

YEAR END REPORT JANUARY 1, 2001 – DECEMBER 31, 2001

ICON MEDIALAB INTERNATIONAL AB publ.

Fourth Quarter Net Sales of SEK 207.0 million and Reduced Operating Loss Compared to Third Quarter.

STOCKHOLM, Sweden and AMSTERDAM, The Netherlands – February 28, 2002 – Icon Medialab International (Stockholm: ICON), the IT professional services provider, today reported the financial results for its fourth quarter and full year ended December 31, 2001. The company also announced that on Tuesday, 5 March 2002 it will provide further details of the integration process and actions following the merger with Lost Boys NV, which was approved by the shareholders on January 18, 2002.

The company reported net sales of SEK 1 186.3 million (€130.1 million) for the year. Fourth quarter net sales were SEK 207.0 million (€22.7 million), a decrease from both the fourth quarter prior year and the third quarter of 59 percent and 11 percent respectively. 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 95.3 million (€10.5 million) for the quarter. For the year these operating earnings were a loss of SEK 421.7 million (€46.2 million).

The company further recorded SEK 41.7 million (€4.5 million) in one-time and restructuring charges in the quarter, associated with incremental costs for staff reductions and facilities eliminations announced previously, as well as one time cost incurred for the unsuccessful corporate tax restructuring initiative pursued during the quarter.

The run-rate quarterly operating cost level at the end of the quarter was in line with the stated goal and is actually below SEK 300 million (€32.9 million). Operating costs, excluding one-time charges, for the quarter were SEK 321.1 million (€35.2 million). At the end of the year the company employed 1,082 staff. The fourth quarter utilization rate was 57 percent, an improvement from the third quarter level and in line with the utilization achieved in the first half of the year.

The company ceased its consulting activities, conducted through its minority interest in Icon Asia, in Asia and Australia during the fourth quarter, but did not incur cash or other operational charges in relation to this. The company wrote down the value of its interest in Icon Asia to SEK 8.5 million (€0.9) in the year end balance sheet.

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Please note disclaimer on last page

“The fourth quarter continued to provide the company with challenges as the general economic environment and IT spending in particular continued to be weak,” said Rens Buchwaldt, CEO of Icon Medialab International. “In addition, as one of the pioneers in our industry we have been subjected to significant scrutiny in the past year, particularly in Sweden. Despite significant changes within the company, attention on past issues and corporate matters have interfered with our ability to fully focus on our core business, and market and client confidence was negatively impacted as a result.”

“We are moving positively into the new year. Building on the merger with Lost Boys to start 2002,” says Buchwaldt, “our strengthened global footprint and much more secure financial position, the new company will be working hard to prove it is the best in the market at providing innovative IT solutions that improve our clients’ bottom-line.”

The company will announce and comment on its detailed integration plan and definitive management appointments on Tuesday, March 5, 2002.

Net Sales and earnings

For the year, net sales decreased 30 percent from the prior year to SEK 1 186.3 million. Net sales for the fourth quarter were SEK 207.0 million, which is 59 percent below the same quarter in the prior year. The operating earnings before goodwill amortization and provision for social security fees on stock options were a loss of SEK 137.0 million in the quarter compared to a loss of SEK 144.3 million in the fourth quarter of 2000.

Operating earnings after goodwill amortization and provision for social security fees on stock options were a loss of SEK 421.6 million for the quarter, an increase of SEK 1 534.8 million from the prior year.

During the year SEK 225.3 million in restructuring and one-time costs were recorded, compared with SEK 124.3 million in 2000. Goodwill write-off and amortization for the year amounted to SEK 432.6 million, compared with SEK 2 288.7 million in 2000. 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 238.2 million based on an external valuation of the respective subsidiaries in the group. The corresponding one-time adjustment in 2000 amounted to SEK 1 621.5 million and was based on impairment test of the individual acquisitions following the changes of the market's view on the Internet and IT industries.

In 2001, no provisions for social security fees related to employee stock option programs have been made. In 2000, reversal of prior provisions had a positive impact on the result by SEK 60.8 million.

SEK in millions	Oct-Dec 2001	Oct-Dec 2000	Jan-Dec 2001	Jan-Dec 2000
Net sales	207.0	508.2	1,186.3	1,700.2
Cost of sales [‡] *	-222.4	-448.0	-1,227.3	-1,344.3
Gross profit*	-15.4	60.2	-41.0	355.9
% of net sales	-7.4%	11.8%	-3.5%	20.9%
Sales costs*	-40.9	-74.4	-205.8	-179.0
Administrative expenses*	-99.6	-141.9	-454.2	-406.7
Other income/expenses	18.9	11.8	54.0	30.3
Operating earnings*	-137.0	-144.3	-647.0	-199.5
Goodwill amortization/write-off	-284.6	-1,821.8	-432.6	-2,288.7
Change in social security fees on stock options	-	9.7	-	60.8
Operating earnings	-421.6	-1,956.4	-1,079.6	-2,427.4

[‡] 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 amortization and provision for social security fees on stock options.

Quarterly Trends

Net sales declined by 11 percent from the third quarter, while the operating loss excluding one-time charges improved by SEK 51.6 million from the third to the fourth quarter, primarily due to ongoing cost reduction efforts.

The following table illustrates trends in quarterly performance from first quarter 1999 and onwards.

SEK in millions	2001				2000				1999			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	207.0	233.5	318.0	427.8	508.2	481.6	431.9	278.5	161.8	103.2	90.7	61.0
<i>Growth % from same Q prior year</i>	-59%	-52%	-26%	54%	214%	367%	376%	357%	194%	238%	298%	162%
<i>Growth % sequential Q</i>	-11%	-27%	-26%	-16%	6%	12%	55%	72%	57%	14%	49%	11%
Operating earnings*	-137.0	-233.7	-97.9	-178.4	-144.3	-43.4	2.8	-14.6	-57.2	-28.7	-13.6	-14.8
<i>Operating margin*</i>	-66.2%	-100.1%	-30.8%	-41.7%	-28.4%	-9.0%	0.6%	-5.2%	-35.4%	-27.8%	-15.0%	-24.3%
One time items/restructuring	41.7	86.8		96.8	85.2							
Operating margin excluding one time charges	-95.3	-146.9	-97.9	-81.6	-59.1	-43.4	2.8	-14.6	-57.2	-28.7	-13.6	-14.8

* 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 the fourth quarter and the year 2001, compared with the same period prior year. Net sales outside of Sweden comprise 81 percent of total net sales for the full year, in comparison to 72 percent in 2000. Annual sales in Sweden declined 46 percent compared to the same period last year, while revenue in Europe and North America decreased by 25 percent and 16 percent respectively.

SEK in millions	Oct-Dec 2001	Oct-Dec 2000	% Q4 01 vs 00	Jan - Dec 2001	Jan - Dec 2000	% 01 vs 00
Sweden excluding Parent	68.3	174.9	-61%	329.3	613.3	-46%
Rest of Europe	94.3	296.1	-68%	636.2	853.4	-25%
North America	74.3	92.2	-19%	319.0	377.8	-16%
Parent and elimination	-29.9	-55.0		-98.2	-144.3	
Total	207.0	508.2	-59%	1,186.3	1,700.2	-30%

Financial position

As of December 31, 2001, shareholders' equity totaled SEK 110 million, compared to SEK 984 million on December 31, 2000.

Trade receivables as of December 31, 2001 totaled SEK 171 million representing approximately 65 days' sales outstanding, an improvement of 10 days from the end of the third quarter position.

Liquid assets on December 31, 2001 totaled SEK 69 million, compared to SEK 267 million as of December 31, 2000.

Share data

Earnings per share after tax on a non-diluted basis were a loss of SEK 18.05 for year to date 2001 compared to a loss of SEK 51.52 for the same period 2000. At the end of the period, shareholders' equity per share on a non-diluted basis was SEK 1.53, compared to SEK 16.98 December 31, 2000.

The parent company had 71,659,504 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 98,121,664 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 1.03 per fully diluted share.

Strengthened client and partnership relations during the quarter

Despite the difficult market conditions during the quarter a number of clients extended their collaboration with IconMedialab. In addition the company strengthened its alliances and several 'leading edge' projects were launched.

In October Vignette, one of the world's leading suppliers of integrated Content Management solutions and IconMedialab announced a strategic alliance. Vignette and IconMedialab are already working together on some clients like Stora Enso and Mediapark. The alliance will initially focus on the Nordic Countries and the Iberian Peninsula and as the co-operation proceeds there are plans of expanding into more markets.

One of more significant projects launched during the last quarter was the Prada Epicenter store in New York City. IconNicholson, IconMedialab's office in New York, has been involved since January of 2001 working with AMO and several other companies to design and implement the new store's technology system which is designed to support new forms of customer service, merchandising, and programming. IconNicholson played two main roles in the development: the role of leading the Program Management Office and the role of software developer and systems integrator.

In the beginning of the quarter, Amadeus, a leading global distribution system (GDS) and technology provider serving the marketing, sales and distribution needs of the world's travel and tourism industries, chose IconMedialab as its Preferred Global Supplier for Web Communications Solutions.

In November Metso Corporation, the global supplier of process industry machinery and systems, and IconMedialab Finland signed a new frame agreement. The work mainly includes further development of Metso Corporation's future web and mobile projects. IconMedialab Finland has been implementing both the internal and the external web solutions for Metso Corporation since 1999.

In addition, IconMedialab Sweden announced its continued collaboration with HSB Bank following the success of Bolån Direkt. HSB Bank decided to extend its service range with the web-based savings service www.sparadirekt.nu, a solution founded on IconMedialab's security expertise.

Parent company

The parent company recorded net sales, including management fees, of SEK 54.7 million for the fourth quarter, and a net loss of SEK 1 520.8 million. The parent company's annual net sales amounted to SEK 139.3 million and the annual net loss amounted to SEK 1 565.2 million. Investments in 2001 totaled SEK 15.7 million. As of December 31, 2001, the parent company recorded liquid assets of SEK 3.4 million.

Forthcoming reports

The company will announce its first quarter 2002 results on April 25, 2002 at which date the company will also hold its Annual General Meeting (AGM).

Income, Balance Sheet, Cash Flow and Key Ratio Statements

Summary Consolidated Income Statement

SEK in thousands	Oct-Dec 2001	Oct-Dec 2000	Jan-Dec 2001	Jan - Dec 2000
Net sales	206 983	508 137	1 186 323	1 700 183
Cost of sales*	- 439 769	-1 959 413	-1 560 993	-3 208 409
Gross margin	- 232 786	-1 451 276	- 374 670	-1 508 226
Sales costs	- 61 427	- 149 395	- 239 794	- 279 463
Administrative expenses	- 146 266	- 367 601	- 519 134	- 670 043
Other income/expenses	18 850	11 843	53 986	30 318
Operating result	- 421 629	-1 956 429	-1 079 612	-2 427 414
Equity in loss/earnings of assoc. co's.	- 31 492	- 95 517	- 95 037	- 126 693
Net financial items	- 24 675	- 42 367	- 28 476	- 34 905
Loss after financial items	- 477 796	-2 094 313	-1 203 125	-2 589 012
Income taxes	- 17 512	- 3 815	- 5 157	- 20 893
Net loss for the period	- 495 308	-2 098 128	-1 208 282	-2 609 905
Earnings per share (SEK)	-6.93	-36.78	-18.05	-51.52
Average number of shares	71 459 504	57 040 195	66 926 072	50 654 837

* 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, 2001	Dec 31, 2000
Assets		
Intangible fixed assets	21 004	4 960
Goodwill	63 609	461 517
Tangible fixed assets	134 912	195 840
Financial fixed assets	32 385	155 588
Total fixed assets	251 910	817 905
Accounts receivable, trade	170 914	471 539
Other current assets	95 627	173 331
Cash and bank, sh.-term inv's	68 568	267 068
Total current assets	335 109	911 938
Total assets	587 019	1 729 843
Shareholders' equity and liabilities		
Restricted equity	2 111 083	3 918 869
Loss carried forward	- 793 096	- 324 648
Net result for the period	-1 208 282	-2 609 905
Total shareholders' equity	109 705	984 316
Total provision	41 706	145 059
Long-term liabilities	13 054	53 162
Convertible debentures	110 000	110 000
Loan from shareholder	23 642	-
Customer advances	6 992	9 141
Other current liabilities	281 920	428 165
Total liabilities	435 608	600 468
Total shareholders' equity and liabilities	587 019	1 729 843

Consolidated Cash Flow Statement*

SEK in thousands	Oct - Dec 2001	Oct - Dec 2000	Jan - Dec 2001	Jan - Dec 2000
Current operations				
Net loss for the period	-495 308	-2 098 128	-1 208 282	-2 609 905
Adjustments for items not included in cash flow:				
Depreciation and write downs	309 312	1 840 059	504 457	2 340 446
Change in social security fees employee stock options	-	-9 742	-	-60 838
Non cash financial items	19 405	46 595	34 135	59 466
Deferred tax	11 580	15 848	-775	-1 230
Other non cash items	16 417	106 823	131 936	147 124
Cash flow from current operations before adjustments in working capital	-138 594	-98 545	-538 529	-124 937
Adjustments in working capital	122 312	-11 767	249 768	-162 631
Cash flow from current operations	-16 282	-110 312	-288 761	-287 568
Investment activities	-9 348	-50 299	-28 857	-172 040
Financing activities				
Issuance of common stock for cash etc.	199	157 060	149 394	376 683
Net borrowing/repayment of debt	-12 025	3 816	-41 571	91 738
Cash flow from financing activities	-11 826	160 876	107 823	468 421
Change in cash and cash equivalent	-37 456	265	-209 795	8 813
Cash and cash equivalent, opening balance	108 214	265 617	267 068	253 694
Translation rate differences on cash and cash equivalent	-2 190	1 186	11 295	4 561
Cash and cash equivalent end of period	68 568	267 068	68 568	267 068

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

Shareholders' equity

SEK in thousands	Jan - Dec 2001	Jan - Dec 2000
Opening balance shareholders' equity	984 316	1 367 051
Issuance of new stock etc.	260 773	2 092 710
Net currency translation	72 898	134 460
Net result for the period	-1 208 282	-2 609 905
Closing balance shareholders' equity	109 705	984 316

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Key ratios

	Jan - Dec 2001	Jan - Dec 2000
Solvency ratio	18.7%	56.9%
Debt/solvency ratio	1.52	0.20
Number of employees at end of period	1 082	1 990
Average number of employees	1 554	1 588
Sales per employee, SEK thousand	763	1 071
Sales per consultant, SEK thousand	1 009	1 252
Outstanding shares (incl. paid but unregistered)	71 659 504	57 984 187
Average number of shares	66 926 072	50 654 837
Earnings per share (SEK)	-18.05	-51.52
Shareholders' equity per share (SEK)	1.53	16.98
Shareholders' equity per share (SEK) after dilution	1.94	17.19
EBITDA , SEK million	-575.16	-86.97
EBITDA per share (SEK)	-8.59	-1.72

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 12-month period divided by average number of consultants 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.

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20, Interims report. The group's accounting has been affected by the Swedish Financial Accounting Standards Council's recommendation RR 9 Income taxes, which has affected reported result and position. Otherwise, the same accounting principles have been used as in the latest annual report.

February 28, 2002
Stockholm, Sweden

For the Board:

Rens Buchwaldt
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.

IconMedialab/Lost Boys Group

IconMedialab and Lost Boys merged in January 2002 to become one of the world-leading IT professional service providers. The group operates with 1500 employees in 15 countries throughout Europe and the US. The group provides user-driven solutions through innovative technology for all digital channels - with a global reach and local expertise. The group focuses on six industries: financial services, pharmaceutical and healthcare, manufacturing, retail, media and telecom and has developed solutions for a broad range of clients, including Audi, Orange, Chello, Siemens Mobile, Stora Enso, Telenor, Föreningsparbanken and Motorola. The company's stock is traded on the Stockholm Stock Exchange O-list (ICON). For more information: www.iconmedialab.com and www.lostboys.com

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