

**ICON MEDIALAB INTERNATIONAL AB publ.
REPORTS SECOND QUARTER 2002 FINANCIAL RESULTS**

**Net Sales of SEK 169.3 million (€ 18.4 million)
Performance improved in most key markets**

STOCKHOLM, Sweden and AMSTERDAM, The Netherlands – 31 July 2002 – Icon Medialab International AB (Stockholm: ICON), the parent company of the e-business and IT services company IconMedialab and Lost Boys (the Group), today reported the financial results for its second quarter 2002 ended June 30, 2002.

The Group improved its operating result from the first to the second quarter, in particular in its operations in The Netherlands, Germany, Italy, Spain, Portugal and Switzerland.

“Our Q2 results are an encouraging sign that we are moving towards improved profitability,” says Robert Pickering, CEO of the Group. “Earlier this year we implemented an aggressive action plan that focussed our resources and efforts on several key markets. Given the continued weak market conditions, I am very pleased to see our Q2 results show these decisions were accurate and necessary”.

Q2 Results

For the second quarter 2002 the Group reported net sales of SEK 169.3 million (€18.4 million). The reported net sales are 47 percent below the second quarter of the prior year level, in particular due to the discontinuation of operations in various geographies. Continuing operations showed a decrease in sales from the first to the second quarter, in large part due to a decline in net sales in the United States.

The Group reported an operating loss, before goodwill amortization and loss on discontinued operations of SEK 81.7 million (€ 8.9 million). The operational result of the continued operations is a loss of SEK 58.3 million (€ 6.3 million). The revenue decline in the United States had a significant negative impact on this loss. The restructuring provision recorded in the first quarter 2002 of SEK 89.5 million (€ 9.7 million) will be sufficient for finalizing the Group’s action plan, and the execution of this plan is in line with the targets set.

At the end of the second quarter the Group employed 839 staff.

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Performance key countries

The Netherlands has dramatically improved its operating results from Q1 to Q2, 2002 and reached profitability by the end of the quarter. "The Dutch operations have clearly demonstrated its ability to manage its business efficiently and profitability even in trying economic conditions," says Pickering. During this quarter the Amsterdam unit successfully delivered significant projects for ING Group, KLM, Perfetti Van Melle, Shell Motorsport, and other noteworthy clients.

The units in Italy and Spain continued to manage profitable operations by focusing on key clients, such as OniWay, and on developing market leading solutions. The German operations continued to grow stronger in both Hamburg and Berlin. The Hamburg unit extended its relationships primarily with its existing long term clients and started to work directly with MetaDesign in Berlin to jointly cultivate business. In addition, MetaDesign has improved its result in the second quarter and was named "the strongest corporate design agency in Germany" for 2001 by the leading German industry magazine, Horizont.

The Group's performance in the US was not as positive as in other markets reflecting a continued slide in customer IT spending in a worsened US economy. Net sales in the United States declined from the first to the second quarter by 48 percent or SEK 31.4 million (€ 3.4 million). New client wins during the quarter include projects for MasterCard International and the pharmaceutical group Bristol-Myers Squibb. In addition, in the quarter IconMedialab's US operations were ranked amongst Advertising Age's top ten percent Best Interactive Agencies in the US.

The operations in both Finland and Denmark were impacted most significantly by the withdrawal from the other Nordic markets by the company. In both countries the company works to improve the operational performance in the challenging market conditions.

Overall, the Group increased its capacity to combine and leverage from its sales and marketing efforts throughout the network during the quarter.

Competition and Expectations

The Group is confident to improve its operating results further by continuing to execute the action plan that was initiated in Q1, 2002 and expects to achieve overall operational profitability during the second half of the year.

"Any optimism we have to achieve better results is based on our ability to make further operational improvements," says Pickering. "We expect a continued weak demand from our potential customers and continued competition from any group ranging from large system integrators to local web agencies. We are, however, optimistic about our prospects to grow stronger in this market over the remainder of the year. We are internationally poised to lead our industry in the design and development of Internet, interactive and web commerce based business solutions. Our leadership in our core locations is the most experienced in our industry and we have shown our dedication over the last several years. We have a strong team that will continue to lead our business into the future."

Q 2 Results

Net Sales and earnings

Net sales for the second quarter were SEK 169.3 million, which is 47% below the same quarter in the prior year. The operating earnings before goodwill amortization, write-downs and loss on discontinued operations were a loss of SEK 81.7 million in the quarter compared to a loss of SEK 97.9 million in the second quarter of 2001.

Operating earnings after goodwill amortization and write-downs were a loss of SEK 129.1 million for the quarter, compared to a loss of SEK 143.0 million in the second quarter of 2001.

SEK in millions	Apr-June 2002	Apr-June 2001	Jan-June 2002	Jan-June 2001	Jan-Dec 2001
Net sales	169.3	318.0	393.4	745.8	1,186.3
Cost of sales ^{□*}	-160.6	-302.3	-432.3	-707.2	-1,227.3
Gross profit*	8.7	15.7	-38.9	38.6	-41.0
% of net sales	5.1%	4.9%	-9.9%	5.2%	-3.5%
Sales costs*	-24.9	-45.3	-75.9	-114.9	-205.8
Administrative costs*	-69.2	-94.1	-164.3	-233.0	-454.2
Other costs/income*	3.7	25.8	5.7	33.0	54.0
Operating earnings*	-81.7	-97.9	-273.4	-276.3	-647.0
Goodwill amortization	-8.5	-45.1	-25.1	-100.4	-432.6
Loss on discontinued operations	-38.9	0.0	-38.9	0.0	0.0
Operating earnings	-129.1	-143.0	-337.4	-376.7	-1,079.6

□ 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 write-downs.

Continued and discontinued operations

The following table illustrates the split in the Income Statement between the continued and discontinued operations. The discontinued figures consist of:

Sweden (excl. parent company)
Norway
Poland
UK
France
Lost Boys interactive s.a. (Barcelona)

The continued operations includes the business of the 10 countries where we are present. In addition, all headquarter costs are included in the continued operations.

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SEK in millions	Apr - June 2002			Jan - June 2002		
	continued	discontinued	total	continued	discontinued	total
Net sales	157.2	12.1	169.3	334.1	59.3	393.4
Cost of sales [□] *	-138.2	-22.4	-160.6	-340.6	-91.7	-432.3
Gross profit*	19.0	-10.3	8.7	-6.5	-32.4	-38.9
% of net sales	12.1%	-85.1%	5.1%	-1.9%	-54.6%	-9.9%
Sales costs*	-20.7	-4.2	-24.9	-59.0	-16.9	-75.9
Administrative costs*	-60.6	-8.6	-69.2	-138.5	-25.8	-164.3
Other costs/income*	4.0	-0.3	3.7	7.5	-1.8	5.7
Operating earnings*	-58.3	-23.4	-81.7	-196.5	-76.9	-273.4
Goodwill amortization	-6.2	-2.3	-8.5	-13.4	-11.7	-25.1
Loss on discontinued oper.	0	-38.9	-38.9	0.0	-38.9	-38.9
Operating earnings	-64.5	-64.6	-129.1	-209.9	-127.5	-337.4

□ 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 write-downs.

Quarterly Trends

Net sales decreased by 24% from the first quarter, while the operating loss excluding one-time charges decreased by SEK 20.5 million from the first to the second quarter.

The following table illustrates trends in quarterly performance from first quarter 2000 and onwards.

SEK in millions	2002		2001				2000			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	169.3	224.1	207.0	233.5	318.0	427.8	508.2	481.6	431.9	278.5
Growth % from same Q prior year	-47%	-48%	-59%	-52%	-26%	54%	214%	367%	376%	357%
Growth % sequential Q	-24%	8%	-11%	-27%	-26%	-16%	6%	12%	55%	72%
Operating earnings*	-120.6	-191.7	-137.0	-233.7	-97.9	-178.4	-144.3	-43.4	2.8	-14.6
Operating margin*	-71.2%	-85.5%	-66.2%	-100.1%	-30.8%	-41.7%	-28.4%	-9.0%	0.6%	-5.2%
One time items/restructuring	38.9	89.5	41.7	86.8		96.8	85.2			
Operating margin excluding one time charges	-81.7	-102.2	-95.3	-146.9	-97.9	-81.6	-59.1	-43.4	2.8	-14.6
Adjusted operating margin*	-48.3%	-45.6%	-46.0%	-62.9%	-30.8%	-19.1%	-11.6%	-9.0%	0.6%	-5.2%

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

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Distribution of net sales

The following table displays the geographical distribution of net sales for the second quarter and first half of the year 2002, compared with the same periods prior year. Sales in North America declined with 58% compared to the second quarter 2001 level, while net sales in the Rest of Europe were 25% below the prior year level.

SEK in millions	Apr-June 2002	Apr-June 2001	% Q2 02 vs 01	Jan - June 2002	Jan - June 2001	% 02 vs 01	Jan - Dec 2001
Sweden excluding Parent	6.7	88.3	-92%	33.0	208.0	-84%	329.3
Rest of Europe	128.6	172.3	-25%	268.8	424.0	-37%	636.2
North America	34.7	82.6	-58%	100.8	166.9	-40%	319
Parent and elimination	-0.7	-25.2	-97%	-9.2	-53.1	-83%	-98.2
Total	169.3	318.0	-47%	393.4	745.8	-47%	1186.3

Financial position

As of June 30, 2002, shareholders' equity totaled SEK 126 million, compared to SEK 110 million on December 31, 2001.

Trade receivables as of June 30, 2002 totaled SEK 129 million representing approximately 60 days sales outstanding, an improvement of 7 days from the end of the first quarter position.

Liquid assets on June 30, 2002 totaled SEK 118 million, compared to SEK 69 million as of December 31, 2001.

Share data

Earnings per share after tax on a non-diluted basis were a loss of SEK 3.03 for year to date 2002 compared to a loss of SEK 6.61 for the same period 2001. At the end of the period, shareholders' equity per share on a non-diluted basis was SEK 0.80, compared to SEK 1.53 December 31, 2001.

The parent company had 156,963,643 outstanding shares (including paid but not yet registered) as of June 30, 2002. On a fully diluted basis, including all outstanding options, the maximum number of shares was 177.993.718 as of that date.

Parent company

The parent company recorded net sales, including management fees, of SEK 5.4 million for the second quarter, and a loss, net of financial items, of SEK 202,4 million. This includes losses due to discontinued activities of SEK 181 million of which SEK 142 million was already accounted for in prior years in the consolidated income statement. As of June 30, 2002, the parent company recorded liquid assets of SEK 52,7 million.

Forthcoming reports

The report for the third quarter will be published on October 29, 2002.

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Income Statement, Balance Sheet, Cash Flow Analysis and Key Ratios

Summary Consolidated Income Statement

SEK in thousands	April-June 2002	April-June 2001	Jan-June 2002	Jan-June 2001	Jan-Dec 2001
Net sales	169 303	317 991	393 353	745 811	1 186 323
Cost of sales*	- 166 676	- 335 906	- 450 862	- 784 336	-1 560 993
Gross margin	2 627	- 17 915	- 57 509	- 38 525	- 374 670
Sales costs	- 25 675	- 50 203	- 78 445	- 124 193	- 239 794
Administrative costs	- 70 884	- 100 660	- 168 261	- 247 039	- 519 134
Other costs/income**	- 35 188	25 811	- 33 215	33 031	53 986
Operating result	- 129 120	- 142 967	- 337 430	- 376 726	-1 079 612
Equity in loss/earnings of assoc. co's.	- 8 530	- 25 932	- 10 398	- 46 614	- 95 037
Net financial items	- 9 157	6 913	- 10 596	- 2 040	- 28 476
Loss after financial items	- 146 807	- 161 986	- 358 424	- 425 380	-1 203 125
Income taxes	3,743	13 511	- 104	12 694	- 5 157
Minority interest	0	0	0	0	0
Net loss for the period	- 143 064	- 148 475	- 358 528	- 412 686	-1 208 282
Earnings per share (SEK)	-1.03	-2.22	-3.03	-6.61	-18.05
Average number of shares	138,945,742	66,901,093	118,218,594	62,442,640	66,926,072

* 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.

** Other costs/income includes loss on discontinued operations of SEK 38,9 million.

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Summary Consolidated Balance Sheet

SEK in thousands	June 30, 2002	June 30, 2001	Dec 31, 2001
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Assets

Intangible fixed assets	8 684	8 663	21 004
Goodwill	98 096	402 957	63 609
Tangible fixed assets	112 020	200 559	134 912
Financial fixed assets	31 710	109 341	32 385
Total fixed assets	250 510	721 520	251 910
Accounts receivable, trade	128 661	288 659	170 914
Other current assets	77 788	171 641	95 627
Cash and bank, sh.-term inv's	118 485	208 166	68 568
Total current assets	324 934	668 466	335 109
Total assets	575 444	1 389 986	587 019

Liabilities & shareholders' equity

Restricted equity	938 550	2 004 051	2 111 083
Loss carried forward	- 453 910	- 711 104	- 793 096
Net result for the period	- 358 528	- 412 686	-1 208 282
Total shareholders' equity	126 112	880 261	109 705
Minority interest	0	0	0
Total provision	72 968	34 968	41 706
Long-term liabilities	37 163	11 676	13 054
Convertible debentures	0	110 000	110 000
Loans from shareholders	23 124	-	23 642
Customer advances	4 089	4 802	6 992
Other current liabilities	311 988	348 279	281 920
Total liabilities	376 364	474 757	435 608
Total liabilities & shareholders' equity	575 444	1 389 986	587 019

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Consolidated Cash Flow Analysis*

SEK in thousands	Apr - June 2002	Apr - June 2001	Jan - June 2002	Jan - June 2001	Jan - Dec 2001
Current operations					
Net loss for the period	-143 064	-148 475	-358 528	-412 686	-1 208 282
Adjustments for items not incl in cash flow					
Depreciations and write-downs	22 266	60 609	55 597	131 394	504 457
Non-cash financial items	9 198	5 236	11 066	14 730	34 135
Deferred tax	0	-14 452	0	-12 813	- 775
Other non-cash items	12 508	-58 864	79 201	31 946	131 936
Cash flow from current operations before changes in working capital	-99 092	-155 946	-212 664	-247 429	-538 529
Changes in working capital	19 417	54 167	-6 800	87 132	249 768
Cash flow from current operations	-79 675	-101 779	-219 464	-160 297	-288 761
Investment activities					
	-18 513	-11 888	70 459	-30 898	-28 857
Financing activities					
Issuance of common stock for cash	171 577	149 069	171 577	149 195	149 394
Net borrowing/repayment of debt	-61 892	-1 550	31 604	-27 033	-41 571
Cash flow from financing activities	109 685	147 519	203 181	122 162	107 823
Change in cash and cash equivalent	11 497	33 852	54 176	-69 033	-209 795
Cash and cash equivalent, opening balance	109 558	172 874	68 568	267 068	267 068
Translation rate differences on cash and cash equivalent	-2 570	1 440	-4 259	10 131	11 295
Cash and cash equivalent, end of period	118 485	208 166	118 485	208 166	68 568

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

Shareholders' equity

SEK	Jan – June 2002	Jan – June 2001	Jan – Dec 2001
Opening balance shareholders' equity	109 705	984 316	984 316
Issuance of new stock etcetera	395 553	229 165	260 773
Net currency translation	- 20 618	79 466	72 898
Net result for the period	- 358 528	- 412 686	- 1 208 282
Closing balance shareholders' equity	126 112	880 261	109 705

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Key ratios

	Apr - June 2002	Apr - June 2001	Jan - June 2002	Jan - June 2001	Jan - Dec 2001
Solvency ratio	21,9%	63.3%	21,9%	63.3%	18.7%
Debt/solvency ratio	0.93	0.17	0.93	0.17	1.52
Number of employees at end of period	839	1,520	839	1,520	1,082
Average number of employees	1,121	1,684	1,245	1,734	1,554
Sales per employee, SEK thousand	770	1,001	770	1,001	763
Sales per consultant, SEK thousand	873	1,101	873	1,101	1,009
Outstanding shares (incl. paid but unregistered)	156,963,643	71,359,504	156,963,643	71,359,504	71,659,504
Average number of shares	138,945,742	66,901,093	118,218,594	62,442,640	66,926,072
Earnings per share (SEK)	-1.03	-2.22	-3.03	-6.61	-18.05
Shareholders' equity per share (SEK)	0.80	12.34	0.80	12.34	1.53
Shareholders' equity per share (SEK) after dilution	0.83	10.53	0.83	10.53	1.94
EBITDA , SEK thousand	-106,854	-82,358	-281,833	-245,332	-575,155
EBITDA per share (SEK)	-0.77	-1.23	-2.38	-3.93	-8.59

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

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

Average number of employees - average for the period itself (not the latest 12-month period).

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.

Earnings per share relate to earnings after full taxation divided by average number of shares.

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 shares.

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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 principles have been changed since the latest annual report. The following Swedish GAAP recommendations are now implemented:

RR 1:00	Consolidated financial statements
RR 15	Intangible assets
RR 16	Provisions, contingent liabilities and contingent assets
RR 17	Impairment of assets
RR 19	Discontinuing operations
RR 21	Borrowing costs
RR 23	Related party disclosures.

The only material effects of these new standards relate to RR 1:00 regarding consolidation of companies and RR 19 regarding discontinuing operations.

July 31, 2002
Stockholm, Sweden

For the Board:

Robert Pickering
CEO

This interim report has not been subject to review by the company's auditor

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 provides user-driven solutions through innovative technology for all-digital channels, with global reach and local expertise. The group has developed solutions for a broad range of clients, including Audi, Chello, Siemens Mobile, ING Group, KLM, MasterCard and Perfetti Van Melle. The IconMedialab 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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