ad pepper group
digital pioneers since 1999

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2015

SELECTED GROUP KEY FIGURES

	H1 2015	H1 2014	Change	Q2 2015	Q2 2014	Change
	EUR 000s	EUR 000s	Percent	EUR 000s	EUR 000s	Percent
Consolidated sales	24,380	22,251	9.6	12,781	10,672	19.8
Gross profit	7,620	7,860	3.1	3,861	3,722	3.7
EBIT	-349	-2,241	-84.5	9	-1,250	-100.7
Net income/(loss) for period	-336	-1,820	-81.5	-29	-1,130	-97.5
Earnings per share in EUR (basic)	-0.02	-0.08	-75.0	0.00	-0.05	-100.0

	6.30.2015	6.30.2014	Change
	EUR 000s	EUR 000s	Percent
Liquid funds*	19,301	19,220	0.4
Equity	15,916	22,948	-30.6
Total assets	27,909	32,540	-14.2
No. of employees	190	238	-20.2

* including securities measured at fair value and fixed-term deposits

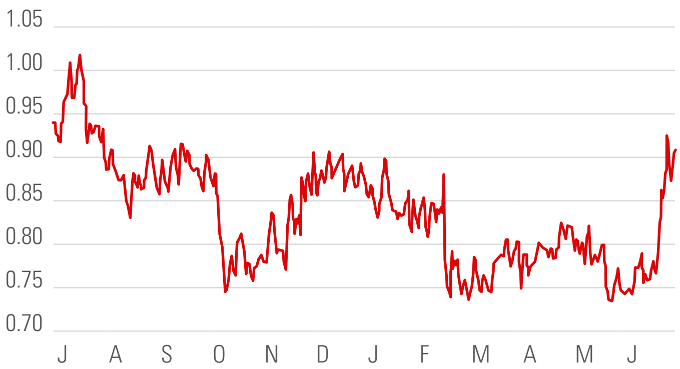
CONTENTS

THE AD PEPPER MEDIA SHARE

Key data about ad pepper media share	
Security Identification Number (WKN)	940883
ISIN	NL0000238145
Type of share	Ordinary bearer shares
Stock market segment (Frankfurt Stock Exchange)	Prime Standard
Initial public offering	October 9, 2000
Designated Sponsor	Equinet
Capital stock (EUR)	1,150,000
No. of shares	23,000,000
Sector	Advertising

Key share figures	H1 2015	H1 2014
XETRA closing price at end of period (EUR)	0.77	0.96
Highest price (EUR)	0.91	1.42
Lowest price (EUR)	0.73	0.90
Market capitalization at end of period (EUR)	17.7 m	22.1 m
Average no. of shares traded (XETRA) per day	11,838	28,102
Earnings per share (basic) (EUR)	-0.02	-0.08
Net cash per share* (EUR)	0.84	0.84

Share price performance over the past twelve months (Xetra)



Shareholder structure as of 6.30.2015	shares	shareholding
	Numbers	Percent
EMA B.V.	9,486,402	41.25
Treasury stock	1,759,292	7.65
Axxion S.A.	1,163,501	5.06
Dieter Koppitz	699,338	3.04
Euro Serve Media GmbH	436,963	1.90
Subtotal	**13,545,496**	**58.90**
Free float	9,454,504	41.10
Total	**23,000,000**	**100.00**

* (liquid funds – long-term debt) / number of shares outstanding

THE STRUCTURE OF THE AD PEPPER MEDIA GROUP

ad pepper media International N.V. is the holding company behind one of the leading international online marketing groups. The company was founded in 1999 and has been listed in the Prime Standard segment of the Frankfurt Stock Exchange since it went public in 2000 (WKN: 940883). The ad pepper media group develops digital solutions in over 50 countries worldwide through its seven offices in five European countries and in the U.S. The group consists of three segments: ad pepper media with the **ad pepper media** business unit (lead generation and semantic targeting) and **Globase** business unit (CRM technology), **ad agents** (search engine marketing), and **Webgains** (affiliate marketing). A total of 190 employees work in the four business units and the group's holding company.

The business units of the ad pepper media group

1. ad pepper media

ad pepper media was founded in 1999. The companies in this business unit are leading international performance marketing agencies in their respective countries that specialize in lead generation and semantic targeting. ad pepper media has offices in Great Britain, Germany and Spain.

Products offered by the ad pepper media business unit:

iLead (lead generation) is the ideal solution for advertisers who want to expand and develop their customer database. Potential customers who have already shown interest in the products and services offered by the advertising customers are contacted via telephone, e-mail, or by mail (provided they have given initial consent).

iSense (semantic targeting) provides advertisers and publishers with a revolutionary semantic targeting technology that allows ads to be specifically placed in the relevant context for each website. The technology guarantees advertising customers maximum protection for their brand as the ad can be blocked from being placed on sites or pages that could potentially harm the brand.

mailpepper (e-mail marketing) makes it possible to quickly, effectively and directly e-mail large or even niche target groups who have explicitly agreed that ad pepper media or the advertisers may contact them.

2. Globase International

Globase International is one of the leading providers of e-mail marketing technology and strategy. The company's headquarters are in Copenhagen, Denmark. Ever since it was founded in 1999, Globase International has developed an advanced technology for detailed customer segmentation, reporting, and automated campaign management through various channels such as e-mails, text messaging, display advertising, social media, surveys, mailings, and micro-sites. Globase recently released the most innovative CRM model based on data management on the market, which makes it easy to work with all kinds of data, target all messages, and increase the conversion rates of campaigns.

3. Webgains

Webgains is one of the leading international affiliate networks and offers efficient solutions that cover all areas of affiliate management. The network uses the latest technology and offers first-class support for merchants and affiliates. Webgains has teams of local experts in Great Britain, Germany, France, Spain as well as the U.S., and successfully implements international and regional affiliate programs for a large number of its customers. Reaching such a massive audience via a wide variety of websites with performance-based payment is what makes affiliate marketing so attractive for all parties involved. Affiliate marketing is a commission-based advertising model in which website operators (publishers, affiliates) direct Internet traffic to the sites of advertisers (retailers, merchants) and receive in return a percentage of the sales turnover generated there.

4. ad agents

ad agents is one of the most successful performance agencies in Germany. It designs, controls, and optimizes results-oriented marketing and sales solutions in all digital channels on all screens and devices. ad agents specializes in search engine marketing (SEM), search engine optimization (SEO), affiliate management, social media advertising, performance display, and product data management. The company also advises well-known German and international companies operating in all industries (including finance, trade, fashion, pharmaceuticals, and technology).

GENERAL INFORMATION ABOUT THIS MANAGEMENT REPORT

Definitions

All mentions of “ad pepper media International N.V.”, “ad pepper media”, “ad pepper media group” or the “group” in this management report relate to the ad pepper media group.

Forward-looking statements

This management report contains forward-looking statements and information based on the beliefs of and assumptions made by our management using information currently available to them. We have based these forward-looking statements on our current expectations, assumptions, and projections about future conditions and events. As a result, our forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materializes, or if the management’s underlying assumptions prove incorrect, our actual results could differ materially from those described in or inferred from our forward-looking statements and information. We describe these risks and uncertainties in the risk report of our Annual Report 2014.

The words “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “counting on”, “is confident”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “might”, “outlook”, “plan”, “project”, “predict”, “seek”, “should”, “strategy”, “want”, “will”, “would” and similar expressions as they relate to us are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date specified or the date of this report. Unless we are required to do so by law, we accept no obligation to publicly update or revise any forward-looking statements due to new information, changed conditions, or any other future events which had not existed before the issuance of this report.

Internal control system

Revenue and profits (EBIT, EBITDA, gross margin) are some of the parameters which ad pepper media analyses monthly and compares with the original business plan to control and monitor the development of individual subsidiaries. In addition, further key performance indicators are calculated each month for control purposes and are used within all the operating companies of the ad pepper media group. External indicators are also regularly analyzed for company management purposes. In addition, there are weekly scheduled jour fixes as well as regular shareholder meetings with the individual subsidiaries.

MACROECONOMIC FRAMEWORK

Germany / Europe / World

In their summer forecast, economic researchers at the Kiel Institute for the World Economy (IfW) established that the “German economy remains on a robust growth track”. The researchers expect the gross domestic product in Germany to grow by 1.8 percent in the current year and have forecast an accelerated growth rate of 2.1 percent for the coming year. According to the report, private consumer spending is still booming, albeit not quite at the same rapid pace as in previous quarters. The researchers see increased investment spending as the key economic driver for the coming year. Given the ongoing favourable monetary backdrop and the low-interest climate in particular, investment spending is increasingly gaining strength. Following a marked interim dampening due to the oil price decline, inflation is picking up once again and is expected to reach just under 2 percent by the end of the coming year.

According to the researchers, risks to the German and European economies result in particular from foreign policy issues. Any further intensification in the geopolitical tensions surrounding the Ukraine conflict, for instance, could significantly hold back economic developments. In Greece, government insolvency or exit from the currency union could also create substantial uncertainty on the financial markets and, thus, impact negatively on the economy.

According to the IfW's summer forecast, the global economy made a distinctly weak start into 2015. The rate of growth should improve once again as the year progresses and is expected to gain further momentum in the coming year. At 3.4 percent, global output growth weighted on the basis of purchasing power parity will remain sluggish this year before accelerating to 3.8 percent in the coming year, still comparatively modest by historical standards. Given progress within private sector deleveraging, the IfW believes that the highly expansive monetary policies still in place will gain increasing traction. In particular, is expected to revive significantly. The resultant macroeconomic recovery will nevertheless not disguise the substantial risks to stability associated with ultra-expansive monetary policies around the world.

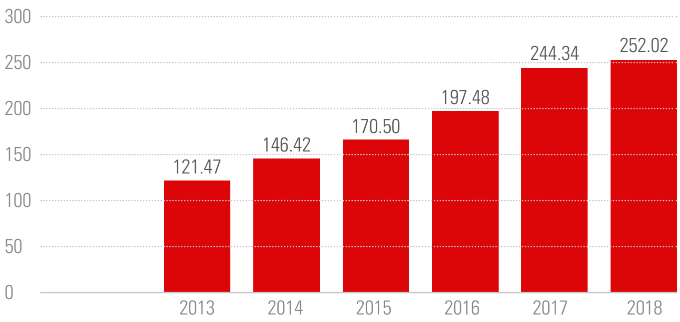
Emerging economies, by contrast, will be prevented by structural obstacles from achieving any substantial output growth. The situation in many countries is exacerbated by sustainable falls in export revenues due to lower commodity prices.

Advertising market

Successful offline sales can only be accomplished with the help of online advertising. This is illustrated in the latest study (May 2015) of the Circle of Online Marketers (OVK) at the Federal Association of the Digital Economy (BVDW). The aim of this study was to empirically measure the sale effects and efficiency (ROI) of online activities in a transparent analysis of the market.

The positive results show that the turnover additionally generated by online campaigns, also considering umbrella brand effects, is three times higher in relation to the gross expenditure on advertising. Among all applied online efforts, digital display advertising records the proportionally highest Return on Investment (ROI). Thus, the study confirms that long-term success of offline sales can only be achieved through cross-linking and integrating online activities in the media mix.

Development of online advertising spendings in the year 2013 and forecast for the period to 2018 (in billion U.S. dollars)



This chart shows the development of global online advertising spendings in the year 2013, and gives a forecast until 2018. According to eMarketer, global investments into online advertising will amount to 170.5 billion dollars in 2015.

EARNINGS, FINANCIAL AND NET ASSET POSITION

Earnings position

The ad pepper media group generated sales of EUR 24,380k in the first six months of the current financial year, equivalent to growth of EUR 2,129k or 9.6 percent. Particularly notable is the difference in performance between the first two quarters of the financial year. While first-quarter sales stagnated compared with the previous year's quarter, in the second quarter sales grew by EUR 2,109k or 19.8 percent (Q2 2014: EUR 10,672k). This positive performance was driven in particular by the Webgains segment.

Source: OVK und Zenith Optimedia© Statista 2015

For the first six months of 2015 as a whole, Webgains sales grew by EUR 2,985k or 21.1 percent compared with H1 2014. Growth in the second quarter of the webgains segment even amounted to 35.2 percent. Sales in the ad pepper media segment totalled EUR 3,431k in the first half of the year (H1 2014: 4,598k). At 25.4 percent, their share fell short of the equivalent figure for the previous year's period. The ad agents segment posted sales of EUR 3,800k in the first half of 2015, equivalent to growth of EUR 310k or 8.9 percent compared with the first half of the previous year (H1 2014: EUR 3,490k).

Given the disparate development in segment sales outlined above, gross profit at the ad pepper group – our most important key management figure – only showed a moderate decline of EUR 240k or 3.1 percent to EUR 7,620k. As a percentage of sales, the gross margin decreased from 35.3 percent to 31.3 percent.

The package of cost-cutting measures adopted at the end of the third quarter of 2014 had a clearly positive impact in the first half of the financial year. Operating expenses fell by 21.1 percent to EUR 7,969k (H1 2014: EUR 10,101k), as a result of which all key profitability figures were significantly ahead of the corresponding previous year's figures, and that despite the moderate declining development in gross profit.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -196k for the first six months of 2015 (H1 2014: EUR -2,133k). Earnings before interest and taxes (EBIT) amounted to EUR -349k, as against EUR -2,241k in the previous year's period. Earnings before taxes (EBT) amounted to EUR -303k in the first six months of the financial year (H1 2014: EUR -1,813k). Here too, it is worth examining the performance in the two quarters. In the second quarter, the group generated EBITDA of EUR 96k (Q2 2014: EUR -1,198k). The loss reported for the first half as a whole is, thus, due to the first quarter.

The group concluded the first half year with EUR -336k net income for the period. This was significantly ahead of the net income for the corresponding period in the previous year (H1 2014: EUR -1,820k).

Financial position

The gross cash flow amounted to EUR -993k (H1 2014: EUR -2,103k) while a figure of EUR -225k was reported for cash flow from operations for the first six months of 2015 (H1 2014: EUR -2,778k). The significant reduction in the net outflow of funds for operating activities was driven by improved receivables management and by the substantial increase in the group's earnings. The net cash flow from investing activities amounted to EUR 1,011k in the first six months of 2015 (H1 2014: EUR 2,910k). The cash flow from financing activities amounted to EUR 0k in the first six months of 2015 (H1 2014: EUR 50k).

Net asset position

Total assets reduced by EUR 2,381k to EUR 27,909k compared with December 31, 2014. Non-current assets only decreased by EUR 297k or 4.3 percent at the end of the second quarter of 2015 while current assets showed a marked reduction of EUR 2,084k respectively 8.9 percent to EUR 21,290k in the first six months of 2015 (December 31, 2014: EUR 23,374k). Within this item, trade receivables fell by EUR 1,555k respectively 20.1 percent to EUR 6,184k at the end of the first half (December 31, 2014: EUR 7,739k). Liquid funds (including securities measured at fair value and time deposits) totalled EUR 19,301k at the end of the first half of 2015 and, thus, only decreased by EUR 338k or 1.7 percent compared with December 31, 2014 (EUR 19,639k). Current liabilities decreased significantly to EUR 11,993k (December 31, 2014: EUR 13,994k). The group still does not have any non-current liabilities to banks. The equity ratio increased to 57.0 percent (December 31, 2014: 53.8 percent).

RESEARCH AND DEVELOPMENT ACTIVITIES

The group's research and development activities are mainly located at ad pepper media International N.V. itself. Here, a major share of the developments for the administration and ad pepper media segments are either produced internally or commissioned externally and accompanied as appropriate. In the Webgains segment, research and development activities are performed on a decentralized basis within Webgains Ltd.

EMPLOYEES

As of June 30, 2015, the ad pepper media group had 190 employees, as against a total of 238 employees at the end of the equivalent period in the previous year. The workforce of the ad pepper media group is assigned to the following segments:

	June 30, 2015	June 30, 2014
	Number	Number
ad pepper media	39	67
Webgains	84	95
ad agents	56	56
Administration	11	20

RISK AND OPPORTUNITY REPORT

There have been no material changes in the opportunity and risk situation of ad pepper media International N.V. compared with the information provided in the Annual Report as of December 31, 2014. Reference is therefore made to the information presented in the management report for the 2014 financial year.

OUTLOOK

Thanks in particular to our pleasing second-quarter results, our key profitability figures significantly outperformed the equivalent previous year's figures. For the second half year, we expect this positive trend to continue. The "summer quarter" immediately ahead, traditionally not the strongest period in the sector, nevertheless presents us with the challenge of continuing to generate satisfactory earnings, given lower overall revenue levels and the fact that cost structures are expected to remain largely unchanged compared with the second quarter of this year. Overall, we believe that the full-year break-even forecast as made in the publication of our 2014 Annual Report ist still achievable.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Amsterdam/Nuremberg, July 29, 2015
ad pepper media International N.V.

Dr. Ulrike Handel Dr. Jens Körner

CONSOLIDATED INCOME STATEMENT (IFRS)

	Q2 2015	Q2 2014	H1 2015	H1 2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenue	**12,781**	**10,672**	**24,380**	**22,251**
Cost of sales	-8,920	-6,950	-16,760	-14,391
Gross profit	**3,861**	**3,722**	**7,620**	**7,860**
Selling and marketing expenses	-2,802	-3,060	-5,663	-6,351
General and administrative expenses	-1,531	-1,924	-2,878	-3,822
Other operating income	1,047	259	1,407	524
Other operating expenses	-566	-247	-835	-452
Operating profit	**9**	**-1,250**	**-349**	**-2,241**
Financial income	52	154	112	480
Financial expenses	-58	-31	-66	-52
Income/loss before taxes	**3**	**-1,127**	**-303**	**-1,813**
Income taxes	-32	-3	-33	-7
Net income/loss	**-29**	**-1,130**	**-336**	**-1,820**
Attributable to shareholders of the parent company	-27	-1,163	-352	-1,856
Attributable to non-controlling interests	-2	33	16	36
Basic earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	0.00	-0.05	-0.02	-0.08
Diluted earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	0.00	-0.05	-0.02	-0.08

	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of shares outstanding (basic)	21,240,708	21,240,708	21,240,708	21,240,708
Weighted average number of shares outstanding (diluted)	21,240,773	21,480,913	21,240,773	21,583,617

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

	Q2 2015	Q2 2014	H1 2015	H1 2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Net income/loss	**-29**	**-1,130**	**-336**	**-1,820**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	38	22	38	28
Revaluation of available-for-sale securities	-132	11	-116	253
Realized gains/losses from available-for-sale securities	0	-46	0	-244
Revaluation of investments in equity instruments available-for-sale	0	43	0	51
Income tax recognized on other comprehensive income	0	0	0	0
Other comprehensive income, net of tax	**-94**	**30**	**-78**	**88**
Total comprehensive income	**-123**	**-1,100**	**-414**	**-1,732**
Attributable to non-controlling interests	-2	33	16	36
Attributable to shareholders of the parent company	-121	-1,133	-430	-1,768

Disclosures on other comprehensive income

The total other comprehensive income recognized directly in equity and the corresponding income taxes presents itself as follows:

	Q2 2015			Q2 2014			H1 2015			H1 2014		
	EUR 000s			EUR 000s			EUR 000s			EUR 000s		
	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes
Currency translation differences	38	0	38	22	0	22	38	0	38	28	0	28
Revaluation of available-for-sale securities	-132	0	-132	11	0	11	-116	0	-116	253	0	253
Realized gains/losses from available-for-sale securities	0	0	0	-46	0	-46	0	0	0	-244	0	-244
Revaluation of investments in equity instruments available-for-sale	0	0	0	43	0	43	0	0	0	51	0	51
Total other comprehensive income	**-94**	**0**	**-94**	**30**	**0**	**30**	**-78**	**0**	**-78**	**88**	**0**	**88**

CONSOLIDATED BALANCE SHEET (IFRS)
ASSETS

	June 30, 2015	December 31, 2014
	EUR 000s	EUR 000s
Non-current assets		
Goodwill	24	24
Intangible assets	318	398
Property, plant and equipment	165	204
Securities at fair value through profit and loss	3,281	3,324
Securities available-for-sale	2,270	2,386
Other financial assets	561	580
Total non-current assets	**6,619**	**6,916**
Current assets		
Securities	0	2,003
Fixed-term deposits	1,000	0
Trade receivables	6,184	7,739
Other receivables	496	400
Income tax receivables	288	314
Other financial assets	572	992
Cash and cash equivalents	12,750	11,926
Total current assets	**21,290**	**23,374**
Total assets	**27,909**	**30,290**

CONSOLIDATED BALANCE SHEET (IFRS)
EQUITY AND LIABILITIES

	June 30, 2015	December 31, 2014
	EUR 000s	EUR 000s
Equity attributable to shareholders of the parent company		
Issued capital*	1,150	1,150
Reserves	66,387	66,353
Treasury shares	-3,281	-3,281
Accumulated deficit	-46,570	-46,218
Other reserves	-2,121	-2,043
Total	**15,565**	**15,961**
Non-controlling interests	351	335
Total equity	**15,916**	**16,296**
Current liabilities		
Trade payables	9,144	9,865
Other payables	1,130	1,474
Other financial liabilities	1,659	2,625
Income tax liabilities	60	30
Total current liabilities	**11,993**	**13,994**
Total liabilities	**11,993**	**13,994**
Total equity and liabilities	**27,909**	**30,290**

* The issued capital consists of shares with a nominal value of EUR 0.05 each.
The authorized capital amounts to 23,429,708 shares, of which 23,000,000 are issued and 21,240,708 shares were floating at June 30, 2015 (December 31, 2014: 21,240,708).

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)
1/2

	H1 2015	H1 2014
	EUR 000s	EUR 000s
Net income/loss	**-336**	**-1,820**
Adjustments for:		
Depreciation and amortization	153	108
Gain/loss on sale of fixed assets	-26	-3
Share-based compensation	34	55
Gain/loss on sale of securities (after bank charges)	3	-352
Other financial income and financial expenses	-49	-76
Income taxes	33	7
Other non-cash expenses and income	-805	-22
Gross cash flow	**-993**	**-2,103**
Change in trade receivables	1,481	1,343
Change in other assets	421	-156
Change in trade payables	-389	-876
Change in other liabilities	-782	-1,000
Income tax received	51	0
Income tax paid	-25	-105
Interest received	29	235
Interest paid	-18	-116
Net cash flow from/used in operating activities	**-225**	**-2,778**
Purchase of intangible assets and property, plant and equipment	-45	-181
Proceeds from sale of intangible assets and property, plant and equipment	56	18
Loans payback	0	28
Proceeds from sale/maturity of securities	2,000	10,021
Purchase of securities/investment in fixed-term deposits	-1,000	-6,976
Net cash flow from/used in investing activities	**1,011**	**2,910**

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)
2/2

	H1 2015	H1 2014
	EUR 000s	EUR 000s
Proceeds from transactions with non-controlling interests	0	50
Net cash flow from/used in financing activities	**0**	**50**
Net decrease/increase in cash and cash equivalents	786	182
Cash and cash equivalents at beginning of period	**11,926**	**12,886**
Effect of exchange rates on cash and cash equivalents	38	28
Cash and cash equivalents at end of period	**12,750**	**13,096**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

	Balance at January 1, 2015	Total comprehensive income	Share-based payment	Dividends	Transactions with non-controlling interests	Balance at June 30, 2015
Issued capital						
Number of shares	23,000,000					23,000,000
Issued capital (EUR 000s)	1,150					1,150
Reserves						
For employee stock option plans (EUR 000s)	2,571		34			2,605
From contributions of shareholders of the parent company (EUR 000s)	63,782					63,782
Treasury shares						
Number of shares	1,759,292					1,759,292
Treasury shares at cost (EUR 000s)	-3,281					-3,281
Accumulated deficit (EUR 000s)	**-46,218**	**-352**				**-46,570**
Other reserves						
Currency translation differences (EUR 000s)	-888	38				-850
Unrealized gains/(losses) from available-for-sale securities (EUR 000s)	-1,155	-116				-1,271
Unrealized gains/(losses) from investments in available-for-sale instruments (EUR 000s)	0	0				0
Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)	**15,961**	**-430**	**34**	**0**	**0**	**15,565**
Non-controlling interests (EUR 000s)	335	16				351
Total equity (EUR 000s)	**16,296**	**-414**	**34**	**0**	**0**	**15,916**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

	Balance at January 1, 2014	Total compre-hensive income	Share-based payment	Dividends	Transactions with non-controlling interests	Balance at June 30, 2014
Issued capital						
Number of shares	23,000,000					23,000,000
Issued capital (EUR 000s)	1,150					1,150
Reserves						
For employee stock option plans (EUR 000s)	2,472		55			2,527
From contributions of shareholders of the parent company (EUR 000s)	63,782					63,782
Treasury shares						
Number of shares	1,759,292					1,759,292
Treasury shares at cost (EUR 000s)	-3,281					-3,281
Accumulated deficit (EUR 000s)	**-40,786**	**-1,856**				**-42,642**
Other reserves						
Currency translation differences (EUR 000s)	-909	28				-881
Unrealized gains/(losses) from available-for-sale securities (EUR 000s)	-1,168	9				-1,159
Unrealized gains/(losses) from investments in available-for-sale instruments (EUR 000s)	3,079	51				3,130
Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)	**24,339**	**-1,768**	**55**	**0**	**0**	**22,626**
Non-controlling interests (EUR 000s)	236	36			50	322
Total equity (EUR 000s)	**24,575**	**-1,732**	**55**	**0**	**50**	**22,948**

SELECTED EXPLANATORY NOTES

Consolidated segment information (IFRS)

H1 2015	ad pepper media	Webgains	ad agents	Admin	Consolidation	group
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenue	**3,433**	**17,151**	**3,800**	**93**	**-97**	**24,380**
Thereof external	3,431	17,149	3,800	0	0	24,380
Thereof intersegment	2	2	0	93	-97	0
Expenses and other income	**-3,251**	**-16,958**	**-3,865**	**-748**	**93**	**-24,729**
Thereof depreciation and amortization	-5	-39	-48	-61	0	-153
Thereof other non-cash income	241	287	11	348	0	887
Thereof other non-cash expenses	-8	-284	-1	-36	0	-295
EBITDA	**188**	**231**	**-17**	**-594**	**-4**	**-196**
EBIT	**182**	**193**	**-65**	**-655**	**-4**	**-349**
Financial income	**0**	**1**	**0**	**119**	**-8**	**112**
Financial expenses	**-10**	**-6**	**0**	**-58**	**8**	**-66**
Income taxes						**-33**
Net income for the period						**-336**

Consolidated segment information (IFRS)

H1 2014	ad pepper media	Webgains	ad agents	Admin	Consolidation	group
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenue	**4,618**	**14,168**	**3,489**	**153**	**-177**	**22,251**
Thereof external	4,598	14,164	3,489	0	0	22,251
Thereof intersegment	20	4	0	153	-177	0
Expenses and other income	**-5,378**	**-14,525**	**-3,471**	**-1,271**	**153**	**-24,492**
Thereof depreciation and amortization	-13	-35	-36	-24	0	-108
Thereof other non-cash income	0	162	0	0	0	162
Thereof other non-cash expenses	-11	-179	-4	-55	0	-249
EBITDA	**-746**	**-323**	**55**	**-1,095**	**-24**	**-2,133**
EBIT	**-760**	**-357**	**18**	**-1,118**	**-24**	**-2,241**
Financial income	**1**	**1**	**0**	**484**	**-6**	**480**
Financial expenses	**-4**	**-2**	**-2**	**-50**	**6**	**-52**
Income taxes						**-7**
Net income for the period						**-1,820**

1. Basis for the preparation of the first half year financial statements

The current condensed interim consolidated financial statements of ad pepper media International N.V. were prepared according to the provisions of the International Financial Reporting Standards (IFRS) as applicable on the closing date, and are presented in euros (EUR). The comparative figures from the previous year were determined according to the same principles and adjusted where necessary. The half year financial statements meet the requirements of IAS 34. The condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements and should therefore be read in conjunction with the consolidated Annual Report for the year ended December 31, 2014.

The consolidated interim financial statements as of June 30, 2015 were authorized for issue by the Board of Directors on July 29, 2015.

2. Accounting principles

The accounting principles applied to these quarter-end financial statements do not materially differ from the principles as applied to the Annual Report as per December 31, 2014.

Since then, no new standards or interpretations have been adopted.

3. Consolidated group

The entities included in consolidation are as follows:

Entity	6.30.2015	12.31.2014
	Percent	Percent
ad pepper media GmbH, Nuremberg, Germany	100	100
ad pepper media Denmark A/S, Copenhagen, Denmark	100	100
ad pepper media UK Ltd, London, United Kingdom	100	100
ad pepper media France S.A.R.L., Paris, France	100	100
ad pepper media Spain S.A., Madrid, Spain	65	65
ad pepper media USA LLC, New York, USA	100	100
Webgains Ltd, London, United Kingdom	100	100
Globase International ApS, Copenhagen, Denmark	100	100
ad agents GmbH, Herrenberg, Germany	60	60

4. Notes to the Interim Financial Statements

Reference is basically made to the comments on the results of operations, financial position and net assets in the Interim Management Report.

The following one-off items affecting the income statement occurred in the period under review:

First-half cost of sales include one-off, additional website expenses of EUR 108k (H1 2014: EUR 0k). These are the main reason for the negative development in the gross margin despite the dynamic sales growth seen in the first half of 2015.

Selling and marketing expenses include severance payments totalling EUR 144k (H1 2014: EUR 191k).

Other operating income for the first half of 2015 mainly comprises income of EUR 672k from the reversal of accrued liabilities (H1 2014: EUR 180k). This figure includes an amount of EUR 204k relating to reversals of non-disbursed affiliate credits in the Webgains segment that are classified by ad pepper media as not being likely to be paid out (H1 2014: EUR 172k), and reversals of EUR 230k in connection with time-barred claims (H1 2014: EUR 0k). Exchange rate gains amounted to EUR 589k (H1 2014: EUR 143k).

Other operating expenses for the first half year of 2015 chiefly comprise foreign exchange losses of EUR 610k (H1 2014: EUR 171k) and write-downs of receivables amounting to EUR 74k (H1 2014: EUR 140k). Furthermore, the figures include one-off expenses of EUR 46k incurred for former employees (H1 2014: EUR 0k) and not eligible for recognition as termination benefits.

The financial result of EUR 46k reported for the first half of 2015 (H1 2014: EUR 428k) mainly consisted of interest income of EUR 108k from non-current securities (H1 2014: EUR 109k) and unrecognized losses on financial instruments which have been measured at fair value through profit or loss at an amount of EUR 45k (H1 2014: EUR 31k).

The following one-off items affecting the balance sheet occurred in the period under review:

The securitized promissory note recognized under current securities as of December 31, 2014 matured on January 28, 2015 and was paid back at its nominal amount of EUR 2,000k.

The reduction in other current financial assets by EUR 323k chiefly resulted from the partial repayment of an amount of EUR 929k deposited on an escrow account in connection with the sale of the Emediate ApS subsidiary in Copenhagen in 2013. Consistent with the contractual requirements, 50 percent of the amount thereby deposited became due for payment on May 15, 2015 and were reimbursed.

Other liabilities reduced by EUR 344k compared with December 31, 2014, a development mainly attributable to lower sales tax liabilities. The reduction in other financial liabilities by EUR 966k to EUR 1,659k in the first half year of 2015 was due in particular to the payment of severance pay and variable compensation components, as well as to the reversal of accrued liabilities.

5. Segment reporting according to IFRS 8

IFRS 8 requires an entity to report financial and descriptive information about its so-called "reportable segments". Reportable segments are either operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker for the purpose of resource allocation and assessing performance.

Generally, financial information is required to be reported on the same basis as used internally to evaluate the operating segments (management approach). The information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on the category of services delivered. For this reason, the group reports segment information for the operating segments of "ad pepper media" (lead, mail, banner, CRM technology), "Webgains" (affiliate marketing) and "ad agents" (SEM/ SEO), and for the non-operating "Admin" (administration) segment.

The accounting policies of the reportable segments correspond to the group's accounting policies described in note [2] of the consolidated Annual Report for the year ended December 31, 2014.

The segment result is measured by EBIT and EBITDA for each segment without differences to IFRS. The segment result thus calculated is reported to the chief operating decision maker for the purpose of resource allocation and assessing segment performance.

The "dealing at arm's length" principle forms the basis of accounting for intersegment transaction.

Geographical information

The group operates in four principal geographical areas – Germany, Scandinavia, Spain, and the United Kingdom.

The group's revenue from the continued operations of the group from business with external customers and information about the segments' assets are detailed below according to geographical location. Long-term assets do not include financial instruments or deferred tax assets.

	Revenue from external customers		Non-current assets	
	H1 2015	H1 2014	6.30. 2015	6.30. 2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Germany	7,025	6,520	356	374
Scandinavia	817	1,253	1	2
United Kingdom	13,178	11,040	139	174
Spain	1,479	1,477	2	1
Other	1,881	1,961	9	13
Total	24,380	22,251	507	564

Revenues of approximately EUR 2,627k (H1 2014: EUR 1,347k) are derived from a single external customer. These revenues are attributable to the Webgains segment.

6. Treasury stock

Acquisition of treasury stock

By a shareholders' resolution dated May 21, 2015, the Board of Directors was authorized to repurchase treasury stock of up to 50 percent of the issued capital within the following 18 months.

As of June 30, 2015, ad pepper media International N.V. held 1,759,292 treasury stocks (June 30, 2014: 1,759,292) at a nominal value of EUR 0.05 each, corresponding to 7.65 percent (June 30, 2014: 7.65 percent) of the share capital.

According to a shareholders' resolution, these shares can be used for stock option plans or acquisitions.

Sale of treasury stock

No treasury shares were sold during the first six months of 2015 (H1 2014: 0). No shares were sold under the employee stock option plans and no cash settlements amounting for fully vested stock options occurred (H1 2014: 0).

Number of shares outstanding

The number of shares issued and outstanding as of June 30, 2015 totals 21,240,708 (June 30, 2014: 21,240,708). Each share has a nominal value of EUR 0.05.

7. Seasonal influences on business operations

ad pepper media is engaged in the field of online advertising in the broadest sense. Due to the seasonal character of the advertising industry, with its traditional focus on expenditure in the 4th quarter, revenue and, thus, operating profit are generally higher in the second half of the year.

8. Stock options and shareholdings

As of June 30, 2015, a total of 1,313,900 stock options exists under stock option plans. The exchange ratio for each of the stock options is one share per option. The exercise prices are in the range of EUR 0.665 to EUR 3.795.

The following table lists the individual holdings and option rights of the Supervisory and Board of Directors (directly and indirectly) as well as employees.

	Shares as of 6.30.2015	Options as of 6.30.2015
Board of Directors		
Dr. Ulrike Handel	0	300,000
Dr. Jens Körner	0	210,000
Former Board of Directors		**389,500**
Supervisory Board		
Michael Oschmann	0	0
Thomas Bauer	0	0
Eun-Kyung Park	0	0
Dr. Stephan Roppel	0	0
Employees		**414,400**
Associated companies		
EMA B.V.	9,486,402	0
Euro Serve Media GmbH	436,963	0

9. Report on major transactions with related companies and persons

There have been no material changes in transactions with related parties compared with the 2014 financial year.

10. Events after the balance sheet date

Up until the day of authorization for issuance, no events took place which would have exerted substantial influence on the net assets, financial position, or result of operations as per June 30, 2015.

Amsterdam/Nuremberg, July 29, 2015
ad pepper media International N.V.

Dr. Ulrike Handel   Dr. Jens Körner

FINANCIAL CALENDAR

All financial and press data relevant for the capital market at a glance:

Quarterly report III / 2015	November 16, 2015

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We will gladly send you our **2014 Annual Report** as well as the **interim financial report for 2015** in German or English. These reports are also published as PDF files at

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