the e-advertising network

Unaudited condensed interim consolidated financial report as of 31 March 2009

KEY FIGURES OVERVIEW

- Sales down 10.8 percent to kEUR 11,619 due to structural changes and economic conditions
- Impact of cost-cutting programme materializes: Operative costs are down 10 percent against the same quarter of last year totalling kEUR 6,432
- Segment reporting improves transparency
- iSense und SiteScreen receive the European Seal of E-Excellence Award
- Launch of the iSense Display und Screen Network in Germany, Denmark, Sweden, the Netherlands and in the US with the central event for media planners, the iMedia Brand Summit

Selected consolidated group figures

	Q1 / 2009 kEUR	Q1 / 2008 kEUR	Change Percent
Net sales	*11,619*	*13,032*	*-10.8*
Gross margin	*5,223*	*5,698*	*-8.3*
EBIT	*-1,209*	*-391*	*>100*
Net income for the period	*-878*	*-207*	*>100*
Earnings per share (basic)	*-0.08*	*-0.02*	*>100*

	31.03.2009 kEUR	31.03.2008 kEUR	Change Percent
*Liquid funds**	*21,575*	*16,250*	*32.8*
Equity	*54,048*	*56,182*	*-3.8*
Total assets	*63,233*	*67,435*	*-6.2*
Employees	**258**	**254**	**1.6**

* including „available-for-sale" securities at fair value and deposits with maturity over three months

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Important events

Segment reporting improves transparency

In this quarterly report, we will present for the first time our new segment reporting, including figures for the previous year. Due to the growing importance of success-based web formats, we will no longer distinguish figures according to regions but according to product areas. This means that in future, we will distinguish between ad pepper media (core business), Webgains and ad agents, thus acknowledging the growing importance of the two latter product areas und the fact that greater demands for transparency are being placed on our business model both internally and externally.

Launch of the iSense Display and SiteScreen Network in the US, Germany, Denmark, Sweden and the Netherlands

Following the successful launch of the iSense Display and SiteScreen Network in the UK last year, the next stage of expansion was launched at the beginning of 2009 for these two semantic targeting products. For this purpose, „Sense Engine", the world's first-ever technology capable of analysing the entire text of a website in a fraction of a second in order to understand its subject matter and to place suitable campaigns, was translated into four more languages and adapted to US English. Now, advertising customers in Germany, Denmark, Sweden, the Netherlands and the US can also make use of our technology and stand out against other existing targeting systems.

iSense und SiteScreen receive the European Seal of E-Excellence Award

At the beginning of March, ad pepper media received the silver medal of the European Seal of e-Excellence Award. This prize rewards companies around the globe for outstanding success, innovation and excellent, interactive marketing strategies. ad pepper media was honoured for its semantic targeting technology for the precise placement of campaigns on suitably themed websites (iSense) and for its solution to protect brand advertising on the Internet (SiteScreen).

After previously receiving local awards, such as the UK's „Innovation in Online Marketing Award" and the „Digital Innovator of the Year Award", iSense has now received for the first time an international award which cannot be regarded high enough in view of the launch of our semantic targeting technology in five new countries early in 2009.

Basic economic conditions

US/Europe/Germany

In recent months, the global economy has slowed down more than originally anticipated. The situation is worsened especially by the poor earnings prospects for companies and the ongoing financial and real estate crisis which is resulting in hesitant lending by banks and the loss of wealth among private households. Due to the mutual dependencies that exist between the finance sector and the real economy, negative developments are expected for the global economy. The International Monetary Fund (IMF) estimates that in 2009 global economic performance will decline by between 0.5 and 1.0 percent. The World Bank is also expecting the biggest fall in global trade in 80 years.

The recession in the US is expected to continue. Economic developments will be especially influenced by the further course of the finance and real estate crisis and by the stimulus packages adopted and in the planning. Private consumption is also likely to decline. The worsening of the situation on the labour market is also having a negative impact. This is leading to a negative impact on wealth and a rising savings rate. In view of global economic slow-down and a stronger dollar, US industry will suffer from a decline in international demand. Against this background, the IMF expects that economic performance in the US will fall by 2.6 percent.

Europe's gross domestic product is expected to decline by 3.2 percent in 2009 (source: IMF). This development is being strongly influenced by the heavy slump in investments and a fall in exports. The Organisation for Economic Co-operation and Development (OECD) also expects a recession for Germany and a decline in gross domestic product of up to 5.0 percent; this would be the highest negative value in the history of the Federal Republic of Germany. Germany's economy, which relies heavily on exports, was hence suffering particularly from the global slump in demand. The gloomy global economic parameters will additionally impact investment activities with no significant growth impetus to be expected from private consumption. In an effort to counteract the global downturn, the Federal Government in Germany has also adopted an economic stimulus package which is to have a stabilising effect in 2009.

Advertising market

Before the dawn of the global financial crisis, leading market researchers had expected very dynamic growth to continue on the global online advertising market in 2009 with growth rates as high as those recorded in the previous years. As a result of the continued worsening of the economic situation in the first quarter of 2009 and growing reluctance on the part of consumers and advertisers, which was particularly pronounced in the first two months of 2009, market researchers are expecting growth on all leading advertising markets to be, at times, much weaker.

For instance, in the US, growth of online advertising revenues continued to develop successfully in 2008 according to the Interactive Advertising Bureau (IAB) and PricewaterhouseCoopers (PwC), however, due to the financial and economic crisis the rate of growth has slowed down to an estimated 14 percent (2007: +26 percent).

The final figures for the 4th quarter of 2008 were not yet available at the time this quarterly report was drafted.

Although positive growth is still expected for the current year, this is likely to be far below the growth rate recorded in 2008. Growth of the online advertising market will be strongly supported by the growing number of broadband connections, even in more mature markets like the US, the UK and Germany, as well as the uninterrupted trend towards more time spent by users on the Internet. Both factors will hence generate a positive impact in the current year.

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 ten 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 main products here are iLead, Click Generation, mailpepper, iSense and Emediate.

iLead is the ideal partner for advertisers wanting 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 centred around the patented Sense Engine™ technology and is the result of 10 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 is one of the few remaining players in the market that can still boast independent und powerful ad serving.

Webgains

Our Webgains affiliate network is one of the platforms in this market segment recording 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 success-based 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 because the technical platform is persistently upgraded, in line with customer demands. Furthermore, it is also supplemented by a service offering which is regarded to be exemplary by the entire industry.

ad agents

ad agents specialises in search-engine marketing (SEM), search-engine optimisation (SEO) and performance marketing. ad agents advises well-known companies from mail order business, the travel industry and many other sectors.

All ad agents customers have one thing 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 carried out 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

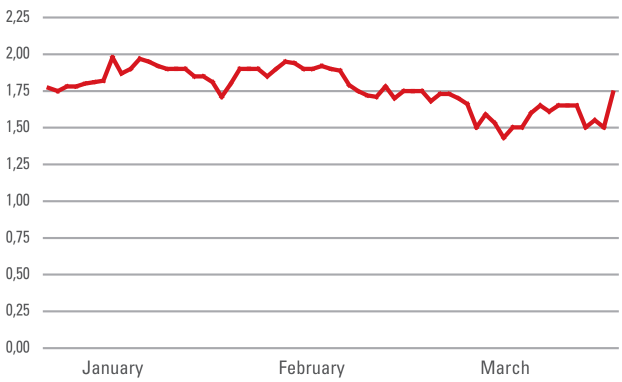
In the period under review, the ad pepper media share oscillated within a small bandwidth in and around EUR 1.75 mark.
The lowest level of EUR 1.43 was reached on 13 March 2009 and the highest level of EUR 1.98 on 13 January 2009. The closing price on Xetra was noted on 31 March 2009 at EUR 1.74.

At the end of March, market capitalisation totalled around EUR 19.8m and was hence approx. EUR 1.8m below our liquid funds including available-for-sale securities at fair value and deposits with maturity over three months (EUR 21.6m).

On 11 June 2008, we announced a share buyback programme which we also continued to pursue in the first quarter of 2009. Since the launch of the share buyback, 255,504 shares worth around kEUR 567 have been bought back, including 65,877 shares in the first quarter.
Own shares accounts as per 31 March 2009 for approx. 3.94 percent of the company's capital stock.

Share facts	
Security Identification Number	*940883*
ISIN	*NL0000238145*
Market segment	*Prime Standard*
Designated sponsor	*Equinet*
Number of shares	*11,394,854*
Market capitalisation (as per 31 March 2009)	*EUR 19.8m*

Share price developments in the first quarter of 2009 (Xetra)



Shareholder structure

Day of report: 31 March 2009

Shareholder	*Shares (Numbers)*	*in percent of equity capital*
EMA B.V.	*4,743,201*	*41.63*
Amiral Gestion S.A.	*1,756,008*	*15.41*
U. Schmidt	*502,762*	*4.41*
Own shares	*448,400*	*3.94*
Grabacap ApS	*424,000*	*3.72*
Euroserve Media GmbH	*153,066*	*1.34*
M.A. Carton	*134,089*	*1.18*
Viva Media Service GmbH	*35,650*	*0.31*
Subtotal	***8,197,176***	***71.94***
Freefloat	*3,197,678*	*28.06*
Total	***11,394,854***	***100.00***

Results of operations, financial position and net assets

Results of operations

In the first three months of this year, ad pepper media recorded sales of kEUR 11,619. Compared to the same period of the previous year in which sales totalled EUR 13,032, this corresponds to a decline in sales of 10.8 percent.

This fall in sales is mainly due to the weaker development of the „ad pepper media" segment compared to the previous year's quarter. In this segment, sales were down 22.6 percent by kEUR 2,148 to kEUR 7,374 (Q1 2008: kEUR 9,522). The decline in sales recorded in this segment was primarily due to the weaker development recorded with price models based on cost per mille (CPM). The currently weak economic climate has significantly slowed demand for these products across the industry because budget cut-backs by online advertisers were, and are, being primarily made in the area of brand advertising. CPM-based campaigns were marketed by ad pepper media mostly under the mediasquares brand name until the end of 2008. In response to this trend, we largely terminated these activities as per the end of last year, and since the first quarter of 2009 we are offering what are in fact exclusively success-based price models.

With sales up by kEUR 722 or 34.0 percent, our Webgains affiliate network proved to be a growth engine (Q1 2008: kEUR 2,114). Despite the deepening financial and economic crisis, this segment appears to be relatively immune in terms of turnover developments. Affiliate marketing as a tool of direct marketing with purely success-based advertising is hence also proving to be stable and particularly so in difficult times. One key reason for this is the high degree of transparency for the advertiser when it comes to measuring success and this means that advertising funds can be employed very effectively.

The ad agents segment was able to keep sales at kEUR 1,399 and close to the previous year's level (Q1 2008: kEUR 1,396). Just like affiliate marketing, search engine marketing (SEM) and search engine optimization (SEO), which are the main fields of business for ad agents, are less susceptible to budget cuts in times of crisis. Due to the success-based character, both areas have significant advantages over pure image advertising.

The gross margin for the first three months totalled kEUR 5,223 compared to kEUR 5,698 for the same period of the previous year. The decline in gross margin was under-proportionate to sales developments so that on the whole it was possible to record a relatively higher gross margin. Whilst this still totalled 43.7 percent in the first quarter 2008, this key performance indicator rose to 44.9 percent in the past quarter. One pleasing aspect here is the development that took place during the quarter. Both February and March closed with a gross margin of 47.1 and 45.7 percent, respectively, following 43.9 and 42.4 percent, respectively, in the previous year.
This shows that previous products (CPM) with a weak margin were partially replaced by products with a higher margin. This can also be seen by looking at the development of gross margin within the segments: The gross margin in the ad pepper media segment fell by an absolute kEUR 910 to kEUR 3,814 (Q1 2008: kEUR 4,724), however, it was possible to increase the percentage of the gross margin from 49.6 percent to 51.7 percent.
The gross margin in the Webgains segment increased by kEUR 329 to kEUR 1,014 (Q1 2008: kEUR 685). A gross margin of kEUR 212 was recorded for the ad agents segment following kEUR 191 for the same period the previous year.

Operative costs also fell significantly on a comparable basis in the first three months of the current year compared to the previous year from kEUR 7,146 to kEUR 6,432. This reflects, on the one hand, lower personnel expenditure, for instance, in conjunction with the discontinuation of mediasquares activities (CPM), as well as lower depreciation compared to the previous year on intangible assets acquired within the scope of company acquisitions. Furthermore, we were able to significantly reduce bad dept allowance and write-off of receivables which, at kEUR 128, were much lower than in the same period for the previous year (Q1 2008: kEUR 424).

Earnings before interest, taxes, deprecation and amortisation (EBITDA) totalled kEUR -588 (Q1 2008: kEUR 482). It must be noted here that the figure for the same period of the previous year included kEUR 1,057 in conjunction with extraordinary gains resulting from the sale of investments. On a comparable basis, EBITDA for the first quarter of 2008 hence totalled kEUR -575, so that in the quarter under review relatively stable development was achieved compared to the previous year despite a 10-percent decline in sales.
On a comparable basis, earnings before interest and taxes (EBIT) were up by kEUR 239 against the same period of the previous year (Q1 2008: kEUR -1,448), however, they continued to be negative at kEUR -1,209.

Earnings before taxes (EBT) were good. Following kEUR -1,265 on a comparable basis within the first three months of 2008, it was possible to record a significantly higher amount of kEUR -903 this year which was largely due to the financial result of kEUR 306 which was much higher than in the previous year (Q1 2008: kEUR 183).

Profit for the period of kEUR -878 was much more negative than in the previous year (Q1 2008: kEUR -207). On a comparable basis, i.e. omitting the once-off payment in Q1 2008 in conjunction with extraordinary revenue resulting from the sale of shareholdings amounting to kEUR 1,057, the result for the previous year totals kEUR -1,265.

Financial position

Operative cash flow improved in the first three months to kEUR -1,126 following kEUR -1,311 for the same period of the previous year.
In the first quarter of 2009, cash flow from investment activities totalled kEUR 287 (Q1 2008: kEUR 181).
Cash flow for financing activities totalled kEUR -92 after kEUR 24 in the first quarter of 2008.

Net assets

The balance sheet sum fell by kEUR 3,857 to kEUR 63,233 (31 December 2008:kEUR 67,090). This development is largely due to lower trade receivables which were down kEUR 2,088 against the same quarter of the previous year (31 December 2008: kEUR 10,317) as a result of optimisation measures related to working capital management.
The equity item declined as a result of the loss recorded for the period under review, the share buyback and the accumulated other overall result.
The equity ratio as per 31 March 2009 accordingly totalled 85.5 percent (31 December 2008: 83.0 percent).
As per the balance-sheet date, the ad pepper media group is financed from its own resources. As per the end of the first quarter of 2009, liquid funds, including securities at fair value and time deposits with a maturity of more than three months, totalled kEUR 21,575 (31 December 2008: kEUR 23,047). There are no long-term liabilities to banks.

Mitarbeiter

As per 31 March 2009, the ad pepper media group employed a staff of 258. The company employed a total workforce of 254 at the end of the same quarter of the previous year.

The employees of the ad pepper media group were assigned to the following segments:

	Q1 / 2009 Numbers	Q1 / 2008 Numbers
ad pepper media	158	168
Webgains	56	39
ad agents	12	8
Administration	32	39

Report on opportunities and risks

Compared to the Consolidated Annual Accounts as per 31 December 2008, 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 2008.

Forecast report

In the opinion of major forecasting institutes, no sustainable recovery of the real economy will be possible until the finance sector becomes once again fully functional. However, even now at the end of the first quarter of 2009 there is still no sign of any normalisation of the finance markets. Many sectors, which in the past had high online advertising budgets at their disposal, have been affected by the economic downturn. Even though we have only been registering significant budget cuts in the field of image advertising/display marketing, it cannot be ruled out that budgets for success-based advertising may begin to suffer and may be cut should the overall economic situation worsen further.
This is why we are preparing ourselves for an overall difficult year in our business.

Despite the generally sombre economic prospects there are clear signs of hope too and especially for the online advertising sector. The „Marketers' Internet Ad Barometer 2008" survey, for instance, shows that in the years to come eight out of ten European advertisers want to invest more in online advertising. According to the European Interactive Advertising Association, the association of pan-European online marketers and technology service providers, more than one third of the advertisers polled see the Internet as an indispensable channel for their marketing (2006: 17 percent). More than 80 percent of those companies which increased their online advertising budget in 2008 shifted parts of their media budgets from print (40 percent), TV (39 percent) and direct marketing (32 percent) to the Internet. Finally, in 2009 no advertiser will be able to bypass the Internet as a medium because as the number of households with broadband access continues to increase so too will Internet use and with it the average time spent on the Internet.

Therefore, despite the persistently gloomy macroeconomic outlook, we are cautiously optimistic because thanks to our clear focus on success-based price models, we have done our homework both in terms of products and costs, and we believe that we are prepared to master the challenges of the 2009 recession year.

Consolidated Income Statement (IFRS)

	Q1 / 2009 kEUR	Q1 / 2008 kEUR
Revenues	**11,619**	**13,032**
Cost of sales	-6,396	-6,334
Gross profit	**5,223**	**5,698**
Selling and marketing expenses	-4,075	-4,045
General and administrative expenses	-2,583	-2,530
Other operating income	575	186
Other operating expenses	-349	-757
Gain on sale of shares in associates and other investments	0	1,057
Earnings before interest and taxes	**-1,209**	**-391**
Financial income	319	189
Financial expenses	-13	-6
Earnings before taxes	**-903**	**-208**
Income taxes	25	1
Net income	**-878**	**-207**
attributable to shareholders of the parent company	-885	-207
attributable to minority interest	7	0
Basic earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	-0.08	-0.02
Diluted earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	-0.08	-0.02

	Q1 / 2009 No. of shares	Q1 / 2008 No. of shares
Weighted average number of shares outstanding (basic)	**10,963,617**	**11,201,958**
Weighted average number of shares outstanding (diluted)	**10,965,741**	**11,483,876**

Consolidated Statements of Income and Expense Recognized in Equity (IFRS)

	Q1 / 2009 kEUR	Q1 / 2008 kEUR
Net income	**-878**	**-207**
Currency translation differences	-115	16
Revaluation of available-for-sale financial assets	-588	-210
Income tax recognized directly in equity	0	66
Total income and expense recognized directly in equity, net of tax	**-703**	**-128**
Total income and expense recognized in equity	**-1,581**	**-335**
attributable to minority interest	7	0
attributable to shareholders of ad pepper media International N.V.	-1,588	-335

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 / 2009	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**

Q1 / 2008	before income taxes	income taxes	after income taxes
Currency translation differences (incl. minority interest)	16	0	16
Revaluation of available-for-sale financial assets	-210	66	-144
Total income and expense recognized directly in equity	**-194**	**66**	**-128**

Consolidated Balance Sheet (IFRS)

Assets	31 March 2009 kEUR	31 December 2008 kEUR	31 December 2007 kEUR
Non-current assets			
Goodwill	20,814	20,814	20,665
Intangible assets	4,813	5,258	9,155
Property, plant and equipment	765	819	1,100
Securities at fair value through profit and loss	1,578	1,590	0
Securities available for sale	8,726	4,155	2,131
Other financial assets	2,597	2,671	772
Deferred tax assets	740	740	2,979
Total non-current assets	**40,033**	**36,047**	**36,802**
Current assets			
Securities and deposits with maturity over three months	6,369	11,469	3,390
Trade receivables	8,229	10,317	12,847
Income tax receivables	1,263	1,159	1,151
Prepaid expenses and other current assets	718	401	738
Other financial assets	1,719	1,864	1,890
Cash and cash equivalents	4,902	5,833	12,029
Total current assets	**23,200**	**31,043**	**32,045**
Total assets	**63,233**	**67,090**	**68,847**

Consolidated Balance Sheet (IFRS)

Equity and liabilities	31 March 2009 kEUR	31 December 2008 kEUR	31 December 2007 kEUR
Equity attributable to shareholders of the parent company			
Issued capital*	1,139	1,139	1,139
Additional paid-in capital	66,805	66,747	66,319
Treasury shares	-1,836	-1,732	-1,269
Accumulated deficit	-6,654	-5,769	-8,389
Accumulated other comprehensive losses	-5,533	-4,830	-1,511
Total	**53,921**	**55,555**	**56,289**
Minority interest	127	120	177
Total equity	**54,048**	**55,675**	**56,466**
Non-current liabilities			
Deferred tax liabilities	341	377	907
Total non-current liabilities	**341**	**377**	**907**
Current liabilities			
Trade payables	5,749	7,356	7,619
Other current liabilities	686	960	792
Other financial liabilities	2,328	2,616	2,695
Income tax liabilities	81	106	368
Total current liabilities	**8,844**	**11,038**	**11,474**
Total liabilities	**9,185**	**11,415**	**12,381**
Total equity and liabilities	**63,233**	**67,090**	**68,847**

* The Issued Capital consists of shares with a nominal value of EUR 0.10 each. The authorized capital amounts 11,714,854 shares, of which 11,394,854 are issued and 10,946,454 shares were outstanding at 31 March 2009 (31 December 2008: 11,012,341).

Consolidated Statement of Cash Flows (IFRS)

	Q1 / 2009 kEUR	Q1 / 2008 kEUR
Net income	**-878**	**-207**
Adjustments to reconcile net income for the year to net cash flow used in/provided by operating activities:		
Depreciation and amortisation	621	873
Gain on sale of fixed assets	0	0
Gain/loss on sale of securities	-19	0
Share-based compensation	58	50
Other financial income and financial expenses	-287	-183
Income tax expense	-25	-1
Gain on sale of shares in associates and other investments	0	-1,057
Other non-cash expenses and income	23	378
Gross cash flow	**-507**	**-147**
Change in trade receivables	1,950	151
Change in other assets	-536	-199
Income taxes paid	-140	-182
Interest received	275	142
Change in trade payables	-1,607	-973
Interest paid	0	-6
Change in other liabilities	-561	-97
Net cash flow from operating activities	**-1,126**	**-1,311**

Consolidated Statement of Cash Flows (IFRS)

	Q1 / 2009 kEUR	Q1 / 2008 kEUR
Additions to intangible assets and property, plant and equipment	-122	-263
Proceeds from sale of intangible assets and property, plant and equipment	0	0
Proceeds from sale of shares in associates and other investments	1,200	444
Security deposits/proceeds from repayment of security deposits	0	0
Repayment of restricted cash	0	0
Loans granted	-751	0
Acquisition of subsidiaries, net of cash acquired	0	0
Proceeds from sale of securities and maturity of fixed-term deposits	5,119	0
Purchase of securities	-5,159	0
Net cash flow from investing activities	**287**	**181**
Increase in capital	0	0
Sale of treasury shares	0	0
Purchase of treasury shares	-104	0
Repayment of loan liabilities	0	0
Repayment of loans granted	12	24
Net cash flow from financing activities	**-92**	**24**
Effect of exchange rates on cash and cash equivalents	0	17
Cash-effective decrease/increase in cash and cash equivalents	-931	-1,089
Cash and cash equivalents at beginning of year	**5,833**	**12,029**
Cash and cash equivalents at end of period	**4,902**	**10,940**

Consolidated Changes in Equity (IFRS)

	Balance at 1 January 2009	Total income and expense recognized in equity	Share-based payment	Purchase of treasury shares	Balance at 31 March 2009	Balance at 1 January 2008	Total income and expense recognized in equity	Share-based payment	Balance at 31 March 2008
Issued capital									
Number of shares	11,394,854				11,394,854	11,394,854			11,394,854
Issued capital (kEUR)	1,139				1,139	1,139			1,139
Additional paid-in capital									
for employee stock option plans (kEUR)	2,080		58		2,138	1,652		50	1,702
from contributions of shareholders of ad pepper media International N.V. (kEUR)	64,667				64,667	64,667			64,667
Treasury shares									
Number of shares	382,513			65,887	448,400	192,896			192,896
Treasury shares at cost (kEUR)	-1,732			-104	-1,836	-1.269			-1,269
Accumulated deficit	**-5,769**	**-885**			**-6,654**	**-8,389**	**-207**		**-8,596**
Accumulated other comprehensive losses									
Currency translation differences (kEUR)	-1,477	-115			-1,592	-111	16		-95
Revaluation available-for-sale securities (kEUR)	-3,353	-588			-3,941	-1,400	-144		-1,544
Equity attributable to shareholders of ad pepper media International N.V.	**55,555**	**-1,588**	**58**	**-104**	**53,921**	**56,289**	**-335**	**50**	**56,004**
Minority interest (kEUR)	120	7			127	177			177
Total equity (kEUR)	**55,675**	**-1,581**	**58**	**-104**	**54,048**	**56,466**	**-335**	**50**	**56,181**

Notes to the consolidated interim financial statements

1. Basis for the preparation of the quarter-end financial reports

The current condensed interim financial reports for 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. The comparative figures of previous periods were determined and adjusted accordingly. The condensed interim financial reports meet the requirements of IAS 34.
They do not include all of the information required for full annual financial statements and should therefore be read in conjunction with the annual report for the year ended 31 December 2008.

The consolidated interim report includes all subsidiaries. During the course of the first three months of no changes in the consolidated group occurred in comparison with the consolidated financial statements as at 31 December 2008.

The condensed interim financial report was authorised for issue by the management board on 23 April 2009.

2. Accounting principles

The accounting principles applied to these interim financial statements do not materially differ from the principles as applied for the Annual Report as of 31 December 2008.

Annual improvements 2007-2009
On 16 April 2009 the IASB has issued Improvements to IFRSs – a collection of amendments to ten International Financial Reporting Standards and two IFRICs – as part of its program of annual improvements to its standards. The IASB uses the annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. The latest amendments were included in exposure drafts of proposed amendments to IFRSs published in October 2007, August 2008, and January 2009.

During its deliberations of comments received on the exposure draft of Proposed Improvements to IFRSs published in August 2008, the IASB decided to postpone reconsideration of two IAS 39 issues (relating to the fair value option and bifurcation of an embedded foreign currency derivative) until more analysis could be completed. Consequently, with the document published today, all the other issues included in the three exposure drafts have been finalised or removed from the IASB's agenda.
Most of the amendments are effective for annual periods beginning on or after 1 January 2010, although entities are permitted to adopt them earlier.

3. 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. The IFRS requires an entity to report financial and descriptive information about its reportable segments.
Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity, on which separate financial information is available, that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.
The group is disclosing segment information for the operating segments "ad pepper media", "Webgains" (Affiliate-Marketing) and "ad agents" (SEM/SEO) as well as the non-operating segment "Admin" (Administration).

Q1 / 2009	ad pepper media kEUR	Webgains kEUR	ad agents kEUR	Admin kEUR	Consolidation 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 intersegment	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
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						**-878**

Q1 / 2008	ad pepper media kEUR	Webgains kEUR	ad agents kEUR	Admin kEUR	Consolidation kEUR	Group kEUR
Total revenues	**9,884**	**2,137**	**1,398**	**495**	**-882**	**13,032**
thereof external	9,522	2,114	1,396	0	0	13,032
thereof intersegment	362	23	2	495	-882	0
Expenses and other income	**-10,074**	**-2,077**	**-1,398**	**-370***	**496**	**-13,423**
thereof amortization and depreciation	-362	-88	-3	-420	0	-873
thereof other non-cash expenses	-311	-60	-11	-287	0	-669
EBIT	**-190**	**60**	**0**	**125**	**-386**	**-391**
Financial income	**12**	**2**	**0**	**350**	**-175**	**189**
Financial expenses	**-176**	**-4**	**0**	**-1**	**175**	**-6**
Income taxes						**1**
Net income						**-207**

* thereof kEUR 1,057 gains from the sale of minority investments

Disclosure information according to IFRS 8.34 is not relevant as there is no dependency on major customers within the ad pepper media-Group.

4. Own shares

By shareholders resolution of 27 May 2008, ad pepper media was authorized to repurchase treasury stock of up to 596,742 own shares.
As of 31 March 2009 the company held 448,400 own shares at a nominal value of EUR 0.10 each which equals 3.94 percent of the share capital. According to a shareholders resolution those shares can be used for acquisitions or stock option plans.

5. 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 31 March 2009.

6. Stock options and shareholdings

An employee equity-participation program involving 140,000 options was launched for executive employees on 6 March 2009. The valuation was carried out by simulation (Monte-Carlo method). The fair value of the stock options was calculated applying the Black-Scholes-Model, based on the following assumptions:

	Executive SOP 2009
Share price when granted (EUR)	1.70
Date of grant	6 March 2009
Strike price (EUR)	1.83
Risk-free interest rate (percent)	2.71
Estimated term (years)	7
Future dividend (EUR)	0.08 to 0.12
Estimated volatility (percent)	53.62

The volatility was calculated from the development of the ad pepper media International N.V. share price between 1 January 2003 and 27 February 2009.
Earlier values would have distorted the estimate of volatility. One quarter of the option rights can be exercised one year after they were granted at the earliest, another quarter another year after they were granted, and so on. The fair values of the individual tranches at grant date are between EUR 0.385 and EUR 0.617 per issued option. The maximum cost of the program over the entire period is EUR 0.1m.

As of 31 March 2009, 1,542,500 stock options exist within the framework of stock option plans. The exchange ratio for each of the stock options is one share per option. The exercise prices are in a range of EUR 1.33 and EUR 13.50.

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

	Shares as of 31.03.2009	Options as of 31.03.2009
Management board		
Ulrich Schmidt	502,762	223,000
Michael A. Carton	134,089	214,000
Jens Körner	0	80,000
Supervisory board		
Michael Oschmann	0	0
Dr. Frank Schlaberg	0	0
Jan Andersen	0	0
Merrill Dean	0	0
Associated companies		
EMA B.V.	4,743,201	0
Viva Media Beteiligungsgesellschaft	35,650	0
Euroserve	153,066	
Grabacap ApS	424,000	0
Employees		**1,025,500**

7. Number of employees

At the end of the first quarter 2009, ad pepper media engaged 258 employees (31 March 2008: 254 employees).

8. Related parties

Transactions with related parties did not change significantly in comparison to the financial year 2008.

Nuremberg, 23 April 2009

Ulrich Schmid Jens Körner Michael A. Carton

Company calendar

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

Annual report 2008	*14 April 2009*
Hauptversammlung (Amsterdam, Niederlande)	*19 May 2009*
Quarterly report I/ 2009	*29 May 2009*
Quarterly report II/ 2009	*28 August 2009*
Quarterly report III/ 2009	*27 November 2009*
Analysts´ conference: German Equity Forum (Frankfurt / Main)	*November 2009*

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

We will gladly send you our 2008 Annual Report as well as the interim financial reports for 2008 and for 2009 in German or English.

These reports are also published as PDF files at www.adpepper.com under Investor Relations/Annual reports and Presentations.

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