



## AdLINK at a glance

Selected key figures acc. to IFRS		31.03.2007	31.03.2006	Change in %
<b>Financial figures</b>				
Sales	EUR million	50.0	41.3	21.1
Gross margin	%	26.5	26.4	0.4
EBITDA	EUR million	6.7	5.4	24.1
EBT	EUR million	5.4	4.5	20.0
Earnings per share (undiluted)	EUR	0.11	0.06	83.3
Employees		416	340	22.4
<b>AdLINK share</b>				
Share price	EUR	18.10	11.45	58.1
Number of shares		25,914,900	25,851,945	-
Market capitalization	EUR million	469.1	296.0	-

Quarter development (in EUR million)	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q1 2006
Sales	45.1	39.3	51.7	50.0	41.3
EBITDA	5.8	4.6	6.7	6.7	5.4
EBT	4.8	3.7	5.7	5.4	4.5



## Foreword by the Management Board



Marc Stilke

Chief Operating Officer  
and speaker



Stéphane Cordier

Chief Executive Officer



Andreas Janssen

Chief Financial Officer

### DEAR SHAREHOLDERS AND ALL INTERESTED IN ADLINK.

According to all major research institutes, the online advertising market will continue to grow in 2007. eMarketer forecasts growth of 19.0 % to EUR 14.4 billion in the USA and Jupiter-research expects an increase of 18.0 % to EUR 5.9 billion in Europe.

As a company operating mainly in Europe but also in the USA, the development of the AdLINK Group in the first quarter of 2007 clearly illustrates that we can profit strongly from this boom. In the period under review, sales revenues grew by 21.1 % from EUR 41.3 million last year to EUR 50.0 million. At the same time, we improved pre-tax earnings by 20.0 % from EUR 5.4 million to EUR 6.7 million. Earnings per share grew by 83.3 % from EUR 0.06 to EUR 0.11.

One reason for the sector's current success is the continued spread of high-performance broadband internet connections. Thanks to broadband, more effective online advertising formats with moving images and Flash animations can now be used. Tools for planning, tracking, reporting and optimizing online campaigns are also becoming more powerful and clearly differentiating themselves from classic advertising — due to the interactivity and direct measurability of the internet medium. Online advertising can therefore offer advertisers a unique added value. A further success factor is the rising number of people using the internet and the amount of time they spend connected to it. The spread of broadband connections and the increasing popularity of time- and data-independent flat rates have also considerably enhanced the quality and intensity of usage.

From the advertisers' point of view, the more people using the internet and the more time they spend on it, the more attractive the medium becomes. And the better the technology, the more interesting, varied and effective the formats will be — enabling advertisers to reach their target groups as efficiently as possible.

Apart from our key financial figures, we also made further progress in all relevant market figures — the basis for our business:

In Display Marketing we raised the number of unique visitors per month from 69.9 million to over 75.5 million. The average number of page impressions generated per month on the websites we market also grew from 6.4 billion to 7.6 billion.

In Affiliate Marketing, we achieved growth in both advertising partners and reach: the number of suppliers of affiliate programs rose from 1,180 last year to 1,230. The number of affiliated websites grew from 360,000 to 390,000. Monthly page impressions improved from 4.1 billion to over 7 billion.

In our Domain Marketing segment, the number of domains offered for trading by Sedo grew from 4.3 million last year to 6.9 million. Over 2.9 million of these domains (prior year: 1.25 million) are available for marketing purposes.

Following our successful start in 2007 we are optimistic for the fiscal year as a whole and aim to benefit more than average from the booming online advertising markets. Despite high costs for the development of existing and new fields in Germany and abroad, we aim to achieve a clear increase in sales and earnings in comparison with 2006.

Montabaur, May 8, 2007

Marc Stilke

Stéphane Cordier

Andreas Janssen



# Business development of the AdLINK Group

The internet is developing into an increasingly attractive medium for advertisers. The importance of online marketing is growing from year to year. All internet analysts expect growth to remain strong in 2007 — as well as in the following years. The development of AdLINK Internet Media AG so far in 2007 shows that we can benefit strongly from this growth.

## RECORD SALES AND EARNINGS

In the first quarter of 2007, sales of AdLINK Internet Media AG grew by 21.1% to EUR 50.0 million (prior year: EUR 41.3 million) and thus almost reached the level of the seasonally strong fourth quarter of 2006. At EUR 6.7 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were up 24.1% over the previous year (EUR 5.4 million). Earnings before taxes (EBT) were raised by 20.0% to EUR 5.4 million (prior year: EUR 4.5 million). Earnings per share (EPS) improved strongly by 83.3% from EUR 0.06 to EUR 0.11.

## POSITIVE DEVELOPMENT IN ALL SEGMENTS

These strong financial figures result from the growth in the reach of our advertising networks and the acquisition of new advertising partners.

In its Display Marketing segment, AdLINK raised the average number of page impressions generated per month — with new websites and the improved reach of its existing portfolio — from 6.4 billion to over 7.6 billion. The advertising network as a whole now reaches over 75 million unique visitors per month throughout Europe. Once again we succeeded in gaining numerous high-profile advertising customers, such as Adidas, Microsoft, Opel, IKEA, Vodafone and Citibank for their domestic and European online advertising campaigns. In total, the number of advertising clients grew from 1,190 last year to around 1,700 in the period under review.

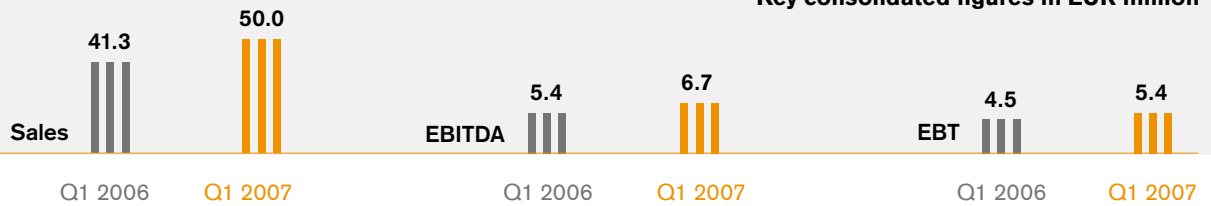
In the Affiliate Marketing segment we also posted significant growth in the two key categories of “advertising partners” and “reach”: the number of affiliate program suppliers using affilinet grew from 1,180 last year to over 1,230. The new suppliers include such well-known brands as the car rental company Budget, British Homestores and auto manufacturer Renault. The number of websites also grew from 360,000 to 390,000, while monthly ad impressions increased from 4.3 billion to over 7 billion. We also accelerated the use of our new context-sensitive “affilimatch” advertising tool. This enables affilinet to automatically place advertisers’ products on those websites within the affiliate network which are best suited to the topic. In addition, affilinet launched two new innovations in the field of sales-oriented direct marketing with the formats “Pagepeel” and “Video-Ad”.

In the Domain Marketing segment, the number of domains parked with Sedo grew from 4.3 million to over 6.9 million. Over 2.9 million of these domains are available for marketing. In the period under review, we also concluded a cooperation with

## The business model of AdLINK Internet Media AG:



## Key consolidated figures in EUR million



Easyspace, one of the leading registrars in the UK. As a result, we were able to strengthen our position in the highly competitive Anglo-Saxon market.

### INTERNATIONAL EXPANSION

The AdLINK Group is now active in 9 European nations and the USA. Whereas we are already widely represented geographically in Europe in the Display Marketing segment, we made further progress with the expansion of our international presence in the Affiliate and Domain Marketing segments.

In our Affiliate Marketing segment we focused on developing and expanding business in the UK and France during the period under review. In Domain Marketing we laid the foundation in the first quarter of 2007 for adding further languages to our present 4-language trading platform.

### CASH FLOW / CAPITAL EXPENDITURES

In line with the positive development of our results, there was also an increase in cash flow from operating activities to EUR 4.7 million (prior year: EUR 3.1 million). Depreciation and amortization of intangible assets and property, plant and equipment rose from EUR 0.6 million last year to EUR 0.7 million in the period under review. This figure includes writedowns on intangible assets identified and capitalized in the course of acquisitions amounting to EUR 0.4 million (prior year: EUR 0.4 million). Capital expenditures amounted to EUR 0.3 million in the period under review (prior year: EUR 0.4 million).

### FINANCIAL POSITION

As of the balance sheet date, AdLINK Internet Media AG had bank borrowings of EUR 28.0 million — compared with EUR 15.0 million as of December 31, 2006. In line with this development, liabilities due to affiliated companies (United Internet AG) fell to EUR 33.1 million as of March 31, 2007 — compared with EUR 48.3 million as of December 31, 2006. Cash and cash equivalents rose from EUR 5.9 million as of December 31, 2006 to EUR 9.3 million at the end of the reporting quarter.

### EMPLOYEES

At the end of March 2007, AdLINK Internet Media AG employed a total of 416 people (December 31, 2006: 400). Of this total, 205 were employed outside Germany (December 31, 2006: 204).

### IFRS ACCOUNTS

The accounting and valuation principles applied for this quarterly report correspond to those used for the annual financial statements for fiscal 2006.

### SHARE

In the period under review, the AdLINK share rose by 31.3 % — from EUR 13.79 as of December 31, 2006 to EUR 18.10 as of March 31, 2007 — and thus easily outperformed its comparative TecDAX index.

### CHANGE IN THE MANAGEMENT BOARD

Mr. Guy Challen, former CFO of the AdLINK Internet Media AG, left the company at the end of April 2007 after 5 years of service. Andreas Janssen, former CFO of plenum AG, joined the AdLINK Group as CFO on May 1, 2007.

### OUTLOOK

Following a successful start to fiscal 2007 we are also optimistic for the year as a whole. Despite high costs for the development of existing and new fields in Germany and abroad, we aim to achieve a clear increase in sales and earnings over 2006.



# Segments

## AdLINK GROUP AdLINK MEDIA is Europe's leading independent online marketer

In its Display Marketing segment, AdLINK stands for branding, image and response advertising. Our advertising network of top-quality, high-reach websites is booked by numerous national and international advertising clients every year.

Display marketing		31.03.2007	31.03.2006	Change
Sales	EUR million	16.6	14.4	15 %
Employees	number	209	179	17 %
Advertising clients	number	1,707	1,190	43 %
Page impressions/month	number	7.6 billion	6.4 billion	19 %
Unique Visitors/month	number	75.5 million	69.9 million	8 %

- Expansion of European reach
- Acquisition of major international advertising clients
- Development of behavioral targeting

## AdLINK GROUP affilinet is a leading affiliate marketing network in Europe

Success-based marketing is becoming ever more important. Affiliate marketing, i. e. marketing with the aid of online partnerships, is one of the biggest growth drivers at present. We serve this market via our affilinet brand with our highly automated quality platform [www.affili.net](http://www.affili.net).

Affiliate marketing		31.03.2007	31.03.2006	Change
Sales	EUR million	17.7	16.7	6 %
Employees	number	83	70	19 %
Affiliate programs	number	1,232	1,179	4 %
Websites	number	390,000	360,000	8 %
Page impressions/month	number	7.0 billion	4.1 billion	71 %

- International expansion to France and UK
- Improvement of reach and platform
- Acceleration of affilimatch

## AdLINK GROUP sedo is the global market leader in domain trading

The Sedo brand represents the Domain Marketing segment. Sedo offers a range of services relating to domains, including domain parking, appraisals, transfers and marketing through [www.sedo.com](http://www.sedo.com) a platform with several million domains for sale.

Domain marketing		31.03.2007	31.03.2006	Change
Sales	EUR million	15.7	10.2	54 %
Employees	number	124	91	36 %
Domains	number	6.9 million	4.3 million	60 %
Marketed domains	number	2.9 million	1.3 million	123 %
Registered members	number	480,000	330,000	45 %

- Strong increase in marketable domains
- Dynamic growth in the USA and UK
- Further international expansion of trading platform

# Consolidated Balance Sheet

as of March 31, 2007

	31.03.2007		31.12.2006	
	EUR		EUR	
<b>ASSETS</b>				
Cash and cash equivalents	9,254,044	6.2 %	5,924,572	3.9 %
Accounts receivable	32,517,239	21.8 %	36,212,178	23.9 %
Accounts receivable from associated companies	114,749	0.1 %	92,464	0.1 %
Accounts receivable from affiliated companies	599,935	0.4 %	1,643,300	1.1 %
Other current financial assets	2,285,657	1.5 %	1,978,214	1.3 %
Inventories	2,100,681	1.4 %	2,000,271	1.3 %
Prepaid expenses	1,030,797	0.7 %	586,595	0.4 %
<b>Current assets</b>	<b>47,903,102</b>	<b>32.1 %</b>	<b>48,437,594</b>	<b>32.0 %</b>
Equity investments	3,168,187	2.1 %	3,012,187	2.0 %
Property, plant and equipment	1,577,444	1.1 %	1,558,650	1.0 %
Intangible assets (w/o Goodwill)	6,815,197	4.6 %	7,197,111	4.8 %
Goodwill	83,011,363	55.7 %	83,011,363	54.9 %
Deferred tax assets	6,654,629	4.5 %	8,045,117	5.3 %
<b>Non-current assets</b>	<b>101,226,820</b>	<b>67.9 %</b>	<b>102,824,428</b>	<b>68.0 %</b>
<b>Total assets</b>	<b>149,129,922</b>	<b>100.0 %</b>	<b>151,262,022</b>	<b>100.0 %</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Accounts payable, trade	31,622,550	21.2 %	35,086,596	23.2 %
Accounts payable due to associated companies	65,327	0.0 %	73,941	0.0 %
Accounts payable due to affiliated companies	33,061,802	22.2 %	48,277,315	31.9 %
Accrued taxes	4,970,252	3.3 %	4,574,367	3.0 %
Other liabilities	6,720,063	4.5 %	6,141,577	4.1 %
Deferred income	324,890	0.2 %	467,089	0.3 %
Convertible bonds	100,550	0.1 %	101,300	0.1 %
Liabilities to banks (short-term)	28,005,428	18.8 %	15,003,314	9.9 %
<b>Current liabilities</b>	<b>104,870,862</b>	<b>70.3 %</b>	<b>109,725,499</b>	<b>72.5 %</b>
Deferred tax liabilities	2,043,461	1.4 %	2,205,236	1.5 %
Convertible bonds	46,650	0.0 %	98,900	0.1 %
Long-term liabilities due to minority shareholders	1,082,369	0.7 %	1,082,369	0.7 %
<b>Non-current liabilities</b>	<b>3,172,480</b>	<b>2.1 %</b>	<b>3,386,505</b>	<b>2.2 %</b>
<b>Total liabilities</b>	<b>108,043,342</b>	<b>72.4 %</b>	<b>113,112,004</b>	<b>74.8 %</b>
<b>Equity</b>				
Capital Stock	25,914,900	17.4 %	25,914,900	17.1 %
Additional paid-in capital	62,810,747	42.1 %	62,750,216	41.5 %
Accumulated deficit	-51,945,249	-34.8 %	-54,813,402	-36.2 %
Currency translation adjustments	630	0.0 %	-7,248	0.0 %
<b>Total equity w/o Minority interest</b>	<b>36,781,028</b>	<b>24.7 %</b>	<b>33,844,466</b>	<b>22.4 %</b>
Minority interest	4,305,552	2.9 %	4,305,552	2.8 %
<b>Total equity</b>	<b>41,086,580</b>	<b>27.6 %</b>	<b>38,150,018</b>	<b>25.2 %</b>
<b>Liabilities and equity, total</b>	<b>149,129,922</b>	<b>100.0 %</b>	<b>151,262,022</b>	<b>100.0 %</b>



# Consolidated Statements of Operations

from January 1 to March 31, 2007

	Jan.-March 2007		Jan.-March 2006	
	in EUR		in EUR	
Sales	49,979,031	100.0 %	41,320,276	100.0 %
Cost of sales	-36,731,263	-73.5 %	-30,414,477	-73.6 %
COS in % from Sales	26.5 %		26.4 %	
<b>Gross Profit</b>	<b>13,247,768</b>	<b>26.5 %</b>	<b>10,905,799</b>	<b>26.4 %</b>
Selling expenses	-3,596,203	-7.2 %	-2,855,482	-6.9 %
General and administrative expenses	-3,384,450	-6.8 %	-2,851,316	-6.9 %
Other operating (income) expenses	1,623	0.0 %	-69,421	-0.2 %
Depreciation of capitalized assets in the scope of acquisitions	-427,395	-0.9 %	-443,961	-1.1 %
<b>Operating Result</b>	<b>5,841,343</b>	<b>11.7 %</b>	<b>4,685,619</b>	<b>11.3 %</b>
Interest and similar expenses	-694,746	-1.4 %	-283,325	-0.7 %
Interest and similar income	47,407	0.1 %	33,273	0.1 %
Result from associated companies	156,000	0.3 %	78,525	0.2 %
<b>Pre-tax result</b>	<b>5,350,004</b>	<b>10.7 %</b>	<b>4,514,092</b>	<b>10.9 %</b>
Income taxes	-2,481,851	-5.0 %	-1,776,140	-4.3 %
<b>Net income</b>	<b>2,868,153</b>	<b>5.7 %</b>	<b>2,737,952</b>	<b>6.6 %</b>
Minority interest	0	0.0 %	1,188,892	2.9 %
Profits attributable to shareholders of AdLINK Internet Media AG	2,868,153	5.7 %	1,549,060	3.7 %
<b>Earnings per share</b>				
basic (EUR/share)	0.11		0.06	
diluted (EUR/share)	0.11		0.06	
Weighted average number of shares outstanding	25,914,900		25,851,945	
Weighted average number of shares outstanding diluted	26,692,900		26,810,950	

# Consolidated Statements of Changes in Shareholders' Equity

	Common stock Shares	Additional paid-in capital EUR	Accumulated deficit EUR	Currency translation adjustment loss EUR	Total shareholders' equity EUR	Minority interest EUR	Total company's equity EUR	Total Net Income	
								of AdLINK Internet Media AG shareholders EUR	of Minority Interest EUR
<b>Balance as of January 1st, 2006</b>	<b>25,851,945</b>	<b>62,047,026</b>	<b>-66,853,265</b>	<b>228,409</b>	<b>21,274,115</b>	<b>4,116,694</b>	<b>25,390,809</b>	<b>989,018</b>	<b>1,599,354</b>
Amortization of deferred stock option compensation		302,567			302,567		302,567		
Exercise of convertible bonds	62,955	32,248			95,203		95,203		
Subsequent reduction of IPO costs due to refund of input tax		368,375			368,375		368,375		
Aquisition of minority interest						-4,113,066	-4,113,066		
Currency translation adjustment				-235,657	-235,657		-235,657	-235,657	
Net Income			12,039,863		12,039,863	4,301,924	16,341,787	12,039,863	4,301,924
<b>Balance as of December 31st, 2006</b>	<b>25,914,900</b>	<b>62,750,216</b>	<b>-54,813,402</b>	<b>-7,248</b>	<b>33,844,466</b>	<b>4,305,552</b>	<b>38,150,018</b>	<b>11,804,206</b>	<b>4,301,924</b>
Amortization of deferred stock option compensation		60,531			60,531		60,531		
Currency translation adjustment				7,878	7,878		7,878	7,878	
Net Income			2,868,153		2,868,153		2,868,153	2,868,153	
<b>Balance as of March 31st, 2007</b>	<b>25,914,900</b>	<b>62,810,747</b>	<b>-51,945,249</b>	<b>630</b>	<b>36,781,028</b>	<b>4,305,552</b>	<b>41,086,580</b>	<b>2,876,031</b>	



# Consolidated Statements of Cash Flows

from January 1 to March 31, 2007

	Jan.-March 2007	Jan.-March 2006
	EUR	EUR
<b>Cash flow from operating activities</b>		
Net Income	2,868,151	2,737,952
Depreciation	682,381	619,359
Disposals of assets	-7,689	0
Change in deferred taxes	1,228,713	-246,467
Compensation expenses from employee stock option plans	60,531	87,165
Result from associated companies	-156,000	-78,525
Changes in currency translation adjustments (on cash)	27,287	-12,902
<b>Operative cash flow</b>	<b>4,703,374</b>	<b>3,106,582</b>
<b>Changes in assets and liabilities</b>		
Change in receivables and other assets*	3,334,129	-354,013
Change in other financial assets	0	178,445
Change in Inventories*	-100,410	-26,807
Change in receivables from associated companies	-22,285	-66,756
Change in receivables from affiliated companies	1,043,365	215,043
Change in prepaid expenses	-447,267	-212,259
Change in accounts payable, trade	-3,410,574	-1,099,028
Change in accounts payable due to associated companies	-8,614	-37,921
Change in accounts payable due to affiliated companies	-569,958	-7,440
Change in accrued taxes	397,256	183,898
Change in other liabilities	539,306	1,004,323
Change in deferred income	-142,156	-276,678
<b>Changes in assets and liabilities, total</b>	<b>612,792</b>	<b>-499,193</b>
<b>Cash flow from operating activities</b>	<b>5,316,166</b>	<b>2,607,389</b>

\* Prior year adjusted to show inventories in a separate line.

Cash flow continued	Jan.-March 2007	Jan.-March 2006
	EUR	EUR
<b>Cash flow from investment activities</b>		
Capital expenditure for intangible assets	-116,613	-109,662
Capital expenditure for property, plant and equipment	-202,684	-249,268
Cash inflow through disposal of assets	7,689	2,541
<b>Cash flow from investment activities</b>	<b>-311,608</b>	<b>-356,389</b>
<b>Cash flow from financing activities</b>		
Change of utilized credit line from affiliated companies	-14,645,555	-2,666,652
Borrowing/Repayment of short-term bank loans	13,002,114	0
<b>Cash flow from financing activities</b>	<b>-1,643,441</b>	<b>-2,666,652</b>
Net increase / net decrease in cash	3,361,117	-415,652
Cash and cash equivalents at the beginning of the fiscal year	5,924,572	10,844,941
Effect of exchange rate differences on cash	-31,645	-40,574
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,254,044</b>	<b>10,388,715</b>
Deposit of interest	44,187	33,273
Cash paid for interest	-1,181,680	-5,500
Cash paid for taxes	-641,313	-203,119

AdLINK GROUP  
**AdLINKMEDIA**



## Financial calendar

**MARCH 30, 2007**

**Annual Financial Statements 2006,  
Press and Analyst Conference**

**MAY 8, 2007**

**Publication of Quarterly Report**

**MAY 29, 2007**

**Annual Shareholders' Meeting**

**AUGUST 9, 2007**

**Publication of Half-Year Report**

**AUGUST 10, 2007**

**Press and Analyst Conference**

**NOVEMBER 6, 2007**

**Publication of 9-Months Report**

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**AdLINKGROUP**