Quarterly trading update for the period January – March 2012

LBi

LBi sees continued sales and earnings growth in Q1 2012

Progress reflects success of business model transformation and strategy execution

Amsterdam (the Netherlands), 26 April 2012 – LBi International N.V. (NYSE Euronext symbol: LBI), Europe's largest independent marketing and technology agency, today reports its first quarter results for the period ended 31 March 2012.

Key highlights

- Q1 2012 net sales up 27.8% (25.3% at constant rates) versus Q1 2011 reflecting continued growth in all regions and successful integration of Mr Youth;
- Q1 2012 adjusted EBITDA up 25.3% (22.7% at constant rates) to EUR 9.4 million vs. Q1 2011 (EUR 7.5 million), EBITDA margin at 16.2% (16.5%);
- Q1 2012 organic revenue growth[1)] at constant rates 17.8%;
- Net income of EUR 4.5 million in Q1 2012 vs. a net income of EUR 4.6 million in Q1 2011 (net result Q1 2011 benefited from a one off contingent consideration release of EUR 1.8 million);
- Healthy financial position with limited net debt of EUR 8.2 million and a slight negative cash flow from operations due to primarily seasonal effects of EUR -1.1 million;
- Continued increase of interest by clients (brands) in agencies that blend search, social, direct response, data and digital skill sets.

Key figures (EUR million)	Jan - Mar 2012	Jan - Mar 2011	Change
Revenue	58.0	45.4	27.8%
EBITDA	9.2	8.7	5.7%
EBITDA adjusted	9.4	7.5	25.3%
Margin %	16.2%	16.5%	
Operating cash flow	-1.1	1.1	
Net result	4.5	4.6	
Net result per share	0.03	0.03	

Luke Taylor, CEO of LBi commented: "We are broadly pleased with progress made in Q1. The growth recorded across the US, UK and Nordic regions remains particularly strong and we see accelerating opportunity for LBi to own both the digital and social agency of record opportunity. The acquisition of Mr Youth delivers a best-in-class competitive advantage in the rapidly growing social marketing segment and we are focused on the rapid transfer of these specialist skills across all our markets. We have also upgraded our platform toolset to facilitate the rapid integration of social marketing IP into all key hub offices. We believe that our offer which uniquely blends both digital and social marketing skill sets is now differentiated by the depth and breadth of skills mix and a cost effective delivery model. The success of this mix is best evidenced in recent multi market Agency of record wins for Honda, Skype and Etihad."

[1)] *For best comparison, we have defined organic revenue growth as the movement between Q1 2012 revenues including Mr Youth and Q1 2011 revenues also including Mr Youth. Please note that US-based social media marketing agency Mr Youth was acquired by LBi in November 2011 and consolidated as of mid-November 2011.*

Results of operations

Driven by a growing spend across key accounts and the successful cross-sell of services, revenue increased in all regions. In Q1 2012, net sales were up 27.8% (25.3% at constant rates) compared to Q1 2011 at EUR 58.0 million. Adjusted EBITDA came in at EUR 9.4 million. Excluding the recent acquisition of Mr Youth in the US, LBi's revenue growth was 16.2% compared to Q1 2011. Organic revenue growth[1)] at constant rates was 17.8%.

EBITDA was impacted by a gain of EUR 0.4 million related to the release of the remaining contingent consideration for bigmouthmedia and a cost of EUR 0.6 million related to the final restructuring in the USA (signposted in our FY release for EUR 1.0 million). Eliminating the net impact of EUR 0.2 million brings the adjusted EBITDA to EUR 9.4 million for the first quarter.

Revenue development per region

Revenue by region (EUR million)	Jan - Mar 2012	Jan - Mar 2011	Change	Change at constant rates
UK	20.1	15.4	30.5%	27.9%
Central & Southern Europe (CSE)	17.3	17.0	1.8%	1.8%
USA	15.5	9.3	66.7%	59.1%
Scandinavia	7.3	5.7	28.1%	28.1%
Parent & eliminations	-2.2	-2.0		
Total	**58.0**	**45.4**	**27.8%**	**25.3%**

UK

Strong organic growth continues through the development of existing accounts and the fast start of some key Q4 wins – RBS and Asda Money. Operating margins showed improvement on Q4 as the contractor/FTE mix improves. There were some strong client wins, in particular Honda Digital Agency of Record engagement across 22 European markets and the Etihad integrated digital media work. The Company was also named IAB Creative Agency of the Year.

In **Central and Southern Europe**, year on year revenue growth across the region has shown only a marginal improvement. However, we are seeing evidence of improvement in margin across the area. This is principally driven by a more efficient hub and spoke delivery model which allows us to service regional clients across multiple locations better leveraging local rate cards and specialist centres of excellence.

The business in the **USA** is developing well. New wins include Dell, Vinio and Skype. We are now converting an accelerating number of Social Agency of Record mandates on the back of Mr Youth's best-in-class expertise in this area. Organic revenue growth[1)] came in at 29.6%.

Scandinavia continues to perform strongly, sales went up by 28.1%. This is principally driven by accelerating spend across existing clients and with a shift from core design and build projects towards a more leading role within digital strategy and marketing activities focused on media and social networks.

Financial position

Financial key figures (EUR million)	Jan - Mar 2012	Jan - Mar 2011
Revenue	58.0	45.4
Current assets	134.7	108.2
Current liabilities (excl. ST portion of LT liabilities)	69.1	61.7
Cash	37.0	30.3
Working capital (excl. cash)	28.6	16.2
DSO on working capital (days)	35.2	32.1
Earn-out obligations	11.9	10.6
Net debt	8.2	-1.3
Cash flow from operations	-1.1	1.1

The financial position remains strong and healthy, with limited net debt. The operating cash flow amounted to EUR -1.1 million for Q1 2012 due to primarily seasonal effects. The cash position improved to EUR 37.0 million (cash and bank deposits) per 31 March 2012, from EUR 30.3 million per 31 March 2011. The deferred payment related to the acquisition of bigmouthmedia was settled in February without cash impact.

As of 31 March 2012, net debt came in at EUR 8.2 million compared to a net cash of EUR 1.3 million as per 31 March 2011 and a net debt of EUR 3.3 million as per year-end 2011.

Outlook

Client interest in agencies that blend search, direct response, social, data and digital skill sets will continue to increase. Demand for our services appears robust and we remain at this time committed to strong organic[1)] double digit growth through the year.

Calendar

- The AGM will take place in Amsterdam on 24 May 2012.
- The first half-year report January – June 2012 will be released 27 July 2012.
- The quarterly trading update for the period July – September 2012 will be released on 23 October 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 26 April 2012. The Company's auditors have not reviewed this report.

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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 2,120. 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.