



**LBi first half-year report 2012 for
purpose of the Offer Document**

Executive summary

LBI reports excellent first half-year performance and good progress in strategy execution

Amsterdam (the Netherlands), 27 July 2012 – LBI International N.V. (NYSE Euronext: LBI), Europe's largest independent marketing and technology agency, today reports its first half-year 2012 results for the period ended 30 June 2012.

Key highlights

- Revenue up 26.3% (21.6% at constant rates) to EUR 119.4 million reflecting continued demand for digital branding, social media and mobile offerings;
- Adjusted EBITDA increased 30.9% to EUR 19.9 million, reflecting solid underlying operational progress and margin improvement;
- Q2 2012 EBITDA at EUR 10.5 million with margin up at 17.1% (Q2 2011: 16.4%) due to improved performance in the USA;
- Net result of EUR 9.4 million in H1 2012 vs. EUR 8.0 million (excluding the benefit of one-off items) in 2011;
- Strong financial position with cash balance of EUR 37.2 million and net debt at EUR 9.1 million per end of June;
- Positive operating cash flow of EUR 2.5 million (H1 2011: -2.9) in line with seasonal pattern;
- Continued double digit organic growth in revenue and EBITDA expected for 2012.

Group Results	Jan - Jun	Jan - Jun		Change
EUR million	2012	2011	Change	constant rates
Revenue	119.4	94.5	26.3%	21.6%
EBITDA adjusted	19.9	15.2	30.9%	23.7%
EBITDA margin adjusted	16.7%	16.1%		
EBITDA	19.7	17.1		
Depreciation & amortisation	-5.2	-3.2		
EBIT	14.5	13.9		
Net result	9.4	9.9 *		
Earnings per share	€ 0.07	€ 0.07		

* Including one-off gains of EUR 1.9 million (on balance)

Luke Taylor, CEO of LBI, commented: "Our results for the first half-year show that we continue to make good progress in executing our strategy in a challenging business environment.

Margins developed positively over the period and in Q2 we delivered EBITDA of EUR 10.5 million on revenues of EUR 61.4 million (17.1%). The 100 basis point improvement compared to Q2 2011 can principally be attributed to on-going efficiency gains in the USA where the benefits of last year's management restructure and better cost control are starting to now flow through.

Revenue developed broadly in line with plan with out-performance in the UK, USA and Nordic markets offsetting some persistent hesitancy in the smaller European markets.

Global demand for our services remains healthy and we do not currently see any material evidence of softness in the top-line. We of course expect that conditions will remain challenging across Central and Southern Europe but we are now better balanced geographically and this will help us maintain positive momentum. Furthermore, the consistent acceleration in spend across earned media channels gives us some structural resilience to any downturn in sentiment.”

Financial overview

Group results

EUR million	Jan - Jun 2012			Jan - Jun 2011		
	Reported	Exceptional items	Adjusted	Reported	Exceptional items	Adjusted
Revenue	119.4		119.4	94.5		94.5
Cost of operations	-100.2		-100.2	-80.1	0.6	-79.5
As % of revenue	84.8%		84.1%	84.8%		84.1%
Restructuring & integration costs	-0.5	0.5	0.0	0.0		0.0
Other income/expenses	1.0	-0.3	0.7	2.7	-2.5	0.2
EBITDA	19.7	0.2	19.9	17.1	-1.9	15.2
EBITDA margin	16.5%		16.7%	18.1%		16.1%
Depreciation	-2.1		-2.1	-1.6		-1.6
Amortisation	-3.1		-3.1	-1.6		-1.6
EBIT	14.5	0.2	14.7	13.9	-1.9	12.0
Net financial items	-1.8		-1.8	-0.6		-0.6
Tax	-3.3		-3.3	-3.4		-3.4
Net result	9.4	0.2	9.6	9.9	-1.9	8.0

GENERAL DEVELOPMENTS

In H1 2012, LBI continued to make good progress in both improving its financial performance and in executing its strategy. Revenue growth was strong and we made solid steps in improving operations and realising efficiencies in most markets.

REVENUE

Revenue for H1 2012 came in at EUR 119.4 million, representing a 26.3% growth compared to last year. Organic growth in revenue for the period came in at 18.2%. For best comparison, we have defined organic growth as the movement between 2012 revenue and EBITDA, including Mr Youth and 2011 revenues and EBITDA also including Mr Youth.

The UK recorded an impressive growth of 25.7%, driven in part by revenue synergies starting to flow through from the bigmouthmedia integration and an acceleration in pan-European engagements serviced out of the London hub office and also an acceleration in spend across the key client base. Growth in Scandinavia was more modest, but still solid at 21.5%.

Revenue in Central and Southern Europe decreased slightly with 1.7%, reflecting the continued challenging market circumstances in the region.

The USA recorded a growth of 65.3% compared to the same period last year, driven by the acquisition of Mr Youth in November 2011. Excluding Mr Youth the USA showed a solid growth of 16.0%.

COST OF SALES

H1 2012 cost of sales came in at EUR 78.4 million (65.7% of revenue) compared to EUR 62.6 million (66.2%) in 2011. Personnel expenses (including subcontracting) amounted to EUR 83.8 million (70.2% of revenue), compared to EUR 68.3 million in the previous year (72.3% of revenue). The costs of subcontractors were 13.1% of total personnel expenses, compared to 12.4% in 2011.

DEPRECIATION AND AMORTISATION

Depreciation for H1 2012 was EUR 2.1 million (1.8% of revenue) compared to EUR 1.6 million (1.7% of revenue) last year.

Amortisation of intangible assets was EUR 3.1 million compared to EUR 1.6 million in H1 2011. The increase relates to amortisation of acquired intangibles of Mr Youth.

EXCEPTIONAL ITEMS

Exceptional items for the period all relate to Q1.

At the beginning of 2012 the deferred payment agreement to some remaining former bigmouthmedia shareholders expired. As the average share price target under the agreement was met, no cash payments were due and the remaining EUR 0.3 million balance was released to the income statement Q1 2012 as an incidental gain.

Restructuring and integration costs related to restructuring expenses in Q1 2012 in the USA and amount to EUR 0.5 million.

ADJUSTED EBITDA

Adjusted EBITDA amounts to EUR 19.9 million in H1 2012, a 30.9% year-over-year increase (H1 2011:15.2). The adjusted EBITDA margin came in at 16.7% (H1 2011: 16.1%).

NET FINANCIAL ITEMS

Net financial items for H1 2012 amounted to EUR –1.8 million (H1 2011: –0.6). The increase is due to the refinancing of the company and foreign currency effects.

TAXES

The tax charge was EUR –3.3 million in H1 2012 (H1 2011: –3.4). LBI has material tax loss carry forwards and an optimised tax structure which result in a low actual income tax to be paid. The cash out for tax was not material.

NET RESULT

Excluding exceptional items, the net result for H1 2012 was EUR 9.6 million (H1 2012: 8.0).

Including exceptional items, the net result for H1 2012 was EUR 9.4 million (H1 2011: 9.9) positively impacted by an exceptional gain of EUR 1.9 million.

EARNINGS PER SHARE

On 30 June 2012 LBI had 150,190,049 registered shares outstanding, of which 8,698,471 were issued as part of a long term incentive plan but are held in the trust company LBI Employee Benefit Trust until exercised. In addition, LBI had 5,897,034 options/awards outstanding as part of other employee equity incentive plans. During the year a number of options/awards have been exercised. The weighted number of shares outstanding is 141,369,255 excluding the shares held in trust.

Based on 141,369,255 shares (150,190,049 – 8,698,471) and a net result of EUR 9.4 million, H1 2012 basic earnings per share amount to EUR 0.07. The H1 2012 earnings per share after dilution is EUR 0.06.

FINANCIAL STRENGTH

Working capital

Working capital by 30 June 2012 amounted to EUR 35.5 million (year-end 2011: 32.2). The increase of the working capital is mainly due to the increased size of the company.

The days sales outstanding (DSO) of working capital by 30 June 2012 was 33 days (end June 2011: 46).

Net debt and financing

Our financial position remains very healthy. Net debt amounted to EUR 9.1 million at 30 June 2012 (Year-end 2011: 3.3). The increase is due to the increased working capital. The interest coverage ratio ends at 26. Net debt/EBITDA came in at 0.2 as per 30 June 2012, versus 0.1 per 30 June 2011.

Cash flow

Cash flow from operating activities, including working capital movement amounted to EUR 2.5 million in H1 2012 (H1 2011: –2.9).

In the past the level of working capital at the end of June is traditionally the highest of the year. This pattern has repeated itself consistently over the last two years. We expect a considerable positive cash flow in H2 2012 in line with the performance in H2 2011 due to regular typical customer payment patterns.

Earn out provision

The provision for unpaid considerations of acquisitions (earn out dependent on future profitability targets) amounts to EUR 12.0 million on 30 June 2012.

The provision almost entirely relates to the Triple acquisition (2010) for EUR 4.0 million and the acquisition of Mr Youth (2011) for EUR 7.0 million. These payments are due in 2013.

Acquisition

LBI held 87.6% of the shares in MetaDesign AG (Germany). On 6 June 2012 LBI acquired the remaining 16.3% shares in MetaDesign AG for EUR 1.7 million in cash.

Operational review by region

LBI has global operations with 30 offices in 16 countries and a staff of 2,156 per 30 June 2012 compared to 1,800 last year. LBI's reporting is in accordance with its regional segmentation: UK (currently including Australia, India and United Arab Emirates (UAE)), Central and Southern Europe (including China), USA and Scandinavia.

United Kingdom

In the UK revenue increased by 25.7% (19.5% at constant rates) on H1 2011. This growth was ahead of expectation and continues to be driven by good cross sell to existing clients and a continuation of the trend that sees many large, multinational clients procuring digital services from the London hub and looking to agency partners to help with deployment to local markets.

Top line growth ahead of expectation has continued to put pressure on the need for contractors to service some of this growth, which in turn has put pressure on margins. The majority of this growth is coming from large-scale platform strategy and deployment where gross margin tends to be lower than in services such as Search, CRM, Analytics and Mobile. As these platforms roll out we expect to improve the mix of additional services on these engagements and consequently we should see margins improve again. We also took the decision to invest in some large-scale client engagements that offer significant future opportunity across the globe, which has led to some margin erosion in the period.

The transition of existing client relationships to the Multi Signal Search continues on track and as a result client churn in this area has reduced to minimal amounts. Our work in multi-channel strategy and execution continues to develop to the point where most of our top 20 clients are engaging us to do thinking and execution in the this area.

We continue to make investments in our human capital making key recruits in the areas of people development, client services, strategic planning, mobile and Social. We are also making significant efforts to transition the IP and skills in the Mr Youth business in New York as we see an increased appetite in the UK for Social Agency of Record mandates, from our larger clients. The knowledge that we get from activity in the US market is helping us to shape client activity in this area, giving us a leadership position.

We were also able to deliver some exciting new wins in H1 – in particular our success in winning Honda Europe to do a major re-platforming of its websites across multiple territories, against stiff competition, gives us much confidence that our proposition, service offering and footprint continues to be a very compelling solution for clients. Other wins of note were Asda Money, Cunard, IE9 Microsoft Launch (Brandon Generator), and Bahrain Economic Development Board and our continued development of Etihad in the MENA region.

The UK operations generated 35.1% of total Group revenue.

Region Results - UK	Jan - Jun 2012	Jan - Jun 2011	Change	Change constant rates
EUR million				
Revenue	42.0	33.4	25.7%	19.5%
EBITDA adjusted*	11.1	9.5	16.8%	10.5%
EBITDA margin	26.4%	28.4%		
No of employees**	788	606		

* Excluding exceptional items

** End of period

Central and Southern Europe

In Central and Southern Europe growth performance was lagging and reflected that lack of confidence in the region and clients' hesitation to release longer term budgets. Revenue decreased by 1.7% on H1 2011 and EBITDA decreased by 2.1% although we were able to hold EBITDA margins steady at 13.4%.

Germany continued to be the best performing market in the region reflecting the resilience of our full service offering and the strength of our brand in that market. Key clients continued to plan healthy budgets for the future despite the economic environment, although commitments into the future have shortened as confidence has reduced in the last 6 months.

In the rest of the region we are in the early stages of executing on the virtual hub organisational strategy that has been successful in turning around the Scandinavia region over the last 24 months. We are creating a single leadership team that is pursuing a centre of excellence strategy across offices that will enable us to build core specialism more effectively and optimise bench time across the region. This is already bearing fruit by strengthening our ability to win multi territory European mandates with the likes of Europ Assistance.

Our integration of Belgium, Italy, Spain and France is well advanced and performance across these offices consequently remains steady. In the Netherlands the final piece of our repositioning of the agency was completed. New leadership implemented some key personnel improvements and has been successful in winning some solid local market contracts, however it is taking longer to build momentum with existing clients.

The above developments combined with a continued trend of multinational client procurement shifting to the bigger international centres such as London, has meant a decline in revenues and EBITDA as compared to H1 2011 for the region.

Nevertheless we experienced some good wins in H1 2012 - Europ Assistance, BNP Paribas and BIC.

The Central and Southern Europe operations generated 28.8% of total Group revenue.

Region Results - EUROPE				
EUR million	Jan - Jun 2012	Jan - Jun 2011	Change	Change constant rates
Revenue	34.4	35.0	-1.7%	-1.7%
EBITDA adjusted*	4.6	4.7	-2.1%	-2.1%
EBITDA margin	13.4%	13.4%		
No of employees**	744	698		

* Excluding exceptional items

** End of period

United States of America

LBi operations in New York continue to incrementally improve quarter on quarter. The organisational redesign implemented in the middle of last year is starting to positively impact margin performance and this has been further supported by strong consistent revenue growth across the key anchor clients of BMS, Bayer, Johnson & Johnson, Coke and Sony. These accounts are building as we extend our remit across new brand categories, extend our geographic remit and cross sell more effectively into social, search and CRM.

Mr Youth continues to benefit from a best in class offer focused exclusively on earned media and a unique operating model and toolset which allows it to effectively manage large global social agency of record mandates. There continues to be strong demand for large strategically led engagements which combine earned media modelling techniques, content distribution programmes and technology solutions that drive effective community and influencer management.

We are currently converging the LBi and Mr Youth proposition so that we can increasingly own both the digital and social agency of record in a blended service offer. This offer uniquely combines digital, social, CRM, search and data services and leverages a suite of technology tools to manage conversations, distribute content and drive actionable insight. We are currently rolling out the combined offering across key global clients and in this way operationally embedding the IP into new markets outside the USA.

The USA operations generated 26.3% of total Group revenue. Organic growth was 18.2%.

Region Results - USA				
	Jan - Jun 2012	Jan - Jun 2011	Change	Change constant rates
EUR million				
Revenue	31.4	19.0	65.3%	53.2%
EBITDA adjusted*	6.1	2.3	165.2%	143.5%
EBITDA margin	19.4%	12.1%		
No of employees**	365	257		

* Excluding exceptional items

** End of period

Scandinavia

Scandinavia continues to perform strongly, sales went up by 21.5% to EUR 14.7 million (H1 2011; 12.1). EBITDA came in at EUR 3.0 million, up 36.4% compared to the same period last year. This is principally driven by better operational efficiency across the region and accelerating spend across existing clients and increased demand of new services across strategy, media and social.

The shift in demand from core design and build services towards the expanded service offer, is most significant on the largest Nordic accounts, including IKEA and Volvo Cars where the Nordics now grasp the opportunity to proof the relevance of our expanded offer to large global companies.

The Scandinavia operations generated 12.3% of total Group revenue.

Region Results - SCANDINAVIA				
EUR million	Jan - Jun 2012	Jan - Jun 2011	Change	Change constant rates
Revenue	14.7	12.1	21.5%	20.7%
EBITDA adjusted*	3.0	2.2	36.4%	31.8%
EBITDA margin	20.4%	18.2%		
No of employees**	233	212		

* Excluding exceptional items

** End of period

Parent company

Revenue consists of reversed intercompany revenue and reversed intercompany costs. The costs in the holding consist mainly of personnel costs, rent, advisor costs and other costs such as for the listing etc. Part of these costs are recharged to the subsidiaries via management- and intellectual property right licence fees.

Region Results - HOLDING & ELIMINATIONS		
EUR million	Jan - Jun 2012	Jan - Jun 2011
Revenue	-3.1	-5.0
EBITDA adjusted*	-4.9	-3.5
No of employees**	26	27

* LBi International N.V., LBi UK Holding N.V., LBi Holding Ltd and Icon Medialab Mijada AB

** End of period

Risk management

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 2011. Below the major risks are listed to which LBI 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 our services). Deterioration of the general economic conditions may have an adverse effect on our results. As a consequence, we might be obliged to adapt our 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. 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. Management closely monitors its subsidiaries in all countries.

Impairment

LBI 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

We do business in a highly competitive market. Failure to satisfy client demands and remain competitive could be detrimental to the our operations, earnings and financial position.

Dependency on major clients

A substantial part of our 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.

Basis for preparation first half-year report 2012 for purpose of the Offer Document

The following aspects of the Consolidated Interim LBi financial statements for the period January – June 2012 included in the Offer Document differ from LBi's First half year report for the period January – June 2012, published by LBi on 27 July 2012:

Condensed segment information (page 176 of the Offer Document)

In LBi's First half year report for the period January – June 2012 as published by LBi on 27 July 2012 the condensed segment information was included in the section "Operational review per region" (pages 6 to 9).

Condensed consolidated statement of changes in equity (page 175 of the Offer Document)

The Condensed consolidated statement of changes in equity table, included in the Offer Document, shows the movements over the first half year of 2011 (for the comparable figures) whereas in LBi's First half year report for the period January – June 2012 as published by LBi on 27 July 2012, the movements for the full financial year 2011 were presented.

Responsibility statement (page 178 of the Offer Document)

In the Responsibility statement, included in the Offer Document, an additional statement is included which reads as follows:

"As per 27 July 2012, we do not foresee important risks and uncertainties for the remaining six months of the accounting year as meant in Article 5:25d paragraph 2 under c, under 2 of the Dutch Financial Supervision Act (Wet op het Financieel toezicht)."

Condensed consolidated income statement

EUR million	Jan - Jun 2012	Jan - Jun 2011
Revenue	119.4	94.5
Cost of sales	-78.4	-62.6
Gross margin	41.0	31.9
Selling expenses	-8.9	-6.3
Administrative expenses	-18.6	-14.4
Other operating income	1.0	2.7
Operating result	14.5	13.9
Finance income	0.3	0.4
Finance expenses	-2.1	-1.0
Result before income tax	12.7	13.3
Income tax	-3.3	-3.4
Net result for the period	9.4	9.9
Attributable to:		
Owners of the parent	9.4	9.8
Non-controlling interest	0.0	0.1
Net result for the period	9.4	9.9

Earnings per share (€ 's)	€ 0.07	€ 0.07
Earnings per share after dilution (€ 's)	€ 0.06	€ 0.07
Average number of shares outstanding (1000's)	141,492	141,256
Average number of shares outstanding after dilution(1000's)	144,864	143,402

* Including one-off gains of EUR 1.9 million (on balance)

Condensed consolidated statement of comprehensive income

EUR million	Jan - Jun 2012	Jan - Jun 2011
Net result for the period	9.4	9.9
Other comprehensive income		
Currency translation effects	6.8	5.4
Cash flow hedge	-0.5	0.0
Net investment hedge	1.5	-2.0
Total other comprehensive income	7.8	3.4
Total comprehensive income for the period, net of income tax	17.2	13.3
Total comprehensive income attributable to:		
Parent company's shareholders	17.2	13.2
Minority interests	0.0	0.1
Total comprehensive income for the period, net of income tax	17.2	13.3

Condensed consolidated statement of financial position

EUR million	30 Jun 2012	31 Dec 2011
Tangible assets	14.7	14.5
Goodwill	193.4	189.2
Other intangible assets	16.1	15.5
Deferred tax asset	50.8	50.8
Other non-current assets	1.8	1.8
Total non-current assets	276.8	271.8
Trade and other receivables	55.1	71.1
Current income tax receivable	0.4	0.1
Prepaid expenses and accrued revenue	44.5	25.8
Cash and bank deposits	37.2	41.1
Total current assts	137.2	138.1
Total assets	414.0	409.9
Shareholders' equity	284.6	267.1
Non-controlling interest	0.0	0.2
Total equity	284.6	267.3
Long term liabilities to credit institutions	26.4	29.8
Provisions for pensions and similar obligations	1.1	1.1
Deferred tax liability	3.5	2.1
Other provisions	12.4	13.0
Total long-term liabilities	43.4	46.0
Short term liabilities to credit institutions	19.9	14.6
Trade and other payables	14.2	22.3
Current income tax payable	4.3	4.9
Deferred income	19.3	20.5
Contingent consideration short term	0.0	0.4
Other short term liabilities	28.3	33.9
Total current liabilities	86.0	96.6
Total equity and liabilities	414.0	409.9

Condensed consolidated statement of changes in equity

EUR million	Share capital	Additional paid in capital	Currency translation reserve	Retained earnings	Result for the period	Shareholders' equity	Non-controlling interests	Total equity
Opening balance 1 January 2011	37.5	250.8	8.6	-52.6	0.5	244.8	-0.1	244.7
Impact of options and awards		0.1		0.2		0.3		0.3
Other comprehensive income			3.4	-0.1		3.3	0.1	3.4
Result for the period					9.9	9.9		9.9
Balance at 30 June 2011	37.5	250.9	12.0	-52.5	10.4	258.3	0.0	258.3
Opening balance 1 January 2012	37.5	250.9	12.2	-51.0	17.5	267.1	0.2	267.3
Appropriation of result				17.5	-17.5	0		0
Impact of options and awards		0.2		-0.1		0.1		0.1
Other comprehensive income			8.3	-0.5		7.8		7.8
Result for the period					9.4	9.4		9.4
Transactions with non-controlling interests				0.2		0.2	-0.2	0
Balance at 30 June 2012	37.5	251.1	20.5	-33.9	9.4	284.6	0.0	284.6

Condensed consolidated cash flow statement

EUR million	Jan - Jun 2012	Jan - Jun 2011
Cash flow from operations	17.2	11.8
Changes in working capital	-14.7	-14.7
Net cash flow used/ generated from operating activities	2.5	-2.9
Acquisition/divestment of subsidiaries	-1.8	-3.0
Cash flow used for other investing activities	-5.9	-5.2
Net cash flow used/ generated from investing activities	-7.7	-8.2
Net cash flow used/ generated from financing activities	0.6	-9.2
Net cash flow for the period	-4.6	-20.3
Cash at the beginning of the year	41.1	44.3
Net cash used/ generated during the year	-4.6	-20.3
Effects of exchange rate changes on cash and bank deposits	0.7	0.4
Cash at the end of the period	37.2	24.4

Note: cash flow from acquisitions in H1 relates to the acquisition of the remaining share in MetaDesign AG.

Condensed segment information

EUR million	UK		Europe		USA		Scandinavia		Holding & elim.		Total	
	Jan - Jun	Jan - Jun	Jan - Jun	Jan - Jun	Jan - Jun	Jan - Jun						
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	42.0	33.4	34.4	35.0	31.4	19.0	14.7	12.1	-3.1	-5.0	119.4	94.5
EBITDA adjusted	11.1	9.5	4.6	4.7	6.1	2.3	3.0	2.2	-4.9	-3.5	19.9	15.2
EBITDA margin	26.4%	28.4%	13.4%	13.4%	19.4%	12.1%	20.4%	18.2%	n/a	n/a	16.7%	16.1%
FTE's	788	606	744	698	365	257	233	212	26	27	2,156	1,800

There have been no material changes in total assets from the amount disclosed in the last financial statements, nor have there been any differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

The company assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excluded the effect of equity settled share based payments and unrealised gain/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Key ratios

	Jan - Jun 2012	Jan - Jun 2011
Change in net sales	26.3%	10.8%
Adjusted EBITDA margin	16.7%	16.1%
Net result margin	7.9%	10.5%
Equity/assets ratio	68.7%	72.1%
Avg no of employees	2,136	1,810
No of employees end of period	2,156	1,800
Sales per employee (EUR x 1000)*	112	104
Adj EBITDA per employee (EUR x 1000)*	19	17
No of shares end of period (x 1000)**	141,492	141,287
No of shares after dilution (x 1000)	144,986	143,433
Weighted average no of shares (x 1000)**	144,369	141,256
Weighted average no of shares after dilution (x 1000)	144,864	143,402
Shareholders'equity per share, EUR	2.01	1.78
Shareholders'equity per share after dilution, EUR	1.82	1.75
Operating cash flow per average no of shares, EUR	0.02	-0.02

* Figures on annualised basis

** Excluding 8.7 million shares issued to the trustee of the host company LBI Employee Benefit Trust as part of the long-term incentive plan.

Summary of accounting policies

The condensed consolidated financial statements (hereafter 'the Financial Statements') of LBI International N.V., a company registered in the Netherlands, and its subsidiaries (the 'Group') for the period 1 January 2012 until 30 June 2012 are unaudited. They are prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These statements should be read in conjunction with the Consolidated Financial Statements (hereafter the 'Annual Financial Statements') for the year ended 31 December 2011.

The Financial Statements have been prepared in accordance with the accounting policies and methods of computation set out in the Annual Financial Statements 2011. Where necessary, comparative information has been reclassified or expanded from the previously reported Financial statements to take into account any presentational changes made in the Annual Financial Statements or in these Financial Statements.

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities at the date of the Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which circumstances change.

Although LBI operates in a highly dynamic market there is no identifiable seasonal pattern experienced during the financial year. The policies for making estimates and assumptions, therefore, are not changed for this purpose. Income tax expense is recognised based upon the best estimate of the weighted average income tax rate expected for the full financial year.

During the period covered by the Financial Statements no changes were made to the accounting policies as set forth in the Annual Financial Statements.

Reporting of EBITDA

In order to make the results and performance better comparable with those of competitors, the company focuses on EBITDA rather than EBIT. EBITDA excludes the amortisation (on client relationships) in acquisitions and is therefore considered a better measure for analysing the operational performance.

Disclosure notes

Goodwill

The movement in goodwill during the first half of the financial year is fully attributable to currency translation effects.

Business combinations

LBI held 83.7% of the shares in MetaDesign AG (Germany). On 6 June 2012 LBI acquired the remaining 16.3% shares in MetaDesign AG for EUR 1.8 million in cash.

Other items

Responsibility statement

The members of the Management Board as required by section 5:25d paragraph 2 under c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), confirm that to the best of their knowledge:

1. the first half-year report for the 6-months ended on 30 June 2012 give a true and fair view of the assets, liabilities, financial position and profit or loss of LBi International N.V. and its consolidated companies, and
2. the Executive summary and Financial overview give a true and fair view of:
 - a. the position of LBi International N.V. and its consolidated companies per 30 June 2012;
 - b. the development and performance of the business during the financial year of LBi International N.V. and its consolidated companies;
 - c. the expected development and performance of the business, provided that the interests of LBi International N.V. and its consolidated companies are not harmed by disclosure, with particular attention for the investments, and the circumstances of which the development of revenues and profitability are dependant.
3. As per 27 July 2012, we do not foresee important risks and uncertainties for the remaining six months of the accounting year as meant in Article 5:25d paragraph 2 under c, under 2 of the Dutch Financial Supervision Act (Wet op het Financieel toezicht).

Luke Taylor, CEO
Huub Wezenberg, CFO

Auditors' involvement

The content of these condensed interim financial statements have been reviewed by the company's external auditor.

Calendar

- The quarterly trading update for the period July – September 2012 will be released on 23 October 2012

Amsterdam, 27 July 2012

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 27 July 2012.

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About LBi

LBi International N.V. (NYSE Euronext Amsterdam: LBI) is Europe's largest independent marketing and technology agency, blending insight, media, creativity and technical expertise to create value for brands.

Headquartered in Amsterdam (the Netherlands), we have operations in 16 countries and a staff of approximately 2,150. As a marketing and technology agency, we offer services to brands (clients) to help them engage with their customers through digital channels across a wide spectrum of their points of engagement, from initial awareness of the brand, through direct interaction with the services or products offered by the brand, to on-going relationships with the brand.

The Company offer a suite of services that are designed to help companies attract, engage and manage customers, more effectively. This full service offering combines analytical, direct marketing and digital competences, which means that we are able to develop big creative ideas in the digital space, build and manage complex transactional websites, run complex CRM programmes and even handle the media buying, planning and electronic public relations for blue chip companies.