

ad pepper media International N.V.: Sales and earnings fall short of expectations in 1st half of 2011

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ad pepper media International N.V. grew year-on-year by 5.4 percent in the first six months of the current financial year, with widely divergent developments in its three segments. The key growth drivers were once again the Webgains (+29 percent) and ad agents (+10 percent) segments. The ad pepper media core segment, by contrast, posted a disappointing performance, with a 8 percent decline in sales. Given this development, the company has introduced extensive cost optimization measures. These already negatively impacted half-year earnings to the tune of EUR 200k. What's more, ad pepper media hopes to generate substantial growth momentum by deploying its proprietary real time bidding and data platform. This platform, whose development is now largely complete, is due to be launched in the third quarter.

Given the company's current sales performance, accompanied by a high volume of investments in technology, earnings before interest, taxes, depreciation and amortization (EBITDA) were correspondingly negative and amounted to EUR -1,995k in the first half of 2011 (H1 2010: EUR 691k). At EUR -2,260k, earnings before interest and taxes (EBIT) were also clearly negative (H1 2010: EUR 322k), as were earnings before taxes (EBT) at EUR -1,781k (H1 2010: EUR 1,055k). Net income for the period amounted to EUR -2,047k (H1 2010: EUR 1,051k).

At EUR 17,278k, cash holdings (liquid funds including securities measured at fair value and time deposits) remained high (12.31.2010: EUR 22,924k), and that in spite of the dividend payment in May of this year (EUR 1,061k) and the investment made to acquire a further 10 percent of the shares in SocialTyze LLC (EUR 887k). There are no liabilities to banks. The equity ratio amounted to 70.5 percent as of June 30, 2011 (12.31.2010: 69.5 percent).

The half-year report will be published on August 9, 2011.

Year-on-year comparison of key figures (unaudited):

| | | H1 2011 | H1 2010 | % change |
|-------------------------|----------|------------|------------|----------|
| Sales | EUR 000s | 26,229 | 24,884 | +5.4 |
| Gross margin | EUR 000s | 11,344 | 11,325 | +0.2 |
| EBITDA | EUR 000s | -1,995 | 691 | >100 |
| EBIT | EUR 000s | -2,260 | 322 | >100 |
| EBT | EUR 000s | -1,781 | 1,055 | >100 |
| Consolidated net income | EUR 000s | -2,047 | 1,051 | >100 |
| Earnings/share (basic) | EUR | -0.10 | 0.04 | >100 |
| | | 06.30.2011 | 06.30.2010 | |
| Liquid funds | EUR 000s | 17,278 | 21,846 | -20.9 |
| Equity | EUR 000s | 22,675 | 22,673 | +0.0 |
| Total assets | EUR 000s | 32,167 | 32,432 | -0.8 |

Ad hoc Mitteilung

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