

artnet AG

Interim Group

1/2009

Management

Report

First Quarter 2009

artnet AG

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artnet AG Interim Group Management Report First Quarter 2009

Business Development

Overview of the business development first quarter 2009

During first quarter 2009, the global economy severely weakened and the art market and most other businesses declined in tandem. Notwithstanding, we have sought to broaden the market for our existing products and services, whilst introducing new ones.

March 2009 saw the launch of the artnet Decorative Arts Database encompassing furniture, porcelain, silver, glass, carpets from many different historical periods. artnet's introduction of this product opens up a large market both for database clients and potential gallery network clients.

During the first quarter of 2009, artnet continued to focus on building the artnet Online Auction business which produced revenue of EUR 158,000 (USD 206,000) as compared to EUR 17,000 (USD 26,000) in the first quarter a year ago.

The Group plans to launch the artnet Market Data Project in the fall of 2009. This product will service various art indices and art advisory services of banks, insurance companies, family offices, as well as, all other art market participants.

Results of Operations, Financial Position and Net Assets

Earnings

During the first quarter of 2009 artnet's revenue increased 18% (USD 3%) to EUR 3,324,000 (USD 4,343,000) from EUR 2,821,000 (USD 4,225,000) in 2008. Revenue is primarily invoiced in US Dollars. The income statement conversion from US Dollars to Euros is based on an average of the first three months of the year. The US Dollar has appreciated 15% compared to the first three months of 2008. This means that our revenue growth in Euros has been positively impacted by the improvement of the US Dollar.

Income from operations declined EUR 135,000 (USD 237,000) to EUR 188,000 (USD 246,000) from EUR 323,000 (USD 483,000) in the same quarter, 2008. The Group has incurred additional costs in the categories of Cost of Sales and Product Development. This is due to investments in our new product launches and increased staffing compared to 2008, first quarter. Costs related to the operations of artnet.fr during the first quarter of 2009 increased from 2008 expenses by EUR 91,000 (USD 119,000). The Group also incurred approximately EUR 39,000 (USD 50,000) in additional expenses related to the artnet Market Data product which is scheduled to launch in the fall of 2009. Depreciation increased EUR 82,000 (USD 93,000), attributed to the launch of the artnet decorative arts product, in addition to other new products launched during 2008.

The expansion of Product Development is an important part of the foundation for the Groups' future prospects. Added expenses for consultants and additional staff account for the increase in Product Development costs of EUR 76,000 (USD 35,000) to EUR 419,000 (USD 548,000) compared to the same quarter, 2008.

Net profit declined EUR 230,000 (USD 364,000) to EUR 109,000 (USD 143,000) in 2009 from EUR 339,000 (USD 507,000) in 2008.

Diluted earnings per share were EUR 0.02 (USD 0.03) at the end of the first quarter 2009, compared to EUR 0.06 (USD 0.09) in the same period in 2008.

Currency conversion

The consolidated financial statements on a Euro-basis were affected by the appreciating value of the US Dollar in the first quarter of 2009 compared to the first quarter of 2008.

Currency conversion in the consolidated income statement is based on the average exchange rate for the period ending March 31, 2009 and 2008, respectively. For the first quarter of 2009, the average rate was 0.765 Euros/US Dollar compared to 0.668 Euros/US Dollar in the first quarter of 2008. This represents a 15% increase in the average currency rate. Currency conversion for the balance sheet is based on the exchange rate at the end of the period. As of March 31, 2009, the rate was 0.757 Euros/US Dollar compared to 0.710 on December 31, 2008, thus representing an exchange differential of 7%.

artnet is subject to exchange rate fluctuations because it invoices in Euros, US Dollars and British Pounds, but conducts most of its business in the United States. The Group works to reduce its exposure to exchange rate differences by collecting payments from European customers in Euros and British Pounds and paying vendors throughout Europe in the same currency with these cash funds.

Financial position

artnet's Group operating cash flow was EUR (18,000) (USD (44,000)) as of March 31, 2009 compared to EUR 379,000 (USD 575,000) as of March 31, 2008. The negative operating cash flow is mainly the result of a decrease in accounts payable. The Group had payment obligations on December 31, 2008 related to the new network infrastructure. The payment obligations were paid in the first quarter of 2009.

The Group's net cash flow used for investing activities was EUR (164,000) (USD (214,000)) and EUR (296,000) (USD (444,000)) as of March 31, 2009 and 2008. The Group continued to invest in the artnet Decorative Arts Database product during the first quarter of 2009 when it became available. The group also continued to invest in the artnet Market Data Product which is planned to launch in the fall of 2009.

The Group's net cash flow for financing activities was EUR (9,000) (USD (12,000)) as of March 31, 2009. In December 2008, the company entered a finance lease arrangement for equipment related to the new network

infrastructure. Payments began in the first quarter of 2009.

The cash balance decreased from EUR 2,925,000 (USD 4,123,000) on December 31, 2008 to EUR 2,898,000 (USD 3,828,000) on March 31, 2009. This decrease is primarily the result of the capital investments made to develop new products, as well as, payments made towards the new network infrastructure. Additionally, the cash balance on a Euro basis was positively affected by the increase in the US Dollar. The cash investment policy for the Group is conservative and based on short term investments. This policy allows all cash to be liquid and available. Based on the average outstanding shares of 5,552,986, liquidity per share was EUR 0.52 (USD 0.69) on March 31, 2009 compared to EUR 0.53 (USD 0.74) on December 31, 2008

Asset position

The balance sheet total was EUR 7,898,000 (USD 10,432,000) on March 31, 2009 compared to EUR 7,631,000 (USD 10,756,000) on December 31, 2008, representing an increase of 3% (USD 3%).

Trade accounts receivables were reduced by EUR 3,000 (USD 91,000) to EUR 985,000 (USD 1,301,000) due to collection efforts in the first quarter of 2009. Fixed assets increased by EUR 143,000 (USD 15,000) to EUR 2,094,000 (USD 2,765,000) as a result of the investment strategy in the first quarter of 2009.

Total current liabilities decreased by EUR 123,000 (USD 457,000) from EUR 3,337,000 (USD 4,703,000) to EUR 3,214,000 (USD 4,246,000). The Group met its payment obligations for the new network infrastructure during the first quarter of 2009, reducing its current liabilities.

artnet Group's consolidated equity was EUR 4,591,000 (USD 6,065,000) on March 31, 2009 compared to EUR 4,200,000 (USD 5,919,000) on December 31, 2008.

artnet's Price Database is an intangible asset that has been developed by gathering auction information over the last ten years. This valuable asset to the Group has not been attributed full earnings recognition on the balance sheet due to accounting rules. Balance sheet assets would be substantially increased if this recognition were allowed by law.

Employees

On March 31, 2009 artnet had 102 full-time employees compared to 93 in 2008, first quarter. The Group employed 20 part-time employees compared to 17 on March 31, 2008 and 18 sales representatives and consultants compared to 17 in the first quarter of 2008. The increase was primarily accounted for by new employees hired to support customer service, website development, the Decorative Arts Database and artnet.fr.

Although the addition of skilled, motivated employees is one of the crucial factors for the Groups' future development, the increase in staffing will burden the Groups' earnings short term. This is particularly significant in the start-up phase of new products while the new products only offer a smaller contribution to the Groups' revenues.

General informationen and business activities

artnet AG is a holding company listed on the "Geregelter Market" in the Prime Standard segment at the Frankfurt Stock Exchange. artnet AG's principal holding is its wholly-owned subsidiary, artnet Worldwide Corp., a New York corporation founded in 1989. artnet AG ("the Company") and artnet Worldwide Corp. ("artnet Corp.") operate under the trade name "artnet". artnet Corp. has two wholly-owned subsidiaries. artnet UK is a sales and client service company providing customer leads and customer support to artnet Corp.'s clients in the United Kingdom. artnet France provides and maintains a magazine in French on the artnet.fr website in addition to providing customer leads and customer support to artnet Corp.'s clients in France. artnet offers an overview of art for sale in international galleries and auction houses. It enables art market participants to make informed decisions by providing information about artists, their galleries, the value of their work, the history of the prices of their artwork, exhibitions, reviews and daily news. The **artnet Gallery Network** is comprised of over 2,250 dealers and auctioneers. Approximately 165,000 works of art are in inventory. The artnet Online Gallery Network has the most extensive network of galleries currently on the web. We are the world's largest market overview attracting over 1.7 million distinctive visitors per month. The artnet Gallery Network's clients include the world's most prestigious art galleries. They contract artnet to post works for sale to collectors. Visitors can now shop for artwork by 20th Century designers from a fast-growing cadre of dealers and auctioneers specializing in design.

The artnet Price Database Fine Art and Design and the artnet Price Database Decorative Art, launched during the first quarter of 2009, are systematically updated archives of over 3.9 million illustrated auction records from over 500 of the world's top auction houses. This brings price transparency to the art market. Database subscribers can obtain an up-to-the-minute, fair appraisal of work they want to buy or sell by comparing the art to work sold at auction since 1985. artnet's **Price Databases** are widely subscribed to by appraisers, dealers, auctioneers, financiers, and private and government (including the IRS and FBI) institutions. Most importantly, it provides an illustrated "blue book" for private collectors with which to appraise the works they own and measure opportunities at auction or in the dealer market. Also, dealers and auctioneers use artnet "comps" (comparable sales from artnet's Price Database) to sell important works of art. Sotheby's has recognized the prominence and value of the artnet Price Database by partnering exclusively with artnet to post database comparables on the Sotheby's website. The **artnet Price Database Decorative Art** encompasses furniture, porcelain, silver, glass, carpets and all other artistic objects which have a practical application. It includes objects from many different historical periods.

An offspring of the artnet Price Databases is the **artnet Market Alert** which informs subscribers by e-mail when artwork by their favorite artists come

up at auction, or when they are offered by any of the 2,250 Gallery Network members.

The **artnet Artists' Works Catalogues** are catalogues which have been compiled and published showcasing specific artists. They are available for viewing online on the artnet website.

artnet Online Auctions makes art acquisition more accessible by offering information and transaction services that are less intimidating than conventional dealers and auction houses.

artnet.fr is a French online art magazine covering the art market in France. artnet plans to expand its presence in France which has a greater number of galleries and auction houses than most other countries in the world.

Subsequent Events

No reportable events of significant importance have occurred after the balance sheet date.

Risks of the future development

artnet holds the view that the risk structure has not changed since December 31, 2008.

Outlook

Artnet didn't begin to seriously feel the impact of the global contraction until the fourth quarter of 2008 and has had a similarly negative impact in the first quarter of 2009 as well.

But we are countering the trend with a strong marketing campaign which emphasizes the advantages of the Internet in terms of reach and speed and cost relative to other marketing options that our clients have. When everybody is thinking of cutting costs we are advocating increased spending on Internet promotions and shifting expenditures away from conventional marketing to the Internet. This strategy appears to be working.

We also find that the dire economic outlook is making dealers and collectors more willing to give our online auctions a try for the obvious advantages of speed and cost savings.

We have continued to invest in the enhancement of the web site and our new product offerings like the decorative arts database during the first quarter which has begun producing revenue. So far artnet is weathering the crisis very well and is poised for accelerated growth in 2010.

Berlin, April 24, 2009



The CEO
Hans Neuendorf

Consolidated Statement of Financial Position As of March 31, 2009 and December 31, 2008

	03/31/2009	12/31/2008	03/31/2009	12/31/2008
	USD	USD	EUR	EUR
Current assets				
Cash and cash equivalents	3.828.307	4.122.960	2.898.411	2.925.240
Accounts receivable-net	1.301.329	1.392.944	985.236	988.294
Prepays and other current assets	536.567	500.886	406.235	355.379
Total current assets	5.666.203	6.016.790	4.2289.882	4.268.913
Noncurrent assets				
Property and Equipment	1.224.006	1.281.577	926.695	909.279
Intangible assets	1.541.313	1.468.521	1.166.928	1.041.916
Security deposit	299.786	288.975	226.968	205.028
Due from related parties	297.674	297.674	225.369	211.200
Deferred tax asset	1.402.605	1.402.605	1.061.912	995.148
Total noncurrent assets	4.765.384	4.739.352	3.607.872	3.362.571
Total assets	10.431.587	10.756.142	7.897.754	7.631.484
Liabilities and Shareholder equity				
Current liabilities				
Accounts payable	277.274	698.141	209.924	495.331
Accounts payable	1.427.559	1.483.164	1.080.805	1.052.305
Current income tax liabilities	447.188	402.573	338.566	285.626
Finance Lease obligation	69.424	69.424	52.561	49.256
Deferred revenue	2.024.114	2.050.130	1.532.458	1.454.568
Total Current Liabilities	4.245.559	4.703.432	3.214.314	3.337.086
Long term liabilities				
Long term portion of Finance lease	121.493	133.575	91.982	94.771
Total Liabilities	4.367.052	4.837.007	3.306.296	3.431.857
Shareholder's Equity				
Common stock	5.941.512	5.941.512	5.631.067	5.631.067
Treasury stock	(269.241)	(269.241)	(264.425)	(264.425)
Additional paid-in capital	51.688.792	51.675.796	50.451.307	50.441.360
Accumulated deficit	(51.380.953)	(50.663.418)	(51.199.973)	(50.709.610)
Current net profit	142.702	(717.535)	109.224	(490.363)
Foreign currency difference on Foreign Operations	(58.277)	(47.979)	(135.742)	(408.402)
Total Shareholder's Equity	6.064.535	5.919.135	4.591.458	4.199.627
Total Liabilities and Shareholder's Equity	10.431.587	10.756.142	7.897.754	7.631.484

Consolidated Statement of Comprehensive Income For the Three Months Ended March 31, 2009 and 2008

	01/01/2009 – 03/31/2009	01/01/2008 – 03/31/2008	01/01/2009 – 03/31/2009	01/01/2008 – 03/31/2008
	USD	USD	EUR	EUR
Revenue				
Online Gallery Network	1.844.801	1.791.202	1.412.011	1.195.729
Price Database	1.557.575	1.582.667	1.192.168	1.056.520
Advertising	621.091	696.824	475.383	465.170
Other Products	113.776	129.021	87.084	86.129
Online Auctions	205.959	25.663	157.641	17.132
Total revenue	4.343.202	4.225.377	3.324.287	2.820.680
Cost of Net Revenues	1.924.971	1.597.728	1.473.373	1.066.574
Gross profit	2.418.231	2.627.649	1.850.914	1.754.106
Other operating expenses				
Selling and Marketing	733.347	714.443	561.304	476.931
General and Administrative	877.852	876.566	671.908	585.158
Product Development	548.019	513.252	419.454	342.625
Non-cash Compensation	12.996	40.027	9.947	26.720
Total other operating expenses	2.172.214	2.144.288	1.662.613	1.431.434
Profit from operations	246.017	483.361	188.301	322.672
Interest Expense				
Interest Income	9.258	30.952	7.086	20.662
Other Income/Expense	(91.573)	21.477	(70.090)	14.337
Profit Prior to tax provision	163.702	535.790	125.297	357.671
Income taxes	(21.000)	(28.402)	(16.073)	(18.960)
Net Profit	142.702	507.388	109.224	338.711
Other Comprehensive Income				
Exchange differences on translating foreign operations	(10.298)	11.785	272.660	(312.593)
Total Comprehensive Income	132.404	519.173	381.884	26.118
Earnings Per Share				
Net Profit per basic share	0,03	0,09	0,02	0,06
Net Profit per diluted share	0,03	0,09	0,02	0,06
Weighted Average Shares				
Basic	5.552.986	5.552.986	5.552.986	5.552.986
Diluted	5.663.986	5.714.986	5.663.986	5.714.986

Consolidated Statements of Changes in Equity (USD) For the Three Months Ended March 31, 2009 and 2008

	Common Stock						Total
	Shares Issued	Amount	Additional Paid-in-Capital	Treasury Stock	Accumulated Deficit	Foreign Currency Translation	
Balance December 31, 2007	5.631.067	5.941.512	51.533.888	(269.241)	(50.663.418)	(68.531)	6.474.210
Total Comprehensive Income					507.388	11.785	519.173
Non-cash Compensation			40.027				40.027
Balance March 31, 2008	5.631.067	5.941.512	51.573.915	(269.241)	(50.156.030)	(56.746)	7.033.410
Balance December 31, 2008	5.631.067	5.941.512	51.675.796	(269.241)	(51.380.953)	(47.979)	5.919.135
Total Comprehensive Income					142.702	(10.298)	132.404
Non-cash Compensation			12.996				12.996
Balance March 31, 2009	5.631.067	5.941.512	51.688.792	(269.241)	(51.238.251)	(58.277)	6.064.535

Consolidated Statements of Changes in Equity (EUR) For the Three Months Ended March 31, 2009 and 2008

	Common Stock						Total
	Shares Issued	Amount	Additional Paid-in-Capital	Treasury Stock	Accumulated Deficit	Foreign Currency Translation	
Balance December 31, 2007	5.631.067	5.631.067	50.344.380	(264.425)	(50.709.610)	(602.724)	4.398.688
Total Comprehensive Income					338.711	(312.593)	26.118
Non-cash Compensation			26.720				26.720
Balance March 31, 2008	5.631.067	5.631.067	50.371.100	(264.425)	(50.370.899)	(915.317)	4.451.526
Balance December 31, 2008	5.631.067	5.631.067	50.441.360	(264.425)	(51.199.973)	(408.402)	4.199.627
Total Comprehensive Income					109.224	272.660	381.884
Non-cash Compensation			9.947				9.947
Balance March 31, 2009	5.631.067	5.631.067	50.451.307	(264.425)	(51.090.749)	(135.742)	4.591.458

Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2009 and 2008

	Three Months Ended 03/31/2009 Consolidated USD	Three Months Ended 03/31/2008 Consolidated USD	Three Months Ended 03/31/2009 Consolidated EUR	Three Months Ended 03/31/2008 Consolidated EUR
Cash Flows from operating activities				
Net Profit	142.702	507.388	109.224	338.711
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:				
Depreciation and amortization	199.266	105.806	152.518	70.632
Provision for doubtful accounts	32.748	—	25.065	—
Non-cash compensation	12.996	40.027	9.947	26.720
Other non cash transactions	14.034	(1.002)	3.714	7.286
Changes in operating assets and liabilities:				
Accounts receivable	58.867	(203.887)	45.057	(136.106)
Prepaid and other current assets	(35.681)	(50.928)	(27.310)	(33.997)
Security deposits	(10.811)	(10.741)	(8.275)	(7.170)
Accounts payable	(420.867)	(231.693)	(322.132)	(154.668)
Accrued expenses and tax liabilities	(10.990)	46.873	13.511	31.290
Deferred Revenue	(26.016)	373.177	(19.697)	236.191
Total Adjustments	(186.454)	67.632	(127.602)	40.178
Net Cash used in/provided by operating activities	(43.752)	575.020	(18.378)	378.889
Cash Flows from investing activities				
Purchase of property and equipment	(39.506)	(130.634)	(30.238)	(87.206)
Purchase and development of intangible assets	(174.981)	(300.921)	(133.930)	(200.882)
Receivables from related parties	—	(12.663)	—	(8.015)
Net Cash used in investing activities	(214.487)	(444.218)	(164.168)	(296.103)
Cash Flows from financing activities				
Finance lease obligation	(12.082)	—	(9.248)	—
Net Cash used in financing activities	(12.082)	—	(9.248)	—
Effects of exchange rate changes on cash	(24.332)	12.787	164.965	(240.272)
Net decrease/increase in Cash and Cash equivalents	(294.653)	143.589	(26.829)	(157.486)
Cash – Beginning	4.122.960	5.340.539	2.925.240	3.628.453
Cash – Ending	3.828.307	5.484.128	2.898.411	3.470.967

Notes to Three Month Report 2009 Consolidated Interim Financial Statements (unaudited)

Corporate Information

artnet AG (hereinafter referred to as “artnet AG” or “the Company”) is a publicly traded corporation headquartered in Berlin, Germany. The address of its registered office is Oranienstraße 164, 10969 Berlin. artnet AG was incorporated under the laws of Germany in 1998.

artnet AG holds 100 % of the shares in Artnet Worldwide Corporation, (“Artnet Corp”) which is located in New York, USA, and (indirectly) 100 % of the shares in artnet UK Ltd. and artnet France SARL. artnet AG and Artnet Corp. together with Artnet Corp.’s wholly owned subsidiaries are referred to as “the Group” or “artnet Group”.

The Group’s business is to provide art collectors, galleries, publishers, auction houses and art enthusiasts a website where individuals can research artists, view art related news and find artworks that are currently available at art galleries around the world. Additionally, the Group offers artnet Online Auctions which offers modern and contemporary fine art, prints and photographs by renowned artists.

The interim consolidated financial statements were authorized for issuance by the CEO on April 24, 2009.

Basis of Presentation

These unaudited interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the EU. In particular, they correspond to the “Interim Financial Reporting” guidelines of IAS 34. They also comply with the German accounting Standard (DRS) No.16 on interim reporting as well as with §§ 37x, 37w of the Securities Trading Act. These financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

IAS 1 “Presentation of Financial Statements” and IFRS 8 “Operating Segments” have been applied for the first time. IFRS 8 replaces IAS 14 “Segment Reporting”. It focuses on the so-called management approach. Accordingly, the identification of the segments and the disclosures for these segments are based on the information which is used internally by management. The initial application leads to additional disclosures in the Notes. The revised version of IAS 1 sets out new rules with respect to the presentation of financial statements. Formally, the income statement is complemented by a statement of comprehensive income. These effects will no longer be presented in the statement of changes in equity.

The following new or revised standards (IFRS) and interpretations (IFRIC) which became mandatory in fiscal 2009 did not have any impact on this interim report, as well as, on the annual financial statements of the Group for 2009:

IAS 23*	Borrowing costs (1/1/2009)
IAS 32	Financial Instruments: Presentation (Puttable Instruments, 1/1/2009)
IFRS 1	First-time Adoption of IFRS (1/1/2009)
IFRS 1*/IAS 27*	Deemed cost of shares in subsidiaries, joint ventures and associates (1/1/2009)

IFRS 2*	Share-Based Payment (1/1/2009)
IFRIC 12	Service Concession Arrangements (1/1/2008)
IFRIC 13	Customer Loyalty Programmes (7/1/2008)
IFRIC 15	Agreements for the Construction of Real Estate (1/1/2009)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation (10/1/2008)
	*Amendments

With the exception of the application of new or revised standards and interpretations the same accounting and valuation methods have been applied to this interim report as to the most recent annual financial statements. A detailed description of the accounting policies is published in the notes to the annual consolidated financial statements 2008. The Management of the Company is convinced that the consolidated interim financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for the interim period. Results of the periods ended March 31, 2009 are not necessarily indicative for future results.

The interim financial statements as of March 31, 2009 and the interim management report have not been audited in accordance with § 317 of the German Commercial Code or reviewed by an auditor.

The consolidated financial statements have been prepared on a historical cost basis. The balance sheet date is March 31, 2009.

Reporting Period

The interim consolidated financial statements were prepared for the reporting period January 1 through March 31, 2009. The financial year for all Group companies coincides with the calendar year.

Foreign Currency Translation and Transactions

Amounts mentioned in the interim consolidated financial statements and notes to the interim consolidated financial statements are stated in Euro (€), unless otherwise noted. The reporting currency is Euro.

The currency of the primary economic environment in which the artnet Group operates is US Dollar, which is the functional currency of the operating subsidiary Artnet Corp. Transactions in currencies other than US Dollar are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Gains and losses from foreign currency transactions are recognized as other income/expense.

On consolidation, the assets and liabilities of the Group's operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. The accumulated gains and losses resulting from translation are recorded as a separate component of the group equity.

Currency exchange rates significant to the artnet Group are the translation of US Dollar to Euro and of US Dollar to British Pound (GBP). The following exchange rates have been used for the currency translation in the years presented:

	USD to EUR		USD to GBP	
	03/31/2009	03/31/2008	03/31/2009	03/31/2008
Current rate year end	.757	.633	.704	.501
Average rate for the year	.765	.668	.696	.506

Basis of Consolidation and Consolidated Companies

The consolidated financial statements include the legal parent company, artnet AG, its wholly owned subsidiary Artnet Corp and the 100 % subsidiaries of Artnet Corp., artnet UK Ltd. and artnet France SARL. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

On February 23, 1999 artnet AG entered into a transaction with Artnet Worldwide Corporation which was treated as a recapitalization of Artnet Corp., with Artnet Corp. as the acquirer of artnet AG (reverse acquisition). The Company accounted for the business combination of artnet AG and Artnet Corp. as a reverse acquisition in accordance with IFRS 3.

On November 1, 2007, Artnet Corp. established artnet UK Ltd. which is a wholly owned subsidiary and acts as a sales agent for Artnet Corp. in the United Kingdom.

On July 3rd, 2008, Artnet Corp. established artnet France SARL which is a wholly owned subsidiary of Artnet Corp. artnet France SARL acts as a sales agent for Artnet Corp. in France.

All significant inter-company transactions, balances, income and expenses are eliminated.

Changes in Shareholder's equity

The movements in the Consolidated Shareholders equity are shown in the statement of changes in the shareholders equity section of the consolidated interim financial statements.

Treasury shares

As of March 31, 2009 and 2008 artnet AG held 78,081 of its own shares, representing 1.4 % of common stock.

Income Taxes

Income tax expense is recognized in the interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Due to its tax loss carryforward, Artnet Corp. only has to pay the alternative minimum corporation tax.

Segment Reporting

The Groups reportable segments are as follows:

- The Online Gallery Network segment provides services to galleries by posting the galleries available works of art online.
- The Database segment includes the fine art and decorative arts price database sales including the imageless search as well as sales generated from the artnet market alert product, the artnet Market Data reports and the artnet Artist Works Catalog.
- The advertising segment produces banner and national advertising on the website.
- The Other segment includes the French, German and United States Magazine revenue and costs and the artnet Online Auctions which provides an online platform to buy and sell artworks.

Management monitors the profit before tax of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss.

Period Ended March 31, 2009	Online				Total
	Gallery Network	Database	Advertising	Other	
Revenue EUR	1.412.011	1.282.833	456.751	172.692	3.324.287
Profit Before Tax EUR	315.550	290.080	178.640	(658.973)	125.297

Period Ended March 31, 2009	Online				Total
	Gallery Network	Database	Advertising	Other	
Revenue EUR	1.195.729	1.150.176	410.268	64.507	2.820.680
Profit Before Tax EUR	318.472	387.302	103.178	(451.281)	357.671

Earnings per Share

Basic earnings per share are calculated by dividing net income by the weighted-average number of common shares outstanding during the year.

Diluted earnings per share are calculated in the same manner as basic earnings per share with the exception that the average number of shares outstanding increases by adding the potential number of shares from stock option conversions.

The calculation of earnings per share is based on the following data:

	Period ended 03/31/2009	Period ended 03/31/2008
	EUR	EUR
Numerator (Earnings):		
Net profit for the three months retained for equity shareholders	109.224	338.711
Denominator (Number of shares):		
Weighted average number of ordinary shares used to calculate basic earnings per share (issued and fully paid ordinary shares)	5.552.986	5.552.986
Effect of potential shares: Stock options	111.000	162.000
Weighted average number of ordinary shares used to calculate dilutive earnings per share	5.663.986	5.714.986

Employees

On March 31, 2009 artnet had 102 full-time employees compared to 93 in 2008, first quarter. The Group employed 20 part-time employees compared to 17 on March 31, 2008 and 18 sales representatives and consultants compared to 17 in the first quarter of 2008.

Accounting Estimates and Assumptions

The preparation of the consolidated financial statements necessitates estimates and assumptions that influence assets and liabilities, income and expenses, as well as, information in the notes to the financial statements. Actual results and developments may differ from those estimates and assumptions.

Estimates made by management that have a significant effect on the interim consolidated financial statements include the recognition of deferred tax assets and of development costs, the measurement of accruals, the useful lives of non-current assets and the assessment of bad debt provisions on accounts receivables.

Report on post-balance sheet events

No reportable events of significant importance have occurred after the balance sheet date.

Berlin, April 24, 2009

A handwritten signature in black ink, appearing to read 'H. Neuendorf', written in a cursive style.

The CEO
Hans Neuendorf

artnet AG

Supervisory Board

John Hushon

Chairman

Dr. Christian Dohm

Deputy Chairman

Klaus-Jochen Schaeffer

Board of Management

Hans Neuendorf

*Chief Executive Officer***Artnet Worldwide Corp.**

Board of Directors

Hans Neuendorf

Chief Executive Officer

B. William Fine

President

Management

B. William Fine

President

Walter Robinson

*Editor in Chief, artnet magazine***artnet France SARL**

Hans Neuendorf

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Investor Relations

You can find information for investors and the annual financial statements at www.artnet.de/IR.

If you have further queries, please send an e-mail to ir@artnet.com or send your inquiry by mail to one of our offices.

Information on artnet Stock

The common stock of artnet AG is traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol AYD.

You can find ad-hoc disclosures on relevant company developments at www.artnet.de/about/inthenewsg.asp.

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