation that such transmission has been received, to the person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such person:

If to the Grantor:

Flycast Communications Corporation
181 Fremont Street
San Francisco, CA 94105
Attn: President
Telecopy: (650) 561-9082

With a copy to:

Wilson Sonsini Goodrich & Rosati, P.C.
650 Page Mill Road
Palo Alto, CA
Attn: Larry W. Sonsini, Esq.
Telecopy: (650) 461-5375

If to the Grantee:

CMGI, Inc.
100 Brickstone Square
Andover, MA 01810
Attn: General Counsel
Telecopy: (978) 684-3814

With a copy to:

Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attn: Mark G. Borden, Esq.
Telecopy: (617) 526-5000

13. Parties in Interest. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the Grantor or the Grantee, or their successors or assigns, any rights or remedies under or by reason of this Agreement.

14. Entire Agreement; Amendments. This Agreement, together with the Merger Agreement and the other documents referred to therein, contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral or written, with respect to such transactions. The terms of this Agreement may be amended, modified or waived only by an agreement in writing signed by the party against whom such amendment, modification or waiver is sought to be enforced.

15. Assignment. No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto, except that the Grantee may assign its rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of the Grantee (provided that such assignment shall not relieve the Grantee of its obligations hereunder if such transferee does not perform such obligations).

16. Headings. The section headings herein are for convenience only and shall not affect the construction of this Agreement.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law).

19. Survival. All representations and warranties contained in this Agreement shall survive delivery of and payment for the Shares.

20. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the Grantee and the Grantor have caused this Agreement to be duly executed and delivered on the day and year first above written.

Flycast Communications Corporation

By_________________________________

Chief Executive Officer and President

CMGI, Inc.

By_________________________________

Executive Vice President, Chief Financial Officer and Treasurer

STOCKHOLDER AGREEMENT

STOCKHOLDER AGREEMENT, dated as of September 29, 1999 (this "Agreement"), by the stockholders listed on the signature page(s) hereto (collectively, "Stockholders" and each individually, a "Stockholder") to and for the benefit of CMGI, Inc., a Delaware corporation ("Acquiror"). Capitalized terms used and not otherwise defined herein shall have the respective meanings assigned to them in the Merger Agreement referred to below.

WHEREAS, as of the date hereof, the Stockholders collectively own of record and beneficially shares of capital stock of Flycast Communications Corporation, a Delaware corporation (the "Company"), as set forth on Schedule I hereto (such shares or any other voting or equity of securities of the Company, hereafter acquired by any Stockholder prior to the termination of this Agreement, being referred to herein collectively as the "Shares");

WHEREAS, concurrently with the execution of this Agreement, Acquiror and the Company are entering into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which, upon the terms and subject to the conditions thereof, a subsidiary of Buyer will be merged with and into the Company, and the Company will be the surviving corporation (the "Merger"); and

WHEREAS, as a condition to the willingness of the Company and Acquiror to enter into the Merger Agreement, Acquiror has requested that the Stockholders agree, and in order to induce Acquiror to enter into the Merger Agreement, the Stockholders are willing to agree to vote in favor of adopting the Merger Agreement and approving the Merger, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereby agree, severally and not jointly, as follows:

Section 1. Voting of Shares. Each Stockholder covenants and agrees that until the termination of this Agreement in accordance with the terms hereof, at the Company Meeting or any other meeting of the stockholders of the Company, however called, and in any action by written consent of the stockholders of the Company, such Stockholder will vote, or cause to be voted, all of his, her or its respective Shares (a) in favor of adoption of the Merger Agreement and approval of the Merger contemplated by the Merger Agreement, as the Merger Agreement may be modified or amended from time to time in a manner not adverse to the Stockholders, and (b) against any other Alternative Transaction. In addition, such Stockholder agrees that it will, upon request by Acquiror, furnish written confirmation, in form and substance reasonably acceptable to Acquiror, of such Stockholder's vote in favor of the Merger Agreement and the Merger. Each Stockholder covenants and agrees to deliver to Acquiror upon request prior to any vote contemplated by the first sentence of this Section 1, a proxy substantially in the form attached hereto as Annex A (a "Proxy"), which Proxy shall be irrevocable during the term of this Agreement to the extent permitted under Delaware law, and Acquiror agrees to vote the Shares subject to such Proxy in favor of the approval and adoption of the Merger Agreement and the Merger. Each Stockholder acknowledges receipt and review of a copy of the Merger Agreement. Each Stockholder acknowledges and agrees that this proxy, if and when given, shall be coupled with an interest, shall constitute, among other things, an inducement for Acquiror to enter into the Merger Agreement, shall be irrevocable and shall not be terminated by operation of law or otherwise upon the occurrence of any event and that no subsequent proxies with respect to such Shares shall be given (and if given shall not be effective); provided however that any such proxy shall terminate automatically and without further action on behalf of the Stockholders upon the termination of this Agreement. In the event that a Stockholder does not provide the Proxy upon request of Acquiror, such Stockholder hereby grants Buyer a power of attorney to execute and deliver such Proxy for and behalf of such Stockholder, which power of attorney is coupled with an interest and shall survive any death, disability, bankruptcy or any other such impediment of such Stockholder. Upon the execution of this Agreement by each Stockholder, such Stockholder hereby revokes any and all prior proxies or powers of attorney given by such Stockholder with respect to the Shares.

Section 2. Transfer of Shares. Each Stockholder covenants and agrees that such Stockholder will not directly or indirectly, (a) sell, assign, transfer (including by merger, testamentary disposition, interspousal disposition pursuant to a domestic relations proceeding or otherwise by operation of law), pledge, encumber or otherwise dispose of any of the Shares, (b) deposit any of the Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares or grant any proxy or power of attorney with respect thereto which is inconsistent with this Agreement or (c) enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect sale, assignment, transfer (including by merger, testamentary disposition, interspousal disposition pursuant to a domestic relations proceeding or otherwise by operation of law) or other disposition of any Shares; provided, however, that a Stockholder may transfer Shares to an entity controlled by the Stockholder on the condition that such transferee enter into this agreement and agree unconditionally to bound by the terms hereof.

Section 3. Representations and Warranties of the Stockholders. Each Stockholder on its own behalf hereby severally represents and warrants to Acquiror with respect to itself and its or her ownership of the Shares as follows:

(a) Ownership of Shares. On the date hereof, the Shares are owned beneficially by Stockholder or its nominee. Stockholder has sole voting power, without restrictions, with respect to all of the Shares.

(b) Power, Binding Agreement. Stockholder has the legal capacity, power and authority to enter into and perform all of its obligations, under this Agreement. The execution, delivery and performance of this Agreement by Stockholder will not violate any material agreement to which Stockholder is a party, including, without limitation, any voting agreement, stockholders' agreement, partnership agreement or voting trust. This Agreement has been duly and validly executed and delivered by Stockholder and constitutes a valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, conflict with or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, any provision of any loan or credit agreement, note, bond, mortgage, indenture, lease, or other agreement, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Stockholder or any of its properties or assets, other than such conflicts, violations or defaults or terminations, cancellations or accelerations which individually or in the aggregate do not materially impair the ability of Stockholder to perform its obligations hereunder.

Section 4. No Solicitation. Prior to the termination of this Agreement in accordance with its terms, each Stockholder agrees, in its individual capacity as a stockholder of the Company that (i) it will not, nor will it authorize or permit any of its employees, agents and representatives to, directly or indirectly, (a) initiate, solicit or encourage any inquiries or the making of any Acquisition Proposal (as defined in the Merger Agreement), (b) enter into any agreement with respect to any Acquisition Proposal, or (c) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal, and (ii) it will notify Acquiror as soon as possible if any such inquiries or proposals are received by, any information or documents is requested from, or any negotiations or discussions are sought to be initiated or continued with, it or any of its affiliates in its individual capacity; provided, that, notwithstanding the foregoing, each Stockholder shall not be prohibited from taking any such actions to the extent that the Company or its Board of Directors is permitted to take such actions under the Merger Agreement.

Section 5. Termination. This Agreement shall terminate upon the earliest to occur of (i) the Effective Time (as such term is defined in the Merger Agreement) or (ii) any termination of the Merger Agreement in accordance with the terms thereof; provided that no such termination shall relieve any party of liability for a willful breach hereof prior to termination.

Section 6. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

Section 7. Fiduciary Duties. Each Stockholder is signing this Agreement solely in such Stockholder's capacity as an owner of his, her or its respective Shares, and nothing herein shall prohibit, prevent or preclude such Stockholder from taking or not taking any action in his or her capacity as an officer or director of the Company, to the extent permitted by the Merger Agreement.

Section 8. Miscellaneous.

(a) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect thereto. This Agreement may not be amended, modified or rescinded except by an instrument in writing signed by each of the parties hereto.

(b) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law thereof.

(d) This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signature Page to follow]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement w be signed individually or by its respective duly authorized officer as of the date first written above.

CMGI, Inc.

By: ___________________________________

Name: _________________________________
Title: ________________________________

STOCKHOLDER:

By: ___________________________________

Name: _________________________________
Title: ________________________________

ANNEX A
To the Stockholder Agreement

IRREVOCABLE PROXY

The undersigned stockholder of Flycast Communications Corporation, a Delaware corporation ("Company"), hereby irrevocably (to the fullest extent permitted by the Delaware General Corporation Law) appoints the members of the Board of Directors of CMGI, Inc., a Delaware corporation ("Buyer"), and each of them, or any other designee of Buyer, as the sole and exclusive attorneys and proxies of the undersigned, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the fullest extent that the undersigned is entitled to do so) with respect to all of the shares of capital stock of Company that now are or hereafter may be beneficially owned by the undersigned, and any and all other shares or securities of Company issued or issuable in respect thereof on or after the date hereof (collectively, the "Shares") in accordance with the terms of this Irrevocable Proxy. Upon the undersigned's execution of this Irrevocable Proxy, any and all prior proxies given by the undersigned with respect to any Shares are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Shares until after the Expiration Date (as defined below).

This Irrevocable Proxy is irrevocable (to the extent provided in the Delaware General Corporation Law), is coupled with an interest, including, but not limited to, that certain Company Affiliate Agreement dated as of even date herewith by and among Buyer, and the undersigned, and is granted in consideration of Buyer entering into that certain Agreement and Plan of Merger and Reorganization (the "Merger Agreement") by and among Buyer and Freemont Corporation, a Delaware corporation and a wholly owned subsidiary of Buyer ("Merger Sub"), and Company which Merger Agreement provides for the merger of Merger Sub with and into Company (the "Merger"). As used herein, the term "Expiration Date" shall mean the earlier to occur of (i) such date and time as the Merger shall become effective in accordance with the terms and provisions of the Merger Agreement, and (ii) the date of termination of the Merger Agreement.

The attorneys and proxies named above, and each of them are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Shares, and to exercise all voting and other similar rights of the undersigned with respect to the Shares (including, without limitation, the power to execute and deliver written consents pursuant to the Delaware General Corporation Law), at every annual, special or adjourned meeting of the stockholders of Company and in every written consent in lieu of such meeting:

in favor of approval and adoption of the Merger Agreement and of the transaction contemplated thereby.

The attorneys and proxies named above may not exercise this Irrevocable Proxy on any other matter except as provided above. The undersigned stockholder may vote the Shares on all other matters.

All authority herein conferred shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

This Irrevocable Proxy is coupled with an interest as aforesaid and is irrevocable.

____
Signature

____
Print Name

Shares beneficially owned:

shares of Company Common Stock

EXHIBIT C-1

EMPLOYEE LOCK-UP AGREEMENT

CMGI, Inc.

Ladies and Gentlemen:

Pursuant to the terms of an Agreement and Plan of Merger dated as of September 29, 1999 (the "Agreement") between CMGI, Inc., a Delaware corporation ("Acquiror"), a subsidiary of Acquiror and Flycast Communications Corporation, a Delaware corporation (the "Company"), I will receive shares of common stock, $.01 par value per share, of Acquiror (the "Shares"), in exchange for shares of common stock of the Company owned by me.

In order to induce Acquiror to enter into the Agreement, I hereby agree as follows:

1. I will not sell, offer to sell, contract to sell, sell any option or contract for the sale or purchase of, lend, enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of, or otherwise dispose of (collectively, "Transfer"), any of the Shares, except as follows:

commencing on the day that is one day after the date of the Closing (as defined in the Agreement) and on each monthly anniversary date thereafter, I may Transfer one-sixth (1/6) of the Shares, so that all of the Shares may be Transferred from and after the date that is five months after the date of the Closing.

2. I acknowledge that the Acquiror may impose stock transfer restrictions on the Shares to enforce the provisions of this Agreement.

Very truly yours,

____
Signature

Print Name: _________________________

Date: _______________________________

AGREED TO:

CMGI, Inc.

By: _________________________________

EXHIBIT C-2

STOCKHOLDER LOCK-UP AGREEMENT

CMGI, Inc.
100 Brickstone Square
Andover, MA 01810
Attn: General Counsel

Ladies and Gentlemen:

Pursuant to the terms of an Agreement and Plan of Merger dated as of September , 1999 (the "Agreement") between CMGI, Inc., a Delaware corporation ("Acquiror"), a subsidiary of Acquiror and Flycast Communications Corporation, a Delaware corporation (the "Company"), the undersigned will receive shares of common stock, $.01 par value per share, of Acquiror (the "Shares"), in exchange for shares of common stock of the Company owned by the undersigned.

In order to induce Acquiror to enter into the Agreement, the undersigned hereby agrees as follows:

1. Until the date that is five (5) months after the Closing (as defined in the Agreement), the undersigned will not sell, offer to sell, contract to sell, sell any option or contract for the sale or purchase of, lend, enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of, or otherwise dispose of (collectively, "transfer") more than one-tenth (1/10) of the Shares in any one day. Notwithstanding the foregoing, however, if the undersigned is a corporation, partnership or limited liability company, the undersigned shall not be restricted from distributing any or all of the Shares to its shareholders, partners or members and the subsequent Transfers of Shares by such shareholders, partners or members.

2. The undersigned acknowledges that the Acquiror may impose stock transfer restrictions on the Shares to enforce the provisions of this Agreement.

Very truly yours,

____
Name of Stockholder

By: _________________________________
Signature

Date: _______________________________

AGREED TO:

CMGI, Inc.

By: _________________________________

EXHIBIT D

FORM OF COMPANY AFFILIATE LETTER

CMGI, Inc.

Ladies and Gentlemen:

I have been advised that as of the date of this letter I may be deemed to be an "affiliate" of Flycast Communications Corporation, a Delaware corporation (the "Company"), as the term "affiliate" is defined for purposes of paragraphs (c) and (d) of Rule 145 of the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"). Pursuant to the terms of the Agreement and Plan of Merger, dated as of September 29, 1999 (the "Agreement"), between CMGI, Inc., a Delaware corporation ("Acquiror"), Freemont Corporation, a Delaware corporation, and a subsidiary of Acquiror ("Sub") and the Company, Sub will be merged with and into the Company (the "Merger") and the Company will be the surviving corporation.

As a result of the Merger, I may receive shares of common stock, par value $.01 per share, of Acquiror (the "Acquiror Common Stock") in exchange for shares owned by me of common stock of the Company ("Company Common Stock").

1. Compliance with the Act. I represent, warrant and covenant to Acquiror that in the event I receive any Acquiror Common Stock as a result of the Merger:

(a) I shall not make any sale, transfer or other disposition of the Acquiror Common Stock in violation of the Act or the Rules and Regulations.

(b) I have carefully read this letter and the Agreement and discussed the requirements of such documents and other applicable limitations upon my ability to sell, transfer or otherwise dispose of the Acquiror Common Stock to the extent I felt necessary, with my counsel or counsel for the Company.

(c) I have been advised that the issuance of Acquiror Common Stock to me pursuant to the Merger will be registered with the Commission under the Act on a Registration Statement on Form S-4. However, I have also been advised that, since at the time the Merger is submitted for a vote of the stockholders of the Company, I may be deemed to have been an affiliate of the Company and the distribution by me of the Acquiror Common Stock has not been registered under the Act, I may not sell, transfer or otherwise dispose of the Acquiror Common Stock issued to me in the Merger unless (i) such sale, transfer or other disposition as been registered under the Act, (ii) such sale, transfer or disposition is made in conformity with Rule 145 promulgated by the Commission under the Act, or (iii) in the opinion of counsel reasonably acceptable to Acquiror, or pursuant to a "no action" letter obtained by the undersigned from the staff of the Commission, such sale, transfer or other disposition is otherwise exempt from registration under the Act.

(d) I understand that Acquiror is under no obligation to register the sale, transfer or disposition of the Acquiror Common Stock by me or on my behalf under the Act.

(e) I also understand that stop transfer instructions will be given to the Acquiror's transfer agent with respect to the Acquiror Common Stock and that there will be placed on the Certificates for the Acquiror Common Stock issued to me, or any substitutions therefor, a legend stating in substance:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED IN A TRANSACTION TO WHICH RULE 145 PROMULGATED UNDER THE SECURITIES ACT OF 1933 APPLIES. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT, DATED SEPTEMBER 29, 1999 BETWEEN THE REGISTERED HOLDER HEREOF AND CMGI, INC., A COPY OF WHICH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICES OF CMGI, INC."

(f) I also understand that unless the transfer by me of my Acquiror Common Stock has been registered under the Act or is a sale made in conformity with the provisions of Rule 145, Acquiror reserves the right to put the following legend on the certificates issued to my transferee:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND WERE ACQUIRED FROM A PERSON WHO RECEIVED SUCH SHARES IN A TRANSACTION TO WHICH RULE 145 PROMULGATED UNDER THE SECURITIES ACT OF 1933 APPLIES. THE SHARES HAVE BEEN ACQUIRED BY THE HOLDER NOT WITH A VIEW TO, OR FOR RESALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF WITHIN THE MEANING OF THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR IN ACCORDANCE WITH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933."

It is understood and agreed that the legends set forth in paragraphs E and F above shall be removed by delivery of substitute certificates without such legend if such legend is not required for purposes of the Act or this Agreement.

It is understood and agreed that such legends and the stop orders referred to above will be removed if (i) one year shall have elapsed from the date the undersigned acquired the Acquiror Common Stock received in the Merger and the provisions of Rule 145(d)(2) are then available to the undersigned, (ii) two years shall have elapsed from the date the undersigned acquired Acquiror Common Stock received in the Merger and the provisions of Rule 145(d)(3) are then available to the undersigned, or (iii) Acquiror has received either an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to Acquiror, or a "no action" letter obtained by the undersigned from the staff of the Commission, to the effect that the restrictions imposed by Rule 145 under the Act no longer apply to the undersigned.

2. Certain Tax Matters. The undersigned does not intend to take a position on any federal or state income tax return that is inconsistent with the treatment of the Merger as a tax-free reorganization for federal or state income tax purposes.

Very truly yours,

____
Signature

____
Print Name

Accepted this   day of
       , 1999 by

CMGI, Inc.

By: _________________________________

Name: _______________________________

Title: ______________________________

September 29, 1999

Board of Directors
Flycast Communications Corporation
181 Fremont Street
San Francisco, California 94105

Gentlemen:

Deutsche Bank Securities Inc. ("Deutsche Bank") has acted as financial advisor to Flycast Communications Corporation ("Flycast") in connection with the proposed merger of a newly formed, wholly owned subsidiary ("Sub") of CMGI, Inc. ("CMGI"), and Flycast pursuant to the Agreement and Plan of Merger, dated as of September 27, 1999, among Flycast, CMGI and Sub (the "Merger Agreement"), which provides, among other things, for the merger of the Sub with and into Flycast (the "Transaction"), as a result of which Flycast will become a wholly owned subsidiary of CMGI. As set forth more fully in the Merger Agreement, as a result of the Transaction, each share of the Common Stock, par value $.001 per share, of Flycast ("Flycast Common Stock") not owned directly or indirectly by Flycast or CMGI will be converted into the right to receive 0.4738 shares (the "Exchange Ratio") of Common Stock, par value $.01 per share, of CMGI ("CMGI Common Stock"). The terms and conditions of the Transaction are more fully set forth in the Merger Agreement.

You have requested Deutsche Bank's opinion, as investment bankers, as to the fairness, from a financial point of view, of the Exchange Ratio to the holders of Flycast Common Stock.

In connection with Deutsche Bank's role as financial advisor to Flycast, and in arriving at its opinion, Deutsche Bank has reviewed certain publicly available financial and other information concerning Flycast and CMGI and certain internal analyses and other information furnished to it by Flycast and CMGI. Deutsche Bank has also held discussions with members of the senior managements of Flycast and CMGI regarding the businesses and prospects of their respective companies and the joint prospects of a combined company. In addition, Deutsche Bank has (i) reviewed the reported prices and trading activity for Flycast Common Stock and CMGI Common Stock, (ii) reviewed recent public research analyst reports concerning CMGI, (iii) compared certain financial and stock market information for Flycast and CMGI with similar information for certain companies whose securities are publicly traded, (iv) reviewed the financial terms of certain recent business combinations which it deemed comparable in whole or in part, (v) reviewed the terms of a draft of the Merger Agreement dated September 27, 1999 and drafts of certain related documents dated September 27, 1999, and (vi) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Deutsche Bank has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning Flycast or CMGI, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank has assumed and relied upon the accuracy and completeness of all such information, and Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or liabilities, of Flycast or CMGI. With respect to the financial forecasts and projections made available to Deutsche Bank and used in its analyses, Deutsche Bank has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Flycast as to the matters covered thereby. In rendering its opinion, Deutsche Bank expresses no view as to the reasonableness of such forecasts and projections or the assumptions on which they are based. Deutsche Bank was not provided with, and did not rely on, any forecasts or projections concerning CMGI. Deutsche Bank has assumed with your consent for purposes of its analysis that the value of the CMGI Common Stock to be received by stockholders of Flycast in the proposed Transaction is equal to the closing trading price of the CMGI Common Stock as of September 28, 1999, and Deutsche Bank expresses no opinion or view on the value of the CMGI Common Stock.

Deutsche Bank does not express any opinion as to the price at which the shares of CMGI Common Stock that are to be issued pursuant to the proposed Transaction will be traded in the future. Deutsche Bank's opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date hereof. Although subsequent developments may affect this opinion, Deutsche Bank assumes no obligation to update, revise or reaffirm this opinion.

For purposes of rendering its opinion, Deutsche Bank has assumed that, in all respects material to its analysis, the representations and warranties of Flycast, CMGI and Sub contained in the Merger Agreement are true and correct, Flycast, CMGI and Sub each will perform all of the covenants and agreements to be performed by it under the Merger Agreement and all conditions to the obligations of each of Flycast, CMGI and Sub to consummate the Transaction will be satisfied without any waiver thereof. Deutsche Bank has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Flycast or CMGI is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Flycast or CMGI or materially reduce the contemplated benefits of the Transaction to Flycast. In addition, you have informed Deutsche Bank, and accordingly for purposes of rendering its opinion Deutsche Bank has assumed, that the Transaction will be tax-free to each of Flycast and CMGI and their respective stockholders and that the Transaction will be accounted for as a purchase.

This opinion is addressed to, and for the use and benefit of, the Board of Directors of Flycast and is not a recommendation to the stockholders of Flycast to approve the Transaction. This opinion is limited to the fairness, from a financial point of view, to Flycast of the Exchange Ratio, and Deutsche Bank expresses no opinion as to the merits of the underlying decision by Flycast to engage in the Transaction.

Deutsche Bank will be paid a fee for its services as financial advisor to Flycast in connection with the Transaction, a substantial portion of which is contingent upon consummation of the Transaction. Deutsche Bank is an affiliate of Deutsche Bank AG (together with its affiliates, the "DB Group"). One or more members of the DB Group have, from time to time, provided investment banking and other financial services to Flycast or its affiliates for which such member has received compensation, including the initial public offering of Flycast. In the ordinary course of business, members of the DB Group publish research reports regarding the internet industry and the business and services of publicly owned companies in the internet industry. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of Flycast and CMGI for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

This opinion may not be published or otherwise used or referred to, nor shall any public reference to Deutsche Bank be made, without the prior written consent of Deutsche Bank. Deutsche Bank hereby consents, however, to the inclusion of this opinion in its entirety as an exhibit to any proxy or registration statement distributed to the shareholders of Flycast in connection with the approval of the proposed Transaction and to any description of, or reference to, this opinion therein in form and substance acceptable to Deutsche Bank and its legal counsel.

Based upon and subject to the foregoing, it is Deutsche Bank's opinion as investment bankers that the Exchange Ratio is fair, from a financial point of view, to the holders of Flycast Common Stock.

Very truly yours,
/s/ Deutsche Bank Securities Inc.
DEUTSCHE BANK SECURITIES INC.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law grants the Registrant the power to indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he is or was a director, officer, employee or agent of the Registrant, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Registrant, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; provided, however, no indemnification shall be made in connection with any proceeding brought by or in the right of the Registrant where the person involved is adjudged to be liable to the Registrant except to the extent approved by a court. Article NINTH of the Registrant's Restated Certificate of Incorporation and Article VII of the Registrant's Restated By-laws provide that the Registrant shall, to the fullest extent permitted by applicable law, indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding by reason of the fact that he is or was, or has agreed to become, a director or officer of the Registrant, or is or was serving at the written request of the Registrant, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust, or other enterprise. The indemnification provided for in each of Article NINTH and Article VII is expressly not exclusive of any other rights to which those seeking indemnification may be entitled under any law, agreement, or vote of stockholders or disinterested directors or otherwise, and shall inure to the benefit of the heirs, executors, and administrators of such persons. Article VII also provides that the Registrant shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Registrant, or is or was serving at the request of the Registrant, as a director, trustee, partner, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against and incurred by such person in any such capacity.

Pursuant to Section 102(b)(7) of the Delaware General Corporation Laws, Article EIGHTH of the Registrant's Restated Certificate of Incorporation eliminates a director's personal liability for monetary damages to the Registrant and its stockholders for breaches of fiduciary duty as a director, except in circumstances involving a breach of a director's duty of loyalty to the Registrant or its stockholders, acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, self-dealing, or the unlawful payment of dividends or repurchase of stock.

The Registrant maintains an insurance policy on behalf of itself and certain of its subsidiaries, and on behalf of the directors and officers thereof, covering certain liabilities which may arise as a result of the actions of the directors and officers.

The Registrant has entered into agreements with all of its directors affirming the Registrant's obligation to indemnify them to the fullest extent permitted by law and providing various other protections.

Item 21. Exhibits and Financial Statement Schedules.

(a) Exhibits

2.1(1)	Agreement and Plan of Merger, dated as of September 29, 1999, by and among the Registrant, Freemont Corporation and Flycast Communications Corporation.
3.1(2)	Restated Certificate of Incorporation of the Registrant.
3.2(3)	Certificate of Designations, Preferences and Rights of Series D Preferred Stock of the Registrant.
3.3	Restated By-laws of the Registrant, as amended.
4.1(4)	Specimen stock certificate representing common stock, $.01 par value per share, of the Registrant.
4.2(5)	Stock Option Agreement, dated as of September 29, 1999, between the Registrant and Flycast Communications Corporation.
4.3(5)	Stockholder Agreement, dated as of September 29, 1999, by and among the Registrant and each of the Stockholders of Flycast Communications Corporation listed on Schedule I thereto.
5.1	Opinion of Hale and Dorr LLP.
8.1	Opinion of Hale and Dorr LLP as to tax matters.
8.2	Opinion of Wilson Sonsini Goodrich & Rosati, P.C. as to tax matters.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Hale and Dorr LLP (included in Exhibit 5.1).
23.2	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 8.2).
23.3	Consent of KPMG LLP.
23.4	Independent Auditors' Consent of Deloitte & Touche LLP.
23.5	Consent of Deutsche Bank Securities Inc.
23.6	Consent of PricewaterhouseCoopers LLP.
23.7	Consent of Singer Lewak Greenbaum & Goldstein LLP.
24.1	Power of Attorney (included in the signature page of this Registration Statement).
99.1(6)	Opinion of Deutsche Bank Securities Inc.
99.2	Form of Proxy Card of Flycast Communications Corporation.

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(1) Attached as Annex A to the Proxy Statement/Prospectus, which is part of this Registration Statement.
(2) Incorporated by reference from the Registrant's Registration Statement on Form S-3 (File No. 333-85047) filed on August 12, 1999.
(3) Incorporated by reference from the Registrant's Current Report on Form 8-K filed on September 2, 1999.
(4) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1999.
(5) Attached as an Exhibit to the Agreement and Plan of Merger attached as Annex A to the Proxy Statement/Prospectus, which is part of this Registration Statement.
(6) Attached as Annex B to the Proxy Statement/Prospectus, which is part of this Registration Statement.

(b) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are not applicable, and, therefore, have been omitted.

Item 22. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act").

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (and where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act), that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. The Registrant hereby undertakes as follows:

(1) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this Registration Statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(2) That every prospectus (i) that is filed pursuant to paragraph (1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to this Registration Statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

D. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

E. The Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This included information contained in documents filed subsequent to the effective date of this Registration Statement through the date of responding to the request.

F. The Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved herein, that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Andover, Commonwealth of Massachusetts on the 3rd day of December, 1999.

CMGI, INC.

By: /s/ Andrew J. Hajducky III
Andrew J. Hajducky III
Chief Financial Officer and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below on this Registration Statement hereby constitutes and appoints David S. Wetherell and Andrew J. Hajducky III, their true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for them and in their name, place and stead, in any and all capacities (unless revoked in writing) to sign any and all amendments to this Registration Statement to which this power of attorney is attached, including any post-effective amendments as well as any related registration statement (or amendment thereto) filed in reliance upon Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in connection therewith, as fully to all intents and purposes as they might and could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ David S. Wetherell David S. Wetherell	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	December 3, 1999
/s/ Andrew J. Hajducky III Andrew J. Hajducky III	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	December 3, 1999
/s/ William H. Berkman William H. Berkman	Director	December 3, 1999
/s/ Craig D. Goldman Craig D. Goldman	Director	December 3, 1999
Avram Miller	Director	
/s/ Robert J. Ranalli Robert J. Ranalli	Director	December 3, 1999
/s/ William D. Strecker William D. Strecker	Director	December 3, 1999

EXHIBIT INDEX

2.1(1)	Agreement and Plan of Merger, dated as of September 29, 1999, by and among the Registrant, Freemont Corporation and Flycast Communications Corporation.
3.1(2)	Restated Certificate of Incorporation of the Registrant.
3.2(3)	Certificate of Designations, Preferences and Rights of Series D Preferred Stock of the Registrant.
3.3	Restated By-laws of the Registrant, as amended.
4.1(4)	Specimen stock certificate representing common stock, $.01 par value per share, of the Registrant.
4.2(5)	Stock Option Agreement, dated as of September 29, 1999, between the Registrant and Flycast Communications Corporation.
4.3(5)	Stockholder Agreement, dated as of September 29, 1999, by and among the Registrant and each of the Stockholders of Flycast Communications Corporation listed on Schedule I thereto.
5.1	Opinion of Hale and Dorr LLP.
8.1	Opinion of Hale and Dorr LLP as to tax matters.
8.2	Opinion of Wilson Sonsini Goodrich & Rosati, P.C. as to tax matters.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Hale and Dorr LLP (included in Exhibit 5.1).
23.2	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 8.2).
23.3	Consent of KPMG LLP.
23.4	Independent Auditors' Consent of Deloitte & Touche LLP.
23.5	Consent of Deutsche Bank Securities Inc.
23.6	Consent of PricewaterhouseCoopers LLP.
23.7	Consent of Singer Lewak Greenbaum & Goldstein LLP.
24.1	Power of Attorney (included in the signature page of this Registration Statement).
99.1(6)	Opinion of Deutsche Bank Securities Inc.
99.2	Form of Proxy Card of Flycast Communications Corporation.

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(1) Attached as Annex A to the Proxy Statement/Prospectus, which is part of this Registration Statement.
(2) Incorporated by reference from the Registrant's Registration Statement on Form S-3 (File No. 333-85047) filed on August 12, 1999.
(3) Incorporated by reference from the Registrant's Current Report on Form 8-K filed on September 2, 1999.
(4) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1999.
(5) Attached as an Exhibit to the Agreement and Plan of Mereger attached as Annex A to the Proxy Statement/Prospectus, which is a part of this Registration Statement.
(6) Attached as Annex B to the Proxy Statement/Prospectus, which is part of this Registration Statement.

EXHIBIT 3.3

RESTATED

BY-LAWS

of

CMGI, INC.
(a Delaware corporation)

Originally adopted on November 8, 1993

Amended on September 8, 1999

Amended on November 8, 1999

CMGI, INC.

(a Delaware corporation)

BY-LAWS

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CMGI, INC.

(a Delaware corporation)

BY-LAWS

ARTICLE I. OFFICES

SECTION 1. REGISTERED OFFICE. The registered office of the Corporation in the State of Delaware is located at 1209 Orange Street, in the City of Wilmington, County of New Castle, The name of its registered agent at such address is The Corporation Trust Company.

SECTION 2. OTHER OFFICES. The Corporation may also have offices at such other places, within or without the State of Delaware, as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II. MEETINGS OF STOCKHOLDERS

SECTION 1. PLACE OF MEETING. Meetings of the Stockholders shall be held either within or without the State of Delaware at such place as the Board of Directors may fix.

SECTION 2. ANNUAL MEETINGS. The annual meeting of stockholders shall be held for the election of directors on such date and at such time as the Board of Directors may fix. Any other business properly brought before the annual meeting of stockholders as provided by applicable law and by these By-Laws may be transacted at the annual meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the stockholders for any purpose or purposes may be called by the Chairman of the Board of Directors, or pursuant to a resolution approved by a majority of the Whole Board (as defined below), or upon receipt of a written request signed by stockholders owning at least 20 percent of the stock entitled to vote at the meeting. Any such resolution of the Board of Directors or any such request of stockholders shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting is limited to the purposes stated in the notice. For the purposes of these By-Laws, the term "Whole Board" is defined as the total number of Directors which the Corporation would have if there were no vacancies.

SECTION 4. NOTICE. Written or printed notice of every meeting of stockholders, annual or special, stating the hour, date and place thereof, and, in the case of special meetings, the purpose or purposes for which the meeting is called shall, not less than ten (10), or such longer period as shall be provided by law, the Certificate of Incorporation, these By-Laws, or otherwise, and not more than sixty (60) days before such meeting, be delivered or mailed to each stockholder entitled to vote thereat, at his address as it appears upon the stock records of the Corporation or, if such stockholder shall have filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address, then to the address designated in such request.

SECTION 5. QUORUM AND ADJOURNMENTS. Except as otherwise provided by law or by the Certificate of Incorporation, the presence in person or by proxy at any meeting of stockholders of the holders of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote thereat, shall be requisite and shall constitute a quorum. If two or more classes of stock are entitled to vote as separate classes upon any question, then, in the case of each such class, a quorum for the consideration of such question shall, except as otherwise provided by law or by the Certificate of Incorporation, consist of a majority in interest of all stock of that class issued, outstanding and entitled to vote. If a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote thereat at, or, where a larger quorum is required, such larger quorum, shall not be represented at any meeting of the stockholders, the holders of a majority of the shares present or represented by proxy and entitled to vote thereat shall have the power to adjourn the meeting to another time, or to another time and place, without notice other than announcement of adjournment at the meeting, and there may be successive adjournments for like cause and in like manner until the requisite amount of shares entitled to vote at such meeting shall be represented; provided, however, that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, written notice of the hour, date and place of the adjourned meeting shall be given to each stockholder entitled to vote thereat. At any adjourned meeting any business may be transacted which might have been transacted at the original meeting. Subject to the requirements of law and the Certificate of Incorporation, on any issue on which two or more classes of stock are entitled to vote separately, no adjournment shall be taken with respect to any class for which a quorum is present unless the Chairman of the meeting otherwise directs. At any meeting held to consider matters which were subject to adjournment for want of a quorum at which the requisite amount of shares entitled to vote thereat shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

SECTION 6. NOTICE OF STOCKHOLDER BUSINESS. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Chairman of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of a majority of the whole Board, or (C) otherwise properly brought before the meeting by a stockholder as provided by and in accordance with applicable law, rules and regulations and these By-Laws. For business to be properly brought before an annual meeting by a stockholder, the stockholders must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed to and received at the principal executive offices of the Corporation in accordance with applicable law, rules and regulations and not less than 120 days in advance of the date of the Corporation's notice of annual meeting released to stockholders in connection with the previous year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's notice of annual meeting of stockholders, then, in that event only, a stockholders' notice hereunder must be delivered to and received at the principal executive offices of the corporation at least 30 calendar days before the notice of the date of the annual meeting is mailed to stockholders in the current year.

A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (A) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (B) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (C) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (D) any material interest of the stockholder in such business. Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at an annual meeting except in accordance with applicable law, rules and regulations, and in accordance with the procedures set forth in this SECTION 6 OF ARTICLE II.

The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with this SECTION 6 of ARTICLE II, and if the presiding officer should so determine, the presiding officer shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 7. INSPECTORS. The Board of Directors shall appoint inspectors of election to act as judges of the voting and to determine those entitled to vote at any meeting of stockholders, or any adjournment thereof, in advance of such meeting, but if the Board of Directors fails to make such appointments or if an appointee fails to serve, the presiding officer of the meeting of stockholders may appoint substitute inspectors.

SECTION 8. VOTING. Except as otherwise provided by law or by the Certificate of Incorporation or by a resolution of the Board of Directors adopted in accordance with the Certificate of Incorporation, each stockholder shall be entitled at every meeting of the stockholders to one vote for each share of stock having voting power standing in the name of such stockholder on the books of the Corporation on the record date for the meeting and such votes may be cast in person or by proxy executed in writing (or in such other manner from time to time permitted by the General Corporation Law of the State of Delaware). Every proxy must be duly executed in accordance with these By-Laws and evidence thereof shall be filed with the Secretary of the Corporation. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation. The vote upon any question brought before a meeting of the stockholders may be by voice vote, unless otherwise required by these By-Laws or unless the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting shall so determine. Every vote taken by written ballot shall be counted by the inspectors of election. When a quorum is present at any meeting, the vote of the holders of a majority (or such other percentage as may be specified or required by the Certificate of Incorporation, or by a resolution of the Board of Directors adopted in accordance with SECTION 2 of ARTICLE FOURTH of the Certificate of Incorporation, or by law, or by these By-Laws) of the stock which has voting power present in person or represented by proxy and which has actually voted shall decide any question properly brought before such meeting, except the election or removal of Directors or as otherwise provided in these By-Laws or the Certificate of Incorporation. With respect to any election or questions required to be decided by any class of stock voting as a class, the vote of the holders of a majority (or such other percentage as may be specified or required by the Certificate of

Incorporation, or by a resolution of the Board of Directors adopted in accordance with SECTION 2 of ARTICLE FOURTH of the Certificate of Incorporation, or by law, or by these By-Laws) of such class of stock present in person or by proxy and which actually voted shall decide any such election or question.

ARTICLE III. NOMINATION OF DIRECTOR CANDIDATES

SECTION 1. NOTIFICATION OF NOMINEES. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends, upon liquidation, or to elect additional Directors under specified circumstances, nominations for the election of Directors may be made by the Board of Directors or a committee appointed by The Board of Directors or by any stockholder entitled to vote in the election of Directors generally. However, any stockholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than 120 days in advance of the date of the Corporation's notice of annual meeting released to stockholders in connection with the previous year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's notice of annual meeting of stockholders, then, in that event only, a stockholders' notice hereunder must be delivered to and received at the principal executive offices of the corporation at least 30 calendar days before the notice of the date of the annual meeting is mailed to stockholders in the current year.

Each such notice shall set forth: (A) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (B) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (C) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (D) such other information regarding each nominee proposed by such stock-holders as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (E) the consent of each nominee to serve as a Director of the Corporation if so elected.

SECTION 2. SUBSTITUTION OF NOMINEES. If a person is validly designated as a nominee in accordance with Section 1 of this Article III, and shall thereafter become unable or unwilling to stand for election to the Board of Directors, the Board of Directors or the stockholder who proposed such nominee, as the case may be, may designate a substitute nominee upon delivery, not fewer than five days prior to the date of the meeting for the election of such nominee, of a written notice to the Secretary setting forth such information regarding such substitute nominee as would have been required to be delivered to the Secretary pursuant to Section 1 of this Article III, had such substitute nominee been initially proposed as a nominee. Such notice shall include a signed consent to serve as a Director of the Corporation, if elected, of each such substitute nominee.

SECTION 3. COMPLIANCE WITH PROCEDURES. If the presiding officer of the meeting for the election or Directors determines that a nomination for any candidate for election as a Director at such meeting was not made in accordance with the applicable provisions of these By-Laws, such person will not be eligible for election as a Director and such nomination shall be void.

ARTICLE IV . DIRECTORS

SECTION 1. POWERS. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 2. NUMBER, QUALIFICATION. Election and Terms. Except as otherwise fixed by, or pursuant to, the provisions of SECTION 2 of ARTICLE FOURTH of the certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock, the number of Directors shall be fixed from time to time by resolution of the Board of Directors, but shall not be less than three nor more than fifteen persons. The Directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors. One class (Class I) shall hold office initially for a term expiring at the annual meeting of stockholders to be held in 1994, and another class (Class II) shall hold office initially for a term expiring at the annual meeting of stockholders to be held in 1995, and another class ("Class III") shall hold office initially for a term expiring at the annual meeting of stockholders to be held in 1996, with the members of each class to hold office until their successors are elected and qualified. At each succeeding annual meeting of the stockholders of the Corporation, the successors of the class of Directors whose term expires at that meeting shall be elected by plurality vote by written ballot to hold office for a term expiring at the annual meeting for stockholders held in the third year following the year of their election.

SECTION 3. REMOVAL. Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock, any Director may be removed from office by the stockholders in the manner provided in this SECTION 3 of ARTICLE IV. At any annual meeting of the stockholders of the Corporation or at any special meeting of the stockholders of the Corporation, the notice of which shall state that the removal of a Director or Directors is among the purposes of the meeting, the affirmative vote of the holders of at least 75 percent of the combined voting power of the outstanding shares of Voting Stock (as defined below), voting together as a single class, may remove such Director or Directors. For the purposes of these By Laws, "Voting Stock" shall mean the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors.

SECTION 4. VACANCIES AND NEW DIRECTORSHIPS. Except as otherwise fixed by or provided for or pursuant to the provisions of ARTICLE FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock, vacancies and newly created directorships resulting from any increase in the authorized number of Directors shall be filled solely by the affirmative vote of a majority of the Directors then in office though less than a quorum, or by a sole remaining Director, except as may be required by law. Any Director so chosen shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been elected and qualified. No decrease in the authorized number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

SECTION 5. MEETINGS. Meetings of the Board of Directors shall be held at such place, within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors or by the Chairman of the Board, if there be one, the President and as may be specified in the notice or waiver of notice of any meeting. Meetings may be held at any time upon the call of the Chairman of the Board, if there be one, or the President or any two (2) of the Directors in office by oral, telegraphic, telex, telecopy or other form of electronic transmission, or written notice, duly served or sent or mailed to each Director not less than twenty-four (24) hours before such meeting, or such shorter time period as the person or persons calling the meeting shall deem appropriate under the circumstances.

Meetings may be held at any time and place without notice if all the Directors are present and do not object to the holding of such meeting for lack of proper notice or if those not present shall, in writing or by telegram, telex, telecopy or other form of electronic transmission, waive notice thereof. A regular meeting of the Board may be held without notice immediately following the annual meeting of stockholders at the place where such meeting is held. Regular meetings of the Board may also be held without notice at such time and place as shall from time to time be determined by resolution of the Board.

Members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to the foregoing provisions shall constitute presence in person at the meeting.

SECTION 6. VOTES. Except as otherwise provided by law, the Certificate of Incorporation or otherwise, the vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 7. QUORUM AND ADJOURNMENT. Subject to SECTION 4 of this ARTICLE IV, and except as otherwise provided by law, the Certificate of Incorporation or otherwise, a majority of the Directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time without notice other than announcement of the adjournment at the meeting, and at such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally noticed.

SECTION 8. COMPENSATION. Directors shall receive compensation for their services, as such, and for service on any Committee of the Board of Directors, as fixed by resolution of the Board of Directors and for expenses of attendance at each regular or special meeting of the Board or any Committee thereof. Nothing in this Section shall be construed to preclude a Director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 9. ACTION BY CONSENT OF DIRECTORS. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board, or committee. Such consent shall be treated as a vote adopted at a meeting for all purposes. Such consents may be executed in one or more counterparts and not every Director or committee member need sign the same counterpart.

ARTICLE V. COMMITTEES OF DIRECTORS

SECTION 1. EXECUTIVE COMMITTEE. The Board of Directors may, by resolution passed by a majority of the Whole Board, appoint an Executive Committee of two (2) or more members, to serve at the pleasure of the Board, to consist of such directors as the Board may from time to time designate. The Board of Directors shall designate the Chairman of the Executive Committee.

(a) PROCEDURE. The Executive Committee shall, by a vote of a majority of its members, fix its own times and places of meeting, determine the number of its members constituting a quorum for the transaction of business, and prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.

(b) RESPONSIBILITIES. During the intervals between the meetings of the Board of Directors except as otherwise provided by the Board of Directors in establishing such Committee or otherwise, the Executive Committee shall possess and may exercise all the powers of the Board in the management and direction of the business and affairs of the Corporation; provided, however, that the Executive Committee shall not, except to the extent the Certificate of Incorporation or the resolution providing for the issuance of shares of stock adopted by the Board of Directors as provided in SECTION 151(A) of the Delaware General Business Corporation Law, have the power:

(i) to amend or authorize the amendment of the Certificate of Incorporation or these By-Laws;

(ii) to authorize the issuance of stock;

(iii) to authorize the payment of any dividend;

(iv) to adopt an agreement of merger or consolidation of the Corporation or to recommend to the stockholders the sale, lease or exchange of all or substantially all the property and business of the Corporation;

(v) to recommend to the stockholders a dissolution, or a revocation of a dissolution, of the Corporation; or

(vi) to adopt a certificate of ownership and merger pursuant to SECTION 253 of the Delaware Business Corporation Law.

(c) REPORTS. The Executive Committee shall keep regular minutes of its proceedings, and all action by the Executive Committee shall be reported promptly to the Board of Directors. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

(d) APPOINTMENT OF ADDITIONAL MEMBERS. In the absence or disqualification of any member of the Executive Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 2. AUDIT COMMITTEE. The Board of Directors may, by resolution passed by a majority of the Whole Board, appoint an Audit Committee of two (2) or more members who shall not be officers or employees of the Corporation to serve at the pleasure of the Board. The Board of Directors shall designate the Chairman of the Audit Committee.

(a) PROCEDURE. The Audit Committee, by a vote of a majority of its members, shall fix its own times and places of meeting, shall determine the number of its members constituting a quorum for the transaction of business, and shall prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.

(b) RESPONSIBILITIES. The Audit Committee shall review the annual financial statements of the Corporation prior to their submission to the Board of Directors, shall consult with the Corporation's independent auditors, and may examine and consider such other matters in relation to the internal and external audit of the Corporation's accounts and in relation to the financial affairs of the Corporation and its accounts, including the selection and retention of independent auditors, as the Audit Committee may, in its discretion, determine to be desirable.

(c) REPORTS. The Audit Committee shall keep regular minutes of its proceedings, and all action by the Audit Committee shall, from time to time, be reported to the Board of Directors as it shall direct. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

(d) APPOINTMENT OF ADDITIONAL MEMBERS. In the absence or disqualification of any member of the Audit Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3. OTHER COMMITTEES. The Board of Directors may, by resolution passed by a majority of the Whole Board, at any time appoint one or more other committees, including a compensation committee, from and outside of its own number. Every such committee must include at least one member of the Board of Directors. The Board may from time to time designate or alter, within the limits permitted by law, the Certificate of Incorporation and this Article, if applicable, the duties, powers and number of members of such other committees or change their membership, and may at any time abolish such other committees or any of them.

(a) PROCEDURE. Each committee, appointed pursuant to this Section 3) shall, by a vote of a majority of its members, fix its own times and places of meeting, determine the number of its members constituting a quorum for the transaction of business, and prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.

(b) RESPONSIBILITIES. Each committee, appointed pursuant to this SECTION 3, shall exercise the powers assigned to it by the Board of Directors in its discretion.

(c) REPORTS. Each committee appointed pursuant to this Section 3 shall keep regular minutes of proceedings, and all action by each such committee shall, from time to time, be reported to the Board of Directors as it shall direct. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

(d) APPOINTMENT OF ADDITIONAL MEMBERS. In the absence or disqualification of any member of each committee, appointed pursuant to this SECTION 3, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors (or, to the extent permitted, another person) to act at the meeting in place of any such absent or disqualified member.

SECTION 4. TERM OF OFFICE. Each member of a committee shall hold office until the first meeting of the Board of Directors following the annual meeting of stockholders (or until such other time as the Board of Directors may determine, either in the vote establishing the committee or at the election of such member or otherwise) and until his successor is elected and qualified, or until he sooner dies, resigns, is removed, is replaced by change of membership or becomes disqualified by ceasing to be a Director (where membership on the Board is required), or until the committee is sooner abolished by the Board of Directors.

ARTICLE VI. OFFICERS

SECTION 1. OFFICERS. The Board of Directors shall elect a President, a Secretary and a Treasurer, and, in their discretion, may elect a Chairman of the Board, a Vice Chairman of the Board, a Controller, and one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers as they deem necessary or appropriate. Such officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders (or at such other meeting as the Board of Directors determines), and each shall hold office for the term provided by the vote of the

Board, except that each will be subject to removal from office in the discretion of the Board as provided herein. The powers and duties of more than one office may be exercised and performed by the same person.

SECTION 2. VACANCIES. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors, at any regular or special meeting.

SECTION 3. CHAIRMAN OF THE BOARD. The Chairman of the Board of Directors, if elected, shall be a member of the Board of Directors and shall preside at its meetings. He shall advise and counsel with the President, and shall perform such duties as from time to time may be assigned to him by the Board of Directors.

SECTION 4. PRESIDENT. The President shall be the chief executive officer of the Corporation, unless the Board of Directors designates the Chairman of the Board of Directors or another officer as chief executive officer. Subject to the direction of the Board of Directors, the President shall have and exercise direct charge of and general supervision over the business and affairs of the Corporation and shall perform all duties incident to the office of the President of a corporation and such other duties as from time to time may be assigned to him by the Board of Directors. The President may but need not be a member of the Board of Directors.

SECTION 5. EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS. Each Executive Vice President and Vice President shall have and exercise such powers and shall perform such duties as from time to time may be assigned to him by the Board of Directors or the President.

SECTION 6. SECRETARY. The Secretary shall keep the minutes of all meetings of the stockholders and of the Board of Directors in books provided for the purpose, he shall see that all notices are duly given in accordance with the provisions of law and these By-Laws; he shall be custodian of the records and of the corporate seal or seals of the Corporation; he shall see that the corporate seal is affixed to all documents the execution of which, on behalf of the Corporation under its seal, is duly authorized, and, when the seal is so affixed, he may attest the same; he may sign, with the President, an Executive Vice President or a Vice President, certificates of stock of the Corporation; and, in general, he shall perform all duties incident to the office of secretary of a corporation, and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 7. ASSISTANT SECRETARIES. The Assistant Secretaries in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Secretary.

SECTION 8. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he may endorse for collection on behalf of the Corporation checks, notes and other obligations he may sign receipts and vouchers for payments made to the Corporation; he may sign checks of the

Corporation, singly or jointly with another person as the Board of Directors may authorize, and pay out and dispose of the proceeds under the direction of the Board he shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; he may sign, with the President, or an Executive Vice President or a Vice President, certificates of stock of the Corporation and in general, shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 9. ASSISTANT TREASURERS. The Assistant Treasurers in order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Treasurer.

SECTION 10. CONTROLLER. The Controller, if elected, shall be the chief accounting officer of the Corporation, in general, he shall perform all duties incident to the office of a controller of a corporation, and in the absence of or disability of the Treasurer or any Assistant Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors shall prescribe or as from time to rime may be assigned by the President or the Treasurer.

SECTION 11. ASSISTANT CONTROLLERS. The Assistant Controllers in order of their seniority shall, in the absence or disability of the Controller, perform the duties and exercise the powers of the Controller and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Controller.

SECTION 12. SUBORDINATE OFFICERS. The Board of Directors may appoint such subordinate officers as it may deem desirable. Each such officer shall hold office for such period, have such authority and perform such duties as the Board of Directors may prescribe. The Board of Directors may, from time to time, authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof.

SECTION 13. COMPENSATION. The Board of Directors, or a duly authorized executive compensation committee of the Board of Directors, shall fix the compensation of all officers of the Corporation. It may authorize any officer, upon whom the power of appointing subordinate officers may have been conferred, to fix the compensation of such subordinate officers.

SECTION 14. REMOVAL. Any officer of the Corporation may be removed, with or without cause, by action of the Board of Directors.

SECTION 15. BONDS. The Board of Directors may require any officer of the Corporation to give a bond to the Corporation, conditional upon the faithful performance of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

ARTICLE VII. INDEMNIFICATION

SECTION 1. INDEMNIFICATION.

(a) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is a party or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding. whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he, or a person for whom he is the legal representative, is or was a Director or officer of the Corporation, or is or was serving at the express written request of the Corporation as a Director, officer, trustee, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity against all liability, losses, expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director or officer of the Corporation, or is or was serving at the express written request of the Corporation as a Director, officer, trustee, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(c) To the extent that any person referred to in PARAGRAPHS (A) OR (B) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to therein, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 2. AUTHORIZATION. Any indemnification under SECTION 1 of this ARTICLE VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, trustee, partner, or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in SECTION 1 of this ARTICLE VII. Such determination shall be made: (A) by the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding, or (B) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (C) by the stockholders.

SECTION 3. EXPENSE ADVANCE. Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in SECTION 2 of this ARTICLE VII upon receipt of an undertaking by or on behalf of such officer or director to repay such amount, if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this ARTICLE VII. Such expenses (including attorneys' fees) incurred by other employees or agents of the Corporation may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

SECTION 4. NONEXCLUSIVITY. The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this ARTICLE VII shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 5. INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, partner, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this ARTICLE VII OR SECTION 145 of the Delaware General Corporation Law.

SECTION 6. "THE CORPORATION." For the purposes of this Article, references to "the Corporation" shall include the resulting corporation and, to the extent that the Board of Directors of the resulting corporation so decides, all constituent corporations (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers so that any person who is or was a director or officer of such a constituent corporation or is or was serving at the request of such constituent corporation as director, trustee, partner, or officer of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity shall stand in the same position under the provisions of this ARTICLE VII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

SECTION 7. OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, trustee, partner, or officer of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust or other enterprise or non-profit entity or from insurance.

SECTION 8. OTHER DEFINITIONS. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, trustee, or officer of the Corporation which imposes duties on, or involves services by, such director, trustee, or officer with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this ARTICLE VII.

SECTION 9. CONTINUATION OF INDEMNIFICATION. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, trustee, partner, or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 10. AMENDMENT OR REPEAL. No amendment or repeal of the provisions of this ARTICLE VII shall adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such amendment or repeal.

ARTICLE VIII. CERTIFICATES OF STOCK

SECTION 1. FORM AND EXECUTION OF CERTIFICATES. The interests of each stockholder of the Corporation shall be evidenced by a certificate or certificates for shares of stock in such form as the Board of Directors may from time to time prescribe. The certificates of stock of each class shall be consecutively numbered and signed by the Chairman or Vice Chairman of the Board, if any, or the President, or an Executive Vice President or a Vice President and by the Secretary, or an Assistant Secretary, or the Treasurer or an Assistant Treasurer of the Corporation, and may be countersigned and registered in such manner as the Board of Directors may by resolution prescribe, and shall bear the corporate seal or a printed or engraved facsimile thereof. Where any such certificate is signed by a transfer agent or transfer clerk acting on behalf of the Corporation, the signatures of any such Chairman, Vice Chairman, President, Executive Vice President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimiles, engraved or printed. In case any officer or officers, who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates, shall cease to be such officer or officers, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered by the Corporation as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers.

Every certificate for shares of stock which are subject to any restriction on transfer pursuant to law, the Certificate of Incorporation, these By-Laws, or any agreement to which the Corporation is a party, shall have the restriction noted conspicuously on the certificate, and shall also set forth, on the face or back, either the full text of the restriction or a statement of the existence of such restriction and (except if such restriction is imposed by law) a statement that the Corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

Every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text of the preferences, voting powers, qualifications, and special and relative rights of the shares of each class and series authorized to be issued, or a statement of the existence of such preferences, powers, qualifications and rights, and a statement that the Corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

SECTION 2. TRANSFER OF SHARES. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney lawfully constituted, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof or guaranty of the authenticity of the signature as the Corporation or its agents may reasonably require. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such shall or shares on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by law or by the Certificate of Incorporation, It shall be the duty of each stockholder to notify the Corporation of his post office address.

SECTION 3. CLOSING OF TRANSFER BOOKS. The stock transfer books of the Corporation may, if deemed appropriate by the Board of Directors, be closed for such length of time not exceeding fifty (50) days as the Board may determine, preceding the date of any meeting of stockholders or the date for the payment of any dividend or the date for the allotment of rights or the date when any issuance, change, conversion or exchange of capital stock shall go into effect, during which time no transfer of stock on the books of the Corporation may be made.

SECTION 4. FIXING DATE FOR DETERMINATION OF STOCKHOLDERS OF RECORD. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any fights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, the Certificate of Incorporation or otherwise, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; and (b) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 5. LOST OR DESTROYED CERTIFICATES. In case of the loss or destruction of any certificate of stock, a new certificate may be issued under the following conditions:

(a) The owner of said certificate shall file with the Secretary or any Assistant Secretary of the Corporation an affidavit giving the facts in relation to the ownership, and in relation to the loss or destruction of said certificate, stating its number and the number of shares represented thereby; such affidavit shall be in such form and contain such statements as shall satisfy the, President, any Executive Vice President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, that said certificate has been accidentally destroyed or lost, and that a new certificate ought to be issued in lieu thereof. Upon being so satisfied, any such officer may require such owner to furnish the Corporation a bond in such penal sum and in such form as he may deem advisable, and with a surety or sureties approved by him, to indemnify and save harmless the Corporation from any claim, loss, damage or liability which may be occasioned by the issuance of a new certificate in lieu thereof. Upon such bond being so filed, if so required, a new certificate for the same number of shares shall be issued to the owner of the certificate so lost or destroyed; and the transfer agent and registrar, if any, of stock shall countersign and register such new certificate upon receipt of a written order signed by any such officer, and thereupon the Corporation will save harmless said transfer agent and registrar. In case of the surrender of the original certificate, in lieu of which a new certificate has been issued, or the surrender of such new certificate, for cancellation, the bond of indemnity given as a condition of the issue of such new certificate may be surrendered; or

(b) The Board of Directors of the Corporation may by resolution authorize and direct any transfer agent or registrar of stock of the Corporation to issue and register respectively from time to time without further action or approval by or on behalf of the Corporation new certificates of stock to replace certificates reported lost, stolen or destroyed upon receipt of an affidavit of loss and bond of indemnity in form and amount and with surety satisfactory to such transfer agent or registrar in each instance or upon such terms and conditions as the Board of Directors may determine.

SECTION 6. UNCERTIFICATED SHARES. The Board of Directors of the Corporation may by resolution provide that one or more of any or all classes or series of the stock of the Corporation shall be uncertificated shares, subject to the provisions of SECTION 158 of the Delaware General Corporation Law.

ARTICLE IX. EXECUTION OF DOCUMENTS

SECTION 1. EXECUTION OF CHECKS, NOTES, ETC. All checks and drafts on the Corporation's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other instruments for the payment of money, shall be signed by such officer or officers, or agent or agents, as shall be thereunto authorized from time to time by the Board of Directors, which may in its discretion authorize any such signatures to be by facsimile.

SECTION 2. EXECUTION OF CONTRACTS, ASSIGNMENTS, ETC. Unless the Board of Directors shall have otherwise provided generally or in a specific instance, all contracts, agreements, endorsements, assignments, transfers, stock powers, or other instruments shall be signed by the Chairman of the Board of Directors, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. The Board of Directors may, however, in its discretion, require any or all such instruments to be signed by any two or more of such officers, or may permit any or all of such instruments to be signed by such other officer or officers, agent or agents, as it shall thereunto authorize from time to time.

SECTION 3. EXECUTION OF PROXIES. The Chairman of the Board of Directors, the President, any Executive Vice President, any Senior Vice President, or any Vice President and the Secretary, the Treasurer, any Assistant Secretary or any Assistant Treasurer, or any other officer designated by the Board of Directors, may sign on behalf of the Corporation proxies to vote upon shares of stock of other companies standing in the name of the Corporation.

ARTICLE X. INSPECTION OF BOOKS

The Board of Directors shall determine from time to time whether, and if allowed, to what extent and at what time and places and under what conditions and regulations, the accounts and books of the Corporation (except such as may by law be specifically open to inspection) or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors of the Corporation.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Corporation shall be determined from time to time by vote of the Board of Directors.

ARTICLE XII. SEAL

The seal of the Corporation shall, subject to alteration by the Board of Directors, consist of a flat-faced circular die with the word "Delaware," together with the name of the Corporation and the year of incorporation, cut or engraved thereon.

ARTICLE XIII. AMENDMENTS

Subject to the provisions of the Certificate of Incorporation, these By-Laws may be amended, altered, changed or repealed, and a provision or provisions in consistent with the provisions of these By-Laws as they exist from time to time may be adopted, only by the majority vote of the whole Board or by the affirmative vote of the holders of at least 75% of the voting stock, voting together as a single class.

EXHIBIT 5.1

HALE AND DORR LLP
Counsellors At Law
60 State Street, Boston, Massachusetts 02109
617-526-6000 * Fax 617-526-5000

December 3, 1999

CMGI, Inc.
100 Brickstone Square
Andover, Massachusetts 01810

Re: Registration Statement on Form S-4

Ladies and Gentlemen:

This opinion is furnished to you in connection with a Registration Statement on Form S-4 (File No. 333-_____) (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of 9,801,662 shares of Common Stock, $0.01 par value per share (the "Shares"), of CMGI, Inc., a Delaware corporation (the "Buyer").

The Shares are to be issued by the Buyer pursuant to an amended and restated agreement and plan of merger (the "Merger Agreement") entered into by and among the Buyer, Freemont Corporation, a Delaware corporation (the "Transitory Subsidiary"), and Flycast Communications Corporation, a Delaware corporation (the "Company"). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms as in the Merger Agreement.

We are acting as counsel for the Buyer and Transitory Subsidiary in connection with the issuance by the Buyer of the Shares. We have examined signed copies of the Registration Statement as filed with the Commission. We have also examined and relied upon the Merger Agreement, minutes of meetings of the stockholders and the Board of Directors and the Buyer as provided to us by the Buyer, stock record books of the Buyer as provided to us by the Buyer, the Certificate of Incorporation and By-Laws of the Buyer, each as restated and/or amended to date, and such other documents as we have deemed necessary for purposes of rendering the opinions hereinafter set forth.

In our examination of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such latter documents and the legal competence of all signatories to such documents.

We assume that the appropriate action will be taken, prior to the offer and sale of the Shares in accordance with the Merger Agreement, to register and qualify the Shares for sale under all applicable state securities or "blue sky" laws.

We express no opinion herein as to the laws of any state or jurisdiction other than the state laws of The Commonwealth of Massachusetts, the Delaware General Corporation Law statute and the federal laws of the United States of America. To the extent that any other laws govern the matters as to which we are opining herein, we have assumed that such laws are identical to the state laws of The Commonwealth of Massachusetts, and we are expressing no opinion herein as to whether such assumption is reasonable or correct.

Based upon and subject to the foregoing, we are of the opinion that the Shares have been duly authorized for issuance and, when the Shares are issued and paid for in accordance with the terms and conditions of the Merger Agreement, the Shares will be validly issued, fully paid and nonassessable.

It is understood that this opinion is to be used only in connection with the offer and sale of the Shares while the Registration Statement is in effect.

Please note that we are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is based upon currently existing statutes, rules, regulations and judicial decisions, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act and to the use of our name therein and in the related Proxy Statement/Prospectus under the caption "Legal Matters." In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Hale and Dorr LLP

HALE AND DORR LLP

Exhibit 8.1

HALE AND DORR LLP
Counsellors At Law
60 State Street, Boston, Massachusetts 02109
617-526-6000 * Fax 617-526-5000

December 3, 1999

CMGI, Inc.
100 Brickstone Square
Andover, MA 01810

Re: Merger Pursuant to Agreement and Plan of Merger by and Among CMGI, Inc., Freemont Corporation, and Flycast Communications Corporation

Ladies and Gentlemen:

This opinion is being delivered to you in connection with the filing of a registration statement (the "Registration Statement") on Form S-4, which includes the Joint Proxy Statement and Prospectus relating to the Agreement and Plan of Merger dated as of September 29, 1999 (the "Merger Agreement"), by and among CMGI, Inc., a Delaware corporation ("Buyer"), Freemont Corporation, a Delaware corporation and wholly owned subsidiary of Buyer ("Transitory Subsidiary"), and Flycast Communications Corporation, a Delaware corporation ("Company"). Pursuant to the Merger Agreement, Transitory Subsidiary will merge with and into Company (the "Merger"). Except as otherwise provided, capitalized terms not defined herein have the meanings set forth in the Merger Agreement and the exhibits thereto or in the letters delivered to Hale and Dorr LLP by Buyer and Company containing certain representations of Buyer and Company relevant to this opinion (the "Representation Letters"). All section references, unless otherwise indicated, are to the United States Internal Revenue Code of 1986, as amended (the "Code").

In our capacity as counsel to Buyer in the Merger, and for purposes of rendering this opinion, we have examined and relied upon the Registration Statement, the Merger Agreement and the exhibits thereto, the Representation Letters, and such other documents as we considered relevant to our analysis. In our examination of documents, we have assumed the authenticity of original documents, the accuracy of copies, the genuineness of signatures, and the legal capacity of signatories.

We have assumed that all parties to the Merger Agreement and to any other documents examined by us have acted, and will act, in accordance with the terms of such Merger Agreement and documents and that the Merger will be consummated at the Effective Time pursuant to the terms and conditions set forth in the Merger Agreement without the waiver or modification of any such terms and conditions. Furthermore, we have assumed that all representations contained in the Merger Agreement, as well as those representations contained in the Representation Letters, are, and at the Effective Time will be, true and complete in all material respects, and that any representation made in any of the documents referred to herein "to the best of the knowledge and belief" (or similar qualification) of any person or party is correct without such qualification. We have also assumed that as to all matters for which a person or entity has represented that such person or entity is not a party to, does not have, or is not aware of, any plan, intention, understanding, or agreement, there is no such plan, intention, understanding, or agreement. We have not attempted to verify independently such representations, but in the course of our representation, nothing has come to our attention that would cause us to question the accuracy thereof.

The conclusions expressed herein represent our judgment as to the proper treatment of certain aspects of the Merger under the income tax laws of the United States based upon the Code, Treasury Regulations, case law, and rulings and other pronouncements of the Internal Revenue Service (the "IRS") as in effect on the date of this opinion. No assurances can be given that such laws will not be amended or otherwise changed prior to the Effective Time, or at any other time, or that such changes will not affect the conclusions expressed herein. Nevertheless, we undertake no responsibility to advise you of any developments after the Effective Time in the application or interpretation of the income tax laws of the United States.

Our opinion represents our best judgment of how a court would decide if presented with the issues addressed herein and is not binding upon either the IRS or any court. Thus, no assurances can be given that a position taken in reliance on our opinion will not be challenged by the IRS or rejected by a court.

This opinion addresses only the specific United States federal income tax consequence of the Merger set forth below, and does not address any other federal, state, local, or foreign income, estate, gift, transfer, sales, use, or other tax consequences that may result from the Merger or any other transaction (including any transaction undertaken in connection with the Merger).

On the basis of, and subject to, the foregoing, and in reliance upon the representations and assumptions described above, we are of the opinion that the Merger will constitute a reorganization within the meaning of Section 368(a).

No opinion is expressed as to any federal income tax consequence of the Merger except as specifically set forth herein, and this opinion may not be relied upon except with respect to the consequence specifically discussed herein. No opinion is expressed as to any transaction other than the Merger as described in the Merger Agreement or to any transaction whatsoever (including the Merger) if all the transactions described in the Merger Agreement are not consummated in accordance with the terms thereof. In the event that any one of the statements, representations, warranties, or assumptions upon which we have relied to issue this opinion is incorrect, our opinion might be adversely affected and may not be relied upon.

This opinion is intended solely for the purpose of inclusion as an exhibit to the Registration Statement. It may not be relied upon for any other purpose or by any other person or entity, other than you, and may not be made available to any other person or entity without our prior written consent. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and further consent to the use of our name in the Registration Statement in connection with references to this opinion and the tax consequences of the Merger. In giving this consent, however, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ Hale and Dorr LLP

Hale and Dorr LLP

EXHIBIT 8.2

[WSGR LOGO]

650 Page Mill Road Palo Alto, CA 94304-1050
650.493.9300 Tel -- 650.493.6811 Fax
www.wsgr.com

Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

December 3, 1999

Flycast Communications Corporation
181 Fremont Street
San Francisco, California 94105

Re: Merger Pursuant to Agreement and Plan of Merger by and Among CMGI, Inc., Freemont Corporation, and Flycast Communications Corporation

Ladies and Gentlemen:

This opinion is being delivered to you in connection with the filing of a registration statement (the "Registration Statement") on Form S-4, which includes the Joint Proxy Statement and Prospectus relating to the Agreement and Plan of Merger dated as of September 29, 1999 (the "Merger Agreement"), by and among CMGI, Inc., a Delaware corporation ("Buyer"), Freemont Corporation, a Delaware corporation and wholly owned subsidiary of Buyer ("Transitory Subsidiary"), and Flycast Communications Corporation, a Delaware corporation ("Company"). Pursuant to the Merger Agreement, Transitory Subsidiary will merge with and into Company (the "Merger"). Except as otherwise provided, capitalized terms not defined herein have the meanings set forth in the Merger Agreement and the exhibits thereto or in the letters delivered to us by Buyer and Company containing certain representations of Buyer and Company relevant to this opinion (the "Representation Letters"). All Section references, unless otherwise indicated, are to the United States Internal Revenue Code of 1986, as amended (the "Code").

In our capacity as counsel to Company in the Merger, and for purposes of rendering this opinion, we have examined and relied upon the Registration Statement, the Merger Agreement and the exhibits thereto, the Representation Letters, and such other documents as we considered relevant to our analysis. In our examination of documents, we have assumed the authenticity of original documents, the accuracy of copies, the genuineness of signatures, and the legal capacity of signatories.

We have assumed that all parties to the Merger Agreement and to any other documents examined by us have acted, and will act, in accordance with the terms of such Merger Agreement and documents and that the Merger will be consummated at the Effective Time pursuant to the terms and conditions set forth in the Merger Agreement without the waiver or modification of any such terms and conditions. Furthermore, we have assumed that all representations contained in the Merger Agreement, as well as those representations contained in the Representation Letters, are, and at the Effective Time will be, true and complete in all material respects, and that any representation made in any of the documents referred to herein "to the best of the knowledge and belief" (or similar qualification) of any person or party is correct without such qualification. We have also assumed that as to all matters for which a person or entity has represented that such person or entity is not a party to, does not have, or is not aware of, any plan, intention, understanding, or agreement, there is no such plan, intention, understanding, or agreement. We have not attempted to verify independently such representations, but in the course of our representation, nothing has come to our attention that would cause us to question the accuracy thereof.

The conclusions expressed herein represent our judgment as to the proper treatment of certain aspects of the Merger under the income tax laws of the United States based upon the Code, Treasury Regulations, case law, and rulings and other pronouncements of the Internal Revenue Service (the "IRS") as in effect on the date of this opinion. No assurances can be given that such laws will not be amended or otherwise changed prior to the Effective Time, or at any other time, or that such changes will not affect the conclusions expressed herein. Nevertheless, we undertake no responsibility to advise you or your shareholders of any developments after the Effective Time in the application or interpretation of the income tax laws of the United States.

Our opinion represents our best judgment of how a court would decide if presented with the issues addressed herein and is not binding upon either the IRS or any court. Thus, no assurances can be given that a position taken in reliance on our opinion will not be challenged by the IRS or rejected by a court.

This opinion addresses only the specific United States federal income tax consequence of the Merger set forth below, and does not address any other federal, state, local, or foreign income, estate, gift, transfer, sales, use, or other tax consequences that may result from the Merger or any other transaction (including any transaction undertaken in connection with the Merger). We express no opinion regarding the tax consequences of the Merger to shareholders of Company that are subject to special tax rules (including insurance companies, tax-exempt organizations, financial institutions, broker-dealers, foreign persons, stockholders who own their stock as part of a hedge, appreciated financial position, straddle or conversion transaction, stockholders who do not own their stock as a capital asset and stockholders who have acquired their stock upon the exercise of employee options or otherwise as compensation), and we express no opinion regarding the tax consequences of the Merger arising in connection with the ownership of options or warrants for Company stock.

On the basis of, and subject to, the foregoing, and in reliance upon the representations and assumptions described above, we are of the opinion that the Merger will constitute a reorganization within the meaning of Section 368(a).

No opinion is expressed as to any federal income tax consequence of the Merger except as specifically set forth herein, and this opinion may not be relied upon except with respect to the consequence specifically discussed herein. No opinion is expressed as to any transaction other than the Merger as described in the Merger Agreement or to any transaction whatsoever (including the

Merger) if all the transactions described in the Merger Agreement are not consummated in accordance with the terms thereof. In the event that any one of the statements, representations, warranties, or assumptions upon which we have relied to issue this opinion is incorrect, our opinion might be adversely affected and may not be relied upon.

This opinion is intended solely for the purpose of inclusion as an exhibit to the Registration Statement. It may not be relied upon for any other purpose or by any other person or entity, other than you and your shareholders, and may not be made available to any other person or entity without our prior written consent. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and further consent to the use of our name in the Registration Statement in connection with references to this opinion and the tax consequences of the Merger. In giving this consent, however, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ Wilson Sonsini Goodrich & Rosati

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

EXHIBIT 21.1

Subsidiaries Of CMGI, Inc.
as of December 1, 1999

Name	Jurisdiction of Organization
Activerse, Inc.	DE
ADSmart Corporation	DE
Zip2 Corporation	CA
Alta Vista Company	DE
Shopping.com	CA
Shopping.com Europe B .V	Netherlands
Blaxxun Interactive, Inc.	DE
Blaxxun A.G.	Germany
Cha! Technologies Services, Inc.	DE
1ClickBrands, LLC	DE
CMG Securities Corporation	MA
CMG@Ventures Capital Corporation	DE
CMG@Ventures I, LLC	DE
CMG@Ventures II, LLC	DE
CMG@Ventures III, LLC	DE
CMG@Ventures Securities Corporation	DE
CMG@Ventures, Inc.	DE
CMGI Solutions, Inc.	DE
CMGI Systems Corporation	DE
Engage Technologies, Inc.	DE
Engage Technologies Limited (UK)	England
Engage Technologies GmbH	Germany
Icast Corporation	DE
Signatures SNI, Inc.	DE
Signatures Network, Inc.	DE
InSolutions, Incorporated	DE
Magnitude Network, Inc.	DE
Nascent Technologies, Inc.	VA
NaviNet, Inc.	DE
NaviSite, Inc.	DE
Servercast Communications, L.L.C.	DE
NetWright, L.L.C.	MA
On-Demand Solutions, Inc.	MA
ZineZone.com	DE
1stUp.com Corporation	DE
Activate.Net Corporation	WA
AdKnowledge, Inc.	CA
Focalink Communications, Inc.	CA

Maktar Limited	Ireland
Lippri Limited	Ireland
CMGI (UK) Limited	England
MyWay.com	DE
SalesLink Corporation	DE
Pacific Direct Marketing Corporation	CA
SalesLink Mexico Holding Corp.	DE
SalesLink de Mexico S.A.deC.V.	Mexico
Tribal Voice, Inc.	DE
Clara Vista Corporation	VA

Exhibit 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
CMGI, Inc.

We consent to the use of our reports incorporated herein by reference and to the reference to our firm under the heading "Experts" in the Prospectus.

/s/ KPMG LLP

KPMG LLP

Boston, Massachusetts
December 2, 1999

Exhibit 23.4

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of Form S-4 of CMGI, Inc. of our report dated October 18, 1999 relating to the consolidated financial statements of Flycast Communications Corporation as of December 31, 1997 and 1998, and for each of the three years in the period ended December 31, 1998, appearing in the Proxy Statement/Prospectus, which is part of this Registration Statement, and of our report dated October 18, 1999 relating to the financial statement schedule appearing elsewhere in this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Proxy Statement/Prospectus.

/s/ Deloitte & Touche LP

San Jose, California
December 1, 1999

Exhibit 23.5

CONSENT
OF
DEUTSCHE BANK SECURITIES INC.

We hereby consent to (i) the inclusion of our opinion letter, dated September 29, 1999, to the Board of Directors of Flycast Communications Corporation as Annex B to the Proxy Statement/Prospectus forming part of this Registration Statement on Form S-4, and (ii) references made to our firm and such opinion in such Proxy Statement/Prospectus under the captions entitled "Summary--Opinion of Financial Advisor," "Summary--Interests of Financial Advisor," "The Merger--Background of the Merger," "The Merger--Flycast's Reasons for the Merger; Recommendation of the Flycast Board of Directors," "The Merger--Opinion of Financial Advisor to Flycast," and "The Merger--Interests of Financial Advisor to Flycast in the Merger." In giving such consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder, and we do not admit that we are experts with respect to any part of the Registration Statement within the meaning of the term "expert" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

DEUTSCHE BANK SECURITIES INC.

By:/s/ Karl A. Will

Name: Karl A. Will
Title: Managing Director

December 2, 1999

EXHIBIT 23.6

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of our reports dated as follows:

- June 29, 1999 relating to the financial statements of AltaVista,
- April 2, 1999 relating to the financial statements of Zip2 Corporation, and
- June 9, 1999, except as to Note 12, which is as of July 3, 1999, relating to the financial statements of Shopping.com

which appear in the CMGI, Inc. Current Report on Form 8-K dated June 29, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
San Jose, California
December 2, 1999

EXHIBIT 23.7

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement of CMGI, Inc. on Form S-4 of our report, dated June 17, 1997, except for Note 6, for which the date is June 9, 1999, relating to the financial statements of Shopping.com which appear in the Form 8-K of CMGI, Inc. dated June 29, 1999. We also consent to the reference to our Firm under the caption "Experts" in the prospectus, which is part of this Registration Statement.

/s/SINGER LEWAK GREENBAUM & GOLDSTEIN LLP
SINGER LEWAK GREENBAUM & GOLDSTEIN LLP
Los Angeles, California
December 3, 1999

FLYCAST COMMUNICATIONS CORPORATION
PROXY FOR SPECIAL MEETING OF STOCKHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder of FLYCAST COMMUNICATIONS CORPORATION, a Delaware corporation, hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and Proxy Statement/Prospectus, each dated as of December 7, 1999, and hereby appoints George R. Garrick and Thomas L. Marcus, and each of them, proxies and attorneys-in-fact, with full power to each of substitution and resubstitution, on behalf and in the name of the undersigned, to represent the undersigned at the Special Meeting of Stockholders of FLYCAST COMMUNICATIONS CORPORATION to be held on Thursday, January 13, 2000, at 10:00 a.m., local time, at the W Hotel, San Francisco, California 94103, and at any and all adjournment(s) thereof, and to vote all shares of common stock which the undersigned would be entitled to vote, if then and there personally present, on the matters set forth on the reverse side.

Both of such attorneys or substitutes as shall be present and shall act at said meeting or any and all adjournment(s) thereof (or if only one shall be present and acting, then that one) shall have and may exercise all of the powers of said attorneys-in-fact hereunder.

THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO CONTRARY DIRECTION IS INDICATED, WILL BE VOTED FOR APPROVAL AND ADOPTION OF THE AGREEMENT AND PLAN OF MERGER, DATED AS OF SEPTEMBER 29, 1999, BY AND AMONG CMGI, INC., FREEMONT CORPORATION, A WHOLLY OWNED SUBSIDIARY OF CMGI, AND FLYCAST COMMUNICATIONS CORPORATION, AND THE MERGER, AND, AS SAID PROXIES DEEM ADVISABLE, ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

(Continued and to be Signed and Dated on Reverse Side)

SEE REVERSE SIDE

SEE REVERSE SIDE

[X] Please mark your
votes as in this
example.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL.

	FOR	AGAINST	ABSTAIN
1. Proposal to approve and adopt the Agreement and Plan of Merger, dated as of September 29, 1999, by and among CMGI, INC., FREEMONT CORPORATION, a wholly owned subsidiary of CMGI, AND FLYCAST COMMUNICATIONS CORPORATION, and the Merger.	[_]	[_]	[_]
2. and, in their discretion, upon such other matter or matters which may properly come before the Special Meeting or any and all or adjournment(s) thereof.	[_]	[_]	[_]

Mark here for address change and note at left [_]

Mark here if you plan to attend the meeting [_]

This Proxy should be marked, dated and signed by the stockholder(s) exactly as his, her or its name appears hereon, and returned promptly in the enclosed envelope. Persons signing in a fiduciary capacity should so indicate. If a corporation, please sign in full corporate name by an authorized officer. If a partnership, please sign in partnership name by an authorized person. If shares are held by joint tenants or as community property, both should sign.

DATE DATE

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Signature Signature