



***Unaudited condensed interim consolidated
financial report as of 31 March 2010***

Selected consolidated group figures

	Q1 / 2010 kEUR	Q1 / 2009 kEUR	Change Percent
<i>Net sales</i>	11,995	11,619	+3.2
<i>Gross margin</i>	5,291	5,223	+1.3
<i>EBIT</i>	17	-1,209	>100
<i>Net income for the period</i>	419	-878	>100
<i>Earnings per share in EUR (basic)</i>	0.02	-0.04	>100

	31-03-10 kEUR	31-03-09 kEUR	Change Percent
<i>Liquid funds*</i>	22,677	21,575	+5.1
<i>Equity</i>	22,339	54,048	-58.7
<i>Total assets</i>	32,400	63,233	-48.9
Employees	242	258	-6.2

- ad pepper media breaks even in the first quarter on EBITDA, EBT and EBIT level.
- Sales up against the same period of the previous year on a comparable basis by 6.9 percent – the key engines behind growth are the Webgains (+26.6 percent) and ad agents (+31.7 percent) segments.
- ad agents takes over SEM from neckermann.at.
- Kodak Gallery launches co-operation with Webgains in the UK and exclusively in five European countries.

* including security holdings at fair value and deposits with a maturity of more than three months

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Important events

ad pepper media breaks even in the first quarter on EBITDA, EBT and EBIT level

In the first quarter of the year, ad pepper media was already able to improve all profitability ratios considerably and was back in the black on EBITDA, EBT and EBIT level. This positive development was largely due to the strong focus on performance-based advertising combined with a cost basis that has been reduced considerably compared to the previous year. On a comparable basis, sales were up by 6.9 percent. This growth was largely driven by the Webgains and ad agents segments which were up 26.6 percent and 31.7 percent, respectively, against the previous year.

ad agents takes over SEM from neckermann.at

After ad agents took over affiliate management of the multi-channel mail-order company in October 2009, co-operation has now been expanded on the basis of the convincing results to include search engine marketing. The optimum placement of neckermann.at in search engines, taking targets, daily products and offers into consideration, is designed to boost online shop sales. By winning neckermann.at, ad agents has been able to win one of the leading e-commerce companies on the Austrian market.

Kodak Gallery launches co-operation with Webgains in the UK and exclusively in five European countries

Neo@Ogilvy has selected Webgains in the UK as the preferred affiliate network for its customer Kodak Gallery. Exclusive co-operation will also be carried out in another five European countries. Kodak Gallery will terminate all existing affiliate programs with other affiliate networks in Europe and will co-operate in the UK with just one other network in addition to Webgains. The programs will be offered in the UK, Germany, France, the Netherlands, as well as in Spain and Italy. The programs will be centrally steered by Webgains in London and managed by account managers in the national offices of the respective markets.

Basic economic conditions

World/Europe/Germany

The global economy and hence Germany too are once again set for growth since the second quarter of 2009. However, the dynamism and stability of this growth is still weak.

Nevertheless the International Monetary Fund (IMF) has raised its forecast for global economic growth significantly. The organization is now expecting a plus of 3.9 percent for 2010. This is after its initial forecast of 3.1 percent IMF economists expect growth in Germany to increase to 1.5 percent compared to 0.3 percent.

For the euro zone, they expect to see growth of 1.0 percent compared to 0.3 percent. They have forecast growth of 2.7 percent for the United States. Their original estimate had been 1.5 percent.

Advertising market

In the first quarter of 2010, companies in Germany invested considerably more in advertising than in the previous year. This is the result of the latest advertising statistics from Nielsen Media Research. Of the media with the highest growth, the Internet came out on top; the volume of advertising here rose by 17.1 percent compared to the first quarter of 2009. A completely different picture was found for print and radio where advertising revenues remained on the same level or declined compared to the previous year.

According to the study, the boom of the Internet as a means of advertising has continued despite the consequences of the economic crisis. The experts found that the Internet advertising boom was still being supported by the recession because it is at times like this that precise ROI measurability and flexibility on the part of advertisers are demanded. But even if Internet advertising comes out of the global economic crisis stronger than before, the negative impacts of this crisis are still being felt on the online advertising market. It is, for instance, unlikely that we will see the high growth rates of recent years in 2010. According to Online-Vermarkterkreis OVK, the strongest pillars in online marketing are search engine marketing and affiliate marketing.

Structure of the ad pepper media group

The ad pepper media group is one of the leading independent marketing networks in online advertising.

ad pepper media International N.V. with its headquarters in Amsterdam, the Netherlands, is the central management and holding company for the companies of the ad pepper media group. With 16 branches in eight European countries and the US, ad pepper media conducts campaigns for thousands of national and international advertising customers in more than 50 countries world-wide. We are active on the online advertising market with three business divisions: ad pepper media, Webgains and ad agents.

ad pepper media

ad pepper media offers a full range of products for successful display, performance and email marketing, as well as ad serving. The major products are iLead, Click Generation, mailpepper, iSense and Emediate.

iLead is the ideal partner for advertisers who want to implement successful measures in dialogue and direct marketing. The focus here is on obtaining addresses to win new customers through a success-based cost-per-lead price model.

Click Generation is ad pepper media's success-based traffic-generating marketing solution that supplies advertisers in an efficient and measurable manner with qualified Internet users according to the cost-per-click price model.

mailpepper enables advertisers to achieve large ranges quickly and effectively through email or even to send advertising messages to specific target groups without significant dispersion losses.

iSense equips advertisers and publishers with a revolutionary semantic advertising technology which they can use to place advertising on a relevance basis and targeted for each website. iSense is centered around the patented Sense Engine™ technology and is the result of ten years of research and development.

This technology was developed by Dr. David Crystal, one of the world's leading linguistics experts.

Emediate primarily provides ad serving technology solutions and services. Emediate is the market leader in Scandinavia and one of the few remaining players in the market with independent and powerful ad serving.

Webgains

Our Webgains affiliate network is one of the platforms in this market segment with the most dynamic development and is represented by offices in the UK, France, Germany, the Netherlands, the US, Spain, Sweden and Denmark. Maximum range combined with successbased payment makes affiliate marketing very attractive for all participants. Using Webgains as the technology platform, advertisers (merchants) make advertising formats (banners, text links, etc.) available on the websites of website operators (affiliates). These formats can be used to advertise the merchants' products and services and, when successful, result in a purchase, subscription or similar transaction. This means that in a strict sense Webgains is an e-commerce platform and, in our opinion, one of the most efficient on the market.

Not only is the technical platform persistently upgraded, in line with customer demands, we also offer a service portfolio that is considered to be exemplary throughout the industry.

ad agents

ad agents specializes in search-engine marketing (SEM), search-engine optimization (SEO) and performance marketing. ad agents advises well-known companies from mail order business, the travel industry and many other sectors. There is one thing which all these customers have in common: They already have a mature e-commerce strategy in which they offer their goods and/or services via their websites or web shops. ad agents helps its customers to make their web presence even more efficient as a selling instrument.

This is achieved by improving range in combination with the best possible increase in advertising effectiveness.

The ad agents strategies, which are based on quality and security, offer customers sustainability in terms of clicks and sales, along with detailed reporting.

ad pepper media holds a 60 percent share in ad agents.

The share

Share price

The ad pepper media share price has developed well since the beginning of the year. On 31 March, the share closed at EUR 1.38 and was hence around 17 percent higher than at the end of December 2009 (share price on 31 December 2009: EUR 1.18).

Over the past twelve months, the share price increased in fact by 58.6 percent. After the end of the period under review, the share price continued its dynamic development, reaching EUR 1.80 until the copy deadline for this report.

Shareholder structure

On 8 March 2010, we were informed of a transaction of Amiral Gestion S.A. which had to be reported pursuant to the Dutch WFT. According to this information, its voting shares in ad pepper media fell below the threshold of 5 percent of voting shares and now total 4.90 percent (corresponding to 1,126,517 voting rights).

On 15 April 2010, we were notified that Amiral Gestion S.A. had reduced its voting shares in ad pepper media International N.V. to 0 percent (corresponding to 0 voting rights).

Due to the exercise of employee stock options, the number of own shares declined slightly in the first quarter of 2010 compared to 31 December 2009 to 2,073,792; this corresponds to a share of 9.02 percent of capital stock (31 December 2009: 2,267,792).

Date of report: 31 March 2010

Share facts

Security Identification Number	940883
ISIN	NL0000238145
Market segment	Prime Standard
Designated Sponsor	Equinet
Number of shares	23,000,000
Market capitalization (as per 31 March 2010)	EUR 31.7m

Share price developments over the past twelve months (Xetra)



Shareholder

Shareholder	No. of shares	Percent of capital stock
EMA B.V.	9,486,402	41.25
Eigene Anteile	2,073,792	9.02
Amiral Gestion S.A.	1,126,517	4.90
U. Schmidt	1,005,524	4.37
Grabacap ApS	848,000	3.69
Euroserve Media GmbH	306,132	1.33
M. A. Carton	332,178	1.44
Viva Media Service GmbH	71,300	0.31
Sub-total	15,249,845	66.31
Freefloat	7,750,155	33.69
Total	23,000,000	100.00

Result of operations, financial position and net assets***Result of operations***

In the first three months, sales of ad pepper media increased to kEUR 11,995 (Q1 2009: kEUR 11,619) corresponding to an increase of 3.2 percent against the same period of the previous year. On a comparable basis, i.e. taking the activities of ad pepper media Italy srl. into account which have now been discontinued, growth in fact totaled 6.9 percent. The main driving force behind this positive development was the Webgains segment which was up 26.6 percent from kEUR 2,836 to kEUR 3,591.

The ad agents segment also fared very well, with sales up here by 31.7 percent to a total of kEUR 1,843 (Q1 2009: kEUR 1,399). Many new customers have been won, especially from the travel and insurance industry, and it can be assumed that ad agents will also provide a positive impetus in the coming quarters. The ad pepper media segment remained below expectations. Sales declined here by 11 percent or by kEUR 816, falling from kEUR 7,374 to kEUR 6,558. The greater part of this decline in sales in this segment, i.e. kEUR 648, was recorded in Denmark. On a comparable basis – i.e. taking the activities discontinued in Italy into consideration – the decline in sales for the ad pepper media segment was only 6.0 percent.

The gross margin (in percent) of the ad pepper group totaled 44.1 percent, thus remaining at the same high level as the previous year (Q1 2009: 44.9 percent). In absolute figures, this means a slight increase of kEUR 68 to kEUR 5,291 (Q1 2009: kEUR 5,223). On a comparable basis, the increase in the gross margin totaled kEUR 261 or 5.2 percent.

Operative costs fell significantly in the first three months of the current year against the same period of the previous year from kEUR 6,432 to kEUR 5,274. This reflects both lower personnel expenditure, especially in conjunction with the discontinuation of activities by ad pepper media Italy srl., and lower depreciation compared to the previous year on intangible assets resulting from the purchasing price allocations (PPA). Personnel costs declined accordingly by kEUR 453 to kEUR 4,339; depreciation and amortization expenses fell by kEUR 435 to kEUR 186 (in each case compared to the same period of the previous year).

Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled kEUR 203 (Q1 2009: kEUR -588). EBIT was also slightly positive, totalling kEUR 17 after kEUR -1,209 in the same period of the previous year. Due to the excellent financial result of kEUR 403, EBT also rose significantly. While EBT in the first quarter of 2009 was still negative at kEUR -903, kEUR 420 was recorded in the period under review. Profit for the period was also positive and totaled kEUR 419 (Q1 2009: kEUR -878). This means that all major profitability figures are positive.

Financial position

Operative cash flow totaled kEUR -693 after kEUR -1,126 in the first three months of the previous year. Net cash flow from investment activities from January to March 2010 totaled kEUR 1,354 (Q1 2009: kEUR 287). In the first three months of 2010, cash flow from financing activities totaled kEUR 185 following kEUR -92 during the same period of the previous year.

Net assets

The balance sheet total changed only insignificantly compared to the end of 2009, falling slightly by kEUR 404 to kEUR 32,400 (31 December 2009: kEUR 32,804). At the same time, equity rose by kEUR 1,001 to kEUR 22,339. The equity ratio as per 31 March 2010 hence totaled an excellent 69 percent (31 December 2009: 65 percent).

As per the balance-sheet date, the ad pepper media group is financed from its own resources. As per the end of March 2010, liquid funds, including securities at fair value and time deposits with a maturity of more than three months, totaled kEUR 22,677 (31 December 2009: TEUR 22,602). There are no long-term liabilities to banks.

Employees

As per 31 March 2010, the ad pepper media group employed a staff of 242. At the end of the same period of 2009, the company employed a total workforce of 258. The employees of the ad pepper media group were assigned to the following segments:

	<i>31 March 2010 Number</i>	<i>31 March 2009 Number</i>
<i>ad pepper media</i>	<i>130</i>	<i>158</i>
<i>Webgains</i>	<i>60</i>	<i>56</i>
<i>ad agents</i>	<i>17</i>	<i>12</i>
<i>Administration</i>	<i>35</i>	<i>32</i>

Report on opportunities and risks

Compared to the Consolidated Annual Accounts as per 31 December 2009, there have been no significant changes in the opportunity and risk situation of ad pepper media International N.V. We therefore refer to the presentation in the Management Report for fiscal 2009.

Forecast report

Macroeconomic conditions improved slightly at the beginning of 2010 with some regional differences.

The outlook for the development of the online advertising market is hence slightly positive – at least in the short term. The fact that the number of Internet users continues to increase is good for the online advertising market. Higher data rates increase the attractiveness of the Internet as a medium for advertisers even further. Furthermore, online advertising will continue to benefit from the strong trend towards measurability of advertising success, so that the online advertising market may become less dependent – at least partially – on economic cycles.

The first quarter proved that ad pepper media with its clear focus on performance marketing is in an excellent position and has done its homework to keep cost developments at bay. This was impressively demonstrated by the break even achieved in the first quarter which is traditionally not the strongest period of the year. Despite the remaining macroeconomic risks, we are still optimistic about the coming quarter. The goal is to break even on EBITDA level for the entire year 2010.

Consolidated Income Statement (IFRS)

	Q1 / 2010	Q1 / 2009
	<i>kEUR</i>	<i>kEUR</i>
Revenues	11,995	11,619
Cost of sales	-6,704	-6,396
Gross profit	5,291	5,223
Selling and marketing expenses	-3,731	-4,075
General and administrative expenses	-1,957	-2,583
Other operating income	520	575
Other operating expenses	-106	-349
Earnings before interest and taxes	17	-1,209
Financial income	462	319
Financial expenses	-59	-13
Earnings before taxes	420	-903
Income taxes	-1	25
Net income	419	-878
attributable to shareholders of the parent company	341	-885
attributable to minority interest	78	7
Basic earnings per share on net income for the year attributable to shareholders of the parent company*	0.02	-0.04
Diluted earnings per share on net income for the year attributable to shareholders of the parent company*	0.02	-0.04
	Q1 / 2010	Q1 / 2009
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of shares outstanding (basic)*	21,414,991	21,927,234
Weighted average number of shares outstanding (diluted)*	21,729,647	21,931,482

* Previous year adjusted for share-split of 1 to 2 on 27 May 2009

Consolidated statements of income and expense recognized in equity (IFRS)

	Q1 / 2010	Q1 / 2009
	kEUR	kEUR
Net income	419	-878
Currency translation differences	-53	-115
Revaluation of available-for-sale financial assets	420	-588
Income tax recognized directly in equity	0	0
Total income and expense recognized directly in equity, net of tax	367	-703
Total income and expense recognized in equity	786	-1,581
attributable to minority interest	78	7
attributable to shareholders of ad pepper media International N.V.	708	-1,588

Disclosures on total income and expense recognized directly in equity

The total income and expense recognized directly in equity and the corresponding income taxes are as follows:

Q1 / 2010 kEUR	before income taxes	income taxes	after income taxes
Currency translation differences (incl. minority interest)	-53	0	-53
Revaluation of available-for-sale financial assets	420	0	420
Total income and expense recognized directly in equity	367	0	367

Q1 / 2009 kEUR	before income taxes	income taxes	after income taxes
Currency translation differences (incl. minority interest)	-115	0	-115
Revaluation of available-for-sale financial assets	-588	0	-588
Total income and expense recognized directly in equity	-703	0	-703

Consolidated balance sheet (IFRS)

	31 March 2010	31 December 2009
	kEUR	kEUR
Assets		
Non-current assets		
Goodwill	24	24
Intangible assets	724	816
Property, plant and equipment	511	563
Securities at fair value through profit and loss	2,686	3,265
Securities available-for-sale	4,284	4,423
Other financial assets	715	727
Deferred tax assets	308	308
Total non-current assets	9,252	10,126
Current assets		
Securities and deposits with maturity over three months	1,400	1,400
Trade receivables	5,862	6,390
Income tax receivables	704	607
Prepaid expenses and other current assets	567	463
Other financial assets	308	304
Cash and cash equivalents	14,307	13,514
Total current assets	23,148	22,678
Total assets	32,400	32,804

Consolidated balance sheet (IFRS)

	31 March 2010	31 December 2009
	kEUR	kEUR
Equity and liabilities		
Equity attributable to shareholders of the parent company		
Issued capital*	1,150	1,150
Additional paid-in capital	67,144	67,102
Treasury shares	-3,237	-3,410
Accumulated deficit	-39,735	-40,076
Accumulated other comprehensive losses	-3,166	-3,533
Total	22,156	21,233
Minority interest	183	105
Total equity	22,339	21,338
Non-current liabilities		
Deferred tax liabilities	21	21
Total non-current liabilities	21	21
Current liabilities		
Trade payables	5,457	6,619
Other current liabilities	740	749
Other financial liabilities	3,459	3,693
Income tax liabilities	384	384
Total current liabilities	10,040	11,445
Total liabilities	10,061	11,466
Total equity and liabilities	32,400	32,804

* The Issued Capital consists of shares with a nominal value of EUR 0.05 each. The authorized capital amounts 23,429,708 shares, of which 23,000,000 are issued and 20,926,708 shares were floating at 31 March 2010 (31 December 2009: 20,732,708).

Consolidated statement of cash flows (IFRS)

	Q1 / 2010	Q1 / 2009
	kEUR	kEUR
Net income	419	-878
Adjustments to reconcile net income for the year to net cash flow used in/provided by operating activities:		
Depreciation and amortisation	186	621
Gain/loss on sale of fixed assets	4	0
Share-based compensation	42	58
Gain/loss on sale of securities	-216	-19
Other financial income and financial expenses	-187	-287
Income taxes	1	-25
Other non-cash expenses and income	-127	23
Gross cash flow	122	-507
Change in trade receivables	655	1,950
Change in other assets	-123	-536
Change in trade payables	-1,162	-1,607
Change in other liabilities	-243	-561
Income taxes received	0	0
Income taxes paid	-98	-140
Interest received	156	275
Interest paid	0	0
Net cash flow from operating activities	-693	-1,126

Consolidated statement of cash flows (IFRS)

	Q1 / 2010	Q1 / 2009
	kEUR	kEUR
Additions to intangible assets and property, plant and equipment	-49	-122
Proceeds from sale of intangible assets and property, plant and equipment	3	0
Proceeds from sale of shares in associates and other investments	0	1,200
Loans granted	0	-751
Proceeds from sale/maturity of securities and maturity of fixed-term deposits	2,387	5,119
Purchase of securities	-987	-5,159
Net cash flow from investing activities	1,354	287
Sale of treasury shares	173	0
Purchase of treasury shares	0	-104
Repayment of loans granted	12	12
Net cash flow from financing activities	185	-92
Effect of exchange rates on cash and cash equivalents	-53	0
Cash-effective decrease/increase in cash and cash equivalents	846	-931
Cash and cash equivalents at beginning of financial year	13,514	5,833
Cash and cash equivalents at end of period	14,307	4,902

Consolidated changes in equity (IFRS)

	Balance at 01-01-09	Total in- come and expense reco- gnized in equity	Share- based payment	Purchase of treasury shares	Issuance of shares	Balance at 31-03-09
Issued capital						
Number of shares	22,789,708					22,789,708
Issued capital (kEUR)	1,139					1,139
Additional paid-in capital						
for employee stock option plans (kEUR)	2,080		58			2,138
from contributions of shareholders of ad pepper media International N.V. (kEUR)	64,667					64,667
Treasury shares						
Number of shares	765,026			131,774		896,800
Treasury shares at cost (kEUR)	-1,732			-104		-1,836
Accumulated deficit (kEUR)	-5,769	-885				-6,654
Accumulated other comprehensive losses						
Currency translation differences (kEUR)	-1,477	-115				-1,592
Revaluation available-for-sales securities (kEUR)	-3,353	-588				-3,941
Equity attributable to shareholders of ad pepper media International N.V. (kEUR)	55,555	-1,588	58	-104	0	53,921
Minority interest (kEUR)	120	7				127
Total equity (kEUR)	55,675	-1,581	58	-104	0	54,048

Consolidated changes in equity (IFRS)

	Balance at 01-01-10	Total income and expense recognized in equity	Share-based payment	Purchase of treasury shares	Issuance of shares	Balance at 31-03-10
Issued capital						
Number of shares	23,000,000					23,000,000
Issued capital (kEUR)	1,150					1,150
Additional paid-in capital						
for employee stock option plans (kEUR)	2,259		42			2,301
from contributions of shareholders of ad pepper media International N.V. (kEUR)	64,843					64,843
Treasury shares						
Number of shares	2,267,792				-194,000	2,073,792
Treasury shares at cost (kEUR)	-3,410				173	-3,237
Accumulated deficit (kEUR)	-40,076	341				-39,735
Accumulated other comprehensive losses						
Currency translation differences (kEUR)	-1,369	-53				-1,422
Revaluation available-for-sales securities (kEUR)	-2,164	420				-1,744
Equity attributable to shareholders of ad pepper media International N.V. (kEUR)	21,233	708	42	0	173	22,156
Minority interest (kEUR)	105	78				183
Total equity (kEUR)	21,338	786	42	0	173	22,339

Notes

1. Basis for the preparation of the quarter-end 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 euro. The comparative figures from the previous year were determined according to the same principles and adjusted where necessary. The quarter-end 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 31 December 2009.

The consolidated interim financial statements include all subsidiaries. Compared to the consolidated financial statements as per 31 December 2009, no changes took place in the consolidated group: Emediate ApS and Pentamind A/S merged with effect as of 1 January 2010.

The consolidated interim financial statements as per 31 March 2010 were authorized for issue by the management board on 26 April 2010.

2. Accounting principles

The accounting principles applied to these quarter-end financial statements do not materially differ from the principles as applied for the Annual Report as per 31 December 2009.

The following standards and interpretations have been adopted since then within the scope of the comitology procedure:

Improvements to IFRSs 2007-2009

In the Official Journal of the European Union of 24 March 2010 (53rd year, L 77), Commission Regulation (EU) No. 243/2010 for the adoption of the annual "Improvements to IFRSs" published in April 2009 by the IASB was published and entered into force on the third day following that of its publication in the Official Journal of the European Union.

The "Improvements to IFRSs" aim to streamline and clarify the international accounting standards. The majority of amendments are clarifications or corrections of existing IFRSs or amendments consequential to changes previously made to IFRSs. Amendments to IFRS 8, IAS 17, IAS 36 and IAS 39 involve changes to the existing requirements or additional guidance on the implementation of those requirements. Companies are required to apply the "Improvements to IFRSs 2007-2009", at the latest, as from the commencement of their first financial year starting after 31 December 2009.

The improvement to IFRS 8 means that in this and in future statements, ad pepper media will not provide any details concerning segment assets because segments assets are not regularly reported to the company's chief operating decision makers.

Amendments to IFRS 2 "Share-based payment"

In the Official Journal of the European Union of 24 March 2010 (53rd year, L 77), Commission Regulation (EU) No. 244/2010 for the adoption of the amendments to IFRS 2 "Share-based payment" published on 18 June 2009 by the IASB was announced and entered into force on the third day following that of its publication in the Official Journal of the European Union. The amendment clarifies the balance-sheet method for share-based payment where a supplier of goods or services is paid in cash and another company of the group is obliged to settle in cash (cash-settled share-based payments by a group company). The amendments to IFRS 2 must be applied, at the latest, as from the commencement of the first financial year starting after 31 December 2009.

This has no effect on the consolidated accounts of ad pepper media.

3. Notes to the Interim Financial Statements

Essentially we refer the explanations regarding results of operations, financial position and net assets in the Interim Directors' Report. The following one-off items affecting the income statement occurred in the period under review:

The financial result includes net exchange gains from the sale of securities totaling kEUR 216 (Q1 2009: kEUR 19).

4. Segment reporting according to IFRS 8

IFRS 8 supersedes IAS 14 "Segment reporting" and converges the standards of the IASB with the requirements of the Statement of Financial Accounting Standards (SFAS) 131. 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 is 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, ad serving), "Webgains" (affiliate marketing) and "ad agents" (SEM/SEO) and for the non-operating "Admin" (administration) segment. The accounting policies of the reportable segments corresponds to the group's accounting policies described in note [2]. The segment result represents the 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 inter-segment transactions.

Q1 / 2010	ad pepper media kEUR	Webgains kEUR	ad agents kEUR	Admin kEUR	Consoli- dation kEUR	Group kEUR
Total revenues	6,636	3,665	1,843	324	-473	11,995
thereof external	6,558	3,591	1,843	3	0	11,995
thereof intersegmental	78	74	0	321	-473	0
Expenses and other income	-6,256	-3,663	-1,648	-731	320	-11,978
thereof amortization and depreciation	-77	-5	-4	-100	0	-186
thereof other non-cash expenses	-119	-25	0	-101	0	-245
EBIT	380	2	195	-407	-153	17
Financial income	4	0	1	478	-21	462
Financial expenses	-21	-1	0	-58	21	-59
Income taxes						-1
Net income for the period						419

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Q1 / 2009	ad pepper media kEUR	Webgains kEUR	ad agents kEUR	Admin kEUR	Consoli- dation kEUR	Group kEUR
Total revenues	7,511	2,983	1,410	471	-756	11,619
thereof external	7,374	2,836	1,399	10	0	11,619
thereof intersegmental	137	147	11	461	-756	0
Expenses and other income	-7,807	-2,961	-1,393	-1,140	473	-12,828
thereof amortization and depreciation	-264	-84	-7	-266	0	-621
thereof other non-cash expenses	-108	-40	4	-62	0	-205
EBITDA	-32	106	24	-403	-283	-588
EBIT	-296	22	17	-669	-283	-1,209
Financial income	32	0	2	353	-68	319
Financial expenses	-66	-3	0	-12	68	-13
Income taxes						25
Net income for the period						-878

Geographical information

The group operates in four principal geographical areas – the Netherlands (country of domicile), Germany, Scandinavia 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 whereby the long-term assets do not include financial instruments or deferred tax assets:

	Revenue from external customers		Non-current assets	
	Q1 / 2010	Q1 / 2009	31-03-10	31-03-09
	kEUR	kEUR	kEUR	kEUR
<i>The Netherlands</i>	559	1,039	22	3,485
<i>Germany</i>	4,141	3,439	821	6,931
<i>Scandinavia</i>	1,530	2,053	294	7,688
<i>United Kingdom</i>	2,941	2,477	27	4,862
<i>Other</i>	2,824	2,611	35	3,427
Total	11,995	11,619	1,259	26,393

Disclosure information according to IFRS 8.34 is not relevant as there is no dependency on major customers.

5. Own shares

Acquisition of own shares

By a shareholders' resolution of 19 May 2009, the board of directors was authorized to repurchase treasury stock of up to 50 percent of the issued capital within the next 18 months. The board of directors used this authorization and on 2 June 2009 resolved to acquire up to 10 percent of the issued capital amounting to 2,279,708 shares. The share buy-back scheme ended for the time being in November 2009.

As of 31 March 2010, ad pepper media International N.V. held 2,073,792 own shares (31 March 2009: 896,800) at a nominal value of 0.05 EUR each, corresponding to 9.02 percent (31 March 2009: 3.94 percent) of the share capital.

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

Sale of own shares

By doubling the number and halving the strike price, the existing stock option plans have been adjusted for the share split on 27 May 2009:

In the first quarter, no own shares (Q1 2009: 0) were sold at an exercise price of EUR 0.665, none (Q1 2009: 0) at a price of EUR 1.365 (Q1 2009: 0), 194,000 (Q1 2009: 0) at an exercise price of EUR 0.89 and none (Q1 2009: 0) at a price of EUR 2.225 under the employee stock option plans.

A total of 194,000 own shares were sold in the first quarter (Q1 2009: 0).

Number of shares outstanding

The number of shares issued and outstanding as of 31 March 2010 totals 20,926,208 (31 March 2009: 21,892,908). Each share has a nominal value of EUR 0.05.

6. Events since 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 31 March 2010.

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 31 March 2010, a total of 2,491,000 stock options exist 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 6.75.

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

	Shares as of 31-03-10	Options as of 31-03-10
Management board		
Ulrich Schmidt	1,005,524	446,000
Michael A. Carton	332,178	284,000
Jens Körner	0	160,000
Supervisory board		
Michael Oschmann	0	0
Dr. Frank Schlager	0	0
Jan Andersen	0	0
Merrill Dean	0	0
Associated companies		
EMA B.V.	9,486,402	0
Viva Media Beteiligungsgesellschaft	71,300	0
Euroserve	306,132	
Grabacap ApS	848,000	0
Employees		1,601,000

9. Number of employees

At the end of the first quarter of 2010, the ad pepper media group employed a workforce of 242 (31 March 2009: 258).

10. Report on major transactions with related companies and persons

Transactions with related companies and persons did not change significantly compared to 2009.

The following directors' dealings (within the meaning of § 15a of the German Securities Trading Act) were registered with ad pepper media International N.V. during the period under review:

- Transaction date: 15 March 2010
 Issuer: ad pepper media International N.V.
 Person subject to registration: Michael A. Carton (member of managing board)
 Transaction subject to registration:
 Sale of 41,961 shares at a price of EUR 1.46 per share, total volume: EUR 61,242.28, stock exchange: Xetra, Frankfurt

- Transaction date: 16 March 2010
 Issuer: ad pepper media International N.V.
 Person subject to registration: Michael A. Carton (member of managing board)
 Transaction subject to registration:
 Sale of 38,039 shares at a price of EUR 1.485 per share, total volume: EUR 56,495.22, stock exchange: Xetra, Frankfurt

- Transaction date: 24 March 2010
 Issuer: ad pepper media International N.V.
 Person subject to registration: Michael A. Carton (member of managing board)
 Transaction subject to registration:
 Purchase of 144,000 shares at a price of EUR 0.89 per share, total volume: EUR 128,160, stock exchange: OTC

Nuremberg, 26 April 2010


 Ulrich Schmid


 Jens Körner


 Michael A. Carton

Company calendar

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

<i>Quarterly report I/ 2010</i>	<i>12 May 2010</i>
<i>General meeting of shareholders (Amsterdam, The Netherlands)</i>	<i>18 May 2010</i>
<i>Quarterly report II/ 2010</i>	<i>12 August 2010</i>
<i>Quarterly report III/ 2010</i>	<i>11 November 2010</i>
<i>Analysts' Conference (Frankfurt / Main)</i>	<i>November 2010</i>

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Executive management
Ulrich Schmidt, Chairman
Jens Körner, Finance
Michael A. Carton, Director of the Board

We will gladly send you our 2009 Annual Report as well as the interim financial reports for 2010 in German or English.
These reports are also published as PDF files at www.adpepper.com under:
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