



ICON MEDIALAB INTERNATIONAL AB REPORTS FIRST QUARTER 2000 FINANCIAL RESULTS

- ***Net Sales Up 357 percent to 278.5 SEK million***
- ***Sharp Improvement in Operating Margin Before Goodwill and other Provision***

STOCKHOLM, Sweden and BRUSSELS, Belgium – April 28, 2000 – Icon Medialab International (Stockholm:ICON), the e-business and Internet consultancy with the strongest global reach, today reported record financial results for its first quarter ended March 31, 2000.

The company reported net sales of SEK 278.5 million, an increase of 357 percent over the SEK 61.0 million reported in the first quarter of 1999, and an increase of 72 percent sequentially over the SEK 161.8 million reported in the fourth quarter of 1999.

Operating earnings for the quarter, before goodwill amortization and provision for social security fees related to employee stock options, totaled a loss of SEK 14.6 million, which is essentially even with the year-earlier quarter and a significant improvement over the fourth quarter of 1999. On a percentage basis, this operating margin figure improved markedly, to negative 5.2 percent, by contrast to negative 24.3 percent in the year-ago quarter. Net earnings for the first quarter, including goodwill amortization and provision for social security fees related to employee stock options, were a loss of SEK 96.3. Net earnings on a diluted per-share basis for the first quarter of 2000 were a loss of SEK 1.50, compared to a loss of SEK 0.57 reported in the comparable year-ago period.

“Icon Medialab's impressive performance in the first quarter demonstrates that the company's leadership strategy is on track,” said Ulf Dahlsten, President and Chief Executive Officer of Icon Medialab International. “Our strong organic growth reflects the clear appeal of Icon Medialab's differentiation as the quality e-services specialist with the most extensive international reach. It also proves the benefit of our substantial intellectual capital, and the success of our targeted efforts to deepen our capabilities and to expand strategically across Europe, into the U.S. and now into Asia. Moreover, our performance indicates clear and significant progress in improving Icon Medialab's operating efficiencies, margins and productivity.”

Rens Buchwaldt, the recently appointed Chief Financial Officer of Icon Medialab International, noted the company's strong cash position, which was enhanced in the first quarter by improved operational cash flow as well as an incremental USD 20 million investment by The Interpublic Group of Companies (IPG), Icon Medialab's strategic partner and largest investor.

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Icon Medialab International is one of the world's leading e-business and Internet professional services firms, providing innovative strategic, creative and technology solutions to clients across Europe, the US and the Asia-Pacific region. Icon Medialab offers expertise across all platforms and devices, including wireless and mobile applications, to both corporate and dot-com clients in the business-to-business, business-to-consumer and business-to-employees sectors. With over 1,300 employees (as of the end of the quarter) serving clients in 12 countries, Icon Medialab provides competitive advantage to clients through rapid and local deployment and customization of best-in-class strategies and applications. Founded in 1996, Icon Medialab includes fully integrated offices in Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, UK and the United States. Icon Medialab Asia includes offices in Hong Kong, Malaysia, Japan and Singapore. Icon Medialab has performed award-winning programs for a wide-range of global, regional and local clients, including Coca-Cola, Nestlé, Opel, Siemens, Sony, Tetra Pak, Telia and Volkswagen. The shares of Icon Medialab International are traded on the Stockholm Stock Exchange. Ticker symbol: ICON. More information is available at www.iconmedialab.com.

Net sales and earnings

The Group's net sales for the period totaled SEK 278.5 million, an increase of 357 percent from the same period the previous year.

Average net sales per employee increased to SEK 794 thousand, up 21 percent from the first quarter 1999 figure and up 12 percent from the fourth quarter of 1999. On an annualized basis, net sales per professional were SEK 1,066 thousand in the first quarter of 2000.

The following table illustrates trends in quarterly performance from first quarter 1998 and onwards.

SEK m	2000	1999				1998			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	278.5	161.8	103.2	90.7	61.0	55.0	30.5	22.8	23.3
<i>Growth % from same quarter prior year</i>	357%	194%	238%	298%	162%				
<i>Growth % sequential quarters</i>	72%	57%	14%	49%	11%	80%	34%	-2%	
Operating earnings*	-14.6	-52.6	-33.3	-13.6	-14.8	-12.7	-14.4	-9.7	-5.6
<i>Operating margin* %</i>	-5.2%	-32.5%	-32.3%	-15.0%	-24.3%	-23.1%	-47.2%	-42.5%	-24.0%
Earnings net of financial items	-94.9	-223.0	-38.2	-18.6	-15.9	-6.3	-14.0	-10.2	-6.3

* prior to goodwill amortization and provision for social security fees on employee stock options.

Operating earnings before goodwill and provision for social security fees related to employee stock options were negative SEK 14.6 million.

In the fourth quarter of 1999, a provision of SEK 60.8 million for social security fees related to the employee stock option program was made. As of March 31, 2000, this provision was revalued based on the then-current share price. A release of SEK 32.0 million has been recorded to reflect this revaluation, positively impacting the net earnings performance.

Goodwill amortization for the first quarter amounted to SEK 113.1 million, compared with SEK 1.3 million in first quarter of 1999. This increase reflects in part the previously announced decision to shorten goodwill depreciation periods.

The following table shows the Group's net sales, costs and expenses, operating earnings, goodwill amortization and the provision for social security fees related to employee stock options.

SEK Millions	Jan - Mar 2000	Jan - Mar 1999	Jan - Dec 1999
Net sales	278.5	61.0	416.6
Cost of sales*, excl. goodwill amortization and provision for social security fees on stock options	-200.1	-51.3	-355.7
Gross profit, excl. goodwill amortization and provision for social security fees on stock options	78.4	9.7	60.9
% of net sales	28.2%	15.9%	14.6%
Sales costs, excl. goodwill amortization and provision for social security fees on stock options	-23.8	-7.6	-49.2
Administrative expenses, excl. goodwill amortization and provision for social security fees on stock options	-69.3	-17.0	-135.2
Other income/expenses	0.1	0.1	9.2
Operating earnings, excl. goodwill amortization and provision for social security fees on stock options	-14.6	-14.8	-114.3
Goodwill amortization	-113.1	-1.3	-64.4
Goodwill writedowns	-	-	-53.6
Provision for social security fees on stock options	32.0	-	-60.8
Operating earnings	-95.7	-16.1	-293.1

**Cost of sales includes personnel costs, consultants and other direct costs, as well as a portion of overhead in the form of office and workshop space expenses and depreciation.*

Distribution of sales

The following table displays the geographical distribution of net sales for the first quarter 2000 compared with first quarter and full year 1999.

SEK Millions	Jan - Mar 2000	Jan - Mar 1999	Jan - Dec 1999
Sweden excluding Parent	132.9	31.3	192.7
Rest of World	179.3	31.5	243.4
Parent Company	18.2	4.2	28.1
<u>Group eliminations</u>	<u>-51.9</u>	<u>-6.0</u>	<u>-47.6</u>
Total	278.5	61.0	416.6

Financial position and investments

During the period the Group made, in addition to acquisitions, investments in fixed assets of SEK 27 million. The majority of investments were in office equipment and computers.

Strengthening its strategic alliance with Icon Medialab, The Interpublic Group of Companies (IPG) made an incremental USD 20 million investment in Icon Medialab, which improved the cash position reported at the end of the quarter.

As of March 31, 2000, shareholders' equity totaled SEK 1975.9 million, compared to SEK 225.1 million on March 31, 1999, yielding solvency ratios of 77 and 76 percent, respectively.

Liquid assets on March 31, 2000 totaled SEK 413.9 million, compared to SEK 115.6 million in 1999, an increase of SEK 298.3 million over the past year.

Share data

Earnings per share after tax on a non-diluted basis were a loss of SEK 2.19 for first quarter 2000 compared to a loss of SEK 0.72 in first quarter 1999. At the end of the period, shareholders' equity per share on a non-diluted basis was SEK 43.43, compared to SEK 8.97 on March 31, 1999.

The parent company had 45 495 570 outstanding shares at March 31, 2000. On a fully diluted basis, including all outstanding options and reserved shares, the maximum number of shares is 64 296 815.

Acquisitions

Icon Medialab's presence in the Scandinavian market was strengthened when the company in January acquired Multimedia Productions Nordic, an Internet consultancy in Malmö, Sweden.

In mid-February, the company acquired Mijada, one of Sweden's most advanced technology-oriented Internet consultancies. Mijada has 80 employees based in Stockholm.

Integration of Circle Innovation in Norway, an acquisition announced in December 1999, began on February 1, 2000. Circle Innovation, with around 50 employees, further strengthens Icon Medialab's leading position in Norway.

Acquisition	No. of shares	Date consolidated
Multimedia Productions Nordic	500 000	Jan 14, 2000
Circle Innovation	393 000	Feb 1, 2000
Mijada	968 314	Feb 11, 2000

Parent company

The parent company recorded net sales, including management fees, of SEK 18.2 million for the first quarter, compared to SEK 4.2 million in the first quarter 1999. Its loss, net of financial items, was SEK 7.9 million compared to a loss of SEK 6.0 million in the same period last year. Investments totaled SEK 630 thousand. As of March 31, 2000, the parent company recorded liquid assets of SEK 317.9 million, compared to SEK 200.1 million as per December 31, 1999.

Alliances and awards

Icon Medialab and Hewlett Packard formed a strategic alliance and will cooperate in five European countries: Sweden, Finland, Denmark, Italy and UK.

Icon Medialab and Sonera, a leading telecommunications provider in Finland, announced that they would work together to develop marketing solutions for mobile devices, including mobile advertising, marketing and e-commerce applications.

The company and its client projects received numerous awards in the quarter. Among them, Icon Medialab was honored at the World Economic Forum in Davos as a leading technology pioneer for its innovation and high rate of growth.

Important events since end of the first quarter

In early April, Icon Medialab announced the acquisition of Nexus Information Technology, which in combination with Icon Medialab's existing operations in the market creates Spain's largest e-business consultancy. Icon Medialab has been honored as the best Internet consultancy in the country for the last two years.

Icon Medialab's plans for developing and investing in Icon Medialab Asia, the Asia-Pacific region's first integrated e-services consultancy network, were approved in early April at an extra meeting of the company's shareholders.

Summary Consolidated Income Statement

SEK in thousands	Jan - Mar 2000	Jan - Mar 1999	Jan - Dec 1999
Net sales	278 495	60 950	416 607
Cost of sales*	- 273 224	- 52 132	- 479 167
Gross profit (loss)	5 271	8 818	- 62 560
Sales costs	- 29 171	- 7 882	- 67 619
Administrative expenses	- 71 889	- 17 181	- 172 182
Other income/expenses	68	111	9 233
Operating earnings	- 95 721	- 16 134	- 293 128
Equity in loss/earnings of assoc. co's.	- 472	- 505	- 2 843
Net financial items	1 295	690	271
Earnings net of financial items	- 94 898	- 15 949	- 295 700
Income taxes	- 1 364	- 33	- 2 240
Minority interest	- 79	- 98	- 805
Net earnings	- 96 341	- 16 080	- 298 745

* Cost of sales includes personnel costs, consultants, other direct costs and a portion of overhead in the form of office and workshop space expenses and depreciation.

Summary Consolidated Balance Sheet

SEK in thousands	Mar 31, 2000	Mar 31, 1999	Dec 31, 1999
Assets			
Intangible fixed assets	1 385	951	932
Goodwill	1 638 336	64 044	1 159 496
Tangible fixed assets	94 976	30 889	70 607
<u>Financial fixed assets</u>	<u>51 855</u>	<u>4 034</u>	<u>10 647</u>
Total fixed assets	1 786 552	99 918	1 241 682
Work in progress	20 698	2 439	10 875
Accounts receivable, trade	276 899	53 608	189 673
Other receivables	56 968	23 591	48 640
<u>Cash and bank, sh.-term inv's</u>	<u>413 944</u>	<u>115 559</u>	<u>253 694</u>
Total current assets	768 509	195 197	502 882
Total assets	2 555 061	295 115	1 744 564
Liabilities & shareholders' equity			
Restricted equity	2 448 477	310 115	1 741 670
Loss carried forward	- 376 235	- 68 966	- 75 874
<u>Net earnings</u>	<u>- 96 341</u>	<u>- 16 080</u>	<u>- 298 745</u>
Total shareholders' equity	1 975 901	225 069	1 367 051
Total provision	192 481	-	108 323
Minority interest	262	183	-
Long-term liabilities	8 777	5 216	15 249
Convertible debentures	131 974	10 000	54 242
Customer advances	22 025	1 460	20 024
<u>Other current liabilities</u>	<u>223 641</u>	<u>53 187</u>	<u>179 675</u>
Total liabilities	386 679	70 046	269 190
Total liabilities & shareholders' equity	2 555 061	295 115	1 744 564

Consolidated Cash Flow Statement*

SEK in thousands	Jan - Mar 2000	Jan - Mar 1999	Jan - Dec 1999
Current operations			
Operating loss	-95 721	-16 134	-293 128
Adjustments for items not included in cash flow	121 200	2 346	134 434
Provision social security fees employee stock options	-32 000	-	60 838
Financial items	2 081	690	1 323
<u>Income taxes</u>	<u>-1 363</u>	<u>- 33</u>	<u>-2 178</u>
Cash flow from current operations before adjustments in working capital	-5 803	-13 131	-98 711
<u>Adjustments in working capital</u>	<u>-41 972</u>	<u>-5 982</u>	<u>-14 251</u>
Cash flow from current operations	-47 775	-19 113	-112 962
Investment activities	-39 693	-5 399	-56 304
Financing activities			
Issuance of common stock for cash	177 982	88 673	318 347
<u>Net borrowing/repayment of debt</u>	<u>70 003</u>	<u>- 350</u>	<u>53 266</u>
Cash flow from financing activities	247 985	88 323	371 613
Change in cash and cash equivalent	160 517	63 811	202 347
Translation rate differences on cash and cash equivalent	- 267	- 8	- 409
Cash and cash equivalent end of period	413 944	115 559	253 694

* Investing and financing transactions that do not require the use of cash are excluded from the cash flow statement.

Key ratios

	Jan - Mar 2000	Jan - Mar 1999	Jan - Dec 1999
Solvency ratio	77.3%	76.3%	78.4%
Debt/solvency ratio	0.1	0.1	0.1
Number of employees at end of period	1 357	412	1 056
Average number of employees	799	257	585
Sales per employee, SEK thousand	794	658	712
Outstanding shares	45 495 570	25 086 995	36 490 510
Average number of shares	44 021 565	22 486 365	29 216 794
Earnings per share (SEK)	-2.19	-0.72	-10.23
Shareholders' equity per share (SEK)	43.43	8.97	37.46
Shareholders' equity per share (SEK) after dilution	77.76	9.86	83.43
EBITDA	25.5	-10.9	-158.7
EBITDA per share (SEK)	0.68	-0.49	-5.43

Solvency ratio - is calculated by dividing shareholders' equity including minority holdings by total assets.

Debt/solvency ratio - calculated by dividing financial liabilities by shareholders' equity including minority shares.

Net sales per employee - net sales during the latest 12-month period divided by average number of employees during the same period.

Average number of shares - calculated in consideration of when the issue payment or the capital contributed has been accessible. Average number of shares after dilution includes shares added when issued convertible debts are converted and shares added when issued options are exercised.

Earnings per share relate to earnings after full taxation divided by average number of shares. Options and convertible debt are treated as dilutive only when their conversion to ordinary shares would decrease net profit/loss per share.

Shareholders' equity per share - calculated by dividing shareholders' equity by registered number of shares at end of period. In consideration of dilution, shareholders' equity has been increased by received issue payments.

EBITDA - earnings before interest, tax, depreciation and amortization.

EBITDA per share - EBITDA in relation to average number of share.

General Shareholders' Meeting and forthcoming reports

The date for the general shareholders' meeting has been changed to June 13, 2000. The full Annual Report will be available from the Company by May 30, 2000. The report for the second quarter of 2000 will be published on August 11, 2000.

Stockholm, April 28, 2000

For the Board:

Ulf Dahlsten
President and CEO

I have reviewed this quarterly report in accordance with the recommendation of Föreningen Auktoriserade Revisorer [Swedish Institute of Authorised Public Accountants]. A review is significantly limited in relation to an audit. Nothing has emerged in the quarterly report to indicate that it does not fulfil the requirements stipulated in the stock exchange agreement and the annual accounts act of Sweden.

Stockholm, Sweden, 28 April 2000

Hans Jönsson
Authorised Public Accountant (Sweden)

Disclaimer

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