LB Icon AB (publ.)
Report for the period January 1 – March 31, 2005

CONTINUED STRONG REVENUE GROWTH AND PROFITABILITY IMPROVEMENT

AMSTERDAM, the Netherlands / STOCKHOLM, Sweden – April 21, 2005.
LB Icon AB (Euronext Amsterdam, OMX Stockholm: ICON) ("LB Icon" or "the Company"), the internationally active full service company in Digital Marketing and Technology today reported its financial results for the first quarter of 2005.

Key figures first quarter 2005

EUR in millions	Q1 2005	Q1 2004	% change
Net sales	20.9	13.5	↑ 53%
EBITDA *	2.0	- 0.7	↑
EBIT *	1.4	- 1.1	↑
Net result	0.2	- 1.5	↑
EPS *	0.0	- 0.1	↑
Cash flow from current operations	0.5	0.2	↑

* EBITDA: earnings before interest, tax, depreciation and amortization
EBIT: earnings before interest and income tax
EPS: earnings per share (in EUR)

Highlights first quarter 2005

Net sales boosted by 53%; over 10% attributed to organic growth.
In all key markets substantial new business; contracts closed with existing and new multinational clients including BT, Eurostar, Nestlé and First Choice.
Sales per employee improved 27% over Q1 2004 from € 90 thousands to € 114 thousands per employee (annualized).
Latest acquisition of Wheel in London creates the largest, full service digital marketing and technology organization in the UK.
Strong improvement of financial performance continued; LB Icon on track towards sustainable profitability.
Trend of high sales growth and significant earnings improvement expected to continue in the rest of 2005.

Robert Pickering, CEO of LB Icon on business performance and outlook

"The Company continues to show the improvement in operations resulting from our focus on improved productivity and investment in acquisitions, which strengthen our service offering and position in key markets such as the UK. We also see that demand is increasing in all our key markets in Europe and the US as digital marketing investments are increasing and our blue chip clients look to add new digital channels to their marketing and distribution strategies.

The opportunities for continued strong growth exist and LB Icon is at the forefront of the turnaround in this industry. We will continue to lead in the growth and quality of our revenue streams and the improvement in operating effectiveness. Our Pan-European and US presence is key to competing in a digital marketplace still in its infancy."

Mail address:
LB Icon AB (publ.)
Birger Jarlsgatan 24
SE-114 34 Stockholm

Reg. nr. 556284-0917
Tel +46 8 5223 9000
Fax +46 8 5223 9097

OPERATIONAL REVIEW

In Q1, growth in sales revenue has been strong and is already expected to be greater than 25% for the full year compared to 2004. Much of this is attributable to the acquisitions made in 2004 but the organic growth in existing and acquired entities exceeds 10%. In the first quarter, the Group started new projects in all selected key markets with a host of existing and new clients including BT, Eurostar, Nestlé, First Choice, Brahma beer and others. These projects typically are part of a broader effort and have the possibility of leading to other projects involving various disciplines with the Group. The Company is emphasizing the importance of not only gaining new client wins but also expanding the service offerings to existing clients.

Early in Q1 2005, the Company closed on the acquisition of Wheel in the UK. This addition of one of the leading digital marketing and communications companies in London to the existing LB Icon technology services group created the largest, full service digital marketing and technology organization in the UK. The management team is in place in the UK to pursue new client opportunities and to implement the cost saving initiatives that have an immediate positive impact to profitability.

The consideration for Wheel consisted of cash (EUR 1.3 million), convertible bonds (EUR 4.2 million) and an earn-out payable in shares. The earn-out is dependent on EBIT. Upon acquisition other intangible fixed assets (trademark and client portfolio) were recognized for EUR 1.6 million that will be depreciated in 3-5 years. Wheel has 88 employees and is consolidated as of February 1, 2005.

It is expected that opportunities for other acquisitions in key markets will occur in the year and the Company will carefully evaluate the contribution to the long-term growth. The Company may divest certain assets or entities as it did late in December 2004. Only non-core assets or entities will be divested when there is an opportunity to recognize a financial gain.

FINANCIAL REVIEW

Sales

Net sales increased to EUR 20.9 million, up by 53% from first quarter last year. This steep increase reflects the group strategy of strong organic growth combined with acquisitions. The Company focused on increasing its presence in the UK area, a market that showed an economic uplift as one of the earliest in the European market. LB Icon was successful in this expansion by acquiring Linkhand, Aspect Group and Object 1 in 2004 and just recently Wheel Ltd. in January this year. As a result, the revenue originated from the UK region (all London based) increased from EUR 0.7 million in Q1 2004 to EUR 5.5 million this quarter. The UK now generates 26% of Group revenue. This will further increase into the second quarter when Wheel will contribute for a full quarter.

Sales for continental Europe (the Netherlands, Belgium, Germany, Spain and Italy) went up strong from EUR 9.7 million in Q1 2004 to EUR 12.0 million this first quarter, a strong increase of 21.6%, of which 11.5% was organic.

The US showed strong sales improvement. Net sales increased from EUR 3.1 million to EUR 3.7 million in this first quarter, an increase of 19%. The US business, located in New York and St. Louis generated 17% of Group sales.

Costs and results

EBITDA result showed a very strong improvement and turned positive to EUR 2.0 million vs EUR –0.7 million in Q1 2004, which is 9.6% of net sales. The improvement of EUR 2.7 million is due to better pricing and increased cost effectiveness as well as an incidental gain of EUR 0.6 million on the shares in Framfab AB. EBITDA result for Europe was EUR 2.0 million for Q1. The US scored EUR 150 thousand.

The improved pricing and cost effectiveness is reflected in the sales per employee, which increased from EUR 90 thousand to EUR 114 thousand (on an annual basis), an increase of 26.7%.

Net result turned positive to EUR 0.2 million, an improvement of EUR 1.7 million compared to last year. This first quarter result was negatively impacted by a high net currency translation loss of EUR 0.5 million mostly related to pound sterling obligations in connection with the Wheel acquisition. The Group has fully covered its GBP exposure regarding this acquisition. The currency loss in the income statement is balanced by a comparable gain on GBP assets that is reported directly in equity. Adjusted for this the net result would be EUR 0.7 million.

Earnings per share amount to EUR 0.01 compared to EUR –0.07 last year. Number of shares outstanding by end of Q1 was 25,393,363.

Balance sheet and cash flow

Balance sheet

LB Icon issued a convertible loan by end of December 2004 for EUR 17.25 million (including the green shoe). The proceeds of this green shoe of EUR 2.25 million were received in January 2005. A part of these liquid funds were used to repay high interest debt of EUR 2 million in one of the German subsidiaries in February 2005. To finance the new UK acquisition, the Group issued convertible bonds for EUR 4.2 (SEK 38.5) million (GBP 2.9 million) in January 2005 that are due in January 2006.

The Company acquired 105 million shares in Framfab, which represents 9.13% of share capital and votes. The investment is shown in the balance sheet as part of financial fixed assets.

The total cash balance by the end of March shows EUR 10.9 million of which EUR 4.9 million is in the parent company.

Net working capital (excluding cash, short term convertible loan and short term provisions) has decreased to EUR 5.6 million (EUR 6.2 million) despite the steep increase in revenue in the first quarter. This reflects improved collections from debtors. Net working capital expressed as a percentage of revenue decreased from 46% in the first quarter last year to 27% now, in this first quarter.

Despite the new convertible loans raised, the solvency of LB Icon has slightly improved and is still at the required level. The solvency rate (equity/ assets ratio) end of March is at 35.1% compared to 31.1% per year-end 2004.

Cash flow

Operational cash flow for the first quarter was positive by EUR 460 thousand (SEK 4.2 million) and improved by EUR 250 thousand (SEK 2.3 million) compared to Q1 2004.

MARKET DEVELOPMENTS AND TRENDS

Growth in spending by large corporations in digital marketing and Internet related activities continue to be strong. It is expected that this trend will continue for the next several years. While competition to provide services is still a factor, generally speaking, there are fewer players such as LB Icon that have the network and capabilities creative and technological to support the next generation of internet commerce development.

All of the leading technology research firms such as Forrester, Gartner and IDC predict continued steady growth for Internet commerce related technology services. Corporate spending for online advertising continues to grow at a higher pace than other traditional forms of media.

It is expected that more consolidation among the larger digital marketing and Internet companies will occur in 2005. M&A activity in the US and Europe most likely will get even more robust. The opportunity for market expansion through M&A combined with strong market demand will support double digit level sales growth for the next several years.
Therefore, LB Icon expects the current trend of high sales growth and significant earnings improvement to continue in the rest of 2005.

Stockholm, April 21, 2005

For the Board

Robert Pickering
CEO

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

ABOUT LB ICON

Dutch/Swedish LB Icon is one of the leading international full service companies in the field of digital marketing and technology. The Company offers a complete range of strategic, branding, digital marketing & communications and technology services to corporate clients. LB Icon is a pioneer in the design and deployment of digital creative and technology solutions for all digital channels such as the Internet, mobile and interactive television. The Company has over 700 professionals located primarily in the major European and American business centers, such as Amsterdam, London, New York, St. Louis, Washington DC, Brussels, Munich, Berlin, Madrid and Milan. LB Icon is listed on both the Euronext Amsterdam and OMX Stockholm stock exchanges (symbol: ICON).

FORTHCOMING REPORTS

The Company will report its second quarter results on July 21, 2005

FOR FURTHER INFORMATION PLEASE CONTACT:

Robert Pickering
Chief Executive Officer
Amsterdam: Tel. +31 20 460 4500
Stockholm: Tel. +46 8 5223 9000
Email: robert.pickeirng@lbicon.com

Theo Cordesius
Chief Operating Officer
Amsterdam: Tel. +31 20 460 4500
Stockholm: Tel. +46 8 5223 9000
Email: theo.cordesius@lbicon.com

Corporate website: www.lbicon.com

FINANCIAL INFORMATION:

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Accounting Principles

These interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, which is in accordance with RR31 Interim Consolidated Financial Reporting. The IFRS standards and IFRIC interpretations that will be applicable at December 31, 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements.

In comparison to the last annual report the accounting principles have been changed due to the adoption of IFRS. Reconciliation and descriptions of the effect of the transition from Swedish GAAP to IFRS on the Group's equity and its net result are provided in a separate appendix. The principles have been applicable as of January 1, 2005, and the comparable year 2004 has been recalculated. The adoption rules are available in IFRS 1, First-time Adoption of IFRS, which state that all standards shall be applied retrospectively. However, a number of mandatory as well as voluntary exceptions from the main rule are stated. LB Icon uses the voluntary exceptions that are applicable to the Group.

From January 1, 2005

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.
The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policies. If indication of impairment exists the recoverable amounts of cash-generating units will be determined based on value-in-use calculations. These calculations require the use of estimates.

Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

SUMMARY CONSOLIDATED INCOME STATEMENTS

	Jan - Mar 2005 EUR 000	Jan - Mar 2004 EUR 000	Jan - Dec 2004 EUR 000
Net sales	20,898	13,524	66,205
Cost of sales*	- 14,952	- 10,546	- 49,467
Gross margin	5,946	2,978	16,738
Sales costs	- 1,814	- 937	- 5,667
Administrative costs	- 3,677	- 3,061	- 13,136
Other operating income	985	3	849
Other operating expenses	0	- 98	- 101
Operating result	1,440	- 1,115	- 1,317
Equity in loss/earnings of associated companies	0	0	0
Net financial items	- 1,019	- 399	- 611
Result after financial items	421	- 1,514	- 1,928
Income taxes	- 174	27	4,122
Net result for the period	247	- 1,487	2,194
Net result attributable to minority interest	0	0	0
Net result attributable to the shareholders of the company	247	- 1,487	2,194
Earnings per share on a non diluted basis	0.01	- 0.07	0.09
Average number of shares	25,355,190	20,422,342	23,660,608
Earnings per share on a fully diluted basis	0.01	-0.07	0.09
Average number of shares after dilution	27,915,249	22,750,467	26,242,415

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

SUMMARY CONSOLIDATED BALANCE SHEETS

	Mar 31, 2005	Mar 31, 2004	Dec 30, 2004
	EUR 000	EUR 000	EUR 000
Assets			
Intangible fixed assets	3,423	495	1,384
Goodwill	34,629	6,610	21,920
Tangible fixed assets	3,463	3,346	3,372
Financial fixed assets	10,333	488	4,708
Total fixed assets	51,848	10,939	31,384
Accounts receivable, trade	17,825	11,395	18,014
Other current assets	7,654	4,554	5,753
Share issue subscribed not yet paid		2,217	
Cash and bank, short-term investments	10,903	6,652	17,450
Total current assets	36,382	24,818	41,217
Total Assets	**88,230**	**35,757**	**72,601**
Shareholders' equity & liabilities			
Restricted equity	59,551	52,576	60,848
Loss carried forward	- 29,071	- 39,950	- 33,988
Net result for the period	247	- 1,487	2,194
Minority interest	0	0	0
Total shareholders' equity	30,727	11,139	29,054
Long term provision	978	1,006	970
Long-term loans from shareholders	-	5,604	-
Convertible loan - long term portion	15,838	-	13,681
Other long-term loans	2,166	4,166	3,871
Convertible loan - short term portion	4,217	-	-
Short term provisions	14,391	1,874	6,387
Debenture	-	0	-
Other current liabilities	19,913	11,968	18,638
Total liabilities	57,503	24,618	43,547
Total Shareholders' equity & liabilities	**89,208**	**36,763**	**73,571**

CHANGE IN SHAREHOLDERS' EQUITY

	Jan - Mar 2005 EUR 000	Jan - Mar 2004 EUR 000	Jan - Dec 2004 EUR 000
Opening balance shareholders' equity	29,054	5,215	5,215
Issuance of new stock etcetera	793	7,278	22,556
Net currency translation difference	633	133	- 911
Net result for the period	247	- 1,487	2,194
Closing balance shareholders' equity	30,727	11,139	29,054

CONSOLIDATED CASH FLOW ANALYSIS

	Jan - Mar 2005 EUR 000	Jan - Mar 2004 EUR 000	Jan - Dec 2004 EUR 000
Current operations			
Net result for the period	247	- 1,487	2,194
Adj for items not incl in cash flow:			
Depreciation and write-downs	598	391	1,921
Non-cash financial items	- 626	119	- 51
Taxes	174	- 27	- 4,313
Other non-cash items	228	104	- 2,720
Cash flow fm current operations before changes in working cap	621	- 900	- 2,969
Changes in working capital	- 161	1,102	- 2,937
Cash flow fm current operations	460	202	- 5,906
Investment activities	- 6,695	- 556	- 3,790
Financing activities			
Issuance of common stock for cash	0	2,518	8,576
Net borrowing/repayment of debt	- 222	- 728	13,247
Cash flow fm financing activities	- 222	1,790	21,823
Change in cash and cash equivalent	- 6,457	1,436	12,127
Cash and cash equivalent opening balance	17,320	5,207	5,207
Translation rate differences on cash and cash equivalent	40	9	116
Cash and cash equivalent end of period	10,903	6,652	17,450

** investing and financing transactions that do not require the use of cash are exluded from the cash flow analysis*

KEY RATIOS

	Jan - Mar 2005 EUR 000	Jan - Mar 2004 EUR 000	Jan - Dec 2004 EUR 000
Equity/Assets ratio	34.8%	31.1%	40.0%
Debt/Equity ratio	0.78	0.94	0.68
Liquid ratio, %	94%	179%	165%
Profit margin, %	2%	- 11%	- 3%
EBITDA	2,037	- 724	604
EBIT	1,440	- 1,115	- 1,317
EBITDA (% of sales)	10%	- 5%	1%
EBIT (% of sales)	7%	- 8%	- 2%
Key ratio's per employee			
Number of employees at end of period	726	567	674
Average nr of employees for the period	700	563	615
Sales per employee	114	90	108
Sales per consultant	142	114	135
Share data			
Number of shares (incl not registered)	25,393,363	21,015,455	25,187,256
Average number of shares	25,355,190	20,422,342	23,660,608
Nr of shares after full subscr/conversion	32,393,545	22,881,945	32,211,514
Shareholders' equity per share (SEK/EUR)	1.21	0.53	1.15
Shareholders' equity per share (SEK/EUR) after dilution	1.32	0.67	1.27
Earnings per share (SEK/EUR)	0.01	- 0.07	0.09
EBITDA per share (SEK/EUR)	0.08	- 0.04	0.03
EBIT per share (SEK/EUR)	0.06	- 0.05	- 0.06
Cash flow from current operations (SEK/EUR)	0.02	0.01	- 0.25
Share price	3.9	3.9	3.7
Market capitalisation (SEK 000/EUR 000)	99,484	82,805	94,239
Price/Sales (P/S)	1.36	1.60	1.40

EFFECTS OF ADOPTION OF IFRS

Below is a summary of the consequences for the Group's shareholders' equity and net income. The effects of the transition to IFRS that are accounted for are preliminary and based on current standards, which may change up until December 31, 2005.

Shareholder's equity according to IFRS (thousands EUR)

	Jan. 01, 2004	March 31, 2004	June 30, 2004	Sept. 30, 2004	Dec. 31, 2004
Shareholder's equity according to Swedish Gaap	4,958	10,390	16,322	18,691	24,800
- adjustment for the amortization of Goodwill	-	523	1,387	2,555	3,804
- translation effect on goodwill amortization	-	0	1	-12	-50
- adjustment for the fair value of issued stock options	257	252	256	257	711
- adjustment for cost of stock options	-	-27	-56	-84	-113
- adjustment for amortization of other intangible assets	-	-	-27	-64	-98
Shareholder's equity according to IFRS	5,215	11,137	17,883	21,343	29,054

Income statement according to IFRS (thousands EUR)	Jan- Mar 2004	Apr - Jun 2004	July - Sep 2004	Oct - Dec 2004	Jan-Dec 2004
Net result according to Swedish Gaap	-1,982	-1,970	-1,490	4,040	-1,402
- adjustment for the amortization of Goodwill	523	864	1,168	1,249	3,804
- adjustment for cost of stock options	-28	-28	-28	-28	-111
- adjustment for amortization of other intangible assets	-	-27	-37	-32	-97
Net result according to IFRS	-1,487	-1,161	-387	5,229	2,194