

**ICON MEDIALAB INTERNATIONAL AB publ.  
ANNOUNCES FOURTH QUARTER 2002 NET PROFIT OF SEK 6.5  
MILLION (€ 0.7 MILLION)**

**STOCKHOLM, Sweden and AMSTERDAM, The Netherlands – February 19, 2003 –** IconMedialab International AB (Stockholm: ICON), the parent company of the e-business and IT services company IconMedialab and Lost Boys (the Group), today reported revenue and earnings data for its fourth quarter and full year ended December 31, 2002.

- Results for the fourth quarter included a net profit of SEK 6.5 million (€ 0.7 million) with positive operating earnings before goodwill amortization (EBITA) of SEK 2.2 million (€ 0.24 million) on total net sales of SEK 124.5 million (€ 13.5 million).
- Overall debt is reduced and the maturity of other loans extended. A new line of credit was established in The Netherlands with a major Dutch bank in January 2003. These actions combined with improved operating results will provide a foundation for stability and growth in 2003.
- Overall cash position improved over Q3 from SEK 52.0 million (€ 5.7 million) to SEK 64.3 million (€ 7.0 million).
- Adjustments related to the consolidation and restructuring activities during 2002 had a net positive impact to profitability in Q4.
- The management expects that the income from operating units will continue to be profitable in 2003.

IconMedialab Supervisory Board Chairman, Roel Pieper states: "As we look back on 2002 we can say with confidence that we achieved our single most important goal: to reach profitability in the year. No doubt that 2002 was a difficult year economically for almost any company in the world, but in that context, we substantially improved our management capabilities, made some difficult decisions, and consistently executed our plans during the year. We now have a much stronger company and as we look to 2003 with renewed confidence in our business and our people, we believe that we have the momentum and market leadership to grow."

#### **Q4 Financial Results**

Net sales in the fourth quarter, SEK 124.5 million (€ 13.5 million), compares to SEK 135.1 million (€ 14.7 million) in the previous quarter. We believe that our revenue stream is stable and that the predictability of our revenue has dramatically improved. Earlier in 2002, along with our cost reduction and productivity improvements, we implemented stronger reporting and controls over our proposal development, backlog reporting and tracking and client billing and collection.

We reported a profit of SEK 6.5 million (€ 0.7 million) for the quarter, which was impacted by higher profit margins from operations, tax credits, reversals of unused reserves and the reduction of debt. Income from operations has significantly improved over the last half of 2002 and we expect further increases in margins into 2003. Again, the primary factor for these margin improvements is the productivity improvements and reduction of indirect costs implemented during the year.

---

Contacts:

Pauline Rengers, Corporate Communications, pauline.rengers@lostboys.com, +46 70 375 9020

We put a facility in place with a major Dutch bank in The Netherlands in order to provide a flexible working capital line of credit. Our existing loan with Red Valley in the amount of € 7.5 million (SEK 68.9 million) was renegotiated to extend the maturity to December 31, 2004. Separately, an agreement to settle damages arising from the merger between IconMedialab and Lost Boys was concluded, which had a positive impact to the income statement.

During the year 2002 we were aggressive in our restructuring plans and productivity improvements and conservative in our accounting for potential losses and other exposures, most notably to tax authorities. In Q4, we successfully negotiated settlements in The Netherlands and in the US, which had a major positive impact to our Q4 financial results and will have a positive impact to our cash flow in 2003. In the US, we recorded a € 1.2 million (SEK 11.0 million) cash refund taking advantage of our loss carry back in subsidiary companies. In The Netherlands, we agreed to a settlement to all claims outstanding with the Dutch tax authorities. As of the end of 2002, there are no significant unresolved claims outstanding against the Group.

### **Global Market Conditions**

As stated in our last quarterly report, we expect market conditions to remain difficult with uncertainties continuing in the economy. However, we are confident that the IconMedialab / Lost Boys Group is positioned as the European leader in using digital channels to strengthen brands and improve client business performance. The Group is unique in the industry with a pan European presence, strong US operations and world class services which cover the whole spectrum from business strategy to concept and design, from technical implementation to content management, and from hosting to ongoing maintenance. The Group value proposition remains focussed on shaping our customers' businesses, by developing new revenue streams through new channels to market, at a lower customer-acquisition cost. In parallel we will continue to help our customer optimise their web infrastructure at a lower cost of operations.

Over the past two years, competing traditional IT services and outsourcing companies have continued to increase pricing pressure for services. In 2002, many of these companies have succeeded at winning projects with discount pricing but have failed to satisfy customer needs in the area of creativity, innovation and proven, cost effective processes. The Group has maintained its emphasis and focus blending the right technology skills with the best creative resources to deliver e-commerce solutions to our local and global 1000 customers.

With a firm foundation in place and the merger between IconMedialab and Lost Boys completed, we expect to carefully grow our business in key markets that show promise. In Europe, opportunities will be evaluated in countries such as Sweden, the UK, The Netherlands and Italy. In the US, we will examine our market position and look to grow under our strong management team.

## Q 4 Results

### Net Sales and Earnings

For the year, net sales decreased 45 % from the prior year to SEK 653 million. Net sales for the fourth quarter were SEK 124.5 million, which is 8% below the third quarter. The operating earnings before goodwill amortization were a *profit* of SEK 2.2 million in the quarter compared to a loss of SEK 57.1 million in the third quarter.

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

SEK in millions	2002				2001				2000			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	124.5	135.1	169.3	224.1	207.0	233.5	318.0	427.8	508.2	481.6	431.9	278.5
<i>Growth % from same Q prior year</i>	-40%	-42%	-47%	-48%	-59%	-52%	-26%	54%	214%	367%	376%	357%
<i>Growth % sequential Q</i>	-8%	-20%	-24%	8%	-11%	-27%	-26%	-16%	6%	12%	55%	72%
Operating result	-2.6	-87.0	-129.1	-208.3	-421.6	-281.3	-143.0	-233.8	-1,956.4	-242.3	-133.0	-95.7
Goodwill amortization and write downs	-4.8	-29.9	-8.5	-16.6	-284.6	-47.6	-45.1	-55.4	-1,821.8	-193.7	-160.1	-113.1
Change in social security fees on stock options	-	-	-	-	-	-	-	-	9.7	-5.2	24.3	32.0
Operating earnings*	2.2	-57.1	-120.6	-191.7	-137.0	-233.7	-97.9	-178.4	-144.3	-43.4	2.8	-14.6
<i>Operating margin*</i>	1.8%	-42.3%	-71.2%	-85.5%	-66.2%	-100.1%	-30.8%	-41.7%	-28.4%	-9.0%	0.6%	-5.2%
Items affecting comparability**	27.3	-14.1	-38.9	-	-	-	-	-	-	-	-	-
Restructuring charges	-5.5	-	-	-89.5	-41.7	-86.8	-	-96.8	-85.2	-	-	-
Operating earnings excl. items affecting comparability**	-19.6	-43.0	-81.7	-102.2	-95.3	-146.9	-97.9	-81.6	-59.1	-43.4	2.8	-14.6
<i>Adjusted operating margin</i>	-15.7%	-31.8%	-48.3%	-45.6%	-46.0%	-62.9%	-30.8%	-19.1%	-11.6%	-9.0%	0.6%	-5.2%
Net result	6.5	-88.8	-143.1	-215.5	-495.3	-300.0	-148.5	-264.2	-2,098.1	-272.9	-142.6	-96.3

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

\*\* Items affecting comparability include damage income, loss on discontinued operations and sale of real estate.

## Continued and Discontinued Operations

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

Sweden (excl. parent company)  
 Norway  
 Finland  
 Poland  
 UK  
 Icon Medialab AG (Hamburg)  
 Metadesign Suisse AG (Zurich)  
 France  
 Lost Boys interactive s.a. (Barcelona)

Continued operations include the businesses of the nine countries where we are currently present. In addition, all headquarter costs are included in the continued operations.

SEK in millions	Oct - Dec 2002			Jan - Dec 2002		
	continued	discontinued	total	continued	discontinued	total
Net sales	122.7	1.8	124.5	545.6	107.4	653.0
Cost of sales <sup>□</sup> *	-85.7	-2.4	-88.1	-500.3	-137.8	-638.1
Gross profit*	37.0	-0.6	36.4	45.3	-30.4	14.9
% of net sales	30.2%	-33.3%	29.2%	8.3%	-28.3%	2.3%
Sales costs*	-9.2	-0.8	-10.0	-68.6	-26.1	-94.7
Administrative costs*	-54.1	-1.2	-55.3	-236.0	-37.8	-273.8
Other costs/income*	3.3	0.5	3.8	16.1	-4.0	12.1
Operating earnings*	-23.0	-2.1	-25.1	-243.2	-98.3	-341.5
Goodwill amortization	-4.3	-0.5	-4.8	-24.0	-15.7	-39.7
Write-downs on goodwill	0.1	-0.1	0.0	-12.5	-7.6	-20.1
Items affecting comparability**	26.3	1.0	27.3	11.5	-37.2	-25.7
Operating earnings	-0.9	-1.7	-2.6	-268.2	-158.8	-427.0

□ 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.

\*\* Items affecting comparability include damage income, loss on discontinued operations and sale of real estate.

## **Distribution of Net Sales**

From the fourth quarter net sales of SEK 125 million, Europe generated SEK 87 million (70%). Net sales for the four quarters in 2002 totalled SEK 653 million of which SEK 462 million was generated by Europe (71%).

## **Financial Position**

As of December 31, 2002, shareholders' equity totalled SEK 53 million, compared to SEK 110 million on December 31, 2001.

Liquid assets on December 31, 2002 totalled SEK 64 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 3.20 for year 2002 compared to a loss of SEK 18.05 for the same period 2001. At the end of the period, shareholders' equity per share on a non-diluted basis was SEK 0.34, compared to SEK 1.53 at December 31, 2001.

The parent company had 156.963.643 outstanding shares as of December 31, 2002. On a fully diluted basis, including all outstanding options, the maximum number of shares was 163.000.643 as of that date.

## **Parent Company**

The parent company recorded net sales, including management fees, of SEK –6.3 million for the fourth quarter. As of December 31, 2002, the parent company recorded liquid assets of SEK 3.2 million.

## **Forthcoming Reports**

The company will announce its first quarter 2003 results on April 29, 2003 at which date the company will also hold its Annual General Meeting (AGM).

---

Mail address:

Icon Medialab International AB  
Birger Jarlsgatan 24, SE-114 34 STOCKHOLM, Sweden  
www.iconmedialab.com

5

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

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

### Summary Consolidated Income Statement

SEK in thousands	Oct-Dec 2002	Oct-Dec 2001	Jan-Dec 2002	Jan-Dec 2001
Net sales	124 522	206 983	653 037	1 186 323
Cost of sales*	- 91 610	- 439 769	- 683 759	- 1 560 993
Gross margin	32 912	- 232 786	- 30 722	- 374 670
Sales costs	- 10 421	- 61 427	- 99 459	- 239 794
Administrative costs	- 56 144	- 146 266	- 283 184	- 519 134
Items affecting comparability**	27 321	-	- 25 681	-
Other costs/income	3 745	18 850	12 011	53 986
Operating result	- 2 587	- 421 629	- 427 035	- 1 079 612
Equity in loss/earnings of assoc. co's.	5	- 31 492	- 10 398	- 95 037
Net financial items	- 1 863	- 24 675	- 14 258	- 28 476
Loss after financial items	- 4 445	- 477 796	- 451 691	- 1 203 125
Income taxes	10 898	- 17 512	10 863	- 5 157
Minority interest	0	0	0	0
Net result for the period	6 453	- 495 308	- 440 828	- 1 208 282
Earnings per share (SEK)	0.04	-6.93	-3.20	-18.05
Average number of shares	156,963,643	71,459,504	137,591,119	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.

\*\* Items affecting comparability include damage income, loss on discontinued operations and sale of real estate.

---

Mail address:

Icon Medialab International AB  
Birger Jarlsgatan 24, SE-114 34 STOCKHOLM, Sweden  
www.iconmedialab.com

6

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

## Summary Consolidated Balance Sheet

SEK in thousands	Dec 31, 2002	Dec 31, 2001
------------------	--------------	--------------

### Assets

Intangible fixed assets	6 092	21 004
Goodwill	70 658	63 609
Tangible fixed assets	54 594	134 912
Financial fixed assets	5 747	32 385
<b>Total fixed assets</b>	<b>137 091</b>	<b>251 910</b>

Accounts receivable, trade	115 916	170 914
Other current assets	64 242	95 627
Cash and bank, sh.-term inv's	64 296	68 568
<b>Total current assets</b>	<b>244 454</b>	<b>335 109</b>

**Total assets 381 545 587 019**

### Liabilities & shareholders' equity

Restricted equity	733 026	2 111 083
Loss carried forward	- 239 043	- 793 096
Net result for the period	- 440 828	-1 208 282
<b>Total shareholders' equity</b>	<b>53 155</b>	<b>109 705</b>

Minority interest 0 0

Total provision 44 476 41 706

Long-term liabilities	30 305	13 054
Convertible debentures	-	110 000
Loans from shareholders	73 430	23 642
Customer advances	10 800	6 992
Other current liabilities	169 379	281 920
<b>Total liabilities</b>	<b>283 914</b>	<b>435 608</b>

**Total liabilities & shareholders' equity 381 545 587 019**

Mail address:

Icon Medialab International AB  
 Birger Jarlsgatan 24, SE-114 34 STOCKHOLM, Sweden  
 www.iconmedialab.com

7

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

## Consolidated Cash Flow Analysis

SEK in thousands	Oct-Dec 2002	Oct-Dec 2001	Jan-Dec 2002	Jan - Dec 2001
<b>Current operations</b>				
Net result for the period	6 453	-495 308	-440 828	-1 208 282
Adjustments for items not incl in cash flow				
Depreciations and write-downs	14 029	309 312	109 888	504 457
Non-cash financial items	6 148	19 405	17 214	34 135
Taxes	-10 863	11 580	-10 863	- 775
Other non-cash items	-28 660	16 417	68 313	131 936
Cash flow from current operations before changes in working capital	-12 893	-138 594	-256 276	-538 529
Changes in working capital	-14 582	122 312	-48 251	249 768
Cash flow from current operations	-27 475	-16 282	-304 527	-288 761
<b>Investment activities</b>				
	30 724	-9 348	100 849	-28 857
<b>Financing activities</b>				
Issuance of common stock for cash	0	199	171 577	149 394
Net borrowing/repayment of debt	9 675	-12 025	32 126	-41 571
Cash flow from financing activities	9 675	-11 826	203 703	107 823
Change in cash and cash equivalent	12 924	-37 456	25	-209 795
Cash and cash equivalent, opening balance	51 986	108 214	68 568	267 068
Translation rate differences on cash and cash equivalent	- 614	-2 190	-4 297	11 295
Cash and cash equivalent, end of period	64 296	68 568	64 296	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 – Dec 2002	Jan – Dec 2001
Opening balance shareholders' equity	109 705	984 316
Issuance of new stock etcetera	394 779	260 773
Net currency translation	- 10 501	72 898
Net result for the period	- 440 828	- 1 208 282
Closing balance shareholders' equity	53 155	109 705

Mail address:

Icon Medialab International AB  
Birger Jarlsgatan 24, SE-114 34 STOCKHOLM, Sweden  
www.iconmedialab.com

8

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

## Key Ratios

	Oct-Dec 2002	Oct-Dec 2001	Jan-Dec 2002	Jan-Dec 2001
Solvency ratio	13.9%	18.7%	13.9%	18.7%
Debt/solvency ratio	1.97	1.52	1.97	1.52
Number of employees at end of period	652	1,082	652	1,082
Average number of employees	684	1,198	956	1,554
Sales per employee, SEK thousand	728	691	683	763
Sales per consultant, SEK thousand	932	895	891	1,009
Outstanding shares	156,963,643	71,659,504	156,963,643	71,659,504
Average number of shares	156,963,643	71,459,504	137,591,119	66,926,072
Earnings per share (SEK)	0.04	-6.93	-3.2	-18.05
Shareholders' equity per share (SEK)	0.34	1.53	0.34	1.53
Shareholders' equity per share (SEK) after dilution	0.37	1.94	0.37	1.94
EBITDA , SEK thousand	11,442	-119,270	-317,147	-575,155
EBITDA per share (SEK)	0.07	-1.67	-2.30	-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 period divided by average number of employees during the same period (annualised).

**Net sales per consultant** - net sales during the period divided by average number of consultants during the same period (annualised).

**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.

---

Mail address:

Icon Medialab International AB  
Birger Jarlsgatan 24, SE-114 34 STOCKHOLM, Sweden  
www.iconmedialab.com

## 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.

February 19, 2003  
Stockholm, Sweden

For the Board:

Robert Pickering  
CEO

## 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 Volkswagen, Alitalia, Pirelli, Postbank, KLM, Prada and MasterCard International. The IconMedialab stock is traded on the Stockholm Stock Exchange O-List (ICON). For more information: [www.iconmedialab.com](http://www.iconmedialab.com) and [www.lostboys.com](http://www.lostboys.com)