

YEAR END REPORT JANUARY 1, 2000 – DECEMBER 31, 2000 ICON MEDIALAB INTERNATIONAL AB publ.

**Fourth Quarter Net Sales of SEK 508.2 and Operating Earnings of negative SEK 59.1 in line with pre-announced results
One-time Goodwill write-down of SEK 1,621.5 in the fourth quarter**

STOCKHOLM, Sweden and BRUSSELS, Belgium – February 28, 2001 – Icon Medialab International (Stockholm:ICON), the e-business consultancy with the most expansive global reach, today reported the financial results for its fourth quarter and full year ended December 31, 2000.

The company reported net sales of SEK 1,700 million for the year. Fourth quarter net sales were SEK 508.2 million, an increase of 214% percent over the SEK 161.8 million reported for the same quarter in 1999, and a 6% percent sequential growth over the third quarter. For the year net sales increased by 308%.

Operating earnings, before goodwill amortization and provision for social security fees related to employee stock options and one-time and restructuring items, were a loss of SEK 59.1 million for the quarter. The company recorded SEK 85.2 million in one-time and restructuring charges in the quarter. Of these charges, approximately SEK 50 million relates to write-offs and reserves related to receivables, primarily from projects for so called “dot com” clients in the first half of the year. The remainder of this charge relates to one-time and restructuring costs, primarily costs associated with staff reductions and facilities eliminations announced in December.

In response to current market conditions the Board has decided to reduce the Goodwill value in the year end balance sheet by SEK 1,621.5 million. The non-recurring, non-cash, write-down in Goodwill is based on impairment tests for the acquired companies and the market’s changed valuation of the industry

“While the growth during the fourth quarter was strong in some of our units, it disappointed in others”, ”said Rens Buchwaldt, CFO and Interim President and CEO of Icon Medialab International. “The restructuring actions taken during the fourth quarter are having positive effects in the first quarter 2001, but they are insufficient to secure our position. Today we are announcing a number of further steps to fully leverage our unique global position and improve the financial performance of the company.”

In a separate press release the company today announced restructuring actions and a plan to refocus the business, including incremental financing, reductions in staffing, a new staff incentive program and the proposed addition of an Executive Vice Chairman to the Board.

Contacts:

Katarina Bergegård, Corporate Communications, katarina.bergegard@iconmedialab.se,
+46 8 58 89 89 19 or +46 703 758 919

Investor Relations, investor.relations@iconmedialab.com, +46 70 375 90 20

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Net sales and earnings

Operating profit before goodwill write-off and amortization and provision for social security fees related to employee stock options for the full year was minus SEK 199.5 million on net sales of SEK 1,700.2 million.

Net sales for 2000 were SEK 1,700.2 million, which is 308 percent growth from last year. The year operating earnings before goodwill amortization and provision for social security fees declined by SEK 85.2 million to a loss of SEK 199.5 million including one-time charges. Excluding these charges, operating earnings were a loss of SEK 75.2 million.

During the year SEK 124.3 million in allowances and write-offs were recorded in relation to doubtful receivables and restructuring charges. Goodwill write-off and amortization for the year amounted to SEK 2,288.7 million, compared with SEK 118.0 million for 1999. The company amortizes goodwill for each individual acquisition over a period between three to five years, and recorded a one-time adjustment to the Goodwill valuation in the fourth quarter of SEK 1,621.5 million in relation to current market conditions.

In the fourth quarter of 1999, a provision was made of SEK 60.8 million for social security fees related to the employee stock option program. During the 2000 financial year this non-cash provision was released in its entirety.

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

SEK m	Oct - Dec 2000	Oct - Dec 1999	Jan - Dec 2000	Jan - Dec 1999
Net sales	508.2	161.8	1 700.2	416.6
Cost of sales ^α *	-448.0	-149.4	-1 344.3	-355.7
Gross profit*	60.2	12.4	355.9	60.9
I% of net sales	11,8%	7,7%	20,9%	14,6%
Sales costs*	-74.4	-18.4	-179.0	-49.2
Administrative expenses*	-141.9	-60.1	-406.7	-135.2
Other income/expenses	11.8	9.0	30.3	9.2
Operating earnings*	-144.3	-57.1	-199.5	-114.3
Goodwill amortization/write-off	-1 821.8	-108.7	-2 288.7	-118.0
Change in social security fees on stock options	9.7	- 60.8	60.8	- 60.8
Operating earnings	-1 956.4	-226.6	-2 427.4	-293.1

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

* Excluding goodwill write-downs and amortization, and provision for social security fees on stock options.

Quarterly Trends

The Group's net sales for the period totaled SEK 508.2 million, an increase of 214 percent from previous year. The operating margin during the year is negative 28.4 percent, an improvement of 7 percentage points from the previous year.

Annualized net sales per consultant were SEK 1,252 thousand in the fourth quarter 2000, a decrease of 14% from the performance in the third quarter.

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

SEK m	2000				1999				1998			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	508.2	481.6	431.9	278.5	161.8	103.2	90.7	61.0	55.0	30.5	22.8	23.3
<i>Growth % from same Q prior year</i>	214%	367%	376%	357%	194%	238%	298%	162%				
<i>Growth % sequential Q</i>	6%	12%	55%	72%	57%	14%	49%	11%	80%	34%	-2%	
Operating earnings*	-144.3	-43.4	2.8	-14.6	-57.2	-28.7	-13.6	-14.8	-12.7	-14.4	-9.7	-5.6
<i>Operating margin*</i>	-28.4%	-9.0%	0.6%	-5.2%	-35.4%	-27.8%	-15.0%	-24.3%	-23.1%	-47.2%	-42.5%	-24.0%
One time items/restructuring	85.2											
Operating margin excluding one time charges	-59.1											

* Prior to goodwill amortization and write-downs, and provision for social security fees on employee stock options.

Distribution of net sales

The following table displays the geographical distribution of net sales for 2000 compared with the same periods prior year. Net sales outside of Sweden comprise 72 percent of total net sales for the full year, in comparison to 58 percent in the same period in 1999.

SEK m	Oct - Dec	Oct - Dec	% Q4	Jan - Dec	Jan - Dec	% 00 vs 99
	2000	1999		2000	1999	
Sweden excluding Parent	174.9	79.6	120%	613.3	192.1	219%
Rest of Europe	296.1	76.9	285%	853.4	210.5	305%
North America	92.2	16.0	476%	377.8	31.8	1088%
Parent and elimination	-55.0	-10.7		-144.3	-17.8	
Total	508.2	161.8	214%	1,700.2	416.6	308%

Financial position

As of December 31, 2000, shareholders' equity totaled SEK 984 million, compared to SEK 1,367 million on December 31, 1999, yielding solvency ratios of 56.9 and 78.4 percent, respectively.

Trade receivables as of December 31, 2000 totaled SEK 472 million representing approximately 75 days sales outstanding, an improvement of 1 day from the end of the third quarter position.

Liquid assets on December 31, 2000 totaled SEK 267 million, compared to SEK 254 million as of December 31, 1999.

Share data

Earnings per share after tax on a non-diluted basis were a loss of SEK 51.52 for the full year 2000 compared to a loss of SEK 10.23 for 1999, reflecting primarily the increase in goodwill write-off and amortization. At the end of the period, shareholders' equity per share on a non-diluted basis was SEK 16.98, compared to SEK 37.46 December 31, 1999.

The parent company had 57,984,187 outstanding shares (including paid but not yet registered) as of December 31. On a fully diluted basis, including all outstanding options, the maximum number of shares was 70,515,677 as of that date.

Operating Earnings for the fourth quarter, before goodwill amortization and write-off, and provision for social security fees on employee stock options, and assuming an effective tax rate of 35 percent, are a loss of SEK 1.32 per fully diluted share.

Clients, projects and new management team members

During the period, a number of important and innovative client projects were launched. These include the new Sony Playstation Europe site that is one of the most comprehensive global rollouts implemented by IconMedialab so far.

Furthermore, a number of leading edge Wireless projects were undertaken: IconMedialab took part in Compaq's EMEA Wireless Center launch in Stockholm where the company created a complete interactive wireless solution and with a "Juke-Box" application, developed in co-operation with EHPT (Ericsson Hewlett-Packard). Through this project IconMedialab made real the promise of safe payments over the mobile Internet using the micro payment system Jalda.

IconMedialab won the project to develop Papyrus, a member of the Stora Enso group, the global e-commerce for the company's 40,000 customers in 14 countries.

The company strengthened its management team during the period with Eugene Sung as Chief Marketing Officer and Else-Marie Östling as Global Chief Technology Officer. They have both extensive experience in their respective fields and will strengthen the company's Management Team.

Parent company

The parent company recorded net sales, including management fees, of SEK 55.9 million for the fourth quarter, and an operating loss of SEK 10.0 million. Investments totaled SEK 8 thousand in fixed assets. As of December 31, 2000, the parent company recorded liquid assets of SEK 117.1 million.

Board of Directors

At an extraordinary shareholders' meeting, held on December 20, 2000, Jesper Jos Olsson, one of the founders of IconMedialab, was elected new Board member, substituting Johan Stael von Holstein and Erik Wikström.

Forthcoming reports

The report for the first quarter will be published on April 26, 2001. The company will held its Annual General Meeting on April 27. The report for the second quarter will be published on July 25. The report for the third quarter will be published on October 24.

Income, Balance Sheet, Cash Flow and Key Ratio Statements

Summary Consolidated Income Statement

SEK in thousands	Jan - Dec 2000	Jan - Dec 1999
Net sales	1 700 183	416 607
Cost of sales*	-3 208 409	- 479 167
Gross profit (loss)	-1 508 226	- 62 560
Sales costs	- 279 463	- 67 619
Administrative expenses	- 670 043	- 172 182
Other income	30 318	9 233
Operating earnings	-2 427 414	- 293 128
Equity in loss/earnings of assoc. co's.	- 126 693	- 2 843
Net financial items	- 34 905	271
Earnings net of financial items	-2 589 012	- 295 700
Income taxes	- 20 893	- 2 240
Minority interest		- 805
Net earnings	-2 609 905	- 298 745

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

Summary Consolidated Balance Sheet

SEK in thousands	Dec 31, 2000	Dec 31, 1999
Assets		
Intangible fixed assets	4 960	932
Goodwill	461 517	1 159 496
Tangible fixed assets	195 840	70 607
Financial fixed assets	155 588	10 647
Total fixed assets	817 905	1 241 682
Work in progress	-	10 875
Accounts receivable, trade	471 539	189 673
Other receivables	173 331	48 640
<u>Cash and bank, sh.-term inv's</u>	<u>267 068</u>	<u>253 694</u>
Total current assets	911 938	502 882
Total assets	1 729 843	1 744 564
Liabilities & shareholders' equity		
Restricted equity	3 918 864	1 741 670
Loss carried forward	- 324 648	- 75 874
<u>Net earnings</u>	<u>-2 609 905</u>	<u>- 298 745</u>
Total shareholders' equity	984 311	1 367 051
Total provision	145 059	108 323
Minority interest	-	-
Long-term liabilities	50 277	15 249
Convertible debentures	110 000	54 242
Customer advances	9 141	20 024
<u>Other current liabilities</u>	<u>431 050</u>	<u>179 675</u>
Total liabilities	600 468	269 190
Total liabilities & shareholders' equity	1 729 838	1 744 564

Consolidated Cash Flow Statement*

SEK in thousands	Jan - Dec 2000	Jan - Dec 1999
Current operations		
Net loss for the year	-2609 905	-298 745
Items not affecting the cash flow		
Amortization, write-downs and depreciation	2340 446	134 434
Change in social security fees employee stock options	-60 838	60 838
Share of associated companies earnings	126 693	2 843
Other items	78 667	1 919
Cash flow from current operations before adjustments in working capital	-124 937	-98 711
Adjustments in working capital	-162 631	-14 251
Cash flow from current operations	-287 568	-112 962
Investment activities	-172 040	-56 304
Financing activities		
Issuance of common stock for cash	373 804	318 347
Net borrowing/repayment of debt	94 617	53 266
Cash flow from financing activities	468 421	371 613
Change in cash and cash equivalent	8 813	202 347
Cash and cash equivalent, opening balance	253 694	51 756
Translation rate differences on cash and cash equivalent	4 561	- 409
Cash and cash equivalent end of period	267 068	253 694

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

Key ratios

	Jan - Dec 2000	Jan - Dec 1999
Solvency ratio	56,9%	78,4%
Debt/solvency ratio	0,2	0,1
Number of employees at end of period	1 990	1 056
Average number of employees	1 588	585
Sales per employee, SEK thousand	1071	712
Sales per consultant, SEK thousand	1252	na
Outstanding shares (incl. paid but unregistered)	57 984 187	36 490 510
Average number of shares	50 654 837	29 216 794
Earnings per share (SEK)	-51,52	-10,23
Shareholders' equity per share (SEK)	16,98	37,46
Shareholders' equity per share (SEK) after dilution	17,19	83,43
EBITDA , SEK million	-86,97	-158,70
EBITDA per share (SEK)	-1,72	-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.

Net sales per consultant - net sales during the latest quarter divided by average number of consultants during the same period times four (annualized).

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 incl. paid but unregistered. 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.

February 28, 2000
Stockholm, Sweden

For the Board:

Rens Buchwaldt
Interim President and CEO

Disclaimer

This document is a non-official translation of a Swedish original that has been approved by the Board of Directors of Icon Medialab International AB publ. In the event of discrepancies between this translation and the Swedish original, the Swedish document shall take precedence. The Swedish version should be consulted when evaluating the Icon Medialab share.

Icon Medialab (www.iconmedialab.com), the e-business and Internet professional services firm with the most expansive global reach, provides innovative strategic, creative and technology solutions to clients all over the world. Founded in 1996, Icon Medialab offers expertise across all platforms and devices, including wireless and mobile applications. The firm has developed and executed award-winning programs for numerous clients, including Stora Enso, Telenor, Föreningssparbanken, Stora Enso, Aventis, Siemens Medical, Sony Playstation, Spencer-Stuart and Motorola. Icon Medialab stock is traded on the OM Stockholm Exchange Attract40 (ICON).

Mail address:
Icon Medialab International AB
Box 863, 101 37 Stockholm, Sweden
www.iconmedialab.com

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Phone: +46 8 52 23 90 00
Fax: +46 8 52 23 90 97

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