



***Unaudited condensed interim consolidated financial
statements as of June 30, 2013***

Selected group key figures

	4.1.- 6.30. 2013	4.1.- 6.30. 2012	Change	1.1.- 6.30. 2013	1.1.- 6.30. 2012	Change
	EUR 000s	EUR 000s	Percent	EUR 000s	EUR 000s	Percent
<i>Net sales</i>	12,148	13,328	-8.9	25,144	26,641	-5.6
<i>Gross profit</i>	5,356	5,602	-4.4	11,097	10,729	3.4
<i>EBIT</i>	-782	-348	-55.5	-715	-1,243	42.5
<i>Net income for period</i>	-673	-396	-41.2	-630	-1,087	42.0
<i>Earnings per share in EUR (basic)</i>	-0.03	-0.02	-50.0	-0.03	-0.06	50.0
				6.30. 2013	6.30. 2012	Change
				EUR 000s	EUR 000s	Percent
<i>Liquid funds*</i>				14,409	16,275	-11.5
<i>Equity</i>				17,793	22,865	-22.2
<i>Total assets</i>				28,289	33,371	-15.2
<i>No. of employees</i>				268	255	5.1

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

- All agenda items proposed for approval adopted at Annual General Meeting of ad pepper media International N.V. on May 14, 2013
- ad pepper media takes over exclusive marketing for markt.de portal

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The ad pepper media share

Key data about ad pepper media's share

Security Identification Number (WKN)	940883
ISIN	NL0000238145
Type of share	Ordinary bearer shares
Stock market segment (Frankfurt Stock Exchange)	Prime Standard
Initial public offering	10.09.2000
Designated Sponsor	Equinet
Share Capital in EUR	1,150,000
No. of shares	23,000,000
Sector	Advertising

Key share figures	H1 2013	H1 2012
XETRA closing price at end of period (EUR)	0.85	0.90
Highest price (EUR)	1.05	1.54
Lowest price (EUR)	0.80	0.88
Market capitalization at end of period (EUR)	19.6m	20.7m
Average no. of shares traded (XETRA)	20,455	20,137
Earnings per share, basic (EUR)	-0.03	-0.06
Net cash per share* (EUR)	0.63	0.71

* (liquid funds – long term debt)/number of shares outstanding

Share price performance over the past twelve months (Xetra)



Shareholder structure per 6.30.2013

Shareholder	No. of shares	Percentage shareholding
EMA B.V.	9,486,402	41.25
Treasury stock	1,759,292	7.65
Axxion S.A.	1,163,501	5.06
Euro Serve Media GmbH	436,963	1.90
Subtotal	12,846,158	55.86
Free float	10,153,842	44.14
Total	23,000,000	100.00

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 companies in eight European countries and the USA, ad pepper media is currently managing campaigns for thousands of national and international advertising clients in more than 50 countries. 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 one of the leading international affiliate networks, with offices in the UK, France, Germany, Spain and the USA. 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 site of advertisers (merchants) and receive a percentage of the sales generated there in return. It is not only the excellent service Webgains offers that is so convincing – in recent years it has also taken the lead by offering technological novelties on the platform, such as iSense SiteSeeker, Voucher Management Tool, Page Peel and Mobile Tracking.

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 help its customers to be located quickly and precisely on all standard search engines and to transform these search results into successful transactions. The ad pepper media International N.V. holds a 60 percent stake in ad agents.

General information about this management report

Definitions

All mentions of “ad pepper media International N.V.”, “ad pepper media”, “ad pepper media Group” or the “Group” in this management report relate to the ad pepper media Group.

Forward-Looking Statements

This management report contains forward-looking statements and information based on the beliefs of, and assumptions made by, our management using information currently available to them. We have based these forward-looking statements on our current expectations, assumptions, and projections about future conditions and events. As a result, our forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materializes, or if management’s underlying assumptions prove incorrect, our actual results could differ materially from those described in or inferred from our forward-looking statements and information. We describe these risks and uncertainties in the Risk Factors section of our annual report 2012.

The words “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “counting on”, “is confident”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “might”, “outlook”, “plan”, “project”, “predict”, “seek”, “should”, “strategy”, “want”, “will”, “would” and similar expressions as they relate to us are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date specified or the date of this report. We accept no obligation to publicly update or revise any forward-looking statements as a result of new information that we receive about conditions that existed upon issuance of this report, future events, or otherwise unless we are required to do so by law.

Internal control system

Revenue and profits (EBIT, EBITDA, Gross profit) are some of the parameters which ad pepper media analyses monthly and compares with the original business plan to control and monitor the development of individual subsidiaries. In addition, further key performance indicators are calculated each month for control purposes and are used within all the operating companies of the ad pepper media Group. External indicators are also regularly analyzed for company management purposes. In addition, there are weekly scheduled jour fixes as well as regular shareholder meetings with the individual subsidiaries.

Macroeconomic framework

World/Europe/Germany

In April of this year, the International Monetary Fund (IMF) still expected to see growth of 0.6 percent in Germany. In its Germany Report published on June 3, 2013, however, the IMF revised its growth expectation down to 0.3 percent "given ongoing increased uncertainty in the euro area". The recession in numerous European countries is thought to be adversely impacting on German exports. The German economy grew by a mere 0.1 percent in the first three months of the year. Having said this, the IMF experts expect economic activity to pick up in the second half of the year. Any stronger recovery will nevertheless be impeded by the low volume of capital expenditure. The IMF is now also more pessimistic about next year - the growth estimate of 1.5 percent issued only recently for Germany in 2014 is probably no longer achievable. The country is more likely to generate growth of around 1.3 percent.

According to the IMF, the euro area economy will remain deep in recession in the current year and contract by 0.6 percent. Only in the coming year is growth of around 1.0 percent to be expected.

Advertising market

Online advertising now forms a fixed component of the media mix for many industries and brands. In their communications concepts, companies are according an ever greater role to the internet. Digital advertising forms, media and platforms now offer brands and companies ever more varied communication opportunities. Online also remains the advertising medium with the highest growth.

As reported by experts at the market research company eMarketer, total global internet advertising sales passed the 100 million dollar mark for the first time in 2012. This makes the internet by far the fastest-growing advertising medium, with year-on-year growth of 17.8 percent. Further growth of 15.1 percent is expected in 2013. As a percentage of total sales in the advertising industry, including TV, radio, print and poster commercials, online advertising accounted for a 19.8 percent share in 2012. This share is expected to rise to 21.7 percent this year. By 2016, this figure

could rise to more than a quarter (25.9 percent) of all advertising spending. By then, market researchers expect to see industry sales of more than 160 million dollars.

For Germany, the Circle of Online Marketers (OVK) has forecast online advertising growth of more than 11 percent in 2013 (2012: EUR 6.5 billion), and thus an industry volume of EUR 7.18 billion (gross advertising volume). Growth is therefore set to continue, and the head start enjoyed by TV, the leading medium, can be expected to shrink further in 2013 as well.

This strong growth is due to the fact that advertisers increasingly see online activities as a suitable medium for strengthening brands and as a medium offering new opportunities to address target groups more precisely. The focus here is on addressing target groups effectively. Topics such as measurability, advertising impact, data protection and big data are thus ever more in the foreground in the advertising industry. Key drivers for this development are innovative advertising formats (e.g. in the fields of moving images, internet-capable TV, mobile devices and audio digital environments) and refined targeting options. Advertisers accord the greatest relevance to customer tracking and to ad currencies aimed at evaluating online contacts in general and ad visibility in particular. Further down the list are automated trading, data protection and OBA initiatives.

Major events

All agenda items proposed for approval adopted at Annual General Meeting of ad pepper media International N.V. on May 14, 2013

The Annual General Meeting held on May 14, 2013 approved all of the agenda items with 100 percent of the share capital present. Alongside the approval of the 2012 annual financial statements, the agenda also included the re-election of Michael Oschmann as a Supervisory Board member, the authorization to buy back treasury stock, and the appointment of a new auditor.

ad pepper media takes over exclusive marketing for markt.de portal

With around 44.5 million page impressions (IVW: May 2013), markt.de is one of Germany's leading classifieds portals. Based on its own data, the portal's e-commerce platform reaches 4.5 million unique users a month. These have access to more than 1,000 professional online shops and two million active classifieds and immediate purchase offers.

By concluding this marketing agreement with markt.de, ad pepper media is expanding its portfolio in the field of virtual product and service searches. The number of unique users that ad pepper media can reach with its campaigns will rise to around 20 million, thus gaining extensive new coverage. Together with other marketing partners in the price comparison and service search fields, the markt.de portal offers a highly attractive, high-coverage advertising environment for industrial customers and brand product manufacturers.

This partnership represents a major milestone in the strategic expansion of the company's German portfolio.

Earnings, financial and net asset

Earnings position

ad pepper media International N.V. generated sales of EUR 25,144k in the first six months of 2013 (H1 2012: 26,641k). This represents a decrease of 5.6 percent compared with the equivalent period in the previous year. While sales at the Webgains segment grew by EUR 1,744k, or 16.7 percent, to EUR 12,173k, the ad pepper media and ad agents segments had to absorb a reduction in sales by EUR 337k, or 3.3 percent, to EUR 9,725k, and by EUR 2,904k, or 47.2 percent, to EUR 3,246k respectively. The sales performance at ad agents was attributable to the conversion in the business model already described in previous quarters, in which most ad agents customers have been persuaded to settle pure media sales in the SEO and SEM fields directly with Google. Within the ad pepper media segment, Spain and the UK in particular fell short of the previous year's sales figures. By contrast, Emediate, Globase and ad pepper media in Germany managed to post positive sales momentum, in some cases significantly so. Gross profit, our actual performance indicator, increased slightly by EUR 368k, or 3.4 percent, to EUR 11,097k (H1 2012: EUR 10,729k). As a percentage of sales, our gross margin thus rose from 40.3 percent to 44.1 percent.

Not only that, we also managed to reduce our operating expenses by 1.3 percent, or EUR 160k, to EUR 11,812k (H1 2012: EUR 11,972k).

The discontinuation of our operating business in the ad pepper media segment in the Netherlands and further personnel adjustment measures in Denmark resulted in one-off charges totaling EUR 354k in the second quarter. Excluding these items, our operating costs would have shown a marked reduction of 4.2 percent, or EUR 514k, to EUR 11,458k.

Thanks to growth in the gross profit and a simultaneous reduction in operating expenses, we were able to improve all of our key profitability figures. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -578k in the first half of 2013 (H1 2012: EUR -1,012k). Earnings before interest and taxes (EBIT) amounted to EUR -715k, as against EUR -1,243k in the equivalent period in the previous year. Earnings before taxes (EBT) amounted to EUR -541k in the first six months of the financial year (H1 2012: EUR -840k). Net income for the period amounted to EUR -630k (H1 2012: EUR -1,087k).

Financial position

The gross cash flow amounted to EUR -528k (H1 2012: EUR -981k), while a figure of EUR -1,348k was reported for the cash flow from operations, as against EUR -714k in the first six months of 2012. The net cash flow from investing activities amounted to EUR -369k in the first half year of 2013 (H1 2012: EUR 1,777k). The cash flow from financing activities amounted to EUR -95k in the first six months of 2013, compared with EUR -260k in the equivalent period in the previous year.

Net asset position

Total assets reduced year-on-year by EUR 5,082k to EUR 28,289k (H1 2012: EUR 33,371). Here, trade receivables decreased to EUR 5,787k (H1 2012: EUR 7,461k). Trade payables reduced to EUR 6,369k (EUR 7,220k). Liquid funds (including securities measured at fair value and fixed-term deposits) dropped to EUR 14,409k, down EUR 1,340k compared with December 31, 2012 (12.31.2012: EUR 15,749k). Furthermore, ad pepper media owns a total of 1,759,292 treasury stock shares. The Group still has no liabilities to banks. The equity ratio amounted to 62.9 percent (06.30.2012: 68.5 percent).

Research and development activities

ad pepper media has two investments, Emediate ApS and Crystal Semantics Ltd, which perform a major share of the development work for the admin segment and the ad pepper media segment either directly themselves or by commissioning and accompanying such work. In the Webgains segment, research and development activities are performed on a decentralized basis within Webgains Ltd itself. In the interests of conservative accounting, the development expenses incurred at the ad pepper media Group are not capitalized as internally generated software, but are rather fully expensed.

Employees

As of June 30, 2013, the ad pepper media Group had 268 employees, as against a total of 255 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>6.30.2013</i>	<i>6.30.2012</i>
	<i>Number</i>	<i>Number</i>
<i>ad pepper media</i>	<i>116</i>	<i>118</i>
<i>Webgains</i>	<i>85</i>	<i>75</i>
<i>ad agents</i>	<i>50</i>	<i>43</i>
<i>Administration</i>	<i>17</i>	<i>19</i>

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, 2012. Reference is therefore made to the information presented in the management report for the 2012 financial year.

Outlook

The performance of the ad pepper media Group's operating business in the first six months of the financial year was satisfactory. The company managed to increase its gross margin by 3.4 percent. At the same time, we began the 2013 financial year with leaner cost structures, even though earnings were adversely affected by one-off items in connection with the discontinuation of our operating business in the Netherlands and further personnel adjustment measures. Our cost base will show a corresponding reduction on account of these measures. Overall, we expect to see a year-on-year improvement in our earnings performance in the half-year ahead as well.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Amsterdam/Nuremberg, August 5, 2013
ad pepper media International N.V.

Dr. Ulrike Handel, Jens Körner

Consolidated income statement (IFRS)

	Q2 2013	Q2 2012	1.1.-6.30.2013	1.1.-6.30.2012
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenues	12,148	13,328	25,144	26,641
Cost of sales	-6,792	-7,726	-14,047	-15,912
Gross profit	5,356	5,602	11,097	10,729
Selling and marketing expenses	-3,907	-4,001	-7,738	-8,018
General and administrative expenses	-2,233	-2,210	-4,473	-4,309
Other operating income	154	343	664	552
Other operating expenses	-152	-82	-265	-197
Earnings/loss before interest and taxes	-782	-348	-715	-1,243
Financial income	153	85	220	437
Financial expenses	-17	-26	-46	-34
Earnings/loss before taxes	-646	-289	-541	-840
Income taxes	-27	-107	-89	-247
Net income/loss	-673	-396	-630	-1,087
attributable to shareholders of the parent company	-696	-441	-695	-1,191
attributable to non-controlling interests	23	45	65	104
Basic earnings per share on net income for the year attributable to shareholders of the parent company	-0.03	-0.02	-0.03	-0.06
Diluted earnings per share on net income for the year attributable to shareholders of the parent company	-0.03	-0.02	-0.03	-0.06
	Q2 2013	Q2 2012	H1 2013	H1 2012
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of shares outstanding (basic)	21,240,708	21,240,708	21,240,708	21,240,708
Weighted average number of shares outstanding (diluted)	21,240,708	21,240,708	21,240,708	21,240,708

Consolidated statement of comprehensive income (IFRS)

	Q2 2013 EUR 000s	Q2 2012 EUR 000s	H1 2013 EUR 000s	H1 2012 EUR 000s
Net income/loss	-673	-396	-630	-1,087
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	-1	61	-40	31
Revaluation of available-for-sale securities	0	-232	60	1,328
Revaluation of available-for-sale investments	21	283	53	133
Income tax recognized directly in equity	0	0	0	0
Total income and expense recognized directly in equity, net of tax	20	112	73	1,492
Total income and expense recognized in equity	-653	-284	-557	405
attributable to non-controlling interests	23	45	65	104
attributable to shareholders of the parent company	-676	-329	-622	301

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:

	Q2 2013 EUR 000s			Q2 2012 EUR 000s			H1 2013 EUR 000s			H1 2012 EUR 000s		
	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes
Currency translation differences (incl. non-controlling interests)	-1	0	-1	61	0	61	-40	0	-40	31	0	31
Revaluation of available-for-sale securities	0	0	0	-232	0	-232	60	0	60	1,328	0	1,328
Revaluation of available-for-sale investments	21	0	21	283	0	283	53	0	53	133	0	133
Total income and expense recognized directly in equity	20	0	20	112	0	112	73	0	73	1,492	0	1,492

Consolidated balance sheet (IFRS)

Assets	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR 000s</i>	<i>EUR 000s</i>
Non-current assets		
<i>Goodwill</i>	24	24
<i>Intangible assets</i>	46	62
<i>Property, plant and equipment</i>	377	435
<i>Deposits with maturity over twelve months</i>	750	0
<i>Securities at fair value through profit and loss</i>	152	0
<i>Securities available-for-sale</i>	2,772	3,162
<i>Other financial assets</i>	6,094	6,056
<i>Deferred tax assets</i>	98	99
Total non-current assets	10,313	9,838
Current assets		
<i>Trade receivables</i>	5,787	8,353
<i>Income tax receivables</i>	631	758
<i>Prepaid expenses and other current assets</i>	519	403
<i>Other financial assets</i>	304	178
<i>Cash and cash equivalents</i>	10,735	12,587
Total current assets	17,976	22,279
Total assets	28,289	32,117

Consolidated balance sheet (IFRS)

Equity and liabilities	June 30, 2013	December 31, 2012
	<i>EUR 000s</i>	<i>EUR 000s</i>
Equity attributable to shareholders of the parent company		
Issued capital*	1,150	1,150
Reserves	66,203	66,203
Treasury shares	-3,281	-3,281
Accumulated deficit	-46,449	-45,754
Accumulated other comprehensive gains/losses	-65	-138
Total	17,558	18,180
Non-controlling interests	235	265
Non-current liabilities	17,793	18,445
Current liabilities		
Trade payables	6,369	8,073
Other current liabilities	394	1,141
Other financial liabilities	3,475	4,334
Income tax liabilities	258	124
Total current liabilities	10,496	13,672
Total liabilities	10,496	13,672
Total equity and liabilities	28,289	32,117

* 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 21,240,708 shares were floating at June 30, 2013 (December 31, 2012: 21,240,708).

Consolidated statement of cash flows (IFRS)

	1.1.2013-6.30.2013	1.1.2012-6.30.2012
	EUR 000s	EUR 000s
Net income/loss	-630	-1,087
Adjustments to reconcile net income for the year to net cash flow used in/provided by operating activities:		
Depreciation and amortisation	131	231
Gain/loss on sale of fixed assets	-1	1
Share-based compensation	0	8
Gain/loss on sale of securities	-83	-6
Other financial income and financial expenses	-91	-397
Income taxes	89	247
Other non-cash expenses and income	57	22
Gross cash flow	-528	-981
Change in trade receivables	2,509	2,435
Change in other assets	-275	109
Change in trade payables	-1,704	-1,715
Change in other liabilities	-1,627	-563
Income taxes received	290	254
Income taxes paid	-93	-421
Interest received	198	211
Interest paid	-118	-43
Net cash flow from/used in operating activities	-1,348	-714

Consolidated statement of cash flows (IFRS)

	1.1.2013-6.30.2013	1.1.2012-6.30.2012
	EUR 000s	EUR 000s
<i>Additions to intangible assets and property, plant and equipment</i>	-56	-219
<i>Purchase of shares in other investments</i>	0	-30
<i>Loans granted</i>	-50	-350
<i>Proceeds from sale of other investments</i>	34	0
<i>Repayment of loans granted</i>	30	16
<i>Proceeds from sale/maturity of securities and maturity of fixed-term deposits</i>	7,734	3,476
<i>Purchase of securities and investment in fixed-term deposits</i>	-8,061	-1,116
Net cash flow from/used in investing activities	-369	1,777
<i>Dividends to non-controlling interests</i>	-95	-260
Net cash flow from/used in financing activities	-95	-260
<i>Effect of exchange rates on cash and cash equivalents</i>	-40	31
<i>Cash-effective decrease/increase in cash and cash equivalents</i>	-1,812	803
Cash and cash equivalents at beginning of period	12,587	9,778
Cash and cash equivalents at end of period	10,735	10,612

Consolidated statement of changes in equity (IFRS)

	Balance at 1.1.2012	Total income and expense recognized in equity	Share- based payment	Excep- tional cash settlement of SOPs	Issuance of shares	Dividends	Balance at 6.30.2012
Issued capital							
Number of shares	23,000,000						23,000,000
Issued capital (EUR 000s)	1,150						1,150
Reserves							
for employee stock option plans (EUR 000s)	2,411		8				2,419
from contributions of shareholders of ad pepper media International N.V. (EUR 000s)	63,782						63,782
Treasury shares							
Number of shares	1,759,292						1,759,292
Treasury shares at cost (EUR 000s)	-3,281						-3,281
Accumulated deficit (EUR 000s)	-40,481	-1,191					-41,672
Accumulated other comprehensive income/losses							
Currency translation differences (EUR 000s)	-1,369	31					-1,338
Revaluation available-for-sale securities (EUR 000s)	-3,304	1,328					-1,976
Revaluation available-for-sale investments (EUR 000s)	3,409	133					3,542
Equity attributable to shareholders of the parent company (EUR 000s)							
	22,317	301	8	0	0	0	22,626
Non-controlling interests (EUR 000s)	395	104				-260	239
Total equity (EUR 000s)	22,712	405	8	0	0	-260	22,865

Consolidated statement of changes in equity (IFRS)

	Balance at 1.1.2013	Total income and expense recognized in equity	Share- based payment	Excep- tional cash settlement of SOPs	Issuance of shares	Dividends	Balance at 6.30.2013
Issued capital							
Number of shares	23,000,000						23,000,000
Issued capital (EUR 000s)	1,150						1,150
Reserves							
for employee stock option plans (EUR 000s)	2,421						2,421
from contributions of shareholders of ad pepper media International N.V. (EUR 000s)	63,782						63,782
Treasury shares							
Number of shares	1,759,292						1,759,292
Treasury shares at cost (EUR 000s)	-3,281						-3,281
Accumulated deficit (EUR 000s)	-45,754	-695					-46,449
Accumulated other comprehensive income/losses							
Currency translation differences (EUR 000s)	-1,384	-40					-1,424
Revaluation available-for-sale securities (EUR 000s)	-2,028	60					-1,968
Revaluation available-for-sale investments (EUR 000s)	3,274	53					3,327
Equity attributable to shareholders of the parent company (EUR 000s)							
	18,180	-622	0	0	0	0	17,558
Non-controlling interests (EUR 000s)	265	65				-95	235
Total equity (EUR 000s)	18,445	-557	0	0	0	-95	17,793

Notes

Consolidated segment information (IFRS)

H1 2013	<i>ad pepper media</i> EUR 000s	<i>Webgains</i> EUR 000s	<i>ad agents</i> EUR 000s	<i>Admin</i> EUR 000s	<i>Consolida- tion</i> EUR 000s	<i>Group</i> EUR 000s
Total revenues	9,751	12,182	3,247	308	-344	25,144
<i>thereof external</i>	9,725	12,173	3,246	0	0	25,144
<i>thereof intersegment</i>	26	9	1	308	-344	0
Expenses and other income	-10,115	-12,447	-3,016	-589	308	-25,859
<i>thereof amortization and depreciation</i>	-59	-20	-31	-27	0	-137
<i>thereof other non-cash income</i>	0	0	2	0	0	2
<i>thereof other non-cash expenses</i>	-60	-47	0	-7	-14	-128
EBITDA	-305	-245	261	-253	-36	-578
EBIT	-364	-265	230	-280	-36	-715
Financial income	7	1	0	223	-11	220
Financial expenses	-8	-3	0	-46	11	-46
Income taxes						-89
Net income/loss for the period						-630

H1 2012	<i>ad pepper media</i> EUR 000s	<i>Webgains</i> EUR 000s	<i>ad agents</i> EUR 000s	<i>Admin</i> EUR 000s	<i>Consolida- tion</i> EUR 000s	<i>Group</i> EUR 000s
Total revenues	10,125	10,517	6,150	254	-405	26,641
<i>thereof external</i>	10,062	10,429	6,150	0	0	26,641
<i>thereof intersegment</i>	63	88	0	254	-405	0
Expenses and other income	-10,598	-10,587	-5,776	-1,177	254	-27,884
<i>thereof amortization and depreciation</i>	-67	-10	-28	-126	0	-231
<i>thereof other non-cash income</i>	0	0	0	0	0	0
<i>thereof other non-cash expenses</i>	-4	-64	0	-36	-4	-108
EBITDA	-406	-60	402	-797	-151	-1,012
EBIT	-473	-70	374	-923	-151	-1,243
Financial income	2	0	2	463	-30	437
Financial expenses	-30	0	-5	-29	30	-34
Income taxes						-247
Net income/loss for the period						-1,087

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 euros. The comparative figures from the previous year were determined according to the same principles and adjusted where necessary. The quarterend 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, 2012.

The consolidated interim financial statements as per June 30, 2013 were authorized for issue by the Board of Directors on August 5, 2013.

2. Accounting principles

The accounting principles applied to these quarter-end financial statements do not materially differ from the principles as applied to the Annual Report as per December 31, 2012.

Since that time the following standards and interpretations have been adopted:

Improvements to IFRS 2009-2011

On March 28, 2013 the European Union issued a commission regulation which resulted in the endorsement of Annual Improvements to IFRSs, 2009-2011 Cycle which are now incorporated into European law. The changes of the following standards are effective from January 1, 2013:

- IFRS 1 „First-time Adoption of IFRS“
- IAS 1 „Presentation of Financial Statements“
- IAS 16 „Fixed Assets“
- IAS 32 „Financial Instruments“
- IAS 34 „Interim Financial Reporting“

This will not have any material implications for the consolidated financial statements of ad pepper media.

Amendments to IFRS 10, 11 and 12

In its Official Journal dated April 5, 2013, the European Union published Regulation (EC) No. 313/2013 dated April 4, 2013 concerning the amendment to Regulation (EC) No. 1126/2008 in respect of the endorsement of specific international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Council. This Regulation takes over amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, and IFRS 12 Disclosures of Interests in Other Entities published by the IASB in June 2012. The amendment aims to clarify the transitional requirements in IFRS 10 and introduce additional relief for the transition to IFRS 10, IFRS 11, and IFRS 12. Adjusted comparative information, for example, is only required for the previous comparative period and the obligation to disclose comparative information for unconsolidated structured entities for periods prior to the first-time application of IFRS 12 no longer applies. Furthermore, Article 1 of the Regulation clarifies that, for EU IFRS users, the references to IFRS 9 included in the amendments to IFRS 11 should be understood as references to IAS 39 Financial Instruments: Recognition and Measurement as IFRS 9 has yet to be endorsed by the European Union. The amendments require application at the latest at the beginning of the first financial year beginning on or after January 1, 2014; voluntary earlier application is thus permitted.

These amendments will not have any material implications for ad pepper media's consolidated financial statements.

3. Consolidated group

The entities included in consolidation are as follows:

Entity	6.30. 2013 Percent	12.31. 2012 Percent
<i>ad pepper media GmbH, Nuremberg, Germany</i>	100	100
<i>ad pepper media Benelux B.V., Amsterdam, the Netherlands</i>	100	100
<i>ad pepper media Sweden AB, Stockholm, Sweden</i>	100	100
<i>ad pepper media Denmark A/S, Copenhagen, Denmark</i>	100	100
<i>ad pepper media UK Ltd, London, United Kingdom</i>	100	100
<i>ad pepper media France S.A.R.L., Paris, France</i>	100	100
<i>ad pepper media Spain S.A., Madrid, Spain</i>	100	100
<i>ad pepper media USA LLC, New York, USA</i>	100	100
<i>Web Measurement Services B.V., Amsterdam, the Netherlands</i>	100**	100
<i>Crystal Semantics Ltd, London, United Kingdom</i>	100	100
<i>Webgains Ltd, London, United Kingdom</i>	100	100
<i>ad pepper media SA, Küssnacht am Rigi, Switzerland</i>	100*	100
<i>Globase International ApS, Copenhagen, Denmark</i>	100	100
<i>Emediate ApS, Copenhagen, Denmark</i>	100	100
<i>EMSEAS TEKNIK AB, Stockholm, Sweden</i>	100	100
<i>ad agents GmbH, Herrenberg, Germany</i>	60	60

* in liquidation

** liquidated with effect of October 31, 2012 at January 17, 2013

Emediate ApS opened Emediate Norway NUF, a branch office in Oslo, Norway, on February 14, 2013.

ad pepper media International N.V. holds a 20 percent stake in SocialTyzze LLC. SocialTyzze LLC is not included in the interim consolidated financial statements at equity, as an operating agreement has been concluded which does not allow ad pepper media to exert significant influence. The investment was fully impaired as of December 31, 2012.

ad pepper media International N.V. holds a 49.5 percent stake in Videovalis GmbH. Videovalis GmbH is not included in the interim consolidated financial statements at equity, as the company's articles of association do not allow ad pepper media to exert significant influence. Hence, the investment continues to be valued at cost.

As of April 1, 2012, ad pepper media USA LLC secured a stake totaling 15 percent in React2Media LLC. In the beginning of 2013 ad pepper media USA LLC sold back the investment to React2Media.

4. Notes to the Interim Financial Statements

Reference is basically made to the comments on the results of operations, financial position and net assets in the Management Report.

The following one-off items affecting the income statement occurred in the period under review:

Net financial expenses include realized net exchange gains of EUR 80k from the trade of securities (H1 2012: EUR 6k) and unrealized net valuation gains of EUR 0k (H1 2012: EUR 215k).

At the beginning of January 2013, ad pepper media USA LLC resold its interest in React2Media at a price of USD 170k, corresponding to a profit of USD 130k. The tax result is due to the recognition of current tax deferrals for profitable companies.

The following one-off items affecting the balance sheet occurred in the period under review:

Payment by installment was agreed upon the sale of the interest of USD 170k in React2Media. ad pepper media USA LLC had corresponding receivables of USD 125k as of June 30, 2013. The loan granted to React2Media in March 2012 had an outstanding balance of USD 103k as of June 30, 2013. Other liabilities reduced by EUR 1,606k compared with December 31, 2012 (mainly payment of payroll tax liabilities, bonuses, and a reduction in the sales tax balance).

5. 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, 2012.

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 intersegment transaction.

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. Long-term assets do not include financial instruments or deferred tax assets:

	Revenue from external customers		Non-current assets	
	H1 2013	H1 2012	6.30. 2013	6.30. 2012
	<i>EUR 000s</i>	<i>EUR 000s</i>	<i>EUR 000s</i>	<i>EUR 000s</i>
<i>The Netherlands</i>	195	553	11	13
<i>Germany</i>	8,467	11,157	242	406
<i>Scandinavia</i>	4,357	3,644	136	145
<i>United Kingdom</i>	8,737	7,522	51	75
<i>Other</i>	3,388	3,765	7	12
Total	25,144	26,641	447	651

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

6. Treasury stock

Acquisition of treasury stock

By shareholders' resolution dated May, 14, 2013 and May 15, 2012, 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 June 30, 2013, ad pepper media International N.V. held 1,759,292 treasury stock (June 30, 2012: 1,759,292) at a nominal value of EUR 0.05 each, corresponding to 7.65 percent (June 30, 2012: 7.65 percent) of the share capital.

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

Sale of treasury stock

No treasury shares were sold during the first six months 2013 (H1 2012: 0). No shares were sold under the employee stock option plans and no cash settlements amounting for fully vested stock options occurred (H1 2012: 0).

Number of shares outstanding

The number of shares issued and outstanding as of June 30, 2013 totals 21,240,708 (June 30, 2012: 21,240,708). Each share has a nominal value of EUR 0.05.

7. Seasonal influences on business operations

ad pepper media is engaged in the field of online advertising in the broadest sense. Due to the seasonal character of the advertising industry, with its traditional focus on expenditure in the 4th quarter, revenue and thus operating profit are generally higher in the second half of the year.

8. Change within the boards

An extraordinary general meeting held on March 20, 2013 appointed Dr. Ulrike Handel to chair the Board of Directors and as Chief Executive Officer (CEO) of ad pepper media International N.V. Dr. Handel had already been a member of the Supervisory Board of ad pepper media International N.V. since May 2012.

Furthermore the extraordinary general meeting elected three new Supervisory Board members, namely, Mr. Thomas Bauer, Ms. Eun-Kyung Park, and Dr. Stephan Roppel.

9. Stock options and shareholdings

As of June 30, 2013, a total of 802,700 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 3.795.

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

	Shares as of 6.30.2013	Options as of 6.30.2013
Board of Directors		
<i>Dr. Ulrike Handel (since March 20, 2013)</i>	0	0
<i>Jens Körner</i>	0	0
Former Board of Directors		389,500
Supervisory Board		
<i>Michael Oschmann</i>	0	0
<i>Thomas Bauer (since March 20, 2013)</i>	0	0
<i>Eun-Kyung Park (since March 20, 2013)</i>	0	0
<i>Dr. Stephan Roppel (since March 20, 2013)</i>	0	0
<i>Dr. Ulrike Handel (until March 19, 2013)</i>	0	0
Associated companies		
<i>EMA B.V.</i>	9,486,402	0
<i>Euro Serve Media GmbH</i>	436,963	0
Employees		413,200

10. Report on major transactions with related companies and persons

Transactions of parent company with investments

ad pepper media International N.V. granted loans of EUR 50k to Videovalis GmbH in the first half year 2013.

Transactions between subsidiaries and investments

Emediate ApS provides ad serving services to Brand Affinity Technologies Inc. for USD 85k in the first two quarters 2013.

Otherwise there have been no material changes in transactions with related parties compared with the 2012 financial year.

11. 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 June 30, 2013.

Amsterdam/Nuremberg, August 5, 2013

Dr. Ulrike Handel, Jens Körner

Company calendar

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

Company calendar

<i>Quarterly report II/2013</i>	<i>August 16, 2013</i>
<i>Quarterly report III/2013</i>	<i>November 7, 2013</i>
<i>General Meeting of Shareholders' 2014 Amsterdam, the Netherlands</i>	<i>May 13, 2014</i>

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Jens Körner, CFO

We will gladly send you our 2012 Annual Report as well as the interim financial reports for 2013 in German or English. These reports are also published as PDF files at www.adpepper.com under:
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