



LBi

First quarter 2010

Executive Summary

LBi – the global digital marketing and technology agency today announces its first quarter results 2010

Positive momentum in US and UK markets drives LBi's revenue growth and margin improvement

First quarter highlights

- Net sales up 6.1% to EUR 36.5 million, reflecting continued strong progress at both commercial and operational levels across the US and the UK, with markets in continental Europe being more hesitant.
- Adjusted EBITDA (excluding restructuring charges related to headcount and property rationalisation) increased by 24.4% to EUR 4.5 million, reflecting an improvement of adjusted EBITDA margin to 12.4%.
- Particularly strong EBITDA performance in most advanced US and UK markets, where clients are increasingly shifting spend to agencies that blend direct response, data and digital skill sets
- Central and Southern Europe remains more tentative. Rebound in German and Nordic markets; Netherlands performing well; LBi are confident of good steady progress throughout 2010.
- Earnings per share in the first quarter came in at EUR –0.01 (–0.04).
- Good progress on merger with Obtineo; approval obtained from LBi shareholders paves way for creating the largest marketing and technology agency in Europe; completion and new NYSE Euronext listing scheduled for July 2010.

Financial highlights

EUR million	Jan–March 2010	Jan–March 2009	Change at constant rates ^o	Organic Growth
Net sales	36.5	34.6	6.1%	4.7%
EBITDA	2.0	0.0		
EBITDA adjusted**	4.5	3.8	24.4%	
EBITDA margin adjusted**	12.4%	10.9%		
Restructuring	-2.5	-3.8		
EBIT	0.5	-1.7		
Net result	-0.4	-2.5		
Earnings per share (EUR)	-0.01	-0.04		

^o Change rates reflect year-on-year comparisons, adjusted for exchange rate fluctuations.

^{**} Adjusted numbers exclude EUR 2.5 million restructuring costs related to headcount and property rationalisation incurred January - March 2010.

SEK are used as functional currency in the LBi Group and EBITDA margins and other growth measures are calculated from SEK.

The financial information provided in this report complies with statutory regulations in Sweden. In the report the term profit/loss after tax is used synonymously to net result. Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material impact on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange and interest rates, political developments, the impact of competitors, product development, commercialisation and technological difficulties, interruptions in supply and major customer credit losses.

A word from the CEO

This is a good first quarter for 2010 with year-on-year revenues and EBITDA growing by 6.1% and 24.4% respectively at constant rates. Our performance reflects the positive momentum in our most mature UK and US markets and the start of recovery in other territories.

In the quarter, we saw significant year-on-year growth in key UK and US markets, both for topline and EBITDA. The revenue growth in the UK and US came in at 14% and 25% respectively at constant rates. Furthermore UK EBITDA adjusted increased by 32% and US EBITDA adjusted increased by 38% at constant rates compared to the first quarter of 2009. The improvements demonstrate the success of our service extension strategy. Our offer is proving to be highly relevant in advanced markets where buyers are increasingly shifting spend to agencies that blend direct response, data and digital skill sets.

Performance in Central & Southern Europe remains more tentative. Revenues for the region were down 8% at constant rates. Our Dutch operations continued to track well to plan and our digital activities in Germany are well ahead of targets and flourishing. However, as anticipated, our German branding business Meta continued to struggle in difficult market conditions. We firmly believe that from Q2 onwards Meta will start to deliver strong incremental quarter-on-quarter improvement over the rest of the year. This confidence is driven by improved revenue visibility, an increase in inbound order values and significant recent new business success.

In our smallest region, the Nordics, we saw a strong rebound with revenues and profits up 22% and 308% respectively at constant rates year-on-year. This was a consequence of management changes, acceleration in spending across our existing client base and solid momentum driven by the integration of Triple in Copenhagen, which we acquired in February this year.

Clients have responded very positively to the recent merger with Obtineo and the consequent ability to deliver best in class search engine marketing into all our key markets. In the quarter, we have immediately started to initiate cost savings and synergies attributable to merger. To this end, we recorded EUR 2.5 million of restructuring costs relating mainly to headcount reduction and property rationalisation in areas where we are consolidating all functions and operations. The merger completion process, the intended delisting from Nasdaq OMX in Stockholm and the preparations for the new primary listing on NYSE Euronext Amsterdam are all tracking well to plan.

The full transaction, including the attached rights issue is expected to be completed in the course of the summer period. The future funds to be provided by Obtineo and the intended rights issue give us the opportunity to strengthen our leading position in online marketing and technology services and enable us to accelerate our growth strategy.

Luke Taylor, CEO

Directors report

Market

Though the current economic downturn has, without doubt, impacted virtually every sector of the marketplace it has also accelerated and intensified the digital migration among both providers and consumers of content. The case for digital migration, however, will continue to vary across geographies depending on the availability of efficient and cost-effective broadband and mobile infrastructure.

The Forrester report on growth of online activities over the past three years shows that general activities are steady. Functions such as email and search are the mainstays of online activities. Therefore companies continue to funnel a majority of their online marketing budgets into search engine optimisation (SEO) and email marketing campaigns.

Online social networking shows double-digit growth numbers and online media use

is growing in single numbers. With regard to mobile internet the adoption rates of many of the advanced cell phone functions are still small, but they show that people have an interest in a mobile device with other features than just talking.

Tapping into the massive collective buying-power of online communities is an increasingly central focus of consumer marketing campaigns globally. Although companies are still struggling to adapt their current business models to ensure that they are monetising their digital content and capturing the revenues. Successful models will be those that provide enough product differentiation from free or low-cost substitutes to generate revenue from either consumers, advertisers or, more likely, both.

LBi as a digital technology and marketing agency has the capabilities to support clients in taking advantage of these developments.

Financial review

All comparable figures are on a year-on-year basis unless otherwise stated

Group Results

In the table below the results are adjusted for special items, resulting in adjusted results.

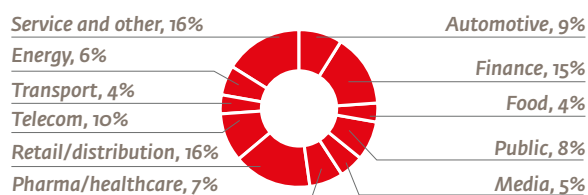
EUR million	Jan–March 2010			Jan–March 2009			Growth at constant rates	Organic Growth
	Reported	Special items	Adjusted	Reported	Special items	Adjusted		
Net sales	36.5		36.5	34.6		34.6	6.1%	4.7%
Cost of operations	-32.0		-32.0	-30.9		-30.9		
Restructuring costs	-2.5	2.5 ¹⁾	0.0	-3.8	3.8 ²⁾	0.0		
Other Income/cost	0.0		0.0	0.1		0.1		
EBITDA	2.0	2.5 ¹⁾	4.5	0.0	3.8 ¹⁾	3.8	24.4%	
EBITDA margin	5.4%		12.4%	-0.0%		10.9%		
Depreciation	-0.7		-0.7	-0.7		-0.7		
Amortisation	-0.8		-0.8	-1.0		-1.0		
EBIT	0.5	2.5 ¹⁾	3.0	-1.7	3.8 ¹⁾	2.1		
Net financial items	-0.2		-0.2	-0.2		-0.2		
Tax	-0.7		-0.7	-0.6		-0.6		
Net profit	-0.4	2.5 ¹⁾	2.1	-2.5	3.8 ¹⁾	1.3		

¹⁾ Restructuring charge of EUR 2.5 million in total during January–March 2010 related to headcount and property rationalisation.

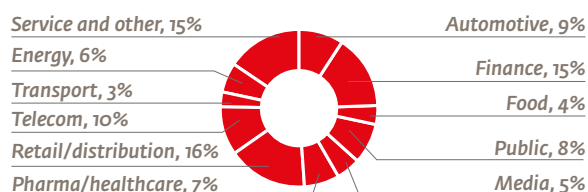
²⁾ Restructuring charge of EUR 3.8 million in total during January–March 2009.

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Sales per client vertical first quarter 2010



Sales per client YTD 2009



Net Sales

Net sales during the first quarter 2010 increased compared to the first quarter of 2009, reflecting good operational progress in key markets the US and UK. Both these territories track well to plan and the weighted new business pipeline is strengthening as deferred spending gets green light. The improvements demonstrate the success of LBi's service extension strategy. LBi's offer is proving to be highly relevant in advanced markets where buyers are increasingly shifting spend to agencies that blend direct response, data and digital skill sets.

Net sales in the first quarter 2010 came in at EUR 36.5 million (34.6). This represents an increase of 6.1% at constant rates. Organic growth was 4.7%.

Gross media billings for the first quarter were EUR 11.5 million (10.1).

Cost of operations

In the first quarter 2010 LBi continued to track well against its cost optimisation programme.

Cost of operations for the first quarter 2010 was EUR 32.0 million (87.6% of net sales) compared to EUR 30.9 million (89.3%) same period last year.

Personnel expenses (including subcontracting) for the first quarter 2010 amounted to EUR 26.9 million which is 74.7% of cost of operations including depreciation and amortisation, compared to EUR 25.8 million same period last year (68.8% of cost of operations). The costs of subcontractors in the first quarter 2010 were 14.1% (9.6%) of personnel expenses (including subcontractors).

EBITDA

The Group reports an increased adjusted EBITDA and adjusted EBITDA margin in the first quarter 2010. Adjusted EBITDA for the first quarter was EUR 4.5 million, reflecting an adjusted EBITDA margin of 12.4%, compared to 10.9% in the first quarter of 2009.

Depreciation and amortisation

Depreciation for the first quarter 2010 was EUR 0.7 million (1.9% of net sales) compared to EUR 0.7 million (1.9% of net sales) last year. Amortisation of intangible assets for the first quarter 2010 was EUR 0.8 million compared to EUR 1.0 million same period last year.

Restructuring

LBI recorded a restructuring charge of EUR 2.5 million related to headcount and property rationalisation in anticipation of the merger, and in case the merger is not completed these restructuring activities are still relevant for the ongoing business operations of the company.

Net financial items

Net financial items for the first quarter 2010 amount to EUR -0.2 million (-0.2).

Taxes

Tax costs during the first quarter 2010 was EUR 0.7 million (0.6).

Net result and earnings per share

Including the restructuring charge, net result for the first quarter 2010 was EUR -0.4 million (-2.5) resulting in earnings per share of EUR -0.01 (-0.04).

Shareholders' equity per share was EUR 2.26 as of 31 March compared to 2.20 as of 31 December 2009 and 3.13 end of March 2009. The Parent Company had 62,023,276 registered shares as of 31 March 2010.

The Company has an employee stock option programme. As per 31 March, the total number of options outstanding was 4,892,150 entitling to acquire up to 4,208,150 shares. No options were granted during January-March 2010.

Operating working capital

Operating working capital by the end of March 2010 amounted to EUR 40.7 million compared to EUR 36.7 million end of December 2009 and EUR 41.0 million by the end of March 2009.

DSO of working capital by end of March 2010 amounts to 77 days compared to 69 days per 31 December 2009 and 85 days by end of March 2009. The increase of 8 days over this quarter is a result of increased work in process of ongoing projects.

In order to finance its working capital, the Group has a working capital credit line with Danske Bank of EUR 10.0 million available for use by all group companies. This credit line is attached to the Group cash pool. By the end of March, an amount of EUR 5.6 million was used (disclosed under short term interest bearing liabilities).

Goodwill

Goodwill in the balance sheet amounted to EUR 100.5 million per 31 March 2010 compared to 87.9 million per 31 December 2009 and EUR 147.9 million per 31 March 2009.

The increase of EUR 12.6 million during 2010 is mainly due to the acquisition of Triple AS (EUR 9.5 million) and currency effects.

Net debt and financing

The net debt by end of March 2010 amounted to EUR 24.5 million compared to EUR 19.0 million at the end of December 2009 and EUR 33.5 million at the end of March 2009. The increase versus year end is mainly due to the negative movement in working capital.

The total bank debt under the acquisition line by end of March 2010 was EUR 33.1 million of which EUR 10.5 million will fall due in 1 year. Out of the working capital line of EUR 10.0 million, an amount of EUR 5.6 million was used by end of March 2010. The Group has renewed its credit facility agreement with Danske Bank per 31 March 2010 and prolonged it till maturity date for all termloans raised for financing of the acquisitions. The last payment on the termloans is due in April 2014. The Group also prolonged its working capital facility for 1 year and this facility will be increased from 10 to 15 million EUR at merger completion date.

The equity/assets ratio ended at 56.4%.

Earn out provision

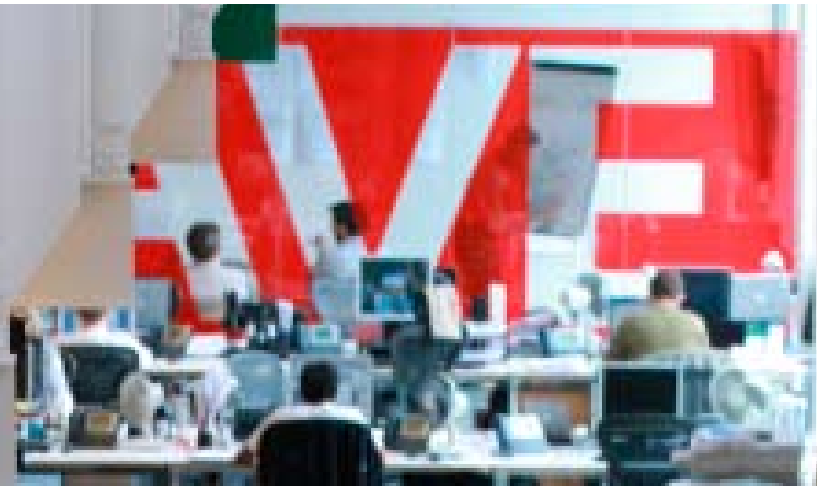
The remaining provision for unpaid considerations of acquisitions (earn out dependant on future profitability targets) amounts to EUR 23.1 million by end of March 2010 compared to EUR 12.8 million per 31 December 2009 and EUR 11.7 million per 31 March 2009. The increase of EUR 10.3 million relates mainly to the acquisition of Triple in Denmark, offset by actual settlement of earn out obligations in cash for an amount of EUR 0.5 million during 2010. The additional movement reflects a review of current performances of the acquired companies under an earn out and by exchange rate movements.

An amount of EUR 7.3 million will fall due within 1 year (disclosed under short-term non interest bearing liabilities).

Cash flow

Operational cash flow for the first quarter was EUR -1.9 million compared to EUR -3.0 million same period last year. The negative movement this quarter is partly a rebound effect from the very good performance in the previous quarter and also a seasonal effect reflection of a traditionally slow start of the year.

The Group continues to put focus on cash flow management particularly taking into account the current economic climate.



Acquisitions

In February 2010 the Company announced its acquisition of Triple Copenhagen Aps ("TRIPLE"), one of the most successful and experienced digital agencies and teams in Denmark.

The new management team, consisting of CEO Bettina Sherain and COO Jonas Bechlund (both co-founders of TRIPLE), will take care of the day to day operations in Copenhagen. The future Danish office will house +70 digital natives with extensive expertise in all aspects of the digital landscape.

TRIPLE realised net revenue of approximately EUR 3.6 million for the full year of 2009 and is highly profitable.

TRIPLE is consolidated as per 1 February 2010 and positively contributed to the result. The purchase price amounted to EUR 10.7 million. The purchase price consists of a fixed part of EUR 5.2 million of which EUR 2.6 million was paid early April and another EUR 2.6 million will be paid on 1 April 2011. In addition to this there is an earnout of maximum EUR 5.2 million, payable at the end of

the earnout period (3 years). Goodwill related to this acquisition was EUR 9.5 million, other intangible assets EUR 1.1 million and an amount of EUR 10.5 million was recorded under long and short term liabilities regarding the purchase price.

LBI to merge with Obtineo

On 25 February 2010 LBI announced the merger with Obtineo to create Europe's largest marketing and technology agency. Obtineo is a combination of Bigmouthmedia, the largest search engine marketing specialist in Europe, and EUR 40 million of new capital, underwritten by Janivo and Cyrte, committed towards global expansion of the combined entity.

The exchange ratio has been set so that, post rights issue, the shareholders in LBI will receive 51% in the merged entity, former shareholders in Bigmouthmedia will receive 25% in the merged entity and investors participating in the €40 million private placement will receive 24% of shares in the merged entity.

Each share in LBI will be exchanged for 1 share in Obtineo.

The EGM per 26 April 2010 approved the merger.

LBI and Obtineo's Boards of Directors and Executive Management expect the merger to be completed by July 2010.

The merged entity, which will trade under the name LBI, will be a Dutch N.V. with a single listing at NYSE Euronext Amsterdam.

LBI will publish its second quarter results on 26 August (stand alone).

It is anticipated that the merger will be completed in July and that Obtineo will get its listing at Euronext in July. Therefore Obtineo will issue its first consolidated results of the combined entity (Obtineo/ LBI) over the third quarter by the end of October. These results will include proforma numbers as from the first of January 2010.

Upon completion of the merger, the shares in LBI will no longer be listed on NASDAQ OMX Stockholm.

For further information about the merger please refer to www.lbi.com.



Operational review by region

Group

LBi has global operations with 24 offices in 13 countries and a staff of approximately 1,500. LBi's reporting is in accordance with its regional segmentation: UK (currently including India and United Arab Emirates (UAE)), Central and Southern Europe (including China), US and Scandinavia.

Total Group

EUR million	Jan–March 2010	Jan–March 2009	Change	At constant rates	Organic growth
Net sales	36.5	34.6	–3.9%	6.1%	4.7%
Restructuring costs	–2.5	–3.8			
EBITDA	2.0	0.0			
EBITDA adjusted*	4.5	3.8	9.2%	24.4%	
EBITDA margin adjusted*	12.4%	10.9%			
EBIT**	0.5	–1.7			
No. of employees***	1,465	1,523			

* Excluding restructuring costs during January–March 2010 of EUR 2.5 million.

** Operating earnings before management fee. EBIT includes restructuring costs during January–March 2010 of EUR 2.5 million.

*** End of period.

Change rates reflect year-on-year comparisons

Change at constant rates is adjusted for exchange rate fluctuations

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United Kingdom (including India and UAE)

UK operations saw significant year-on-year growth, both for topline and EBITDA. The revenue growth came in at 14.2% at constant rates. UK EBITDA adjusted increased by 31.7% at constant rates compared to the first quarter of 2009. Growth in the UK is also a consequence of LBi's differentiated offer and the increasing trend to consolidate digital spend into the larger more mature full-service agencies.

UK significant client wins during the first quarter include BETA, VIRGIN, Capital one and RBS.

In the UK, first quarter 2010 net sales came in at EUR 9.3 million (8.0), an increase of 14.2% at constant rates. Adjusted EBITDA was EUR 2.1 million (1.6), bringing EBITDA margin to a strong 22.7% (19.7%).

The UK operations generated 25% of total Group sales in January–March 2010.

Employees numbered 402 end of March 2010, as opposed to 375 at 31 December 2009 and 418 end of March 2009.

EUR million	Jan–March 2010	Jan–March 2009	Change	At constant rates
Net sales	9.3	8.0	6.4%	14.2%
Restructuring costs	–0.2	–0.3		
EBITDA	1.9	1.3		
EBITDA adjusted*	2.1	1.6	22.7%	31.7%
EBITDA margin adjusted*	22.7%	19.7%		
EBIT **	1.6	1.2		
No. of employees***	402	418		

* Excluding restructuring costs during January–March 2010 of EUR 0.2 million.

** Operating earnings before management fee. EBIT includes restructuring costs during January–March 2010 of EUR 0.2 million.

*** End of period.

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Central and Southern Europe (including China)

In Central- and Southern Europe market recovery is more hesitant affecting revenues and margins. LBi Dutch operations continued to track well to plan and LBi digital assets in Germany are well ahead of targets and flourishing. However, LBi's German branding business Meta continued to struggle in difficult market conditions. Meaningful improvement in the top line is expected in the second quarter of 2010. This confidence is driven by improved revenue visibility, an increase in inbound order values and significant recent new business success.

Key client wins during the first quarter include: Maandag, Ahold, Mainpress, Price-

waterhouseCoopers, CBI, Banco Espírito Santo, Wall and Image, Möbel Höffner as well as continuous business with Bel, Arc, Toyota, RTL, Thomas Cook, Touring and Belgacom.

Year-on-year net sales in first quarter 2010 decreased by 8.0% at constant rates to EUR 14.8 million (16.1). Adjusted EBITDA came in at EUR 1.6 million (2.2) bringing the EBITDA adjusted margin to 10.6% (13.5%).

The Central and Southern Europe operations generated 40% of total Group sales in January–March 2010. Employees numbered 642 end of March, as opposed to 641 on 31 December 2009 and 693 end of March 2009.

EUR million	Jan–March 2010	Jan–March 2009	Change	At constant rates
Net sales	14.8	16.1	-16.4%	-8.0%
Restructuring costs	-0.6	-2.5		
EBITDA	1.0	-0.3		
EBITDA adjusted*	1.6	2.2	-34.2%	-25.8%
EBITDA margin adjusted*	10.6%	13.5%		
EBIT **	0.7	-0.6		
No. of employees***	642	693		

* Excluding restructuring costs during January–March 2010 of EUR 0.6 million.

** Operating earnings before management fee. EBIT includes restructuring costs during January–March 2010 of EUR 0.6 million.

*** End of period.

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United States

The US operations show significant year-on-year growth. The improvements demonstrate the success of the LBi service extension strategy and the offer is proving to be highly relevant in advanced markets where buyers are increasingly shifting spend to agencies that blend direct response, data and digital skill sets. The revenue synergies achieved via the combination of LBi Special Ops and LBi Icon Nicholson, effective from 1 January 2010, are as expected accelerating topline growth.

Significant wins in the quarter include Neutrogena, Denon, Golden Key, Diane Von Furstenberg and another Coty fragrance project for Marc Jacobs.

US operations reported net sales in the first quarter 2010 of EUR 8.8 million (7.5) a year-on-year increase of 25.3% at constant rates. Adjusted EBITDA was EUR 1.4 million (1.0) and the EBITDA margin adjusted was 15.5% (14.0%).

US operations generated 24% of total Group sales during January–March 2010. Employees numbered 235 end of March 2010, as opposed to 223 on 31 December 2009 and 239 end of March 2009.

EUR million	Jan–March 2010	Jan–March 2009	Change	At constant rates
Net sales	8.8	7.5	7.2%	25.3%
Restructuring costs	–0.7	–0.1		
EBITDA	0.7	0.9		
EBITDA adjusted*	1.4	1.0	18.3%	37.7%
EBITDA margin adjusted**	15.5%	14.0%		
EBIT **	0.6	0.8		
No. of employees***	235	239		

* Excluding restructuring costs of 0.7 during January–March 2010.

** Operating earnings before management fee. EBIT includes restructuring costs during January–March 2010 of EUR 0.7 million.

*** End of period.

Change rates reflect year-on-year comparisons

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Scandinavia

Scandinavian operations saw a strong rebound with revenues and profits up over 22.4% respectively 307.7% year-on-year at constant rates. This was a consequence of management changes, acceleration in spending across our existing client base and positive momentum driven by the integration of Triple in Copenhagen, which LBi acquired in February this year.

Net sales during the first quarter 2010 came in at EUR 4.1 million (3.1) a year-on-year improvement of 22.4% at constant rates. EBITDA adjusted came in at EUR 0.8 million (0.2). EBITDA margin was 19.1% (5.9%).

Scandinavian operations generated 11% of total Group sales in January–March 2010. Employees numbered 176 end March 2010 as opposed to 146 on 31 December 2009 and 160 end of March 2009. The increase in employees relates mainly to the acquisition of Triple in Denmark.

EUR million	Jan–March 2010	Jan–March 2009	Change	At constant rates	Organic growth
Net sales	4.1	3.1	17.7%	22.4%	6.0%
Restructuring costs	–0.7	0.0			
EBITDA	0.1	0.2			
EBITDA adjusted*	0.8	0.2	285.0%	307.7%	
EBITDA margin adjusted*	19.1%	5.9%			
EBIT **	0.1	0.1			
No. of employees***	176	160			

* Excluding restructuring costs during January–March 2010 of EUR 0.7 million.

** Operating earnings before management fee. EBIT includes restructuring costs during January–March 2010 of EUR 0.7 million.

*** End of period.

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Parent Company

Net sales for the Parent Company for the quarter amounted to EUR 0.6 million (0.8) of which EUR 0.6 million (0.8) was completely related to internal invoicing. The result after financial items was EUR 0.7 million (-0.0). External net financial debt was EUR 42.9 million (45.3).

Parent Company' and eliminations

EUR million	Jan–March 2010	Jan–March 2009	Change	At constant rates
Net sales	-0.5	-0.1	n/a	n/a
Restructuring costs	-0.3	-0.9		
EBITDA	-1.7	-2.1		
EBITDA adjusted*	-1.4	-1.2	n/a	n/a
EBITDA margin adjusted*	n/a	n/a		
EBIT **	-2.5	-3.2		
No. of employees***	10	13		

1) LBI International AB and LBi Holding NV and Icon Medialab Mijada AB.

* Excluding restructuring costs during January–March 2010 of EUR 0.3 million.

** Operating earnings before management fee. EBIT includes restructuring costs during January–March 2010 of EUR 0.3 million.

*** End of period

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Risks

LBi is exposed to a number of risks that can affect the Group's earnings and financial position to one degree or another. For a full description of all relevant risks we refer to the LBi annual report 2009. Below the major risks are listed to which the company is exposed.

Economic climate. The majority of LBi's clients' IT and marketing investments are sensitive to changes in the economic climate (e.g. clients may choose to reduce their purchases of LBi's services). Deterioration of the general economic conditions may have an adverse effect on the results of LBi. As a result, LBi might be obliged to adapt its organisation and range of services to prevailing conditions. Since the average backlog and pipeline amounts to approximately two to three months, forecasts and other forward looking statements are primarily based on overall market development and expectations of the management of LBi. Since the market in which LBi is operating is volatile and dynamic, actual results may differ significantly.

Restructuring. Due to the current worldwide economic crisis situation, potential future restructuring cannot be excluded.

Impairment. The Company is carrying a considerable amount of goodwill in its balance sheet as a result of its strategy of expansion via acquisitions. Under IFRS goodwill is no longer amortised but instead impairment tests are carried out on a regular basis. An impairment charge is recognised if the present value of future

free cash flows is less than the book value in the balance sheet. The impairment test calculations are based on management assumptions and estimates of future market conditions, future performance of the cash flow generating units and on the WACC (weighted average cost of capital) used to discount the future cash flows. If reality ultimately deviates negatively from these estimates and assumptions, an impairment loss might be incurred.

Market and competition. LBi does business in a highly competitive market. Failure to satisfy client demands and remain competitive could be detrimental to the Group's operations, earnings and financial position.

Dependency on major clients. A substantial part of LBi's sales are derived from major international clients. There is no absolute guarantee that one or more of these clients might not choose another supplier or reduce the use of the Group's services in the future in which case the Group's business, result of operations and financial condition could be negatively affected.

Accounting policies

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The Group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as applied by the EU, and the Swedish Annual Accounts Act (1995:1554). The financial statements of the Parent Company have been prepared in accordance with RFR 2.2 Reporting for legal entities and the Annual Accounts Act (1995:1554).

The accounting policies and calculation methods are in accordance with the Annual Accounts for 2009.

Reporting of media sales

As per the third quarter 2007, the Group changed its reporting of sales from gross to net. The service offering of LBi includes an increasing amount of media services. Media services include for example measurement and analytics which are purchased from third party service providers.

According to IFRS, these external services and other third party services can in LBi's case be reported on a gross or net basis. LBi has decided to change the accounting principles

from gross to net basis as of 1 July 2007. In the net basis principle, only the mark-up portion of media services is included in net sales. The financial information for earlier periods in 2006 and 2007 has been adjusted to comply with the new accounting principles for media sales. Historical financial data per segment for 2006 and 2007 have been disclosed in a separate press release on 1 February 2008.

The change of accounting principles from gross to net will give a more true view of the LBi Group's performance and will also give a better comparison to other companies in the media sector.

Reporting of EBITDA

In order to make the results and performance better comparable with competitors, the company has started to put more focus on EBITDA rather than EBIT. The tables in the financial reports now include EBITDA numbers and margins next to EBIT. For the analysis of the operational performance per segment, EBITDA is a better measure than EBIT since it excludes the amortisation (on client relationships) in acquisitions.

Consolidated Income Statement

EUR million	Jan–March 2010	Jan–March 2009	Jan–Dec 2009
Net sales	36.5	34.6	137.5
Production expenses*	–25.7	–26.7	–97.2
Gross margin	10.8	7.9	40.3
Selling expenses*	–2.5	–2.0	–8.8
Administrative expenses*	–7.8	–7.7	–25.9
Impairment of intangible assets	–	–	–68.9
Other operating income/expenses	--	0.1	0.2
Operating profit/loss	0.5	–1.7	–63.1
Net financial items	–0.3	–0.2	–0.9
Profit/loss after financial items	0.2	–1.9	–64.0
Tax	–0.6	–0.6	0.2
Profit/loss for the period	–0.4	–2.5	–63.8
Of which attributable to:			
Parent company's shareholders	–0.4	–2.6	–64.0
Minority interests	0.0	0.1	0.2
Profit/loss for the period	–0.4	–2.5	–63.8
Earnings per share, EUR	–0.01	–0.04	–1.03
Earnings per share after dilution, EUR	–0.01	–0.04	–1.03

*Included in the operational expenses are restructuring costs totalling at EUR 2.5 (3.8) million allocated between the categories as follows: production expense EUR 1.1 (2.3) million, selling expenses EUR 0.1 (0.4) million and administrative expenses EUR 1.3 (1.0) million.

Consolidated statement of comprehensive income

EUR million	Jan-March 2010	Jan-March 2009	Jan-Dec 2009
Profit/ loss for the period	-0.4	-2.5	-63.8
Other comprehensive income:			
Exchange rate differences on translating foreign operations	3.0	4.1	3.3
Net investment hedge	0.8	-0.8	3.2
Income tax related to net investment hedge	-0.2	0.2	-0.8
Income tax relating to components of other comprehensive income	0.8	-0.8	1.3
Total other comprehensive income	4.4	2.7	7.0
Total comprehensive income for the period	4.0	0.2	-56.8
Total comprehensive income attributable to:			
Parent company's shareholders	4.0	0.1	-57.1
Minority interests	0.0	0.1	0.3
Total comprehensive income	4.0	0.2	-56.8

Consolidated balance sheet

EUR million	31 March 2010	31 March 2009	31 Dec 2009
Assets			
Intangible assets	107.0	160.7	93.4
Tangible assets	8.7	10.7	8.9
Deferred tax assets	53.3	46.0	51.0
Financial assets	1.9	1.5	1.8
Total non-current assets	170.9	218.9	155.1
Trade accounts receivable	39.3	40.4	41.1
Other current assets	22.8	23.1	17.1
Cash and cash equivalents	15.6	16.6	21.0
Total current assets	77.7	80.1	79.2
Total assets	248.6	299.0	234.3
Liabilities and shareholders' equity			
Shareholders' equity			
Attributable to parent company's shareholders	140.2	193.9	136.6
Attributable to minority interests	0.1	0.1	0.1
Total shareholders' equity	140.3	194.0	136.7
Long-term interest-bearing liabilities	23.3	34.1	24.9
Long-term non-interest-bearing liabilities	19.0	8.3	10.8
Short-term interest-bearing liabilities	16.9	16.0	15.1
Short-term non-interest-bearing liabilities	49.1	46.6	46.8
Total liabilities	108.3	105.0	97.6
Total shareholders' equity and liabilities	248.6	299.0	234.3

Statement of changes in equity	Share Capital	Other contributed capital	Other reserves	Accumulated loss	Minority interest	Total Equity
Opening Balance 1 January 2010	14.2	167.6	20.0	-65.2	0.1	136.7
Total comprehensive income for the period	-	-	4.4	-0.4	0.0	4.0
Merger costs	-	-	-	-0.5	-	-0.5
Cost of option plan	-	-	0.1	-	-	0.1
Balance at 31 March 2010	14.2	167.6	24.5	-66.1	0.1	140.3

Consolidated cash flow statement

EUR million	Jan–March 2010	Jan–March 2009	Jan–Dec 2009
Cash flow from operations	3.1	2.5	10.7
Changes in working capital	–5.0	–5.5	2.3
Cash flow from/used for operating activities	–1.9	–3.0	13.0
Acquisition/divestment of subsidiaries	–0.5	–9.1	–9.5
Cash flow used for other investing activities	–1.4	–0.6	–2.7
Cash flow before financing	–3.8	–12.7	0.8
Cash flow from/used for financing activities	–1.5	11.9	3.6
Cash flow for the period	–5.3	–0.8	4.4
Cash and cash equivalents at beginning of the period	21.0	17.0	17.0
Translation differences in cash and cash equivalents	–0.1	0.4	–0.4
Cash and cash equivalents at end of the period	15.6	16.6	21.0

Quarterly income statements

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Net sales	36.5	34.6	33.8	34.3	34.6	39.0	41.0	42.6	37.8
Cost of operation	-32.0	-30.1	-29.1	-29.8	-30.9	-33.3	-35.5	-36.5	-35.6
Restructuring costs	-2.5	-0.6	-0.3	-	-3.8	-	-	-	-
Other income	0.0	0.0	0.1	0.0	0.1	-0.1	0.5	0.1	1.4
EBITDA	2.0	3.9	4.5	4.5	0.0	5.6	6.0	6.2	3.6
Depreciation	-0.7	-0.6	-1.7	-0.8	-0.7	-0.9	-0.9	-0.8	-2.0
Amortisation	-0.8	-0.8	-0.6	-0.9	-1.0	-1.1	-1.0	-1.1	-1.0
Impairment	0.0	-	-68.9	-	-	-	-	-	-
EBIT	0.5	2.5	-66.7	2.8	-1.7	3.6	4.1	4.3	0.6
Net financial items	-0.2	0.1	-1.1	0.3	-0.2	-0.4	-0.3	-0.7	-1.4
Profit/loss before tax	0.3	2.6	-67.8	3.1	-1.9	3.2	3.8	3.6	-0.8
Tax	-0.7	2.3	-0.5	-0.9	-0.6	1.2	-0.8	-0.8	0.1
Net result	-0.4	4.9	-68.3	2.2	-2.5	4.4	3.0	2.8	-0.7

Key ratios

	Jan-March 2010	Jan-March 2009	Jan-Dec 2009
Change in net sales	-3.9%	6.5%	-5.2%
Adjusted EBITDA margin	12.4%	10.9%	13.1%
Operating margin	1.4%	-4.9%	-46.3%
Operating margin before impairment	1.4%	-4.9%	4.2%
Profit margin	-1.0%	-7.3%	-46.9%
Equity/assets ratio	56.4%	64.9%	58.4%
Average no. of employees	1,442	1,571	1,469
No. of employees at end of the period	1,465	1,523	1,396
Sales per employee (TEUR) ¹⁾	101	91	94
Sales per employee, excl India (TEUR) ¹⁾	107	93	98
Adjusted EBITDA per employee (TEUR) ¹⁾	13	10	12
Adjusted EBITDA per employee, excl India (TEUR) ¹⁾	13	10	13
No. of shares at end of the period (thousand)	62,023	62,023	62,023
No. of shares after dilution (thousand)	62,303	62,044	62,303
Average no. of shares (thousand)	62,023	62,023	62,023
Average no. of shares after dilution (thousand)	62,063	62,044	62,057
Shareholders' equity per share (EUR)	2.26	3.13	2.20
Shareholders' equity per share after dilution (EUR)	2.25	3.13	2.19
Cash flow per average no. of shares (EUR)	-0.09	-0.14	0.07

¹⁾ Annual rate

Parent Company

Income Statement

EUR million	Jan–March 2010	Jan–March 2009	Jan–Dec 2009
Net sales	0.6	0.8	2.9
Gross margin	0.6	0.8	2.9
Administrative expenses	-1.1	-0.8	-4.9
Operating profit/loss	-0.5	0.0	-2.0
Net financial items	1.2	-0.0	-5.0
Profit/loss after financial items	0.7	-0.0	-7.0
Tax	-	-	-
Profit/loss for the period	0.7	-0.0	-7.0

Balance Sheet

EUR million	31 March 2010	31 March 2009	31 Dec 2009
Assets			
Intangible assets	0.0	0.2	0.0
Tangible assets	0.0	0.0	0.0
Financial assets	93.8	111.7	88.4
Total non-current assets	93.8	111.9	88.4
Trade accounts receivable	-	-	-
Receivables from Group companies	78.9	59.4	68.9
Other current assets	1.3	0.3	0.9
Liquid assets	0.5	0.5	4.0
Total current assets	80.7	60.2	73.8
Total assets	174.5	172.1	162.2
Liabilities and shareholders' equity			
Shareholders' equity ¹⁾	92.4	92.2	87.1
Long-term interest-bearing liabilities	22.6	33.1	24.2
Long-term non-interest-bearing liabilities	0.1	0.1	0.1
Short-term interest-bearing liabilities	20.8	12.6	14.8
Liabilities to group companies	38.1	33.7	35.7
Short-term non-interest-bearing liabilities	0.5	0.4	0.3
Total liabilities	82.1	79.9	75.1
Total liabilities and shareholders' equity	174.5	172.1	162.2
¹⁾ Shareholders' equity			
At beginning of the period	87.1	92.5	92.5
Issue of new shares	-	-	-
Group contribution	-	-	-
Tax on Group contribution	-	-	-
Translation difference	4.6	-0.3	1.6
Profit/loss for the period	0.7	0.0	-7.0
At end of period	92.4	92.2	87.1

Calendar and contacts

Calendar

- The AGM 2010 will take place in Stockholm on 12 May 2010.
- The second quarter report for the period January–June 2010 will be released on 26 August 2010.
- The merger of LBi into Obtineo is expected to be completed in July 2010.

Stockholm, 29 April 2010

Fred Mulder
Chairman

Katarina G. Bonde

George W. Fink

Lucas Mees

Michiel Mol

Luke Taylor
CEO and President

LBi discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. This report was submitted for publication at 07:30 CET on 29 April 2010.

The company's auditors have not reviewed this report.

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About LBI

LBI is a global digital marketing and technology agency, blending insight, creativity and expertise to solve business problems. The largest genuinely full service agency of its kind in Europe, LBI provides the full range of digital capabilities, including digital strategy, branded content, service design, media, CRM, technology, managed hosting and support services.

The Company employs approximately 1,500 professionals located primarily in the major European, American and Asian business centers; such as Amsterdam, Atlanta, Berlin, Brussels, London, Milan, Mumbai, New York, Paris and Stockholm. LBI is listed on Nasdaq OMX in Stockholm and NYSE Euronext in Amsterdam (symbol: LBI).