

6-Months-Report 2005



Global Reach.
Local Touch.

» Company figures

Overview of the main key figures

	Q2/ 2005 kEUR	Q2/ 2004* kEUR	Change	1 HY 2005 kEUR	1 HY 2004* kEUR	Change
Net sales	6,411	5,454	18%	11,861	10,175	17%
Gross margin	2,689	2,490	8%	5,073	4,669	9%
Operating costs	3,167	2,401	32%	5,552	4,580	21%
EBIT	-478	89	-636%	-479	89	-638%
Profit/ loss for the period	-278	312	-189%	-122	566	-122%

	30.06.2005 kEUR	31.12.2004 kEUR				
Liquid resources**	22,098	25,197				
Equity	39,780	40,051				
Total assets	45,629	46,398				

	Q2/ 2005 kEUR	Q2/ 2004* kEUR	Change	1 HY 2005 kEUR	1 HY 2004* kEUR	Change
Earnings per share (basic)	-0.03	0.03	-200%	-0.01	0.05	-120%

	30.06.2005	30.06.2004				
Employees	129	116				

* Disclosure of previous year's data adapted

** Including short term liquid fixed asset securities and restricted cash

Dear Shareholder,

The online advertising market continues to experience positive impetus. Double-digit growth rates are the norm and the sector is now perceived as a good example of innovative strength, constructive competition and economic success.

All available indicators suggest that this development will also continue in the upcoming quarters. Advertising expenditure is increasing worldwide and, as previously, online business is benefiting over-proportionately from this growth. Fortunately, the high rates of growth are no longer being generated from a low initial base, but rather are the result of considerably increased budget reallocation, particularly by the major players.

Stock-exchange projections are equally optimistic in terms of the current level of success and future opportunities, with shares in technology and media companies being evaluated in a significantly more positive light than has been the case over recent years. However, in contrast to the valuation bubble seen at the end of the nineties, investors are now focusing on tried and tested business models and companies with proven substance and profitability.

In the 2nd quarter, ad pepper media again succeeded in benefiting from these overall developments; whereby, with a significant increase in turnover of 18 percent, the company was even able to exceed the overall market growth. Nevertheless, the general buoyancy of the market should not disguise the fact that the market itself will again be subjected to considerable fluctuations and consolidation phases in the future. In this connection, it is vital that investment is devoted to long-term structures, products and market shares particularly during growth phases. Only in this way will margins and returns also be secured in the case of a downturn.

The necessity of such was recognised by the company at an early stage and ad pepper media has already aligned itself accordingly by means of a well-planned acquisition, investment and organisational strategy. As a result, over recent months, considerable resources have already been devoted to developing our technology department, new staff have been employed and new systems acquired. Commensurately, this front-end expenditure has had a detrimental affect on results for the current quarter and, by way of exception, a negative result had to be posted. Nevertheless, the question is one of withstanding quarterly pressure exerted by the stock exchange and ensuring that the right long-term steps are taken irrespective of the short-term loss.

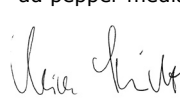
Through the acquisition of the global-leading analytics solution website, Nedstat Basic, which was announced in July, we have taken a major step forward to ensuring that this investment is not only re-generated in the mid-term, but also to ensuring that our profit is sustainably increased in the long-term.

Thanks to our unique international structure and homogeneity in terms of market approach, with Nedstat Basic and our exclusive website partners, we have an impressive user-reach that we are, in turn, able to transform into appealing campaigns for our customers by means of our media and direct-marketing services.

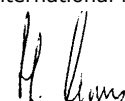
Consequently, the company is highly optimistic about the future and is extremely confident that the further course of the business year will bring continually increasing turnover, thereby resulting in considerable growth in operating profits even by the fourth quarter.

Thank you for your confidence shown to us.

The Board
ad pepper media International N.V.



Ulrich Schmidt



Hermann Claus



Niels Nüssler

Result – 2nd quarter and first half year 2005

ad pepper media publishes its interim report in accordance with the International Financial Reporting Standards (IFRS). The previous year's results have been adjusted accordingly.

On 14 July, 2005, ad pepper media announced the acquisition of the website analysis product, Nedstat Basic from Dutch company Nedstat B.V., the leading European provider of website analysis solutions. This acquisition in a new business area involves significant start-up costs and investments that are reflected in the company's financial figures.

The company realized a pleasing 18 percent increase in turnover during the second quarter of 2005 to kEUR 6,411 (Q2/2004: kEUR 5,454). Gross margin for the second quarter 2005 increased by 8 percent to kEUR 2,689 compared to kEUR 2,490 for the second quarter in 2004. The results before interest and taxes (EBIT) for the second quarter of the current year amounts to kEUR -478 following kEUR 89 for the second quarter in 2004. The overall result for the second quarter of 2005 equaled kEUR -278 compared to kEUR 312 in 2004.

Turnover in the first half year of 2005 grew 17 percent to kEUR 11,861 compared to kEUR 10,175 in the previous year. During the same period gross margin increased by 9 percent to kEUR 5,073 compared to kEUR 4,669 in 2004. EBIT for the first half year 2005, amounted to kEUR -478 compared to kEUR 89 in the previous year. Consolidated results for the first six months of 2005 are reported at kEUR -122 compared to kEUR 566 in 2004.

Despite apparent short-term losses linked to the investment in Nedstat basic and subsequent integration costs, ad pepper media expects the acquisition to deliver a significant effect on consolidated results and income by the fourth quarter of 2005.

Liquid assets including short-term liquid fixed asset securities and restricted cash equalled million EUR 22.1 on 30 June, 2005.

Business development

ad pepper media is an international interactive media and direct marketing solutions and services provider currently operating 15 branch offices in 10 European countries and the United States whilst also marketing its services in more than 40 countries. Thanks to state-of-the-art technology, ad pepper media links thousands of small, medium-sized and large websites to make up a premium quality-advertising network which has global coverage and specifically addresses the relevant target groups.

Besides being represented in regional, national and international marketing, the website partners receive a variety of other important products and services, such as ad serving, traffic analysis and performance optimization, which are offered by ad pepper media and its associated companies, adapted to the local conditions in every case.

Apart from the gigantic international coverage of approx. 4 billion exclusive advertising contacts per month, advertisers primarily benefit from the multitude of advertising formats and the invoicing model adapted to the advertising objective. Both branding and direct marketing offers can be delivered efficiently to various electronic channels via the company's technology platform. With in excess of 4 million opt-in email profiles of its own, ad pepper media also operates one of the largest pan-European databases. In this context, iLead and mailpepper are well-known brand names, which are unequalled in terms of both quality and coverage.

In February 2005, ad pepper media BeNeLux B.V. acquired the Dutch online marketer ResultOnline B.V. This acquisition strengthened ad pepper media's position in the segment of text-based online marketing and positioned the subsidiary company ad pepper media BeNeLux B.V. at the top of Dutch providers of online marketing solutions.

Further, ad pepper media acquired, beginning of July 2005, the free website analytics solution Nedstat Basic from Nedstat B.V., the European leader in website analytics. With this asset transaction, ad pepper media acquires all the respective rights associated with the world's most frequently used free web-

site analytics solution. Nedstat Basic is an ASP based solution enabling webmasters to measure all the important indicators such as traffic, user behaviour, content and offer performance. Nedstat Basic is actively used by more than 600,000 webmasters on approximately 1 million websites around the world and has been continuously growing since its launch in 1996.

This acquisition highlights ad pepper media's continuing strategy to extend the range of revenue generating solutions it provides to its website partners, plus additional free services and solutions such as Adserver and website analytics which have become indispensable tools for professional websites.

Online advertising

Online advertising is today an indispensable element of the media mix and has already left classical forms of advertising, such as cinema advertisement or specialist catalogues, in its wake. In this respect, the campaigns are not purely multi-media based, but are also becoming increasingly integrated across the media spectrum in print, TV and radio.

Alongside increased use of the Internet throughout all levels of society, the constantly accelerating spread of broadband connections has also contributed to the additional growth in online advertising. Particularly high-grade rich media formats could well boost the reach and, consequently, enhance appeal for advertising companies. Fortunately, the increased demand is also reflected in pricing structures, whereby, as previously, online advertising continues to offer significantly greater cost-effectiveness in comparison to other media forms.

Moreover, online distribution channels are not just successful for large companies. Thanks to precisely tailored target-group contacting, success-level quantification and intelligent, automatic placing, email and search engine marketing is enjoying ever-greater popularity.

The intensified sensitivity towards spamming and unwanted advertising has resulted in a considerable improvement in quality. Well-structured, agreement-based campaigns impress with high response levels, whereas poor campaigns are filtered out long before the user-contact point.

Overall, it is apparent that online advertising has come of age and now enjoys far greater professionalism on the part all those involved. This, in turn, has opened the way for campaigns offering intensified reach and enhanced target grouping on both the international and national level as well as increasingly on a regional level.

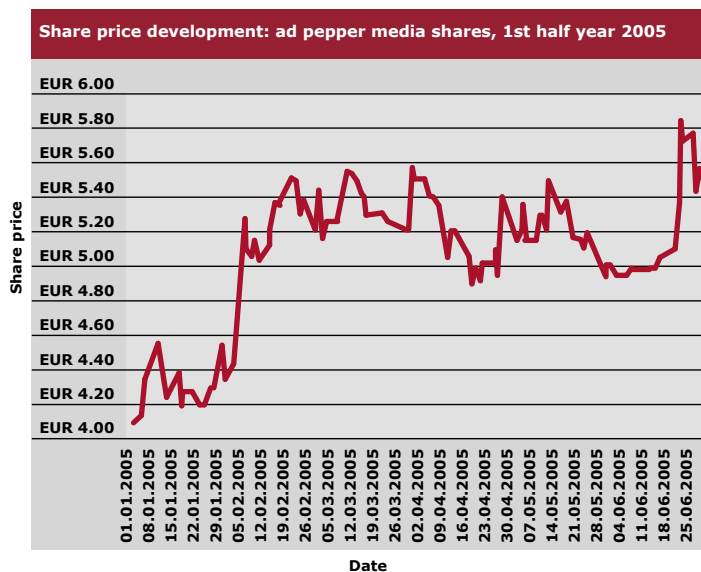
The share

Despite cyclical fluctuations, the price of ad pepper media shares again saw positive development in the first six months of the current business year with a 33 percent increase from EUR 4.11 on 3 January, 2005 to EUR 5.48 as at the reporting date of 30 June, 2005. The share price achieved an annual peak of EUR 5.83 on 23 June, 2005, equivalent to a 42 percent increase.

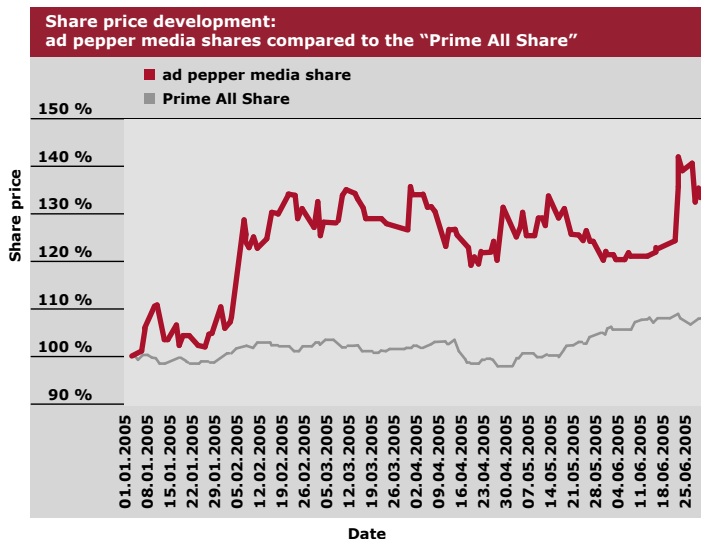
The share price gained positive impetus in the first six-month period as a result of, amongst other things, the purchasing study published in mid-February by GBC Research, the EUR 6 upside target, announcement of the acquisition of Dutch online marketer, ResultOnline B.V., in addition to publication of the group figures for the business year 2004. By contrast, publication of the company results for the first quarter of 2005 only influenced the quoted price on the day of publication.

Overall, ad pepper media is able to look back at the pleasing development of its share price during the first half of 2005 and is confident that both the strategic alignment of the company as well as its targeted orientation towards constantly increasing profits will continue to have a positive influence on the value of ad pepper media shares in the current business year.

» 6-Months-Report 2005



Comparison with the development of the Prime All Share Index demonstrates that, with a rise in share price of 33 percent (as at 30 June, 2005), ad pepper media has again clearly succeeded in breaking away from Prime All Share Index performance, which concluded the first half of the business year with a plus of 8 percent.



Under www.adpepper.com (Investor Relations), interested parties have the opportunity to obtain comprehensive company information and to download financial statements and reports. In addition, we are always there to answer questions of our investors and parties interested in potential investments by phone or email.

Outlook

With its turnover growth rates for the first six months of the year, ad pepper media has successfully outperformed the market. Thanks to the continually expanding order intake and increasing accounting volume, we anticipate significant growth in turnover during the upcoming quarters as compared to the quarterly periods of the previous year. Although the summer months are traditionally hampered by the holiday period, major international campaigns are already in the offing for the final months of the year. Through the significantly increased reach provided by the takeover of Nedstat Basic, we also expect to see a marked improvement in gross margins that, in turn, should translate into a considerable increase in profits.

Many investors are also expressing this positive assessment, as numerous international investor presentations illustrate, with the result that we also anticipate a further rise in the share price.

Consolidated Statements of Operations (IFRS)				
	Q2/ 2005 EUR	Q2/ 2004 EUR	1 HY 2005 EUR	1 HY 2004 EUR
Net sales	6,410,669	5,453,746	11,860,788	10,174,917
Cost of sales	-3,721,312	-2,963,324	-6,787,408	-5,506,044
Gross profit	2,689,357	2,490,422	5,073,380	4,668,873
Selling and marketing expenses	-1,743,510	-1,327,237	-3,340,842	-2,704,909
General and administrative expenses	-1,342,904	-1,150,118	-2,254,633	-2,009,661
Other operating income and expenses, net	-120,532	38,394	-123,606	73,363
Operating income	-517,589	51,461	-645,701	27,666
Equity in earnings of affiliated companies	40,000	37,591	166,654	61,312
Foreign currency exchange gains and losses, net	842	9,280	-21,001	-38,971
Interest income and expenses, net	200,285	215,815	384,827	520,308
Income before income taxes (and minority interest)	-276,462	314,147	-115,221	570,315
Income taxes	-1,157	-1,677	-6,900	-4,280
Income before minority interest	-277,619	312,470	-122,121	566,035
Minority interest	0	0	0	0
Consolidated net gain/ loss	-277,619	312,470	-122,121	566,035
Earnings per share (basic)	-0.03	0.03	-0.01	0.05
Earnings per share (diluted)	-0.02	0.03	-0.01	0.05
	Q2/ 2005 shares	Q2/ 2004 shares	1 HY 2005 shares	1 HY 2004 shares
Weighted average shares outstanding (basic)	10,505,845	10,409,776	10,487,326	10,382,597
Weighted average shares outstanding (diluted)	11,345,115	11,363,901	11,314,058	11,326,508

» Company figures

Consolidated Balance Sheets (IFRS)		
	June 30, 2005 EUR	December 31, 2004 EUR
Assets		
Noncurrent assets		
Goodwill	4,245,827	2,819,971
Intangible assets, net	1,744,303	1,547,946
Equipment, net	398,709	418,231
Investments in affiliated companies	2,816,353	2,645,424
Restricted cash	650,000	650,000
Marketable securities	5,365,150	2,513,250
Other assets	754,475	603,908
Deferred tax assets	2,735,157	2,735,157
Total noncurrent assets	18,709,974	13,933,887
Current assets		
Marketable securities	5,839,299	6,113,003
Trade accounts receivable, net	9,360,332	9,165,577
Prepaid expenses and other current assets	1,475,765	1,264,569
Cash and cash equivalents	10,243,981	15,921,047
Total current assets	26,919,377	32,464,196
Total assets	45,629,351	46,398,083
Liabilities and shareholders' equity		
Shareholders' equity		
Share capital	1,115,500	1,115,500
Additional paid-in capital	59,754,670	59,727,358
Treasury stock	-864,512	-1,062,920
Revaluation surplus	-444,851	-23,048
Accumulated deficit	-19,772,865	-19,650,744
Translation adjustment	-8,274	-55,127
Total shareholders' equity	39,779,668	40,051,019
Minority interest	35,695	35,695
Current liabilities		
Trade accounts payable	2,761,752	3,052,630
Other current liabilities	625,497	632,882
Accrued expenses	2,426,739	2,625,857
Total current liabilities	5,813,988	6,311,369
Total liabilities and shareholders' equity	45,629,351	46,398,083

» Company figures

Statement of Cash Flows (IFRS)		
	01.01.05-30.06.2005 EUR	01.01.04-30.06.2004 EUR
Net gain	-122,121	253,568
Adjustments to reconcile net gain to cash provided by operations		
Depreciation and amortization	379,551	128,824
Gain/ loss on sale of equipment	-1,605	-8,774
Stock option expenses	27,313	102,402
Interest income and expenses	-384,827	-304,494
Income tax expenses	6,900	2,603
Other non-cash income and expenses	-27,944	62,102
Gross-cash-flow	-122,733	236,231
Increase/ decrease in trade accounts receivable	-194,755	905,001
Increase in prepaid expenses and other assets	-211,196	-143,084
Income taxes paid	-6,900	-2,603
Interest income received	247,984	219,281
Increase in trade accounts payable	-290,878	-1,116,999
Interest expenses paid	-1,867	-610
Decrease in accrued expenses and other liabilities	-206,503	-578,253
Net cash used in operating activities	-786,848	-481,036
Capital expenditures for intangible assets and equipment	-557,323	-186,590
Proceeds from sale of intangible assets and equipment	2,542	13,068
Capital expenditures in affiliated companies	-4,275	0
Security payments/ proceeds from repayment security deposits	-150,567	-11,303
Cash paid for acquisition of shares in consolidated companies	-1,260,993	0
Purchase of marketable securities	-3,000,000	0
Net cash used in investing activities	-4,970,616	-184,825
Sale of treasury stock	33,545	69,591
Net cash provided by financing activities	33,545	69,591
Effect of exchange rate changes on cash and cash equivalents	46,853	58,650
Changes in cash and cash equivalents	-5,677,066	-537,620
Cash and cash equivalents at beginning of year	15,921,047	17,281,976
Cash and cash equivalents at end of period	10,243,981	16,744,356

» Company figures

Statement of shareholders' equity							
	Share capital EUR	Additional paid-in capital EUR	Treasury stock EUR	Revaluation surplus EUR	Accumulated deficit EUR	Translation adjustment EUR	Total EUR
Balance at 01.01.2004	1,115,500	59,334,652	-1,284,338	118,841	-23,599,925	-26,955	35,657,775
Issuance of treasury shares			123,575				123,575
Net gain for the period					566,035		566,035
Stock option plans		204,808					204,808
Differences from currency conversion						48,564	48,564
Unrealized gain/ loss on securities				-10,472			-10,472
Total comprehensive income/ loss							808,935
Balance at 30.06.2004	1,115,500	59,539,460	-1,160,763	108,369	-23,033,890	21,609	36,590,285
Balance at 01.01.2005	1,115,500	59,727,358	-1,062,920	-23,048	-19,650,744	-55,127	40,051,019
Issuance from treasury shares			198,408				198,408
Net gain for the period					-122,121		-122,121
Stock option plans		27,312					27,312
Differences from currency conversion						46,853	46,853
Unrealized gain/ loss on securities				-421,803			-421,803
Total comprehensive income/ loss							-469,759
Balance at 30.06.2005	1,115,500	59,754,670	-864,512	-444,851	-19,772,865	-8,274	39,779,668

Notes to the consolidated interims financial statements as of June 30th, 2005

Basis for the preparation of the quarter-end financial reports

The current quarter-end 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 quarter-end financial reports meet the requirements of IAS34.

Accounting principles

The accounting principles applied to these interims financial statements do not materially differ from the principles as applied for the US-GAAP Annual Report as of December 31st, 2004.

Differences are illustrated under the heading "Conversion to International Financial Reporting Standards".

Business combinations

As of March 1st, 2005, ad pepper media Benelux B.V. acquired a 100 percent interest in the Dutch online marketing agency ResultOnline B.V. The company was founded in 1999 and is one of the leading text-based online marketing companies in the Netherlands. ResultOnline has a firm base of customers and website partners, offering primarily performance-linked marketing using its own technology, and has been operating profitably since 2001.

ad pepper media's leading lead generation solutions and its growing optin email database combined with ResultOnline's text-based marketing experience and its broad customer and website base will make the two companies the Netherlands' leading supplier of online data marketing solutions. Synergies will also contribute to long-term profitability.

The provisional purchase price is EUR 1,585,670, part of which is being paid in the form of 30,678 shares in ad pepper media International N.V. The value per share of EUR 5.374 reflects the average closing price of the last ten trading days before closing date. An additional purchase price of EUR 100,000 is contingent upon the achievement of performance targets.

The purchase price exceeds the values of net assets, which are shown below, by EUR 1,389,425.

Values of assets and liabilities at acquisition

	kEUR
Intangible assets	50,2
Equipments, net	12,1
Noncurrent assets	62,3
Trade receivables	56,8
Prepaid expenses and other current assets	51,4
Cash and cash equivalents	358,9
Current assets	467,1
Total assets	529,4
Trade liabilities	63,2
Other current liabilities	27,4
Accruals	142,7
Total liabilities	233,3
Net assets	296,1

Result Online contributed with kEUR 43 to the consolidated income of the period. Assuming that the acquisition had been effective at beginning of the reporting period the proforma revenues would have been kEUR 11,973 and the proforma net income kEUR 112.

» Notes to the consolidated interims financial statements as of June 30th, 2005

Segment reporting

The various products and services of ad pepper media do not materially differ with regards to risk and income. Internal financial reporting as well as the management structure primarily focus on geographical regions. Accordingly, primary reporting is provided for the following summarized segments:

- Central Europe including Germany, the Netherlands and Slovakia
- Northern Europe including Denmark and Sweden
- Western Europe including Great Britain, France, Spain and Italy
- USA

Sales							
Sales Q2/ 2005 in kEUR	Central Europa	Northern Europe	Western Europe	USA	Consolidation	Group total	
External sales	2,006	1,496	2,645	264	0	6,411	
Intersegment sales	176	43	227	2	-448	0	
Total sales	2,182	1,539	2,872	266	-448	6,411	
Sales Q2/ 2004 in kEUR							
External sales	1,574	1,210	2,336	334	0	5,454	
Intersegment sales	176	151	2	0	-329	0	
Total sales	1,750	1,361	2,338	334	-329	5,454	
Sales Q1-Q2/ 2005 in kEUR							
External sales	3,964	2,479	4,942	476	0	11,861	
Intersegment sales	217	97	325	2	-641	0	
Total sales	4,181	2,576	5,267	478	-641	11,861	
Sales Q1-Q2/ 2004 in kEUR							
External sales	3,269	2,281	4,173	452	0	10,175	
Intersegment sales	217	205	100	0	-522	0	
Total sales	3,486	2,486	4,273	452	-522	10,175	
Net gain/ loss in kEUR							
Q2/ 2005	-159	-144	-85	-53	163	-278	
Q2/ 2004	-324	229	42	301	64	312	
Q1-Q2/ 2005	112	-217	-191	-71	245	-122	
Q1-Q2/ 2004	103	265	-96	392	-98	566	

» Notes to the consolidated interims financial statements as of June 30th, 2005

Conversion to International Financial Reporting Standards

Due to adjustments of comparative figures of previous years, the first time adoption of International Financial Reporting Standards leads to differences in equity and net income as presented according to IFRS compared to those amounts as previously presented according to US-GAAP. The comparative values were determined as if IAS/IFRS had been adopted all the time. The resulting differences of balance sheet items

as reported in the consolidated financial statements as of December 31st, 2003 according to US-GAAP compared to the opening balances as of January 1st, 2004 according to IFRS were recognized in the accumulated deficit.

According to IFRS1 (First Time Adoption of International Financial Reporting Standards) following is the reconciliation of equity according to US-GAAP to the equity according to IFRS:

EUR	Notes*	US-GAAP January 1st, 2004	Adjustments	IFRS January 1st, 2004
Share capital		1,115,500		1,115,500
Additional paid-in capital	a,c	56,584,792	2,749,860	59,334,652
Treasury stock	c	-79,973	-1,204,365	-1,284,338
Revaluation surplus	b		118,841	118,841
Accumulated deficit	a	-22,054,430	-1,545,495	-23,599,925
Translation adjustment	b		-26,955	-26,955
Other comprehensive income	b	91,886	-91,886	
Shareholders' equity		35,657,775	0	35,657,775

EUR	Notes*	US-GAAP June 30th, 2004	Adjustments	IFRS June 30th, 2004
Share capital		1,115,500		1,115,500
Additional paid-in capital	a,c	56,701,667	2,837,793	59,539,460
Treasury stock	c	-73,273	-1,087,490	-1,160,763
Revaluation surplus	b		108,369	108,369
Accumulated deficit	a	-21,283,587	-1,750,303	-23,033,890
Translation adjustment	b		21,609	21,609
Other comprehensive income	b	129,978	-129,978	
Shareholders' equity		36,590,285	0	36,590,285

» Notes to the consolidated interims financial statements as of June 30th, 2005

EUR	Notes*	US-GAAP December 31st, 2004	Adjustments	IFRS December 31st, 2004
Share capital		1,115,500		1,115,500
Additional paid-in capital	a,c	56,795,173	2,932,185	59,727,358
Treasury stock	c	-68,937	-993,983	-1,062,920
Revaluation surplus	b		-23,048	-23,048
Accumulated deficit	a	-17,712,542	-1,938,202	-19,650,744
Translation adjustment	b		-55,127	-55,127
Other comprehensive income	b	-78,175	78,175	
Shareholders' equity		40,051,019	0	40,051,019

The following table illustrates the impact of adopting IFRS on consolidated net gain:

EUR	Notes*	01.01.-31.12.2004	01.01.-30.06.2004
Consolidated net gain US-GAAP		4,341,888	770,843
Employee stock options	a	-392,707	-204,808
Consolidated net gain IFRS		3,949,181	566,035

*Notes:

a) According to APB25 the company had not reported expenses for employee stock option plans in its US-GAAP financial statements. IFRS2, in contrary, requires the recognition of such compensation components in the income statements. Thus, the differences are recorded in net gain, in accumulated losses and the additional paid-in capital.

b) Accumulated other comprehensive income in the US-GAAP statements contained currency translation differences from the consolidation of companies that do not have the Euro as functional currency, as well as a revaluation reserves from unrealized losses on securities. In the IFRS statements, these elements are stated separately as translation adjustment and financial revaluation surplus.

c) Treasury stock was recognised at nominal value in the US-GAAP financial statements. The difference between purchase price and nominal value was balanced with the additional paid-in capital. Treasury stock is now recognised at purchase cost in the IFRS financial statements.

Own shares

By shareholders' resolution, ad pepper media was authorized to repurchase treasury stock of up to 1,115,500 own shares. As of June 30th, 2005 the company held 645,690 own shares at a nominal value of EUR 0.10 each which equals 5.79 percent of the share capital. According to a shareholder resolution those shares can be used for acquisitions or stock option plans.

» Notes to the consolidated interims financial statements as of June 30th, 2005

Of the treasury shares acquired by the company, in the first six months of 2005 7,500 shares at an exercise price of EUR 1.78, 600 shares at an exercise price of EUR 1.33, 1.400 shares at an exercise price of EUR 2.73 and 3,500 shares at an exercise price of EUR 4.45 have been used for the execution of employee stock options and 30,678 more shares at a price of EUR 5.374 have been used as purchase price payment in the context of the acquisition of ResultOnline.

Occurrences since the end of the second quarter, 2005

Effective July 1st, ad pepper media took over the free website analytics solution Nedstat Basic from Nedstat B.V., the European leader in website analytics.

With this asset transaction, ad pepper media acquires all the respective rights associated with the world's most frequently used free website analytics solution. Nedstat Basic is an ASP based solution enabling webmasters to measure all the important indicators such as traffic, user behaviour, content and offer performance.

The provisional purchase price of this transaction is million EUR 3 plus a limited earn-out component. The acquisition will be executed by Web Measurement Services B.V, a newly formed and wholly owned ad pepper media subsidiary based in Hoofddorp, Netherlands. The purchase price exceeds the values of net assets acquired by million EUR 1.8.

Nedstat Basic is actively used by more than 600,000 webmasters on approximately 1 million websites around the world and has been continuously growing since its launch in 1996.

Stock options and shareholdings

As of June 30th, 2005, 1,490,850 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 as well as employees:

	Shareholdings as of 30.06.2005	Options as of 30.06.2005
Members of the Managing Board		
Ulrich Schmidt	612,762	368,000
Hermann Claus	51,808	243,000
Niels Nüssler	38,113	296,500
Members of the Supervisory Board		
Michael Oschmann	7,786	0
Dr, Günther Niethammer	1,112	20,000
Bernd Sexauer	292	0
Jan Andersen	532,599	0
Merrill Dean	0	0
Associated companies		
EMA B,V,	4,743,201	0
Viva Media Beteiligungsgesellschaft	5,100	0
Euroserve	13,780	0
Employees		568,350

Number of employees

At the end of the 2nd quarter 2005, ad pepper media engaged 129 employees (June 30th, 2004: 116 employees).

Company Calendar

All financial and press data, which are relevant for the capital market, on a view:

Small Cap Conference: September 14, 2005
(San Francisco, USA)

9-Months-Report 2005: November 23, 2005

Analyst conference: November 23, 2005
(German Equity Forum, Frankfurt/Main)

2004 annual report and 2005 quarterly reports

We will gladly send you our 2004 annual report as well as our quarterly reports 2005 in German or English. These reports are also available for immediate download as PDF-files (Acrobat) at **www.adpepper.com**, Investor Relations, "Financial Reports".

Investor Relations

ad pepper media International N.V.
Anna-Maria Schneider
Manager Investor Relations
Deutschherrnstraße 15-19

D- 90429 Nuremberg

Phone: +49 911 929 057- 0
Fax: +49 911 929 057 312

Email: ir@adpepper.com
<http://www.adpepper.com>

Publisher's notes

Published by

ad pepper media International N.V.
Deutschherrnstraße 15-19
D- 90429 Nuremberg

Phone: +49 911 929 057- 0
Fax: +49 911 929 057 312

Email: info@adpepper.com
<http://www.adpepper.com>

Joint-stock company (N.V.)
Corporate seat: Hoofddorp, The Netherlands
Nuremberg branch
Prime Standard, Frankfurt Stock Exchange,
Security identification number: 940 883
HRA Nuremberg 17591
Ust-ID-Nr.: DE 210757424

Managing Board

Ulrich Schmidt, CEO
Hermann Claus, CFO
Niels Nüssler, CSO

Graphics and realization: R. Lamprecht

www.adpepper.com

ad pepper media International N.V.
TransPolis Gebouw
Polaris Avenue 57
NL-2132 JH Hoofddorp