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<TEXT>

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE 000-26929  
-----

INTERNET CAPITAL GROUP, INC.  
(Exact name of registrant as specified in its charter)

<TABLE>

<S>	DELAWARE (State of other jurisdiction of incorporation or organization)	<C> 23-2996071 (I.R.S. Employer Identification Number)
	600 BUILDING, 435 DEVON PARK DRIVE, WAYNE, PA (Address of principal executive offices)	19087 (Zip Code)

</TABLE>

(610) 989-0111  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

<TABLE>

<CAPTION>

TITLE OF CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
<S> Common Stock, \$0.001 par value	<C> Nasdaq Stock Market

</TABLE>

-----  
Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicated by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

As of March 1, 2001, the aggregate market value of the Common Stock held by non-affiliates of the Registrant was \$753.9 million. Such aggregate market value was computed by reference to the closing sale price of the Common Stock as reported on the Nasdaq National Market on such date. For purposes of making this

calculation only, the Registrant has defined affiliates as including all directors, executive officers, and all beneficial owners of 10% or more of the Registrant's Common Stock.

The number of shares of the Company's Common Stock outstanding as of March 1, 2001 was 280,132,130 shares.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement (the "Definitive Proxy Statement") to be filed with the Securities and Exchange Commission for the Company's 2001 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

<PAGE> 2

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following Consolidated Financial Statements, and the related Notes thereto, of Internet Capital Group, Inc. and the Report of Independent Auditors are filed as a part of this Form 10-K/A.

<TABLE>  
<CAPTION>

	PAGE NUMBER -----
<S>	<C>
Report of Independent Auditors of Internet Capital Group, Inc. ....	49
Report of Independent Auditors of Onvia.com, Inc.....	50
Consolidated Balance Sheets as of December 31, 2000 and 1999.....	53
Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998.....	54
Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998.....	55
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2000, 1999, and 1998.....	56
Consolidated Statements of Comprehensive Income (loss) for the years ended December 31, 2000, 1999, and 1998.....	57
Notes to Consolidated Financial Statements.....	58

</TABLE>

48

<PAGE> 3

#### REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders

Internet Capital Group, Inc.:

We have audited the accompanying consolidated balance sheets of Internet Capital Group, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, cash flows, stockholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of a nonsubsidiary investee company (Onvia.com, Inc.) as of and for the year ended December 31, 1999. The Company's ownership interest and advances to this nonsubsidiary investee company at December 31, 1999 were \$8,753,597 and its equity in net loss of the nonsubsidiary investee was \$9,327,340. The financial statements of this nonsubsidiary investee company were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for this nonsubsidiary investee company as of and for the year ended December 31, 1999, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Internet Capital Group, Inc. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Philadelphia, Pennsylvania

February 21, 2001 except as to note 21, which is as of March 8, 2001

49

<PAGE> 4

#### REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders of  
Onvia.com, Inc.  
Seattle, Washington

We have audited the consolidated balance sheet of Onvia.com, Inc. and subsidiary (the Company) as of December 31, 1999, and the related consolidated statement of operations, changes in stockholders' (deficit) equity, and cash flows for the year then ended (not presented separately herein). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1999, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington  
February 4, 2000 (February 29, 2000, as to Note 13)

50

<PAGE> 5

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51

<PAGE> 6

&lt;PAGE&gt; 7

## INTERNET CAPITAL GROUP, INC.

## CONSOLIDATED BALANCE SHEETS

&lt;TABLE&gt;

&lt;CAPTION&gt;

		AS OF DECEMBER 31,	
		2000	1999
		(IN THOUSANDS EXCEPT PER SHARE DATA)	
<S>	<C>	<C>	<C>
ASSETS			
Current Assets			
Cash and cash equivalents.....	\$ 412,497	\$1,343,459	
Short term investments.....	30,575	3,359	
Accounts receivable, net.....	26,305	1,207	
Prepaid expenses and other current assets.....	24,525	6,347	
Total current assets.....	493,902	1,354,372	
Fixed assets, net.....	51,509	4,015	
Ownership interests in and advances to Partner Companies....	1,359,563	547,339	
Available for sale securities.....	197,887	46,767	
Goodwill and other intangible assets, net.....	1,152,643	23,649	
Deferred taxes.....	24,088	34,388	
Other.....	57,626	39,854	
Total Assets.....	\$3,337,218	\$2,050,384	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current maturities of long term debt.....	\$ 3,316	\$ 3,000	
Accounts payable.....	28,157	6,750	
Accrued expenses.....	12,906	3,337	
Accrued compensation and benefits.....	31,081	868	
Notes payable to Partner Companies.....	27,095	34,134	
Other.....	16,323	903	
Total current liabilities.....	118,878	48,992	
Long term debt.....	169	3,185	
Other liabilities.....	2,426	4,255	
Minority interest.....	376,693	7,481	
Convertible subordinated notes.....	566,250	566,250	
	1,064,416	630,163	
Commitments and contingencies			
Stockholders' Equity			
Preferred stock (see Note 11).....	\$ --	\$ --	
Common stock, \$.001 par value; 2,000,000 shares authorized 281,594 (2000) and 263,579 (1999) issued and outstanding.....	282	264	
Additional paid in capital.....	3,088,788	1,513,615	
Accumulated deficit.....	(686,452)	(26,539)	
Unamortized deferred compensation.....	(10,707)	(11,846)	
Notes receivable -- stockholders.....	(52,053)	(79,790)	
Accumulated other comprehensive income (loss).....	(67,056)	24,517	
Total stockholders' equity.....	2,272,802	1,420,221	
Total Liabilities and Stockholders' Equity.....	\$3,337,218	\$2,050,384	

&lt;/TABLE&gt;

See notes to consolidated financial statements.

&lt;PAGE&gt; 8

## INTERNET CAPITAL GROUP, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

&lt;TABLE&gt;

&lt;CAPTION&gt;

YEAR ENDED DECEMBER 31,

	2000	1999	1998
	(IN THOUSANDS)	EXCEPT PER	SHARE DATA)
<S>	<C>	<C>	<C>
Revenue.....	\$ 42,935	\$ 16,536	\$ 3,135
Operating expenses			
Cost of revenue.....	27,333	8,156	4,643
Selling, general and administrative.....	243,161	39,907	14,968
Stock-based compensation.....	25,747	5,699	253
Impairment related and other.....	160,844	--	--
Amortization of goodwill and other intangibles.....	254,530	3,318	293
Research and development expenses.....	75,902	--	--
Total operating expenses.....	787,517	57,080	20,157
Other income, net.....	(744,582)	(40,544)	(17,022)
Interest income.....	627,227	67,384	30,483
Interest expense.....	51,379	9,631	1,306
	(42,982)	(3,897)	(381)
Income (loss) before income taxes, minority interest and equity loss.....	(108,958)	32,574	14,386
Income taxes.....	327,255	23,722	--
Minority interest.....	95,546	6,026	5,382
Equity loss -- share of partner company losses.....	(516,690)	(72,251)	(5,237)
Equity loss -- goodwill amortization.....	(299,298)	(19,848)	(632)
Equity loss -- impairment related.....	(157,768)	--	--
Net income (loss).....	\$ (659,913)	\$ (29,777)	\$ 13,899
Net income (loss) per share			
Basic.....	\$ (2.40)	\$ (0.15)	\$ 0.12
Diluted.....	\$ (2.40)	\$ (0.15)	\$ 0.12
Weighted Average Shares Outstanding			
Basic.....	275,044	201,851	112,205
Diluted.....	275,044	201,851	112,299
Pro forma Information (Unaudited) (Note 2)			
Pro forma net income (loss)			
Pretax income (loss).....		\$ (53,499)	\$ 13,899
Pro forma income taxes.....		16,050	(5,143)
Pro forma net income (loss).....		\$ (37,449)	\$ 8,756
Pro forma net income (loss) per share			
Basic.....		\$ (0.19)	\$ 0.08
Diluted.....		\$ (0.19)	\$ 0.08
Pro forma weighted average shares outstanding			
Basic.....		201,851	112,205
Diluted.....		201,851	112,299

</TABLE>

See notes to consolidated financial statements.

54

<PAGE> 9

# INTERNET CAPITAL GROUP, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Operating Activities			
Net Income (Loss).....	\$ (659,913)	\$ (29,777)	\$ 13,899
Adjustments to reconcile net income (loss) to cash used in operating activities			
Depreciation and amortization.....	261,934	12,742	1,135

Impairment related and other.....	160,844	--	--
Purchased in process research and development.....	11,470	--	--
Stock-based compensation.....	25,747	--	--
Deferred taxes.....	(327,255)	(23,722)	--
Equity loss.....	973,756	92,099	5,869
Other income.....	(627,227)	(67,636)	(30,483)
Minority interest.....	(95,546)	(6,026)	(5,382)
Changes in assets and liabilities, net of effect of acquisitions:			
Accounts receivable, net.....	(25,098)	(4,278)	(1,183)
Prepaid expenses and other assets.....	(21,699)	(28,603)	(1,347)
Accounts payable.....	21,407	7,194	620
Accrued expenses.....	24,896	6,700	1,415
Deferred revenue.....	206	(49)	1,250
Other liabilities.....	2,682	--	--
	-----	-----	-----
Cash used in operating activities.....	(273,796)	(41,356)	(14,207)
Investing Activities			
Capital expenditures.....	(51,937)	(7,120)	(545)
Proceeds from sales of available for sale securities....	179,606	2,496	36,431
Proceeds from sales of Partner Company ownership interests.....	35,310	3,506	300
Advances to Partner Companies, net.....	(45,523)	(9,679)	(12,779)
Repayment of advances to Partner Companies.....	11,305	4,581	677
Acquisitions of ownership interests in Partner Companies, net.....	(923,069)	(329,161)	(35,822)
Other acquisitions, net.....	600	(9,732)	(1,858)
Other advances.....	--	(12,850)	--
Purchase of short-term investments, net.....	(27,216)	(3,359)	--
Reduction in cash due to deconsolidation of Partner Companies.....	(2,580)	(13,393)	--
	-----	-----	-----
Cash used in investing activities.....	(823,504)	(374,711)	(13,596)
Financing Activities			
Issuance of common stock, net.....	7,206	1,077,405	38,205
Repayments of long term debt and capital lease obligations.....	(10,013)	(448)	(322)
Line of credit borrowings.....	653	25,000	2,000
Line of credit repayments.....	(77)	(25,281)	(2,500)
Proceeds from convertible note offering.....	4,664	656,250	--
Distribution to former LLC members.....	--	(10,676)	--
Repayment of advances and loans to employees.....	13,588	--	--
Advances and loans to employees.....	--	(8,765)	--
Treasury stock purchase by subsidiary.....	--	(4,469)	--
Issuance of stock by subsidiary.....	150,317	23,669	11,293
	-----	-----	-----
Cash provided by financing activities.....	166,338	1,732,685	48,676
	-----	-----	-----
Net increase (decrease) in Cash and Cash Equivalents.....	(930,962)	1,316,618	20,873
Cash and Cash Equivalents at the beginning of period.....	1,343,459	26,841	5,968
	-----	-----	-----
Cash and Cash Equivalents at the end of period.....	\$ 412,497	\$1,343,459	\$ 26,841
	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

55

<PAGE> 10

INTERNET CAPITAL GROUP, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<TABLE>

<CAPTION>

	COMMON STOCK		ADDITIONAL	RETAINED EARNINGS	UNAMORTIZED	
NOTES	-----		PAID-IN	(ACCUMULATED	DEFERRED	
RECEIVABLE	SHARES	AMOUNT	CAPITAL	DEFICIT)	COMPENSATION	
STOCKHOLDERS	-----	-----	-----	-----	-----	---
-----						
				(IN THOUSANDS)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AS OF DECEMBER 31, 1997.....	93,567	\$ 94	\$ 36,097	\$ (8,642)	\$ (915)	\$
--						
Issuance of common stock, net.....	38,520	38	38,167	--	--	
--						
Issuance of stock options to						

non-employees.....	--	--	668	--	(668)	
--						
Net unrealized appreciation in available-for-sale securities.....	--	--	--	--	--	
--						
Amortization of deferred compensation.....	--	--	--	--	253	
--						
Net income.....	--	--	--	13,899	--	
--						
-----	-----	-----	-----	-----	-----	-
BALANCE AS OF DECEMBER 31, 1998.....	132,087	132	74,932	5,257	(1,330)	
--						
Issuance of common stock, net.....	78,258	78	1,072,494	--	--	
--						
Issuance of common stock and income tax benefit upon exercise of options..... (81,148)	35,992	36	90,512	--	--	
Stockholder loans principal payments..... 1,358	--	--	--	--	--	
Issuance of common stock for acquisitions.....	1,887	2	172,001	--	--	
--						
Issuance of common stock and waiving of accrued interest upon conversion of convertible notes.....	15,000	15	91,070	--	--	
--						
Issuance of common stock upon exercise of warrants.....	784	1	3,968	--	--	
--						
Issuance of warrants in connection with line of credit.....	--	--	1,030	--	--	
--						
Issuance of stock options to employees below estimated fair value on date of grant.....	--	--	12,731	--	(12,731)	
--						
Amortization of deferred compensation.....	--	--	--	--	5,699	
--						
Issuance of stock options to non-employees.....	--	--	3,691	--	(3,691)	
--						
Foreign currency adjustment.....	--	--	--	--	--	
--						
Net unrealized appreciation in available-for-sale securities.....	--	--	--	--	--	
--						
LLC termination (Note 2).....	--	--	(8,657)	8,657	--	
--						
Distribution to former LLC members.....	--	--	--	(10,676)	--	
--						
Other.....	(429)	--	(157)	--	207	
--						
Net loss.....	--	--	--	(29,777)	--	
--						
-----	-----	-----	-----	-----	-----	-
BALANCE AS OF DECEMBER 31, 1999..... (79,790)	263,579	264	1,513,615	(26,539)	(11,846)	
Issuance of common stock and income tax benefit upon exercise of options.....	340	--	6,365	--	--	
--						
Stockholder loans principal payments..... 13,588	--	--	--	--	--	
Issuance of common stock for acquisitions.....	22,585	23	1,556,142	--	--	
--						
Issuance of common stock upon exercise of warrants.....	834	1	840	--	--	
--						
Amortization of deferred compensation.....	--	--	--	--	7,104	
--						
Issuance of stock options to non-employees.....	--	--	6,698	--	(6,698)	
--						
Repurchase of common stock from employees..... 14,149	(5,744)	(6)	(14,876)	--	733	
Compensation charge in connection with the acceleration of vesting.....	--	--	12,034	--	--	
--						

Impact of issuance of common stock by a subsidiary or equity method Partner Company, net.....	--	--	7,912	--	--
--					
Foreign currency adjustment.....	--	--	--	--	--
--					
Net unrealized (depreciation) in available-for-sale securities.....	--	--	--	--	--
--					
Other.....	--	--	58	--	--
--					
Net loss.....	--	--	--	(659,913)	--
--					
-----	-----	-----	-----	-----	-----
BALANCE AS OF DECEMBER 31, 2000.....	281,594	\$282	\$3,088,788	\$ (686,452)	\$ (10,707)
\$ (52,053)	=====	=====	=====	=====	=====
=====					

<CAPTION>

ACCUMULATED  
OTHER  
COMPREHENSIVE  
INCOME  
(LOSS)                      TOTAL  
-----

(IN THOUSANDS)

<S>	<C>	<C>
BALANCE AS OF DECEMBER 31, 1997.....	\$ --	\$ 26,634
Issuance of common stock, net.....	--	38,205
Issuance of stock options to non-employees.....	--	--
Net unrealized appreciation in available-for-sale securities.....	1,733	1,733
Amortization of deferred compensation.....	--	253
Net income.....	--	13,899
-----	-----	-----
BALANCE AS OF DECEMBER 31, 1998.....	1,733	80,724
Issuance of common stock, net.....	--	1,072,572
Issuance of common stock and income tax benefit upon exercise of options.....	--	9,400
Stockholder loans principal payments.....	--	1,358
Issuance of common stock for acquisitions.....	--	172,003
Issuance of common stock and waiving of accrued interest upon conversion of convertible notes.....	--	91,085
Issuance of common stock upon exercise of warrants.....	--	3,969
Issuance of warrants in connection with line of credit.....	--	1,030
Issuance of stock options to employees below estimated fair value on date of grant.....	--	--
Amortization of deferred compensation.....	--	5,699
Issuance of stock options to non-employees.....	--	--
Foreign currency adjustment.....	(1)	(1)
Net unrealized appreciation in available-for-sale securities.....	22,785	22,785
LLC termination (Note 2).....	--	--
Distribution to former LLC members.....	--	(10,676)
Other.....	--	50
Net loss.....	--	(29,777)
-----	-----	-----
BALANCE AS OF DECEMBER 31, 1999.....	24,517	1,420,221
Issuance of common stock and income tax benefit upon exercise of options.....	--	6,365
Stockholder loans principal payments.....	--	13,588
Issuance of common stock for acquisitions.....	--	1,556,165
Issuance of common stock upon exercise of warrants.....	--	841
Amortization of deferred compensation.....	--	7,104
Issuance of stock options to non-employees.....	--	--
Repurchase of common stock from employees.....	--	--
Compensation charge in connection with the acceleration of vesting.....	--	12,034



Impact of issuance of common stock by a subsidiary or equity method Partner Company, net.....	--	7,912
Foreign currency adjustment.....	293	293
Net unrealized (depreciation) in available-for-sale securities.....	(91,866)	(91,866)
Other.....	--	58
Net loss.....	--	(659,913)
	-----	-----
BALANCE AS OF DECEMBER 31, 2000.....	\$ (67,056)	\$2,272,802
	=====	=====

</TABLE>

See notes to consolidated financial statements.

56

<PAGE> 11

# INTERNET CAPITAL GROUP, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	-----	-----	-----
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Net Income (Loss).....	\$ (659,913)	\$ (29,777)	\$13,899
	-----	-----	-----
Other Comprehensive Income (Loss) Before Tax			
Unrealized holding gains (losses) in available-for-sale securities.....	(188,868)	38,039	1,733
Foreign currency translation adjustment.....	1,058	(1)	--
Reclassification adjustments.....	44,250	(2,051)	--
Taxes Related to Comprehensive Income (Loss)			
Unrealized holding gains in available-for-sale securities.....	69,019	(13,920)	--
Reclassification adjustments.....	(17,032)	717	--
	-----	-----	-----
Other Comprehensive Income (loss).....	(91,573)	22,784	1,733
	-----	-----	-----
Comprehensive Income (Loss).....	\$ (751,486)	\$ (6,993)	\$15,632
	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

57

<PAGE> 12

# INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Description of the Company

Internet Capital Group, Inc. (the "Company") was formed on March 4, 1996. The Company is an Internet holding company actively engaged in business-to-business, or B2B, e-commerce through a network of companies. The Company defines e-commerce as conducting or facilitating business transactions over the Internet. As of December 31, 2000, the Company owned interests in 79 companies engaged in e-commerce, which the Company calls its "Partner Companies". The Company's goal is to build companies that can obtain number one or two positions in their respective markets and deliver the software and services to help businesses increase efficiencies and cost savings. The Company's operating strategy is to build and develop its Partner Companies by providing the companies with a collaborative network that leverages its collective knowledge and resources.

Although the Company refers to the companies in which it has acquired a convertible debt or an equity ownership interest as its "Partner Companies" and indicates that it has a "partnership" with these companies, it does not act as an agent or legal representative for any of its Partner Companies, it does not have the power or authority to legally bind any of its Partner Companies and it does not have the types of liabilities in relation to its Partner Companies that a general partner of a partnership would have.

#### Basis of Presentation

On February 2, 1999, the Company converted from a limited liability company ("LLC") to a corporation. All stockholder transactions have been presented as if the conversion occurred on March 4, 1996 (inception).

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries Internet Capital Group Operations, Inc. (the "Operations Company") for the year ended December 31, 1999 and the Operations Company, 1999 Internet Capital L.P., ICG Holdings, Inc., 1999 Internet Capital Group (Europe), Ltd. and ICG Japan, K.K. for the year ended December 31, 2000. The consolidated financial statements also include the following majority owned subsidiaries for the periods indicated, each of which was consolidated since the date the Company acquired majority control (collectively, the "Consolidated Subsidiaries"):

<TABLE>	
<S>	
<C>	
YEAR ENDED DECEMBER 31, 2000	
CyberCrop.com	iParts
Delphion	Mesania
eMarket Capital	MROLink
Emptoris	OnMedica
eu-Supply	PaperExchange.com
ICG Asia	RightWorks
ICG Commerce	StarCite
YEAR ENDED DECEMBER 31, 1999	
Animated Images	ICG Commerce
CyberCrop.com	iParts
EmployeeLife.com	
YEAR ENDED DECEMBER 31, 1998	
VerticalNet	
</TABLE>	

During the three months ended June 30, 2000 the Company's ownership in EmployeeLife.com dropped below 50%. Additionally, the consolidated financial statements for the year ended December 31, 2000 reflect

58

<PAGE> 13

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

##### 1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

AssetTRADE's results of operations and cash flows as a consolidated company during the six months ended September 30, 2000 and Animated Images results of operations and cash flows as a consolidated company for the period January 1, 2000 to December 28, 2000. These periods represent the time the company acquired and retained majority-voting control. The Company has accounted for its ownership in EmployeeLife.com and AssetTRADE as equity method investments since the date the Company's ownership dropped below 50%. The consolidated financial statements for the year ended December 31, 1999 reflect Breakaway Solutions' results of operations and cash flows as a consolidated company from the date of acquisition through September 1999, when the Company's ownership dropped below 50%. The consolidated financial statements for the year ended December 31, 1999, reflect VerticalNet accounted for under the equity method of accounting due to the decrease in the Company's ownership interest to below 50% in February 1999 as a result of VerticalNet's initial public offering.

##### Principles of Accounting for Ownership Interests in Partner Companies

The various interests that the Company acquires in its Partner Companies are accounted for under three broad methods: consolidation, equity method and cost method. The applicable accounting method is generally determined based on the Company's voting interest in a Partner Company.

**Consolidation.** Partner Companies in which the Company directly or indirectly owns more than 50% of the outstanding voting securities or those the Company has effective control over are generally accounted for under the consolidation method of accounting. Under this method, a Partner Company's results of operations are reflected within the Company's Consolidated Statements of Operations. All significant intercompany accounts and transactions have been eliminated. Participation of other Partner Company stockholders in the earnings or losses of a consolidated Partner Company is reflected in the caption "Minority interest" in the Company's Consolidated Statements of Operations. Minority interest adjusts the Company's consolidated results of operations to reflect only the Company's share of the earnings or losses of the consolidated Partner Company. The results of operations and cash flows of a consolidated

Partner Company are included through the latest interim period in which the Company owned a greater than 50% direct or indirect voting interest for the entire interim period or otherwise exercised control over the Partner Company. Upon dilution of control below 50%, the accounting method is adjusted to the equity or cost method of accounting, as appropriate, for subsequent periods.

In 1999, the Company acquired a controlling majority interest in Breakaway Solutions for \$17.2 million and in Animated Images, CyberCrop.com, EmployeeLife.com, ICG Commerce and iParts for \$29.8 million in the aggregate. In 2000, the Company acquired a controlling interest in RightWorks for cash and common stock valued at \$776.0 million, in PaperExchange.com for common stock valued at \$165.8 million, and in AssetTRADE, Delphion, Emptoris, eu-Supply, eMarket Capital, Industrial America (now "MROLink"), ICG Asia, Mesania, OnMedica and StarCite for cash and 1,746,042 shares of the Company's common stock valued at \$47.5 million in the aggregate. Breakaway Solutions' operations have historically consisted primarily of implementation of customer relational management systems and custom integration to other related applications. In 1999, Breakaway Solutions expanded to provide service offerings in custom web development and application hosting both through internal expansion and acquisitions. Animated Images' operations include software development and consulting services. Emptoris develops procurement management systems and provides consulting services to power e-market places. ICG Commerce provides strategic sourcing consulting and online internet purchasing. RightWorks provides internet based software for powering B2B digital marketplaces. PaperExchange.com operates an e-business marketplace for the pulp and paper industry. The other consolidated subsidiaries are development stage companies that have generated negligible revenue since their inception.

59

<PAGE> 14

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

The Company's direct and indirect voting interest in CyberCrop.com, Delphion, eMarket Capital, Emptoris, eu-Supply, ICG Asia, ICG Commerce, iParts, Mesania, MROLink, OnMedica, PaperExchange.com, RightWorks and StarCite at December 31, 2000 was 78.3%, 32.9%, 54.2%, 62.2%, 50.6%, 54.4%, 53.9%, 66.5%, 56.2%, 52.3%, 76.2%, 82.9%, 90.3%, and 50% respectively. Delphion is accounted for as a consolidated Partner Company based on the Company's representation on Delphion's Board of Directors.

Equity Method. Partner Companies that are not consolidated, but over which the Company exercises significant influence, are accounted for under the equity method of accounting. Whether or not the Company exercises significant influence with respect to a Partner Company depends on an evaluation of several factors including, among others, representation on the Partner Company's Board of Directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the Partner Company, including voting rights associated with the Company's holdings in common, preferred and other convertible instruments in the Partner Company. Under the equity method of accounting, a Partner Company's accounts are not reflected within the Company's Consolidated Statements of Operations; however, the Company's share of the earnings or losses of the Partner Company is reflected in the caption "Equity income (loss)" in the Consolidated Statements of Operations.

The amount by which the Company's carrying value exceeds its share of the underlying net assets of Partner Companies accounted for under the consolidation or equity method of accounting is amortized on a straight-line basis generally over three to five years.

Cost Method. Partner Companies not accounted for under the consolidation or the equity method of accounting are accounted for under the cost method of accounting. Under this method, the Company's share of the earnings or losses of such companies is not included in the Consolidated Statements of Operations. However, cost method Partner Company impairment charges are recognized in the Consolidated Statement of Operations. If circumstances suggest that the value of the Partner Company has subsequently recovered, such recovery is not recorded.

The Company records its ownership interest in debt securities of Partner Companies accounted for under the cost method at cost because it has the ability and intent to hold these securities until maturity. The Company records its ownership interest in equity securities of Partner Companies accounted for under the cost method at cost, unless these securities have readily determinable fair values based on quoted market prices, in which case these interests are valued at fair value and classified as available-for-sale securities or some other classification in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". In addition to the Company's investments in voting and non-voting equity and debt securities, it also

periodically makes advances to its Partner Companies in the form of promissory notes which are accounted for in accordance with SFAS No. 114, "Accounting By Creditors for Impairment of a Loan".

#### Impairment Charges

The Company continually evaluates the carrying value of its ownership interests in and advances to each of its Partner Companies for possible impairment based on achievement of business plan objectives and milestones, the value of each ownership interest in the Partner Company relative to carrying value, the financial condition and prospects of the Partner Company, and other relevant factors. The business plan objectives and milestones the Company considers include, among others, those related to financial performance such as achievement of planned financial results or completion of capital raising activities, and those that are not primarily financial in nature such as obtaining key business partnerships or the hiring of key employees. The fair value of the Company's ownership interests in and advances to privately held Partner Companies is generally determined based on the value at which independent third parties have invested or have committed to invest in the Partner Companies.

60

<PAGE> 15

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

##### 1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

The Company operates in an industry that is rapidly evolving and extremely competitive. Recently, many Internet based businesses, including some with B2B business models, have experienced difficulty in raising additional capital necessary to fund operating losses and continued investments that their management teams believe are necessary to sustain operations. Valuations of public companies operating in the Internet B2B e-commerce sector have declined significantly during 2000. In the first quarter of 2000 the Company announced several significant acquisitions that were financed principally with shares of the Company's stock and, based on the price of the Company's stock at that time were valued in excess of \$1 billion. Based on the Company's periodic review of our Partner Company holdings, including those valued in the first quarter, as of December 31, 2000, an impairment charge of \$348.6 million was recorded to write off certain Partner Company holdings. \$134.9 million of this charge related to the Company's consolidated subsidiaries, primarily PaperExchange.com and is reported within "Impairment related and other" in the Company's Consolidated Statement of Operations (see footnote 18). The remaining impairment charges relate to equity method and cost method companies. Charges associated with equity method companies are reported as part of the Company's equity losses (see footnote 4). Charges related to cost method companies are reported in "Other income (expense), net" (see footnote 17).

#### Revenue Recognition

During 2000, 1999 and 1998 the Company's revenues were primarily attributable to Breakaway Solutions, Animated Images, ICG Commerce, Emptoris, PaperExchange.com, RightWorks and VerticalNet for the periods each of these Partner Companies was accounted for under the consolidation method.

RightWorks and Emptoris derive revenue from software license fees and services. Fees from licenses are recognized as revenue upon contract execution, provided all shipment obligations have been met, fees are fixed or determinable, collection is probable, and vendor-specific objective evidence exists to allocate the total fee between all elements of the arrangement.

Maintenance revenue is recognized ratably over the term of the maintenance contract. Consulting and training revenue is recognized when the services are performed.

PaperExchange.com operates an e-business marketplace for the pulp and paper industry. PaperExchange.com acts as a principal or as an agent under agreements with certain suppliers. The majority of PaperExchange.com revenue is the result of arrangements where PaperExchange.com acts as a principle, takes ownership and bears the risk of loss. To date an insignificant amount of revenues has been generated from amounts for which PaperExchange.com acts as an agent. Revenues are recognized when products are shipped.

Animated Images', ICG Commerce's and Breakaway Solutions' revenues are generally recorded as services are rendered.

All of the Company's 1998 revenue was attributable to VerticalNet. VerticalNet's revenue is derived principally from advertising contracts. The advertising contracts generally do not extend beyond one year. Advertising

revenue is recognized ratably over the period of the advertising contract.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain amounts recorded to reflect the Company's share of losses of Partner Companies accounted for under

61

<PAGE> 16

#### INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

the equity method are based on unaudited results of operations of those Partner Companies and may require adjustments in the future when audits of these entities are made final.

It is reasonably possible that the Company's accounting estimates with respect to the useful life and ultimate recoverability of our carrying basis including goodwill in Partner Companies could change in the near term and that the effect of such changes on the financial statements could be material. At year end, the recorded amount of carrying basis including goodwill is not impaired, although there can be no assurance that the Company's future results will confirm this assessment, that a significant write-down or write-off of Partner Company carrying basis including goodwill will not be required in the future, or that a significant loss will not be recorded in the future upon the sale of a partner company.

#### Cash and Cash Equivalents

The Company considers all highly liquid instruments with an original maturity of 90 days or less at the time of purchase to be cash equivalents. Cash and cash equivalents at December 31, 2000 and 1999 are invested principally in money market accounts and commercial paper.

#### Available-for-Sale Securities

Available-for-sale securities are reported at fair value, based on quoted market prices, with the net unrealized gain or loss reported as a component of "Accumulated other comprehensive income (loss)" in stockholders' equity.

Unrealized gains or losses related to available-for-sale securities are recorded net of deferred taxes subsequent to February 2, 1999, the date the Company converted from an LLC to a corporation.

#### Short-term Investments

Short-term investments are debt securities maturing in less than one year and are carried at amortized cost, which approximates fair value.

#### Financial Instruments

Cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at cost which approximates fair value due to the short-term maturity of these instruments. The Company's interests in public Partner Companies accounted for under the equity method of accounting had a fair value of \$377.0 million and \$2.6 billion as of December 31, 2000 and December 31, 1999, respectively, compared to a carrying value of \$288.4 million and \$42.6 million respectively. Available-for-sale securities are carried at fair value. Long-term debt is carried at cost which approximates current market rates. The Company's convertible subordinated notes had a fair value of \$141.1 and \$835.2 million as of December 31, 2000 and 1999, respectively, versus a carrying value of \$566.3 million.

#### Derivative Financial Instruments

The Company selectively uses derivative financial instruments, including cashless collar agreements ("Collars") to manage its exposure to fluctuations in certain of its investments in publicly held equity securities. The Company has recorded these Collars at their estimated fair market value, with unrealized gains and losses resulting from changes in fair value recorded as a component of "Accumulated other comprehensive income (loss)". Unrealized gains and losses as a result of these instruments are recognized in the consolidated statement of operations when the underlying hedged item is extinguished or otherwise termi-

## INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

nated. The Company does not hold or issue any derivative financial instruments for trading purposes and is not a party to leveraged instruments.

The credit risks associated with the Company's derivative financial instruments are controlled through the evaluation and monitoring of the creditworthiness of the counter parties. Although the Company may be exposed to losses in the event of nonperformance by the counter parties, the Company does not expect such losses, if any, to be significant.

In March 2000, the Company entered into cashless collar agreements (the "Equity Collars") to hedge its holdings of Ariba, Inc. ("Ariba") accounted for at fair value. The Equity Collars limit the Company's exposure to and benefits from price fluctuations in the underlying equity securities. The Equity Collars mature between 2001 and 2003. As the Company accounts for the Equity Collars as a hedge, changes in the value of the Equity Collars are substantially offset by changes in the value of the underlying investment securities. Each of these changes are marked-to-market through accumulated other comprehensive income (loss) in the Company's Consolidated Balance Sheets.

## Research and Development

Research and development costs are charged to expense as incurred.

## Intangibles

Goodwill, the excess of cost over net assets of businesses acquired, and other intangible assets are amortized on a straight-line basis generally over three to five years. Goodwill and other intangible assets at December 31, 2000 of \$1.2 billion, net of accumulated amortization of \$254.5 million, is attributable to the Company's acquisitions of ownership interests in CyberCrop.com (\$2.1 million), Delphion (\$8.1 million), eMarket Capital (\$1.5 million), Emptoris (\$28.1 million), eu-Supply (\$7.4 million), ICG Asia (\$7.9 million), ICG Commerce (\$19.2 million), iParts (\$0.1 million), MROLink (\$1.0 million), Mesania (\$3.1 million), OnMedica (\$14.5 million), PaperExchange.com (\$25.1 million), RightWorks (\$823.4 million) and StarCite (\$1.5 million); acquisitions of businesses completed by consolidated Partner Companies (\$58.3 million); and consolidated Partner Companies' other intangible assets (\$151.3 million).

## Income Taxes

From the Company's inception in March 1996 to February 1999, the Company was not subject to federal and state income taxes. On February 2, 1999, the Company converted from an LLC to a corporation. The Company's accumulated deficit of \$8.7 million at that date was reclassified to additional paid-in capital.

Income taxes are accounted for under the asset and liability method whereby deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

## Net Income (Loss) Per Share

Basic net income (loss) per share (EPS) is computed using the weighted average number of common shares outstanding during each period. Diluted EPS includes common stock equivalents (unless anti-dilutive) that would arise from the exercise of stock options and conversion of other convertible securities and is adjusted, if applicable, for the effect on net income (loss) of such transactions.

## INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

If a consolidated or equity method Partner Company has dilutive options or securities outstanding, diluted net income per share is computed by deducting from income (loss) from continuing operations the income attributable to the potential exercise of the dilutive options or securities of the Partner Company.

#### Gain or Loss on Issuances of Stock By Partner Companies

Pursuant to SEC Staff Accounting Bulletin No. 84, at the time a Partner Company accounted for under the consolidation or equity method of accounting issues its common stock at a price different from the Partner Company's book value per share, the Company's share of the Partner Company's net equity changes. If at that time, the Partner Company is not a newly-formed, non-operating entity, nor a research and development, start-up or development stage company, nor is there question as to the Company's ability to continue in existence, the Company records the change in its share of the Partner Company's net equity as a gain or loss in its Consolidated Statements of Operations.

#### Foreign Currency Translation

The functional currency for the Company's foreign subsidiaries is the local currency of the country in which it operates. Assets and liabilities are translated using the exchange rate at the balance sheet date. Revenue, expenses, gains and losses are translated at the average exchange rate in the month those elements are recognized. Translation adjustments, which have not been material to date, are included in other comprehensive income (loss).

#### Stock Based Compensation

As permitted by Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock Based Compensation", the Company measures compensation cost in accordance with Accounting Principles Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees" and related interpretations. Accordingly, no accounting recognition is given to stock options issued to employees that are granted at fair market value until they are exercised. Stock options issued to non-employees are recorded at fair value at the date of grant. Fair value is determined using the Black-Scholes method and the expense is amortized over the vesting period. Upon exercise, net proceeds, including tax benefits realized, are credited to equity.

#### Comprehensive Income (Loss)

The Company reports and displays comprehensive income (loss) and its components in the Consolidated Statements of Comprehensive Income (Loss). Comprehensive income (loss) is the change in equity of a business enterprise during a period from non-owner sources. Excluding net income (loss), the Company's sources of comprehensive income (loss) are from net unrealized appreciation on its available-for-sale securities and foreign currency translation adjustments; such translation adjustments have been negligible through December 31, 1999. Reclassification adjustments result from the recognition in net income of gains or losses that were included in comprehensive income (loss) in prior periods.

#### Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation. The impact of these changes is not material and did not affect net income (loss).

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 1. SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

##### Recent Accounting Pronouncements

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133 requires companies to record derivatives on the balance sheet as assets and liabilities, measured at fair value. The accounting for changes in fair value of a derivative will depend on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding the derivative. The Company will adopt SFAS 133 in the quarter ending March 31, 2001 and will record its derivatives on January 1, 2001 at fair value. In addition, any increase or decrease from historical cost basis of its derivatives on that date will be recorded as a cumulative effect of a change in accounting principle in the quarter ending March 31, 2001. The derivatives will be revalued each quarter and the change in value of the derivatives will be included in the consolidated

statements of operations. Under current accounting principles, the change in value of these instruments is not recorded. The Company does not expect the adoption of other recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flows.

In December 1999, the Securities and Exchange Commission staff issued Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements. The Company adopted SAB No. 101 in the quarter ended December 31, 2000. The adoption of the SAB did not materially affect the Company's results of operations, financial position or cash flows.

In October 1999, the Chief Accountant of the Securities and Exchange Commission requested that the Financial Accounting Standards Board Emerging Issues Task Force, or the EITF, address a number of accounting and financial reporting issues that the Securities and Exchange Commission believes has developed with respect to Internet business. The Securities and Exchange Commission identified twenty issues for which they believed some form of standard setting or guidance may be appropriate either because (i) there appeared to be diversity in practice of (ii) the issues are not specifically addressed in current accounting literature or (iii) the Securities and Exchange Commission staff is concerned that developing practice may be inappropriate under generally accepted accounting principles. Many of the issues identified by the Securities and Exchange Commission, including those which address barter and revenue recognition, are potentially applicable to the Company and its Partner Companies. Although the Company believes its historical accounting policies and practices conform with generally accepted accounting principles, there can be no assurance that final consensus reached by the EITF on the Internet issues referred to above, or other actions by standard setting bodies, will not result in changes to the Company's historical accounting policies and principles or to the manner in which certain transactions are presented and disclosed in its consolidated financial statements.

## 2. PRO FORMA INFORMATION (UNAUDITED)

On February 2, 1999, the Company converted from an LLC to a C corporation. The Company became subject to corporate federal and state income taxes concurrent with the conversion to a C corporation. The accompanying Consolidated Statements of Operations for the years ended December 31, 1999 and 1998 include pro forma information with respect to income taxes, net income (loss) and net income (loss) per share assuming the Company had been taxed as a C corporation since January 1, 1998. The unaudited pro forma information provided does not necessarily reflect the income taxes, net income (loss) and net income (loss) per share that would have occurred had the Company been taxed as a C Corporation since January 1, 1998.

65

<PAGE> 20

INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 2. PRO FORMA INFORMATION (UNAUDITED) -- (CONTINUED)

### Pro Forma Income Taxes

The Company's 1999 and 1998 pro forma effective tax rates of 30% and 37%, respectively, differed from the federal statutory rate of 35% principally due to non-deductible permanent differences.

Based upon the cumulative temporary differences (primarily relating to the difference between the book and tax carrying value of its Partner Companies), the Company would have recognized a pro forma net deferred federal and state asset of \$8.2 million at December 31, 1998. In the opinion of management, it is more likely than not that such asset would be realized and accordingly, a valuation allowance was not considered necessary in calculating this pro forma amount.

In 1998, the difference between basic and diluted weighted average shares outstanding of 94,000 was due to the dilutive effect of stock options.

## 3. NET INCOME (LOSS) PER SHARE

The calculations of Net Income (Loss) per Share were:

<TABLE>

<CAPTION>

YEAR ENDED DECEMBER 31,		
2000	1999	1998



(IN THOUSANDS, EXCEPT PER SHARE DATA)			
<S>	<C>	<C>	<C>
Basic			
Net income (loss).....	\$ (659,913)	\$ (29,777)	\$ 13,899
	-----	-----	-----
Average common shares outstanding.....	275,044	201,851	112,205
	=====	=====	=====
Basic.....	\$ (2.40)	\$ (0.15)	\$ 0.12
	=====	=====	=====
Diluted			
Net income (loss).....	\$ (659,913)	\$ (29,777)	\$ 13,899
	-----	-----	-----
Average common shares outstanding.....	275,044	201,851	112,205
Effect of dilutive securities.....	--	--	94
	-----	-----	-----
Average common shares outstanding assuming dilution.....	275,044	201,851	112,299
	=====	=====	=====
Diluted.....	\$ (2.40)	\$ (0.15)	\$ 0.12
	=====	=====	=====

</TABLE>

The following options and warrants were not included in the computation of diluted EPS as their effect would have been anti-dilutive: options to purchase 29,164,621 and 5,173,000 shares of common stock at average prices of \$32.61 and \$23.74, respectively, outstanding as of December 31, 2000 and 1999; warrants to purchase 1,475,775 and 2,215,717 shares of common stock at \$6.00, outstanding as of December 31, 2000 and 1999, respectively; convertible subordinated notes convertible into 4,443,267 shares of common stock outstanding as of December 31, 2000 and 1999; and an option to convert a Note Payable into 1,049,426 shares of common stock outstanding as of December 31, 1999.

#### 4. OWNERSHIP INTERESTS IN AND ADVANCES TO PARTNER COMPANIES

The following summarizes the Company's ownership interests in and advances to Partner Companies accounted for under the equity and cost methods of accounting. The ownership interests are classified

66

<PAGE> 21

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

4. OWNERSHIP INTERESTS IN AND ADVANCES TO PARTNER COMPANIES -- (CONTINUED)  
according to applicable accounting methods at the respective dates presented.  
Cost basis represents the Company's original acquisition cost less any  
impairment charges recognized for such companies to date.

<TABLE>

<CAPTION>

	AS OF DECEMBER 31, 2000		AS OF DECEMBER 31, 1999	
	CARRYING VALUE	COST BASIS	CARRYING VALUE	COST BASIS
	-----	-----	-----	-----
(IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>
Equity Method.....	\$1,231,769	\$1,710,361	\$491,977	\$578,922
Cost Method.....	127,794	140,389	55,362	55,362
	-----	-----	-----	-----
	\$1,359,563	\$1,850,750	\$547,339	\$634,284
	=====	=====	=====	=====

</TABLE>

At December 31, 2000, the Company's carrying value in its Partner Companies accounted for under the equity method exceeded its share of the underlying equity in the net assets of such companies by \$691.7 million. This excess relates to ownership interests acquired through December 31, 2000 and is generally being amortized over a three-year period. Amortization expense of \$299.3 million and \$19.8 million is included in "Equity loss -- goodwill amortization" in the accompanying Consolidated Statements of Operations for the years ended December 31, 2000 and 1999, respectively.

During the fourth quarter of 2000, the Company determined that there was an other than temporary decline in the fair value of MetalSite and recorded an impairment charge of \$112.7 million. MetalSite, which was acquired in December of 1999, provides an emarketplace for the distribution of raw materials primarily in the metals market. MetalSite was acquired for 852,631 shares of the Company's common stock valued at \$150 million and cash of \$30 million and is accounted for as an equity method investment. MetalSite has not been able to meet its business objectives and has depleted its remaining cash reserves.

The Company adjusted its carrying value in an equity method company in the third quarter, which was subsequently sold in the fourth quarter resulting in an impairment charge of \$20.3 million. During the first quarter of 2001 the board of directors of two equity method partner companies voted to terminate operations resulting in an impairment charge of \$12.3 million in the fourth quarter of 2000. One of the Company's equity method companies filed for bankruptcy subsequent to year-end resulting in an impairment charge of \$3.6 million in the fourth quarter of 2000. In addition the Company recorded impairment charges of \$8.7 million for three equity method companies during 2000 based on an other than temporary decline in fair value.

The Company has concluded that the carrying value of these partner companies was permanently impaired based on not achieving business plan objectives and milestones and the fair value of the partner companies relative to their carrying values. The impairment charges of these equity method companies have been included in the Company's statement of operations as "Equity loss-impairment related" for the year ended December 31, 2000. Impairment charges related to cost method companies are included in other income (See footnote 17).

As of December 31, 2000, the Company had \$98.2 million in advances to Partner Companies which mature on various dates through 2005 and bear interest rates between 5.25% and 35% and are convertible into the Partner Companies' equity.

The following unaudited summarized financial information for Partner Companies accounted for under the equity method of accounting at December 31, 2000 and 1999 has been compiled from the financial statements of the respective Partner Companies.

67

<PAGE> 22

# INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

### 4. OWNERSHIP INTERESTS IN AND ADVANCES TO PARTNER COMPANIES -- (CONTINUED)

#### Balance Sheets

<TABLE>

<CAPTION>

	AS OF DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
<S>	<C>	<C>
Current assets.....	\$1,058,070	\$494,745
Non-current assets.....	1,310,433	329,133
	-----	-----
Total assets.....	\$2,368,503	\$823,878
	=====	=====
Current liabilities.....	\$ 486,055	\$149,799
Non-current liabilities.....	227,386	268,197
Stockholders' equity.....	1,655,062	405,882
	-----	-----
Total liabilities and stockholders' equity.....	\$2,368,503	\$823,878
	=====	=====

</TABLE>

#### Results of Operations

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Revenue.....	\$ 1,149,270	\$ 192,759	\$ 21,496
Net loss.....	\$(1,536,238)	\$(254,027)	\$(14,969)

</TABLE>

### 5. FIXED ASSETS

Fixed assets consist of the following:

<TABLE>

<CAPTION>

	AS OF DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
<S>	<C>	<C>
Computer equipment and software, office equipment and furniture.....	\$ 58,435	\$2,855
Construction in progress.....	324	1,483
Leasehold improvements.....	7,517	354
	66,276	4,692
Less: accumulated depreciation and amortization.....	(14,767)	(677)
	\$ 51,509	\$4,015
	=====	=====

</TABLE>

#### 6. AVAILABLE-FOR-SALE SECURITIES

At December 31, 2000 and 1999 all available-for-sale securities represent the Company's holdings in publicly traded cost method Partner Companies, marketable equity securities and related cashless collar

68

<PAGE> 23

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 6. AVAILABLE-FOR-SALE SECURITIES -- (CONTINUED)

agreements. The cost, unrealized holding gains/(losses), and fair value of available-for-sale securities at December 31, 2000 and 1999 were as follows:

<TABLE>

<CAPTION>

	AT DECEMBER 31, 2000	COST	UNREALIZED HOLDING GAINS/ (LOSSES)	FAIR VALUE
			(IN THOUSANDS)	
<S>		<C>	<C>	<C>
Ariba common stock.....		\$235,309	\$ (71,323)	\$163,986
Onvia common stock.....		45,613	(31,113)	14,500
Other equity securities.....		28,452	(9,051)	19,401
		\$309,374	\$ (111,487)	\$197,887
		=====	=====	=====

</TABLE>

<TABLE>

<CAPTION>

	AT DECEMBER 31, 1999	COST	UNREALIZED HOLDING GAINS/ (LOSSES)	FAIR VALUE
			(IN THOUSANDS)	
<S>		<C>	<C>	<C>
US Interactive common stock.....		\$ 811	\$20,732	\$21,543
i2 Technologies common stock.....		4,442	15,077	19,519
Other equity securities.....		3,792	1,913	5,705
		\$9,045	\$37,722	\$46,767
		=====	=====	=====

</TABLE>

The fair value of the Company's holdings in Ariba includes the fair value of cashless collar agreements which was \$85.3 million at December 31, 2000.

#### 7. DEBTS AND NOTES PAYABLE TO PARTNER COMPANIES

##### Convertible Subordinated Notes

In May 1999, the Company issued \$90 million of convertible subordinated notes, which converted to 14,999,732 shares of the Company's common stock upon the completion of the Company's initial public offering in August 1999. The notes bore interest at an annual rate of 4.99% during the first year and at the

prime rate for the remaining two years. In connection with the conversion of these notes, all accrued interest was waived and reclassified to additional paid-in-capital and the company issued 3,000,000 warrants to purchase the Company's common stock at \$6 per share (the IPO price) through May 2002, which, if exercised, will increase additional paid-in capital upon exercise. The warrants may also be exercised by a cashless exercise or net issue, whereby a portion of the warrants are forfeited based upon an average fair market price in place of cash. During 1999, 661,434 and 122,849 shares of the Company's common stock were issued in connection with cash and net issue warrant exercises, respectively.

In December 1999, the Company issued \$566.3 million of convertible subordinated notes. The notes bear interest at an annual rate of 5.5% and mature in December 2004. The notes are convertible at the option of the holder, at any time on or before maturity into shares of the Company's common stock at a conversion price of \$127.44 per share, which is equal to a conversion rate of 7.8468 shares per \$1,000 principal of notes. Additionally, the notes may be redeemed by the Company if the Company's closing stock price exceeds 150% of the conversion price then in effect for at least 20 trading days within a period of 30 consecutive trading days. The conversion rate is subject to adjustment. The Company recorded interest expense of \$31.7 million relating to these notes during the year ended December 31, 2000 with interest payments due semi annually through December 21, 2004. Issuance costs of \$18.3 million were recorded in other assets and are being amortized as interest expense over the term of the notes using the effective interest method.

69

<PAGE> 24

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

7. DEBTS AND NOTES PAYABLE TO PARTNER COMPANIES -- (CONTINUED)

Credit Facilities

In March 2000, the Company's revolving bank credit facility was amended to, among other things, increase the Company's credit facility to provide for borrowings up to \$250 million, including the issuance of letters of credit up to \$125 million. The agreement includes a \$125 million 364-day secured line of credit (the secured line of credit expired on March 27, 2001) and a \$125 million two-year secured revolving credit facility. Prior to this amendment, the credit facility was structured as a \$50 million term revolving credit facility bearing interest at the Company's option at prime or LIBOR plus 2.5%.

The revolving facility is subject to a .375% unused commitment fee, bears interest, at the Company's option at LIBOR plus 2.0% or the lenders' Base Rate (the lenders' Base Rate being the greater of (i) the prime rate or (ii) the Federal Funds Rate plus .5%) and is secured by substantially all of the Company's assets (including the Company's holdings in its domestic Partner Companies). Borrowing availability under the facility is based on the fair market value of the Company's holdings of U.S. publicly traded Partner Companies and the value, as defined in the facility, of the Company's private Partner Companies. The credit facility contains certain financial covenants which include restrictions on, among other things, dispositions, certain other indebtedness and payment of dividends and similar distributions. At December 31, 2000, based on the provisions of the borrowing base, \$146.7 million of the borrowing base was available less outstanding letters of credit of \$6.0 million.

Long-Term Debt

The Company's long-term debt of \$3.5 million relates to its Consolidated Partner Companies, is non-recourse to the Company, and primarily consists of secured notes due to stockholders and outside lenders of ICG Commerce and RightWorks and capital lease commitments.

Notes Payable to Partner Companies

Notes payable to Partner Companies of \$27.1 million at December 31, 2000 consists of a non-interest bearing note to eCredit due in two installments of \$5 million and \$10 million on January 2, 2001, and April 2, 2001, respectively, and a \$12.1 million non-interest bearing funding obligation to VerticalNet Europe which was extinguished subsequent to year end.

8. ACQUISITIONS

In May 2000, the Company acquired a 50.2% interest in Harbour Ring International Holdings Limited, a listed company on the Hong Kong Stock Exchange which was renamed ICG Asia Ltd., for \$116.5 million in cash. ICG Asia will be the Company's platform for acquiring and building market maker and internet infrastructure companies in the Asia region. While there is no immediate plan

for disposal, it is the intention of ICG Asia to dispose of two subsidiaries of ICG Asia that operate unrelated businesses. Due to its intention to dispose of these businesses as well as certain contractual arrangements which result in a lack of effective control and substantial restrictions on management with regard to the unrelated businesses, ICG Asia does not consolidate these businesses for financial reporting purposes.

In June 2000, the Company acquired a 62% interest in RightWorks for 5,892,048 shares of the Company's common stock valued at \$754 million and \$22 million in cash. RightWorks is a provider of B2B exchange software which offers an extensive range of capabilities to market makers.

In September 2000, the Company increased its interest in PaperExchange.com, from approximately 20% to approximately 83% for 4,864,221 shares of the Company's common stock valued at \$165.8 million. PaperExchange.com provides an online marketplace for the purchase and distribution of pulp and paper

70

<PAGE> 25

INTERNET CAPITAL GROUP, INC.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 8. ACQUISITIONS -- (CONTINUED)

products. In October and November 2000, the Company provided follow-on funding to PaperExchange.com totaling \$13 million in cash in exchange for convertible promissory notes bearing 12% interest per annum due April 11, 2001. Subsequent to the acquisition of PaperExchange.com the Company determined that it would not be able to recover its investment and recorded an impairment charge of \$128.2 million as of December 31, 2000 (see footnote 18).

Due to the Company's majority ownership positions in the above Partner Companies it has accounted for interests in these companies under the consolidation method of accounting. The Company utilized the purchase method of accounting for the acquisition of these Partner Companies and, accordingly, the purchase prices have been allocated to the assets purchased and the liabilities assumed based upon their fair value at the date of acquisition. The purchase price allocations for each of the above acquisitions was allocated as follows:

<TABLE>

<CAPTION>

	RIGHTWORKS	ICG ASIA	PAPEREXCHANGE.COM
	-----	-----	-----
		(IN THOUSANDS)	
<S>	<C>	<C>	<C>
Developed technology.....	\$ 22,010	\$ --	\$ 22,100
Deferred tax liabilities.....	265,480	--	4,975
Other assets (liabilities), net.....	2,620	14,552	1,142
Working capital.....	19,829	92,072	(160)
Other identifiable intangible assets.....	16,120	--	19,400
Goodwill.....	969,413	9,876	128,270
In-process research and development.....	11,470	--	--

</TABLE>

Purchased in-process research and development (IPR&D) represents the value assigned to research and development projects of RightWorks, which were not complete at the acquisition date and had no alternative future use. In accordance with SFAS No. 2, "Accounting for Research and Development Costs," and FASB interpretation No. 4 "Applicability of SFAS No. 2 to Business Combinations Accounted For By The Purchase Method," amounts assigned to IPR&D meeting the above stated criteria must be charged to expense as part of the allocation of purchase price of a business combination. The IPR&D was valued using the income approach, which includes an analysis of the markets, cash flows, risks associated with achieving such cash flows, fair returns on all identifiable assets and consideration of the stage of completion of such projects. The IPR&D charge, which had no associated tax benefit, was classified as an operating expense on the Company's consolidated statement of operations.

In June 2000 the Company acquired a 39% interest in eCredit for 4,655,558 shares of the Company's common stock valued at \$424.7 million. eCredit provides real-time credit, financing and related services to e-businesses over an Internet-based platform, which connects businesses to financing partners and information sources at the point of sale. The Company also obtained a warrant to purchase an additional 1.6 million shares of eCredit, from time to time at any time from the effective date of a qualified initial public offering, as defined in the warrant agreement, or a change in control for a period of four years. In September 2000, the Company increased its interest in eCredit to approximately 40% for 25,303 shares of the Company's common stock valued at \$0.6 million. In December 2000, the Company increased its interest in eCredit to approximately 42% for \$10 million in cash and \$15 million in a non-interest bearing note

payable to eCredit due in two installments of \$5 million and \$10 million on January 2, 2001 and April 2, 2001, respectively. eCredit has been accounted for using the equity method of accounting.

In December 1999, the Company acquired a 44% interest in MetalSite for 852,631 shares of the company's common stock valued at \$150.2 million and \$30 million in cash. MetalSite provides an emarketplace for the distribution of raw materials primarily in the metals market. During 2000, the Company determined that it would not be able to recover its investment and recorded an impairment charge of \$112.7 million (see footnote 4).

71

<PAGE> 26

# INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

### 8. ACQUISITIONS -- (CONTINUED)

In addition to the above transactions, the Company paid \$1.1 billion in cash and notes in the aggregate to acquire interests in or make advances to new and existing Partner Companies during the year ended December 31, 2000. These companies included: Agribuys, Animated Images, Arbinet, AssetTRADE, Autovia, Blackbird, Blackboard, Breakaway Solutions, buy.co.uk, BuyMedia, Cargobiz.com, CentriMed, ClearCommerce, Collabria, CommerceQuest, Commerx, ComputerJobs.com, CourtLink, CreditTrade, CyberCrop.com, Delphion, Deja.com, eCatalogs, E-Chemicals, eColony, eMarket Capital, eMarketWorld, eMetra, EmployeeLife.com, Emptoris, Entegriy Solutions, Eumedix.com, eu-Supply, FOL Networks, FreeBorders, Fuelspot.com, GoIndustry, ICG Commerce, Internet Commerce Systems, Mesania, Industrial America, InfoMart, Internet Healthcare, Investor Force, iSky, LinkShare, Jamcracker, Logistics.com, MetalSite, NationStreet, NetVendor, OnMedica, Onvia.com, PrintMountain, RetailExchange.com, SageMaker, ServiceSoft, Simplexis, Sourcere, StarCite, Surgency, Syncra Systems, TALPX, TeamOn.com, Texyard, Tibersoft, traffic.com, United Messaging, Universal Access, USgift.com, VerticalNet Europe and Vivant! During the year ended December 31, 2000, the Company also acquired interests in new and existing partner companies in exchange for 5,467,688 shares of the Company's common stock and a commitment to issue 1.8 million shares of our common stock totaling an aggregate value of \$220.4 million. These companies included: AssetTRADE, Breakaway Solutions, BuyMedia, CommerceQuest, ComputerJobs.com, E-Chemicals, eCredit, Emptoris and OnMedica.

Presented below is unaudited selected pro forma financial information for the years ended 2000 and 1999 as if the acquired Partner Companies accounted for under the consolidation method and the individually significant Partner Companies accounted for under the equity method were included in the financial statements for the entire periods presented. The unaudited selected financial information may not be indicative of the actual results that would have occurred had the acquisitions been consummated at the beginning of the period presented and is not intended to be a projection of future results.

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,	
	2000	1999
	-----	
	(IN THOUSANDS EXCEPT PER SHARE DATA)	
<S>	<C>	<C>
Revenue.....	\$ 71,962	\$ 17,265
Net loss.....	\$ (826,470)	\$ (368,256)
Net Loss per share		
Basic.....	\$ (2.91)	\$ (1.67)
Diluted.....	\$ (2.91)	\$ (1.67)

</TABLE>

### 9. SEGMENT INFORMATION

The Company's reportable segments, using the "management approach" under SFAS 131, "Disclosures About Segments of a Business Enterprise and Related Information," consist of Partner Company Operations and General ICG Operations. Partner Company Operations represents the Company's Consolidated Partner Companies and the Company's share of losses for Partner Companies accounted for under the equity method. General ICG Operations represents the expenses of providing strategic and operational support to the Partner Companies, as well as the related administrative costs. General ICG Operations also includes the effect of transactions and other events incidental to the Company's general operations and the Company's ownership interests in and advances to Partner Companies. The Company's and Partner Companies' operations were conducted principally in the United States of America during all periods presented. In the three months ended March 31, 2000, we acquired ICG Asia. In addition we have

begun to acquire Partner Companies in Japan and Europe. To date the operations of ICG Asia and the companies acquired in Japan and Europe have not been material to our financial statements.

72

<PAGE> 27

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

9. SEGMENT INFORMATION -- (CONTINUED)

The following summarizes the unaudited information related to the Company's segments. All significant intersegment activity has been eliminated. Assets are owned or allocated assets used by each operating segment.

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
PARTNER COMPANY OPERATIONS			
Revenue.....	\$ 42,935	\$ 16,536	\$ 3,135
Operating expenses			
Cost of revenue.....	27,333	8,156	4,643
Selling, general and administrative.....	164,433	22,217	11,455
Research and development.....	53,354	--	--
Stock-based compensation.....	18,643	--	253
Amortization of goodwill and other intangibles.....	254,530	3,318	293
Impairment related and other.....	134,925	--	--
Total operating expenses.....	653,218	33,691	16,644
	(610,283)	(17,155)	(13,509)
Other income (expense), net.....	271	(258)	--
Interest income.....	13,902	243	212
Interest expense.....	(3,944)	(175)	(297)
Loss before income taxes, minority interest and equity loss.....	(600,054)	(17,345)	(13,594)
Income taxes.....	8,938	--	--
Minority interest.....	95,546	6,026	5,382
Equity loss -- share of partner company losses.....	(516,690)	(72,251)	(5,237)
Equity loss -- goodwill amortization.....	(299,298)	(19,848)	(632)
Equity loss -- impairment related.....	(157,768)	--	--
Loss from Partner Company Operations.....	\$ (1,469,326)	\$ (103,418)	\$ (14,081)
GENERAL ICG OPERATIONS			
General and administrative.....	\$ 78,728	\$ 17,690	\$ 3,513
Research and development.....	22,548	--	--
Stock-based compensation.....	7,104	5,699	--
Impairment and other.....	25,919	--	--
	(134,299)	(23,389)	(3,513)
Other income, net.....	626,956	67,642	30,483
Interest income.....	37,477	9,388	1,094
Interest expense.....	(39,038)	(3,722)	(84)
Income from General ICG Operations before income taxes....	491,096	49,919	27,980
Income taxes.....	318,317	23,722	--
Income from General ICG Operations.....	\$ 809,413	\$ 73,641	\$ 27,980

</TABLE>

73

<PAGE> 28

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

9. SEGMENT INFORMATION -- (CONTINUED)

<TABLE>

<CAPTION>

AS OF DECEMBER 31,

	2000	1999	1998
	-----	-----	-----
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
ASSETS			
PARTNER COMPANY OPERATIONS			
Cash, cash equivalents and short term investments.....	\$ 283,062	\$ 20,258	\$ 5,663
Carrying value of equity method Partner Companies.....	1,231,769	491,977	21,311
Goodwill and other intangible assets.....	1,152,617	23,649	2,452
Other.....	123,435	1,168	4,228
	-----	-----	-----
	2,790,883	537,052	33,654
GENERAL ICG OPERATIONS			
Cash, cash equivalents and short term investments.....	160,010	1,326,560	21,178
Carrying value of cost method Partner Companies.....	127,794	55,362	38,181
Available-for-sale securities.....	187,851	46,767	--
Other.....	70,680	84,643	3,772
	-----	-----	-----
	546,335	1,513,332	63,131
	-----	-----	-----
	\$3,337,218	\$2,050,384	\$96,785
	=====	=====	=====

</TABLE>

Included in available for sale securities at December 31, 2000 is \$14.5 million relating to our ownership interest in Onvia.com.

#### 10. PARENT COMPANY FINANCIAL INFORMATION

Parent company financial information is provided to present the financial position and results of operations of the Company as if the Partner Companies accounted for under the consolidation method of accounting were accounted for under the equity method of accounting for all applicable periods presented. The Company's share of the consolidated Partner Companies' losses is included in "Equity income (loss)" in the Parent Company Statements of Operations for all periods presented based on the Company's ownership percentage in each period. The carrying value of the consolidated companies as of December 31, 2000, 1999 and 1998 is included in "Ownership interests in and advances to Partner Companies" in the Parent Company Balance Sheets.

74

<PAGE> 29

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 10. PARENT COMPANY FINANCIAL INFORMATION -- (CONTINUED)

##### Parent Company Balance Sheets

<TABLE>

<CAPTION>

	AS OF DECEMBER 31,		
	2000	1999	1998
	-----	-----	-----
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Assets			
Current assets.....	\$ 175,226	\$1,332,803	\$21,597
Ownership interests in and advances to			
Partner Companies.....	2,634,614	571,706	59,492
Other.....	80,371	125,166	3,354
	-----	-----	-----
Total assets.....	\$2,890,211	\$2,029,675	\$84,443
	=====	=====	=====
Liabilities and stockholders' equity			
Current liabilities.....	\$ 51,435	\$ 43,204	\$ 2,082
Non-current liabilities.....	565,974	566,250	1,637
Stockholders' equity.....	2,272,802	1,420,221	80,724
	-----	-----	-----
Total liabilities and			
stockholders' equity.....	\$2,890,211	\$2,029,675	\$84,443
	=====	=====	=====

</TABLE>

##### Parent Company Statements of Operations

<TABLE>

<CAPTION>

YEAR ENDED DECEMBER 31,



	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Revenue.....	\$ --	\$ --	\$ --
Operating expenses			
General and administrative.....	78,728	17,690	3,260
Stock-based compensation.....	7,104	5,699	253
Impairment related and other.....	25,919	--	--
Research and development.....	22,548	--	--
Total operating expenses.....	134,299	23,389	3,513
	(134,299)	(23,389)	(3,513)
Other income, net.....	626,956	67,642	30,483
Interest income, net.....	(1,561)	5,666	1,010
Income before income taxes and equity loss.....	491,096	49,919	27,980
Income taxes.....	318,317	23,722	--
Equity loss.....	(1,469,326)	(103,418)	(14,081)
Net income (loss).....	\$ (659,913)	\$ (29,777)	\$ 13,899

</TABLE>

75

<PAGE> 30

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

10. PARENT COMPANY FINANCIAL INFORMATION -- (CONTINUED)

Parent Company Statements of Cash Flows

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income (loss).....	\$ (659,913)	\$ (29,777)	\$ 13,899
Adjustments to reconcile net income (loss) to net cash used in operating activities			
Gain included in other income.....	--	(67,636)	(32,552)
Depreciation and amortization.....	2,442	859	45
Impairment related and other.....	25,919	--	--
Purchased in process research and development.....	11,470	--	--
Stock-based compensation.....	7,104	5,699	253
Equity loss.....	1,469,326	103,418	16,150
Other income.....	(626,956)	--	--
Deferred taxes.....	(318,317)	(23,722)	--
Change in assets and liabilities, net of effect of acquisitions:			
Accounts receivable, net.....	(1,561)	--	(125)
Prepaid expenses and other assets.....	(10,534)	(23,382)	(262)
Accounts payable.....	102	5,344	39
Accrued expenses.....	10,653	3,844	12
Deferred revenue.....	100	--	--
Other liabilities.....	180	--	--
Net cash used in operating activities.....	(89,985)	(25,353)	(2,541)
INVESTING ACTIVITIES			
Capital expenditures.....	(11,463)	(3,558)	(61)
Proceeds from sales of available-for-sale securities....	179,606	2,496	36,431
Proceeds from sales of ownership interests in and advances to Partner Companies.....	35,310	3,506	300
Advances to Partner Companies.....	(65,093)	(10,079)	(12,224)
Repayment of advances to Partner Companies.....	11,305	4,581	677
Acquisitions of ownership interests in Partner Companies, net.....	(1,247,024)	(368,159)	(44,822)
Other advances.....	--	(12,850)	--
Purchase of short-term investments, net.....	(10,057)	--	--
Net cash used in investing activities.....	(1,107,416)	(384,063)	(19,699)

FINANCING ACTIVITIES			
Issuance of common stock, net.....	7,206	1,077,405	38,205
Proceeds from convertible subordinated notes.....	--	656,250	--
Line of credit borrowings.....	--	25,000	--
Line of credit repayment.....	--	(25,000)	--
Distribution of former LLC member.....	--	(10,676)	--
Advances to employees.....	--	(8,181)	--
Repayment of loans from employees.....	13,588	--	--
Net cash provided by financing activities.....	20,794	1,714,798	38,205
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(1,176,607)	1,305,382	15,965
Cash and cash equivalents at beginning at period.....	1,326,560	21,178	5,213
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$ 149,953	\$1,326,560	\$ 21,178

</TABLE>

<PAGE> 31

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

11. STOCKHOLDERS' EQUITY

During 2000, the Company increased its authorized capital stock to 2,000,000,000 shares of common stock, par value \$.001 per share. The holders of common stock are entitled to one vote per share and are entitled to dividends as declared.

Dividends may be restricted by the inability to liquidate ownership interests in Partner Companies to fund cash dividends and may be subject to the preferential rights of the holders of the Company's preferred stock, if any. No cash dividends have been declared to date and may not be declared for the foreseeable future. As of December 31, 2000, the Company's bank line of credit agreement precludes dividends.

The Company may establish one or more classes or series of preferred stock. The holders of the preferred stock may be entitled to preferences over common stock or shareholders with respect to dividends, liquidation, dissolution, or winding up of the Company, as established by the Company's Board of Directors. At December 31, 2000, 10,000,000 shares of preferred stock were authorized; no shares have been issued.

Certain stockholders were granted registration rights and piggyback rights which were effective after completion of the Company's public offering in August 1999.

Stockholders' equity contributions are recorded when received. The Company issued 31,980,000 shares of common stock for net proceeds of \$32 million in 1999. These shares had been subscribed at December 31, 1998.

Stockholder Rights Plan

During 2000 the Company enacted a stockholder rights plan. Under the stockholder rights plan, preferred stock purchase rights were distributed as a dividend at the rate of one right for each share of Common Stock outstanding as of the close of business on December 6, 2000. Each right entitles the holder to purchase from the Company one ten-thousandth of a share of Series A Junior Participating Preferred Stock of the Company at an exercise price of \$100 per right. The rights attached to the Company's Common Stock are not currently exercisable. The rights become exercisable and will separate from the Common Stock (1) ten calendar days after a person or group acquires, or announces the intent to acquire, beneficial ownership of 15% or more of the Company's Common Stock, or (2) ten business days (or a later date following such announcement if determined by the Board of Directors of the Company in accordance with the plan) after the announcement of a tender offer or an exchange offer to acquire 15% or more of the Company's outstanding Common Stock.

The rights are redeemable for \$.0001 per right at the option of the Company's Board of Directors at any time prior to the close of business on the tenth business day after the announcement of a stock acquisition event described above. If not redeemed, the rights will expire on November 22, 2010. Prior to the date upon which the rights would become exercisable under the plan, the Company's outstanding stock certificates will represent both the shares of Common Stock and the rights, and the rights will trade only with the shares of common stock.

Generally, if the rights become exercisable, then each stockholder, other

than the acquirer, is entitled to purchase, for the purchase price, that number of shares of Common Stock that, at the time of the transaction, will have a market value of three times the exercise price of the rights. In addition, if, after the rights become exercisable, the Company is acquired in a merger or other business combination, or 50% or more of its assets or earning power are sold, each right will entitle the holder to purchase, at the exercise price of the rights, that number of shares of common stock of the acquiring company that, at the time of the transaction, will have a market value of three times the exercise price of the rights.

77

<PAGE> 32

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

11. STOCKHOLDERS' EQUITY -- (CONTINUED)

Common Stock Issued for Acquisitions

During 2000 and 1999, the Company issued 21,534,668 and 852,631 shares of common stock for acquisitions of Partner Companies. During 2000 and 1999, the Company also issued 1,049,426 and 1,033,908 shares of common stock pursuant to the exercise of an option agreement issued in conjunction with the acquisition of a Partner Company in 1999. These transactions resulted in recording increases to additional paid-in capital of \$1.6 billion and \$172 million, respectively. See footnote 8, Acquisitions.

Issuance of Common Stock Under Equity Compensation Plans

In April through July 1999 the Company's Board of Directors authorized the acceptance of full recourse promissory notes totaling \$79.8 million from its employees and a director as consideration for exercising all or a portion of their vested and unvested stock options issued under the 1999 Equity Compensation Plan (a total of 35,991,500 shares of common stock were issued in connection with these exercises). As of December 31, 2000 \$52.0 million in notes receivable from employees is recorded as a reduction of Stockholders' Equity to offset the increase in additional paid-in capital. The Company has the right, but not the obligation, to repurchase unvested shares under certain circumstances. The exercise of unvested options by the employees and director and the acceptance of promissory notes by the Company was in accordance with the terms of the Company's equity compensation plans and related option agreements. The Company's Board of Directors also approved loaning employees the funds, under the terms of full recourse promissory notes, to pay the income taxes that become due in connection with the option exercises.

During 2000, the Company exercised its rights to repurchase 5,744,308 shares at cost upon the termination of certain of its employees. In conjunction with these terminations, the Company accelerated the vesting of certain shares resulting in a compensation charge of \$12.0 million, which has been recorded as an adjustment to additional paid-in capital.

During 2000, the Company recorded unearned compensation expense of \$6.7 million in connection with the grant of stock options, at fair value, to non-employees, under the 1999 Equity Compensation Plan. During 1999 and 1998, the Company recorded aggregate unearned compensation expense of \$17.1 million in connection with the grant of stock options to non-employees and the grant of stock options to employees, under the 1999 Equity Compensation Plan, where it was determined that the exercise prices was less than the deemed fair value on the respective dates of grant. Amortization expense relating to this deferred compensation was \$7.1 million and \$5.7 million, respectively in 2000 and 1999.

Secondary Offering

In December 1999, the Company completed its secondary offering of common stock and convertible subordinated notes (Note 7). The Company sold 6,900,000 shares of its common stock at \$108.00 per share. Just prior to and concurrent with the secondary offering, the Company completed private placements of 609,533 shares and 648,147 shares of its common stock at \$82.02 and \$108.00 per share, respectively. Net proceeds to the Company from these transactions aggregated \$831.0 million (net of underwriters' commission and offering expenses of \$34.2 million).

Initial Public Offering

In August 1999, the Company completed its initial public offering ("IPO") of 30,620,000 shares of its common stock at \$6.00 per share. Concurrently, the Company completed a private placement of 7,500,000 shares of its common stock at \$6.00 per share. Net proceeds to the Company from these transactions aggregated \$209.5 million (net of underwriters' commission and offering expenses of \$19.2 million).

&lt;PAGE&gt; 33

## INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 11. STOCKHOLDERS' EQUITY -- (CONTINUED)

## Tax Distribution

In March 1999 the Company made a distribution of \$10.7 million to former LLC members in accordance with the LLC agreements to satisfy the members' tax liabilities.

## 12. STOCK OPTION PLANS

Incentive or non-qualified stock options may be granted to Company employees, directors and consultants under the Membership Profit Interest Plan ("MPI") or the 1999 Equity Compensation Plan ("1999 Plan") (together the "Plans"). Generally, the options vest over a four to five year period and expire eight to ten years after the date of grant. At December 31, 2000, the Company reserved 230,333 and 478,199 shares of common stock under the 1999 Plan and MPI Plan, respectively, for possible future issuance. Most Partner Companies also maintain their own stock option plans.

The following table summarizes the activity of the Company's stock option plans:

&lt;TABLE&gt;

&lt;CAPTION&gt;

	WEIGHTED AVERAGE	
	SHARES	EXERCISE PRICE
<S>	<C>	<C>
Outstanding at January 1, 1998	188,000	\$ 0.50
Options granted	12,144,000	1.00
Options canceled/forfeited	(94,000)	(0.50)
Outstanding at December 31, 1998	12,238,000	1.00
Options granted	28,995,500	6.82
Options exercised	(35,991,500)	2.26
Options canceled/forfeited	(69,000)	(2.44)
Outstanding at December 31, 1999	5,173,000	23.74
Options granted	30,535,111	39.63
Options exercised	(340,087)	3.04
Options canceled/forfeited	(6,185,636)	61.34
Outstanding at December 31, 2000	29,182,388	\$32.66

&lt;/TABLE&gt;

At December 31, 2000, 1999 and 1998 there were 27,401,748, 4,688,000 and 12,238,000 options exercisable at \$32.76, \$24.62 and \$1.00 per share under the plans, respectively.

The following table summarizes information about stock options outstanding at December 31:

&lt;TABLE&gt;

&lt;CAPTION&gt;

EXERCISE PRICE	NUMBER OUTSTANDING AT 2000	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (IN YEARS)	NUMBER OUTSTANDING AT 1999	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (IN YEARS)	NUMBER OUTSTANDING AT 1998	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (IN YEARS)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 0.50 - \$ 5.00	7,581,412	8.7	3,353,000	9.2	12,238,000	10.0
\$ 5.01 - \$ 15.00	7,864,200	9.3	4,000	9.6	--	--
\$15.01 - \$ 50.00	6,781,144	8.0	20,000	9.8	--	--
\$50.01 - \$110.50	6,955,632	9.7	1,796,000	9.9	--	--
	29,182,388		5,173,000		12,238,000	

&lt;/TABLE&gt;

Included in the 2000 option grants are 188,750 stock options to non-employees. The fair value of these options of \$6.7 million was recorded as

deferred compensation in 2000 and is being amortized over the vesting period. The fair value of these options was determined using the Black-Scholes method assuming a volatility

79

<PAGE> 34

INTERNET CAPITAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

12. STOCK OPTION PLANS -- (CONTINUED)

range of approximately 100-150%, a dividend yield of 0%, a contractual option life of 10 years, and risk-free interest rates ranging from 5.4 - 5.7%.

Included in the 1999 option grants are 1,636,000 stock options to non-employees. The fair value of these options of \$3.7 million was recorded as deferred compensation in 1999 and is being amortized over the vesting period. The fair value of these options was determined using the Black-Scholes method assuming a volatility of 80%, a dividend yield of 0%, an average expected option life of 5 years, and a risk-free interest rate of 5.2%.

Included in the 1999 option grants are 23,047,500 stock options to employees issued below market value on the date of grant. The aggregate difference between the strike price and market value on the date of grant, for these options granted, of \$12.7 million was recorded as deferred compensation in 1999 and is being amortized over the vesting period.

Included in the 1998 option grants are 94,000 stock options to non-employees. The fair value of these options of \$0.4 million was recorded as deferred compensation in 1998 and is being amortized over the vesting period. The fair value of these options was determined using the Black-Scholes method assuming a volatility of 80%, a dividend yield of 0%, an average expected option life of 5 years, and a risk-free interest rate of 5.2%.

The Company applies APB 25 and related interpretations to account for its stock option plans. Had compensation cost been recognized pursuant to SFAS 123, the Company's net income (loss) would have been as follows:

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Net Income (loss)			
As reported.....	\$ (659,913)	\$ (29,777)	\$13,899
SFAS 123 pro forma.....	\$ (870,700)	\$ (41,499)	\$13,437
Net Income (loss) per share			
As reported.....	\$ (2.40)	\$ (.15)	\$ .12
SFAS 123 pro forma.....	\$ (3.17)	\$ (.21)	\$ .12

</TABLE>

The per share weighted-average fair value of options issued by the Company during 2000, 1999 and 1998 was \$33.89, \$3.94 and \$0.22, respectively.

Prior to its initial public offering, the Company used the minimum value method to value option grants to employees using a 5.2% to 5.5% risk-free interest rate, an expected life of 5 years, and no dividend yield. The following assumptions were used to determine the fair value of stock options granted to employees by the Company following its initial public offering through December 31, 2000:

<TABLE>

<S>

	<C>
Volatility.....	96 - 156.5%
Average expected option life.....	5 years
Risk-free interest rate.....	5.2 - 6.74%
Dividend yield.....	0.0%

</TABLE>

The Company also includes its share of its Partner Companies SFAS 123 pro forma expense in the Company's SFAS 123 pro forma expense. The methods used by the Partner Companies included the minimum value method for private Partner Companies and the Black-Scholes method for public Partner Companies with assumptions between 2 to 6 years for average expected option life, 5.0% to 6.75% for risk-free interest rate, no dividend yield, and volatility up to 100%.

80

<PAGE> 35

## INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 13. INCOME TAXES

The provision for income tax expense (benefit) is as follows:

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
	<C>	<C>
Current.....	\$ 428	\$ --
Deferred.....	(327,683)	(23,722)
Total.....	<u>\$ (327,255)</u>	<u>\$ (23,722)</u>

</TABLE>

The current expense consists of foreign income taxes.

At December 31, 2000, the Company had net operating loss carry forwards of \$137.4 million which may be used to offset future taxable income. These carry forwards expire beginning in 2019 and may be limited should certain changes in the Company's ownership occur. Management believes it is more likely than not that the Company will realize its net deferred tax asset through future earnings and/or tax planning strategies.

The Company's net deferred tax assets consist of the following:

<TABLE>  
<CAPTION>

	AS OF DECEMBER	
	2000	1999
	IN THOUSANDS	
	<C>	<C>
Net operating loss carry forward.....	\$ 50,862	\$ 2,065
Other comprehensive income.....	39,553	(13,189)
Reserves and accruals.....	4,232	--
Other, net.....	(139)	(466)
Partner Company basis difference.....	(67,154)	37,695
Stock compensation.....	(299)	8,283
Intangible assets.....	(2,967)	--
Net deferred tax asset.....	<u>\$ 24,088</u>	<u>\$ 34,388</u>

</TABLE>

The effective tax rate differs from the federal statutory rate as follows:

<TABLE>  
<CAPTION>

	AS OF DECEMBER 31,	
	2000	1999
	<C>	<C>
Tax benefit at statutory rate.....	(35.0)%	(35.0)%
Change in tax status.....	--	(14.5)%
Stock-based compensation.....	0.6%	3.0%
Non-deductible expenses and other.....	0.9%	2.2%
In process research and development.....	0.4%	--
Goodwill.....	2.6%	--
Foreign and state taxes, net.....	(1.7)%	--
Consolidated subsidiaries provision.....	(1.0)%	--
	<u>(33.2)%</u>	<u>(44.3)%</u>

</TABLE>

## 14. RELATED PARTIES

The Company provides strategic and operational support to its Partner Companies in the normal course of its business. These services are generally provided by the Company's employees, members of its Advisory

## INTERNET CAPITAL GROUP, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 14. RELATED PARTIES -- (CONTINUED)

Board and Board of Directors and outside consultants. The costs related to employees are paid by the Company and are reflected by the Company in general and administrative expenses of the General ICG Operations segment. Members of the Company's Advisory Board and Board of Directors are generally compensated with stock options in the Company which are accounted for in accordance with Statement of Financial Accounting Standards No. 123 with any expense related to these options included in stock-based compensation expense of the General ICG Operations segment. The costs of outside consultants are generally paid directly by the Partner Company.

The Company entered into various cost sharing arrangements with the same principal stockholder during 2000, 1999 and 1998, whereby the Company reimbursed, under fair market terms, this stockholder for certain operational expenses. The amounts incurred for such items were \$1.0 million, \$0.3 million and \$0.2 million in 2000, 1999 and 1998, respectively.

The Company paid \$11.1 million to a Partner Company during 2000 for research and development projects principally relating to the development of a technology platform to allow market makers to conduct business-to-business transactions.

The Company loaned an officer \$0.1 million during 1998, evidenced by a term note with an interest rate of prime plus 1% (8.75% at December 31, 1998) to purchase a portion of the Company's interest in a Partner Company at the Company's cost. This note was repaid in January 1999.

In 1998 the Company entered into a \$0.2 million one-year consulting contract with a Partner Company.

The Company provides executive recruiting services to its Partner Companies in the normal course of business. These services are provided by the Company's employees and are billed under fair market terms. During 2000 and 1999, Partner Companies incurred costs of \$6.2 million and \$1.2 million, respectively, payable to the Company, and \$0.3 million and \$0.8 million, respectively, is included in accounts receivable, net, on the Company's Consolidated Balance Sheets related to these services.

The Company shares certain acquisition rights with certain of its principal stockholders whereby these stockholders have the ability to purchase a portion of the Company's interest in certain Partner Companies. During 1999 and 1998, one stockholder exercised this right and acquired a portion of the Company's interest in or advances to three Partner Companies for cash of \$3.0 million and assumption of \$0.4 million of a payable to a Partner Company. At the time of the transactions, there was no difference between the consideration received and the Company's cost basis of the ownership interest or advance sold. These rights terminated upon the Company's initial public offering in August 1999.

The Company loaned an officer \$0.6 million during 1999, evidenced by a term note with an interest rate of 4.98% to purchase the Company's stock in the initial public offering. This note was repaid in 1999.

Certain executives of the Company and its Partner Companies have the option to purchase a portion of the Company's ownership interest in various Partner Companies at the Company's cost.

## 15. OTHER SUPPLEMENTAL NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year ended December 31, 1998, the Company exchanged all of its holdings in Matchlogic and WiseWire for shares of Excite and Lycos, respectively (footnote 17).

Interest paid in the periods ended December 31, 2000, 1999 and 1998 was \$33.2 million, \$0.2 million and \$0.1 million, respectively.

The Company paid no income taxes in 1998 due to its tax status as an LLC. No income taxes were paid in 1999 or 2000 as the Company had a net operating loss.

## 15. OTHER SUPPLEMENTAL NON-CASH FINANCING AND INVESTING ACTIVITIES -- (CONTINUED)

In 1998, the Company acquired an ownership interest in a Partner Company in exchange for a \$1.7 million note payable. The note was payable in two equal installments through June 1999, did not bear interest and was secured with the acquired stock of the Partner Company. In March 1999, a stockholder of the Company assumed \$0.4 million of this note. This note was paid in 1999.

## 16. DEFINED CONTRIBUTION PLAN

In 1997, the Company established a defined contribution plan that covers all of its employees. Participants may contribute 1% to 15% of pre-tax compensation, as defined. The Company may make discretionary contributions to the plan but has never done so.

## 17. OTHER INCOME

Other income consists of the effect of transactions and other events incidental to our ownership interests in our Partner Companies and our operations in general. Other income may include, among other items, gains or losses on the sales of all or a portion of minority interests, gains or losses on the issuances of stock by our Partner Companies to reflect the change in our share of the net equity of these companies, and impairment charges related to our ownership interests in and advances to Partner Companies accounted for under the cost method.

Other income consisted of the following:

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Gain on issuance of stock by VerticalNet.....	\$227,858	\$50,717	\$ --
Gain on issuance of stock by Breakaway Solutions.....	24,294	17,304	--
Sale of SMART Technologies to i2 Technologies.....	--	2,942	--
Sale of i2 Technologies holdings.....	34,488	--	--
Sale of Matchlogic to Excite.....	--	--	12,822
Sales of Excite holdings.....	--	2,051	16,814
Sale of Excite to @ Home Corporation.....	--	2,719	--
Sale of WiseWire to Lycos.....	--	--	3,324
Sales of Lycos holdings.....	(192)	--	1,472
TRADEX Sale to Ariba.....	449,284	--	--
Sales of Ariba holdings.....	(78,301)	--	--
Sale of CentriMed.....	25,332	--	--
Sale of ServiceSoft.....	6,468	--	--
Sale of US Interactive.....	(245)	--	--
Partner Company impairment charges.....	(55,904)	(8,097)	(3,949)
Other.....	(5,855)	(252)	--
	\$627,227	\$67,384	\$30,483
	=====	=====	=====

</TABLE>

As a result of VerticalNet issuing additional shares for acquisitions during the year ended December 31, 2000, the Company's share of VerticalNet's net equity increased by \$227.8 million. This increase adjusts the Company's carrying value in VerticalNet and resulted in a non-operating gain of \$227.8 million, for the year ended December 31, 2000. Additionally, as a result of VerticalNet completing its initial public offering in February 1999 and issuing additional shares for acquisitions in 1999, the Company shares of VerticalNet's net equity increased by \$50.7 million. This increase adjusted the Company's carrying value in VerticalNet and results in a non-operating gain of \$50.7 million for the year ended December 31, 1999. As a result of

## 17. OTHER INCOME -- (CONTINUED)

Breakaway Solutions issuing additional shares for acquisitions during the year ended December 31, 2000, the Company's share of Breakaway Solutions' net equity



increased by \$24.3 million. This increase adjusts the Company's carrying value in Breakaway Solutions and results in a non-operating gain of \$24.3 million. As a result of Breakaway Solutions completing its initial public offering in October 1999, the Company's share of Breakaway Solutions' net equity increased by \$17.3 million. This increase adjusted the Company's carrying value in Breakaway Solutions and resulted in a non-operating gain of \$17.3 million in the year ended December 31, 1999. These gains were recorded in accordance with SEC Staff Accounting Bulletin No. 84 and the Company's accounting policy with respect to such transactions. The Company believes there is a high likelihood that transactions similar to these, in which a Partner Company the Company accounts for under the consolidation or equity method of accounting issues shares of its common stock, will occur in the future and the Company expects to record gains or losses related to such transactions provided they meet the requirements of SEC Staff Accounting Bulletin No. 84 and the Company's accounting policy. In some cases, as described in SEC Staff Accounting Bulletin No. 84, the occurrence of similar transactions may not result in a non-operating gain or loss but would result in a direct increase or decrease to the Company's stockholders' equity.

In August 1999, the Company divested its ownership interest in SMART Technologies, Inc. due to the agreement of merger of SMART Technologies, Inc. and i2 Technologies, Inc. Upon completion of this merger during the three months ended September 30, 1999, the Company's ownership interest in and advances to SMART Technologies, Inc. were converted into cash, common stock and warrants to purchase common stock of i2 Technologies, Inc. The Company's non-operating gain before taxes from this transaction was \$2.9 million. During the year ended December 31, 2000, the Company sold 230,920 shares of i2 Technologies that resulted in net proceeds of \$39.4 million and gain of \$34.5 million.

In February 1998, the Company exchanged all of its holdings of Matchlogic, Inc. for 763,820 shares of Excite, Inc. The \$14.3 million market value of the Excite shares received on the date of exchange was used to determine the gain of \$12.8 million. Throughout the remainder of 1998, the Company sold 716,082 shares of Excite, which resulted in \$30.2 million of proceeds and \$16.8 million of gains. During the three month period ended March 31, 1999, the Company sold 23,738 shares of Excite, which resulted in \$2.5 million of proceeds and \$2.1 million of gains.

In May 1999, @Home Corporation announced it would exchange its shares for all of the outstanding stock of Excite. As part of this merger, the Company received shares of @Home Corporation in exchange for the Company's shares in Excite, resulting in a non-operating gain before taxes of \$2.7 million.

In April 1998, the Company exchanged all of the Company's holdings of WiseWire for 191,922 shares of Lycos, Inc. The \$5.3 million market value of the Lycos shares received on the date of exchange was used to determine the gain of \$3.3 million. Throughout the remainder of 1998, the Company sold 169,548 shares of Lycos, which resulted in \$6.2 million of proceeds and \$1.5 million of gains. The \$1.5 million gain recorded in 1998 was reduced by \$0.2 million in 2000 due to a litigation matter pursuant to the 1998 merger among Lycos, Inc., Wise Wire Corp. and Wise Acquisition Corp. which resulted in a reduction of shares held in escrow by 29,617.

In March 2000 the Company exchanged all of its interest in TRADEX for 2.9 million shares of Ariba common stock. Based on Ariba's closing price on March 9, 2000, the closing date of the transaction, the Company recorded a pre-tax gain of \$449.3 million. The Company's holdings of Ariba are accounted for as available-for-sale securities and are marked to market, with the difference between carrying value and market value, net of deferred taxes, recorded in "Accumulated other comprehensive income" in the stockholders' equity section of the Consolidated Balance Sheets. During the year ended December 31, 2000 the Company

17. OTHER INCOME -- (CONTINUED)

sold 1,364,862 shares of Ariba common stock at an average price of \$103.06 and recorded a loss of \$78.3 million.

In September 2000, the Company sold all of its interest in CentriMed in exchange for \$15.2 million in cash, \$15.5 million in contingent consideration to be received upon meeting certain levels of performance (\$9.7 million was received in October 2000) and other consideration. The Company recorded a gain of \$25.3 million, net of potential payments relating to its long-term incentive plan, during the year ended December 31, 2000.

In December 2000, the Company exchanged all of its holdings of ServiceSoft for 1,341,299 shares of Broadbase Software. The Company's proceeds of \$10.2 million were based on the market value of the Broadbase Software shares it received on the date of the exchange and resulted in a gain of \$6.5 million.

The Company's remaining holdings of @Home Corporation, Lycos, Ariba and Broadbase Software at December 31, 2000 are accounted for as available-for-sale securities and are marked to market, with the difference between carrying value and market value, net of deferred taxes, recorded in "Accumulated other comprehensive income" in the stockholders' equity section of the Company's Consolidated Balance Sheets.

In December 1998, the Company recorded an impairment charge of \$1.9 million for the decrease in value of one of the Company's Partner Companies accounted for under the cost method of accounting as a result of selling the Partner Company interest below the Company's carrying value. The Company had acquired its ownership interest in the Partner Company during 1996 and 1997. In December 1998, the Partner Company agreed to be acquired by an independent third party. The transaction was completed in January 1999. The impairment charge the Company recorded was determined by calculating the difference between the proceeds it received from the sale and the Company's carrying value.

During the year ended December 31, 2000, the Company recorded \$55.9 million in impairment charges related to Partner Companies accounted under the cost method. \$37.8 million of this amount was determined by subsequent sale of two Partner Companies below the Company's carrying value. The remainder primarily relates to the other than temporary decline in the fair market value of a Partner Company, which was acquired in 1996 and has not been able to meet its business objectives. During the fourth quarter, the Company made a decision to no longer provide funding to this Partner Company and it appears that it is highly unlikely that other funding sources will materialize.

For the years ended December 31, 1999 and 1998, the Company recorded impairment charges of \$2 million and \$8.1 million, respectively, for the other than temporary decline in the fair value of a cost method Partner Company. From the date the Company initially acquired an ownership interest in this Partner Company through December 31, 1999, the Company's funding to this Partner Company represented all of the outside capital the company had available to fund its net losses and capital asset requirements. During the year ended December 31, 1999 the Company fully guaranteed the Partner Company's new bank loan and agreed to provide additional funding. The Company acquired additional non-voting convertible debentures of this Partner Company for \$8 million in 1999. The impairment charges the Company recorded were determined by the decrease in net book value of the partner company caused by its net losses, which were funded entirely based on the Company's funding and bank guarantee. Given its continuing losses, the Company will continue to determine and record impairment charges in a similar manner for this Partner Company until the status of its financial position improves.

#### 18. IMPAIRMENT RELATED AND OTHER

Impairment related and other primarily relates to impairment charges for Partner Companies accounted for under consolidation method of accounting.

85

<PAGE> 40

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 18. IMPAIRMENT RELATED AND OTHER -- (CONTINUED)

As described in note 8 the Company purchased a controlling interest in PaperExchange.com in September 2000 for 4,864,221 shares of the Company's common stock valued at \$165.8 million. PaperExchange.com provides an online marketplace for the purchase and distribution of pulp and paper products. PaperExchange.com has incurred substantial losses since its inception and had an accumulated deficit of \$47.4 million as of December 31, 2000. After our acquisition, the plans to develop relationships with an existing paper consortium and exploit relationships with certain strategic partners deteriorated and the CEO resigned. It was then determined that revenue estimates for the remainder of 2000 would be significantly below plan estimates and the company's cash burn rate continued to increase. As a result of these factors the Company performed an evaluation of the carrying amount of its investment in PaperExchange.com in accordance with SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for the Long-Lived Assets to be Disposed of" and determined that it was necessary to record an impairment charge as of December 31, 2000. The impairment charge of \$128.2 million was based on the estimated current fair value of PaperExchange.com, which was determined by estimating the future discounted cash flows of the Company including the estimated proceeds upon disposition. Other impairment charges include \$6.7 million related to another consolidated Partner

Company for which it has been determined that the Company will not be able to recover any of its investment.

Impairment related and other also includes \$19.5 million related to severance-related costs including \$12.1 million in accelerated stock option charges for certain terminated employees. In addition, the Company recorded \$6.4 million in costs associated with severance, facilities reduction and the write down of certain fixed assets.

#### 19. COMMITMENTS AND CONTINGENCIES

The Company and its subsidiaries are involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the amount of the ultimate liability with respect to these actions will not materially affect the financial position, results of operations or cash flows of the Company and its subsidiaries.

As of December 31, 2000, the Company guaranteed \$46.1 million of bank loan and other commitments, in connection with its ownership interests in certain Partner Companies, and has committed capital of \$39.5 million to be funded in 2001. If certain Partner Companies individually achieve agreed upon revenue or market capitalization milestones, the Company will be obligated to pay additional purchase price consideration to other current or former shareholders of the Partner Companies up to an aggregate amount of \$84.4 million, of which \$70 million is payable in cash or stock at the Company's option. These contingent obligations will expire on various dates through May 31, 2005 if the milestones are not achieved.

The Company and its consolidated subsidiaries, CyberCrop.com, Delphion, eMarket Capital, Emptoris, eu-Supply, ICG Asia, ICG Commerce, iParts, Mesania, MROLink, OnMedica, PaperExchange.com, RightWorks and StarCite lease their facilities under operating lease agreements expiring through 2005. Future minimum lease payments as of December 31, 2000 under the leases are as follows:

<TABLE>  
<CAPTION>

	(IN THOUSANDS)
<S>	<C>
2001.....	\$16,479
2002.....	14,682
2003.....	11,682
2004.....	10,537
2005.....	8,382
Thereafter.....	\$35,484

</TABLE>

86

<PAGE> 41

INTERNET CAPITAL GROUP, INC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 19. COMMITMENTS AND CONTINGENCIES -- (CONTINUED)

Rent expense under the noncancelable operating leases was \$9.5 million in 2000, \$0.4 million in 1999 and \$0.3 million in 1998.

Because many of its Partner Companies are not majority-owned subsidiaries, changes in the value of the Contributor's interests in Partner Companies and the income or loss and revenue attributable to them could require the Company to register under the Investment Company Act unless it takes action to avoid being required to register. However, the Company believes it can take steps to avoid being required to register under the Investment Company Act, which would not adversely affect its operations or stockholder value.

One consolidated Partner Company has entered into employment agreements with certain employees. The agreements are cancelable, but require severance upon termination. As of December 31, 2000, the Partner Company would be required to pay up to \$0.2 million in aggregate severance in the event that the employment agreements were cancelled.

#### 20. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table sets forth selected quarterly financial information for the years ended December 31, 2000 and 1999. The operating results for any given quarter are not necessarily indicative of results for any future period.

<TABLE>  
<CAPTION>

FISCAL 2000 QUARTER ENDED

FISCAL 1999 QUARTER ENDED

	MAR. 31	JUN. 30	SEP. 30	DEC. 31	MAR. 31	JUN. 30	SEP. 30	DEC.
31	-----	-----	-----	-----	-----	-----	-----	-----
				(IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$ 1,830	\$ 3,375	\$ 16,468	\$ 21,262	\$ 3,111	\$ 4,480	\$ 7,192	\$
1,753								
Operating Expenses								
Cost of revenue.....	689	1,913	9,843	14,888	1,553	2,450	3,421	
731								
Selling, general & administrative.....	28,621	58,413	80,326	76,372	3,403	7,850	14,007	
14,648								
Stock-based compensation.....	1,861	2,148	10,909	10,829	122	621	2,578	
2,378								
Impairment related and other.....	--	6,764	904	153,176	--	--	--	
--								
Amortization of goodwill.....	2,181	26,311	104,934	121,104	323	957	1,142	
896								
Research and development.....	--	22,008	15,302	38,592	--	--	--	
--								
	-----	-----	-----	-----	-----	-----	-----	-----
	\$ (31,522)	\$ (114,182)	\$ (205,750)	\$ (393,699)	\$ (2,290)	\$ (7,398)	\$ (13,956)	
\$ (16,900)								
Other income (expense) net.....	657,686	7,631	19,210	(57,299)	28,677	2,397	15,927	
20,382								
Interest income.....	18,800	13,516	11,187	7,878	310	975	2,892	
5,454								
Interest expense.....	(9,340)	(12,106)	(10,037)	(11,500)	(14)	(953)	(803)	
(2,125)								
	-----	-----	-----	-----	-----	-----	-----	-----
Income (loss) before income taxes, minority interest and equity loss.....	635,624	(105,141)	(185,390)	(454,620)	26,683	(4,979)	4,060	
6,811								
Income taxes.....	(209,499)	92,639	132,228	311,888	663	5,134	7,044	
10,882								
Minority interest.....	5,901	11,376	29,261	49,008	146	1,302	2,685	
1,893								
Equity loss -- share of partner company losses.....	(42,605)	(116,778)	(120,797)	(235,939)	(5,740)	(9,439)	(22,841)	
(34,309)								
Equity loss -- goodwill amortization.....	(37,446)	(66,830)	(99,016)	(96,006)	(1,673)	(3,228)	(6,222)	
(8,649)								
Equity loss -- impairment and related.....	--	(2,132)	(20,139)	(135,498)	--	--	--	
--								
	-----	-----	-----	-----	-----	-----	-----	-----
Net income (loss).....	\$ 351,975	\$ (186,866)	\$ (263,853)	\$ (561,167)	\$20,079	\$ (11,210)	\$ (15,274)	
\$ (23,372)								
=====	=====	=====	=====	=====	=====	=====	=====	

</TABLE>

## 21. FISCAL 2001 EVENTS

Subsequent to December 31, 2000, the Company sold or entered into agreements in principle to sell its interests in or assets of Blackbird, Deja.com, EmployeeLife.com, SageMaker, and VerticalNet Europe for expected proceeds in excess of \$25 million.

On January 1, 2001, ICG Commerce acquired ePValue, Inc. ("ePValue"), a provider of outsourced purchasing services for large enterprises. Prior to the acquisition, Accenture and Sun Microsystems were the majority shareholders of ePValue. ICG Commerce issued an aggregate of 3,858,809 shares of its common and Series C Preferred stock as well as a commitment to issue an additional 120,000 shares of its Common stock upon conversion of all outstanding common stock of ePValue in a merger. In addition, in connection with the merger, certain of the sellers will receive the right to earn up to an 3,924,774 additional shares of ICG Commerce Common stock if, by December 31, 2001, ePValue enters into customer arrangements which generate cash inflows and meet an addressable spend threshold, as defined in the agreement. The acquisition will be accounted for using the purchase method with the purchase price allocated to the fair value of the acquired assets and liabilities. The excess of purchase price over the fair value of the net assets acquired has been allocated between assembled workforce and goodwill.

Also, on January 1, 2001, ICG Commerce entered into a strategic alliance with Accenture LLP, pursuant to which Accenture can earn up to 7,358,950 shares of ICG Commerce's Common stock. Accenture can earn all 7,358,590 shares by referring customers which generate net revenues to ICG Commerce, as defined in the agreement, of \$130 million for two consecutive quarters.

On January 24, 2001, OnMedica acquired a 100% interest in MediDesk for approximately \$22.4 million of OnMedica stock. As a result, the Company's ownership in OnMedica declined to 54%.

On March 8, 2001, the Company announced the merger of RightWorks with i2 Technologies, Inc. Upon closing of the merger, the Company expects to receive approximately 4 million shares of i2 Technologies, Inc. common stock in exchange for the Company's interest in RightWorks. Based on the closing price of i2 Technologies' stock at the date of the announcement, the Company estimated it would record a non-cash loss of approximately \$490 million. The actual loss may be greater or lesser than this amount depending on the trading price of i2 Technologies' stock at closing.

88

<PAGE> 43

#### PART IV

#### ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

##### (a)1. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements and related Notes thereto as set forth under Item 8 of this Report on Form 10-K are incorporated herein by reference.

##### (a)2. FINANCIAL STATEMENT SCHEDULE

89

<PAGE> 44

#### REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders  
Internet Capital Group, Inc.:

Under date of February 21, 2001, except as to note 21, which is as of March 8, 2001, we reported on the consolidated balance sheets of Internet Capital Group, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, cash flows, stockholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2000. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule 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.

Philadelphia, Pennsylvania  
February 21, 2001

The following financial statement schedule of Internet Capital Group, Inc. for each of the years ended December 31, 2000, 1999, and 1998 should be read in conjunction with our Consolidated Financial Statements and related Notes thereto.

INTERNET CAPITAL GROUP  
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS  
YEAR ENDED DECEMBER 31, 1998, 1999, AND 2000  
(IN THOUSANDS)

<TABLE>  
<CAPTION>

	BALANCE AT THE BEGINNING OF THE YEAR	CHARGED TO COSTS AND EXPENSES	WRITE- OFFS	BALANCE AT THE END OF THE YEAR
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Allowance for Doubtful Accounts:				
December 31, 1998.....	\$30	\$ 62	\$ (31)	\$ 61
December 31, 1999.....	\$61	\$ 72 (a)	\$ (66) (b)	\$ 67
December 31, 2000.....	\$67	\$4,707 (c)	\$ (16)	\$4,758
Ownership interests in and advances to Partner Companies:				
December 31, 1998.....	\$80	\$1,820	\$ (1,880) (d)	\$ 20
December 31, 1999.....	\$20	\$--	\$ (20)	\$--
December 31, 2000.....	\$--	\$--	\$ --	\$--

</TABLE>

- 
- (a) Reserve of \$72 established from acquisitions of consolidated partner companies during 1999.
- (b) Reserve of \$61 was eliminated upon deconsolidation of VerticalNet during 1999.
- (c) Reserve of \$3,462 established from partner companies acquired in 2000 or consolidated during 2000.
- (d) Reserve of \$80 was eliminated upon acquiring Informatrix during 1998.

Schedules other than those listed above have been omitted since they are either not required, not applicable, or the information has otherwise been included.

90

<PAGE> 45

(a)3. LIST OF EXHIBITS

The exhibits required by this Item are listed under Item 14(c)

(b) Report on Form 8-K

On December 1, 2000, we filed a Current Report on Form 8-K dated November 22, 2000 to report under Item 5 (Other Events) the execution of a Rights Agreement between Internet Capital Group and Mellon Investor Services, L.L.C., as Rights Agent.

(c) Exhibits

EXHIBIT INDEX

The following is a list of exhibits required by Item 601 of Regulation S-K filed as part of this Report. Where so indicated, exhibits which were previously filed are incorporated by reference. For exhibits incorporated by reference, the location of the exhibit in the previous filing is indicated in parentheses.

<TABLE>  
<CAPTION>

EXHIBIT  
NUMBER  
-----

DOCUMENT  
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<C>	<S>
2.1	Agreement of Merger, dated February 2, 1999, between Internet Capital Group, L.L.C. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-1 filed by the Company on May 11, 1999 (Registration No. 333-78193) (the "IPO Registration Statement"))
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form 8-A filed by the Company on August 4, 1999 (Registration No. 000-26989) (the "8-A Registration Statement"))
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 2.2 to the 8-A Registration Statement)
4.1	Specimen Certificate for Internet Capital Group's Common Stock (incorporated by reference to Exhibit 4.1 to Amendment No. 3 to the IPO Registration Statement filed by the Company on August 2, 1999 (Registration No. 333-78193) (the "IPO Amendment No. 3"))
4.2	Indenture between Internet Capital Group, Inc. and Chase Manhattan Trust Company, National Association, as Trustee, for the 5 1/2% Convertible Subordinated Notes due 2004 (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K filed on March 16, 2000 (File No. 000-26929) (the "10-K Annual Report"))
4.3	Form of 5 1/2% Convertible Subordinated Notes due 2004 of Internet Capital Group (incorporated by reference to Exhibit 4.2 to the 10-K Annual Report)
10.1	Internet Capital Group, L.L.C. 1998 Equity Compensation Plan (incorporated by reference to Exhibit 10.1 to the IPO Registration Statement)
10.1.1	Internet Capital Group, Inc. 1999 Equity Compensation Plan (incorporated by reference to Exhibit 10.1.1 to the IPO Registration Statement)
10.1.2	Internet Capital Group, Inc. 1999 Equity Compensation Plan as Amended and Restated May 1, 1999 (incorporated by reference to Exhibit 10.1.2 to the IPO Registration Statement)
10.1.3	Amendment No. 1 to the Internet Capital Group, Inc. 1999 Equity Compensation Plan as Amended and Restated May 1, 1999 (incorporated by reference to Exhibit 10.1.3 to Amendment No. 2 to the IPO Registration Statement filed by the Company on July 16, 1999 (Registration No. 333-79193) (the "IPO Amendment No. 2"))
10.1.4	Separation of Employment Agreement and General Release between Nigel Andrews and Internet Capital Group, Inc. dated March 2, 2001 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001 (Commission File No. 000-26929) (the "10-Q"))
10.2	Internet Capital Group, L.L.C. Option Plan for Non-Employee Managers (incorporated by reference to Exhibit 10.2 to the IPO Registration Statement)

</TABLE>

91

<PAGE> 46

<TABLE>  
<CAPTION>

EXHIBIT  
NUMBER  
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DOCUMENT  
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<C>	<S>
10.2.1	Internet Capital Group, Inc. Directors' Option Plan (incorporated by reference to Exhibit 10.2.1 to the IPO Registration Statement)
10.3	Internet Capital Group, L.L.C. Membership Profit Interest Plan (incorporated by reference to Exhibit 10.3 to the IPO Registration Statement)
10.4	Form of Internet Capital Group, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to the 10-K Annual Report)
10.5	Credit Agreement dated as of April 30, 1999 by and among

	Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.26 to the IPO Registration Statement)
10.5.1	Amended and Restated Limited Liability Company Agreement of Internet Capital Group, L.L.C., dated January 4, 1999 (incorporated by reference to Exhibit 10.5.1 to the IPO Registration Statement)
10.6	Securities Holders Agreement dated February 2, 1999 among Internet Capital Group, Inc. and certain holders named therein (incorporated by reference to Exhibit 10.6 to the IPO Registration Statement)
10.7	Securities Purchase Agreement dated as of December 28, 1999 between Weirton Steel Corporation and Internet Capital Group, Inc. This exhibit contains a list of schedules to the exhibit, all of which have been omitted. Upon request of the Securities and Exchange Commission, the Company will furnish a copy to it supplementally (incorporated by reference to the Company's Current Report on Form 8-K filed January 11, 2000 (File No. 0-26929))
10.8	Stock Purchase Agreement dated as of March 7, 2000 between Rain Acquisition Corp. and RightWorks (incorporated by reference to the Company's Current Report on Form 8-K filed June 29, 2000 (File No. 0-26929))
10.9	Stock Exchange Agreement dated as of March 7, 2000 between Rain Acquisition Corp. and Vani Kola (incorporated by reference to the Company's Current Report on Form 8-K filed June 29, 2000 (File No. 0-26929))
10.10	Exchange Offer Agreement dated as of February 24, 2000 by and among eCredit.com, Inc., Internet Capital Group, Inc. and ICG Holdings, Inc. (incorporated by reference to Exhibit 2.2 of the Registrant's Registration Statement on Form S-4 filed April 13, 2000 (Registration No. 333-34722) (the "S-4"))
10.11	Recapitalization and Exchange Offer Agreement and Plan of Reorganization by and among Internet Capital Group, Inc., Rain Acquisition Corp., RightWorks Corporation, Suhas Patal, as Shareholder Representative, and Chase Manhattan Trust Company, National Association, as Escrow Agent, dated as of March 7, 2000 (incorporated by reference to Exhibit 2.3 of the S-4)
10.12	Rights Agreement, dated as of November 22, 2000, between Internet Capital Group, Inc. and ChaseMellon Shareholder Services, L.L.C., as Rights Agent, which includes as Exhibit B thereto the Form of Rights Certificate, incorporated by reference to Exhibit 1.1 to Internet Capital Group, Inc.'s Registration Statement on Form 8-A, dated December 1, 2000 (incorporated by reference to the Company's Current Report on Form 8-K filed December 1, 2000 (File No. 0-26929))
10.13	Form of Internet Capital Group, Inc. Common Stock Purchase Warrant dated May 10, 1999 issued in connection with the May 10, 1999 Convertible Notes (incorporated by reference to Exhibit 10.21 to the IPO Registration Statement)
10.14	Form of Internet Capital Group, Inc. Convertible Note dated May 10, 1999 (incorporated by reference to Exhibit 10.22 to the IPO Registration Statement)
10.15	Stock Purchase Agreement between Internet Capital Group, Inc. and Safeguard Scientifics, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999)

</TABLE>

<PAGE> 47

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EXHIBIT  
NUMBER  
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DOCUMENT  
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<C>	<S>
10.16	Stock Purchase Agreement between Internet Capital Group, Inc. and International Business Machines Corporation (incorporated by reference to Exhibit 10.23.1 to the IPO Amendment No. 2)
10.17	Letter describing the oral lease between Internet Capital Group and Safeguard Scientifics, Inc. for premises located in Wayne, Pennsylvania (incorporated by reference to Exhibit 10.24 to Amendment No. 1 to the IPO Registration Statement filed by the Company on June 22, 1999 (Registration No.



	333-78913) (the "IPO Amendment No. 1"))
10.18	Form of Office Lease between Friends' Provident Life Office and IBIS (505) Limited for premises located in London, England (incorporated by reference to Exhibit 10.11 to Amendment No. 3 to the Registration Statement filed by the Company on December 15, 1999 (Registration No. 333-91447) (the "Follow-on Amendment No. 3"))
10.19	Office Lease dated September, 1999 between Internet Capital Group Operations, Inc. and 45 Milk Street, L.P. for premises located in Boston, Massachusetts (incorporated by reference to Exhibit 10.12 to the Registration Statement filed by the Company on November 22, 1999 (Registration No. 333-91447) (the "Follow-on Registration Statement"))
10.20	Office Lease dated February 25, 1999 between OTR and Internet Capital Group Operations, Inc. for premises located in San Francisco, California (incorporated by reference to Exhibit 10.28 to the IPO Amendment No. 1)
10.20.1	Sublease Agreement between Internet Capital Group Operations, Inc. and RightWorks Corporation, dated January 16, 2001 (incorporated by reference to Exhibit 10.3 to the 10-Q)
10.21	Lease dated March 24, 2000 between Friends' Provident Life Office and Internet Capital Group (Europe) Limited for first floor office and sixth floor apartment premises located in London, England (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
10.22	Lease dated March 29, 2000 between Friends' Provident Life Office and Internet Capital Group (Europe) Limited for ground floor office premises located in London, England (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
10.23	Lease dated January 1, 2000 between Bebob Associates and Internet Capital Group, Inc. for premises located in Wayne, Pennsylvania (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
10.24	Amendment to Lease dated February 1, 2000 between Bebob Associates and Internet Capital Group, Inc. for additional space in Wayne, Pennsylvania (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
10.25	Second Amendment to Lease dated May 9, 2000 between Bebob Associates, Inc. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
10.26	Third Amendment to Lease dated November 29, 2000 between Bebob Associates, Inc. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (Commission File No. 000-26929) (the "2000 10-K"))
10.27	Assignment and Assumption Agreement dated December 31, 2000 among Internet Capital Group, Inc., Internet Capital Group Operations, Inc. and Bebob Associates (incorporated by reference to Exhibit 10.27 to the 2000 10-K)
10.28	Lease dated March 27, 2000 between the Equitable Life Assurance Society of the United States and Internet Capital Group, Inc. for premises located in Boston, Massachusetts (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)

</TABLE>

<PAGE> 48

<TABLE>  
<CAPTION>  
EXHIBIT

NUMBER	DOCUMENT
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10.29	Short Term Lease Agreement dated April 21, 2000 between EOP-One Market, LLC and Internet Capital Group, Inc. for premises in San Francisco, California (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
-------	---

10.30	Credit Agreement dated as of April 30, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.26 to the IPO Registration Statement)
10.31	Amendment No. 1 to the Credit Agreement dated October 27, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15 to the Follow-on Registration Statement)
10.31.1	Amendment No. 2 to the Credit Agreement dated November 19, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15.1 to the Follow-on Registration Statement)
10.31.2	Amended and Restated Amendment No. 2 to the Credit Agreement dated December 19, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15.2 to the Follow-on Registration Statement)
10.31.3	Amendment No. 3 to the Credit Agreement dated February 25, 2000 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15.3 to the 10-K Annual Report)
10.31.4	Amended and Restated Credit Agreement dated March 28, 2000 by and among Internet Capital Group, Inc., ICG Holdings, Inc., The Banks Party Thereto, PNC Bank, National Association, as Administrative Agent, Bank of America, N.A., and Deutsche Bank AG New York Branch/Cayman Island Branch, as Co-Syndication Agents and PNC Capital Markets, Inc., as Lead Arranger (incorporated by reference to Exhibit 10.31 to the S-4)
10.32	Benchmarking Partners, Inc. Option Agreement dated January 1, 1997 by and between Christopher H. Greendale and Internet Capital Group, L.L.C. (incorporated by reference to Exhibit 10.28 to the IPO Registration Statement)
10.32.1	Amendment to Benchmarking Partners, Inc. Option Agreement dated July 19, 1999 by and between Christopher H. Greendale and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.29.1 to the IPO Amendment No. 3)
10.33	Syncra Software, Inc. Option Agreement dated August 1, 1998 by and between Michael H. Forster and Internet Capital Group, L.L.C. (incorporated by reference to Exhibit 10.29 to the IPO Registration Statement)
10.34	Letter Agreement between Internet Capital Group, L.L.C. and Douglas Alexander dated July 18, 1997 (incorporated by reference to Exhibit 10.31 to IPO Amendment No. 1)
10.35	Letter Agreement between Internet Capital Group, L.L.C. and Robert Pollan dated April 27, 1998 (incorporated by reference to Exhibit 10.32 to IPO Amendment No. 1)
10.36	Form of Promissory Note issued in connection with the exercise of Internet Capital Group's stock options in May, June and July of 1999 (incorporated by reference to Exhibit 10.33 to IPO Amendment No. 1)
10.37	Form of Restrictive Covenant Agreement issued in connection with the exercise of Internet Capital Group's stock options in May, June and July of 1999 (incorporated by reference to Exhibit 10.34 to IPO Amendment No. 1)
10.38	Securities Purchase Agreement dated October 27, 1999 by and among eMerge Interactive, Inc., J. Technologies, LLC and Internet Capital Group, Inc. (incorporated by reference to the Company's Current Report on Form 8-K filed November 22, 1999 (File No. 0-26929))

</TABLE>

<PAGE> 49

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EXHIBIT  
NUMBER  
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DOCUMENT  
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<C>	<S>
10.39	Joint Venture Agreement dated October 26, 1999 by and between Internet Capital Group, Inc. and Safeguard Scientifics, Inc. (incorporated by reference to Exhibit 10.23 to the Follow-on Registration Statement)

10.40 Purchase Agreement dated November 5, 1999 between JusticeLink, Inc. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.24 to the Registration Statement filed by the Company on December 6, 1999 (Registration No. 333-91447) ("Follow-on Amendment No. 1"))

10.41 Purchase Agreement dated December 6, 1999 between Internet Capital Group, Inc. and AT&T Corp. (incorporated by reference to Exhibit 10.25 to Follow-on Amendment No. 1)

10.42 Purchase Agreement dated December 6, 1999 between Internet Capital Group, Inc. and Internet Assets, Inc. (incorporated by reference to Exhibit 10.26 to Follow-on Amendment No. 1)

10.43 Purchase Agreement dated December 6, 1999 between Internet Capital Group, Inc. and Ford Motor Company (incorporated by reference to Exhibit 10.27 to Follow-on Amendment No. 3)

10.44 Sublease Agreement dated January 6, 2000 between SP Investments Inc. and Internet Capital Group, Inc. for premises located in Seattle, Washington (incorporated by reference to Exhibit 10.30 to the 10-K Annual Report)

11.1 Statement Regarding Computation of Per Share Earnings (included herein at Note 1-"Significant Accounting Policies" in the subsection "Net Income (Loss) Per Share" to the Consolidated Financial Statements and Note 3-"Net Income (Loss) Per Share" to the Consolidated Financial Statements)

13.1 Sections entitled "Election of Directors (Item 1 on Proxy Card)," "Section 16(a) Beneficial Ownership Reporting Compliance," "Executive Compensation," "Other Forms of Compensation," "Security Ownership of Certain Beneficial Owners and Directors and Officers" and "Certain Relationships and Related Transactions" in the Company's Definitive Proxy Statement relative to its annual meeting of shareholders, to be filed within 120 days after the end of the year covered by this Form 10-K Report pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended

21.1 Subsidiaries of Internet Capital Group (incorporated by reference to Exhibit 21.1 to the 2000 10-K)

23.1 Consent of KPMG LLP regarding Internet Capital Group, Inc.

23.2 Consent of Deloitte & Touche LLP regarding Onvia.com, Inc.

23.3 Consent of KPMG LLP regarding VerticalNet, Inc.

99.1 Consolidated Financial Statements of VerticalNet, Inc. (incorporated by reference to VerticalNet, Inc.'s financial statements included in its Report on Form 10-K for the year ended December 31, 2000, filed on April 2, 2001)

</TABLE>

95

<PAGE> 50

# SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

<TABLE>

<S>

Date: June 29, 2001

<C>

INTERNET CAPITAL GROUP, INC.

By: /s/ EDWARD H. WEST

-----  
Name: Edward H. West

Title: Chief Financial Officer

</TABLE>

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities set forth above.

<TABLE>

<CAPTION>

SIGNATURE

-----

<C>

TITLE

-----

<S>

DATE

----

<C>

WALTER W. BUCKLEY, III

President, Chief Executive Officer

June 29, 2001

----- Walter W. Buckley, III -----	and Director (Principal Executive Officer)	
EDWARD H. WEST ----- Edward H. West -----	Chief Financial Officer (Principal Financial and Accounting Officer)	June 29, 2001
KENNETH A. FOX ----- Kenneth A. Fox -----	Director	June 29, 2001
	Director	
----- David Berkman -----		
	Director	
----- Thomas P. Gerrity -----		
WARREN V. MUSSER ----- Warren V. Musser -----	Director	June 29, 2001
ROBERT E. KEITH, JR. ----- Robert E. Keith, Jr. -----	Director	June 29, 2001
MICHAEL D. ZISMAN ----- Michael D. Zisman -----	Director	June 29, 2001

</TABLE>

# EXHIBIT INDEX

The following is a list of exhibits required by Item 601 of Regulation S-K filed as part of this Report. Where so indicated, exhibits which were previously filed are incorporated by reference. For exhibits incorporated by reference, the location of the exhibit in the previous filing is indicated in parentheses.

<TABLE>  
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3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form 8-A filed by the Company on August 4, 1999 (Registration No. 000-26989) (the "8-A Registration Statement"))
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4.2	Indenture between Internet Capital Group, Inc. and Chase Manhattan Trust Company, National Association, as Trustee, for the 5 1/2% Convertible Subordinated Notes due 2004 (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K filed on March 16, 2000 (File No. 000-26929) (the "10-K Annual Report"))
4.3	Form of 5 1/2% Convertible Subordinated Notes due 2004 of Internet Capital Group (incorporated by reference to Exhibit 4.2 to the 10-K Annual Report)
10.1	Internet Capital Group, L.L.C. 1998 Equity Compensation Plan (incorporated by reference to Exhibit 10.1 to the IPO

	Registration Statement)
10.1.1	Internet Capital Group, Inc. 1999 Equity Compensation Plan (incorporated by reference to Exhibit 10.1.1 to the IPO Registration Statement)
10.1.2	Internet Capital Group, Inc. 1999 Equity Compensation Plan as Amended and Restated May 1, 1999 (incorporated by reference to Exhibit 10.1.2 to the IPO Registration Statement)
10.1.3	Amendment No. 1 to the Internet Capital Group, Inc. 1999 Equity Compensation Plan as Amended and Restated May 1, 1999 (incorporated by reference to Exhibit 10.1.3 to Amendment No. 2 to the IPO Registration Statement filed by the Company on July 16, 1999 (Registration No. 333-79193) (the "IPO Amendment No. 2"))
10.1.4	Separation of Employment Agreement and General Release between Nigel Andrews and Internet Capital Group, Inc. dated March 2, 2001 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001 (Commission File No. 000-26929) (the "10-Q"))
10.2	Internet Capital Group, L.L.C. Option Plan for Non-Employee Managers (incorporated by reference to Exhibit 10.2 to the IPO Registration Statement)
10.2.1	Internet Capital Group, Inc. Directors' Option Plan (incorporated by reference to Exhibit 10.2.1 to the IPO Registration Statement)
10.3	Internet Capital Group, L.L.C. Membership Profit Interest Plan (incorporated by reference to Exhibit 10.3 to the IPO Registration Statement)
10.4	Form of Internet Capital Group, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to the 10-K Annual Report)
10.5	Credit Agreement dated as of April 30, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.26 to the IPO Registration Statement)

</TABLE>

<PAGE> 52

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<CAPTION>

EXHIBIT  
NUMBER

DOCUMENT

<C>	<S>
10.5.1	Amended and Restated Limited Liability Company Agreement of Internet Capital Group, L.L.C., dated January 4, 1999 (incorporated by reference to Exhibit 10.5.1 to the IPO Registration Statement)
10.6	Securities Holders Agreement dated February 2, 1999 among Internet Capital Group, Inc. and certain holders named therein (incorporated by reference to Exhibit 10.6 to the IPO Registration Statement)
10.7	Securities Purchase Agreement dated as of December 28, 1999 between Weirton Steel Corporation and Internet Capital Group, Inc. This exhibit contains a list of schedules to the exhibit, all of which have been omitted. Upon request of the Securities and Exchange Commission, the Company will furnish a copy to it supplementally (incorporated by reference to the Company's Current Report on Form 8-K filed January 11, 2000 (File No. 0-26929))
10.8	Stock Purchase Agreement dated as of March 7, 2000 between Rain Acquisition Corp. and RightWorks (incorporated by reference to the Company's Current Report on Form 8-K filed June 29, 2000 (File No. 0-26929))
10.9	Stock Exchange Agreement dated as of March 7, 2000 between Rain Acquisition Corp. and Vani Kola (incorporated by reference to the Company's Current Report on Form 8-K filed June 29, 2000 (File No. 0-26929))
10.10	Exchange Offer Agreement dated as of February 24, 2000 by and among eCredit.com, Inc., Internet Capital Group, Inc. and ICG Holdings, Inc. (incorporated by reference to Exhibit 2.2 of the Registrant's Registration Statement on Form S-4 filed April 13, 2000 (Registration No. 333-34722) (the "S-4"))
10.11	Recapitalization and Exchange Offer Agreement and Plan of Reorganization by and among Internet Capital Group, Inc.,

Rain Acquisition Corp., RightWorks Corporation, Suhas Patal, as Shareholder Representative, and Chase Manhattan Trust Company, National Association, as Escrow Agent, dated as of March 7, 2000 (incorporated by reference to Exhibit 2.3 of the S-4)

- 10.12 Rights Agreement, dated as of November 22, 2000, between Internet Capital Group, Inc. and ChaseMellon Shareholder Services, L.L.C., as Rights Agent, which includes as Exhibit B thereto the Form of Rights Certificate, incorporated by reference to Exhibit 1.1 to Internet Capital Group, Inc.'s Registration Statement on Form 8-A, dated December 1, 2000 (incorporated by reference to the Company's Current Report on Form 8-K filed December 1, 2000 (File No. 0-26929))
- 10.13 Form of Internet Capital Group, Inc. Common Stock Purchase Warrant dated May 10, 1999 issued in connection with the May 10, 1999 Convertible Notes (incorporated by reference to Exhibit 10.21 to the IPO Registration Statement)
- 10.14 Form of Internet Capital Group, Inc. Convertible Note dated May 10, 1999 (incorporated by reference to Exhibit 10.22 to the IPO Registration Statement)
- 10.15 Stock Purchase Agreement between Internet Capital Group, Inc. and Safeguard Scientifics, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999)
- 10.16 Stock Purchase Agreement between Internet Capital Group, Inc. and International Business Machines Corporation (incorporated by reference to Exhibit 10.23.1 to the IPO Amendment No. 2)
- 10.17 Letter describing the oral lease between Internet Capital Group and Safeguard Scientifics, Inc. for premises located in Wayne, Pennsylvania (incorporated by reference to Exhibit 10.24 to Amendment No. 1 to the IPO Registration Statement filed by the Company on June 22, 1999 (Registration No. 333-78913) (the "IPO Amendment No. 1"))
- 10.18 Form of Office Lease between Friends' Provident Life Office and IBIS (505) Limited for premises located in London, England (incorporated by reference to Exhibit 10.11 to Amendment No. 3 to the Registration Statement filed by the Company on December 15, 1999 (Registration No. 333-91447) (the "Follow-on Amendment No. 3"))

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<PAGE> 53

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- 10.19 Office Lease dated September, 1999 between Internet Capital Group Operations, Inc. and 45 Milk Street, L.P. for premises located in Boston, Massachusetts (incorporated by reference to Exhibit 10.12 to the Registration Statement filed by the Company on November 22, 1999 (Registration No. 333-91447) (the "Follow-on Registration Statement"))
- 10.20 Office Lease dated February 25, 1999 between OTR and Internet Capital Group Operations, Inc. for premises located in San Francisco, California (incorporated by reference to Exhibit 10.28 to the IPO Amendment No. 1)
- 10.20.1 Sublease Agreement between Internet Capital Group Operations, Inc. and RightWorks Corporation, dated January 16, 2001 (incorporated by reference to Exhibit 10.3 to the 10-Q)
- 10.21 Lease dated March 24, 2000 between Friends' Provident Life Office and Internet Capital Group (Europe) Limited for first floor office and sixth floor apartment premises located in London, England (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.22 Lease dated March 29, 2000 between Friends' Provident Life Office and Internet Capital Group (Europe) Limited for ground floor office premises located in London, England (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.23 Lease dated January 1, 2000 between Bebob Associates and Internet Capital Group, Inc. for premises located in Wayne, Pennsylvania (incorporated by reference to Exhibit 10.3 to

- the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.24 Amendment to Lease dated February 1, 2000 between Bebob Associates and Internet Capital Group, Inc. for additional space in Wayne, Pennsylvania (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.25 Second Amendment to Lease dated May 9, 2000 between Bebob Associates, Inc. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.26 Third Amendment to Lease dated November 29, 2000 between Bebob Associates, Inc. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (Commission File No. 000-26929) (the "2000 10-K"))
- 10.27 Assignment and Assumption Agreement dated December 31, 2000 among Internet Capital Group, Inc., Internet Capital Group Operations, Inc. and Bebob Associates (incorporated by reference to Exhibit 10.27 to the 2000 10-K)
- 10.28 Lease dated March 27, 2000 between the Equitable Life Assurance Society of the United States and Internet Capital Group, Inc. for premises located in Boston, Massachusetts (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.29 Short Term Lease Agreement dated April 21, 2000 between EOP-One Market, LLC and Internet Capital Group, Inc. for premises in San Francisco, California (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.30 Credit Agreement dated as of April 30, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.26 to the IPO Registration Statement)
- 10.31 Amendment No. 1 to the Credit Agreement dated October 27, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15 to the Follow-on Registration Statement)

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<PAGE> 54

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- 10.31.1 Amendment No. 2 to the Credit Agreement dated November 19, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15.1 to the Follow-on Registration Statement)
- 10.31.2 Amended and Restated Amendment No. 2 to the Credit Agreement dated December 19, 1999 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15.2 to the Follow-on Registration Statement)
- 10.31.3 Amendment No. 3 to the Credit Agreement dated February 25, 2000 by and among Internet Capital Group, Inc., Internet Capital Group Operations, Inc., the Banks named therein and PNC Bank, N.A. (incorporated by reference to Exhibit 10.15.3 to the 10-K Annual Report)
- 10.31.4 Amended and Restated Credit Agreement dated March 28, 2000 by and among Internet Capital Group, Inc., ICG Holdings, Inc., The Banks Party Thereto, PNC Bank, National Association, as Administrative Agent, Bank of America, N.A., and Deutsche Bank AG New York Branch/Cayman Island Branch, as Co-Syndication Agents and PNC Capital Markets, Inc., as Lead Arranger (incorporated by reference to Exhibit 10.31 to the S-4)
- 10.32 Benchmarking Partners, Inc. Option Agreement dated January 1, 1997 by and between Christopher H. Greendale and Internet Capital Group, L.L.C. (incorporated by reference to Exhibit

	10.28 to the IPO Registration Statement)
10.32.1	Amendment to Benchmarking Partners, Inc. Option Agreement dated July 19, 1999 by and between Christopher H. Greendale and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.29.1 to the IPO Amendment No. 3)
10.33	Syncra Software, Inc. Option Agreement dated August 1, 1998 by and between Michael H. Forster and Internet Capital Group, L.L.C. (incorporated by reference to Exhibit 10.29 to the IPO Registration Statement)
10.34	Letter Agreement between Internet Capital Group, L.L.C. and Douglas Alexander dated July 18, 1997 (incorporated by reference to Exhibit 10.31 to IPO Amendment No. 1)
10.35	Letter Agreement between Internet Capital Group, L.L.C. and Robert Pollan dated April 27, 1998 (incorporated by reference to Exhibit 10.32 to IPO Amendment No. 1)
10.36	Form of Promissory Note issued in connection with the exercise of Internet Capital Group's stock options in May, June and July of 1999 (incorporated by reference to Exhibit 10.33 to IPO Amendment No. 1)
10.37	Form of Restrictive Covenant Agreement issued in connection with the exercise of Internet Capital Group's stock options in May, June and July of 1999 (incorporated by reference to Exhibit 10.34 to IPO Amendment No. 1)
10.38	Securities Purchase Agreement dated October 27, 1999 by and among eMerge Interactive, Inc., J. Technologies, LLC and Internet Capital Group, Inc. (incorporated by reference to the Company's Current Report on Form 8-K filed November 22, 1999 (File No. 0-26929))
10.39	Joint Venture Agreement dated October 26, 1999 by and between Internet Capital Group, Inc. and Safeguard Scientifics, Inc. (incorporated by reference to Exhibit 10.23 to the Follow-on Registration Statement)
10.40	Purchase Agreement dated November 5, 1999 between JusticeLink, Inc. and Internet Capital Group, Inc. (incorporated by reference to Exhibit 10.24 to the Registration Statement filed by the Company on December 6, 1999 (Registration No. 333-91447) ("Follow-on Amendment No. 1"))
10.41	Purchase Agreement dated December 6, 1999 between Internet Capital Group, Inc. and AT&T Corp. (incorporated by reference to Exhibit 10.25 to Follow-on Amendment No. 1)
10.42	Purchase Agreement dated December 6, 1999 between Internet Capital Group, Inc. and Internet Assets, Inc. (incorporated by reference to Exhibit 10.26 to Follow-on Amendment No. 1)

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10.43	Purchase Agreement dated December 6, 1999 between Internet Capital Group, Inc. and Ford Motor Company (incorporated by reference to Exhibit 10.27 to Follow-on Amendment No. 3)
10.44	Sublease Agreement dated January 6, 2000 between SP Investments Inc. and Internet Capital Group, Inc. for premises located in Seattle, Washington (incorporated by reference to Exhibit 10.30 to the 10-K Annual Report)
11.1	Statement Regarding Computation of Per Share Earnings (included herein at Note 1-"Significant Accounting Policies" in the subsection "Net Income (Loss) Per Share" to the Consolidated Financial Statements and Note 3-"Net Income (Loss) Per Share" to the Consolidated Financial Statements)
13.1	Sections entitled "Election of Directors (Item 1 on Proxy Card)," "Section 16(a) Beneficial Ownership Reporting Compliance," "Executive Compensation," "Other Forms of Compensation," "Security Ownership of Certain Beneficial Owners and Directors and Officers" and "Certain Relationships and Related Transactions" in the Company's Definitive Proxy Statement relative to its annual meeting of shareholders, to be filed within 120 days after the end of the year covered by this Form 10-K Report pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended
21.1	Subsidiaries of Internet Capital Group (incorporated by



reference to Exhibit 21.1 to the 2000 10-K)

23.1	Consent of KPMG LLP regarding Internet Capital Group, Inc.
23.2	Consent of Deloitte & Touche LLP regarding Onvia.com, Inc.
23.3	Consent of KPMG LLP regarding VerticalNet, Inc.
99.1	Consolidated Financial Statements of VerticalNet, Inc. (incorporated by reference to VerticalNet, Inc.'s financial statements included in its Report on Form 10-K for the year ended December 31, 2000, filed on April 2, 2001)

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