



***Unaudited condensed interim consolidated financial
statements as of March 31, 2011***

Selected group key figures

	1.1.-3.31. 2011	1.1.-3.31. 2010	Change
	EUR 000s	EUR 000s	Percent
Net sales	12,859	11,995	+7.2
Gross profit	5,410	5,291	+2.2
EBIT	-1,225	17	>-100
Net income for period	-1,151	419	>-100
Earnings per share in EUR (basic)	-0.06	0.02	>-100

	3.31.2011	3.31.2010	Change
	EUR 000s	EUR 000s	Percent
Liquid funds*	21,061	22,677	-7.1
Equity	25,241	22,339	+13.0
Total assets	34,822	32,400	+7.5
No. of employees	267	242	+10.3

* including securities measured at fair value and deposits with maturities of more than 3 months.

- Strong sales growth in first quarter. Key profitability figures influenced by investment in technology personnel
- This year's Annual General Meeting to vote for first time on payment of a dividend of EUR 0.05 per share (special distribution)
- 123people.de maintains growth course exclusively with ad pepper media

6 Interim Management Report

6	Major events
8	Macroeconomic framework
12	Share
14	Earnings, financial and net asset position
18	Risk and opportunity report
18	Outlook

20 Interim Consolidated Financial Statements

20	Consolidated income statement
22	Consolidated statement of comprehensive income
24	Consolidated balance sheet
28	Consolidated cash flow statement
32	Statement of changes in group equity
36	Notes

49 Additional Information

49	Financial calendar
49	Contact

Major events

Strong sales growth in first three months of financial year. Key profitability figures influenced by high volume of investments in personnel.

The Group increased its sales by 7.2 percent in the first three months. With sales growth of 36 percent, the Webgains segment reported an especially notable expansion in its business volumes, while the ad pepper media segment, where sales declined by 7.0 percent, began the current financial year on a weaker note than expected. Gross profit, which rose by 2.2 percent, showed less marked growth than sales. Due in particular to the investments made in building up technology personnel resources, the Group was unable to match the key profitability figures reported in the previous year's quarter. EBITDA amounted to EUR -1,090k in the first quarter of 2011 (Q1 2010: EUR 203k). EBIT amounted to EUR -1,225k, as against EUR 17k in the previous year's quarter.

ad pepper media proposes payment of special dividend

The Management and Supervisory Boards of ad pepper media International N.V. have agreed to propose to this year's Annual General Meeting that a special distribution from capital reserves of EUR 0.05 per share should be paid for the past 2010 financial year. The decision to pay a dividend is subject to approval by the Annual General Meeting due to be held on May 17, 2011.

Should the Annual General Meeting agree to the proposal, then the dividend will be paid on May 18, 2011 to those shareholders registered as shareholders in ad pepper media on the evening of May 17, 2011.

Ordinary bearer shares in ad pepper media International N.V. with a nominal amount of EUR 0.05 each will be admitted for trading on the segment of the Regulated Market involving additional follow-up obligations concerning admission to the Frankfurt Stock Exchange (Prime Standard) on May 18, 2011 as an "ex-capital repayment".

123people.de maintains growth course exclusively with ad pepper media

123people, the world's leading online personal search engine (www.123people.de) has extended its successful cooperation with ad pepper media in Germany. ad pepper media will continue as the exclusive marketer for the company's German website (5.21 million unique users according to the Work Group for Online Media Research (AGOF if-2010 III). 123people currently operates in more than 13 countries. Alongside telefonbuch.de, dasoertliche.de and gelbeseiten.de, 123people.de is the fourth-largest directory site in ad pepper media's portfolio. With these search and directory sites, the online marketer reaches one in three German internet users (34.8 percent according to AGOF if-2010 III).

This partnership will enable ad pepper media to access further marketing opportunities.

Macroeconomic framework

World/Europe/Germany

The German economy grew by 3.6 percent in 2011. According to the International Monetary Fund (IMF), Germany will continue to act as the key growth driver for the overall euro area in the current year as well. Euro area economic output is forecast to grow by 1.5 percent in 2011 according to the IMF, with significant variations between individual regions. The IMF has forecast growth of minus 4.0 percent for highly-indebted Greece, for example. Economic output in Spain and Ireland is expected to show slight growth in 2011.

Overall, we thus expect to operate in an economic climate characterized by dynamic growth in the current year as well. Employment levels, consumer confidence and private consumer spending are all expected to show robust developments in the quarters ahead. Having said this, a variety of mostly global factors may possibly create increasing uncertainty concerning future growth forecasts.

Advertising market

The latest figures from The Nielsen Company show that online advertising spending rose again sharply in the first quarter of 2011. According to Nielsen, gross advertising spending within the internet medium further outperformed other media such as TV or print. This trend is also backed up by a study carried out by experts at PricewaterhouseCoopers (PwC), who point out that the economic crisis in 2009 considerably accelerated structural change in the media industry, a process only set to peak in 2014. Consumers are increasingly migrating to the internet, spending ever more time online and investing ever greater sums. Advertising budgets are naturally following this trend. For online marketing planners, it is a question not only of reaching the relevant target groups, but also of putting marketing budgets to sensible, efficient use. For advertisers, this means focusing even more closely on quality, and on reaching the relevant target groups without any significant dispersion losses. It also requires advertising environment planning to be performed even more efficiently.

To be successful, online marketing must basically be ever more relevant and high-performing – and we believe this trend will continue in 2011 as well.

Performance as the dominant media asset in conjunction with a product mix and associated performance-related compensation models – those are the key factors influencing decisions to award campaigns. Not only that, no other medium can currently offer efficiency potential comparable with the internet, whose reverse channel capability provides completely new possibilities of precise media control. Having said this, the user should not be forgotten. After all, only advertising actually noticed by users will ultimately succeed. Here in particular, recent months have brought further developments involving a combination of various targeting methods aimed at precisely controlling online campaigns in line with specific advertising objectives by drawing on condensed information about the relevant target groups.

Structure of the ad pepper media Group

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

ad pepper media International N.V., based in Amsterdam, Netherlands, is the central management and holding company for the companies in the ad pepper media Group. With 16 offices in eight European countries and the USA, ad pepper media handles campaigns for thousands of national and international advertising customers in a current total of more than 50 countries worldwide.

Our online advertising activities are centered around three business divisions: ad pepper media, Webgains and ad agents.

ad pepper media

The ad pepper media division offers the entire spectrum of successful display, performance and e-mail marketing and ad serving solutions.

Its main products are iSense, SiteScreen, iLead, iClick, mailpepper and Emediate.

iSense provides advertisers and publishers with a revolutionary semantic targeting technology enabling them to place their adverts in a targeted manner and in relevant surroundings for each website. At core, iSense consists of the patented Sense Engine™ technology and is the result of ten years of research and development by Prof. Dr. David Crystal, one of the world's leading linguistic experts. Operating under the name SiteScreen, the technology offers advertisers maximum security for their brand, as the placement of adverts in inappropriate surroundings can be blocked.

iLead is an ideal solution for advertisers aiming to extend and expand their customer databases. It enables potential new customers that have already shown interest in the products and services offered by the advertiser and consented to being approached to be contacted by telephone, e-mail or post.

iClick is ad pepper media's performance marketing solution enabling advertisers to efficiently attract quantifiable volumes of eligible internet users to their websites.

mailpepper provides advertisers with an effective means of addressing mailing shots to very broad or highly specific target groups that have explicitly consented to being contacted via ad pepper media or the advertisers.

Emediate's main activity involves providing ad serving technology solutions and services. Emediate is the market leader in Scandinavia and provides publishers in particular with a stable, innovative delivery system.

Webgains

is Europe's fastest-growing network of affiliates, with offices in the UK, France, Germany, the Netherlands, the USA, Spain, Sweden and Denmark.

What makes affiliate marketing so attractive for all participants is the way it facilitates wide coverage via a large number of websites while offering performance-related compensation. Affiliate marketing is a commission-based advertising model where website operators (affiliates) drive internet traffic to the sites of advertisers (merchants) and receive a percentage of the sales generated there in return.

It is not only the service Webgains offers that is so convincing – in the past two years it has also taken the lead by offering innovative technological features, such as iSense SiteSeeker, Voucher Management Tool, Page Peel and mobile tracking, on its platform.

ad agents

ad agents specializes in search engine marketing (SEM), search engine optimization (SEO) and performance marketing. ad agents advises well-known companies in the mail order, travel and numerous other sectors that already have sophisticated e-commerce strategies in place and that offer goods and/or services via their websites or their internet shops. In this, ad agents helps its customers to be located quickly and precisely on all standard search engines and to transform these search results into successful transactions.

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

Share

Share price performance

ad pepper media's share price performed stably in the first three months of the year. It closed at EUR 1.74 on March 31, 2011, and was thus only slightly down on its closing price at the end of December 2010 (EUR 1.80).

Key share data

Security Identification Number (WKN)	940883
ISIN	NL0000238145
Market segment	Prime Standard
Designated Sponsor	Equinet
Number of shares	23,000,000
Market capitalization (as of 3.31.2011)	EUR 40.2m

Share price performance over the past twelve months (Xetra)



Shareholder structure

Status: 3.31.2011

Shareholder	No. of shares	Percentage shareholding
EMA B.V.	9,486,402	41.25
Treasury stock	1,779,292	7.74
U. Schmidt	1,005,524	4.37
Grabacap ApS	732,000	3.18
Euroserve Media GmbH	436,963	1.90
M. A. Carton	92,582	0.40
Viva Media Service GmbH	77,670	0.34
Subtotal	13,610,433	59.18
Free float	9,389,567	40.82
Total	23,000,000	100.00

Earnings, financial and net asset position

Earnings position

ad pepper media International N.V. began the new financial year with clear sales growth in the first quarter of 2011. With consolidated sales of EUR 12,859k (Q1 2010: EUR 11,995k), the Group posted the highest volume of first-quarter sales in its history. This corresponds to growth of 7.2 percent compared with the same period in the previous year. With sales growth of 36 percent to EUR 4,886k (Q1 2010: EUR 3,591k), the Webgains segment reported an especially notable expansion in its business volumes, while the ad pepper media segment, where sales slipped to EUR 6,100k (Q1 2010: EUR 6,558k), began the current financial year on a slightly weaker note than expected. With sales of EUR 1,873k, the ad agents segment more or less matched the previous year's figure (Q1 2010: EUR 1,843k).

Gross profit grew less rapidly than sales, rising to EUR 5,410k (Q1 2010: EUR 5,291k), as a result of which the gross margin as a percentage of sales decreased to 42.1 percent (Q1 2010: 44.1 percent). This figure also reflects the significantly weaker start to the year in the ad pepper media segment compared with the other two segments.

Operating expenses increased significantly year-on-year, rising by 25.8 percent from EUR 5,274k to EUR 6,635k in the first three months of the current year. This development was chiefly due to the investments made in expanding technology personnel resources both in the Webgains segment and in the ad pepper media segment. In coming quarters, we expect operating expenses to stabilize on the level seen in the first quarter. Given this factor, the ad pepper media Group was unable to match the previous year's performance in terms of its key profitability figures.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -1,090k in the first quarter of 2011 (Q1 2010: EUR 203k). Earnings before interest and taxes (EBIT) amounted to EUR -1,225k, as against EUR 17k in the previous year's quarter. Earnings before taxes (EBT) amounted to EUR -936k in the first three months of the financial year (Q1 2010: EUR 420k). At EUR -1,151k, net income for the period was also negative (Q1 2010: EUR 419k).

Financial position

The gross cash flow amounted to EUR -999k (Q1 2010: EUR 122k). A figure of EUR -2,107k was reported for the cash flow from operating activities, as against EUR 693k in the first three months of 2010. The net cash flow from investing activities amounted to EUR 3,627k in the first three months of 2011 (Q1 2010: EUR 1,354k). The cash flow from financing activities totaled EUR 177k in the first three months of 2011, compared with EUR 185k in the previous year's period.

Net asset position

Total assets amounted to EUR 34,822k, up EUR 2,422k on the equivalent period in the previous year. Liquid funds (including securities measured at fair value and fixed-term deposits) decreased to EUR 21,061k (3.31.2010: EUR 22,677k). Furthermore, ad pepper media owned a total of 1,779,292 treasury stock shares. The Group still has no liabilities to banks. The equity ratio increased to 72.5 percent (3.31.2010: 68.9 percent).

Employees

As of March 31, 2011, the ad pepper media Group had 267 employees, as against a total of 242 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:

	<i>3.31.2011</i>	<i>3.31.2010</i>
	<i>Number</i>	<i>Number</i>
<i>ad pepper media</i>	145	143
<i>Webgains</i>	72	60
<i>ad agents</i>	26	17
<i>Administration</i>	24	22

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, 2010. Reference is therefore made to the information presented in the management report for the 2010 financial year.

Outlook

Fundamental growth trends remain intact in the online marketing segment. Internet penetration rates continue to rise worldwide, and are being accompanied by equally dynamic growth in average lengths of time spent on the internet. Online advertising is assuming an increasingly prominent role compared with traditional advertising, and especially compared with print, radio and TV advertising. Macroeconomic developments are expected to lend further support. Even though the relevant data show highly heterogeneous developments in terms of regional economic recoveries, overall macroeconomic developments can nevertheless be expected to provide momentum for the ad pepper media Group's business.

Notwithstanding increased forecast unreliability due to various, mainly global, factors, the leading forecast institutes nevertheless still see the global economic recovery as standing on a firm footing. We therefore expect macroeconomic developments to contribute positively to the ad pepper media Group's operating business. Our aim is to stabilize the Group's cost structures without negatively affecting the innovative capability necessary for ad pepper media's further development. Together with the solid growth rates expected, especially in the Webgains and ad agents segments, this should result in a positive performance in the quarter ahead, traditionally one of the strongest in the financial year.

Consolidated income statement (IFRS)

	Q1 / 2011	Q1 / 2010
	<i>EUR 000s</i>	<i>EUR 000s</i>
Revenues	12,859	11,995
Cost of sales	-7,449	-6,704
Gross profit	5,410	5,291
Selling and marketing expenses	-4,070	-3,731
General and administrative expenses	-2,627	-1,957
Other operating income	140	520
Other operating expenses	-78	-106
Earnings before interest and taxes	-1,225	17
Financial income	295	462
Financial expenses	-6	-59
Earnings before taxes	-936	420
Income taxes	-215	-1
Net income	-1,151	419
attributable to shareholders of the parent company	-1,197	341
attributable to minority interest	46	78
Basic earnings per share on net income for the year attributable to shareholders of the parent company	-0.06	0.02
Diluted earnings per share on net income for the year attributable to shareholders of the parent company	-0.06	0.02
	Q1 / 2011	Q1 / 2010
	<i>No. of shares</i>	<i>No. of shares</i>
Weighted average number of shares outstanding (basic)	21,107,139	21,414,991
Weighted average number of shares outstanding (diluted)	21,433,121	21,729,647

**Consolidated statement
of comprehensive income (IFRS)**

	Q1 / 2011	Q1 / 2010
	EUR 000s	EUR 000s
Net income	-1,151	419
Currency translation differences	-105	-53
Revaluation of available-for-sale securities	402	420
Revaluation of available-for-sale financial investments	-188	0
Income tax recognized directly in equity	0	0
Total income and expense recognized directly in equity, net of tax	109	367
Total income and expense recognized in equity	-1,042	786
attributable to minority interest	46	78
attributable to shareholders of ad pepper media International N.V.	-1,088	708

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 / 2011	before income taxes	income taxes	after income taxes
EUR 000s			
Currency translation differences (incl. Minority interest)	-105	0	-105
Revaluation of available-for-sale securities	402	0	402
Revaluation of available-for-sale financial investments	-188	0	-188
Total income and expense recognized directly in equity	109	0	109

Q1 / 2010	before income taxes	income taxes	after income taxes
EUR 000s			
Currency translation differences (incl. Minority interest)	-53	0	-53
Revaluation of available-for-sale securities	420	0	420
Revaluation of available-for-sale financial investments	0	0	0
Total income and expense recognized directly in equity	367	0	367

Consolidated balance sheet (IFRS)

Assets	3.31.2011	12.31.2010
	<i>EUR 000s</i>	<i>EUR 000s</i>
Non-current assets		
Goodwill	24	24
Intangible assets	394	457
Property, plant and equipment	482	445
Securities at fair value through profit and loss	2,273	3,197
Securities available for sale	5,992	8,524
Other financial assets	4,083	4,106
Deferred tax assets	97	113
Total non-current assets	13,345	16,866
Current assets		
Securities and deposits with maturity over three months	1,400	1,400
Trade receivables	6,928	8,030
Income tax receivables	738	675
Prepaid expenses and other current assets	650	446
Other financial assets	365	290
Cash and cash equivalents	11,396	9,803
Total current assets	21,477	20,644
Total assets	34,822	37,510

Consolidated balance sheet (IFRS)

Equity and liabilities	3.31.2011	12.31.2010
	<i>EUR 000s</i>	<i>EUR 000s</i>
Equity attributable to shareholders of the parent company		
Issued capital*	1,150	1,150
Additional paid-in capital	67,211	67,192
Treasury shares	-3,265	-3,443
Accumulated deficit	-39,036	-37,839
Accumulated other comprehensive losses	-1,235	-1,344
Total	24,825	25,716
Minority interest	416	370
Total equity	25,241	26,086
Non-current liabilities		
Deferred tax liabilities	0	0
Total non-current liabilities	0	0
Current liabilities		
Trade payables	5,861	6,437
Other current liabilities	737	1,081
Other financial liabilities	2,135	3,274
Income tax liabilities	848	632
Total current liabilities	9,581	11,424
Total liabilities	9,581	11,424
Total equity and liabilities	34,822	37,510

* 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 21,220,708 shares were floating at March 31, 2011 (December 31, 2010: 21,046,208).

Consolidated cash flow statement (IFRS)

	1.1.-3.31.2011	1.1.-3.31.2010
	<i>EUR 000s</i>	<i>EUR 000s</i>
Net income	-1,151	419
Adjustments to reconcile net income for the year to net cash flow used in/provided by operating activities:		
Depreciation and amortization	135	186
Gain/loss on sale of fixed assets	-9	4
Share-based compensation	19	42
Gain/loss on sale of securities	-19	-216
Other financial income and financial expenses	-270	-187
Income taxes	215	1
Other non-cash expenses and income	81	-127
Gross cash flow	-999	122
Change in trade receivables	1,021	655
Change in other assets	-213	-123
Change in trade payables	-576	-1,162
Change in other liabilities	-1,466	-243
Income taxes paid	-63	-98
Interest received	189	156
Net cash flow from operating activities	-2,107	-693

Consolidated cash flow statement (IFRS)

	1.1.-3.31.2011	1.1.-3.31.2010
	<i>EUR 000s</i>	<i>EUR 000s</i>
Additions to intangible assets and property, plant and equipment	-116	-49
Proceeds from sale of intangible assets and property, plant and equipment	16	3
Loans granted	-150	0
Proceeds from sale/maturity of securities and maturity of fixed-term deposits	4,468	2,387
Purchase of securities	-591	-987
Net cash flow from investing activities	3,627	1,354
Sale of treasury shares	177	173
Repayment of loans granted	0	12
Net cash flow from financing activities	177	185
Effect of exchange rates on cash and cash equivalents	-104	-53
Cash-effective decrease/increase in cash and cash equivalents	1,697	846
Cash and cash equivalents at beginning of financial year	9,803	13,514
Cash and cash equivalents at end of period	11,396	14,307

Statement of changes in group equity (IFRS)

	Balance at 1.1.2010	Total income and expense recognized in equity	Share-based payment	Purchase of treasury shares	Issuance of shares	Balance at 3.31.2010
Issued capital						
Number of shares	23,000,000					23,000,000
Issued capital (EUR 000s)	1,150					1,150
Additional paid-in capital						
for employee stock option plans (EUR 000s)	2,259		42			2,301
from contributions of shareholders of ad pepper media International N.V. (EUR 000s)	64,843					64,843
Treasury shares						
Number of shares	2,267,792				-194,000	2,073,792
Treasury shares at cost (EUR 000s)	-3,410				173	-3,237
Accumulated deficit (EUR 000s)	-40,076	341				-39,735
Accumulated other comprehensive losses						
Currency translation differences (EUR 000s)	-1,369	-53				-1,422
Revaluation available-for-sales securities (EUR 000s)	-2,164	420				-1,744
Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)	21,233	708	42	0	173	22,156
Minority interest (EUR 000s)	105	78				183
Total equity (EUR 000s)	21,338	786	42	0	173	22,339

Statement of changes in group equity (IFRS)

	Balance at 1.1.2011	Total income and expense recognized in equity	Share-based payment	Purchase of treasury shares	Issuance of shares	Balance at 3.31.2011
Issued capital						
Number of shares	23,000,000					23,000,000
Issued capital (EUR 000s)	1,150					1,150
Additional paid-in capital						
for employee stock option plans (EUR 000s)	2,349		19			2,368
from contributions of shareholders of ad pepper media International N.V. (EUR 000s)	64,843					64,843
Treasury shares						
Number of shares	1,953,792				-174,500	1,779,292
Treasury shares at cost (EUR 000s)	-3,443				178	-3,265
Accumulated deficit (EUR 000s)	-37,839	-1,197				-39,036
Accumulated other comprehensive losses						
Currency translation differences (EUR 000s)	-1,372	-105				-1,477
Revaluation available-for-sale securities (EUR 000s)	-1,939	402				-1,537
Revaluation available-for-sale investments (EUR 000s)	1,967	-188				1,779
Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)	25,716	-1,088	19	0	178	24,825
Minority interest (EUR 000s)	370	46				416
Total equity (EUR 000s)	26,086	-1,042	19	0	178	25,241

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 December 31, 2010.

The consolidated interim financial statements include all subsidiaries.

The consolidated interim financial statements as per March 31, 2011 were authorized for issue by the management board on April 27, 2011.

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 December 31, 2010.

No standards and interpretations have been adopted since then within the scope of the comitology procedure.

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 EUR 19k (Q1 2010: EUR 216k) as well as the allocable income of EUR 140k from the investment in SocialTyze LLC.

The tax result consists of current income tax accruals for profitable subsidiaries.

4. 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 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), "Web-gains" (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] of the consolidated annual report for the year ended December 31, 2010. 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 inter-segment transactions.

Q1 / 2011	ad pepper media EUR 000s	Webgains EUR 000s	ad agents EUR 000s	Admin EUR 000s	Consoli- dation EUR 000s	Group EUR 000s
Total revenues	6,127	4,960	1,873	261	-362	12,859
<i>thereof external</i>	6,100	4,886	1,873	0	0	12,859
<i>thereof intersegmental</i>	27	74	0	261	-362	0
Expenses and other income	-6,844	-5,057	-1,710	-734	261	-14,084
<i>thereof amortization and depreciation</i>	-50	-5	-11	-70	1	-135
<i>thereof other non-cash expenses</i>	-245	-44	-8	-17	-8	-321
EBITDA	-667	-92	174	-403	-102	-1,090
EBIT	-717	-97	163	-473	-101	-1,225
Financial income	15	0	1	291	-12	295
Financial expenses	-12	0	-1	-5	12	-6
Income taxes						-215
Net income for the period						-1,151

Q1 / 2010	ad pepper media EUR 000s	Webgains EUR 000s	ad agents EUR 000s	Admin EUR 000s	Consoli- dation EUR 000s	Group EUR 000s
Total revenues	6,636	3,665	1,843	324	-473	11,995
<i>thereof external</i>	6,558	3,591	1,843	3	0	11,995
<i>thereof intersegmental</i>	78	74	0	321	-473	0
Expenses and other income	-6,256	-3,663	-1,648	-731	320	-11,978
<i>thereof amortization and depreciation</i>	-77	-5	-4	-100	0	-186
<i>thereof other non-cash expenses</i>	-119	-25	0	-101	0	-245
EBITDA	457	7	199	-307	-153	203
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

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 / 2011	Q1 / 2010	3.31.2011	3.31.2010
	<i>EUR 000s</i>	<i>EUR 000s</i>	<i>EUR 000s</i>	<i>EUR 000s</i>
<i>Netherlands</i>	614	559	22	22
<i>Germany</i>	4,218	4,141	629	821
<i>Scandinavia</i>	1,742	1,530	154	294
<i>United Kingdom</i>	3,608	2,941	73	87
<i>Other</i>	2,677	2,824	22	35
Total	12,859	11,995	900	1,259

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 May 18, 2010, the board of directors was authorized to repurchase treasury stock of up to 50 percent of the issued capital within the next 18 months.

As of March 31, 2011, ad pepper media International N.V. held 1,779,292 own shares (March 31, 2010: 2,073,792) at a nominal value of 0.05 EUR each, corresponding to 7.74 percent (March 31, 2010: 9.02 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

In the first three months, no own shares (Q1 2010: 0) were sold at an exercise price of EUR 0.665, none (Q1 2010: 0) at a price of EUR 1.365, 137,000 (Q1 2010: 194,000) at an exercise price of EUR 0.89 and none (Q1 2010: 0) at a price of EUR 2.225, 37,500 (Q1 2010: 0) shares sold at an exercise price of EUR 1.500 as well as none (Q1 2010: 0) shares at a price of EUR 0.915 under the employee stock option plans.

A total of 174,500 own shares were sold in the first quarter (Q1 2010: 194,000).

Number of shares outstanding

The number of shares issued and outstanding as of March 31, 2011 totals 21,220,708 (March 31, 2010: 20,926,208). Each share has a nominal value of EUR 0.05.

6. Dividend

The Board of Directors and the Supervisory Board of ad pepper media International N.V. reached a decision on April 5, 2011 on a proposal to be put to the General Meeting of Shareholders to pay a special distribution of funds from capital reserves of EUR 0.05 per share for the financial year 2010. This dividend payment is contingent upon resolution by the General Meeting of Shareholders, which will take place on May 17, 2011.

7. 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 March 31, 2011.

8. 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.

9. Stock options and shareholdings

As of March 31, 2011, a total of 1,070,100 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 3.31.2011	Options as of 3.31.2011
Board of Directors		
Ulrich Schmidt	1,005,524	280,000
Michael A. Carton	92,582	109,500
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.	9,486,402	0
Viva Media Service GmbH	77,670	0
Euroserve Media GmbH	436,963	0
Grabacap ApS	732,000	0
Employees		600,600

10. Number of employees

At the end of the first quarter of 2011, the ad pepper media Group employed a workforce of 267 (March 31, 2010: 242).

11. Report on major transactions with related companies and persons

Transactions with related companies and persons did not change significantly compared to 2010.

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:

- Date of Transaction: January 31, 2011
 Issuer: ad pepper media International N.V.
 Person subject to registration: Merrill Clark Dean
 (Member of the Supervisory Board)
 Transaction subject to registration: purchase of 8,000 shares
 with a price of 2.3899 USD/share,
 total volume: 19,119.20 USD, stock exchange: OTC

- Date of Transaction: February 24, 2011
 Issuer: ad pepper media International N.V.
 Person subject to registration: Michael A. Carton
 (Member of managing body)
 Transaction subject to registration: purchase of 73,500 shares
 with a price of 1.20122 EUR/share,
 total volume: 88,290.00 EUR, stock exchange: OTC

- Date of Transaction: March 1, 2011
 Issuer: ad pepper media International N.V.
 Person subject to registration: Grabacap ApS
 Transaction subject to registration: sale of 40,000 shares
 with a price of 1.7960 EUR/share,
 total volume: 71,840 EUR, stock exchange: Xetra

Amsterdam/Nuremberg, April 27, 2011


 Ulrich Schmidt
 
 Jens Körner
 
 Michael A. Carton

Company calendar

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

<i>Quarterly report I / 2011</i>	<i>May 5, 2011</i>
<i>General shareholder's meeting (Amsterdam, the Netherlands)</i>	<i>May 17, 2011</i>
<i>Quarterly report II / 2011</i>	<i>August 9, 2011</i>
<i>Quarterly report III / 2011</i>	<i>November 9, 2011</i>
<i>Analysts' Conference (Frankfurt / Main)</i>	<i>November 2011</i>

Contact

Investor contact

Jens Körner (CFO)/ Thomas Gahlert
ad pepper media International N.V.
Frankenstraße 150C
FrankenCampus
D-90461 Nuremberg

Phone: +49 (0) 911 929057-0
Fax: +49 (0) 911 929057-157
E-Mail: ir@adpepper.com
www.adpepper.com

Publisher's notes

Published by
ad pepper media International N.V.
Frankenstraße 150C
FrankenCampus
D-90461 Nuremberg

Phone: +49 (0) 911 929057-0
Fax: +49 (0) 911 929057-157
E-Mail: info@adpepper.com
www.adpepper.com

Joint stock company (N.V.)
Headquarters: Amsterdam, The Netherlands
Nuremberg office

Prime Standard, Frankfurt Stock Exchange
ISIN: NL0000238145
HRB Nuremberg 17591
VAT-ID No.: DE 210757424

Board of Directors:
Ulrich Schmidt, CEO
Jens Körner, CFO
Michael A. Carton, Director of the Board

We will gladly send you our 2010 Annual Report as well as the interim financial reports for 2011 in German or English. These reports are also published as PDF files at www.adpepper.com under:
Investor relations/News & publications/Reports & presentations.

ad pepper media International N.V.
Hogehilweg 15
NL - 1101 CB Amsterdam

www.adpepper.com